

Annual report 2018

Mutual fund reports from Handelsbanken Fonder



The Chief Executive's Comments

We will remember 2018 as a year of turbulence. Most of the equity markets began the year relatively strongly, enthusiastically encouraged by the monetary stimulus measures in the U.S. During the spring, concerns escalated about the trade war, at the same time as the central banks began to move from an expansive to a more modest fiscal policy.

The global equity markets experienced significant pressures during the warm summer months. The hot summer was followed by a stormy autumn on the stock markets, which was characterised by declining stock markets worldwide. The year closed with negative returns on the majority of markets, although the returns for many Swedish fund savers (measured in SEK) benefited from a stronger USD that offset a portion of the stock market downturn. Among our funds, Hälsovård Tema stands out as one of the strongest performers with returns of almost 15 percent, while EMEA Tema posted a negative return of close to -17 percent, which demonstrates the turbulence of the year.

During the year we launched Microcap Norden, a fund that invests in very small companies listed on the Nordic stock exchanges. The following Luxemburg-based funds were moved to Sweden and now belong to the management company Handelsbanken Fonder: Amerika Småbolag, Brasilien, Global Selektiv, Tillväxtmarknad Obligation and Kortränta. At the same time, we merged Rysslandsfond into EMEA Tema, given that many of the companies in Russia do not meet our sustainability requirements.

The world's sustainability challenges were felt and became even more obvious in 2018. During the summer we had extremely warm temperatures in Sweden, together with drought and fires. Globally, we saw record temperatures during the year, as well as higher emissions of greenhouse gases, which is alarming. Climate changes result in financial risks, as industry and companies are faced with entirely new planetary conditions, with risk for significantly higher sea levels, temperatures and severe weather in the form of storms, floods, droughts and fires.

The ambition of our fund managers is to be as skillful in lessening the burden on the planet as in creating strong financial returns. Many of our customers have a long-term horizon in their savings, which makes it self-evident that we need to protect our planet to avoid long-term financial risks. During the year we published our first climate report (in accordance with the recommendations of TCFD, Task force for Climate related Financial Disclosure), where interested parties can read more about how we assess and manage climate-related financial risks and opportunities.

The road to healthy financial markets is expected to be bumpy and we should expect volatility in the global equity markets during 2019. We look forward to increased stability within global policy and that climate-related solutions will take another step forward and become a natural part of a company's business operations.

As asset managers, we have a high level of responsibility to ensure that we invest in companies that contribute positively. We are convinced that these companies will be the true winners of the future.

Carl Cederschiöld,

Chief Executive Officer, Handelsbanken Fonder

Mutual Funds Annual Report 2018

Sustainability and Corporate Governance	4	Kapitalförvaltning 50	239
Global markets in brief	6	Kapitalförvaltning 75	243
Equity Funds		Multi Asset 15	247
AstraZeneca Allemansfond	7	Multi Asset 25	251
Amerika Småbolag Tema	11	Multi Asset 40	255
Amerika Tema	16	Multi Asset 50	259
Asien Tema	22	Multi Asset 60	263
Brasilien	28	Multi Asset 75	267
EMEA Tema	32	Multi Asset 100	271
Europa Selektiv	37	Multi Asset 120	275
Europa Tema	42	Pension 50 Aktiv	278
Finlandsfond	47	Pension 60 Aktiv	282
Global Selektiv	51	Pension 70 Aktiv	286
Global Tema	55	Pension 80 Aktiv	290
Hållbar Energi	61	Pension 90 Aktiv	294
Hälsovård Tema	66	Stiftelsefond Criteria	297
Japan Tema	71		
Kinafond	76	Information from Handelsbanken Fonder	301
Latinamerikafond	81	Definitions	304
Microcap Norden	86	Definitions - Sustainability	305
Microcap Sverige	89	Risk in seven levels	307
Nordenfond	93		
Norden Selektiv	98		
Nordiska Småbolagsfond	104		
Norge	110		
Svenska Småbolagsfond	113		
Sverigefond	118		
Sverige Selektiv	122		
Tillväxtmarknad Tema	127		
Alternative Funds			
Global Selektiv Hedge	133		
Hållbarhet Hedge Criteria	137		
Räntestrategi Criteria	141		
Räntestrategi Plus Criteria	146		
Fixed Income			
Euro Corporate Bond Fund	150		
Euro Obligation	154		
Euro Ränta	158		
Flexibel Ränta	162		
Företagsobligation	166		
Företagsobligation Investment Grade Criteria	170		
Företagsobligation Investment Grade Criteria (NOK)	175		
Høyrente	179		
Institutionell Kortränta Criteria	184		
Kortränta	188		
Kortränta Criteria	192		
Långränta Criteria	196		
Likviditet	200		
Obligasjon	204		
Ränteavkastning Criteria	208		
Realräntefond	212		
Tillväxtmarknad Obligation	215		
Asset Allocation Funds			
Aktiv 30	220		
Aktiv 50	224		
Aktiv 70	228		
Aktiv 100	232		
Kapitalförvaltning 25	235		

This document includes the annual reports for 2018. The annual reports are complete, with the exception of the audit reports for the individual funds. The audit reports may be obtained at www.handelsbanken.se/funds.

The annual reports are approved by the Board of Directors of the Management Company and have been reviewed by the Management Company's auditors. Other sections of the associated annual reports are available on pages 304-306 in the form of the Accounting Principles and the Composition of the Board of Directors. The complete reports may also be ordered from Handelsbanken Fonder AB, 106 70 Stockholm.

Sustainability and Corporate Governance - 2018

Sustainable fund management is continuously developed – new fund management methods are produced, new issues related to sustainable management arise, and the monitoring of our progress towards this end is developed. Agenda 2030 and the Sustainable Development Goals give a clear direction and targets with regard to the environment and climate that remain key areas of focus in the management of our funds. We want to take an active role along the journey to a sustainable development by offering both good returns, as well as participation in a sustainable development, and thereby are contributing to the Sustainable Development Goals.

As an important investor, we can assume a key role in the realisation of the Paris Agreement and in a sustainable development. We actively try to increase investments in companies that offer solutions to the global sustainability challenges and strive to reduce the negative impact of our investments on the environment and the climate.

For the first time, we are pleased to present our active sustainability activities in this year's annual reports for each individual fund. By providing examples of companies included in a fund and how we are incorporating sustainability issues into the specific investment choices, we are being transparent in how sustainability is factored into our investment decisions. We also provide examples of the dialogues we have conducted with companies, which are another critical tool in our active management where we regularly take contact with and meet the companies. The report is a result of legal requirements and the reporting format has been jointly developed by the sector based on the existing Sustainability profile.

Our active engagements

A critical component in taking responsibility as an investor is to influence the companies in which we invest. Our engagement activities are founded on the value base of Handelsbanken and the Management Company, our commitments, as well as the international norms and conventions we safeguard. Through our engagements we impose requirements and/or encourage companies to improve their sustainability efforts. Our engagement efforts include dialogues that we conduct directly with the companies or together with other investors, participation in international initiatives, as well as our corporate governance efforts that consist of the nomination committee work and voting at company general meetings. During 2018 we were actively involved in the following engagements:

Dialogues

During the year we worked actively with 28 dialogues that were undertaken directly with the companies by the fund managers. The dialogues consist of various sustainability issues, such as requirements for increased transparency and disclosure of sustainability efforts, specific issues regarding climate impact and human rights, as well as labour law issues.

During 2017 we initiated a thematic effort with regard to the gaming sector and issues related to Responsible Gaming (RG). The aim of the analysis and the company dialogues was to conduct an in-depth analysis of the work with RG and to evaluate the companies' management systems to determine if they were sufficient. The analysis showed significant differences in how far the various companies had progressed in this regard. Based on our conclusions and internal discussions, we determined not to continue to invest in gaming companies and therefore we sold our holdings in these companies during 2018.

Pooled Engagement

We participate in joint dialogues with companies together with other investors. Working together strengthens the message and sends clear signals to the company that we expect the issues to be taken seriously. The starting point for these dialogues is often suspected or confirmed violations of international norms and conventions and focus primarily on the principle areas of the UN initiative, Global Compact: human rights, labour law and work conditions, the environment and anti-corruption. During 2018 we participated in 143 such dialogues.

Collaborations and initiatives

During 2018 we participated in several international collaborations and initiatives that focused on specific sustainability issues: PRI Methane Engagement, PRI Cyber Security Engagement, FAIRR Antibiotics Engagement, PRI Sustainable Palm Oil and the PRI-Ceres Working Group on Sustainable Soy. Handelsbanken Fonder is a so-called "supporting investor" within these initiatives, which means that we endorse the collaborations and support company dialogues with our capital but are normally not the investors leading the dialogues with the company concerned.

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

ters of carbon dioxide. The aim of the dialogue is to persuade the company to reduce its negative impact on the climate.

Voting at general meetings

The shareholder's right to vote at the general meetings is of great importance to us. Normally, the Management Company votes at the general meetings in the companies where ownership exceeds 0.5% or there is a vote on matters of particular concern. During 2018 we voted at 381 general meetings, of which 158 were in Swedish companies. In total, we voted at companies in over 30 countries.

Nomination committees

In preparation for the annual general meetings in 2018, Handelsbanken Fonder participated in 36 nomination committees. For 2019, we have qualified for 37 nomination committees, and we have composed 24 of these with women in our aim of contributing to improved gender equality in the nomination committees. We believe that this is a contributing factor to our success in increasing the number of women on the boards of directors to an average of 39% in 2018 (compared to 34% in 2017). Two companies that previously had boards comprised only of men appointed 40 and 50% women, respectively, on their boards after the general meeting. We believe that a more equal representation of gender on the board of directors leads to improved corporate governance and thereby more profitable companies.

The majority of our funds are being adapted to our Criteria exclusion strategy

The exclusion strategy means that we exclude sectors that run the risk of countering the targets in Agenda 2030 and the Sustainable Development Goals. In our efforts to strengthen our focus on sustainability, we made the decision in May 2018 to transition the majority of our funds to exclude controversial business operations from the investment universe in accordance with our Criteria funds. The transition is gradually continuing in 2019 and the actively-managed funds¹ will include this exclusion strategy as their foundation by mid-year 2019. Many of the funds have already been adapted during the year, namely all of the Selektiv funds, EMEA Tema, Hälsovård Tema, as well as the majority of the fixed income funds. At the end of 2018, just over 80% of our equity and fixed income funds were managed based on this exclusion strategy. Our fund-of-funds are also being gradually adapted to more explicit exclusion criteria, which is expected to be completed during 2019.

Our first Nordic Swan Sustainability Report

The Hållbar Energi fund has held the Nordic Swan Ecolabel since 2017. The fund invests worldwide in companies that offer solutions within renewable energy or energy effectiveness. We published our first Nordic Swan Sustainability Report for the fund in October 2018. The report describes the fund's active engagements, as well as its focus and sustainability criteria.

Climate reporting

At the end of the year we published our first climate report in accordance with TCFD's recommendations. We hope to contribute to greater transparency within the industry in regard to financial risks and opportunities related to climate change. The aim of the report is to inform our stakeholders of our efforts related to climate change, our exposure to climate-related risks and opportunities, as well as our continued efforts within this area.

Our continued efforts

Active fund management identifies and invests in future champions. The way companies are equipped to manage their sustainability risks, or how they develop their businesses and take advantage of growth opportunities when the rest of the world is tackling major societal challenges is an integral part of the company analysis. Increasing demands are being placed on corporate responsibility and there are higher expectations on companies to deliver long-term value to all stakeholders, not just shareholders. As asset managers, we have a major responsibility to invest in companies that contribute in a positive manner. Accordingly, we are continuing down the path within active fund management to focus our efforts and work broadly across all sectors to identify solution-driven or transition companies, whose products and services help rather than hurt the planet. We are convinced that these companies will be the winners of the future.

We will place further focus on climate issues and equality in our engagement activities, as well as on human rights, where we are currently seeing continuing risks in companies' complex global value chains. In an effort to contribute to a sustainable development and deliver value today as well as to future generations, sustainability will continue to be a critical component of the ongoing fund management and our contacts with companies throughout 2019 and going forward.

Karin Askelöf
Head of Sustainability, Handelsbanken Fonder

¹ Excluding a Norwegian equity fund and three Norwegian fixed income funds

Global markets in brief

2018 proved to be a dramatic year on the global financial markets, which is often the case in times of political uncertainty or when the growth rate shifts. Such is the case at this time.

The year began strongly, with a favourable environment for profits in most countries. Profits in U.S. companies also received an extra boost from the tax cuts implemented at the end of 2017. Despite this revitalisation, the global economy began to show clear signs of a slowdown as the year progressed. A significant contributing factor was that financial stimulus measures worldwide were gradually beginning to be withdrawn. For example, the U.S. central bank, the Federal Reserve, continued to raise its key rates during 2018 to address the strong economy and increasing inflationary pressures. Among the larger economies, countries such as Great Britain and Canada, also raised their key rates and there is speculation that several central banks will be following suit during 2019.

The impact of the central banks' withdrawal of the bond-buying previously used to stimulate the economy also became visible during 2018. At present, there are significant indications that this trend will continue and that 2019 will be the first year over the past ten years that the consolidated bond holdings of the central banks worldwide will be decreasing. The fact that such major bond buyers as the central banks are taking a step backwards runs the risk of placing an upward pressure on interest rates, which can have a dampening impact on the economy and the financial markets.

The fixed income markets have reacted to this change in position for some time and perhaps mainly the U.S. long-term rates, which have seen rising trends since 2016. During the autumn of 2018, these rates rose to the highest levels since 2011, to then decline slightly. However, given a scenario with rising inflation and declining purchases from the central banks, it is likely that we may return, and perhaps exceed, these levels during 2019. Corporate bonds worldwide have also lost value, which led to an upturn in lending costs for many companies. Further increases to interest rates are expected.

On the political front, 2018 was an eventful year. In addition to critical elections in countries such as Brazil, Russia, the U.S. and Mexico, significant focus has also been placed on budget negotiations between the EU and Italy's new government, as well as on Brexit negotiations. All of this has to varying degrees contributed to an increased uncertainty about the future, although this pales in comparison to the market fluctuations caused by the ongoing trade conflict between the U.S. and China. The outcome of these negotiations remains unclear. However, we believe we are seeing signs that the uncertainty is causing business activity to become more tentative, which can put additional pressure on earnings and growth during the coming year.

The equity market showed some similarities to a rollercoaster throughout 2018. After a strong start to the year that was followed by a quick dip, the global equity markets climbed upwards during the first three quarters of the year and then closed the year by falling sharply in the fourth quarter. The SEK was weak throughout the year, which was favourable for foreign currencies measured in SEK. The World Index fell in 2018 as measured in USD. By way of anecdote, it can be noted that this is the first time since 2008 that the World index has fallen in the fourth quarter.

Regionally, the U.S. stock markets posted the most strength during the year, followed by Japan. European markets were the weakest performers as a result of slower growth in companies and investor uncertainty created by the political situation. Emerging markets also lagged. Higher rates, concerns about a trade war and lower growth, together with currency crises in countries such as Turkey and Argentina, put pressure on the stock exchanges in the emerging markets.

At a sector level, healthcare and public services posted the most strength, while basic materials and financials were the weakest performers. This can be interpreted to mean that many investors have a tentative outlook to the economy for 2019 and have chosen to invest in less cyclical sectors.

In light of the diminishing boost from the economy and, most likely, higher interest rates, we expect there to be sudden changes in the financial markets throughout 2019. Volatility in the markets often create opportunities to purchase company exposure at attractive valuations and we will try to take advantage of this. We are continuing to keep a watchful eye on interest rates and borrowing levels, given that extensive periods of low-priced loans often lead to the over-leveraging of certain sectors of the economy, which can have implications when interest rates rise. In this more challenging investment climate, we expect our focus on identifying well-managed and sustainable companies that possess drivers other than those that are purely cyclical to be well-suited.



AstraZeneca Allemansfond

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 benchmark index. The fund is a non-UCITS fund, which means that the fund differs from a securities fund by limiting holdings to a smaller number of equities issued by companies in Sweden and the Nordics. The fund invests a significant amount (a maximum of 50% of assets) in AstraZeneca. We place particular emphasis on ensuring that the company's strategy concurs with our assessment of what can generate favourable share price performance in the equities when we select equities for the fund as well as that the valuations are attractive.

Portfolio

The fund rose 5.5% during 2018. AstraZeneca, IAR Systems, Epiroc and Lifco were the strongest contributors to returns. AstraZeneca continues to successfully transform a company with a few top-selling drugs to a company with increased growth driven by newly developed products. IAR Systems, which is a leading actor within programming tools for processors, posted strength particularly during H1 2018. Epiroc was spun-off from Atlas Copco and drives the development of automated mines. Lifco, which is a decentralized conglomerate of niche companies, implemented 9 acquisitions during the year and thereby continued to increase sales during the year. Atlas Copco, ABB and Autoliv were the most negative contributions. All of these manufacturing equities fell primarily on the back of increased concerns for cyclical weakness in the companies' end markets.

During the spring we took new positions in Duni and HMS Networks. Duni delivers packaging and table setting solutions for restaurants and retail and is present in over 40 markets. HMS Networks facilitates communication and monitoring of various units such as robots on the production floor, electrical power plants or entire buildings and is thereby growing at a rapid pace. During H2 Epiroc was spun-off from Atlas Copco and Veoneer from Autoliv. During H2 we took a new position in Husqvarna, which is the world's major manufacturer of robot lawn mowers and a leader within battery-driven garden products. During the year the company received an attractive valuation, which resulted in our decision to invest in the company.

During the year we sold our entire holdings in Kindred, Systemair, Nolato, Kambi and Veoneer. Kindred and Kambi were sold due to increased

concerns about competitors. We sold Systemair for the benefit of Nibe where we see greater potential ahead. Nolato's valuation and risk increased substantially during the year, driven by a very strong underlying sales growth. However, we did not consider this to be sustainable and therefore chose to gradually decrease and sell the remaining holdings at the beginning of the month. Veoneer was gradually sold since the company's financial performance did not meet our investment criteria.

Significant risks

As of the balance sheet date or any other time during the year, fund holdings did not have exposure to any other significant risks 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 during 2018. The fund has the option of lending securities. The fund used this option to a limited extent during 2018. The fund may use other techniques and instruments. The fund did not use this option during 2018.

Information

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

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

Fund Performance*



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

Fund Facts - History

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Net asset value, SEK	1,541.94	1,461.70	1,293.12	1,309.48	1,126.60	860.61	670.17	631.54	688.17	603.43
The fund's total net flow, mSEK	91	-25	-18	30	65	19	-13	-	-	-
Fund capital, mSEK	1,313	1,169	1,062	1,093	915	644	485	450	451	348
Number of units, 1000's	851	800	822	835	812	748	724	712	655	576
Total returns in % SEK	+5.5	+13.0	-1.2	+16.2	+30.9	+28.4	+10.5	-5.1	+17.1	+43.9
Average yearly return, 2 yrs. %	+9.2	+5.7	+7.1	+23.4	+29.7	+19.1	+2.4	+5.4	+29.8	+8.2
Average yearly return, 5 yrs. %	+12.4	+16.9	+16.3	+15.4	+15.6	+17.8	+7.5	+2.8	+5.8	+10.6
Average yearly return, 10 yrs. %	+15.0	+12.1	+9.3	+10.5	+13.1	+9.9	+9.4	-	-	-
Dividends per unit, SEK	-	-	-	-	-	-	26.35	20.71	16.18	18.85

Relevant benchmark is not available.

Refer to the last page for definitions.

Fund Facts - Costs

Max. allowed mgmt. costs in % according to fund rules	1.20
Collected mgmt. costs in % of average fund capital	0.90
Annual fees in %	0.90
Transaction costs, tSEK	254
Transaction costs in % of turnover	0.03
Costs in SEK for a one-time subscription, 10 000 SEK	98.71
Costs in SEK for monthly savings, 100 SEK	6.14

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

Fund Facts - Other Key Figures

Turnover rate	0.3
Share of turnover conducted via closely-related securities companies in %	19.3

AstraZeneca Allemansfond, cont.

Risk and Return Measurements*

Total risk %	15.2	Active Share % ¹⁾	42.5
		Sharpe ratio	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, tSEK

	2018	2017
INCOME AND CHANGES IN VALUE		
Changes in value for transferable securities*	29,517	108,053
Interest income	-13	-23
Dividends	35,165	34,501
Other financial income	207	311
Other income	0	0
Total income and changes in value	64,876	142,842
EXPENSES		
Management costs:		
- Remuneration to the Management Company	11,883	10,158
Interest expense	4	2
Other financial expenses	42	62
Other expenses	254	530
Total expenses	12,183	10,751
Net income	52,693	132,090
* Details of changes in value		
Capital gains	107,432	54,324
Capital losses	-6,359	-15,142
Unrealised gains/losses	-71,556	68,871
Sum	29,517	108,053

Balance Sheet, tSEK

	31 dec 2018	% of fund capital	31 dec 2017	% of fund capital
ASSETS				
Transferable securities	1,305,768	99.5	1,156,058	98.9
Total financial instruments with positive market value ^{Note 2)}	1,305,768	99.5	1,156,058	98.9
Bank assets and other liquid assets	7,775	0.6	13,592	1.1
Prepaid expenses and accrued income	8	0.0	5	0.0
Total assets	1,313,551	100.1	1,169,655	100.0
LIABILITIES				
Accrued expenses and prepaid income	1,039	0.1	489	0.0
Total liabilities	1,039	0.1	489	0.0
Fund capital ^{Note 1)}	1,312,512	100.0	1,169,166	100.0
Financial instruments lent	35,679	2.7	21,268	1.8
Collateral received for financial instruments lent	38,594	2.9	22,482	1.9

Note 1) for Balance Sheet

Changes in fund capital, tSEK

	2018	2017
Fund capital at beginning of year	1,169,166	1,062,468
Units issued	355,220	178,544
Units redeemed	-264,567	-203,936
Profit according to Income Statement	52,693	132,090
Dividends to unit holders	-	-
Fund capital at the close of the period	1,312,512	1,169,166

Note 2) for Balance Sheet

Fund holdings in financial instruments

TRANSFERABLE SECURITIES*

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
LISTED EQUITIES			
CONSUMER DISCRETIONARY			
Autoliv (Auto Components)	58,000	36,528	2.8
Fenix Outdoor B (Specialty Retail)	32,000	27,424	2.1
Husqvarna B (Household Durables)	620,000	40,734	3.1
Thule Group (Leisure Equipment and Products)	120,000	19,452	1.5
		124,138	9.5
CONSUMER STAPLES			
AarhusKarlshamn (Food Products)	140,000	17,178	1.3
Duni (Personal Products)	195,000	19,130	1.5
		36,308	2.8
FINANCIALS			
Handelsbanken A (Commercial Banks)	660,000	64,878	4.9
		64,878	4.9
HEALTH CARE			
AstraZeneca SDB (Pharmaceuticals)	900,000	606,330	46.2
Lifco B (Health Care Providers and Services)	66,000	21,615	1.6
		627,945	47.8
INDUSTRIALS			
ABB SDB (Electrical Equipment)	270,000	46,076	3.5
ÅF B (Professional Services)	162,000	25,985	2.0
Assa Abloy B (Building Products)	335,000	52,980	4.0
Atlas Copco A (Machinery)	180,000	37,890	2.9
EPIROC A (Machinery)	160,000	13,414	1.0
Hexagon B (Machinery)	175,000	71,400	5.4
Indutrade (Trading Companies and Distributors)	130,000	26,728	2.0
Loomis B (Commercial Services and Supplies)	96,000	27,456	2.1
NIBE Industrier B (Building Products)	120,000	10,910	0.8
Troax Group A (Machinery)	56,000	14,252	1.1
		327,091	24.9
INFORMATION TECHNOLOGY			
HIQ International (IT Services)	560,000	26,494	2.0
HMS Network AB (Elec Equip, Instr & Comp)	260,000	31,980	2.4
I.A.R. Systems Group B (Software)	100,000	24,300	1.9
Lagercrantz B (Elec Equip, Instr & Comp)	365,000	31,427	2.4
		114,200	8.7
MATERIALS			
Hexpol B (Chemicals)	160,000	11,208	0.9
		11,208	0.9
Total listed equities		1,305,768	99.5
Total transferable securities		1,305,768	99.5
Total holdings in financial instruments		1,305,768	99.5
Net, other assets and liabilities		6,744	0.5
Total fund capital		1,312,512	100.0

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

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

99.5

** 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.

Volume of lent securities as a % of total lendable assets

Volume of lent securities as a % of total lendable assets 2.75

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

The British Government	20 118
The French Government	1 275
Mitsubishi Ufi Financial Group Inc	353
National Grid Plc	337
Nippon Telegraph & Telephone Corp	318
Toyota Motor Corp	313
Softbank Group Corp	312
Fujitsu Ltd	311
Axa Sa	300
Basf Se	297

The largest counterparties for securities lending, SEK thousand:

J.P. Morgan Securities Plc, Great Britain	26 189
Svenska Handelsbanken AB (publ), Sweden	3 802
UBS AG, London Branch, Great Britain	2 545
Merrill Lynch Intl, Great Britain	2 084
Credit Suisse Securities (Europe) Ltd, Great Britain	1 059
	35 679

Type and quality of collateral, SEK thousand:

Equities	16 967
Bonds and other interest-bearing instruments	21 627
	38 594

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.

AstraZeneca Allemansfond, cont.

Profile of the collateral's duration, SEK thousand:

Less than one day	0
One day to one week	0
One week to one month	0
One to three months	0
Three months to one year	0
Greater than one year	21 627
Indeterminate duration	16 967
	38 594

Currency of the collateral, SEK thousand:

AUD	266
CAD	12
CHF	353
DKK	51
EUR	5 821
GBP	23 767
HKD	221
JPY	4 853
SEK	408
SGD	117
USD	2 725
	38 594

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

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

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

Information about returns and expenses:

Securities lending for the full year generated a total revenue of 208 tSEK thousand, of which 80% was passed on to the fund and 20% to J.P. Morgan Bank Luxembourg S.A. in its role as the intermediary of securities lending.

Counterparties for securities lending during the year:

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

AstraZeneca Allemansfond

Sustainability dimensions that are taken into consideration in the management of the fund

The fund manager integrates environmental, social and corporate governance criteria (ESG) into the investment process, together with financial criteria, to obtain a more complete basis for decision-making. As a result, the fund manager takes into consideration both risks and opportunities related to various ESG aspects.

Methods used in sustainability efforts

Inclusion

An in-depth analysis is conducted in preparation for each investment decision in which sustainability dimensions as well as economic aspects are factored into the analysis. We believe sustainability issues are particularly important for making sound investment decisions to generate good, long-term returns. We have access to external ESG analyses as a complement to our own analyses and knowledge of the companies. Fund managers analyse sustainability through the company's sustainability performance (HOW they conduct their business operations), as well as through WHAT the company offers for products and services. The sustainability analysis is documented as an integral component of the investment documentation and consists of both sustainability risks and opportunities.

Through the spin-off from Atlas Copco, the fund received and held Epiroc, given that they are at the forefront for sustainability within mining machinery. During the year Epiroc launched its second-generation battery-driven machines that will result in several benefits for mining customers worldwide, e.g., improved health and safety, lower emissions and reduced maintenance costs.

Exclusion

In accordance with the Management Company's overall policy for responsible investment, all of the Management Company's funds exclude:

- companies involved in the production or distribution of banned weapons, such as cluster bombs, anti-personnel mines, biological and chemical weapons, in accordance with international legislation. Companies involved in the production or distribution of nuclear weapons are also excluded.
- companies with substantial business operations within coal mining or in power companies that have coal as a major source of energy.

During the year we had broad engagement dialogues with the gaming companies owned by the Management Company. During the spring, the fund made the decision to exclude gaming companies and thereby sold the remaining holdings in Kindred. However, after concluding our dialogue with Kindred, we believe that the company is one of the more responsible players of the increasing number of private operators in the sector.

Provided that the fund observes a willingness to change and it is deemed that the company will address the problems within an acceptable amount of time, the fund may invest in companies involved in violations of international norms and conventions. The fund did not utilise this option during the year. Thus, the fund has not owned any of the companies involved in violations of international norms and conventions during the year.

Management Company's engagement activities

A critical component in taking responsibility as an investor is to influence the companies in which we invest. Our engagement activities are founded on the value base of Handelsbanken and the Management Company, our commitments, as well as the international norms and conventions we safeguard. We conduct dialogues to encourage companies to improve their sustainability efforts, as well as with companies we deem do not fulfil the international norms and conventions we safeguard. We conduct the engagement activities primarily through:

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

- A. The fund manager meets or has contact with companies on a regular basis, which provides a good opportunity to influence companies within sustainability. We hold dialogues with clear targets for change, but also dialogues that focus on an overall improvement to the company's sustainability efforts. Targets are identified for the direct dialogues and results are followed up regularly during the period of the dialogue. The targeted company dialogues are carried out by the fund manager directly with the company. The fund had one dialogue during the year.

During the year we held a dialogue with the vegetable oil and fat producer AAK. The dialogue focused on AAK's purchases of palm oil. Palm oil is a key input for AAK's production of vegetable oils. We want to ensure that the company's plantations did not arise from deforestation and that the company respects the indigenous people's rights to cultivate the land. Our engagement dialogues occurred through personal meetings with management and hopefully AAK's sustainability efforts do not end with high traceability at the mill, but also focus on traceability at the plantation and control of sub-contractors.

- B. The Management Company participates in dialogues with companies together with other investors through an external party (ISS ESG) in a so-called pooled engagement. The basis for these dialogues is a norm-based analysis that focuses primarily on companies with suspected or confirmed violations with regard to international norms and conventions within the environment, human rights, labour rights, and anti-corruption. The dialogue process consists of contact between ISS ESG and the company concerned, and in certain cases also includes meetings or telephone conferences in which we as an investor may participate. During 2018 the Management Company participated in 143 company dialogues. The fund did not have any investments in these companies.

- C. During 2018 the Management Company participated in several international initiatives and collaborations with focus on specific sustainability matters. These initiatives are often thematic or focus on sustainability issues within a certain sector. Examples of initiatives we have participated in during the year include: Climate Action 100+, PRI Methane Engagement, PRI Sustainable Palm Oil, PRI Sustainable Soy, PRI Cyber Security and FAIRR Antibiotics Engagement. These initiatives include 336 companies in total.

General meetings and nomination committees

Normally, Handelsbanken Fonder votes at general meetings in those companies in which ownership exceeds 0.5% or if there are specific matters of concern. The Management Company has voted at 19 general meetings on behalf of the fund.

Handelsbanken Fonder participates in all of the nomination committees where we have a sufficiently large ownership to be offered a position. However, nomination committees are not common outside of the Nordics and the board composition can only be impacted by voting at the general meetings.

The Management Company participated in 6 nomination committees on behalf of the fund: AAK AB, ÅF AB, Hexpol AB, IAR Systems Group AB, Indutrade AB and Thule Group AB.

Handelsbanken Amerika Småbolag Tema, cont.

	7/12-31/12 2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Fund capital total, mSEK	10,265	-	-	-	-	-	-	-	-	-
Amerika Småbolag Tema A1 - SEK	6,371	-	-	-	-	-	-	-	-	-
Amerika Småbolag Tema A1 - EUR	29	-	-	-	-	-	-	-	-	-
Amerika Småbolag Tema A1 - NOK	242	-	-	-	-	-	-	-	-	-
Amerika Småbolag Tema A10 - SEK	3,056	-	-	-	-	-	-	-	-	-
Amerika Småbolag Tema A10 - EUR	4	-	-	-	-	-	-	-	-	-
Amerika Småbolag Tema A10 - NOK	255	-	-	-	-	-	-	-	-	-
Number of units, 1000's	14,092	-	-	-	-	-	-	-	-	-
Amerika Småbolag Tema A1 - SEK	8,767	-	-	-	-	-	-	-	-	-
Amerika Småbolag Tema A1 - EUR	403	-	-	-	-	-	-	-	-	-
Amerika Småbolag Tema A1 - NOK	341	-	-	-	-	-	-	-	-	-
Amerika Småbolag Tema A10 - SEK	4,174	-	-	-	-	-	-	-	-	-
Amerika Småbolag Tema A10 - EUR	50	-	-	-	-	-	-	-	-	-
Amerika Småbolag Tema A10 - NOK	357	-	-	-	-	-	-	-	-	-
Total returns in %, SEK										
Amerika Småbolag Tema A1 - SEK	-3.3	+14.3	+21.7	+7.9	+23.6	-	-	-	-	-
Amerika Småbolag Tema A1 - EUR	-6.2	+11.4	+16.3	+11.6	+15.5	+34.2	+16.0	+1.0	+23.2	+23.2
Amerika Småbolag Tema A1 - NOK	-5.4	+20.5	+9.8	+18.3	+25.3	+52.9	+9.9	-2.7	+19.5	+19.5
Amerika Småbolag Tema A10 - SEK	-2.4	+15.3	+22.8	+8.9	+24.7	+39.7	+12.8	-2.5	+12.9	+12.9
Amerika Småbolag Tema A10 - EUR	-5.3	+12.4	+17.4	+12.6	+16.5	+35.4	+17.0	-1.2	+28.2	+28.2
Amerika Småbolag Tema A10 - NOK	-4.6	+21.6	+10.8	+19.4	+26.4	+54.2	+10.9	-1.8	+20.6	+20.6
Index including dividends in %, SEK										
Amerika Småbolag Tema A1 - SEK	-3.0	+5.2	+28.4	+3.3	+30.5	-	-	-	-	-
Amerika Småbolag Tema A1 - EUR	-5.9	+2.6	+22.7	+6.8	+21.9	+27.6	+13.6	+4.8	+22.7	+22.7
Amerika Småbolag Tema A1 - NOK	-5.1	+10.9	+15.9	+13.2	+32.3	+45.4	+7.5	+4.1	+15.5	+15.5
Amerika Småbolag Tema A10 - SEK	-3.0	+5.2	+28.4	+3.3	+30.5	+31.7	+9.4	+3.4	+8.1	+8.1
Amerika Småbolag Tema A10 - EUR	-5.9	+2.6	+22.7	+6.8	+21.9	+27.6	+13.6	+4.8	+22.7	+22.7
Amerika Småbolag Tema A10 - NOK	-5.1	+10.9	+15.9	+13.2	+32.3	+45.4	+7.5	+4.1	+15.5	+15.5
Average yearly return, 2 yrs. %										
Amerika Småbolag Tema A1 - SEK	+5.2	+18.0	+14.6	+15.5	-	-	-	-	-	-
Amerika Småbolag Tema A1 - EUR	+2.2	+13.8	+14.0	+13.5	+24.5	+24.8	+8.3	+11.6	+25.3	-
Amerika Småbolag Tema A1 - NOK	+6.8	+15.1	+14.0	+21.8	+38.4	+29.6	+3.4	+7.9	+13.9	-6.2
Amerika Småbolag Tema A10 - SEK	+6.1	+19.0	+15.6	+16.5	+32.0	+25.5	+4.9	+4.9	+16.2	-3.6
Amerika Småbolag Tema A10 - EUR	+3.2	+14.9	+15.0	+14.5	+25.6	+25.9	+7.6	+12.6	+28.3	-7.4
Amerika Småbolag Tema A10 - NOK	+7.7	+16.1	+15.0	+22.8	+39.6	+30.8	+4.3	+8.8	+14.9	-5.4
Comparison to index including dividends, %										
SEK	+1.0	+16.2	+15.1	+16.1	+31.1	+20.0	+6.4	+5.7	+11.0	-7.1
EUR	-1.8	+12.2	+14.5	+14.1	+24.7	+20.4	+9.1	+13.4	+22.5	-10.7
NOK	+2.6	+13.4	+14.5	+22.4	+38.7	+25.0	+5.8	+9.6	+9.7	-8.8
Average yearly return, 5 yrs. %										
Amerika Småbolag Tema A1 - SEK	+12.4	-	-	-	-	-	-	-	-	-
Amerika Småbolag Tema A1 - EUR	+9.4	+17.5	+18.5	+15.2	+17.5	+19.8	-	-	-	-
Amerika Småbolag Tema A1 - NOK	+13.2	+24.6	+22.3	+19.4	+19.6	+16.2	+2.4	-	-	-
Amerika Småbolag Tema A10 - SEK	+13.4	+21.9	+21.3	+15.8	+16.7	+15.7	+2.9	+0.8	+1.0	+3.3
Amerika Småbolag Tema A10 - EUR	+10.4	+18.6	+19.5	+15.5	+18.5	+20.9	+4.9	+1.1	+1.8	+0.7
Amerika Småbolag Tema A10 - NOK	+14.2	+25.7	+23.4	+20.4	+20.7	+17.2	+3.3	-0.1	+1.3	+0.9
Comparison to index including dividends, %										
SEK	+12.1	+19.1	+20.0	+15.0	+16.0	+12.9	+1.1	-0.9	-1.8	+1.1
EUR	+9.1	+15.9	+18.3	+14.6	+17.8	+17.9	+3.1	-0.6	-1.0	-1.4
NOK	+12.8	+22.9	+22.1	+19.5	+20.0	+14.4	+1.5	-1.8	-1.4	-1.2
Average yearly return, 10 yrs. %										
Amerika Småbolag Tema A1 - EUR	+14.5	-	-	-	-	-	-	-	-	-
Amerika Småbolag Tema A1 - NOK	+14.7	+12.9	-	-	-	-	-	-	-	-
Amerika Småbolag Tema A10 - SEK	+14.6	+12.0	+10.6	+8.2	+9.8	+7.4	+4.4	-1.8	-2.3	-4.3
Amerika Småbolag Tema A10 - EUR	+15.5	+11.5	+9.9	+8.4	+9.3	+7.7	+5.1	-1.3	-2.5	-6.0
Amerika Småbolag Tema A10 - NOK	+15.7	+13.9	+11.0	+10.5	+10.3	+7.7	+5.2	-1.6	-3.1	-5.7
Comparison to index including dividends, %										
SEK	+12.5	+9.7	+9.1	+6.3	+8.3	+5.7	+3.4	-2.0	-2.5	-3.3
EUR	+13.4	+9.3	+8.4	+6.5	+7.8	+5.9	+4.0	-1.5	-2.7	-5.0
NOK	+13.6	+11.6	+9.5	+8.5	+8.9	+5.9	+4.1	-1.8	-3.3	-4.7
Exchange rate EUR/SEK	10.13	-	-	-	-	-	-	-	-	-
Exchange rate NOK/SEK	1.02	-	-	-	-	-	-	-	-	-

Relevant benchmark is not available.

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

Refer to the last page for definitions.

Fund Facts - Costs

Max. allowed mgmt. costs in % according to fund rules	
Amerika Småbolag Tema A1	1.50
Amerika Småbolag Tema A10	0.60
Collected mgmt. costs in % of average fund capital	
Amerika Småbolag Tema A1	1.50
Amerika Småbolag Tema A10	0.60
Annual fees in %	
Amerika Småbolag Tema A1	1.50
Amerika Småbolag Tema A10	0.60
Transaction costs, tSEK	201
Transaction costs in % of turnover	0.02
Costs in SEK for a one-time subscription, 10 000 SEK	
Amerika Småbolag Tema A1	-
Amerika Småbolag Tema A10	-
Costs in SEK for monthly savings, 100 SEK	
Amerika Småbolag Tema A1	-
Amerika Småbolag Tema A10	-

Fund Facts - Other Key Figures

Turnover rate	0.6
Share of turnover conducted via closely-related securities companies in %	0.0

Risk and Return Measurements*

Total risk % - A1 SEK	16.2	Active return % - A10 EUR	4.9
Total risk % - A1 EUR	13.7	Active return % - A10 NOK	5.1
Total risk % - A1 NOK	15.0	Information ratio - A1 SEK	0.9
Total risk % - A10 SEK	16.2	Information ratio - A1 EUR	0.8
Total risk % - A10 EUR	13.7	Information ratio - A1 NOK	0.9
Total risk % - A10 NOK	15.0	Information ratio - A10 SEK	1.1
Total risk in index % - A1 SEK	17.4	Information ratio - A10 EUR	1.0
Total risk in index % - A1 EUR	15.2	Information ratio - A10 NOK	1.1
Total risk in index % - A1 NOK	16.3	Sharpe ratio - A1 SEK	0.4
Total risk in index % - A10 SEK	17.4	Sharpe ratio - A1 EUR	0.2
Total risk in index % - A10 EUR	15.2	Sharpe ratio - A1 NOK	0.4
Total risk in index % - A10 NOK	16.3	Sharpe ratio - A10 SEK	0.4
Tracking error % - A1 SEK	4.8	Sharpe ratio - A10 EUR	0.3
Tracking error % - A1 EUR	4.8	Sharpe ratio - A10 NOK	0.5
Tracking error % - A1 NOK	4.8	Sharpe ratio in index - A1 SEK	0.1
Tracking error % - A10 SEK	4.8	Sharpe ratio in index - A1 EUR	-0.1
Tracking error % - A10 EUR	4.8	Sharpe ratio in index - A1 NOK	0.1
Tracking error % - A10 NOK	4.8	Sharpe ratio in index - A10 SEK	0.1
Active return % - A1 SEK	4.1	Sharpe ratio in index - A10 EUR	-0.1
Active return % - A1 EUR	4.0	Sharpe ratio in index - A10 NOK	0.1
Active return % - A1 NOK	4.2	Active Share % ¹⁾	94.9
Active return % - A10 SEK	5.1		

1) As of the balance sheet date.

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

Handelsbanken Amerika Småbolag Tema, cont.

Income Statement, tSEK

	7/12-31/12 2018	2017
INCOME AND CHANGES IN VALUE		
Changes in value for transferable securities*	-1,081,128	-
Interest income	236	-
Dividends	9,245	-
Currency exchange profits and losses, net	-6,173	-
Other financial income	0	-
Other income	0	-
Total income and changes in value	-1,077,820	
EXPENSES		
Management costs:		
- Remuneration to the Management Company	8,549	-
Interest expense	21	-
Other financial expenses	0	-
Other expenses	201	-
Total expenses	8,771	
Net income	-1,086,591	
* Details of changes in value		
Capital gains	79,168	
Capital losses	-88,405	
Unrealised gains/losses	-1,071,891	
Sum	-1,081,128	

Balance Sheet, tSEK

	31 dec 2018	% of fund capital	31 dec 2017	% of fund capital
ASSETS				
Transferable securities	9,912,754	96.6		
Total financial instruments with positive market value ^{Note 2)}	9,912,754	96.6		
Bank assets and other liquid assets	310,812	3.0		
Prepaid expenses and accrued income	6,108	0.1		
Other assets	73,494	0.7		
Total assets	10,303,168	100.4		
LIABILITIES				
Accrued expenses and prepaid income	8,549	0.1		
Other liabilities	29,777	0.3		
Total liabilities	38,326	0.4		
Fund capital ^{Note 1)}	10,264,842	100.0		

Note 1) for Balance Sheet

Changes in fund capital, tSEK

	2018	2017
Fund capital at beginning of year	-	-
Units issued	11,815,434	-
Units redeemed	-464,001	-
Profit according to Income Statement	-1,086,591	-
Dividends to unit holders	-	-
Fund capital at the close of the period	10,264,842	

Note 2) for Balance Sheet

Fund holdings in financial instruments

TRANSFERABLE SECURITIES*

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
LISTED EQUITIES			
CONSUMER DISCRETIONARY			
Bright Horizons Family Solutions (Diversified Consumer Services)	315,000	311,251	3.0
Cavco Industries Ord Shs (Household Durables)	90,000	104,034	1.0
Cinemark (Media)	425,000	134,894	1.3
Grand Canyon Education (Diversified Consumer Services)	460,000	392,087	3.8
Hoteles City Express (Hotels, Restaurants and Leisure)	5,900,000	63,906	0.6
InterActiveCorp (Media)	170,000	275,877	2.7
LCI Industries (Auto Components)	275,000	162,866	1.6
National Vision Holdings Ord Shs (Specialty Retail)	200,000	49,950	0.5
Planet Fitness Ord Shs Class A (Hotels, Restaurants and Leisure)	150,516	71,553	0.7
Pool (Distributors)	335,000	441,499	4.3
Service Corporation International (Diversified Consumer Services)	1,470,000	524,701	5.1
Strategic Education Ord Shs (Diversified Consumer Services)	157,000	157,874	1.5
Vail Resorts (Hotels, Restaurants and Leisure)	170,000	317,747	3.1
Visteon (Auto Components)	120,000	64,132	0.6
Weight Watchers International Ord Shs (Diversified Consumer Services)	175,000	59,811	0.6
		3,132,181	30.5

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
CONSUMER STAPLES			
Gruma (Food Products)	1,600,000	159,812	1.6
		159,812	1.6
FINANCIALS			
Burford Capital Ord Shs (Capital Markets)	100,000	18,699	0.2
East West Bancorp (Commercial Banks)	885,000	341,548	3.3
First Horizon National Ord Shs (Commercial Banks)	1,020,000	119,008	1.2
Prosperity Bancshares (Commercial Banks)	307,500	169,845	1.7
Southside Bancshares (Commercial Banks)	540,000	152,005	1.5
Trupanion Ord Shs (Insurance)	500,000	112,862	1.1
Umpqua Holdings Ord Shs (Commercial Banks)	700,000	98,677	1.0
Vesta (Real Estate Management and Development)	5,500,000	65,441	0.6
Western Alliance Ord Shs (Commercial Banks)	475,000	166,303	1.6
		1,280,801	12.5
HEALTH CARE			
Aerie Pharmaceuticals (Pharmaceuticals)	160,000	51,209	0.5
Agios Pharmaceuticals Ord Shs (Biotechnology)	120,000	49,057	0.5
ArQule Ord Shs (Biotechnology)	700,000	17,191	0.2
Array BioPharma Ord Shs (Biotechnology)	750,000	94,754	0.9
Editas Medicine Ord Shs (Biotechnology)	110,000	22,187	0.2
Exact Sciences (Biotechnology)	140,000	78,321	0.8
FibroGen (Biotechnology)	190,000	77,959	0.8
Foamix Pharma (Pharmaceuticals)	460,000	14,641	0.1
Neurocrine Biosciences (Biotechnology)	114,000	72,175	0.7
Retropin Ord Shs (Biotechnology)	250,000	50,159	0.5
Teladoc Ord Shs (Health Care Providers and Services)	150,000	65,922	0.6
The Cooper Companies (Health Care Equipment and Supplies)	85,000	191,791	1.9
Tivity Health Ord Shs (Health Care Providers and Services)	220,000	48,392	0.5
		833,756	8.1
INDUSTRIALS			
Allegion (Building Products)	605,000	427,552	4.2
Evoqua Water Technologies Ord Shs (Machinery)	900,000	76,601	0.7
Grupo Aeroportuario del Centro Norte (Transportation Infrastructure)	4,308,301	181,909	1.8
Kadant (Machinery)	529,822	382,644	3.7
KAR Auction Services Ord Shs (Commercial Services and Supplies)	320,000	135,385	1.3
MasTec (Construction and Engineering)	750,000	269,699	2.6
Middleby (Machinery)	100,000	91,079	0.9
MSA Safety Ord Shs (Commercial Services and Supplies)	220,000	183,872	1.8
NCI Building Sys (Building Products)	404,143	25,977	0.3
PINFRA (Transportation Infrastructure)	2,579,695	218,147	2.1
Proto Labs Ord Shs (Machinery)	90,000	89,998	0.9
Rollins (Commercial Services and Supplies)	340,000	108,819	1.1
TPI Composites Ord Shs (Electrical Equipment)	1,120,000	244,073	2.4
Trex Ord Shs (Building Products)	60,000	31,577	0.3
Welbilt Rg (Electrical Equipment)	800,000	78,800	0.8
		2,546,132	24.8
INFORMATION TECHNOLOGY			
Alarm.com Holdings Ord Shs (Internet Software and Services)	90,000	41,388	0.4
Cognex (Elec Equip, Instr & Comp)	190,000	65,140	0.6
Digimarc Ord Shs (Software)	40,000	5,142	0.1
Everbridge Ord Shs (Software)	180,000	90,581	0.9
Everspin Technologies Ord Shs (Semiconductors and Semiconductor Eqp.)	485,000	24,123	0.2
FICO (Software)	210,000	348,162	3.4
Glu Mobile Ord Shs (Software)	1,250,000	89,434	0.9
IPG Photonics (Elec Equip, Instr & Comp)	77,500	77,842	0.8
Maximus (IT Services)	200,000	115,416	1.1
Mellanox Technologies Ord Shs1 (Semiconductors and Semiconductor Eqp.)	260,000	212,947	2.1
Nuance Communication (Software)	950,000	111,430	1.1
Proofpoint (Software)	120,000	89,166	0.9
		1,270,771	12.4
MATERIALS			
Ashland Global Ord Shs (Chemicals)	300,000	188,736	1.8
Sensient Technologies (Chemicals)	335,000	165,878	1.6
		354,614	3.5
REAL ESTATE			
Redfin Ord Shs (Real Estate Management & Development)	285,201	36,411	0.4
		1,280,801	12.5
TELECOMMUNICATION SERVICES			
Boingo Wireless Ord Shs (Wireless Telecommunication Services)	250,000	45,593	0.4
		45,593	0.4
UTILITIES			
Aquaventure Holdings Ord Shs (Water Utilities)	480,000	80,388	0.8
Global Water Resources Ord Shs (Water Utilities)	732,548	65,856	0.6
Watsco Inc (Water Utilities)	115,800	142,850	1.4
		289,094	2.8
Total listed equities		9,912,754	96.6
Total transferable securities		9,912,754	96.6

Handelsbanken Amerika Småbolag Tema, cont.

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
Total holdings in financial instruments		9,912,754	96.6
Net, other assets and liabilities		352,088	3.4
Total fund capital		10,264,842	100.0

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

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

96.6

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

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*** Refers to other financial instruments.

-

Handelsbanken Amerika Småbolag Tema

Sustainability dimensions that are taken into consideration in the management of the fund

The fund manager integrates environmental, social and corporate governance criteria (ESG) into the investment process, together with financial criteria, to obtain a more complete basis for decision-making. As a result, the fund manager takes into consideration both risks and opportunities related to various ESG aspects.

Methods used in sustainability efforts

Inclusion

An in-depth analysis is conducted in preparation for each investment decision in which sustainability dimensions as well as economic aspects are factored into the analysis. We believe sustainability issues are particularly important for making sound investment decisions to generate good, long-term returns. We have access to external ESG analyses as a complement to our own analyses and knowledge of the companies. Fund managers analyse sustainability through the company's sustainability performance (HOW they conduct their business operations), as well as through WHAT the company offers for products and services. The sustainability analysis is documented as an integral component of the investment documentation and consists of both sustainability risks and opportunities.

During the year the fund invested in the water service company AquaVenture Holdings. A shortage of water is becoming a more pressing problem across the globe, and the U.S. is no exception. The company owns and operates facilities that desalinate sea water into fresh water. We believe that desalination, together with recycling, are two key pieces of the puzzle in solving this major problem over time. The company is also the largest provider of filtered water to companies in the U.S. Their technology filters water on-site where the water is consumed. This solution is cost-effective and guarantees clean water. Most notably, this system replaces the transport and handling of plastic bottles (the large blue plastic bottle that still has a 70% market share in the U.S.), which has a significant negative impact on the environment.

Exclusion

In accordance with the Management Company's overall policy for responsible investment, all of the Management Company's funds exclude:

- companies involved in the production or distribution of banned weapons, such as cluster bombs, anti-personnel mines, biological and chemical weapons, in accordance with international legislation. Companies involved in the production or distribution of nuclear weapons are also excluded.
- companies with substantial business operations within coal mining or in power companies that have coal as a major source of energy.

The fund is managed based upon the Criteria exclusion strategy, which means an exclusion of companies in which the principle business operations are within controversial sectors such as alcohol, tobacco, commercial gaming, war materials, pornography, fossil fuels. The fund also excludes companies that are deemed to be violating international norms and conventions. This is followed-up by the Management Company's independent risk control function on a daily basis.

Management Company's engagement activities

A critical component in taking responsibility as an investor is to influence the companies in which we invest. Our engagement activities are founded on the value base of Handelsbanken and the Management Company, our commitments, as well as the international norms and conventions we safeguard. We conduct dialogues to encourage companies to improve their sustainability efforts, as well as with companies we deem do not fulfil the international norms and conventions we safeguard. We conduct the engagement activities primarily through:

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

A. The fund manager meets or has contact with companies on a regular basis, which provides a good opportunity to influence companies within sustainability. We hold dialogues with clear targets for change, but also dialogues that focus on an overall improvement to the company's sustainability efforts. Targets are identified for the direct dialogues and results are followed up regularly during the period of the dialogue. The targeted company dialogues are carried out by the fund manager directly with the company. The fund had 2 dialogues during the year.

The fund has an ongoing dialogue with Mexican Pinfra, an infrastructure company with road concessions. The aim of the dialogue is to get the company to create a sustainability report that clarifies their strategy and good efforts in the area. The currently low level of transparency makes it difficult for the company to attract additional long-term shareholders. We believe they would have a good chance of being included in the sustainability index and attract additional long-term shareholders. This would also increase our ability to ensure that the sustainability efforts maintain the desired level. With our guidance, we believe there is a good chance that the company will publish its first sustainability report in 2019. The fund has also conducted direct dialogues during the year with Service Corp and TPI Composites. The fund enhanced the dialogue at the end of the year with TPI Composites regarding work conditions at one of their factories.

B. The Management Company participates in dialogues with companies together with other investors through an external party (ISS ESG) in a so-called pooled engagement. The basis for these dialogues is a norm-based analysis that focuses primarily on companies with suspected or confirmed violations with regard to international norms and conventions within the environment, human rights, labour rights, and anti-corruption. The dialogue process consists of contact between ISS ESG and the company concerned, and in certain cases also includes meetings or telephone conferences in which we as an investor may participate. During 2018 the Management Company participated in 143 company dialogues. The fund did not have any investments in these companies.

C. During 2018 the Management Company participated in several international initiatives and collaborations with focus on specific sustainability matters. These initiatives are often thematic or focus on sustainability issues within a certain sector. Examples of initiatives we have participated in during the year include: Climate Action 100+, PRI Methane Engagement, PRI Sustainable Palm Oil, PRI Sustainable Soy, PRI Cyber Security and FAIRR Antibiotics Engagement. These initiatives include 336 companies in total.

General meetings and nomination committees

Normally, Handelsbanken Fonder votes at general meetings in those companies in which ownership exceeds 0.5% or if there are specific matters of concern. The Management Company has voted at 23 general meetings on behalf of the fund.

We have had discussions with the management of Service Corp and have been successful in securing an improved board composition that was adopted at the general meeting in May.

Handelsbanken Fonder participates in all of the nomination committees where we have a sufficiently large ownership to be offered a position. However, nomination committees are not common outside of the Nordics and the board composition can only be impacted by voting at the general meetings.

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

Portfolio Manager: NIKLAS LUNDIN
Up to 01/02/2018 JOAKIM BY

BASE CURRENCY



Handelsbanken Amerika 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 benchmark index. The fund invests primarily in equities issued by companies in the U.S., but also in Canada and Mexico. Accordingly, the fund has currency exposure to these markets. The thematic investment strategy means that investments occur primarily in companies associated with long-term investment themes that have been carefully selected, analysed and are expected to experience a long period of growth. Examples of these themes include Demographics, Productivity, Lifestyles and the Environment. Within the context of the fund's investment focus, international norms 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

The fund rose 0.8% during 2018*. The U.S. economy and corporate earnings performed very strongly during the year. The strong profit growth was primarily driven by increased consumer optimism as well as by the tax reform that was adopted at the end of 2017. Despite strong profit growth, returns on the stock market were negative during the year so valuations are lower than those at the beginning of the year. The stock markets began the year strongly, but volatility increased during H2 and the market declined. Higher wages and inflationary pressures create concerns that the central bank may need to hike rates at a faster pace than forecast at the same time as the risk for an escalating trade war between the U.S. and China has had a negative impact on sentiment. The USD strengthened substantially and contributed positively to returns. The Digitalisation theme was the strongest contributor to portfolio returns. The internet conglomerate IAC Interactive and the semi-conductor company Mellanox were the strongest contributors within the theme. IAC Interactive's internet assets, as well as Match.com and HomeAdvisor.com have posted strong growth during the year. Mellanox products are critical segments of the "cloud"; thus, the company is a potential acquisition candidate, which has driven up the share price. Returns were negatively affected by bank holdings. One example is EastWest Bancorp within the Demographics theme and focuses on the Chinese, which is a rapidly growing segment of the population in the U.S. The bank had a tough close to the year, driven by the emerging trade war between China and the U.S., as well as lower market rates. Weibilt manufactures kitchen equipment and is in the automation theme during a

period of rising employee wages. Unfortunately, the company has experienced operational issues during the year that put pressure on the share. During 2018 we increased exposure to the so-called sunbelt, which includes the southern states of the U.S. Sun year-round, lower living costs and a very company-friendly climate is driving a population growth that is higher than the rest of the U.S. We also increased exposure to well-positioned regional banks, such as Sun Trust, which we believe are the major winners of the tax reform, higher interest rates and deregulation. Demand for cloud services is growing rapidly, therefore the fund increased exposure to Microsoft and Amazon, which are the leading platforms for cloud services.

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

Significant risks

As of the balance sheet date or any other time during the year, fund holdings did not have exposure to any other significant risks than those stated in the fact sheet and information brochure.

Trading with derivatives

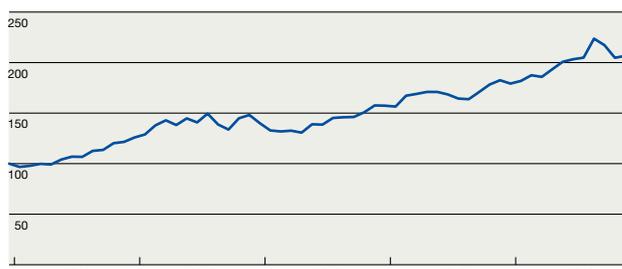
According to the fund rules, the fund may trade with derivatives as part of its investment focus. The fund used this option to a limited extent during 2018. The fund has the option of lending securities. The fund used this option to a limited extent during 2018. The fund may use other techniques and instruments. The fund did not use this option during 2018.

Information

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

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

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

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Net asset value										
Amerika Tema A1 - SEK	814.20	807.70	709.12	631.11	567.34	450.71	342.87	308.59	312.16	281.80
Amerika Tema A1 - EUR	80.34	82.15	74.01	68.91	-	-	-	-	-	-
Amerika Tema A1 - NOK	795.22	806.89	671.89	662.61	-	-	-	-	-	-
Amerika Tema A10 - SEK	820.94	-	-	-	-	-	-	-	-	-
Amerika Tema A10 - EUR	81.00	-	-	-	-	-	-	-	-	-
Amerika Tema A10 - NOK	801.80	-	-	-	-	-	-	-	-	-
Amerika Tema B1 - SEK	643.56	664.02	605.47	562.47	524.80	434.41	-	-	-	-
Amerika Tema B10 - SEK	648.90	-	-	-	-	-	-	-	-	-
The fund's total net flow, mSEK	-50	902	-2,776	746	579	1,529	408	-	-	-

Handelsbanken Amerika Tema, cont.

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Fund capital total, mSEK	10,327	10,267	8,198	10,001	8,414	6,119	3,332	2,598	2,099	1,404
Amerika Tema A1 - SEK	8,420	8,577	7,497	8,561	7,908	5,925	3,332	2,598	2,099	1,404
Amerika Tema A1 - EUR	85	96	23	95	-	-	-	-	-	-
Amerika Tema A1 - NOK	258	422	97	21	-	-	-	-	-	-
Amerika Tema A10 - SEK	52	-	-	-	-	-	-	-	-	-
Amerika Tema A10 - EUR	14	-	-	-	-	-	-	-	-	-
Amerika Tema A10 - NOK	317	-	-	-	-	-	-	-	-	-
Amerika Tema B1 - SEK	198	327	378	546	506	194	-	-	-	-
Amerika Tema B10 - SEK	65	-	-	-	-	-	-	-	-	-
Number of units, 1000's	12,763	12,799	11,653	15,953	14,902	13,591	9,718	8,418	6,725	4,981
Amerika Tema A1 - SEK	10,341	10,619	10,573	13,565	13,938	13,146	9,718	8,418	6,725	4,981
Amerika Tema A1 - EUR	1,063	1,164	311	1,385	-	-	-	-	-	-
Amerika Tema A1 - NOK	325	523	145	32	-	-	-	-	-	-
Amerika Tema A10 - SEK	63	-	-	-	-	-	-	-	-	-
Amerika Tema A10 - EUR	167	-	-	-	-	-	-	-	-	-
Amerika Tema A10 - NOK	395	-	-	-	-	-	-	-	-	-
Amerika Tema B1 - SEK	308	493	624	971	964	445	-	-	-	-
Amerika Tema B10 - SEK	100	-	-	-	-	-	-	-	-	-
Total returns in %, SEK										
Amerika Tema A1 - SEK	+0.8	+13.9	+12.4	+11.2	+25.9	+31.5	+11.7	-0.8	+11.4	+19.9
Amerika Tema A1 - EUR	-2.2	+11.0	+7.4	+15.1	-	-	-	-	-	-
Amerika Tema A1 - NOK	-1.4	+20.1	+1.4	+21.9	-	-	-	-	-	-
Amerika Tema A10 - SEK	+1.8	-	-	-	-	-	-	-	-	-
Amerika Tema A10 - EUR	-1.2	-	-	-	-	-	-	-	-	-
Amerika Tema A10 - NOK	-0.5	-	-	-	-	-	-	-	-	-
Amerika Tema B1 - SEK	+0.8	+13.9	+12.4	+11.2	+25.9	+3.3	-	-	-	-
Amerika Tema B10 - SEK	+1.8	-	-	-	-	-	-	-	-	-
Index including dividends in %, SEK										
Amerika Tema A1 - SEK	+5.3	+11.8	+19.9	+8.4	+37.4	+30.1	+9.4	+3.4	+8.1	+14.0
Amerika Tema A1 - EUR	+2.1	+9.0	+14.6	+12.2	-	-	-	-	-	-
Amerika Tema A1 - NOK	+2.9	+17.9	+8.2	+18.9	-	-	-	-	-	-
Amerika Tema A10 - SEK	+5.3	-	-	-	-	-	-	-	-	-
Amerika Tema A10 - EUR	+2.1	-	-	-	-	-	-	-	-	-
Amerika Tema A10 - NOK	+2.9	-	-	-	-	-	-	-	-	-
Amerika Tema B1 - SEK	+5.3	+11.8	+19.9	+8.4	+37.4	+3.5	-	-	-	-
Amerika Tema B10 - SEK	+5.3	-	-	-	-	-	-	-	-	-
Average yearly return, 2 yrs. %										
Amerika Tema A1 - SEK	+7.2	+13.1	+11.8	+18.3	+28.6	+21.2	+5.3	+5.1	+15.6	-3.9
Amerika Tema A1 - EUR	+4.2	+9.2	+11.2	+16.3	-	-	-	-	-	-
Amerika Tema A1 - NOK	+8.8	+10.4	+11.2	+24.8	-	-	-	-	-	-
Amerika Tema A10 - SEK	+8.2	-	-	-	-	-	-	-	-	-
Amerika Tema A10 - EUR	+5.2	-	-	-	-	-	-	-	-	-
Amerika Tema A10 - NOK	+9.9	-	-	-	-	-	-	-	-	-
Amerika Tema B1 - SEK	+7.2	+13.1	+11.8	+18.3	-	-	-	-	-	-
Amerika Tema B10 - SEK	+8.2	-	-	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+8.5	+15.8	+14.0	+22.0	+33.7	+19.3	+6.4	+5.7	+11.0	-7.1
EUR	+5.5	+11.8	+13.4	+20.0	-	-	-	-	-	-
NOK	+10.2	+13.0	+13.4	+28.7	-	-	-	-	-	-
Average yearly return, 5 yrs. %										
Amerika Tema A1 - SEK	+12.6	+18.7	+18.2	+15.3	+15.4	+14.2	+2.7	+0.7	+0.3	+2.7
Amerika Tema A1 - EUR	+9.5	+15.5	+16.5	+15.0	-	-	-	-	-	-
Amerika Tema A1 - NOK	+13.3	+22.4	+20.2	+19.9	-	-	-	-	-	-
Amerika Tema A10 - SEK	+13.7	-	-	-	-	-	-	-	-	-
Amerika Tema A10 - EUR	+10.6	-	-	-	-	-	-	-	-	-
Amerika Tema A10 - NOK	+14.4	-	-	-	-	-	-	-	-	-
Amerika Tema B1 - SEK	+12.6	-	-	-	-	-	-	-	-	-
Amerika Tema B10 - SEK	+13.7	-	-	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+16.0	+21.1	+20.5	+17.0	+16.9	+12.6	+1.1	-0.9	-1.8	+1.1
EUR	+12.9	+17.8	+18.8	+16.6	-	-	-	-	-	-
NOK	+16.8	+24.9	+22.6	+21.6	-	-	-	-	-	-
Average yearly return, 10 yrs. %										
Amerika Tema A1 - SEK	+13.4	+10.4	+9.1	+7.5	+8.9	+6.4	+4.0	-2.1	-2.8	-4.8
Amerika Tema A1 - EUR	+14.3	+10.0	+8.5	+7.8	-	-	-	-	-	-
Amerika Tema A1 - NOK	+14.5	+12.3	+9.6	+9.8	-	-	-	-	-	-
Amerika Tema A10 - SEK	+14.5	-	-	-	-	-	-	-	-	-
Amerika Tema A10 - EUR	+15.5	-	-	-	-	-	-	-	-	-
Amerika Tema A10 - NOK	+15.6	-	-	-	-	-	-	-	-	-
Amerika Tema B10 - SEK	+14.5	-	-	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+14.3	+10.6	+9.3	+7.2	+8.7	+5.5	+3.4	-2.0	-2.5	-3.3
EUR	+15.3	+10.2	+8.6	+7.5	-	-	-	-	-	-
NOK	+15.4	+12.6	+9.7	+9.5	-	-	-	-	-	-
Dividends per unit, SEK										
Amerika Tema A1 - SEK	-	-	-	-	-	-	1.73	1.06	1.62	1.78
Amerika Tema B1 - SEK	26.56	24.22	22.50	20.99	17.38	16.10	-	-	-	-
Amerika Tema B10 - SEK	26.56	-	-	-	-	-	-	-	-	-
Exchange rate EUR/SEK	10.13	9.83	9.58	9.16	-	-	-	-	-	-
Exchange rate NOK/SEK	1.02	1.00	1.06	0.95	-	-	-	-	-	-

Benchmark: MSCI USA Select Global Norms and Criteria

Up to 01/05/2016: 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.

Handelsbanken Amerika Tema, cont.

Fund Facts - Costs

Max. allowed mgmt. costs in % according to fund rules	
Amerika Tema A1	1.60
Amerika Tema A10	0.60
Amerika Tema B1	1.60
Amerika Tema B10	0.60
Collected mgmt. costs in % of average fund capital	
Amerika Tema A1	1.60
Amerika Tema A10	0.60
Amerika Tema B1	1.60
Amerika Tema B10	0.60
Annual fees in %	
Amerika Tema A1	1.60
Amerika Tema A10	0.60
Amerika Tema B1	1.60
Amerika Tema B10	0.60
Transaction costs, tSEK	1,544
Transaction costs in % of turnover	0.02
Costs in SEK for a one-time subscription, 10 000 SEK	
Amerika Tema A1	176.68
Amerika Tema A10	-
Amerika Tema B1	176.68
Amerika Tema B10	-
Costs in SEK for monthly savings, 100 SEK	
Amerika Tema A1	10.96
Amerika Tema A10	-
Amerika Tema B1	10.96
Amerika Tema B10	-

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	15.1	Active return % - A10 EUR	-0.3
Total risk % - A1 EUR	12.8	Active return % - A10 NOK	-0.3
Total risk % - A1 NOK	13.8	Active return % - B1 SEK	-1.4
Total risk % - A10 SEK	15.1	Active return % - B10 SEK	-0.3
Total risk % - A10 EUR	12.8	Information ratio - A1 SEK	Negative
Total risk % - A10 NOK	13.8	Information ratio - A1 EUR	Negative
Total risk % - B1 SEK	15.1	Information ratio - A1 NOK	Negative
Total risk % - B10 SEK	15.1	Information ratio - A10 SEK	Negative
Total risk in index % - A1 SEK	14.4	Information ratio - A10 EUR	Negative
Total risk in index % - A1 EUR	12.3	Information ratio - A10 NOK	Negative
Total risk in index % - A1 NOK	13.1	Information ratio - B1 SEK	Negative
Total risk in index % - A10 SEK	14.4	Information ratio - B10 SEK	Negative
Total risk in index % - A10 EUR	12.3	Sharpe ratio - A1 SEK	0.5
Total risk in index % - A10 NOK	13.1	Sharpe ratio - A1 EUR	0.4
Total risk in index % - B1 SEK	14.4	Sharpe ratio - A1 NOK	0.6
Total risk in index % - B10 SEK	14.4	Sharpe ratio - A10 SEK	0.6
Active Share % ¹⁾	90.4	Sharpe ratio - A10 EUR	0.4
Tracking error % - A1 SEK	2.8	Sharpe ratio - A10 NOK	0.7
Tracking error % - A1 EUR	2.8	Sharpe ratio - B1 SEK	0.5
Tracking error % - A1 NOK	2.8	Sharpe ratio - B10 SEK	0.6
Tracking error % - A10 SEK	2.8	Sharpe ratio in index - A1 SEK	0.6
Tracking error % - A10 EUR	2.8	Sharpe ratio in index - A1 EUR	0.5
Tracking error % - A10 NOK	2.8	Sharpe ratio in index - A1 NOK	0.7
Tracking error % - B1 SEK	2.8	Sharpe ratio in index - A10 SEK	0.6
Tracking error % - B10 SEK	2.8	Sharpe ratio in index - A10 EUR	0.5
Benchmark	MSCI USA Select Global Norms and Criteria	Sharpe ratio in index - A10 NOK	0.7
Active return % - A1 SEK	-1.4	Sharpe ratio in index - B1 SEK	0.6
Active return % - A1 EUR	-1.3	Sharpe ratio in index - B10 SEK	0.6
Active return % - A1 NOK	-1.4		
Active return % - A10 SEK	-0.3		

1) As of the balance sheet date.

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

Income Statement, tSEK

	2018	2017
INCOME AND CHANGES IN VALUE		
Changes in value for transferable securities	158,346	1,226,870
Interest income	1,390	569
Dividends	125,543	92,074
Currency exchange profits and losses, net	9,213	-4,959
Other financial income	1,372	239
Other income	0	7
Total income and changes in value	295,864	1,314,800
EXPENSES		
Management costs:		
- Remuneration to the Management Company	183,522	143,564
Interest expense	209	83
Other financial expenses	274	48
Other expenses	1,544	4,445
Total expenses	185,549	148,140
Net income	110,315	1,166,660
* Details of changes in value		
Capital gains	756,798	763,903
Capital losses	-396,407	-118,110
Unrealised gains/losses	-202,046	581,077
Sum	158,346	1,226,870

Balance Sheet, tSEK

	31 dec 2018	% of fund capital	31 dec 2017	% of fund capital
ASSETS				
Transferable securities	10,198,204	98.8	10,036,128	97.8
Total financial instruments with positive market value ^{Note 2)}	10,198,204	98.8	10,036,128	97.8
Bank assets and other liquid assets	135,832	1.3	236,001	2.3
Prepaid expenses and accrued income	6,645	0.1	2,860	0.0
Other assets	25,556	0.2	-	-
Total assets	10,366,237	100.4	10,274,989	100.1
LIABILITIES				
OTC derivative instruments with negative market value	23	0.0	-	-
Total financial instruments with negative market value ^{Note 2)}	23	0.0	-	-
Accrued expenses and prepaid income	14,591	0.1	7,808	0.1
Other liabilities	25,023	0.3	92	0.0
Total liabilities	39,637	0.4	7,900	0.1
Fund capital ^{Note 1)}	10,326,600	100.0	10,267,089	100.0
Financial instruments lent	240,253	2.3	38,743	0.4
Collateral received for financial instruments lent	264,459	2.6	41,069	0.4

Note 1) for Balance Sheet

Changes in fund capital, tSEK

	2018	2017
Fund capital at beginning of year	10,267,089	8,198,427
Units issued	2,693,671	2,585,718
Units redeemed	-2,730,507	-1,668,540
Profit according to Income Statement	110,315	1,166,660
Dividends to unit holders	-13,968	-15,176
Fund capital at the close of the period	10,326,600	10,267,089

Note 2) for Balance Sheet

Fund holdings in financial instruments

TRANSFERABLE SECURITIES*

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
LISTED EQUITIES			
CONSUMER DISCRETIONARY			
Amazon.com (Internet and Catalog Retail)	25,200	335,569	3.2
Bright Horizons Family Solutions (Diversified Consumer Services)	100,000	98,810	1.0
Columbia Sportswear Ord Shs (Textiles, Apparel and Luxury Goods)	95,000	70,825	0.7
Comcast A (Media)	690,000	208,299	2.0
Grand Canyon Education (Diversified Consumer Services)	325,000	277,018	2.7
Home Depot (Specialty Retail)	130,000	198,033	1.9
InterActiveCorp (Media)	125,000	202,851	2.0
National Vision Holdings Ord Shs (Specialty Retail)	200,000	49,950	0.5
Nike B (Textiles, Apparel and Luxury Goods)	129,000	84,794	0.8
Pool (Distributors)	170,000	224,044	2.2
Royal Caribbean Cruises (Hotels, Restaurants and Leisure)	160,000	138,719	1.3
Service Corporation International (Diversified Consumer Services)	580,000	207,025	2.0
Starbucks (Hotels, Restaurants and Leisure)	200,000	114,192	1.1

Handelsbanken Amerika Tema, cont.

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
Walt Disney (Media)	90,000	87,493	0.8
CONSUMER STAPLES			
Arca Continental (Beverages)	900,000	44,528	0.4
Gruma (Food Products)	660,000	65,923	0.6
		110,451	1.0
FINANCIALS			
American Express (Consumer Finance)	144,000	121,693	1.2
East West Bancorp (Commercial Banks)	550,000	212,262	2.1
First Republic Bank (Commercial Banks)	159,607	122,968	1.2
IntercontinentalExchange (Diversified Financial Services)	145,000	96,840	0.9
NASDAQ OMX Group (Diversified Financial Services)	160,000	115,710	1.1
Progressive Ohio (Insurance)	370,000	197,904	1.9
Prosperity Bancshares (Commercial Banks)	90,000	49,711	0.5
SunTrust Banks (Commercial Banks)	301,805	134,965	1.3
SVB Financial Group (Commercial Banks)	101,000	170,064	1.6
Synchrony Financial (Consumer Finance)	410,000	85,277	0.8
TD Ameritrade Holding (Commercial Banks)	360,000	156,266	1.5
Umpqua Holdings Ord Shs (Commercial Banks)	450,000	63,435	0.6
Western Alliance Ord Shs (Commercial Banks)	105,000	36,762	0.4
		1,608,542	15.6
HEALTH CARE			
Abbott Laboratories (Pharmaceuticals)	129,000	82,723	0.8
AbbVie (Pharmaceuticals)	130,500	106,663	1.0
Aerie Pharmaceuticals (Pharmaceuticals)	105,000	33,606	0.3
Array BioPharma Ord Shs (Biotechnology)	300,000	37,902	0.4
Centene (Health Care Providers and Services)	125,000	127,779	1.2
Eli Lilly (Pharmaceuticals)	215,000	220,581	2.1
Estée Lauder Companies A (Health Care Equipment and Supplies)	95,000	109,577	1.1
Gilead Science (Biotechnology)	140,000	77,638	0.8
Johnson & Johnson (Pharmaceuticals)	245,000	280,314	2.7
Merck (Pharmaceuticals)	525,000	355,656	3.4
The Cooper Companies (Health Care Equipment and Supplies)	31,000	69,947	0.7
Thermo Fisher Scientific (Life Sciences Tools and Services)	111,000	220,234	2.1
UnitedHealth Group (Health Care Providers and Services)	130,000	287,126	2.8
		2,009,746	19.5
INDUSTRIALS			
A. O. Smith (Building Products)	140,000	53,000	0.5
Allegion (Building Products)	226,910	160,357	1.6
Alliance Data Systems (Commercial Services and Supplies)	23,000	30,603	0.3
Grupo Aeroportuario del Centro Norte (Transportation Infrastructure)	1,750,000	73,890	0.7
Kadant (Machinery)	75,000	54,166	0.5
KAR Auction Services Ord Shs (Commercial Services and Supplies)	70,000	29,615	0.3
MasTec (Construction and Engineering)	270,000	97,092	0.9
MSA Safety Ord Shs (Commercial Services and Supplies)	60,000	50,147	0.5
PINFRA (Transportation Infrastructure)	1,300,000	109,932	1.1
Proto Labs Ord Shs (Machinery)	46,000	45,999	0.4
Rockwell Automation (Electrical Equipment)	45,000	60,036	0.6
Trex Ord Shs (Building Products)	40,000	21,051	0.2
Welbilt Rg (Electrical Equipment)	400,000	39,400	0.4
Xylem (Machinery)	220,000	130,136	1.3
		955,425	9.3
INFORMATION TECHNOLOGY			
Activision Blizzard (Software)	250,000	103,221	1.0
Adobe Systems (Software)	90,000	180,523	1.7
Alphabet A (Internet Software and Services)	35,000	324,256	3.1
Apple (Computers and Peripherals)	345,000	482,482	4.7
Cisco Systems (Communications Equipment)	560,000	215,128	2.1
Facebook (Internet Software and Services)	120,000	139,467	1.4
FICO (Software)	70,000	116,054	1.1
Intuit (Software)	56,000	97,734	0.9
Mastercard (IT Services)	124,281	207,865	2.0
Mellanox Technologies Ord Shs1 (Semiconductors and Semiconductor Equip.)	250,000	204,757	2.0
Microsoft (Software)	651,000	586,228	5.7
NVIDIA (Semiconductors and Semiconductor Equip.)	73,000	86,402	0.8
PayPal (IT Services)	170,000	126,740	1.2
		2,870,857	27.8
MATERIALS			
Ashland Global Ord Shs (Chemicals)	100,000	62,912	0.6
Ecolab (Chemicals)	45,000	58,787	0.6
Martin Marietta Materials (Construction Materials)	30,000	45,713	0.4
Sensient Technologies (Chemicals)	100,000	49,516	0.5
WestRock (Containers and Packaging)	200,000	66,955	0.6
		283,883	2.7
REAL ESTATE			
Redfin Ord Shs (Real Estate Management & Development)	350,000	44,684	0.4
		1,608,542	15.6

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
UTILITIES			
Watsco Inc (Water Utilities)	50,000	61,680	0.6
		61,680	0.6
Total listed equities		10,198,204	98.8
Total transferable securities		10,198,204	98.8

OTHER FINANCIAL INSTRUMENTS***

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
OTC DERIVATIVE INSTRUMENTS			
CURRENCY FUTURES			
EUR/NOK		-23	0.0
		-23	0.0
Total OTC derivative instruments		-23	0.0
Total other financial instruments		-23	0.0
Total holdings in financial instruments		10,198,181	98.8
Net, other assets and liabilities		128,419	1.2
Total fund capital		10,326,600	100.0

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

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

98.8

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

*** Refers to other financial instruments.

Volume of lent securities as a % of total lendable assets**Volume of lent securities as a % of total lendable assets** 2.35**The ten largest issuers of collateral for securities lending per issuer, SEK thousand:**

The British Government	22 172
U.S.A.	21 071
The German Government	14 050
Cisco Systems Inc	9 384
The Dutch Government	7 813
Royal Dutch Shell Plc	5 341
Adobe Inc	3 927
Sumitomo Mitsui Financial Group Inc	3 377
Mitsubishi Ufj Financial Group Inc	3 262
Rohm Co Ltd	2 771

The largest counterparties for securities lending, SEK thousand:

UBS AG, London Branch, Great Britain	220 870
J.P. Morgan Securities Plc, Great Britain	10 131
Merrill Lynch Intl, Great Britain	8 951
Credit Suisse Securities (Europe) Ltd, Great Britain	301
	240 253

Type and quality of collateral, SEK thousand:

Equities	199 264
Bonds and other interest-bearing instruments	65 195
	264 459

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	4 297
One week to one month	130
One to three months	1 995
Three months to one year	7 621
Greater than one year	51 153
Indeterminate duration	199 263
	264 459

Currency of the collateral, SEK thousand:

AUD	1 057
CAD	814
CHF	666
DKK	2 523
EUR	36 891
GBP	50 945
HKD	2 977
JPY	72 379
SEK	1 329
SGD	3 797
USD	91 081
	264 459

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

Settlement and clearing for securities lending is conducted through a third party. The collateral received is held by J.P. Morgan Bank Luxembourg S.A. or another group company within the J.P. Morgan Group and is not reused.

Handelsbanken Amerika Tema, cont.

Information about returns and expenses:

Securities lending for the full year generated a total revenue of 1 372 tSEK thousand, of which 80% was passed on to the fund and 20% to J.P. Morgan Bank Luxembourg S.A. in its role as the intermediary of securities lending.

Counterparties for securities lending during the year:

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

Handelsbanken Amerika Tema

Sustainability dimensions that are taken into consideration in the management of the fund

The fund manager integrates environmental, social and corporate governance criteria (ESG) into the investment process, together with financial criteria, to obtain a more complete basis for decision-making. As a result, the fund manager takes into consideration both risks and opportunities related to various ESG aspects.

Methods used in sustainability efforts

Inclusion

An in-depth analysis is conducted in preparation for each investment decision in which sustainability dimensions as well as economic aspects are factored into the analysis. We believe sustainability issues are particularly important for making sound investment decisions to generate good, long-term returns. We have access to external ESG analyses as a complement to our own analyses and knowledge of the companies. Fund managers analyse sustainability through the company's sustainability performance (HOW they conduct their business operations), as well as through WHAT the company offers for products and services. The sustainability analysis is documented as an integral component of the investment documentation and consists of both sustainability risks and opportunities.

The fund had holdings during the year in Royal Caribbean Cruises, which is one of the world's largest cruise companies. Given that the cruise ship has potential sustainability risks related to emissions of carbon dioxide, trash management and water, a more in-depth analysis was conducted to understand how the company is managing these risks and sustainability matters. After visiting RCL on-site, we believe that the company's sustainability efforts hold a high standard.

Exclusion

In accordance with the Management Company's overall policy for responsible investment, all of the Management Company's funds exclude:

- companies involved in the production or distribution of banned weapons, such as cluster bombs, anti-personnel mines, biological and chemical weapons, in accordance with international legislation. Companies involved in the production or distribution of nuclear weapons are also excluded.
- companies with substantial business operations within coal mining or in power companies that have coal as a major source of energy.

The fund is managed based upon the Criteria exclusion strategy, which means an exclusion of companies in which the principle business operations are within controversial sectors such as alcohol, tobacco, commercial gaming, war materials, pornography, fossil fuels. The fund also excludes companies that are deemed to be violating international norms and conventions. This is followed-up by the Management Company's independent risk control function on a daily basis.

Management Company's engagement activities

A critical component in taking responsibility as an investor is to influence the companies in which we invest. Our engagement activities are founded on the value base of Handelsbanken and the Management Company, our commitments, as well as the international norms and conventions we safeguard. We conduct dialogues to encourage companies to improve their sustainability efforts, as well as with companies we deem do not fulfil the international norms and conventions we safeguard. We conduct the engagement activities primarily through:

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

A. The targeted company dialogues are conducted by the fund manager with the company directly. The fund manager meets or has contact with companies on a regular basis. This provides good opportunities to hold dialogues for change to occur, which we view as a significant opportunity for exercising influence. Targets are identified for the direct dialogues and results are followed up regularly during the period of the dialogue. The fund had 3 dialogues during the year.

During the year we held an active dialogue with the transport and logistics company XPO Logistics since we believe the company has deficiencies in its sustainability strategy with regard to personnel management, safety issues, carbon dioxide emissions and a low transparency in sustainability efforts overall. We had several meetings where we shared our opinions and had a dialogue on improvements in sustainability matters. During the follow-up of the company's efforts we found that the focus on sustainability remained weak and the pace of progress was insufficient. Accordingly, we sold the holdings.

B. The Management Company participates in dialogues with companies together with other investors through an external party (ISS ESG) in a so-called pooled engagement. The basis for these dialogues is a norm-based analysis that focuses primarily on companies with suspected or confirmed violations with regard to international norms and conventions within the environment, human rights, labour rights, and anti-corruption. The dialogue process consists of contact between ISS ESG and the company concerned, and in certain cases also includes meetings or telephone conferences in which we as an investor may participate. During 2018 the Management Company participated in 143 company dialogues, of which the fund was invested in 2 of these companies.

One of the companies was Amazon.com, where a dialogue was held due to one of their subsidiaries, Whole Foods, which has a policy that is deemed to violate the right to organise a trade union.

C. During 2018 the Management Company participated in several international initiatives and collaborations with focus on specific sustainability matters. These initiatives are often thematic or focus on sustainability issues within a certain sector. Examples of initiatives we have participated in during the year include: Climate Action 100+, PRI Methane Engagement, PRI Sustainable Palm Oil, PRI Sustainable Soy, PRI Cyber Security and FAIRR Antibiotics Engagement. These initiatives include 336 companies in total.

General meetings and nomination committees

Normally, Handelsbanken Fonder votes at general meetings in those companies in which ownership exceeds 0.5% or if there are specific matters of concern. The Management Company has voted at 15 general meetings on behalf of the fund.

Handelsbanken Fonder participates in all of the nomination committees where we have a sufficiently large ownership to be offered a position. However, nomination committees are not common outside of the Nordics and the board composition can only be impacted by voting at the general meetings.

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

Handelsbanken Asien Tema, cont.

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Average yearly return, 2 yrs. %										
Asien Tema A1 - SEK	+10.8	+24.7	+7.3	+12.3	+14.7	+10.2	+0.8	-0.9	+30.8	-6.3
Asien Tema A1 - EUR	+7.7	+20.4	+6.7	+10.4	-	-	-	-	-	-
Asien Tema A1 - NOK	+12.4	+21.7	+6.8	+18.4	-	-	-	-	-	-
Asien Tema A10 - SEK	+11.7	-	-	-	-	-	-	-	-	-
Asien Tema A10 - EUR	+8.7	-	-	-	-	-	-	-	-	-
Asien Tema A10 - NOK	+13.5	-	-	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+8.8	+20.5	+5.4	+11.8	+14.4	+8.9	+0.3	-1.1	+31.0	-4.0
EUR	+5.8	+16.3	+4.8	+9.9	-	-	-	-	-	-
NOK	+10.5	+17.5	+4.9	+17.9	-	-	-	-	-	-
Average yearly return, 5 yrs. %										
Asien Tema A1 - SEK	+12.3	+15.4	+12.0	+6.0	+8.5	+12.6	+0.1	+1.9	+6.3	+11.4
Asien Tema A1 - EUR	+9.3	+12.3	+10.4	+5.6	-	-	-	-	-	-
Asien Tema A1 - NOK	+13.0	+19.0	+14.0	+10.2	-	-	-	-	-	-
Asien Tema A10 - SEK	+13.3	-	-	-	-	-	-	-	-	-
Asien Tema A10 - EUR	+10.3	-	-	-	-	-	-	-	-	-
Asien Tema A10 - NOK	+14.1	-	-	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+11.0	+13.2	+11.0	+5.2	+8.2	+12.1	+0.9	+3.1	+8.7	+14.4
EUR	+8.0	+10.1	+9.4	+4.9	-	-	-	-	-	-
NOK	+11.7	+16.8	+12.9	+9.4	-	-	-	-	-	-
Average yearly return, 10 yrs. %										
Asien Tema A1 - SEK	+12.4	+7.5	+6.9	+6.1	+10.0	+7.4	+8.6	+3.7	+5.5	+1.4
Asien Tema A1 - EUR	+13.4	+7.0	+6.2	+6.4	-	-	-	-	-	-
Asien Tema A1 - NOK	+13.5	+9.4	+7.3	+8.4	-	-	-	-	-	-
Asien Tema A10 - SEK	+13.5	-	-	-	-	-	-	-	-	-
Asien Tema A10 - EUR	+14.4	-	-	-	-	-	-	-	-	-
Asien Tema A10 - NOK	+14.6	-	-	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+11.5	+6.8	+6.9	+6.9	+11.2	+9.3	+11.1	+6.8	+9.4	+5.0
EUR	+12.4	+6.4	+6.3	+7.2	-	-	-	-	-	-
NOK	+12.6	+8.7	+7.4	+9.2	-	-	-	-	-	-
Dividends per unit, SEK	-	-	-	-	-	-	6.18	3.81	1.58	7.93
Exchange rate EUR/SEK	10.13	9.83	9.58	9.16	-	-	-	-	-	-
Exchange rate NOK/SEK	1.02	1.00	1.06	0.95	-	-	-	-	-	-

Benchmark: 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	
Asien Tema A1	1.50
Asien Tema A10	0.60
Collected mgmt. costs in % of average fund capital	
Asien Tema A1	1.50
Asien Tema A10	0.60
Annual fees in %	
Asien Tema A1	1.50
Asien Tema A10	0.60
Transaction costs, tSEK	9,382
Transaction costs in % of turnover	0.09
Costs in SEK for a one-time subscription, 10 000 SEK	
Asien Tema A1	152.24
Asien Tema A10	-
Costs in SEK for monthly savings, 100 SEK	
Asien Tema A1	9.40
Asien Tema A10	-

Fund Facts - Other Key Figures

Turnover rate	0.4
Share of turnover conducted via closely-related securities companies in %	0.0

Risk and Return Measurements*

Total risk % - A1 SEK	12.8	Active return % - A10 SEK	2.9
Total risk % - A1 EUR	12.2	Active return % - A10 EUR	2.8
Total risk % - A1 NOK	13.0	Active return % - A10 NOK	3.0
Total risk % - A10 SEK	12.8	Information ratio - A1 SEK	0.8
Total risk % - A10 EUR	12.2	Information ratio - A1 EUR	0.8
Total risk % - A10 NOK	13.0	Information ratio - A1 NOK	0.8
Total risk in index % - A1 SEK	12.7	Information ratio - A10 SEK	1.2
Total risk in index % - A1 EUR	12.0	Information ratio - A10 EUR	1.2
Total risk in index % - A1 NOK	12.9	Information ratio - A10 NOK	1.2
Total risk in index % - A10 SEK	12.7	Sharpe ratio - A1 SEK	0.9
Total risk in index % - A10 EUR	12.0	Sharpe ratio - A1 EUR	0.7
Total risk in index % - A10 NOK	12.9	Sharpe ratio - A1 NOK	0.9
Active Share % ¹⁾	55.8	Sharpe ratio - A10 SEK	1.0
Tracking error % - A1 SEK	2.4	Sharpe ratio - A10 EUR	0.7
Tracking error % - A1 EUR	2.4	Sharpe ratio - A10 NOK	1.0
Tracking error % - A1 NOK	2.4	Sharpe ratio in index - A1 SEK	0.8
Tracking error % - A10 SEK	2.4	Sharpe ratio in index - A1 EUR	0.5
Tracking error % - A10 EUR	2.4	Sharpe ratio in index - A1 NOK	0.8
Tracking error % - A10 NOK	2.4	Sharpe ratio in index - A10 SEK	0.8
Benchmark	MSCI Asia AC ex Japan	Sharpe ratio in index - A10 EUR	0.5
Active return % - A1 SEK	1.9	Sharpe ratio in index - A10 NOK	0.8
Active return % - A1 EUR	1.9		
Active return % - A1 NOK	2.0		

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

¹⁾ As of the balance sheet date.

Handelsbanken Asien Tema, cont.

Income Statement, tSEK

	2018	2017
INCOME AND CHANGES IN VALUE		
Changes in value for transferable securities*	-926,727	2,003,382
Changes in value for other derivative instruments**	-246	-483
Interest income	3,230	481
Dividends	150,980	121,957
Currency exchange profits and losses, net	12,968	-26,264
Other financial income	1,394	435
Other income	1	50
Total income and changes in value	-758,400	2,099,558
EXPENSES		
Management costs:		
- Remuneration to the Management Company	127,993	103,508
Interest expense	83	92
Other financial expenses	282	84
Other expenses	12,613	8,700
Total expenses	140,971	112,384
Net income	-899,371	1,987,174
* Details of changes in value		
Capital gains	1,148,986	787,964
Capital losses	-173,034	-94,351
Unrealised gains/losses	-1,902,679	1,309,769
Sum	-926,727	2,003,382
** Details of changes in value		
Capital gains	-	25
Capital losses	-	-334
Unrealised gains/losses	-246	-174
Sum	-246	-483

Balance Sheet, tSEK

	31 dec 2018	% of fund capital	31 dec 2017	% of fund capital
ASSETS				
Transferable securities	9,533,018	88.7	7,689,038	93.7
Other derivative instruments with positive market value	25	0.0	271	0.0
Total financial instruments with positive market value (Note 2)	9,533,043	88.7	7,689,309	93.7
Bank assets and other liquid assets	1,203,181	11.2	455,243	5.6
Prepaid expenses and accrued income	12,885	0.1	9,544	0.1
Other assets	9,529	0.1	101,761	1.2
Total assets	10,758,638	100.1	8,255,857	100.6
LIABILITIES				
Accrued expenses and prepaid income	12,691	0.1	5,782	0.1
Other liabilities	38	0.0	45,408	0.5
Total liabilities	12,729	0.1	51,190	0.6
Fund capital (Note 1)	10,745,909	100.0	8,204,667	100.0
Financial instruments lent	235,599	2.2	285,269	3.5
Collateral received for financial instruments lent	261,840	2.4	317,924	3.9

Note 1) for Balance Sheet

Changes in fund capital, tSEK

	2018	2017
Fund capital at beginning of year	8,204,667	5,441,444
Units issued	5,942,806	2,266,030
Units redeemed	-2,502,193	-1,489,981
Profit according to Income Statement	-899,371	1,987,174
Dividends to unit holders	-	-
Fund capital at the close of the period	10,745,909	8,204,667

Note 2) for Balance Sheet

Fund holdings in financial instruments

TRANSFERABLE SECURITIES*	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
LISTED EQUITIES			
BERMUDA (BMD)			
Hongkong Land (Real Estate Management and Development)	220,000	12,288	0.1
		12,288	0.1
CHINA (CNY)			
3SBio HK (Biotechnology)	2,000,000	22,738	0.2
51job ADR (Professional Services)	80,000	44,287	0.4
58.com ADR (Internet Software and Services)	371,254	178,431	1.7
Alibaba Group Holding ADR (Internet Software and Services)	535,447	650,698	6.1
Anhui Conch Cement HKD (Construction Materials)	4,845,159	208,491	1.9
Autohome ADR (Internet Software and Services)	240,694	166,939	1.6
Baidu ADR (Internet Software and Services)	148,515	208,830	1.9
China Construction Bank (Commercial Banks)	42,526,846	311,093	2.9
China Life Insurance HKD (Insurance)	1,000,000	18,843	0.2
China Merchants Bank (Commercial Banks)	4,769,500	155,006	1.4
China Mobile HKD (Wireless Telecommunication Services)	1,766,413	150,720	1.4
Fosun International (Metals and Mining)	1,900,000	24,527	0.2
Fosun Tourism Group (Diversified Consumer Services)	200,000	3,651	0.0
Han's Laser Technology Ord Shs A (Machinery)	1,036,327	40,629	0.4
Industrial & Commercial Bank of China HKD (Commercial Banks)	39,833,593	252,148	2.3
MOMO (Internet Software and Services)	645,070	135,828	1.3
NetEase (Software)	167,032	348,555	3.2
New Oriental (Diversified Consumer Services)	128,370	62,380	0.6
Ping An Insurance (Insurance)	2,485,618	194,635	1.8
Shenzhen International Group Holdings (Textiles, Apparel and Luxury Goods)	150,000	15,075	0.1
Sina Corporation (Internet Software and Services)	55,000	26,156	0.2
Sunac China Holdings (Real Estate Management and Development)	1,400,000	40,426	0.4
Sunny Optical Technology Group (Elec Equip, Instr & Comp)	450,000	35,466	0.3
TAL Education Group ADR (Diversified Consumer Services)	120,000	28,385	0.3
Tencent (Internet Software and Services)	1,949,763	693,276	6.5
Tencent Music Entertainment Group ADR R (Entertainment)	499	58	0.0
Weibo Sp ADS-A (Internet Software and Services)	343,648	178,021	1.7
WuXi Biologics (Cayman) Inc. (Life Sciences Tools and Services)	450,000	25,555	0.2
		4,220,849	39.3
HONG KONG (HKD)			
AIA Group (Insurance)	4,917,443	361,949	3.4
Bank of China HKD (Commercial Banks)	628,582	20,713	0.2
China Gas Holdings (Oil, Gas and Consumable Fuels)	900,000	28,434	0.3
China Mengniu Dairy (Food Products)	1,300,000	35,919	0.3
China Overseas Land & Investment (Real Estate Management and Development)	6,093,564	185,617	1.7
China Resources Land (Real Estate)	2,256,905	76,926	0.7
CK Asset Holdings (Real Estate Management & Development)	466,940	30,298	0.3
CK Hutchison Holdings (Industrial Conglomerates)	506,940	43,169	0.4
Galaxy Entertainment Group (Hotels, Restaurants and Leisure)	3,600,000	203,014	1.9
Geely Automobile Holdings (Automobiles)	1,200,000	18,752	0.2
Hainan Meilan International Airport (Transportation Infrastructure)	938,747	6,771	0.1
Hang Seng Bank (Commercial Banks)	688,876	137,137	1.3
Hong Kong Exchanges and Clearing (Diversified Financial Services)	420,830	107,984	1.0
New China Life Insurance (Insurance)	600,000	21,130	0.2
New World Development (Real Estate Management and Development)	990,973	11,626	0.1
Nine Dragons Paper Holdings (Paper and Forest Products)	2,000,000	16,420	0.2
NWS Holdings (Transportation Infrastructure)	1,304,598	23,726	0.2
Sino Biopharmaceutical (Pharmaceuticals)	2,500,000	14,608	0.1
Sun Hung Kai Properties (Real Estate Management and Development)	475,686	60,114	0.6
Wharf Real Estate Investment (Real Estate Management & Development)	976,000	51,779	0.5
Wheelock (Real Estate)	342,943	17,378	0.2
Xinyi Glass Holdings (Auto Components)	2,500,000	24,516	0.2
		1,497,982	13.9
INDIA (INR)			
HCL Technologies (IT Services)	266,709	32,662	0.3
HDFC Bank (Commercial Banks)	487,210	131,272	1.2
Housing Development Finance (Diversified Financial Services)	155,000	38,744	0.4
Infosys Technologies (IT Services)	828,258	69,309	0.6
Maruti Suzuki India (Automobiles)	20,000	18,961	0.2
Reliance Industries (Chemicals)	800,000	113,911	1.1

Handelsbanken Asien Tema, cont.

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
STERLITE TECHNOLOGIES LIMITED			
(Communications Equipment)	230,000	8,571	0.1
Tata Consultancy Services (IT Services)	508,282	122,191	1.1
		535,620	5.0
INDONESIA (IDR)			
Bank Central Asia (Commercial Banks)	1,800,000	28,854	0.3
Bank Rakyat Indonesia (Commercial Banks)	7,527,650	16,986	0.2
Pakuwon Jati (Real Estate)	56,500,000	21,597	0.2
Surya Citra Media (Media)	6,000,000	6,918	0.1
Telkom Indonesia (Diversified Telecommunication Services)	9,001,552	20,812	0.2
		95,167	0.9
KOREA, REPUBLIC OF (KRW)			
CJ O Shopping Ord Shs (Internet and Catalog Retail)	14,828	23,788	0.2
Hynix Semiconductor (Semiconductors and Semiconductor Eqp.)	75,000	36,054	0.3
Kangwon Land (Hotels, Restaurants and Leisure)	40,000	10,171	0.1
KB Financial Group (Commercial Banks)	94,000	34,731	0.3
Modetour Network (Hotels, Restaurants and Leisure)	68,826	13,180	0.1
NCSOFT (Software)	3,000	11,120	0.1
POSCO (Metals and Mining)	15,000	28,982	0.3
Samsung Electronics (Semiconductors and Semiconductor Eqp.)	1,181,357	363,267	3.4
Samsung Electronics pref (Semiconductors and Semiconductor Eqp.)	303,100	76,465	0.7
Samsung Life Insurance (Insurance)	15,000	9,726	0.1
Shinhan Financial Group (Commercial Banks)	246,361	77,518	0.7
SK Telecom (Wireless Telecommunication Services)	6,000	12,848	0.1
		697,829	6.5
MACAU (MOP)			
Sands China (Hotels, Restaurants and Leisure)	5,638,400	219,000	2.0
Wynn Macau (Hotels, Restaurants and Leisure)	2,000,000	38,682	0.4
		257,683	2.4
MALAYSIA (MYR)			
AirAsia Berhad (Airlines)	750,000	4,779	0.0
Malaysia Airports (Transportation Infrastructure)	700,000	12,585	0.1
Public Bank Berhad (Commercial Banks)	870,000	46,214	0.4
		63,578	0.5
PHILIPPINES (PHP)			
Ayala Land (Real Estate)	16,662,045	114,055	1.1
BDO Unibank (Commercial Banks)	1,232,158	27,173	0.3
D&L Industries (Chemicals)	8,502,162	15,739	0.1
Globe Telecom (Diversified Telecommunication Services)	95,163	30,485	0.3
Megawide Construction Ord Shs (Construction and Engineering)	4,900,000	15,284	0.1
SM Investments (Diversified Financial Services)	294,500	45,556	0.4
SM Prime Holdings (Real Estate)	11,933,750	72,031	0.7
		320,322	3.0
SINGAPORE (SGD)			
CapitaCommercial Trust (Real Estate)	691,852	7,875	0.1
CapitaLand (Real Estate)	515,743	10,433	0.1
DBS Group Holdings (Commercial Banks)	1,515,623	233,550	2.2
Oversea-Chinese Banking (Commercial Banks)	928,765	68,025	0.6
Singapore Telecommunications (Diversified Telecommunication Services)	1,334,641	25,436	0.2
United Overseas Bank (Commercial Banks)	230,000	36,758	0.3
		382,079	3.6
TAIWAN, PROVINCE OF CHINA (TWD)			
Cathay Financial Holding (Insurance)	1,200,000	16,268	0.2
Largan Precision (Leisure Equipment and Products)	65,000	60,277	0.6
Nan Liu Enterprise (Textiles, Apparel and Luxury Goods)	200,000	8,999	0.1
Taiwan Semiconductor (Semiconductors and Semiconductor Eqp.)	9,581,321	623,205	5.8
Uni-President Enterprises (Food Products)	719,776	14,491	0.1
		723,241	6.7
THAILAND (THB)			
Airports of Thailand Ord Shs F (Transportation Infrastructure)	4,817,360	84,279	0.8
Bangkok Dusit Medical Services (Health Care Providers and Services)	8,300,000	55,145	0.5
Central Pattana (Real Estate Management and Development)	3,990,000	81,212	0.8
Central Plaza Hotel (Hotels, Restaurants and Leisure)	650,000	7,080	0.1
CP All (Multi-line Retail)	1,053,226	19,717	0.2
Kasikornbank f/r (Commercial Banks)	250,000	12,560	0.1
Major Cineplex (Media)	840,000	4,712	0.0
Minor International (Hotels, Restaurants and Leisure)	6,506,657	60,238	0.6
Muangthai Capital Pcl Ord shs (Consumer Finance)	200,000	2,668	0.0
PTT Global Chemical (Chemicals)	202,766	3,934	0.0
PTT Thailand Foreign Line (Oil, Gas and Consumable Fuels)	7,000,000	87,678	0.8
Siam Cement f/r (Construction Materials)	164,326	19,509	0.2
Thai Oil f/r (Oil, Gas and Consumable Fuels)	1,136,000	20,493	0.2
		459,223	4.3

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
UNITED STATES (USD)			
Las Vegas Sands (Leisure Equipment and Products)	440,000	203,046	1.9
Wynn Resorts (Hotels, Restaurants and Leisure)	73,000	64,015	0.6
		267,061	2.5
Total listed equities		9,532,922	88.7
UNLISTED EQUITIES***			
HONG KONG (HKD)			
EqanaGoldpfeil Holdings (Household Durables)	128,000	96	0.0
		96	0.0
Total unlisted equities		96	0.0
Total transferable securities		9,533,018	88.7
EXCHANGE-TRADED DERIVATIVES**			
OPTIONS AND WARRANTS			
CB Industrial	462,156	25	0.0
Total options and warrants		25	0.0
Total exchange-traded derivatives		25	0.0
Total holdings in financial instruments		9,533,043	88.7
Net, other assets and liabilities		1,212,866	11.3
Total fund capital		10,745,909	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.

88.7

** 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
Samsung	4.2	PTT	0.8
		China Life Insurance Group	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.

Volume of lent securities as a % of total lendable assets

Volume of lent securities as a % of total lendable assets **3.18**

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

Cisco Systems Inc	12 429
The British Government	7 764
Royal Dutch Shell Plc	7 017
Adobe Inc	5 201
Sumitomo Mitsui Financial Group Inc	4 125
Rohm Co Ltd	3 670
Mitsubishi Ufj Financial Group Inc	3 582
Mizuho Financial Group Inc	3 141
Pioneer Natural Resources Co	3 016
U.S.A.	2 962

The largest counterparties for securities lending, SEK thousand:

UBS AG, London Branch, Great Britain	228 266
Goldman Sachs Intl, Great Britain	7 313
Citigroup Global Markets Ltd, Great Britain	20
	235 599

Type and quality of collateral, SEK thousand:

Equities	248 598
Bonds and other interest-bearing instruments	13 242
	261 840

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	799
One week to one month	0
One to three months	222
Three months to one year	1 297
Greater than one year	10 923
Indeterminate duration	248 598
	261 840

Handelsbanken Asien Tema, cont.

Currency of the collateral, SEK thousand:	
AUD	1 168
CAD	1 078
CHF	546
DKK	3 310
EUR	20 940
GBP	37 021
HKD	3 730
JPY	87 358
SEK	1 424
SGD	4 937
USD	100 328
	261 840

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

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

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

Information about returns and expenses:

Securities lending for the full year generated a total revenue of 1 394 ISEK thousand, of which 80% was passed on to the fund and 20% to J.P. Morgan Bank Luxembourg S.A. in its role as the intermediary of securities lending.

Counterparties for securities lending during the year:

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

Handelsbanken Asien Tema

Sustainability dimensions that are taken into consideration in the management of the fund

The fund manager integrates environmental, social and corporate governance criteria (ESG) into the investment process, together with financial criteria, to obtain a more complete basis for decision-making. As a result, the fund manager takes into consideration both risks and opportunities related to various ESG aspects.

Methods used in sustainability efforts

Inclusion

An in-depth analysis is conducted in preparation for each investment decision in which sustainability dimensions as well as economic aspects are factored into the analysis. We believe sustainability issues are particularly important for making sound investment decisions to generate good, long-term returns. We have access to external ESG analyses as a complement to our own analyses and knowledge of the companies. Fund managers analyse sustainability through the company's sustainability performance (HOW they conduct their business operations), as well as through WHAT the company offers for products and services. The sustainability analysis is documented as an integral component of the investment documentation and consists of both sustainability risks and opportunities.

The fund has a large holding in Taiwan Semiconductor Manufacturing Corporation. The company sets the standard within the manufacturing industry with its strong focus on sustainability. For example, the company's production facilities are very energy efficient and almost all of the water used has been recycled. The fund also invested in CapitaLand Commercial Trust, which is a leading real estate company in Asia with regard to green buildings. All of the company's buildings are certified as green buildings.

Exclusion

In accordance with the Management Company's overall policy for responsible investment, all of the Management Company's funds exclude:

- companies involved in the production or distribution of banned weapons, such as cluster bombs, anti-personnel mines, biological and chemical weapons, in accordance with international legislation. Companies involved in the production or distribution of nuclear weapons are also excluded.
- companies with substantial business operations within coal mining or in power companies that have coal as a major source of energy.

Provided that the fund observes a willingness to change and it is deemed that the company will address the problems within an acceptable amount of time, the fund may invest in companies involved in violations of international norms and conventions. The fund did not utilise this option during the year. Thus, the fund has not owned any of the companies involved in violations of international norms and conventions during the year.

Management Company's engagement activities

A critical component in taking responsibility as an investor is to influence the companies in which we invest. Our engagement activities are founded on the value base of Handelsbanken and the Management Company, our commitments, as well as the international norms and conventions we safeguard. We conduct dialogues to encourage companies to improve their sustainability efforts, as well as with companies we deem do not fulfil the international norms and conventions we safeguard. We conduct the engagement activities primarily through:

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

A. The fund manager meets or has contact with companies on a regular basis, which provides a good opportunity to influence companies within sustainability. We hold dialogues with clear targets for change, but also dialogues that focus on an overall improvement to the company's sustainability efforts. Targets are identified for the direct dialogues and results are followed up regularly during the period of the dialogue. The targeted company dialogues are carried out by the fund manager directly with the company. The fund had 2 dialogues during the year.

For example, a dialogue was held with Anhui Conch Cement due to the company's substantial emissions of carbon dioxide. The company lags the industry trend for the reduction of emissions and our goal is that Conch will reduce the gap to the best companies within the sector. We have analysed several companies in the cement industry together with other large investors and have an ongoing dialogue with Conch regarding the measures that should be taken to reduce the company's emissions.

B. The Management Company participates in dialogues with companies together with other investors through an external party (ISS ESG) in a so-called pooled engagement. The basis for these dialogues is a norm-based analysis that focuses primarily on companies with suspected or confirmed violations with regard to international norms and conventions within the environment, human rights, labour rights, and anti-corruption. The dialogue process consists of contact between ISS ESG and the company concerned, and in certain cases also includes meetings or telephone conferences in which we as an investor may participate. During 2018 the Management Company participated in 143 company dialogues, of which the fund was invested in 6 of these companies.

One of the companies is Samsung Electronics, where we are having a dialogue regarding suitable measures to improve the company's anti-corruption efforts.

C. During 2018 the Management Company participated in several international initiatives and collaborations with focus on specific sustainability matters. These initiatives are often thematic or focus on sustainability issues within a certain sector. Examples of initiatives we have participated in during the year include: Climate Action 100+, PRI Methane Engagement, PRI Sustainable Palm Oil, PRI Sustainable Soy, PRI Cyber Security and FAIRR Antibiotics Engagement. These initiatives include 336 companies in total.

General meetings and nomination committees

Normally, Handelsbanken Fonder votes at general meetings in those companies in which ownership exceeds 0.5% or if there are specific matters of concern. The Management Company has voted at 8 general meetings on behalf of the fund.

Handelsbanken Fonder participates in all of the nomination committees where we have a sufficiently large ownership to be offered a position. However, nomination committees are not common outside of the Nordics and the board composition can only be impacted by voting at the general meetings.

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



Handelsbanken Brasilien

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 benchmark index. The fund invests in equities issued by companies in Brazil and in companies that have a minimum of 50% of their operations or market in Brazil. Accordingly, the fund has a currency exposure to this market.

Portfolio

The fund fell 4.9% between December 7 and December 31, 2018*. The portfolio text reflects the full year and is largely related to Handelsbanken Funds Brazil, which was merged with the newly-launched fund in December.

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, Productivity, and the Environment. Suzano was the strongest contributor to fund returns. The company is one of the world's largest pulp and paper companies and acquired its competitor Fibria during the year. Together, the companies will be the world's largest company within their sector and there are major synergies between the two companies. The company also benefits from a weak Brazilian currency and strong confidence in the market for the global economy at the beginning of the year. The insurance company SulAmerica also posted strength. The electronics retail company ViaVarejo and the education company SER had a negative impact. Both companies were unable to meet our or the market's expectations. ViaVarejo did not grow as rapidly as its competitors and has also had problems with the integration of a new IT system. SER has, together with the sector, expanded capacity too quickly and has been forced to implement a savings programme. Due to the problems with a large supply in the education sector, we decreased holdings in the Education theme during the year.

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

Significant risks

As of the balance sheet date or any other time during the year, fund

holdings did not have exposure to any other significant risks 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 during 2018. The fund has the option of lending securities. The fund did not use this option during 2018. The fund may use other techniques and instruments. The fund did not use this option during 2018.

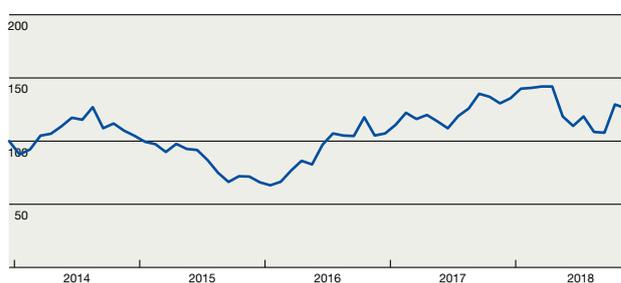
Information

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

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

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

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

	7/12-31/12 2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Net asset value										
Brasilien A1 - SEK	93.68	-	-	-	-	-	-	-	-	-
Brasilien A1 - EUR	9.24	-	-	-	-	-	-	-	-	-
Brasilien A1 - NOK	91.50	-	-	-	-	-	-	-	-	-
The fund's total net flow, mSEK	-36	-	-	-	-	-	-	-	-	-
Fund capital total, mSEK	565	-	-	-	-	-	-	-	-	-
Brasilien A1 - SEK	530	-	-	-	-	-	-	-	-	-
Brasilien A1 - EUR	1	-	-	-	-	-	-	-	-	-
Brasilien A1 - NOK	24	-	-	-	-	-	-	-	-	-
Number of units, 1000's	6,032	-	-	-	-	-	-	-	-	-
Brasilien A1 - SEK	5,662	-	-	-	-	-	-	-	-	-
Brasilien A1 - EUR	109	-	-	-	-	-	-	-	-	-
Brasilien A1 - NOK	260	-	-	-	-	-	-	-	-	-
Total returns in %, SEK										
Brasilien A1 - SEK	-4.9	+26.2	+57.4	-35.3	+4.2	-21.1	+27.8	-22.5	-	-
Brasilien A1 - EUR	-7.7	+23.0	+50.5	-33.1	-2.7	-23.6	+32.6	-21.5	-	-
Brasilien A1 - NOK	-7.0	+33.1	+42.1	-29.1	+5.6	-12.9	+25.5	-22.0	-	-
Index including dividends in %, SEK										
Brasilien A1 - SEK	+5.9	+24.6	+75.5	-36.3	+3.2	-23.3	+8.6	-22.4	-	-
Brasilien A1 - EUR	+2.8	+21.4	+67.8	-34.1	-3.5	-25.7	+12.7	-21.3	-	-
Brasilien A1 - NOK	+3.6	+31.3	+58.4	-30.1	+4.7	-15.4	+6.8	-21.8	-	-
Average yearly return, 2 yrs. %										
Brasilien A1 - SEK	+9.6	+41.0	+0.9	-17.9	-9.4	+0.4	-0.5	-	-	-
Brasilien A1 - EUR	+6.6	+36.1	+0.3	-19.3	-13.7	+0.7	+2.0	-	-	-
Brasilien A1 - NOK	+11.3	+37.5	+0.4	-13.5	-4.1	+4.6	-1.0	-	-	-
Comparison to index including dividends, %										
SEK	+14.9	+47.9	+5.8	-18.9	-11.0	-8.7	-8.2	-	-	-
EUR	+11.7	+42.7	+5.2	-20.3	-15.3	-8.5	-5.8	-	-	-
NOK	+16.6	+44.2	+5.2	-14.5	-5.9	-4.9	-8.7	-	-	-

Handelsbanken Brasilien, cont.

	7/12-31/12 2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Average yearly return, 5 yrs. %										
Brasilien A1 - SEK	+5.0	+1.1	+1.3	-12.1	-	-	-	-	-	-
Brasilien A1 - EUR	+2.2	-1.6	-0.1	-12.3	-	-	-	-	-	-
Brasilien A1 - NOK	+5.7	+4.3	+3.1	-8.6	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+8.8	+2.0	-0.8	-15.7	-	-	-	-	-	-
EUR	+5.9	-0.8	-2.2	-16.0	-	-	-	-	-	-
NOK	+9.5	+5.2	+0.9	-12.4	-	-	-	-	-	-
Exchange rate EUR/SEK	10.13	-	-	-	-	-	-	-	-	-
Exchange rate NOK/SEK	1.02	-	-	-	-	-	-	-	-	-

Relevant benchmark is not available.

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

Refer to the last page for definitions.

Fund Facts - Costs

Max. allowed mgmt. costs in % according to fund rules	1.85
Collected mgmt. costs in % of average fund capital	1.85
Annual fees in %	1.85
Transaction costs, tSEK	33
Transaction costs in % of turnover	0.01
Costs in SEK for a one-time subscription, 10 000 SEK	
Brasilien A1	-
Costs in SEK for monthly savings, 100 SEK	
Brasilien A1	-

Fund Facts - Other Key Figures

Turnover rate	1.1
Share of turnover conducted via closely-related securities companies in %	0.0

Risk and Return Measurements*

Total risk % - A1 SEK	25.9	Active return % - A1 NOK	-5.4
Total risk % - A1 EUR	26.8	Information ratio - A1 SEK	Negative
Total risk % - A1 NOK	25.5	Information ratio - A1 EUR	Negative
Total risk in index % - A1 SEK	22.7	Information ratio - A1 NOK	Negative
Total risk in index % - A1 EUR	23.6	Sharpe ratio - A1 SEK	0.4
Total risk in index % - A1 NOK	21.8	Sharpe ratio - A1 EUR	0.3
Tracking error % - A1 SEK	5.6	Sharpe ratio - A1 NOK	0.4
Tracking error % - A1 EUR	5.6	Sharpe ratio in index - A1 SEK	0.7
Tracking error % - A1 NOK	5.6	Sharpe ratio in index - A1 EUR	0.5
Active return % - A1 SEK	-5.3	Sharpe ratio in index - A1 NOK	0.7
Active return % - A1 EUR	-5.1	Active Share % ¹⁾	65.3

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, tSEK

	7/12-31/12 2018	2017
INCOME AND CHANGES IN VALUE		
Changes in value for transferable securities	5,055	-
Changes in value for fund units **	-850	-
Interest income	8	-
Dividends	1,193	-
Currency exchange profits and losses, net	-2,607	-
Other income	6,131	-
Total income and changes in value	8,930	
EXPENSES		
Management costs:		
- Remuneration to the Management Company	699	-
Interest expense	2	-
Other expenses	323	-
Total expenses	734	
Net income	8,197	
* Details of changes in value		
Capital gains	466	-
Capital losses	-851	-
Unrealised gains/losses	5,440	-
Sum	5,055	-
** Details of changes in value		
Capital gains	400	-
Capital losses	-95	-
Unrealised gains/losses	-1,155	-
Sum	-850	-

Balance Sheet, tSEK

	31 dec 2018	% of fund capital	31 dec 2017	% of fund capital
ASSETS				
Transferable securities	533,474	94.4	-	-
Fund units	15,915	2.8	-	-
Total financial instruments with positive market value ^{Note 2)}	549,389	97.2		
Bank assets and other liquid assets	12,282	2.2	-	-
Prepaid expenses and accrued income	1,102	0.2	-	-
Other assets	2,987	0.5	-	-
Total assets	565,760	100.1		
LIABILITIES				
Accrued expenses and prepaid income	699	0.1	-	-
Other liabilities	0	0.0	-	-
Total liabilities	699	0.1		
Fund capital ^{Note 1)}	565,061	100.0		

Note 1) for Balance Sheet

Changes in fund capital, tSEK

	2018	2017
Fund capital at beginning of year	-	-
Units issued	602,060	-
Units redeemed	-45,196	-
Profit according to Income Statement	8,197	-
Dividends to unit holders	-	-
Fund capital at the close of the period	565,061	

Note 2) for Balance Sheet

Fund holdings in financial instruments

TRANSFERABLE SECURITIES*

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
LISTED EQUITIES			
CONSUMER DISCRETIONARY			
B2W (Internet and Catalog Retail)	118,000	11,342	2.0
Estácio Participações (Diversified Consumer Services)	26,308	1,430	0.3
Even (Household Durables)	933,141	12,807	2.3
GAEC Educação (Diversified Consumer Services)	86,000	3,344	0.6
Lojas Americanas (Multiline Retail)	294,500	13,271	2.3
Lojas Renner (Textiles, Apparel and Luxury Goods)	416,146	40,362	7.1
Magazine Luiza N Rg (Multiline Retail)	22,150	9,175	1.6
Mahle-Metal Leve (Auto Components)	203,289	11,681	2.1
São Paulo Alpargatas (Textiles, Apparel and Luxury Goods)	331,800	12,918	2.3
T4F Entretenimento (Leisure Equipment and Products)	531,583	8,974	1.6
Valid (Media)	87,000	3,582	0.6
Via Varejo Ord Shs (Specialty Retail)	910,500	9,143	1.6
		138,032	24.5
CONSUMER STAPLES			
Andina B ADR (Beverages)	85,327	17,263	3.1
Grupo Pão de Açúcar pref (Food and Staples Retailing)	107,915	19,991	3.5
M. Dias Branco (Food Products)	84,600	8,283	1.5
Natura Cosméticos (Personal Products)	35,000	3,603	0.6
		49,139	8.7
FINANCIALS			
B3 Brasil Bolsa Balcao Ord Shs (Capital Markets)	242,000	14,841	2.6
Banco ABC Brasil pref (Commercial Banks)	637,487	24,615	4.4
Banco do Brasil (Commercial Banks)	246,000	26,161	4.6
Banco do Brs Sp ADR (Commercial Banks)	20,000	2,112	0.4
BR Malls (Real Estate)	950,632	28,422	5.0
Itaúsa (Commercial Banks)	350,858	9,695	1.7
LPS Brasil (Real Estate Management and Development)	597,186	8,634	1.5
SulAmérica (Insurance)	283,000	18,515	3.3
		132,996	23.5

Handelsbanken Brasilien, cont.

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
HEALTH CARE			
Fleury (Health Care Providers and Services)	388,959	17,599	3.1
Ouro Fino Saude Animal Participacoes Or (Pharmaceuticals)	37,750	2,910	0.5
Profarma (Pharmaceuticals)	539,596	4,851	0.9
Raia Drogasil (Health Care Providers and Services)	79,500	10,393	1.8
		35,754	6.3
INDUSTRIALS			
COPEL (Electrical Equipment)	116,500	8,141	1.4
EcoRodovias (Transportation Infrastructure)	188,906	4,053	0.7
Kroton (Commercial Services and Supplies)	485,071	9,842	1.7
Localiza Rent a Car (Road and Rail)	527,953	35,929	6.4
Portobello Ord Shs (Building Products)	503,552	5,978	1.1
		63,944	11.3
MATERIALS			
Fibra Celulose (Paper and Forest Products)	29,800	4,608	0.8
Klabin UNT (Containers and Packaging)	199,055	7,231	1.3
Suzano Bahia Sul Papel E Celulose Ord S (Paper and Forest Products)	70,000	6,098	1.1
Usiminas pref (Metals and Mining)	268,500	5,663	1.0
		23,600	4.2
TELECOMMUNICATION SERVICES			
Telefônica Brasil (Diversified Telecommunication Services)	130,500	13,801	2.4
		13,801	2.4
UTILITIES			
CESP pref (Electric Utilities)	125,000	6,233	1.1
CTEEP (Electric Utilities)	52,479	8,305	1.5
Light (Electric Utilities)	381,500	14,399	2.5
SABESP (Water Utilities)	453,274	32,661	5.8
		61,599	10.9
OTHER			
Arezzo (Other)	116,000	14,610	2.6
		14,610	2.6
Total listed equities		533,474	94.4
Total transferable securities		533,474	94.4

OTHER FINANCIAL INSTRUMENTS***

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
FUND UNITS			
LISTED EQUITY FUNDS**			
iShares MSCI Brazil (Europe)	59,000	15,915	2.8
		15,915	2.8
Total fund units		15,915	2.8
Total other financial instruments		15,915	2.8
Total holdings in financial instruments		549,389	97.2
Net, other assets and liabilities		15,672	2.8
Total fund capital		565,061	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. 94.4

** 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). 2.8

*** Refers to other financial instruments. -

Compilation, Company and Group exposure*

Company/Group	% of fund capital
Banco do Brasil	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.

Handelsbanken Brasilien*

*Sustainability data is reported for the full-year 2018. During 2018 the fund took over the historical data of Handelsbanken Funds Brazil after a cross-border merger with Handelsbanken Brasilien.

Sustainability dimensions that are taken into consideration in the management of the fund

The fund manager integrates environmental, social and corporate governance criteria (ESG) into the investment process, together with financial criteria, to obtain a more complete basis for decision-making. As a result, the fund manager takes into consideration both risks and opportunities related to various ESG aspects.

Methods used in sustainability efforts

Inclusion

An in-depth analysis is conducted in preparation for each investment decision in which sustainability dimensions as well as economic aspects are factored into the analysis. We believe sustainability issues are particularly important for making sound investment decisions to generate good, long-term returns. We have access to external ESG analyses as a complement to our own analyses and knowledge of the companies. Fund managers analyse sustainability through the company's sustainability performance (HOW they conduct their business operations), as well as through WHAT the company offers for products and services. The sustainability analysis is documented as an integral component of the investment documentation and consists of both sustainability risks and opportunities.

The fund took a new position in the cosmetic company Natura during the year. Sustainability is the cornerstone of the company's business operations. The company is a leader in everything from social activities to work with the environment. Natura also runs major global campaigns with the goal of influencing the UN with regard to animal testing. Sustainability is a component of Natura's promise to its customers, which can strengthen the company's position with its customers over time and contribute to high profitability.

Exclusion

In accordance with the Management Company's overall policy for responsible investment, all of the Management Company's funds exclude:

- companies involved in the production or distribution of banned weapons, such as cluster bombs, anti-personnel mines, biological and chemical weapons, in accordance with international legislation. Companies involved in the production or distribution of nuclear weapons are also excluded.
- companies with substantial business operations within coal mining or in power companies that have coal as a major source of energy.

Provided that the fund observes a willingness to change and it is deemed that the company will address the problems within an acceptable amount of time, the fund may invest in companies involved in violations of international norms and conventions. The fund has not utilised this option during the year. Thus, the fund has not owned any companies during the year involved in violations of international norms and conventions.

Management Company's engagement activities

A critical component in taking responsibility as an investor is to influence the companies in which we invest. Our engagement activities are founded on the value base of Handelsbanken and the Management Company, our commitments, as well as the international norms and conventions we safeguard. We conduct dialogues to encourage companies to improve their sustainability efforts, as well as with companies we deem do not fulfil the international norms and conventions we safeguard. We conduct the engagement activities primarily through:

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

A. The targeted company dialogues are conducted by the fund manager directly with the company. The fund manager meets or has contact with companies on a regular basis, which creates good conditions for conducting dialogues that aim to make changes and provides a good opportunity to be able to influence a company. Targets are identified for the direct dialogues and results are followed up regularly during the period of the dialogue. The fund did not have any dialogues during the year.

Dialogues with companies are held on behalf of the fund in meetings with the company's management. We meet most of the fund's holdings on a regular basis and sustainability is a discussion item on the agenda at these meetings. One example is the diagnostic company Fleury. The company is part of the healthcare system, which is affected by high inflation. At a meeting with the company, we discussed the possibility of reducing its impact on inflation to increase sustainability in the system. The fund did not conduct any dialogues with specific targets during the year.

B. The Management Company participates in dialogues with companies together with other investors through an external party (ISS ESG) in a so-called pooled engagement. The basis for these dialogues is a norm-based analysis that focuses primarily on companies with suspected or confirmed violations with regard to international norms and conventions within the environment, human rights, labour rights, and anti-corruption. The dialogue process consists of contact between ISS ESG and the company concerned, and in certain cases also includes meetings or telephone conferences in which we as an investor may participate. During 2018 the Management Company participated in 143 company dialogues. The fund did not have any investments in these companies.

C. During 2018 the Management Company participated in several international initiatives and collaborations with focus on specific sustainability matters. These initiatives are often thematic or focus on sustainability issues within a certain sector. Examples of initiatives we have participated in during the year include: Climate Action 100+, PRI Methane Engagement, PRI Sustainable Palm Oil, PRI Sustainable Soy, PRI Cyber Security and FAIRR Antibiotics Engagement. These initiatives include 336 companies in total.

General meetings and nomination committees

Normally, Handelsbanken Fonder votes at general meetings in those companies in which ownership exceeds 0.5% or if there are specific matters of concern. The Management Company has voted at 24 general meetings on behalf of the fund.

Handelsbanken Fonder participates in all of the nomination committees where we have a sufficiently large ownership to be offered a position. However, nomination committees are not common outside of the Nordics and the board composition can only be impacted by voting at the general meetings.

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

Handelsbanken EMEA Tema, cont.

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Index including dividends in %, SEK										
EMEA Tema A1 - SEK	-5.3	+8.5	+35.5	-8.1	-14.1	-5.6	+20.9	-23.0	+11.1	+71.6
EMEA Tema A1 - EUR	-8.2	+5.7	+29.5	-5.0	-	-	-	-	-	-
EMEA Tema A1 - NOK	-7.4	+14.4	+22.2	+0.7	-	-	-	-	-	-
EMEA Tema A10 - SEK	-5.3	-	-	-	-	-	-	-	-	-
Average yearly return, 2 yrs. %										
EMEA Tema A1 - SEK	-6.1	+22.0	+15.2	-12.4	-11.6	+9.0	-3.7	-7.3	+41.0	-17.8
EMEA Tema A1 - EUR	-8.7	+17.7	+14.6	-13.9	-	-	-	-	-	-
EMEA Tema A1 - NOK	-4.7	+19.0	+14.6	-7.7	-	-	-	-	-	-
EMEA Tema A10 - SEK	-5.2	-	-	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+1.3	+21.2	+11.5	-11.2	-9.9	+6.8	-3.5	-7.5	+38.1	-16.5
EUR	-1.5	+17.0	+10.9	-12.7	-	-	-	-	-	-
NOK	+2.9	+18.2	+10.9	-6.3	-	-	-	-	-	-
Average yearly return, 5 yrs. %										
EMEA Tema A1 - SEK	-1.1	+2.0	+4.9	-7.2	-3.8	+12.3	-6.6	-6.3	+3.8	+13.3
EMEA Tema A1 - EUR	-3.8	-0.7	+3.4	-7.4	-	-	-	-	-	-
EMEA Tema A1 - NOK	-0.5	+5.3	+6.7	-3.5	-	-	-	-	-	-
EMEA Tema A10 - SEK	-0.2	-	-	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+1.9	+1.8	+4.1	-7.0	-3.4	+10.9	-6.3	-5.9	+5.1	+14.9
EUR	-0.8	-0.9	+2.5	-7.3	-	-	-	-	-	-
NOK	+2.6	+5.0	+5.8	-3.4	-	-	-	-	-	-
Average yearly return, 10 yrs. %										
EMEA Tema A1 - SEK	+5.4	-2.4	-0.8	-1.8	+4.4	+8.9	+12.2	+8.6	+11.6	+8.1
EMEA Tema A1 - EUR	+6.2	-2.7	-1.4	-1.6	-	-	-	-	-	-
EMEA Tema A1 - NOK	+6.4	-0.7	-0.4	+0.3	-	-	-	-	-	-
EMEA Tema A10 - SEK	+6.4	-	-	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+6.3	-2.3	-1.0	-1.2	+5.3	+9.4	+13.3	+9.8	+12.3	-
EUR	+7.2	-2.7	-1.6	-0.9	-	-	-	-	-	-
NOK	+7.3	-0.6	-0.6	+0.9	-	-	-	-	-	-
Dividends per unit, SEK	-	-	-	-	-	-	6.37	4.40	4.53	10.27
Exchange rate EUR/SEK	10.13	9.83	9.58	9.16	-	-	-	-	-	-
Exchange rate NOK/SEK	1.02	1.00	1.06	0.95	-	-	-	-	-	-

Benchmark: MSCI Emerging Market Europe 10/40 Net

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

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

Refer to the last page for definitions.

Fund Facts - Costs

Max. allowed mgmt. costs in % according to fund rules	
EMEA Tema A1	1.60
EMEA Tema A10	0.60
Collected mgmt. costs in % of average fund capital	
EMEA Tema A1	1.60
EMEA Tema A10	0.60
Annual fees in %	
EMEA Tema A1	1.60
EMEA Tema A10	0.60
Transaction costs, tSEK	2,455
Transaction costs in % of turnover	0.13
Costs in SEK for a one-time subscription, 10 000 SEK	
EMEA Tema A1	153.15
EMEA Tema A10	-
Costs in SEK for monthly savings, 100 SEK	
EMEA Tema A1	9.50
EMEA Tema A10	-

Fund Facts - Other Key Figures

Turnover rate	0.7
Share of turnover conducted via closely-related securities companies in %	0.5

Risk and Return Measurements*

Total risk % - A1 SEK	10.8	Active return % - A1 NOK	-7.6
Total risk % - A1 EUR	12.0	Active return % - A10 SEK	-6.5
Total risk % - A1 NOK	11.4	Information ratio - A1 SEK	Negative
Total risk % - A10 SEK	10.8	Information ratio - A1 EUR	Negative
Total risk in index % - A1 SEK	10.7	Information ratio - A1 NOK	Negative
Total risk in index % - A1 EUR	12.3	Information ratio - A10 SEK	Negative
Total risk in index % - A1 NOK	11.6	Sharpe ratio - A1 SEK	-0.5
Total risk in index % - A10 SEK	10.7	Sharpe ratio - A1 EUR	-0.7
Active Share % ¹⁾	69.1	Sharpe ratio - A1 NOK	-0.5
Tracking error % - A1 SEK	5.5	Sharpe ratio - A10 SEK	-0.4
Tracking error % - A1 EUR	5.5	Sharpe ratio in index - A1 SEK	0.2
Tracking error % - A1 NOK	5.5	Sharpe ratio in index - A1 EUR	-0.1
Tracking error % - A10 SEK	5.5	Sharpe ratio in index - A1 NOK	0.2
Benchmark	MSCI Emerging Market Europe 10/40 Net	Sharpe ratio in index - A10 SEK	0.2
Active return % - A1 SEK	-7.4		
Active return % - A1 EUR	-7.2		

¹⁾ As of the balance sheet date.

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

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

Income Statement, tSEK

	2018	2017
INCOME AND CHANGES IN VALUE		
Changes in value for transferable securities	-220,038	53,357
Interest income	140	54
Dividends	32,850	34,748
Currency exchange profits and losses, net	-3,171	-625
Other financial income	112	177
Other income	1	43
Total income and changes in value	-190,106	87,754
EXPENSES		
Management costs:		
- Remuneration to the Management Company	17,239	17,783
Interest expense	118	19
Other financial expenses	22	35
Other expenses	2,922	1,625
Total expenses	20,301	19,462
Net income	-210,407	68,292
* Details of changes in value		
Capital gains	186,363	123,162
Capital losses	-151,308	-49,611
Unrealised gains/losses	-255,093	-20,194
Sum	-220,038	53,357

Balance Sheet, tSEK

	31 dec 2018	% of fund capital	31 dec 2017	% of fund capital
ASSETS				
Transferable securities	1,483,271	98.5	1,080,056	98.1
Total financial instruments with positive market value ^{Note 2)}	1,483,271	98.5	1,080,056	98.1
Bank assets and other liquid assets	19,255	1.3	27,507	2.5
Prepaid expenses and accrued income	551	0.0	769	0.1
Other assets	12,082	0.8	18	0.0
Total assets	1,515,159	100.6	1,108,350	100.7
LIABILITIES				
Accrued expenses and prepaid income	1,958	0.1	822	0.1
Other liabilities	6,716	0.5	7,018	0.6
Total liabilities	8,674	0.6	7,840	0.7
Fund capital ^{Note 1)}	1,506,485	100.0	1,100,510	100.0
Financial instruments lent	16,503	1.1	3,028	0.3
Collateral received for financial instruments lent	19,321	1.3	3,274	0.3

Handelsbanken EMEA Tema, cont.

Note 1) for Balance Sheet

Changes in fund capital, tSEK

	2018	2017
Fund capital at beginning of year	1,100,510	1,203,393
Units issued	902,914	135,014
Units redeemed	-286,532	-306,189
Profit according to Income Statement	-210,407	68,292
Dividends to unit holders	-	-
Fund capital at the close of the period	1,506,485	1,100,510

Note 2) for Balance Sheet

Fund holdings in financial instruments

TRANSFERABLE SECURITIES*

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
LISTED EQUITIES			
AUSTRIA (EUR)			
Erste Group Bank (Commercial Banks)	32,500	9,569	0.6
		9,569	0.6
CYPRUS (EUR)			
Globaltrans Investment (Industrial Conglomerates)	162,000	13,013	0.9
Mail.ru ADR (Internet Software and Services)	60,000	12,480	0.8
QIWI ADR (IT Services)	40,000	5,015	0.3
TCS Group Holding Repr 1 Class A Reg S (Commercial Banks)	113,000	15,589	1.0
		46,096	3.0
CZECH REPUBLIC (CZK)			
Komerční banka (Commercial Banks)	48,157	16,062	1.1
		16,062	1.1
EGYPT (EGP)			
Commercial International Bank (Commercial Banks)	745,464	28,056	1.9
Edita Food Industries GDR (Food Products)	130,432	4,741	0.3
EFG Hermes Holding Co (Capital Markets)	157,350	2,309	0.2
		35,106	2.3
GEORGIA (GEL)			
Tbc Bank Group Ord Shs (Commercial Banks)	48,500	8,335	0.6
		8,335	0.6
GREECE (EUR)			
Fourlis Holdings (Specialty Retail)	119,023	4,946	0.3
JUMBO (Leisure Equipment and Products)	103,000	13,278	0.9
Sarantis (Personal Products)	54,000	3,820	0.3
Terna Energy (Energy Equipment and Services)	465,000	26,392	1.8
		48,436	3.2
GUERNSEY (GBP)			
Etalon Group GDR (Real Estate Management and Development)	1,050,397	15,180	1.0
		15,180	1.0
HUNGARY (HUF)			
OTP Bank (Commercial Banks)	101,402	36,168	2.4
		36,168	2.4
ISRAEL (ILS)			
Energix Renewable Energies Ord Shs (IPP, ET)	500,000	5,674	0.4
Teva Pharmaceutical Industries ADR (Pharmaceuticals)	45,000	6,152	0.4
		11,826	0.8
JERSEY (GBP)			
Integrated Diagnostics (Health Care Providers and Services)	229,121	8,450	0.6
		8,450	0.6
KAZAKHSTAN (KZT)			
Halyk Bank (Commercial Banks)	88,000	8,075	0.5
		8,075	0.5
NETHERLANDS (EUR)			
DP Eurasia (Hotels, Restaurants and Leisure)	608,898	7,205	0.5
		7,205	0.5
NIGERIA (NGN)			
Guaranty Trust Bank GDR (Commercial Banks)	500,000	23,273	1.5
		23,273	1.5
NORWAY (NOK)			
Scatec Solar (IPP, ET)	364,354	27,531	1.8
		27,531	1.8
POLAND (PLN)			
Alior Bank (Commercial Banks)	83,000	10,411	0.7
Asseco South Eastern Europe Ord Shs (IT Services)	120,000	3,257	0.2
Bank Pekao (Commercial Banks)	98,000	25,209	1.7
Benefit Systems (Professional Services)	6,050	12,051	0.8
Inter Cars (Distributors)	9,100	4,488	0.3
PZU (Insurance)	155,000	16,058	1.1
Vistula Group Ord Shs (Textiles, Apparel and Luxury Goods)	525,000	5,006	0.3
		76,480	5.1

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
ROMANIA (RON)			
Banca Transilvania (Commercial Banks)	2,416,997	10,551	0.7
Med Life Rg (Health Care Providers and Services)	50,000	2,917	0.2
		13,468	0.9
RUSSIAN FEDERATION (RUB)			
Bank St. Petersburg (Commercial Banks)	1,424,863	7,835	0.5
Detsky Mir PJSC - USD (Multiline Retail)	1,370,000	15,750	1.0
GTRK USD (Road and Rail)	1,000,000	10,898	0.7
HMX Hydraulic Machine GDR (Machinery)	131,909	8,186	0.5
M.video (Specialty Retail)	130,000	6,717	0.4
Magnitogorsk Iron (Metals and Mining)	1,200,000	6,551	0.4
Magnitogorsk Iron & Steel Works GDR (Metals and Mining)	163,500	12,017	0.8
MD Medical Group GDR (Health Care Providers and Services)	416,729	16,700	1.1
Moscow Exchange (Diversified Financial Services)	1,400,000	14,329	1.0
Novolipetsk Steel GDR (Metals and Mining)	35,000	7,100	0.5
Novolipetskii Metallurgicheskiy Kombina (Metals and Mining)	540,000	10,806	0.7
NPK OVK Ord Shs (Machinery)	69,083	3,536	0.2
Obuv Rossii OOO1 (Textiles, Apparel and Luxury Goods)	1,298,065	8,008	0.5
Phosagro GDR (Chemicals)	144,000	16,278	1.1
Phosagro Ord Shs (Chemicals)	57,000	18,417	1.2
Sberbank (Commercial Banks)	2,383,547	56,658	3.8
Sberbank pref (Commercial Banks)	1,425,000	29,981	2.0
X5 Retail Group (Food and Staples Retailing)	160,200	35,195	2.3
		284,961	18.9
SLOVENIA (EUR)			
Nova Ljubljanska banka GDR (Commercial Banks)	75,000	9,889	0.7
		9,889	0.7
SOUTH AFRICA (ZAR)			
Advtech Ord Shs (Diversified Consumer Services)	1,380,000	12,758	0.8
Aspen Pharmacare Holdings (Pharmaceuticals)	195,000	16,203	1.1
Bidvest Group (Industrial Conglomerates)	226,849	28,920	1.9
Capitec Bank (Commercial Banks)	57,051	39,311	2.6
City Lodge (Hotels, Restaurants and Leisure)	310,000	24,100	1.6
Clicks Group (Food and Staples Retailing)	282,244	33,304	2.2
Curro Holdings (Diversified Consumer Services)	500,000	7,861	0.5
Discovery (Health Care Equipment and Supplies)	258,000	25,409	1.7
FirstRand (Commercial Banks)	1,263,628	51,059	3.4
Johannesburg Stock Exchange (Diversified Financial Services)	147,152	15,015	1.0
LIFE Healthcare Group (Health Care Providers and Services)	1,992,188	32,415	2.2
Mondi (Paper and Forest Products)	64,000	12,211	0.8
Naspers (Media)	81,250	144,835	9.6
Nedbank Group (Commercial Banks)	192,441	32,584	2.2
Old Mutual Limited Ord Shs (Insurance)	2,905,127	40,107	2.7
PSG Group (Diversified Financial Services)	104,000	15,691	1.0
Sanlam (Insurance)	482,528	23,732	1.6
Sappi (Paper and Forest Products)	260,000	13,084	0.9
Shoprite Holdings (Food and Staples Retailing)	147,535	17,290	1.1
STADIO HOLDINGS LIMITED ORD (Diversified Consumer Services)	369,665	795	0.1
Vodacom Group (Diversified Telecommunication Services)	160,000	13,017	0.9
		599,701	39.8
SWEDEN (SEK)			
Ferronordic Machines Ord Shs (Trading Companies and Distributors)	101,101	12,860	0.9
Vostok Emerging Finance SDB (Capital Markets)	9,396,118	16,443	1.1
		29,303	2.0
TURKEY (TRY)			
Anadolu Hayat Emeklilik (Insurance)	320,000	3,205	0.2
Arcelik (Household Products)	405,000	10,657	0.7
AvivaSA Emeklilik ve Hayat (Insurance)	228,584	2,922	0.2
BİM Birlesik Magazalar (Multiline Retail)	78,000	11,309	0.8
Garanti Bank (Commercial Banks)	600,000	7,959	0.5
Isbank (Commercial Banks)	1,130,000	8,531	0.6
Lokman Hekim Engurusag Saglik Turizm Eg (Health Care Providers and Services)	1,100,000	8,249	0.5
Turkcell (Wireless Telecommunication Services)	1,025,000	20,789	1.4
Ülker (Food Products)	240,000	5,868	0.4
		79,490	5.3
UNITED ARAB EMIRATES (AED)			
Aramex Ord Shs (Air Freight and Logistics)	500,000	5,177	0.3
Dubai Islamic Bank (Commercial Banks)	1,035,000	12,491	0.8
Emirates (Commercial Banks)	95,000	2,038	0.1
		19,707	1.3
UNITED KINGDOM (GBP)			
Hikma Pharmaceuticals (Pharmaceuticals)	40,000	7,751	0.5
NMC Health Ord Shs (Health Care Providers and Services)	49,000	15,138	1.0
		22,889	1.5

Handelsbanken EMEA Tema, cont.

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
UNITED STATES (USD)			
Yandex (Internet Software and Services)	190,000	46,071	3.1
		46,071	3.1
Total listed equities		1,483,271	98.5
Total transferable securities		1,483,271	98.5
Total holdings in financial instruments		1,483,271	98.5
Net, other assets and liabilities		23,214	1.5
Total fund capital		1,506,485	100.0

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

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

98.5

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

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*** Refers to other financial instruments.

-

Compilation, Company and Group exposure*

Company/Group	% of fund capital	Company/Group	% of fund capital
Sberbank	5.8	Magnitogorskiy	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.

Volume of lent securities as a % of total lendable assets

Volume of lent securities as a % of total lendable assets	2,74
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The ten largest issuers of collateral for securities lending per issuer, SEK thousand:

The Dutch Government	6 525
U.S.A.	2 011
The British Government	700
The German Government	530
Axa Sa	384
Ping An Insurance Group Co Of China Ltd	301
Mitsui & Co Ltd	295
Ntt Docomo Inc	284
Astellas Pharma Inc	280
Sony Corp	228

The largest counterparties for securities lending, SEK thousand:

Merrill Lynch Intl, Great Britain	7 485
Credit Suisse Securities (Europe) Ltd, Great Britain	5 261
J.P. Morgan Securities Plc, Great Britain	3 758
	16 503

Type and quality of collateral, SEK thousand:

Equities	9 511
Bonds and other interest-bearing instruments	9 810
	19 321

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	9
One week to one month	33
One to three months	88
Three months to one year	185
Greater than one year	9 495
Indeterminate duration	9 511
	19 321

Currency of the collateral, SEK thousand:

AUD	998
CHF	31
DKK	44
EUR	8 081
GBP	1 922
HKD	584
JPY	3 146
SEK	235
SGD	181
USD	4 099
	19 321

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

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

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

Information about returns and expenses:

Securities lending for the full year generated a total revenue of 112 tSEK thousand, of which 80% was passed on to the fund and 20% to J.P. Morgan Bank Luxembourg S.A. in its role as the intermediary of securities lending.

Counterparties for securities lending during the year:

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

Handelsbanken EMEA Tema

Sustainability dimensions that are taken into consideration in the management of the fund

The fund manager integrates environmental, social and corporate governance criteria (ESG) into the investment process, together with financial criteria, to obtain a more complete basis for decision-making. As a result, the fund manager takes into consideration both risks and opportunities related to various ESG aspects.

Methods used in sustainability efforts

Inclusion

An in-depth analysis is conducted in preparation for each investment decision in which sustainability dimensions as well as economic aspects are factored into the analysis. We believe sustainability issues are particularly important for making sound investment decisions to generate good, long-term returns. We have access to external ESG analyses as a complement to our own analyses and knowledge of the companies. Fund managers analyse sustainability through the company's sustainability performance (HOW they conduct their business operations), as well as through WHAT the company offers for products and services. The sustainability analysis is documented as an integral component of the investment documentation and consists of both sustainability risks and opportunities.

The fund has equities in Scatec Solar and Advtech. Scatec Solar builds and operates solar parks primarily in Africa. Advtech is one of the leading private education companies in Africa within both physical schools as well as online. Investments in Scatec were made for the increasing energy demands, but at the same time this must be done in a sustainable manner. Education is one of the most rapidly growing areas in Africa, which is also necessary to raise the standard of living. Through the investments in Advtech, we see opportunities for good financial returns as well as for the promotion of well-being through education.

Exclusion

In accordance with the Management Company's overall policy for responsible investment, all of the Management Company's funds exclude:

- companies involved in the production or distribution of banned weapons, such as cluster bombs, anti-personnel mines, biological and chemical weapons, in accordance with international legislation. Companies involved in the production or distribution of nuclear weapons are also excluded.
- companies with substantial business operations within coal mining or in power companies that have coal as a major source of energy.

The fund is managed based upon the Criteria exclusion strategy, which means an exclusion of companies in which the principle business operations are within controversial sectors such as alcohol, tobacco, commercial gaming, war materials, pornography, fossil fuels. The fund also excludes companies that are deemed to be violating international norms and conventions. This is followed-up by the Management Company's independent risk control function on a daily basis.

Management Company's engagement activities

A critical component in taking responsibility as an investor is to influence the companies in which we invest. Our engagement activities are founded on the value base of Handelsbanken and the Management Company, our commitments, as well as the international norms and conventions we safeguard. We conduct dialogues to encourage companies to improve their sustainability efforts, as well as with companies we deem do not fulfil the international norms and conventions we safeguard. We conduct the engagement activities primarily through:

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

A. The fund manager meets or has contact with companies on a regular basis, which provides a good opportunity to influence companies within sustainability. We hold dialogues with clear targets for change, but also dialogues that focus on an overall improvement to the company's sustainability efforts. Targets are identified for the direct dialogues and results are followed up regularly during the period of the dialogue. The targeted company dialogues are carried out by the fund manager directly with the company. The fund had 2 dialogues during the year.

For example, the fund had a dialogue with the Russian company United Wagon, which produced railroad cars. We identified irregularities with the transparency in dealings with affiliated companies and did not approve the deals at the general meeting. In addition, a decision was made at the general meeting to allow shareholders who did not agree with the decision could sell their shares to the company. When we notified the company that we wanted to sell our shares, the company did not uphold the decision from the general meeting, which has resulted in the opening of a case together with other shareholders against the company and its management.

B. The Management Company participates in dialogues with companies together with other investors through an external party (ISS ESG) in a so-called pooled engagement. The basis for these dialogues is a norm-based analysis that focuses primarily on companies with suspected or confirmed violations with regard to international norms and conventions within the environment, human rights, labour rights, and anti-corruption. The dialogue process consists of contact between ISS ESG and the company concerned, and in certain cases also includes meetings or telephone conferences in which we as an investor may participate. During 2018 the Management Company participated in 143 company dialogues. The fund did not have any investments in these companies.

C. During 2018 the Management Company participated in several international initiatives and collaborations with focus on specific sustainability matters. These initiatives are often thematic or focus on sustainability issues within a certain sector. Examples of initiatives we have participated in during the year include: Climate Action 100+, PRI Methane Engagement, PRI Sustainable Palm Oil, PRI Sustainable Soy, PRI Cyber Security and FAIRR Antibiotics Engagement. These initiatives include 336 companies in total.

General meetings and nomination committees

Normally, Handelsbanken Fonder votes at general meetings in those companies in which ownership exceeds 0.5% or if there are specific matters of concern. The Management Company has voted at 16 general meetings on behalf of the fund.

In preparation for the general meeting at Detsky Mir and Etalon, we and other minority shareholders proposed the nomination of an independent board member in each of the companies. The proposal was then approved at the general meeting.

Handelsbanken Fonder participates in all of the nomination committees where we have a sufficiently large ownership to be offered a position. However, nomination committees are not common outside of the Nordics and the board composition can only be impacted by voting at the general meetings.

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

Handelsbanken Europa Selektiv, cont.

Fund Facts - History cont.

	2018	2017	2016	2015	17/10-31/12 2014	2013	2012	2011	2010	2009
Europa Selektiv B1 - SEK	6.79	6.39	6.71	6.30	-	-	-	-	-	-
Europa Selektiv B1 - EUR	0.67	0.67	0.72	0.68	-	-	-	-	-	-
Europa Selektiv B10 - SEK	6.79	-	-	-	-	-	-	-	-	-
Europa Selektiv B10 - EUR	0.67	-	-	-	-	-	-	-	-	-
Exchange rate EUR/SEK	10.13	9.83	9.58	9.16	9.47	-	-	-	-	-
Exchange rate EUR/NOK	9.90	9.82	9.08	9.62	9.07	-	-	-	-	-

Benchmark: 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	1.85
Europa Selektiv A9	0.95
Europa Selektiv A10	0.60
Europa Selektiv B1	1.85
Europa Selektiv B10	0.60
Collected mgmt. costs in % of average fund capital	
Europa Selektiv A1	1.85
Europa Selektiv A9	0.97
Europa Selektiv A10	0.60
Europa Selektiv B1	1.85
Europa Selektiv B10	0.60
Annual fees in %	
Europa Selektiv A1	1.85
Europa Selektiv A9	0.97
Europa Selektiv A10	0.60
Europa Selektiv B1	1.85
Europa Selektiv B10	0.60
Transaction costs, tEUR	137
Transaction costs in % of turnover	0.03
Costs in EUR for a one-time subscription, 1 000 EUR	
Europa Selektiv A1	18.08
Europa Selektiv A9	9.39
Europa Selektiv A10	-
Europa Selektiv B1	18.08
Europa Selektiv B10	-
Costs in EUR for monthly savings, 10 EUR	
Europa Selektiv A1	1.17
Europa Selektiv A9	0.60
Europa Selektiv A10	-
Europa Selektiv B1	1.17
Europa Selektiv B10	-

Fund Facts - Other Key Figures

Turnover rate	0.3
Share of turnover conducted via closely-related securities companies in %	7.3

Risk and Return Measurements*

Total risk % - A1 SEK	11.9	Active return % - A10 NOK	-2.4
Total risk % - A1 EUR	9.9	Active return % - A10 EUR	-2.3
Total risk % - A1 NOK	11.2	Active return % - B1 SEK	-3.6
Total risk % - A9 EUR	9.9	Active return % - B1 EUR	-3.5
Total risk % - A10 SEK	11.9	Active return % - B10 SEK	-2.3
Total risk % - A10 NOK	11.2	Active return % - B10 EUR	-2.3
Total risk % - A10 EUR	9.9	Information ratio - A1 SEK	Negative
Total risk % - B1 SEK	11.9	Information ratio - A1 EUR	Negative
Total risk % - B1 EUR	9.9	Information ratio - A1 NOK	Negative
Total risk % - B10 SEK	11.9	Information ratio - A9 EUR	Negative
Total risk % - B10 EUR	9.9	Information ratio - A10 SEK	Negative
Total risk in index % - A1 SEK	11.6	Information ratio - A10 NOK	Negative
Total risk in index % - A1 EUR	9.7	Information ratio - A10 EUR	Negative
Total risk in index % - A1 NOK	11.1	Information ratio - B1 SEK	Negative
Total risk in index % - A9 EUR	9.7	Information ratio - B1 EUR	Negative
Total risk in index % - A10 SEK	11.6	Information ratio - B10 SEK	Negative
Total risk in index % - A10 NOK	11.1	Information ratio - B10 EUR	Negative
Total risk in index % - A10 EUR	9.7	Sharpe ratio - A1 SEK	-0.1
Total risk in index % - B1 SEK	11.6	Sharpe ratio - A1 EUR	-0.4
Total risk in index % - B1 EUR	9.7	Sharpe ratio - A1 NOK	-0.1
Total risk in index % - B10 SEK	11.6	Sharpe ratio - A9 EUR	-0.3
Total risk in index % - B10 EUR	9.7	Sharpe ratio - A10 SEK	0.0
Active Share % ¹⁾	90.7	Sharpe ratio - A10 NOK	0.0
Tracking error % - A1 SEK	4.1	Sharpe ratio - A10 EUR	-0.3
Tracking error % - A1 EUR	4.1	Sharpe ratio - B1 SEK	-0.1
Tracking error % - A1 NOK	4.1	Sharpe ratio - B1 EUR	-0.4
Tracking error % - A9 EUR	4.2	Sharpe ratio - B10 SEK	0.0
Tracking error % - A10 SEK	4.2	Sharpe ratio - B10 EUR	-0.3
Tracking error % - A10 NOK	4.2	Sharpe ratio in index - A1 SEK	0.2
Tracking error % - A10 EUR	4.2	Sharpe ratio in index - A1 EUR	-0.1
Tracking error % - B1 SEK	4.1	Sharpe ratio in index - A1 NOK	0.3
Tracking error % - B1 EUR	4.1	Sharpe ratio in index - A9 EUR	-0.1
Tracking error % - B10 SEK	4.2	Sharpe ratio in index - A10 SEK	0.2
Tracking error % - B10 EUR	4.2	Sharpe ratio in index - A10 NOK	0.3
Benchmark MSCI Pan Euro Net Index		Sharpe ratio in index - A10 EUR	-0.1
Active return % - A1 SEK	-3.6	Sharpe ratio in index - B1 SEK	0.2
Active return % - A1 EUR	-3.5	Sharpe ratio in index - B1 EUR	-0.1
Active return % - A1 NOK	-3.6	Sharpe ratio in index - B10 SEK	0.2
Active return % - A9 EUR	-2.6	Sharpe ratio in index - B10 EUR	-0.1
Active return % - A10 SEK	-2.3		

¹⁾ As of the balance sheet date.

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

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

Income Statement, tEUR

	2018	2017
INCOME AND CHANGES IN VALUE		
Changes in value for transferable securities	-40,590	19,976
Interest income	-12	-30
Dividends	9,131	12,139
Currency exchange profits and losses, net	126	-646
Other financial income	62	51
Other income	0	19
Total income and changes in value	-31,283	31,509
EXPENSES		
Management costs:		
- Remuneration to the Management Company	6,261	8,259
Interest expense	1	1
Other financial expenses	13	10
Other expenses	137	590
Total expenses	6,412	8,860
Net income	-37,695	22,649
* Details of changes in value		
Capital gains	41,884	20,037
Capital losses	-14,113	-17,291
Unrealised gains/losses	-68,361	17,230
Sum	-40,590	19,976

Handelsbanken Europa Selektiv, cont.

Balance Sheet, tEUR

	31 dec 2018	% of fund capital	31 dec 2017	% of fund capital
ASSETS				
Transferable securities	251,674	97.9	463,809	98.4
Total financial instruments with positive market value	251,674	97.9	463,809	98.4
Bank assets and other liquid assets	6,097	2.4	11,828	2.5
Prepaid expenses and accrued income	163	0.0	277	0.1
Other assets	-	-	2	0.0
Total assets	257,934	100.3	475,916	101.0
LIABILITIES				
Accrued expenses and prepaid income	393	0.2	375	0.1
Other liabilities	330	0.1	4,041	0.9
Total liabilities	723	0.3	4,416	1.0
Fund capital (Note 1)	257,211	100.0	471,500	100.0
Financial instruments lent	15,735	6.1	18,005	3.8
Collateral received for financial instruments lent	16,792	6.5	19,333	4.1

Note 1) for Balance Sheet

Changes in fund capital, tEUR

	2018	2017
Fund capital at beginning of year	471,500	531,828
Units issued	34,133	96,923
Units redeemed	-209,864	-178,968
Profit according to Income Statement	-37,695	22,649
Dividends to unit holders	-863	-932
Fund capital at the close of the period	257,211	471,500

Note 2) for Balance Sheet

Fund holdings in financial instruments

TRANSFERABLE SECURITIES*

	Number/Nominal amount in 1000's	Market value tEUR	% of fund capital
LISTED EQUITIES			
DENMARK (DKK)			
Novo Nordisk (Pharmaceuticals)	377,414	15,066	5.9
		15,066	5.9
FINLAND (EUR)			
Huhtamaki (Containers and Packaging)	395,000	10,693	4.2
		10,693	4.2
FRANCE (EUR)			
Air Liquide (Chemicals)	126,000	13,665	5.3
Capgemini (IT Services)	131,000	11,371	4.4
Legrand (Electrical Equipment)	196,000	9,663	3.8
L'Oreal (Personal Products)	70,000	14,084	5.5
		48,781	18.9
GERMANY (EUR)			
Continental (Auto Components)	77,800	9,394	3.7
CTS Eventim Ord Shs (Media)	140,000	4,561	1.8
SAP (Software)	167,127	14,528	5.6
		28,484	11.1
IRELAND (EUR)			
Kingspan Group Plc (Building Products)	166,627	6,229	2.4
		6,229	2.4
NETHERLANDS (EUR)			
ING Groep Ord Shs (Commercial Banks)	1,250,000	11,763	4.6
		11,763	4.6
SPAIN (EUR)			
Prosegur (Commercial Services and Supplies)	760,000	3,361	1.3
		3,361	1.3
SWEDEN (SEK)			
Assa Abloy B (Building Products)	530,000	8,270	3.2
Autoliv (Auto Components)	138,000	8,575	3.3
EPIROC B (Machinery)	1,520,000	11,830	4.6
Handelsbanken A (Commercial Banks)	1,095,000	10,620	4.1
		39,296	15.2
SWITZERLAND (CHF)			
Partners Group (Capital Markets)	18,500	9,784	3.8
SGS (Professional Services)	5,050	9,904	3.9
Straumann (Health Care Equipment and Supplies)	16,400	8,994	3.5
		28,682	11.2
UNITED KINGDOM (GBP)			
Bunzl (Trading Companies and Distributors)	440,000	11,613	4.5
CPG (Hotels, Restaurants and Leisure)	787,000	14,467	5.6
Johnson Matthey (Chemicals)	238,000	7,422	2.9
Prudential (Insurance)	910,000	14,214	5.5
Reckitt Benckiser (Household Products)	173,200	11,603	4.5
		59,319	23.1
Total listed equities		251,674	97.9
Total transferable securities		251,674	97.9

	Number/Nominal amount in 1000's	Market value tEUR	% of fund capital
Total holdings in financial instruments		251,674	97.9
Net, other assets and liabilities		5,537	2.1
Total fund capital		257,211	100.0

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

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

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

*** Refers to other financial instruments. -

Volume of lent securities as a % of total lendable assets

Volume of lent securities as a % of total lendable assets	6.30
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The ten largest issuers of collateral for securities lending per issuer, EUR thousand:

The French Government	5 540
U.S.A.	5 450
The British Government	1 897
The Austrian Government	610
The Belgium Government	519
Toyota Motor Corp	137
Mitsubishi Uj Financial Group Inc	137
Nippon Telegraph & Telephone Corp	137
Softbank Group Corp	137
Fujitsu Ltd	137

The largest counterparties for securities lending, EUR thousand:

Morgan Stanley & Co International Plc, Great Britain	12 602
J.P. Morgan Securities Plc, Great Britain	3 133
	15 735

Type and quality of collateral, EUR thousand:

Equities	2 768
Bonds and other interest-bearing instruments	14 024
	16 792

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

Profile of the collateral's duration, EUR thousand:

Less than one day	0
One day to one week	0
One week to one month	0
One to three months	0
Three months to one year	2 428
Greater than one year	11 596
Indeterminate duration	2 768
	16 792

Currency of the collateral, EUR thousand:

AUD	30
CHF	62
DKK	6
EUR	6 924
GBP	2 088
HKD	32
JPY	1 560
SEK	60
SGD	15
USD	6 015
	16 792

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

Settlement and clearing for securities lending is conducted through a third party. The collateral received is held by J.P. Morgan Bank Luxembourg S.A. or another group company within the J.P. Morgan Group and is not reused.

Information about returns and expenses:

Securities lending for the full year generated a total revenue of 62 tEUR thousand, of which 80% was passed on to the fund and 20% to J.P. Morgan Bank Luxembourg S.A. in its role as the intermediary of securities lending.

Counterparties for securities lending during the year:

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

Handelsbanken Europa Selektiv

Sustainability dimensions that are taken into consideration in the management of the fund

The fund manager integrates environmental, social and corporate governance criteria (ESG) into the investment process, together with financial criteria, to obtain a more complete basis for decision-making. As a result, the fund manager takes into consideration both risks and opportunities related to various ESG aspects.

Methods used in sustainability efforts

Inclusion

An in-depth analysis is conducted in preparation for each investment decision in which sustainability dimensions as well as economic aspects are factored into the analysis. We believe sustainability issues are particularly important for making sound investment decisions to generate good, long-term returns. We have access to external ESG analyses as a complement to our own analyses and knowledge of the companies. Fund managers analyse sustainability through the company's sustainability performance (HOW they conduct their business operations), as well as through WHAT the company offers for products and services. The sustainability analysis is documented as an integral component of the investment documentation and consists of both sustainability risks and opportunities.

The fund invested in Epiroc, which is at the forefront for sustainability within mining machinery. During the year Epiroc launched its second-generation battery-driven machines that will result in several benefits for mining customers worldwide, e.g., improved health and safety, lower emissions and reduced maintenance costs.

Exclusion

In accordance with the Management Company's overall policy for responsible investment, all of the Management Company's funds exclude:

- companies involved in the production or distribution of banned weapons, such as cluster bombs, anti-personnel mines, biological and chemical weapons, in accordance with international legislation. Companies involved in the production or distribution of nuclear weapons are also excluded.
- companies with substantial business operations within coal mining or in power companies that have coal as a major source of energy.

The fund is managed based upon the Criteria exclusion strategy, which means an exclusion of companies/issuers in which the principle business operations are within controversial sectors such as alcohol, tobacco, commercial gaming, war materials, pornography, fossil fuels. The fund also excludes companies/issuers that are deemed to be violating international norms and conventions. This is followed-up by the Management Company's independent risk control function on a daily basis.

As a step in its sustainability efforts, the fund sold the holdings in BASF and Heineken due to exposure to fossil fuels and alcoholic beverages, respectively.

Management Company's engagement activities

A critical component in taking responsibility as an investor is to influence the companies in which we invest. Our engagement activities are founded on the value base of Handelsbanken and the Management Company, our commitments, as well as the international norms and conventions we safeguard. We conduct dialogues to encourage companies to improve their sustainability efforts, as well as with companies we deem do not fulfil the international norms and conventions we safeguard. We conduct the engagement activities primarily through:

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

A. The fund manager meets or has contact with companies on a regular basis, which provides a good opportunity to influence companies within sustainability. We hold dialogues with clear targets for change, but also dialogues that focus on an overall improvement to the company's sustainability efforts. Targets are identified for the direct dialogues and results are followed up regularly during the period of the dialogue. The targeted company dialogues are carried out by the fund manager directly with the company. The fund held one dialogue during the year.

During the year we specifically analysed and had a dialogue with Huhtamaki. The focus of the dialogue has been "sourcing" of raw materials and innovation, as well as goals and reporting related to sustainability. At this point, we have concluded that the company is one of the few global suppliers able to offer global customers innovative, sustainable packaging solutions with responsible purchasing, which is expected to be even more important going forward. We chose to increase our holdings in Huhtamaki during the latter part of the year and continue to follow the company's developments within sustainability.

B. The Management Company participates in dialogues with companies together with other investors through an external party (ISS ESG) in a so-called pooled engagement. The basis for these dialogues is a norm-based analysis that focuses primarily on companies with suspected or confirmed violations with regard to international norms and conventions within the environment, human rights, labour rights, and anti-corruption. The dialogue process consists of contact between ISS ESG and the company concerned, and in certain cases also includes meetings or telephone conferences in which we as an investor may participate. During 2018 the Management Company participated in 143 company dialogues, of which the fund invested in one of these companies.

A dialogue was held with Prosegur due to information deficiencies about how the company is managing the right to organise trade unions in their business operations in Colombia.

C. During 2018 the Management Company participated in several international initiatives and collaborations with focus on specific sustainability matters. These initiatives are often thematic or focus on sustainability issues within a certain sector. Examples of initiatives we have participated in during the year include: Climate Action 100+, PRI Methane Engagement, PRI Sustainable Palm Oil, PRI Sustainable Soy, PRI Cyber Security and FAIRR Antibiotics Engagement. These initiatives include 336 companies in total.

General meetings and nomination committees

Normally, Handelsbanken Fonder votes at general meetings in those companies in which ownership exceeds 0.5% or if there are specific matters of concern. The Management Company has voted at 5 general meetings on behalf of the fund.

Handelsbanken Fonder participates in all of the nomination committees where we have a sufficiently large ownership to be offered a position. However, nomination committees are not common outside of the Nordics and the board composition can only be impacted by voting at the general meetings.

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

Handelsbanken Europa Tema , cont.

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Index including dividends in %, SEK										
Europa Tema A1 - SEK	-9.3	+12.7	+6.0	+3.2	+13.9	+22.8	+12.5	-8.2	-3.6	+21.3
Europa Tema A1 - EUR	-12.1	+9.8	+1.3	+6.7	-	-	-	-	-	-
Europa Tema A1 - NOK	-11.4	+18.8	-4.3	+13.1	-	-	-	-	-	-
Europa Tema A10 - SEK	-9.3	-	-	-	-	-	-	-	-	-
Europa Tema A10 - EUR	-12.1	-	-	-	-	-	-	-	-	-
Europa Tema A10 - NOK	-11.4	-	-	-	-	-	-	-	-	-
Average yearly return, 2 yrs. %										
Europa Tema A1 - SEK	+2.5	+7.8	+4.5	+10.1	+17.5	+16.5	-1.0	-8.9	+6.8	-11.3
Europa Tema A1 - EUR	-0.3	+4.0	+3.9	+8.2	-	-	-	-	-	-
Europa Tema A1 - NOK	+4.1	+5.2	+3.9	+16.1	-	-	-	-	-	-
Europa Tema A10 - SEK	+3.5	-	-	-	-	-	-	-	-	-
Europa Tema A10 - EUR	+0.7	-	-	-	-	-	-	-	-	-
Europa Tema A10 - NOK	+5.1	-	-	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+1.1	+9.3	+4.6	+8.4	+18.3	+17.5	+1.6	-6.0	+8.1	-10.2
EUR	-1.7	+5.5	+4.0	+6.6	-	-	-	-	-	-
NOK	+2.6	+6.6	+4.0	+14.3	-	-	-	-	-	-
Average yearly return, 5 yrs. %										
Europa Tema A1 - SEK	+5.4	+11.4	+10.9	+7.6	+5.0	+6.3	-6.1	-6.5	-1.9	+4.8
Europa Tema A1 - EUR	+2.6	+8.4	+9.3	+7.3	-	-	-	-	-	-
Europa Tema A1 - NOK	+6.1	+14.9	+12.8	+11.9	-	-	-	-	-	-
Europa Tema A10 - SEK	+6.5	-	-	-	-	-	-	-	-	-
Europa Tema A10 - EUR	+3.6	-	-	-	-	-	-	-	-	-
Europa Tema A10 - NOK	+7.2	-	-	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+4.9	+11.5	+11.5	+8.3	+6.8	+8.2	-4.3	-4.9	-0.7	+5.5
EUR	+2.1	+8.5	+9.8	+8.0	-	-	-	-	-	-
NOK	+5.6	+15.0	+13.4	+12.6	-	-	-	-	-	-
Average yearly return, 10 yrs. %										
Europa Tema A1 - SEK	+5.9	+2.2	+1.9	+2.7	+4.9	+4.5	+3.8	-1.9	-2.9	-2.9
Europa Tema A1 - EUR	+6.7	+1.8	+1.3	+3.0	-	-	-	-	-	-
Europa Tema A1 - NOK	+6.9	+4.0	+2.3	+4.9	-	-	-	-	-	-
Europa Tema A10 - SEK	+6.9	-	-	-	-	-	-	-	-	-
Europa Tema A10 - EUR	+7.8	-	-	-	-	-	-	-	-	-
Europa Tema A10 - NOK	+8.0	-	-	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+6.5	+3.3	+3.0	+3.7	+6.2	+5.8	+4.9	-0.3	-0.6	-0.1
EUR	+7.4	+2.9	+2.3	+3.9	-	-	-	-	-	-
NOK	+7.6	+5.1	+3.4	+5.9	-	-	-	-	-	-
Dividends per unit, SEK										
Exchange rate EUR/SEK	10.13	9.83	9.58	9.16	-	-	6.30	6.89	5.34	11.30
Exchange rate NOK/SEK	1.02	1.00	1.06	0.95	-	-	-	-	-	-

Benchmark: MSCI Europe Select Global Norms and Criteria

Up to 01/05/2016: 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 Tema A1	1.60
Europa Tema A10	0.60
Collected mgmt. costs in % of average fund capital	
Europa Tema A1	1.60
Europa Tema A10	0.60
Annual fees in %	
Europa Tema A1	1.60
Europa Tema A10	0.60
Transaction costs, tSEK	15,435
Transaction costs in % of turnover	0.10
Costs in SEK for a one-time subscription, 10 000 SEK	
Europa Tema A1	167.41
Europa Tema A10	-
Costs in SEK for monthly savings, 100 SEK	
Europa Tema A1	10.37
Europa Tema A10	-

Fund Facts - Other Key Figures

Turnover rate	1.2
Share of turnover conducted via closely-related securities companies in %	4.3

Risk and Return Measurements*

Total risk % - A1 SEK	13.0	Active return % - A10 SEK	2.5
Total risk % - A1 EUR	10.9	Active return % - A10 EUR	2.4
Total risk % - A1 NOK	12.3	Active return % - A10 NOK	2.5
Total risk % - A10 SEK	13.0	Information ratio - A1 SEK	0.4
Total risk % - A10 EUR	10.9	Information ratio - A1 EUR	0.4
Total risk % - A10 NOK	12.3	Information ratio - A1 NOK	0.4
Total risk in index % - A1 SEK	11.6	Information ratio - A10 SEK	0.7
Total risk in index % - A1 EUR	9.6	Information ratio - A10 EUR	0.7
Total risk in index % - A1 NOK	11.3	Information ratio - A10 NOK	0.7
Total risk in index % - A10 SEK	11.6	Sharpe ratio - A1 SEK	0.3
Total risk in index % - A10 EUR	9.6	Sharpe ratio - A1 EUR	0.0
Total risk in index % - A10 NOK	11.3	Sharpe ratio - A1 NOK	0.3
Active Share % ¹⁾	64.8	Sharpe ratio - A10 SEK	0.3
Tracking error % - A1 SEK	3.4	Sharpe ratio - A10 EUR	0.1
Tracking error % - A1 EUR	3.4	Sharpe ratio - A10 NOK	0.4
Tracking error % - A1 NOK	3.4	Sharpe ratio in index - A1 SEK	0.2
Tracking error % - A10 SEK	3.4	Sharpe ratio in index - A1 EUR	-0.1
Tracking error % - A10 EUR	3.4	Sharpe ratio in index - A1 NOK	0.2
Tracking error % - A10 NOK	3.4	Sharpe ratio in index - A10 SEK	0.2
Benchmark	MSCI Europe Select	Sharpe ratio in index - A10 EUR	-0.1
	Global Norms and Criteria	Sharpe ratio in index - A10 NOK	0.2
Active return % - A1 SEK	1.4		
Active return % - A1 EUR	1.4		
Active return % - A1 NOK	1.5		

¹⁾ As of the balance sheet date.

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

Handelsbanken Europa Tema, cont.

Income Statement, tSEK

	2018	2017
INCOME AND CHANGES IN VALUE		
Changes in value for transferable securities*	-768,736	654,759
Interest income	-271	-181
Dividends	111,299	126,076
Currency exchange profits and losses, net	-818	-3,883
Other financial income	784	1,049
Other income	18	4
Total income and changes in value	-657,724	777,824
EXPENSES		
Management costs:		
- Remuneration to the Management Company	83,784	91,517
Interest expense	79	64
Other financial expenses	157	210
Other expenses	15,733	11,773
Total expenses	99,753	103,564
Net income	-757,477	674,260
* Details of changes in value		
Capital gains	869,499	566,883
Capital losses	-484,947	-263,906
Unrealised gains/losses	-1,153,288	351,782
Sum	-768,736	654,759

Balance Sheet, tSEK

	31 dec 2018	% of fund capital	31 dec 2017	% of fund capital
ASSETS				
Transferable securities	6,147,459	98.3	5,415,999	97.1
Total financial instruments with positive market value ^{Note 2)}	6,147,459	98.3	5,415,999	97.1
Bank assets and other liquid assets	124,809	2.0	167,773	3.0
Prepaid expenses and accrued income	1,841	0.0	976	0.0
Other assets	-	-	631	0.0
Total assets	6,274,109	100.3	5,585,379	100.1
LIABILITIES				
Accrued expenses and prepaid income	8,123	0.1	4,224	0.1
Other liabilities	9,292	0.2	2,334	0.0
Total liabilities	17,415	0.3	6,558	0.1
Fund capital ^{Note 1)}	6,256,694	100.0	5,578,821	100.0
Financial instruments lent	178,482	2.9	80,743	1.4
Collateral received for financial instruments lent	197,428	3.2	86,425	1.5

Note 1) for Balance Sheet

Changes in fund capital, tSEK

	2018	2017
Fund capital at beginning of year	5,578,821	3,702,505
Units issued	5,869,208	4,101,379
Units redeemed	-4,433,858	-2,899,323
Profit according to Income Statement	-757,477	674,260
Dividends to unit holders	-	-
Fund capital at the close of the period	6,256,694	5,578,821

Note 2) for Balance Sheet

Fund holdings in financial instruments

TRANSFERABLE SECURITIES*

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
LISTED EQUITIES			
AUSTRIA (EUR)			
Erste Group Bank (Commercial Banks)	60,000	17,665	0.3
Lenzing Ag (Chemicals)	54,215	43,655	0.7
		61,321	1.0
DENMARK (DKK)			
Ambu B Ord (Health Care Equipment and Supplies)	249,841	53,137	0.8
Novo Nordisk (Pharmaceuticals)	246,462	99,716	1.6
Vestas Wind Systems (Electrical Equipment)	115,000	76,859	1.2
		229,712	3.7
FRANCE (EUR)			
BNP Paribas (Commercial Banks)	290,784	116,337	1.9
Capgemini (IT Services)	91,195	80,226	1.3
Dassault Systèmes (Software)	77,697	81,659	1.3
France Télécom (Diversified Telecommunication Services)	963,466	138,220	2.2
Groupe SEB (Household Durables)	58,660	67,062	1.1
Ipsen (Pharmaceuticals)	55,400	63,363	1.0
L'Oreal (Personal Products)	61,483	125,374	2.0
Saint-Gobain (Building Products)	278,685	82,376	1.3
Sanofi (Pharmaceuticals)	155,000	118,856	1.9
Schneider Electric (Electrical Equipment)	291,766	176,595	2.8
Smcp Ord Shs (Specialty Retail)	311,367	42,488	0.7

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
Ubisoft Ord (Software)	98,399	70,288	1.1
Veolia Environnement (Multi-Utilities)	664,000	120,831	1.9
Vinci (Construction and Engineering)	216,985	158,382	2.5
		1,442,056	23.0
GERMANY (EUR)			
Adidas (Textiles, Apparel and Luxury Goods)	43,699	80,783	1.3
Allianz (Insurance)	44,071	78,228	1.3
Compugroup Medical (Commercial Services and Supplies)	81,063	33,224	0.5
Covestro (Chemicals)	73,569	32,196	0.5
Deutsche Post (Air Freight and Logistics)	389,857	94,473	1.5
Merck KGaA (Pharmaceuticals)	114,137	104,087	1.7
SAP (Software)	160,476	141,385	2.3
Sartorius Pref Shs (Health Care Equipment and Supplies)	25,636	28,294	0.5
Xing (Internet Software and Services)	12,146	29,236	0.5
		621,907	9.9
GUERNSEY (GBP)			
Burford Capital Ord Shs (Capital Markets)	422,565	79,015	1.3
Etalon Group GDR (Real Estate Management and Development)	1,180,630	17,062	0.3
		96,076	1.5
IRELAND (EUR)			
Keywords Rg (IT Services)	246,746	29,812	0.5
		29,812	0.5
ITALY (EUR)			
Cerved Information Solution (Diversified Financial Services)	820,103	59,471	1.0
Datalogic Ord Shs (Elec Equip, Instr & Comp)	164,109	33,930	0.5
FincoBank (Capital Markets)	362,812	32,278	0.5
Prysman (Other)	540,660	92,441	1.5
Reply Ord Shs1 (IT Services)	53,553	23,925	0.4
		242,044	3.9
LUXEMBOURG (EUR)			
Eurofins Scientific (Life Sciences Tools and Services)	18,400	60,794	1.0
Solutions 30 Ord Shs (IT Services)	853,352	77,147	1.2
		137,940	2.2
NETHERLANDS (EUR)			
arGEN-X (Biotechnology)	27,000	23,315	0.4
ASML Holding (Semiconductors and Semiconductor Eqp.)	50,229	69,824	1.1
ING Groep Ord Shs (Commercial Banks)	1,265,179	120,661	1.9
Wolters Kluwer (Media)	146,329	76,614	1.2
		290,413	4.6
NORWAY (NOK)			
DNB (Commercial Banks)	575,917	81,462	1.3
Leroy Seafood Group (Food Products)	848,384	57,278	0.9
Scatec Solar (IPP, ET)	1,267,545	95,778	1.5
		234,518	3.8
RUSSIAN FEDERATION (RUB)			
Sberbank ADR (Commercial Banks)	554,815	53,911	0.9
		53,911	0.9
SPAIN (EUR)			
Aena (Transportation Infrastructure)	101,801	140,060	2.2
Banco Santander (Commercial Banks)	3,972,314	159,951	2.6
BBVA (Commercial Banks)	1,555,039	73,057	1.2
CaixaBank (Diversified Financial Services)	2,870,000	92,033	1.5
Construccion Y Auxiliar De Ferrocarril (Machinery)	102,000	37,422	0.6
EDP Renováveis (Electric Utilities)	1,452,923	114,490	1.8
Gamesa (Electrical Equipment)	341,536	36,830	0.6
Telefónica (Diversified Telecommunication Services)	1,390,000	103,389	1.7
		757,232	12.1
SWEDEN (SEK)			
AstraZeneca SDB (Pharmaceuticals)	178,329	120,140	1.9
Essity B (Household Products)	575,287	125,182	2.0
Skistar B (Hotels, Restaurants and Leisure)	278,266	57,601	0.9
SSAB A (Metals and Mining)	1,479,180	45,100	0.7
Swedbank A (Commercial Banks)	494,686	97,824	1.6
		445,848	7.1
SWITZERLAND (CHF)			
Lonza Group (Life Sciences Tools and Services)	35,306	80,874	1.3
Medartis Holding AG (Health Care Equipment and Supplies)	46,691	23,263	0.4
Nestlé (Food Products)	313,001	224,636	3.6
Richemont (Textiles, Apparel and Luxury Goods)	180,869	102,479	1.6
Roche Holding (Pharmaceuticals)	102,340	224,026	3.6
Straumann (Health Care Equipment and Supplies)	12,405	68,947	1.1
		724,226	11.6
UNITED KINGDOM (GBP)			
Aviva (Insurance)	1,305,700	55,361	0.9
GlaxoSmithKline (Pharmaceuticals)	546,657	92,046	1.5
HSBC (Commercial Banks)	2,173,815	158,786	2.5
On the Beach Group Ord Shs (Internet and Catalog Retail)	776,515	29,461	0.5
Prudential (Insurance)	758,095	120,012	1.9
Reckitt Benckiser (Household Products)	88,728	60,243	1.0
Rio Tinto GBP (Metals and Mining)	180,000	75,811	1.2
Unilever (Food Products)	406,805	188,722	3.0
		780,443	12.5
Total listed equities		6,147,459	98.3
Total transferable securities		6,147,459	98.3

Handelsbanken Europa Tema, cont.

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
Total holdings in financial instruments		6,147,459	98.3
Net, other assets and liabilities		109,235	1.7
Total fund capital		6,256,694	100.0

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

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

98.3

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

*** Refers to other financial instruments.

Volume of lent securities as a % of total lendable assets

Volume of lent securities as a % of total lendable assets 2,89

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

U.S.A.	26 636
Cisco Systems Inc	4 595
The Dutch Government	4 404
Mitsubishi Ufj Financial Group Inc	3 322
Royal Dutch Shell Plc	2 751
Sumitomo Mitsui Financial Group Inc	2 467
The British Government	2 380
Nippon Telegraph & Telephone Corp	2 202
Axa Sa	2 118
The German Government	2 030

The largest counterparties for securities lending, SEK thousand:

UBS AG, London Branch, Great Britain	94 738
J.P. Morgan Securities Plc, Great Britain	38 704
Morgan Stanley & Co International Plc, Great Britain	28 909
Merrill Lynch Intl, Great Britain	16 131
	178 482

Type and quality of collateral, SEK thousand:

Equities	161 826
Bonds and other interest-bearing instruments	35 602
	197 428

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	114
One week to one month	423
One to three months	1 111
Three months to one year	5 773
Greater than one year	28 181
Indeterminate duration	161 827
	197 428

Currency of the collateral, SEK thousand:

AUD	5 521
CAD	398
CHF	2 321
DKK	1 311
EUR	29 302
GBP	29 455
HKD	1 849
JPY	55 024
SEK	1 396
SGD	2 049
USD	68 802
	197 428

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

Settlement and clearing for securities lending is conducted through a third party. The collateral received is held by J.P. Morgan Bank Luxembourg S.A. or another group company within the J.P. Morgan Group and is not reused.

Information about returns and expenses:

Securities lending for the full year generated a total revenue of 784 tSEK, 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
- Svenska Handelsbanken AB (publ), Sweden
- UBS AG, London Branch, Great Britain

Handelsbanken Europa Tema

Sustainability dimensions that are taken into consideration in the management of the fund

The fund manager integrates environmental, social and corporate governance criteria (ESG) into the investment process, together with financial criteria, to obtain a more complete basis for decision-making. As a result, the fund manager takes into consideration both risks and opportunities related to various ESG aspects.

Methods used in sustainability efforts

Inclusion

An in-depth analysis is conducted in preparation for each investment decision in which sustainability dimensions as well as economic aspects are factored into the analysis. We believe sustainability issues are particularly important for making sound investment decisions to generate good, long-term returns. We have access to external ESG analyses as a complement to our own analyses and knowledge of the companies. Fund managers analyse sustainability through the company's sustainability performance (HOW they conduct their business operations), as well as through WHAT the company offers for products and services. The sustainability analysis is documented as an integral component of the investment documentation and consists of both sustainability risks and opportunities.

The fund has invested in the company Veolia Environment, which is a world-leader within waste management and water supply management. The world is structurally in need of clean water and the company supplies 96 million people with clean water. Waste management is also becoming more important as the world's population is increasing and Veolia manages 47 million tons of waste annually. Another driver is that the world needs to recycle plastic, and only 9% is currently being recycled worldwide. This is where Veolia plays a key role and has an exciting collaboration with Unilever, Danone and Tetra Pak. The company is at the forefront in its sustainability efforts.

Exclusion

In accordance with the Management Company's overall policy for responsible investment, all of the Management Company's funds exclude:

- companies involved in the production or distribution of banned weapons, such as cluster bombs, anti-personnel mines, biological and chemical weapons, in accordance with international legislation. Companies involved in the production or distribution of nuclear weapons are also excluded.
- companies with substantial business operations within coal mining or in power companies that have coal as a major source of energy.

The fund is managed based upon the Criteria exclusion strategy, which means an exclusion of companies in which the principle business operations are within controversial sectors such as alcohol, tobacco, commercial gaming, war materials, pornography, fossil fuels. The fund also excludes companies that are deemed to be violating international norms and conventions. This is followed-up by the Management Company's independent risk control function on a daily basis.

Management Company's engagement activities

A critical component in taking responsibility as an investor is to influence the companies in which we invest. Our engagement activities are founded on the value base of Handelsbanken and the Management Company, our commitments, as well as the international norms and conventions we safeguard. We conduct dialogues to encourage companies to improve their sustainability efforts, as well as with companies we deem do not fulfil the international norms and conventions we safeguard. We conduct the engagement activities primarily through:

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

The targeted company dialogues are conducted by the fund manager with the company directly. The fund manager meets or has contact with companies on a regular basis. This provides good opportunities to hold dialogues for change to occur, which we view as a significant opportunity for exercising influence. Targets are identified for the direct dialogues and results are followed up regularly during the period of the dialogue. The fund had 2 dialogues during the year.

During the year we held a dialogue with the construction company Vinci due to their operations in Qatar. The principal part of the company consists of highway and airport concessions. However, Vinci is also a major infrastructure company and has operations in Qatar. We held a dialogue with the company since we saw increased risks within subcontractors and also wanted to ensure that these risks were reviewed externally. Moreover, the size of their projects are often very substantial, which naturally means increased risks. We have received good responses from the company within these areas, although we will continue to follow this up.

A. The Management Company participates in dialogues with companies together with other investors through an external party (ISS ESG) in a so-called pooled engagement. The basis for these dialogues is a norm-based analysis that focuses primarily on companies with suspected or confirmed violations with regard to international norms and conventions within the environment, human rights, labour rights, and anti-corruption. The dialogue process consists of contact between ISS ESG and the company concerned, and in certain cases also includes meetings or telephone conferences in which we as an investor may participate. During 2018 the Management Company participated in 143 company dialogues. The fund did not have any investments in these companies.

B. During 2018 the Management Company participated in several international initiatives and collaborations with focus on specific sustainability matters. These initiatives are often thematic or focus on sustainability issues within a certain sector. Examples of initiatives we have participated in during the year include: Climate Action 100+, PRI Methane Engagement, PRI Sustainable Palm Oil, PRI Sustainable Soy, PRI Cyber Security and FAIRR Antibiotics Engagement. These initiatives include 336 companies in total.

General meetings and nomination committees

Normally, Handelsbanken Fonder votes at general meetings in those companies in which ownership exceeds 0.5% or if there are specific matters of concern. The Management Company has voted at 16 general meetings on behalf of the fund.

Handelsbanken Fonder participates in all of the nomination committees where we have a sufficiently large ownership to be offered a position. However, nomination committees are not common outside of the Nordics and the board composition can only be impacted by voting at the general meetings.

The Management Company participated in one nomination committee on behalf of the fund: SSAB AB.



Handelsbanken Finlandsfond

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 benchmark index. The fund invests primarily in equities issued by companies in Finland or that have a minimum of 50% of their business operations or market in Finland. As a result, the fund has a currency exposure in these markets. We place particular emphasis on ensuring that the company's strategy concurs with our assessment of what can generate favourable share price performance in the equities when we select equities for the fund, as well as that the valuations are attractive.

Portfolio

The fund fell 3.2% during the full year 2018*. The equities that weighed most heavily on returns were companies within the manufacturing sector, as well as within the raw materials sector, which declined most notably during the latter half of the year. Several of these companies fell due to concerns about the trade war and the economic cycle. The energy companies Neste and Fortum fared better. Neste is driven by additional environmental regulations and Fortum by higher electricity prices in the Nordics. Small caps underperformed large caps, which was in line with general economic concerns and a lower risk appetite. The fund had exposure to the Finnish consumer, technology and late-cycle forestry sectors during the year. The equities that were the strongest positive contributors to fund returns included Finland's largest pizza chain, Kotipizza; Valmet, which manufactures machines for the pulp industry; Aktia bank and the sauna company Harvia. The mining equipment companies Outotec and Metso, as well as the forestry company UPM-Kymmene, contributed negatively to returns during the year.

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

Significant risks

As of the balance sheet date or any other time during the year, fund holdings did not have exposure to any other significant risks 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 during 2018. The fund has the option of lending securities. The fund used this option rather extensively during 2018. The fund may use other techniques and instruments. The fund did not use this option during 2018.

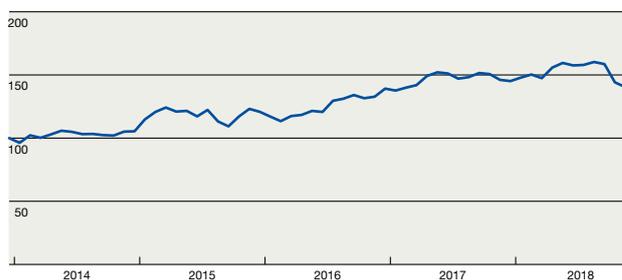
Information

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

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

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

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

	2018	2017	2016	2015	10/10-31/12 2014	2013	2012	2011	2010	2009
Net asset value										
Finlandsfond A1 - SEK	68.62	70.91	66.26	54.97	49.61	-	-	-	-	-
Finlandsfond A1 - EUR	6.77	7.21	6.92	6.00	5.24	-	-	-	-	-
The fund's total net flow, mEUR	0	-2	4	-3	-15	-	-	-	-	-
Fund capital total, mEUR	41	45	45	36	34	-	-	-	-	-
Finlandsfond A1 - SEK	175	180	185	125	125	-	-	-	-	-
Finlandsfond A1 - EUR	24	26	25	22	20	-	-	-	-	-
Number of units, 1000's	6,102	6,174	6,462	5,952	6,422	-	-	-	-	-
Finlandsfond A1 - SEK	2,556	2,537	2,796	2,265	2,513	-	-	-	-	-
Finlandsfond A1 - EUR	3,546	3,637	3,666	3,687	3,909	-	-	-	-	-
Total returns in %, SEK										
Finlandsfond A1 - SEK	-3.2	+7.0	+20.5	+10.8	+12.8	+34.0	+13.2	-26.6	+15.0	+35.0
Finlandsfond A1 - EUR	-6.1	+4.3	+15.2	+14.6	+5.4	+29.9	+17.4	-25.6	+30.6	+45.2
Index including dividends in %, SEK										
Finlandsfond A1 - SEK	-0.9	+14.4	+18.5	+12.1	+18.4	+35.8	+11.3	-25.9	+14.2	+34.7
Finlandsfond A1 - EUR	-3.9	+11.5	+13.3	+15.9	+10.6	+31.6	+15.5	-24.9	+29.8	+44.5
Average yearly return, 2 yrs. %										
Finlandsfond A1 - SEK	+1.8	+13.6	+15.6	+11.8	+23.0	+23.2	-8.9	-8.2	+24.6	-10.5
Finlandsfond A1 - EUR	-1.1	+9.6	+14.9	+9.9	+17.0	+23.5	-6.5	-1.5	+37.7	-14.0
Comparison to index including dividends, %										
SEK	+6.5	+16.5	+15.3	+15.2	+26.8	+22.9	-9.2	-8.0	+24.0	-9.2
EUR	+3.5	+12.4	+14.6	+13.2	+20.6	+23.3	-6.9	-1.3	+36.9	-12.8
Average yearly return, 5 yrs. %										
Finlandsfond A1 - SEK	+9.3	+16.7	+18.0	+6.8	+7.6	+11.6	-5.2	-5.0	-	-
Finlandsfond A1 - EUR	+6.4	+13.5	+16.2	+6.5	+9.3	+16.6	-3.4	-4.7	+6.7	+7.7
Comparison to index including dividends, %										
SEK	+12.3	+19.6	+18.9	+8.2	+8.6	+11.5	-4.9	-4.6	-	-
EUR	+9.3	+16.3	+17.2	+7.9	+10.4	+16.4	-3.1	-4.3	+6.8	+7.5
Average yearly return, 10 yrs. %										
Finlandsfond A1 - SEK	+10.4	+5.1	+5.9	-	-	-	-	-	-	-
Finlandsfond A1 - EUR	+11.4	+4.7	+5.2	+6.6	+8.5	+10.0	+9.5	+6.1	+7.2	+2.1

Handelsbanken Finlandsfond, cont.

	2018	2017	2016	2015	10/10-31/12 2014	2013	2012	2011	2010	2009
Comparison to index including dividends, %										
SEK	+11.9	+6.6	+6.5	-	-	-	-	-	-	-
EUR	+12.8	+6.2	+5.9	+7.3	+8.9	+10.0	+9.2	+6.1	+7.0	+1.8
Exchange rate EUR/SEK	10.13	9.83	9.58	9.16	9.47	-	-	-	-	-

Benchmark: OMXHCAPGI

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

Refer to the last page for definitions.

Fund Facts - Costs

Max. allowed mgmt. costs in % according to fund rules	1.85
Collected mgmt. costs in % of average fund capital	
Finlandsfond A1	1.85
Annual fees in %	
Finlandsfond A1	1.86
Transaction costs, tEUR	21
Transaction costs in % of turnover	0.02
Costs in EUR for a one-time subscription, 1 000 EUR	19.30
Costs in EUR for monthly savings, 10 EUR	1.19

Fund Facts - Other Key Figures

Turnover rate	1.0
Share of turnover conducted via closely-related securities companies in %	31.1

Risk and Return Measurements*

Total risk % - A1 SEK	13.5	Active return % - A1 EUR	-4.6
Total risk % - A1 EUR	10.6	Information ratio - A1 SEK	Negative
Total risk in index % - A1 SEK	13.7	Information ratio - A1 EUR	Negative
Total risk in index % - A1 EUR	10.6	Sharpe ratio - A1 SEK	0.2
Active Share % ¹⁾	34.6	Sharpe ratio - A1 EUR	-0.1
Tracking error % - A1 SEK	2.3	Sharpe ratio in index - A1 SEK	0.5
Tracking error % - A1 EUR	2.3	Sharpe ratio in index - A1 EUR	0.4
Benchmark	OMXHCAPGI		
Active return % - A1 SEK	-4.7		

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, tEUR

	2018	2017
INCOME AND CHANGES IN VALUE		
Changes in value for transferable securities*	-3,453	1,181
Interest income	0	0
Dividends	1,384	1,375
Currency exchange profits and losses, net	17	4
Other financial income	17	39
Other income	0	0
Total income and changes in value	-2,035	2,599
EXPENSES		
Management costs:		
- Remuneration to the Management Company	896	871
Interest expense	1	0
Other financial expenses	4	8
Other expenses	20	32
Total expenses	921	912
Net income	-2,956	1,688
* Details of changes in value		
Capital gains	4,998	5,262
Capital losses	-4,020	-1,136
Unrealised gains/losses	-4,431	-2,945
Sum	-3,453	1,181

Balance Sheet, tEUR

	31 dec 2018	% of fund capital	31 dec 2017	% of fund capital
ASSETS				
Transferable securities	40,807	98.8	43,381	97.4
Total financial instruments with positive market value ^{Note 2)}	40,807	98.8	43,381	97.4
Bank assets and other liquid assets	570	1.4	1,183	2.7
Prepaid expenses and accrued income	1	0.0	3	0.0
Other assets	0	0.0	-1	0.0
Total assets	41,378	100.2	44,566	100.1
LIABILITIES				
Accrued expenses and prepaid income	67	0.2	39	0.1
Other liabilities	0	0.0	0	0.0
Total liabilities	67	0.2	39	0.1
Fund capital ^{Note 1)}	41,311	100.0	44,527	100.0
Financial instruments lent	2,713	6.6	1,088	2.4
Collateral received for financial instruments lent	2,921	7.1	1,151	2.6

Note 1) for Balance Sheet

Changes in fund capital, tEUR

	2018	2017
Fund capital at beginning of year	44,527	44,686
Units issued	19,908	16,668
Units redeemed	-20,168	-18,515
Profit according to Income Statement	-2,956	1,688
Dividends to unit holders	-	-
Fund capital at the close of the period	41,311	44,527

Note 2) for Balance Sheet

Fund holdings in financial instruments

TRANSFERABLE SECURITIES*

	Number/Nominal amount in 1000's	Market value tEUR	% of fund capital
LISTED EQUITIES			
CONSUMER DISCRETIONARY			
Amer Sports A (Leisure Equipment and Products)	21,899	840	2.0
HARVIA (Leisure Equipment and Products)	168,645	906	2.2
Kotipizza Group Ord Shs (Hotels, Restaurants and Leisure)	66,866	1,525	3.7
Nokia Tyres (Auto Components)	26,196	703	1.7
		3,974	9.6
CONSUMER STAPLES			
Kesko B (Food and Staples Retailing)	8,919	420	1.0
		420	1.0
ENERGY			
Neste Oil (Oil, Gas and Consumable Fuels)	48,043	3,236	7.8
		3,236	7.8
FINANCIALS			
Aktia Bank (Commercial Banks)	109,467	985	2.4
Nordea Bank Abp (Commercial Banks)	273,330	1,987	4.8
Oma Säästöpankki Oyj (Commercial Banks)	64,000	448	1.1
Sampo A (Insurance)	91,563	3,517	8.5
Suomen Hoivatilat Ord Shs (Real Estate)	125,917	995	2.4
		7,932	19.2
HEALTH CARE			
Orion B (Health Care Equipment and Supplies)	51,036	1,545	3.7
Revenio (Health Care Equipment and Supplies)	37,116	466	1.1
Terveystalo Plc (Health Care Providers and Services)	108,017	867	2.1
		2,878	7.0
INDUSTRIALS			
Kone (Machinery)	54,619	2,274	5.5
Konecranes (Machinery)	29,457	777	1.9
Metso (Machinery)	50,202	1,150	2.8
Valmet (Machinery)	97,000	1,741	4.2
Wärtsilä (Machinery)	113,066	1,571	3.8
YIT (Construction and Engineering)	42,043	215	0.5
		7,728	18.7

Handelsbanken Finlandsfond, cont.

	Number/Nominal amount in 1000's	Market value tEUR	% of fund capital
INFORMATION TECHNOLOGY			
Detection Technology (Elec Equip, Instr & Comp)	46,540	761	1.8
NIXU (IT Services)	54,000	410	1.0
Nokia (Communications Equipment)	773,640	3,891	9.4
Tieto EUR (IT Services)	49,169	1,159	2.8
		6,222	15.1
MATERIALS			
Huhtamaki (Containers and Packaging)	51,370	1,391	3.4
Metsä Board (Paper and Forest Products)	60,131	308	0.7
Munksjö (Paper and Forest Products)	56,452	684	1.7
Outokumpu (Metals and Mining)	81,164	259	0.6
Stora Enso R EUR (Paper and Forest Products)	108,279	1,092	2.6
UPM-Kymmene (Paper and Forest Products)	59,447	1,317	3.2
		5,051	12.2
TELECOMMUNICATION SERVICES			
DNA Ord Shs (Diversified Telecommunication Services)	118,446	2,023	4.9
		2,023	4.9
UTILITIES			
Fortum (Electric Utilities)	70,316	1,343	3.3
		1,343	3.3
Total listed equities		40,807	98.8
Total transferable securities		40,807	98.8
Total holdings in financial instruments		40,807	98.8
Net, other assets and liabilities		504	1.2
Total fund capital		41,311	100.0

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

* Refers to transferable securities admitted to trading on a regulated market or equivalent market outside EEA, or are the subject of regular trading in other markets that are regulated and open to the general public. 98.8

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

*** Refers to other financial instruments. -

Volume of lent securities as a % of total lendable assets

Volume of lent securities as a % of total lendable assets 6,65

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

The British Government	1 025
U.S.A.	291
The French Government	210
The Austrian Government	147
The German Government	91
The Belgium Government	68
Cisco Systems Inc	43
Royal Dutch Shell Plc	25
Mitsubishi Ufj Financial Group Inc	24
Sumitomo Mitsui Financial Group Inc	20

The largest counterparties for securities lending, EUR thousand:

UBS AG, London Branch, Great Britain	1 739
J.P. Morgan Securities Plc, Great Britain	592
Merrill Lynch Intl, Great Britain	383
	2 713

Type and quality of collateral, EUR thousand:

Equities	1 089
Bonds and other interest-bearing instruments	1 832
	2 921

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

Profile of the collateral's duration, EUR thousand:

Less than one day	0
One day to one week	29
One week to one month	6
One to three months	37
Three months to one year	76
Greater than one year	1 684
Indeterminate duration	1 089
	2 921

Currency of the collateral, EUR thousand:

AUD	7
CAD	4
CHF	7
DKK	12
EUR	601
GBP	1 169
HKD	16
JPY	432
SEK	10
SGD	18
USD	645
	2 921

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

Settlement and clearing for securities lending is conducted through a third party. The collateral received is held by J.P. Morgan Bank Luxembourg S.A. or another group company within the J.P. Morgan Group and is not reused.

Information about returns and expenses:

Securities lending for the full year generated a total revenue of 18 tEUR thousand, of which 80% was passed on to the fund and 20% to J.P. Morgan Bank Luxembourg S.A. in its role as the intermediary of securities lending.

Counterparties for securities lending during the year:

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

Handelsbanken Finlandsfond

Sustainability dimensions that are taken into consideration in the management of the fund

The fund manager integrates environmental, social and corporate governance criteria (ESG) into the investment process, together with financial criteria, to obtain a more complete basis for decision-making. As a result, the fund manager takes into consideration both risks and opportunities related to various ESG aspects.

Methods used in sustainability efforts

Inclusion

An in-depth analysis is conducted in preparation for each investment decision in which sustainability dimensions as well as economic aspects are factored into the analysis. We believe sustainability issues are particularly important for making sound investment decisions to generate good, long-term returns. We have access to external ESG analyses as a complement to our own analyses and knowledge of the companies. Fund managers analyse sustainability through the company's sustainability performance (HOW they conduct their business operations), as well as through WHAT the company offers for products and services. The sustainability analysis is documented as an integral component of the investment documentation and consists of both sustainability risks and opportunities.

The fund has invested in the company Stora Enso. The company contributes to reducing the usage of plastic packaging by selling cardboard packaging. Stora Enso also owns forests that absorb carbon dioxide. The company is also at the forefront with regard to the development of biofuels from forests that can replace fossil fuels, as well as clothing made of cellulose to replace cotton. Stora Enso's involvement in the company's operations in Pakistan, where child labour was exposed in the value chain of its business operations, was sold in 2017. We believe that Stora Enso focuses its work on the company's important sustainability matters and has been further developed since the events in Pakistan.

Exclusion

In accordance with the Management Company's overall policy for responsible investment, all of the Management Company's funds exclude:

- companies involved in the production or distribution of banned weapons, such as cluster bombs, anti-personnel mines, biological and chemical weapons, in accordance with international legislation. Companies involved in the production or distribution of nuclear weapons are also excluded.
- companies with substantial business operations within coal mining or in power companies that have coal as a major source of energy.

Provided that the fund observes a willingness to change and it is deemed that the company will address the problems within an acceptable amount of time, the fund may invest in companies involved in violations of international norms and conventions. The fund did not utilise this option during the year. Thus, the fund has not owned any of the companies involved in violations of international norms and conventions during the year.

Management Company's engagement activities

A critical component in taking responsibility as an investor is to influence the companies in which we invest. Our engagement activities are founded on the value base of Handelsbanken and the Management Company, our commitments, as well as the international norms and conventions we safeguard. We conduct dialogues to encourage companies to improve their sustainability efforts, as well as with companies we deem do not fulfil the international norms and conventions we safeguard. We conduct the engagement activities primarily through:

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- B. Dialogues together with other investors/capital owners
- C. Collaborations and sector initiatives, often through international collaborations such as the UN, PRI and CDP.

A. The fund manager meets or has contact with companies on a regular basis, which provides a good opportunity to influence companies within sustainability. We hold dialogues with clear targets for change, but also dialogues that focus on an overall improvement to the company's sustainability efforts. Targets are identified for the direct dialogues and results are followed up regularly during the period of the dialogue. The targeted company dialogues are carried out by the fund manager directly with the company. The fund had one dialogue during the year.

During the year we specifically analysed and had a dialogue with Huhtamaki. The focus of the dialogue has been "sourcing" of raw materials and innovation, as well as goals and reporting related to sustainability. At this point, we have concluded that the company is one of the few global suppliers able to offer global customers innovative, sustainable packaging solutions with responsible purchasing, which is expected to be even more important going forward. We chose to increase our holdings in Huhtamaki during the latter part of the year and continue to follow the company's developments within sustainability.

B. The Management Company participates in dialogues with companies together with other investors through an external party (ISS ESG) in a so-called pooled engagement. The basis for these dialogues is a norm-based analysis that focuses primarily on companies with suspected or confirmed violations with regard to international norms and conventions within the environment, human rights, labour rights, and anti-corruption. The dialogue process consists of contact between ISS ESG and the company concerned, and in certain cases also includes meetings or telephone conferences in which we as an investor may participate. During 2018 the Management Company participated in 143 company dialogues. The fund did not have any investments in these companies.

C. During 2018 the Management Company participated in several international initiatives and collaborations with focus on specific sustainability matters. These initiatives are often thematic or focus on sustainability issues within a certain sector. Examples of initiatives we have participated in during the year include: Climate Action 100+, PRI Methane Engagement, PRI Sustainable Palm Oil, PRI Sustainable Soy, PRI Cyber Security and FAIRR Antibiotics Engagement. These initiatives include 336 companies in total.

General meetings and nomination committees

Normally, Handelsbanken Fonder votes at general meetings in those companies in which ownership exceeds 0.5% or if there are specific matters of concern. The Management Company has voted at 25 general meetings on behalf of the fund.

Handelsbanken Fonder participates in all of the nomination committees where we have a sufficiently large ownership to be offered a position. However, nomination committees are not common outside of the Nordics and the board composition can only be impacted by voting at the general meetings.

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

Handelsbanken Global Selektiv, cont.

	14/12-31/12 2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Number of units, 1000's	12,306	-	-	-	-	-	-	-	-	-
Global Selektiv A1 - EUR	387	-	-	-	-	-	-	-	-	-
Global Selektiv A1 - SEK	6,425	-	-	-	-	-	-	-	-	-
Global Selektiv A1 - NOK	453	-	-	-	-	-	-	-	-	-
Global Selektiv A9 - SEK	0	-	-	-	-	-	-	-	-	-
Global Selektiv A9 - EUR	390	-	-	-	-	-	-	-	-	-
Global Selektiv A10 - SEK	94	-	-	-	-	-	-	-	-	-
Global Selektiv A10 - NOK	0	-	-	-	-	-	-	-	-	-
Global Selektiv B1 - SEK	4,282	-	-	-	-	-	-	-	-	-
Global Selektiv B1 - EUR	76	-	-	-	-	-	-	-	-	-
Global Selektiv B10 - SEK	198	-	-	-	-	-	-	-	-	-
Total returns in %, EUR										
Global Selektiv A1 - EUR	+1.3	+6.8	+3.4	+11.0	-	-	-	-	-	-
Global Selektiv A1 - SEK	+4.3	+9.6	+8.2	+7.3	-	-	-	-	-	-
Global Selektiv A1 - NOK	+2.1	+15.6	-2.4	+17.6	-	-	-	-	-	-
Global Selektiv A9 - SEK	+4.4	+9.7	+8.2	+7.3	-	-	-	-	-	-
Global Selektiv A9 - EUR	+1.3	+6.9	+3.4	+11.0	-	-	-	-	-	-
Global Selektiv A10 - SEK	+5.6	+11.0	+9.5	+8.6	-	-	-	-	-	-
Global Selektiv A10 - NOK	+3.4	+17.0	-1.2	+19.1	-	-	-	-	-	-
Global Selektiv B1 - SEK	+4.1	+9.7	+8.2	+7.3	-	-	-	-	-	-
Global Selektiv B1 - EUR	+1.1	+6.9	+3.4	+11.0	-	-	-	-	-	-
Global Selektiv B10 - SEK	+5.4	+11.0	+9.5	+8.7	-	-	-	-	-	-
Index including dividends in %, EUR										
Global Selektiv A1 - EUR	-4.7	+8.9	+11.1	+8.8	-	-	-	-	-	-
Global Selektiv A1 - SEK	-1.8	+11.7	+16.2	+5.1	-	-	-	-	-	-
Global Selektiv A1 - NOK	-4.0	+17.8	+4.9	+15.3	-	-	-	-	-	-
Global Selektiv A9 - SEK	-1.8	+11.7	+16.2	+5.1	-	-	-	-	-	-
Global Selektiv A9 - EUR	-4.7	+8.9	+11.1	+8.8	-	-	-	-	-	-
Global Selektiv A10 - SEK	-1.8	+11.7	+16.2	+5.1	-	-	-	-	-	-
Global Selektiv A10 - NOK	-4.0	+17.8	+4.9	+15.3	-	-	-	-	-	-
Global Selektiv B1 - SEK	-1.8	+11.7	+16.2	+5.1	-	-	-	-	-	-
Global Selektiv B1 - EUR	-4.7	+8.9	+11.1	+8.8	-	-	-	-	-	-
Global Selektiv B10 - SEK	-1.8	+11.7	+16.2	+5.1	-	-	-	-	-	-
Average yearly return, 2 yrs. %										
Global Selektiv A1 - EUR	+4.0	+5.1	+7.1	-	-	-	-	-	-	-
Global Selektiv A1 - SEK	+6.9	+8.9	+7.7	-	-	-	-	-	-	-
Global Selektiv A1 - NOK	+8.6	+6.2	+7.1	-	-	-	-	-	-	-
Global Selektiv A9 - SEK	+7.0	+8.9	+7.8	-	-	-	-	-	-	-
Global Selektiv A9 - EUR	+4.1	+5.1	+7.2	-	-	-	-	-	-	-
Global Selektiv A10 - SEK	+8.2	+10.2	+9.1	-	-	-	-	-	-	-
Global Selektiv A10 - NOK	+10.0	+7.5	+8.5	-	-	-	-	-	-	-
Global Selektiv B1 - SEK	+6.8	+8.9	+7.8	-	-	-	-	-	-	-
Global Selektiv B1 - EUR	+3.9	+5.1	+7.2	-	-	-	-	-	-	-
Global Selektiv B10 - SEK	+8.2	+10.3	+9.1	-	-	-	-	-	-	-
Comparison to index including dividends, %										
EUR	+1.9	+10.0	+9.9	-	-	-	-	-	-	-
SEK	+4.7	+14.0	+10.6	-	-	-	-	-	-	-
NOK	+6.4	+11.2	+10.0	-	-	-	-	-	-	-
Exchange rate EUR/SEK	10.13	-	-	-	-	-	-	-	-	-
Exchange rate EUR/NOK	9.90	-	-	-	-	-	-	-	-	-

Relevant benchmark is not available.

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

Refer to the last page for definitions.

Fund Facts - Costs

Max. allowed mgmt. costs in % according to fund rules	
Global Selektiv A1	1.85
Global Selektiv A9	0.95
Global Selektiv A10	0.60
Global Selektiv B1	1.85
Global Selektiv B10	0.60
Collected mgmt. costs in % of average fund capital	
Global Selektiv A1	1.85
Global Selektiv A9	0.95
Global Selektiv A10	0.60
Global Selektiv B1	1.85
Global Selektiv B10	0.60
Annual fees in %	
Global Selektiv A1	1.85
Global Selektiv A9	0.95
Global Selektiv A10	0.60
Global Selektiv B1	1.85
Global Selektiv B10	0.60
Transaction costs, tEUR	23
Transaction costs in % of turnover	0.05
Costs in EUR for a one-time subscription, 1 000 EUR	
Global Selektiv A1	-
Global Selektiv A9	-
Global Selektiv A10	-
Global Selektiv B1	-
Global Selektiv B10	-
Costs in EUR for monthly savings, 10 EUR	
Global Selektiv A1	-
Global Selektiv A9	-
Global Selektiv A10	-
Global Selektiv B1	-
Global Selektiv B10	-

Fund Facts - Other Key Figures

Turnover rate	1.6
Share of turnover conducted via closely-related securities companies in %	4.0

Risk and Return Measurements*

Total risk % - A1 EUR	9.6	Active return % - A10 NOK	3.6
Total risk % - A1 SEK	11.8	Active return % - B1 SEK	2.1
Total risk % - A1 NOK	10.5	Active return % - B1 EUR	2.1
Total risk % - A9 SEK	11.8	Active return % - B10 SEK	3.4
Total risk % - A9 EUR	9.6	Information ratio - A1 EUR	0.7
Total risk % - A10 SEK	11.8	Information ratio - A1 SEK	0.7
Total risk % - A10 NOK	10.5	Information ratio - A1 NOK	0.7
Total risk % - B1 SEK	11.8	Information ratio - A9 SEK	0.7
Total risk % - B1 EUR	9.6	Information ratio - A9 EUR	0.7
Total risk % - B10 SEK	11.8	Information ratio - A10 SEK	1.1
Total risk in index % - A1 EUR	9.8	Information ratio - A10 NOK	1.1
Total risk in index % - A1 SEK	11.8	Information ratio - B1 SEK	0.7
Total risk in index % - A1 NOK	10.8	Information ratio - B1 EUR	0.7
Total risk in index % - A9 SEK	11.8	Information ratio - B10 SEK	1.1
Total risk in index % - A9 EUR	9.8	Sharpe ratio - A1 EUR	0.5
Total risk in index % - A10 SEK	11.8	Sharpe ratio - A1 SEK	0.7
Total risk in index % - A10 NOK	10.8	Sharpe ratio - A1 NOK	0.8
Total risk in index % - B1 SEK	11.8	Sharpe ratio - A9 SEK	0.7
Total risk in index % - B1 EUR	9.8	Sharpe ratio - A9 EUR	0.5
Total risk in index % - B10 SEK	11.8	Sharpe ratio - A10 SEK	0.8
Tracking error % - A1 EUR	3.2	Sharpe ratio - A10 NOK	0.9
Tracking error % - A1 SEK	3.2	Sharpe ratio - B1 SEK	0.6
Tracking error % - A1 NOK	3.2	Sharpe ratio - B1 EUR	0.5
Tracking error % - A9 SEK	3.2	Sharpe ratio - B10 SEK	0.8
Tracking error % - A9 EUR	3.2	Sharpe ratio in index - A1 EUR	0.2
Tracking error % - A10 SEK	3.2	Sharpe ratio in index - A1 SEK	0.5
Tracking error % - A10 NOK	3.2	Sharpe ratio in index - A1 NOK	0.5
Tracking error % - B1 SEK	3.2	Sharpe ratio in index - A9 SEK	0.5
Tracking error % - B1 EUR	3.2	Sharpe ratio in index - A9 EUR	0.2
Tracking error % - B10 SEK	3.2	Sharpe ratio in index - A10 SEK	0.5
Active return % - A1 EUR	2.2	Sharpe ratio in index - A10 NOK	0.5
Active return % - A1 SEK	2.2	Sharpe ratio in index - B1 SEK	0.5
Active return % - A1 NOK	2.3	Sharpe ratio in index - B1 EUR	0.2
Active return % - A9 SEK	2.2	Sharpe ratio in index - B10 SEK	0.5
Active return % - A9 EUR	2.2	Active Share % ¹⁾	95.1
Active return % - A10 SEK	3.5		

Handelsbanken Global 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, tEUR

	14/12-31/12 2018	2017
INCOME AND CHANGES IN VALUE		
Changes in value for transferable securities	-8,141	-
Interest income	-2	-
Dividends	0	-
Currency exchange profits and losses, net	-18	-
Other income	0	-
Total income and changes in value	-8,161	
EXPENSES		
Management costs:		
- Remuneration to the Management Company	177	-
Interest expense	0	-
Other expenses	23	-
Total expenses	200	
Net income	-8,361	
* Details of changes in value		
Capital gains	414	
Capital losses	-1,101	
Unrealised gains/losses	-7,455	
Sum	-8,141	

Balance Sheet, tEUR

	31 dec 2018	% of fund capital	31 dec 2017	% of fund capital
ASSETS				
Transferable securities	211,571	99.5		
OTC derivative instruments with positive market value	12	0.0		
Total financial instruments with positive market value ^{Note 2)}	211,583	99.5		
Bank assets and other liquid assets	3,820	1.8		
Prepaid expenses and accrued income	-1	0.0		
Other assets	3,094	1.5		
Total assets	218,496	102.8		
LIABILITIES				
OTC derivative instruments with negative market value	0	0.0		
Total financial instruments with negative market value ^{Note 2)}	0	0.0		
Accrued expenses and prepaid income	177	0.1		
Other liabilities	5,710	2.7		
Total liabilities	5,887	2.8		
Fund capital ^{Note 1)}	212,609	100.0		

Note 1) for Balance Sheet

Changes in fund capital, tEUR

	2018	2017
Fund capital at beginning of year	-	-
Units issued	233,382	-
Units redeemed	-12,412	-
Profit according to Income Statement	-8,361	-
Dividends to unit holders	-	-
Fund capital at the close of the period	212,609	

Note 2) for Balance Sheet

Fund holdings in financial instruments

TRANSFERABLE SECURITIES*

	Number/Nominal amount in 1000's	Market value tEUR	% of fund capital
LISTED EQUITIES			
CONSUMER DISCRETIONARY			
CPG (Hotels, Restaurants and Leisure)	315,836	5,806	2.7
G8 Education Ltd (Diversified Consumer Services)	2,446,661	4,264	2.0
Nike B (Textiles, Apparel and Luxury Goods)	158,600	10,286	4.8
TJX Companies (Specialty Retail)	267,415	10,466	4.9
		30,822	14.5
CONSUMER STAPLES			
AVI (Food Products)	599,200	3,705	1.7
Church & Dwight (Household Products)	115,752	6,659	3.1
Reckitt Benckiser (Household Products)	119,100	7,979	3.8
		18,342	8.6

	Number/Nominal amount in 1000's	Market value tEUR	% of fund capital
FINANCIALS			
AIA Group (Insurance)	1,470,000	10,676	5.0
Prudential (Insurance)	421,854	6,589	3.1
		17,265	8.1
HEALTH CARE			
Estée Lauder Companies A (Health Care Equipment and Supplies)	62,195	7,078	3.3
Johnson & Johnson (Pharmaceuticals)	73,917	8,344	3.9
Novo Nordisk (Pharmaceuticals)	239,365	9,555	4.5
The Cooper Companies (Health Care Equipment and Supplies)	39,400	8,772	4.1
UnitedHealth Group (Health Care Providers and Services)	50,100	10,918	5.1
		44,668	21.0
INDUSTRIALS			
Bunzl (Trading Companies and Distributors)	171,596	4,529	2.1
Legrand (Electrical Equipment)	178,379	8,794	4.1
Rockwell Automation (Electrical Equipment)	57,000	7,503	3.5
		20,826	9.8
INFORMATION TECHNOLOGY			
Automatic Data Processing (IT Services)	93,394	10,712	5.0
Cappgemini (IT Services)	116,000	10,069	4.7
Intuit (Software)	55,850	9,617	4.5
Keyence (Elec Equip, Instr & Comp)	17,400	7,725	3.6
Mastercard (IT Services)	58,052	9,580	4.5
SAP (Software)	129,500	11,257	5.3
Tencent (Internet Software and Services)	400,700	14,058	6.6
		73,019	34.4
MATERIALS			
Air Liquide (Chemicals)	61,115	6,628	3.1
		6,628	3.1
TELECOMMUNICATION SERVICES			
Tencent Music Entertainment Group ADR R (Entertainment)	102	1	0.0
		1	0.0
Total listed equities		211,571	99.5
Total transferable securities		211,571	99.5
OTHER FINANCIAL INSTRUMENTS***			
	Number/Nominal amount in 1000's	Market value tEUR	% of fund capital
OTC DERIVATIVE INSTRUMENTS			
CURRENCY FUTURES			
JPY/USD		12	0.0
		12	0.0
Total OTC derivative instruments		12	0.0
Total other financial instruments		12	0.0
Total holdings in financial instruments		211,583	99.5
Net, other assets and liabilities		1,026	0.5
Total fund capital		212,609	100.0

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

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

99.5

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

*** Refers to other financial instruments.

Handelsbanken Global Selektiv*

* Sustainability data is reported for the full-year 2018. During 2018 the fund took over the historical data of Handelsbanken Funds Global Selektiv Criteria after a cross-border merger with Handelsbanken Global Selektiv.

Sustainability dimensions that are taken into consideration in the management of the fund

The fund manager integrates environmental, social and corporate governance criteria (ESG) into the investment process, together with financial criteria, to obtain a more complete basis for decision-making. As a result, the fund manager takes into consideration both risks and opportunities related to various ESG aspects.

Methods used in sustainability efforts

Inclusion

An in-depth analysis is conducted in preparation for each investment decision in which sustainability dimensions as well as economic aspects are factored into the analysis. We believe sustainability issues are particularly important for making sound investment decisions to generate good, long-term returns. We have access to external ESG analyses as a complement to our own analyses and knowledge of the companies. Fund managers analyse sustainability through the company's sustainability performance (HOW they conduct their business operations), as well as through WHAT the company offers for products and services. The sustainability analysis is documented as an integral component of the investment documentation and consists of both sustainability risks and opportunities.

The Japanese automation company Keyence publishes basically no information on its website and has a low sustainability rating as a result. After continuing discussions and meetings with the company, we believe the company views sustainability efforts as a part of the operational business activities and is working actively to minimise the risks related to this. The company currently provides a printed report on how the company works responsibly with its supplier chain and the management of conflict minerals specifically.

Exclusion

In accordance with the Management Company's overall policy for responsible investment, all of the Management Company's funds exclude:

- companies involved in the production or distribution of banned weapons, such as cluster bombs, anti-personnel mines, biological and chemical weapons, in accordance with international legislation. Companies involved in the production or distribution of nuclear weapons are also excluded.
- companies with substantial business operations within coal mining or in power companies that have coal as a major source of energy.

The fund is managed based upon the Criteria exclusion strategy, which means an exclusion of companies/issuers in which the principle business operations are within controversial sectors such as alcohol, tobacco, commercial gaming, war materials, pornography, fossil fuels. The fund also excludes companies/issuers that are deemed to be violating international norms and conventions. This is followed-up by the Management Company's independent risk control function on a daily basis.

Management Company's engagement activities

A critical component in taking responsibility as an investor is to influence the companies in which we invest. Our engagement activities are founded on the value base of Handelsbanken and the Management Company, our commitments, as well as the international norms and conventions we safeguard. We conduct dialogues to encourage companies to improve their sustainability efforts, as well as with companies we deem do not fulfil the international norms and conventions we safeguard. We conduct the engagement activities primarily through:

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

A. The fund manager meets or has contact with companies on a regular basis, which provides a good opportunity to influence companies within sustainability. We hold dialogues with clear targets for change, but also dialogues that focus on an overall improvement to the company's sustainability efforts. Targets are identified for the direct dialogues and results are followed up regularly during the period of the dialogue. The targeted company dialogues are carried out by the fund manager directly with the company. The fund held one dialogue during the year.

The fund had a dialogue with Johnson & Johnson, which has had repeated safety incidents and product recalls within medical technology and consumer products, e.g., Baby Powder, hip implants and a "morcellator device". The company is also involved in several litigation procedures. We have conducted a dialogue with the company regarding these incidents to ensure that improvements are being made within the company's processes and that patient safety is always put first. According to the company, improvements have been made within quality and compliance. For example, decisions about product recalls are now completely separate from the marketing departments. We continue to monitor certain issues, particularly regarding Baby Powder.

B. The Management Company participates in dialogues with companies together with other investors through an external party (ISS ESG) in a so-called pooled engagement. The basis for these dialogues is a norm-based analysis that focuses primarily on companies with suspected or confirmed violations with regard to international norms and conventions within the environment, human rights, labour rights, and anti-corruption. The dialogue process consists of contact between ISS ESG and the company concerned, and in certain cases also includes meetings or telephone conferences in which we as an investor may participate. During 2018 the Management Company participated in 143 company dialogues. The fund did not have any investments in these companies.

C. During 2018 the Management Company participated in several international initiatives and collaborations with focus on specific sustainability matters. These initiatives are often thematic or focus on sustainability issues within a certain sector. Examples of initiatives we have participated in during the year include: Climate Action 100+, PRI Methane Engagement, PRI Sustainable Palm Oil, PRI Sustainable Soy, PRI Cyber Security and FAIRR Antibiotics Engagement. These initiatives include 336 companies in total.

General meetings and nomination committees

Normally, Handelsbanken Fonder votes at general meetings in those companies in which ownership exceeds 0.5% or if there are specific matters of concern. The Management Company has voted at one general meeting on behalf of the fund.

Handelsbanken Fonder participates in all of the nomination committees where we have a sufficiently large ownership to be offered a position. However, nomination committees are not common outside of the Nordics and the board composition can only be impacted by voting at the general meetings.

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



Handelsbanken Global 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 benchmark index. The fund invests in equities issued by companies in the larger global equity markets. The thematic investment strategy implies that investments occur primarily in companies associated with long-term investment themes that have been carefully selected, analysed and are expected to experience a long period of growth. Examples of these themes include Demographics, Productivity, Lifestyles and the Environment. Within the context of the fund's investment focus, international norms 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

The fund fell 7.2% during the full year 2018*. Company holdings making the strongest contributions to fund returns continued to be in companies primarily within the Productivity theme, and more specifically within the Digitalisation sub-theme, e.g., Mastercard, IAC (InterActive Corp), Ocado and Paypal. Rockwool, within the Environment theme was one of the strongest holdings. The Brazilian education company Kroton (Productivity – Infrastructure), Japanese Persol (Lifestyles - Womenomics) and Italian Prysmian (Environment – Energy effectiveness) were equities that weighed heavily on returns.

The portfolio continued to be invested in selected companies with exposure to the structural growth themes we identified during the year. Within the scope of the fund's thematic investment process, we purchased companies such as Ocado (Productivity), ThermoFischer (Productivity) and Marine Harvest (Environment). The purchases were financed by selling holdings Facebook (Productivity), Fanuc (Productivity)

and Julius Bär (Demographics).

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

Significant risks

As of the balance sheet date or any other time during the year, fund holdings did not have exposure to any other significant risks than those stated in the fact sheet and information brochure.

Trading with derivatives

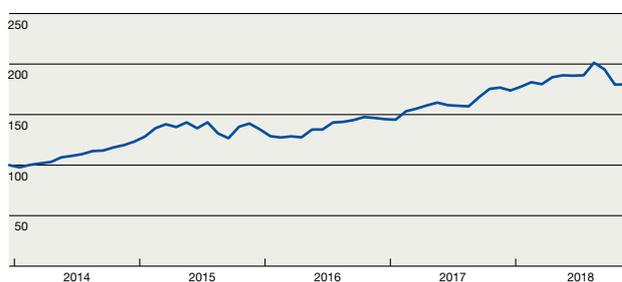
According to the fund rules, the fund may trade with derivatives as part of its investment focus. The fund used this option to a limited extent during 2018. The fund has the option of lending securities. The fund used this option rather extensively during 2018. The fund may use other techniques and instruments. The fund did not use this option during 2018.

Information

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

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

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

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Net asset value										
Global Tema A1 - SEK	425.87	459.12	384.18	357.67	325.79	264.14	223.38	205.53	231.43	219.23
Global Tema A1 - EUR	42.02	46.70	40.09	39.05	-	-	-	-	-	-
Global Tema A1 - NOK	415.94	458.66	364.01	375.52	-	-	-	-	-	-
Global Tema A10 - SEK	428.67	-	-	-	-	-	-	-	-	-
Global Tema A10 - EUR	42.30	-	-	-	-	-	-	-	-	-
Global Tema A10 - NOK	418.68	-	-	-	-	-	-	-	-	-
Global Tema B1 - SEK	377.55	423.28	368.02	357.67	-	-	-	-	-	-
Global Tema B10 - SEK	380.03	-	-	-	-	-	-	-	-	-
The fund's total net flow, mSEK	-769	-712	-1,019	617	1,967	-32	-200	-	-	-
Fund capital total, mSEK	20,032	22,335	19,331	19,060	4,926	2,357	2,020	2,018	2,210	1,914
Global Tema A1 - SEK	19,590	22,143	19,059	18,386	4,926	2,357	2,020	2,018	2,210	1,914
Global Tema A1 - EUR	5	6	5	5	-	-	-	-	-	-
Global Tema A1 - NOK	77	77	168	175	-	-	-	-	-	-
Global Tema A10 - SEK	89	-	-	-	-	-	-	-	-	-
Global Tema A10 - EUR	0	-	-	-	-	-	-	-	-	-
Global Tema A10 - NOK	0	-	-	-	-	-	-	-	-	-
Global Tema B1 - SEK	144	54	43	459	-	-	-	-	-	-
Global Tema B10 - SEK	76	-	-	-	-	-	-	-	-	-
Number of units, 1000's	47,101	48,659	50,322	53,291	15,120	8,922	9,045	9,820	9,548	8,731
Global Tema A1 - SEK	46,001	48,231	49,610	51,406	15,120	8,922	9,045	9,820	9,548	8,731
Global Tema A1 - EUR	117	134	133	135	-	-	-	-	-	-
Global Tema A1 - NOK	185	167	463	466	-	-	-	-	-	-
Global Tema A10 - SEK	207	-	-	-	-	-	-	-	-	-
Global Tema A10 - EUR	10	-	-	-	-	-	-	-	-	-
Global Tema A10 - NOK	0	-	-	-	-	-	-	-	-	-
Global Tema B1 - SEK	382	127	116	1,284	-	-	-	-	-	-
Global Tema B10 - SEK	199	-	-	-	-	-	-	-	-	-
of which are outstanding share certificates, 1000's	69	69	69	69	70	70	70	70	70	70

Handelsbanken Global Tema, cont.

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Total returns in %, SEK										
Global Tema A1 - SEK	-7.2	+19.5	+7.4	+9.8	+23.3	+18.2	+10.5	-9.9	+7.1	+19.9
Global Tema A1 - EUR	-10.0	+16.5	+2.7	+13.6	+15.2	+14.6	+14.6	-8.7	+21.6	+28.6
Global Tema A1 - NOK	-9.3	+26.0	-3.1	+20.3	+25.1	+30.6	+8.6	-9.3	+14.4	+9.5
Global Tema A10 - SEK	-6.5	-	-	-	-	-	-	-	-	-
Global Tema A10 - EUR	-9.3	-	-	-	-	-	-	-	-	-
Global Tema A10 - NOK	-8.6	-	-	-	-	-	-	-	-	-
Global Tema B1 - SEK	-7.2	+19.5	+7.4	+9.8	-	-	-	-	-	-
Global Tema B10 - SEK	-6.5	-	-	-	-	-	-	-	-	-
Index including dividends in %, SEK										
Global Tema A1 - SEK	-1.1	+13.6	+16.3	+5.1	+27.0	+21.2	+10.2	-5.5	+6.1	+17.7
Global Tema A1 - EUR	-4.1	+10.8	+11.1	+8.8	+18.6	+17.5	+14.3	-4.2	+20.5	+26.3
Global Tema A1 - NOK	-3.3	+19.8	+4.9	+15.3	+28.7	+33.9	+8.3	-4.9	+13.4	+7.6
Global Tema A10 - SEK	-1.1	-	-	-	-	-	-	-	-	-
Global Tema A10 - EUR	-4.1	-	-	-	-	-	-	-	-	-
Global Tema A10 - NOK	-3.3	-	-	-	-	-	-	-	-	-
Global Tema B1 - SEK	-1.1	+13.6	+16.3	+5.1	-	-	-	-	-	-
Global Tema B10 - SEK	-1.1	-	-	-	-	-	-	-	-	-
Average yearly return, 2 yrs. %										
Global Tema A1 - SEK	+5.3	+13.3	+8.6	+16.4	+20.8	+14.3	-0.2	-1.8	+13.3	-8.1
Global Tema A1 - EUR	+2.4	+9.3	+8.0	+14.4	+14.9	+14.6	+2.3	+5.4	+25.1	-11.8
Global Tema A1 - NOK	+6.9	+10.5	+8.0	+22.7	+27.8	+19.1	-0.7	+1.9	+11.9	-9.8
Global Tema A10 - SEK	+6.1	-	-	-	-	-	-	-	-	-
Global Tema A10 - EUR	+3.2	-	-	-	-	-	-	-	-	-
Global Tema A10 - NOK	+7.7	-	-	-	-	-	-	-	-	-
Global Tema B1 - SEK	+5.3	+13.3	+8.6	+16.4	-	-	-	-	-	-
Global Tema B10 - SEK	+6.1	-	-	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+6.0	+15.0	+10.6	+15.5	+24.1	+15.6	+2.0	+0.1	+11.8	-7.6
EUR	+3.1	+10.9	+9.9	+13.6	+18.1	+15.9	+4.6	+7.4	+23.4	-11.3
NOK	+7.6	+12.1	+10.0	+21.8	+31.3	+20.4	+1.5	+3.8	+10.4	-9.3
Average yearly return, 5 yrs. %										
Global Tema A1 - SEK	+10.0	+15.5	+13.7	+9.8	+9.2	+8.6	-2.1	-3.1	-1.1	+3.3
Global Tema A1 - EUR	+7.1	+12.4	+12.0	+9.4	+11.0	+13.4	-0.2	-2.8	-0.3	+0.7
Global Tema A1 - NOK	+10.8	+19.1	+15.6	+14.1	+13.0	+10.0	-1.7	-4.0	-0.7	+0.9
Global Tema A10 - SEK	+11.0	-	-	-	-	-	-	-	-	-
Global Tema A10 - EUR	+8.0	-	-	-	-	-	-	-	-	-
Global Tema A10 - NOK	+11.7	-	-	-	-	-	-	-	-	-
Global Tema B1 - SEK	+10.0	+15.5	+13.7	+9.8	-	-	-	-	-	-
Global Tema B10 - SEK	+11.0	-	-	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+11.8	+16.4	+15.7	+11.0	+11.2	+9.5	-1.2	-2.5	-0.8	+3.5
EUR	+8.8	+13.3	+14.0	+10.7	+13.0	+14.4	+0.8	-2.2	0.0	+1.0
NOK	+12.5	+20.1	+17.7	+15.4	+15.0	+11.0	-0.8	-3.4	-0.4	+1.1
Average yearly return, 10 yrs. %										
Global Tema A1 - SEK	+9.3	+6.3	+5.0	+4.2	+6.2	+4.0	+2.9	-2.9	-3.2	-5.4
Global Tema A1 - EUR	+10.2	+5.9	+4.3	+4.5	+5.7	+4.2	+3.5	-2.4	-3.4	-7.1
Global Tema A1 - NOK	+10.4	+8.2	+5.4	+6.4	+6.7	+4.2	+3.6	-2.7	-4.0	-6.8
Global Tema A10 - SEK	+10.3	-	-	-	-	-	-	-	-	-
Global Tema A10 - EUR	+11.2	-	-	-	-	-	-	-	-	-
Global Tema A10 - NOK	+11.4	-	-	-	-	-	-	-	-	-
Global Tema B1 - SEK	+9.3	+6.3	+5.0	+4.2	-	-	-	-	-	-
Global Tema B10 - SEK	+10.3	-	-	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+10.6	+7.3	+6.2	+5.0	+7.3	+4.9	+3.6	-1.4	-1.5	-2.6
EUR	+11.5	+6.8	+5.6	+5.2	+6.8	+5.2	+4.3	-0.9	-1.7	-4.4
NOK	+11.7	+9.1	+6.6	+7.2	+7.8	+5.1	+4.4	-1.2	-2.3	-4.1
Dividends per unit, SEK										
Global Tema A1 - SEK	-	-	-	-	-	-	3.65	3.31	2.99	5.25
Global Tema B1 - SEK	16.93	14.72	14.31	-	-	-	-	-	-	-
Global Tema B10 - SEK	16.93	-	-	-	-	-	-	-	-	-
Exchange rate EUR/SEK	10.13	9.83	9.58	9.16	9.47	8.85	8.58	8.90	9.02	10.24
Exchange rate NOK/SEK	1.02	1.00	1.06	0.95	1.04	1.06	1.17	1.15	1.16	1.24

Benchmark: MSCI ACWI Select Global Norms and Criteria Index

Up to 01/05/2016: 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

Max. allowed mgmt. costs in % according to fund rules	
Global Tema A1	1.40
Global Tema A10	0.60
Global Tema B1	1.40
Global Tema B10	0.60
Collected mgmt. costs in % of average fund capital	
Global Tema A1	1.40
Global Tema A10	0.60
Global Tema B1	1.40
Global Tema B10	0.60
Annual fees in %	
Global Tema A1	1.41
Global Tema A10	0.61
Global Tema B1	1.41
Global Tema B10	0.61
Transaction costs, tSEK	8,072
Transaction costs in % of turnover	0.07
Costs in SEK for a one-time subscription, 10 000 SEK	
Global Tema A1	147.79
Global Tema A10	-
Global Tema B1	147.79
Global Tema B10	-
Costs in SEK for monthly savings, 100 SEK	
Global Tema A1	9.15
Global Tema A10	-
Global Tema B1	9.15
Global Tema B10	-

Fund Facts - Other Key Figures

Turnover rate	0.2
Share of turnover conducted via closely-related securities companies in %	0.4

Handelsbanken Global Tema, cont.

Risk and Return Measurements*

Total risk % - A1 SEK	13.7	Active return % - A10 EUR	0.1
Total risk % - A1 EUR	11.5	Active return % - A10 NOK	0.1
Total risk % - A1 NOK	12.5	Active return % - B1 SEK	-0.7
Total risk % - A10 SEK	13.7	Active return % - B10 SEK	0.1
Total risk % - A10 EUR	11.5	Information ratio - A1 SEK	Negative
Total risk % - A10 NOK	12.5	Information ratio - A1 EUR	Negative
Total risk % - B1 SEK	13.7	Information ratio - A1 NOK	Negative
Total risk % - B10 SEK	13.7	Information ratio - A10 SEK	0.0
Total risk in index % - A1 SEK	12.3	Information ratio - A10 EUR	0.0
Total risk in index % - A1 EUR	10.2	Information ratio - A10 NOK	0.0
Total risk in index % - A1 NOK	11.3	Information ratio - B1 SEK	Negative
Total risk in index % - A10 SEK	12.3	Information ratio - B10 SEK	0.0
Total risk in index % - A10 EUR	10.2	Sharpe ratio - A1 SEK	0.4
Total risk in index % - A10 NOK	11.3	Sharpe ratio - A1 EUR	0.2
Total risk in index % - B1 SEK	12.3	Sharpe ratio - A1 NOK	0.5
Total risk in index % - B10 SEK	12.3	Sharpe ratio - A10 SEK	0.5
Active Share % ¹⁾	83.9	Sharpe ratio - A10 EUR	0.3
Tracking error % - A1 SEK	3.7	Sharpe ratio - A10 NOK	0.6
Tracking error % - A1 EUR	3.7	Sharpe ratio - B1 SEK	0.4
Tracking error % - A1 NOK	3.7	Sharpe ratio - B10 SEK	0.5
Tracking error % - A10 SEK	3.7	Sharpe ratio in index - A1 SEK	0.6
Tracking error % - A10 EUR	3.7	Sharpe ratio in index - A1 EUR	0.3
Tracking error % - A10 NOK	3.7	Sharpe ratio in index - A1 NOK	0.6
Tracking error % - B1 SEK	3.7	Sharpe ratio in index - A10 SEK	0.6
Tracking error % - B10 SEK	3.7	Sharpe ratio in index - A10 EUR	0.3
Benchmark	MSCI ACWI Select Global Norms and Criteria Index	Sharpe ratio in index - A10 NOK	0.6
Active return % - A1 SEK	-0.7	Sharpe ratio in index - B1 SEK	0.6
Active return % - A1 EUR	-0.7	Sharpe ratio in index - B10 SEK	0.6
Active return % - A1 NOK	-0.7		
Active return % - A10 SEK	0.1		

1) As of the balance sheet date.

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

Income Statement, tSEK

	2018	2017
INCOME AND CHANGES IN VALUE		
Changes in value for transferable securities	-1,502,546	3,756,069
Interest income	95	483
Dividends	285,509	280,479
Currency exchange profits and losses, net	2,345	-10,815
Other financial income	16,608	1,917
Other income	109	0
Total income and changes in value	-1,197,881	4,028,133
EXPENSES		
Management costs:		
- Remuneration to the Management Company	324,418	295,963
Interest expense	86	78
Other financial expenses	3,322	384
Other expenses	8,090	15,335
Total expenses	335,915	311,760
Net income	-1,533,796	3,716,373
* Details of changes in value		
Capital gains	1,561,886	1,474,905
Capital losses	-604,663	-936,331
Unrealised gains/losses	-2,459,770	3,217,495
Sum	-1,502,546	3,756,069

Balance Sheet, tSEK

	31 dec 2018	% of fund capital	31 dec 2017	% of fund capital
ASSETS				
Transferable securities	19,463,534	97.2	21,974,718	98.4
Total financial instruments with positive market value ^{Note 2)}	19,463,534	97.2	21,974,718	98.4
Bank assets and other liquid assets	586,727	2.9	366,575	1.7
Prepaid expenses and accrued income	10,145	0.0	9,222	0.0
Total assets	20,060,406	100.1	22,350,515	100.1
LIABILITIES				
Accrued expenses and prepaid income	24,907	0.1	14,884	0.1
Other liabilities	3,337	0.0	278	0.0
Total liabilities	28,244	0.1	15,162	0.1
Fund capital^{Note 1)}	20,032,162	100.0	22,335,353	100.0
Financial instruments lent	1,294,663	6.5	621,000	2.8
Collateral received for financial instruments lent	1,530,288	7.6	689,301	3.1

Note 1) for Balance Sheet

Changes in fund capital, tSEK

	2018	2017
Fund capital at beginning of year	22,335,353	19,330,852
Units issued	1,411,608	1,201,013
Units redeemed	-2,177,600	-1,911,042
Profit according to Income Statement	-1,533,796	3,716,373
Dividends to unit holders	-3,403	-1,843
Fund capital at the close of the period	20,032,162	22,335,353

Note 2) for Balance Sheet

Fund holdings in financial instruments

TRANSFERABLE SECURITIES*

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
LISTED EQUITIES			
AUSTRALIA (AUD)			
G8 Education Ltd (Diversified Consumer Services)	4,000,000	70,654	0.4
Orocobre (Metals and Mining)	3,484,950	70,257	0.4
		140,912	0.7
AUSTRIA (EUR)			
Erste Group Bank (Commercial Banks)	680,953	200,487	1.0
		200,487	1.0
BRAZIL (BRL)			
Kroton (Commercial Services and Supplies)	4,500,000	91,306	0.5
		91,306	0.5
CHILE (CLP)			
Andina B ADR (Beverages)	586,746	118,710	0.6
		118,710	0.6
CHINA (CNY)			
Alibaba Group Holding ADR (Internet Software and Services)	202,492	246,077	1.2
NetEase (Software)	74,613	155,699	0.8
Ping An Insurance (Insurance)	1,970,000	154,260	0.8
Tencent (Internet Software and Services)	710,421	252,604	1.3
Tencent Music Entertainment Group ADR R (Entertainment)	182	21	0.0
Xinyi Solar Holdings (Semiconductors and Semiconductor Eq.)	53,129,999	165,450	0.8
		974,111	4.9
DENMARK (DKK)			
Rockwool International B (Building Products)	54,774	126,464	0.6
Vestas Wind Systems (Electrical Equipment)	308,937	206,475	1.0
		332,939	1.7
FRANCE (EUR)			
Capgemini (IT Services)	234,000	205,854	1.0
Danone (Food Products)	137,255	85,565	0.4
Dassault Systèmes (Software)	145,000	152,395	0.8
Ubisoft Ord (Software)	246,503	176,081	0.9
		619,895	3.1
GERMANY (EUR)			
Adidas (Textiles, Apparel and Luxury Goods)	90,000	166,376	0.8
SAP (Software)	334,052	294,312	1.5
		460,688	2.3
HONG KONG (HKD)			
AIA Group (Insurance)	4,937,000	363,388	1.8
		363,388	1.8
INDONESIA (IDR)			
Bank Rakyat Indonesia (Commercial Banks)	120,413,500	271,718	1.4
		271,718	1.4
IRELAND (EUR)			
Keywords Rg (IT Services)	813,276	98,260	0.5
		98,260	0.5
ISRAEL (ILS)			
Check Point Software Technologies (Internet Software and Services)	369,900	336,638	1.7
		336,638	1.7
ITALY (EUR)			
Cerved Information Solution (Diversified Financial Services)	1,875,343	135,992	0.7
Prisma (Other)	1,771,249	302,844	1.5
		438,836	2.2
JAPAN (JPY)			
CyberAgent (Media)	172,257	59,089	0.3
Keyence (Elec Equip, Instr & Comp)	55,000	247,466	1.2
Nintendo (Software)	145,140	343,468	1.7
Persol Holdings (Professional Services)	1,339,621	177,100	0.9
Square Enix Holdings (Software)	697,000	168,237	0.8
Terumo (Health Care Equipment and Supplies)	380,000	191,121	1.0
		1,186,482	5.9
KOREA, REPUBLIC OF (KRW)			
Hynix Semiconductor (Semiconductors and Semiconductor Eq.)	217,873	104,735	0.5
		104,735	0.5

Handelsbanken Global Tema, cont.

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
MEXICO (MXN)			
Gruma (Food Products)	1,782,197	178,011	0.9
Grupo Aeroportuario del Centro Norte (Transportation Infrastructure)	2,724,986	115,057	0.6
Grupo Aeroportuario del Pacifico ADR (Transportation Infrastructure)	201,719	269,335	1.3
		562,402	2.8
NETHERLANDS (EUR)			
ASML Holding (Semiconductors and Semiconductor Equip.)	188,000	261,342	1.3
GrandVision (Specialty Retail)	488,350	94,683	0.5
ING Groep Ord Shs (Commercial Banks)	2,020,000	192,648	1.0
Randstad (Professional Services)	486,000	197,468	1.0
		746,140	3.7
NORWAY (NOK)			
Mowi ASA (Food Products)	531,868	99,492	0.5
		99,492	0.5
SPAIN (EUR)			
Aena (Transportation Infrastructure)	134,000	184,361	0.9
Banco Santander (Commercial Banks)	3,657,229	147,263	0.7
Construcciones Y Auxiliar De Ferrocarril (Machinery)	46,638	17,111	0.1
		348,735	1.7
SWEDEN (SEK)			
AstraZeneca SDB (Pharmaceuticals)	335,127	225,775	1.1
		225,775	1.1
SWITZERLAND (CHF)			
Roche Holding (Pharmaceuticals)	90,844	198,860	1.0
Straumann (Health Care Equipment and Supplies)	34,000	188,973	0.9
Wizz Air Holdings (Airlines)	329,184	104,150	0.5
		491,983	2.5
TAIWAN, PROVINCE OF CHINA (TWD)			
Taiwan Semiconductor ADR (Semiconductors and Semiconductor Equip.)	1,070,000	350,145	1.7
		350,145	1.8
THAILAND (THB)			
Airports of Thailand Ord Shs F (Transportation Infrastructure)	10,700,000	187,194	0.9
		187,194	0.9
UNITED KINGDOM (GBP)			
OCADO GROUP PLC (Internet and Catalog Retail)	1,982,833	176,875	0.9
Prudential (Insurance)	1,772,621	280,619	1.4
		457,494	2.3
UNITED STATES (USD)			
A. O. Smith (Building Products)	270,607	102,444	0.5
Abbott Laboratories (Pharmaceuticals)	295,618	189,570	0.9
AbbVie (Pharmaceuticals)	242,000	197,797	1.0
Activision Blizzard (Software)	403,000	166,392	0.8
Albemarle (Chemicals)	375,324	256,456	1.3
Alliance Data Systems (Commercial Services and Supplies)	105,000	139,712	0.7
Alphabet C (Internet Software and Services)	34,512	316,874	1.6
Amazon.com (Internet and Catalog Retail)	20,000	266,325	1.3
Ansys (Software)	84,800	107,466	0.5
Apple (Computers and Peripherals)	260,800	364,729	1.8
Booking Holding (Internet and Catalog Retail)	19,731	301,307	1.5
Bright Horizons Family Solutions (Diversified Consumer Services)	349,200	345,044	1.7
East West Bancorp (Commercial Banks)	930,907	359,265	1.8
First Republic Bank (Commercial Banks)	418,336	322,304	1.6
Grand Canyon Education (Diversified Consumer Services)	392,290	334,373	1.7
Home Depot (Specialty Retail)	205,138	312,493	1.6
InterActiveCorp (Media)	217,000	352,149	1.8
IPG Photonics (Elec Equip, Instr & Comp)	127,000	127,560	0.6
Johnson & Johnson (Pharmaceuticals)	252,768	289,201	1.4
Mastercard (IT Services)	330,306	552,451	2.8
Microsoft (Software)	260,661	234,726	1.2
NASDAQ OMX Group (Diversified Financial Services)	445,200	321,963	1.6
NVIDIA (Semiconductors and Semiconductor Equip.)	72,812	86,180	0.4
PayPal (IT Services)	533,800	397,964	2.0
Pool (Distributors)	76,390	100,675	0.5
Progressive Ohio (Insurance)	798,617	427,162	2.1
Proto Labs Ord Shs (Machinery)	241,036	241,031	1.2
Royal Caribbean Cruises (Hotels, Restaurants and Leisure)	369,754	320,574	1.6
Service Corporation International (Diversified Consumer Services)	878,685	313,637	1.6
SVB Financial Group (Commercial Banks)	127,889	215,340	1.1
The Cooper Companies (Health Care Equipment and Supplies)	113,500	256,097	1.3
Thermo Fisher Scientific (Life Sciences Tools and Services)	170,739	338,761	1.7
UnitedHealth Group (Health Care Providers and Services)	264,262	583,665	2.9
Walt Disney (Media)	381,000	370,386	1.8
Welbilt Rg (Electrical Equipment)	1,029,942	101,449	0.5
Worldpay (IT Services)	392,399	265,896	1.3
Xylem (Machinery)	466,000	275,653	1.4
		10,255,069	51.1
Total listed equities		19,463,534	97.2
Total transferable securities		19,463,534	97.2

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
Total holdings in financial instruments		19,463,534	97.2
Net, other assets and liabilities		568,628	2.8
Total fund capital		20,032,162	100.0

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

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

97.2

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

*** Refers to other financial instruments.

Volume of lent securities as a % of total lendable assets

Volume of lent securities as a % of total lendable assets	6.97
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The ten largest issuers of collateral for securities lending per issuer, SEK thousand:

The British Government	65 921
Nestle Sa	47 324
Schlumberger Ltd	38 885
Novartis Ag	37 525
International Business Machines Corp	36 960
Capital One Financial Corp	33 125
Pg&E Corp	30 841
Iqvia Holdings Inc	30 716
Toyota Motor Corp	28 556
Conocophillips	28 378

The largest counterparties for securities lending, SEK thousand:

Credit Suisse AG, Dublin Branch, Ireland	923 859
UBS AG, London Branch, Great Britain	313 353
Credit Suisse Securities (Europe) Ltd, Great Britain	38 852
J.P. Morgan Securities Plc, Great Britain	15 243
Merrill Lynch Intl, Great Britain	3 051
Morgan Stanley & Co International Plc, Great Britain	305
	1 294 663

Type and quality of collateral, SEK thousand:

Equities	1 440 492
Bonds and other interest-bearing instruments	89 796
	1 530 288

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	2 745
One to three months	2 019
Three months to one year	4 713
Greater than one year	80 320
Indeterminate duration	1 440 492
	1 530 288

Currency of the collateral, SEK thousand:

AUD	7 696
CAD	78 290
CHF	87 752
DKK	3 579
EUR	108 608
GBP	142 642
HKD	76 255
JPY	281 199
SEK	17 119
SGD	6 371
USD	720 777
	1 530 288

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

Settlement and clearing for securities lending is conducted through a third party. The collateral received is held by J.P. Morgan Bank Luxembourg S.A. or another group company within the J.P. Morgan Group and is not reused.

Information about returns and expenses:

Securities lending for the full year generated a total revenue of 16 608 tSEK thousand, of which 80% was passed on to the fund and 20% to J.P. Morgan Bank Luxembourg S.A. in its role as the intermediary of securities lending.

Counterparties for securities lending during the year:

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

Handelsbanken Global Tema, cont.

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

Handelsbanken Global Tema

Sustainability dimensions that are taken into consideration in the management of the fund

The fund manager integrates environmental, social and corporate governance criteria (ESG) into the investment process, together with financial criteria, to obtain a more complete basis for decision-making. As a result, the fund manager takes into consideration both risks and opportunities related to various ESG aspects.

Methods used in sustainability efforts

Inclusion

An in-depth analysis is conducted in preparation for each investment decision in which sustainability dimensions as well as economic aspects are factored into the analysis. We believe sustainability issues are particularly important for making sound investment decisions to generate good, long-term returns. We have access to external ESG analyses as a complement to our own analyses and knowledge of the companies. Fund managers analyse sustainability through the company's sustainability performance (HOW they conduct their business operations), as well as through WHAT the company offers for products and services. The sustainability analysis is documented as an integral component of the investment documentation and consists of both sustainability risks and opportunities.

The British online consumer staples company Ocado delivers consumer goods directly to the customer from a central warehouse along well-planned routes, which leads to a significant reduction in the number of car journeys to and from grocery stores. The centralised management has been shown to reduce wastage, which is also positive for the environment. During the year, Ocado won a number of important contracts to sell its unique technical solution for e-commerce in other countries and in this way disseminate an approach for working profitably with sustainability.

Exclusion

In accordance with the Management Company's overall policy for responsible investment, all of the Management Company's funds exclude:

- companies involved in the production or distribution of banned weapons, such as cluster bombs, anti-personnel mines, biological and chemical weapons, in accordance with international legislation. Companies involved in the production or distribution of nuclear weapons are also excluded.
- companies with substantial business operations within coal mining or in power companies that have coal as a major source of energy.

The fund is managed based upon the Criteria exclusion strategy, which means an exclusion of companies in which the principle business operations are within controversial sectors such as alcohol, tobacco, commercial gaming, war materials, pornography, fossil fuels. The fund also excludes companies that are deemed to be violating international norms and conventions. This is followed-up by the Management Company's independent risk control function on a daily basis.

Management Company's engagement activities

A critical component in taking responsibility as an investor is to influence the companies in which we invest. Our engagement activities are founded on the value base of Handelsbanken and the Management Company, our commitments, as well as the international norms and conventions we safeguard. We conduct dialogues to encourage companies to improve their sustainability efforts, as well as with companies we deem do not fulfil the international norms and conventions we safeguard. We conduct the engagement activities primarily through:

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

A. The fund manager meets or has contact with companies on a regular basis, which provides a good opportunity to influence companies within sustainability. We hold dialogues with clear targets for change, but also dialogues that focus on an overall improvement to the company's sustainability efforts. Targets are identified for the direct dialogues and results are followed up regularly during the period of the dialogue. The targeted company dialogues are carried out by the fund manager directly with the company. The fund had 3 dialogues during the year.

During the year the fund had a dialogue with Albemarle, one of the world's largest producers of lithium which is one of the main components in modern batteries. Since the mining of this occurs in sensitive environments, we want to ensure that the risks associated with the environment, human rights, as well as relationships with local stakeholders, are adequately managed.

B. The Management Company participates in dialogues with companies together with other investors through an external party (ISS ESG) in a so-called pooled engagement. The basis for these dialogues is a norm-based analysis that focuses primarily on companies with suspected or confirmed violations with regard to international norms and conventions within the environment, human rights, labour rights, and anti-corruption. The dialogue process consists of contact between ISS ESG and the company concerned, and in certain cases also includes meetings or telephone conferences in which we as an investor may participate. During 2018 the Management Company participated in 143 company dialogues, of which the fund was invested in 3 of these companies.

A dialogue was held with Apple due to the alleged failure of complying with trade union rights in Great Britain and Germany, as well as the confirmed failure of complying with current ongoing measures related to the payment of a fair share of taxes in Luxembourg.

C. During 2018 the Management Company participated in several international initiatives and collaborations with focus on specific sustainability matters. These initiatives are often thematic or focus on sustainability issues within a certain sector. Examples of initiatives we have participated in during the year include: Climate Action 100+, PRI Methane Engagement, PRI Sustainable Palm Oil, PRI Sustainable Soy, PRI Cyber Security and FAIRR Antibiotics Engagement. These initiatives include 336 companies in total.

General meetings and nomination committees

Normally, Handelsbanken Fonder votes at general meetings in those companies in which ownership exceeds 0.5% or if there are specific matters of concern. The Management Company has voted at 23 general meetings on behalf of the fund.

Handelsbanken Fonder participates in all of the nomination committees where we have a sufficiently large ownership to be offered a position. However, nomination committees are not common outside of the Nordics and the board composition can only be impacted by voting at the general meetings.

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

Handelsbanken Hållbar Energi, cont.

	2018	2017	2016	2015	10/10-31/12 2014	2013	2012	2011	2010	2009
Total returns in %, SEK										
Hållbar Energi A1 - SEK	-14.8	+21.3	+4.5	+11.2	+12.5	+36.7	+6.2	-19.6	-1.5	+28.7
Hållbar Energi A1 - EUR	-17.4	+18.2	-0.2	+15.0	+5.1	+32.5	+10.1	-18.5	+11.9	+38.2
Hållbar Energi A1 - NOK	-16.7	+27.9	-5.7	+21.9	+14.1	+50.9	+4.3	-19.0	+5.2	+17.6
Hållbar Energi A10 - SEK	-14.0	-	-	-	-	-	-	-	-	-
Hållbar Energi A10 - EUR	-16.6	-	-	-	-	-	-	-	-	-
Hållbar Energi A10 - NOK	-16.0	-	-	-	-	-	-	-	-	-
Index including dividends in %, SEK										
Hållbar Energi A1 - SEK	-12.3	+15.4	+0.8	+8.7	+19.2	+53.6	-9.1	-38.4	-19.0	+27.5
Hållbar Energi A1 - EUR	-15.0	+12.5	-3.7	+12.4	+11.4	+48.9	-5.6	-37.5	-7.9	+36.8
Hållbar Energi A1 - NOK	-14.4	+21.7	-9.1	+19.1	+20.9	+69.6	-10.6	-37.9	-13.4	+16.5
Hållbar Energi A10 - SEK	-12.3	-	-	-	-	-	-	-	-	-
Hållbar Energi A10 - EUR	-15.0	-	-	-	-	-	-	-	-	-
Hållbar Energi A10 - NOK	-14.4	-	-	-	-	-	-	-	-	-
Average yearly return, 2 yrs. %										
Hållbar Energi A1 - SEK	+1.7	+12.6	+7.8	+11.8	+24.0	+20.5	-7.6	-11.0	+12.6	-
Hållbar Energi A1 - EUR	-1.2	+8.6	+7.1	+9.9	+18.0	+20.8	-5.3	-4.5	+24.3	-
Hållbar Energi A1 - NOK	+3.2	+9.8	+7.2	+17.9	+31.2	+25.5	-8.1	-7.7	+11.2	-
Hållbar Energi A10 - SEK	+2.6	-	-	-	-	-	-	-	-	-
Hållbar Energi A10 - EUR	-0.3	-	-	-	-	-	-	-	-	-
Hållbar Energi A10 - NOK	+4.1	-	-	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+0.6	+7.8	+4.6	+13.8	+35.3	+18.2	-25.1	-29.3	+1.7	-
EUR	-2.2	+4.1	+4.0	+11.9	+28.8	+18.5	-23.2	-24.2	+12.2	-
NOK	+2.1	+5.2	+4.1	+20.0	+43.2	+23.1	-25.5	-26.7	+0.4	-
Average yearly return, 5 yrs. %										
Hållbar Energi A1 - SEK	+6.2	+16.7	+13.6	+7.8	+5.3	+8.1	-	-	-	-
Hållbar Energi A1 - EUR	+3.3	+13.6	+12.0	+7.5	+6.9	+12.9	-	-	-	-
Hållbar Energi A1 - NOK	+6.9	+20.4	+15.6	+12.1	+8.9	+9.5	-	-	-	-
Hållbar Energi A10 - SEK	+7.1	-	-	-	-	-	-	-	-	-
Hållbar Energi A10 - EUR	+4.3	-	-	-	-	-	-	-	-	-
Hållbar Energi A10 - NOK	+7.9	-	-	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+5.7	+18.3	+12.8	+2.2	-3.6	-2.3	-	-	-	-
EUR	+2.9	+15.1	+11.1	+1.9	-2.1	+2.0	-	-	-	-
NOK	+6.4	+22.0	+14.7	+6.3	-0.3	-1.0	-	-	-	-
Average yearly return, 10 yrs. %										
Hållbar Energi A1 - SEK	+7.2	-	-	-	-	-	-	-	-	-
Hållbar Energi A1 - EUR	+8.0	-	-	-	-	-	-	-	-	-
Hållbar Energi A1 - NOK	+8.2	-	-	-	-	-	-	-	-	-
Hållbar Energi A10 - SEK	+8.2	-	-	-	-	-	-	-	-	-
Hållbar Energi A10 - EUR	+9.1	-	-	-	-	-	-	-	-	-
Hållbar Energi A10 - NOK	+9.3	-	-	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+1.6	-	-	-	-	-	-	-	-	-
EUR	+2.4	-	-	-	-	-	-	-	-	-
NOK	+2.6	-	-	-	-	-	-	-	-	-
Exchange rate EUR/SEK	10.13	9.83	9.58	9.16	9.47	-	-	-	-	-
Exchange rate NOK/SEK	1.02	1.00	1.06	0.95	1.04	-	-	-	-	-

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

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

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

Refer to the last page for definitions.

Fund Facts - Costs

Max. allowed mgmt. costs in % according to fund rules	
Hållbar Energi A1	1.50
Hållbar Energi A10	0.60
Collected mgmt. costs in % of average fund capital	
Hållbar Energi A1	1.50
Hållbar Energi A10	0.60
Annual fees in %	
Hållbar Energi A1	1.56
Hållbar Energi A10	0.66
Transaction costs, tSEK	1,983
Transaction costs in % of turnover	0.05
Costs in SEK for a one-time subscription, 10 000 SEK	
Hållbar Energi A1	149.96
Hållbar Energi A10	-
Costs in SEK for monthly savings, 100 SEK	
Hållbar Energi A1	9.48
Hållbar Energi A10	-

Fund Facts - Other Key Figures

Turnover rate	0.4
Share of turnover conducted via closely-related securities companies in %	4.5

Risk and Return Measurements*

Total risk % - A1 SEK	15.1	Active return % - A10 SEK	1.9
Total risk % - A1 EUR	13.9	Active return % - A10 EUR	2.0
Total risk % - A1 NOK	15.0	Active return % - A10 NOK	2.1
Total risk % - A10 SEK	15.1	Information ratio - A1 SEK	0.2
Total risk % - A10 EUR	13.9	Information ratio - A1 EUR	0.2
Total risk % - A10 NOK	15.0	Information ratio - A1 NOK	0.2
Total risk in index % - A1 SEK	14.8	Information ratio - A10 SEK	0.3
Total risk in index % - A1 EUR	13.5	Information ratio - A10 EUR	0.3
Total risk in index % - A1 NOK	14.7	Information ratio - A10 NOK	0.4
Total risk in index % - A10 SEK	14.8	Sharpe ratio - A1 SEK	0.2
Total risk in index % - A10 EUR	13.5	Sharpe ratio - A1 EUR	0.0
Total risk in index % - A10 NOK	14.7	Sharpe ratio - A1 NOK	0.2
Active Share % ¹⁾	79.3	Sharpe ratio - A10 SEK	0.2
Tracking error % - A1 SEK	5.7	Sharpe ratio - A10 EUR	0.0
Tracking error % - A1 EUR	5.7	Sharpe ratio - A10 NOK	0.2
Tracking error % - A1 NOK	5.7	Sharpe ratio in index - A1 SEK	0.1
Tracking error % - A10 SEK	5.7	Sharpe ratio in index - A1 EUR	-0.1
Tracking error % - A10 EUR	5.7	Sharpe ratio in index - A1 NOK	0.1
Tracking error % - A10 NOK	5.7	Sharpe ratio in index - A10 SEK	0.1
Benchmark	Wilderhill New Energy Global Innovation Total Return Index 100%.	Sharpe ratio in index - A10 EUR	-0.1
Active return % - A1 SEK	1.0	Sharpe ratio in index - A10 NOK	0.1
Active return % - A1 EUR	1.1		
Active return % - A1 NOK	1.1		

¹⁾ As of the balance sheet date.

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

Handelsbanken Hållbar Energi, cont.

Income Statement, tSEK

	2018	2017
INCOME AND CHANGES IN VALUE		
Changes in value for transferable securities*	-532,876	303,511
Changes in value for other derivative instruments**	-	-1,420
Interest income	-192	-12
Dividends	43,863	28,227
Currency exchange profits and losses, net	2,830	-5,536
Other financial income	9,684	5,023
Other income	520	0
Total income and changes in value	-476,171	329,793
EXPENSES		
Management costs:		
- Remuneration to the Management Company	47,830	23,635
Interest expense	72	41
Other financial expenses	1,937	1,002
Other expenses	2,012	1,803
Total expenses	51,851	26,481
Net income	-528,022	303,312
* Details of changes in value		
Capital gains	318,595	103,899
Capital losses	-161,388	-66,812
Unrealised gains/losses	-690,083	266,484
Sum	-532,876	303,511
** Details of changes in value		
Unrealised gains/losses	-	-1,420
Sum	-	-1,420

Balance Sheet, tSEK

	31 dec 2018	% of fund capital	31 dec 2017	% of fund capital
ASSETS				
Transferable securities	2,899,960	95.9	2,251,663	92.5
Total financial instruments with positive market value (Note 2)	2,899,960	95.9	2,251,663	92.5
Bank assets and other liquid assets	126,094	4.1	183,295	7.5
Prepaid expenses and accrued income	2,877	0.1	2,125	0.1
Other assets	192	0.0	-50	0.0
Total assets	3,029,123	100.1	2,437,033	100.1
LIABILITIES				
Accrued expenses and prepaid income	4,068	0.1	1,837	0.1
Other liabilities	10	0.0	356	0.0
Total liabilities	4,078	0.1	2,193	0.1
Fund capital (Note 1)	3,025,045	100.0	2,434,840	100.0
Financial instruments lent	197,186	6.5	161,843	6.6
Collateral received for financial instruments lent	217,805	7.2	174,304	7.2

Note 1) for Balance Sheet

Changes in fund capital, tSEK

	2018	2017
Fund capital at beginning of year	2,434,840	742,885
Units issued	1,966,430	1,632,073
Units redeemed	-848,203	-243,430
Profit according to Income Statement	-528,022	303,312
Dividends to unit holders	-	-
Fund capital at the close of the period	3,025,045	2,434,840

Note 2) for Balance Sheet

Fund holdings in financial instruments

TRANSFERABLE SECURITIES*

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
LISTED EQUITIES			
AUSTRALIA (AUD)			
Orocobre (Metals and Mining)	5,918,934	119,327	3.9
		119,327	3.9
BRAZIL (BRL)			
São Martinho (Food Products)	1,618,608	67,350	2.2
		67,350	2.2
CANADA (CAD)			
Advantaged Lithium Ord Shs (Metals and Mining)	8,571,450	25,594	0.8
Boralex A (IPP, ET)	638,270	69,772	2.3
		95,366	3.2

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
CHILE (CLP)			
Salmones Camanchaca Ord Shs (Food Products)	203,571	17,091	0.6
		17,091	0.6
CHINA (CNY)			
Goldwind (Electrical Equipment)	1,707,007	13,415	0.4
Han's Laser Technology Ord Shs A (Machinery)	679,460	26,638	0.9
JinkoSolar ADR (Semiconductors and Semiconductor Eq.)	236,536	20,740	0.7
Tianneng Power International (Auto Components)	7,808,900	57,743	1.9
Xinyi Solar Holdings (Semiconductors and Semiconductor Eq.)	25,158,624	78,346	2.6
		196,882	6.5
DENMARK (DKK)			
Novozymes (Chemicals)	34,038	13,448	0.4
Rockwool International B (Building Products)	19,922	45,997	1.5
Vestas Wind Systems (Electrical Equipment)	178,249	119,131	3.9
		178,576	5.8
FAROE ISLANDS (DKK)			
Bakkafrost (Household Durables)	80,560	34,907	1.2
		34,907	1.2
FINLAND (EUR)			
Uponor (Building Products)	140,081	12,238	0.4
Vaisala (Elec Equip, Instr & Comp)	69,745	11,663	0.4
		23,901	0.8
FRANCE (EUR)			
Neoen Promesses Ord Shs (Gas Utilities)	50,000	9,598	0.3
Schneider Electric (Electrical Equipment)	153,488	92,900	3.1
		102,498	3.4
GERMANY (EUR)			
Aumann Ord Shs (Machinery)	147,084	43,752	1.4
Infineon Technologies (Semiconductors and Semiconductor Eq.)	50,000	8,800	0.3
Wacker Chemie (Chemicals)	39,786	31,896	1.1
		84,448	2.8
HONG KONG (HKD)			
Beijing Enterprises Water Group (Water Utilities)	2,495,216	11,274	0.4
China Everbright Greentech Ltd (Electrical Equipment)	8,373,598	52,816	1.7
China Everbright International (Commercial Services and Supplies)	881,454	7,007	0.2
GCL-Poly Energy Holdings (Energy Equipment and Services)	36,158,252	19,449	0.6
Huaneng Renewables (IPP, ET)	38,135,061	90,686	3.0
		181,232	6.0
INDIA (INR)			
Azure Power Global Ord Shs (IPP, ET)	786,610	63,114	2.1
		63,114	2.1
ISRAEL (ILS)			
Solaredge Technologies Ord Shs (Semiconductors and Semiconductor Eq.)	373,659	116,279	3.8
		116,279	3.8
ITALY (EUR)			
Prisma (Other)	457,752	78,265	2.6
		78,265	2.6
JAPAN (JPY)			
Ulvac Ord Shs (Semiconductors and Semiconductor Eq.)	115,670	29,817	1.0
		29,817	1.0
NETHERLANDS (EUR)			
Alfen Beheer Ord Shs When Issued (Electrical Equipment)	356,517	44,480	1.5
		44,480	1.5
NORWAY (NOK)			
Atlantic Sapphire Rg (Food Products)	104,415	7,377	0.2
Lerøy Seafood Group (Food Products)	150,000	10,127	0.3
Mowi ASA (Food Products)	50,000	9,353	0.3
Scatec Solar (IPP, ET)	1,686,996	127,472	4.2
		154,329	5.1
SINGAPORE (SGD)			
CapitaCommercial Trust (Real Estate)	3,709,537	42,226	1.4
		42,226	1.4
SPAIN (EUR)			
EDP Renováveis (Electric Utilities)	1,047,980	82,580	2.7
Gamesa (Electrical Equipment)	262,107	28,265	0.9
		110,845	3.7
SWEDEN (SEK)			
ABB SDB (Electrical Equipment)	326,885	55,783	1.8
ÅF B (Professional Services)	167,617	26,886	0.9
Alelion (Electrical Equipment)	1,121,045	9,417	0.3
CLIMEON B			
(Energy Equipment and Services)	1,351,441	68,923	2.3
Greater Than Ord Shs (Software)	389,217	15,724	0.5
MYFC Holding (Electrical Equipment)	3,771,805	6,480	0.2
		183,213	6.0

Handelsbanken Hållbar Energi, cont.

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
TAIWAN, PROVINCE OF CHINA (TWD)			
Epistar (Electrical Equipment)	2,839,490	20,967	0.7
Everlight Electronics (Electrical Equipment)	1,367,980	11,660	0.4
Taiwan Semiconductor (Semiconductors and Semiconductor Eqp.)	893,588	58,122	1.9
		90,749	3.0
UNITED KINGDOM (GBP)			
Johnson Matthey (Chemicals)	218,608	69,091	2.3
		69,091	2.3
UNITED STATES (USD)			
Albemarle (Chemicals)	55,310	37,793	1.2
Ameresco Ord Shs Class A (Construction and Engineering)	415,442	51,934	1.7
Coherent Ord Shs (Elec Equip, Instr & Comp)	56,027	52,509	1.7
First Solar (Electrical Equipment)	252,191	94,925	3.1
Hannon Armstrong (Commercial Banks)	751,957	127,001	4.2
IPG Photonics (Elec Equip, Instr & Comp)	19,115	19,199	0.6
Ormat Technologies (Energy Equipment and Services)	274,413	127,241	4.2
Sunrun (Electrical Equipment)	707,614	68,319	2.3
TPI Composites Ord Shs (Electrical Equipment)	629,533	137,189	4.5
Universal Display (Elec Equip, Instr & Comp)	44,480	36,900	1.2
Willdan Group Ord Shs (Professional Services)	202,764	62,883	2.1
		815,893	27.0
Total listed equities		2,899,879	95.9

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
UNLISTED EQUITIES***			
SWEDEN (SEK)			
Greater Than TR 190102 (Software)	389,217	81	0.0
		81	0.0
Total unlisted equities		81	0.0
Total transferable securities		2,899,960	95.9
Total holdings in financial instruments		2,899,960	95.9
Net, other assets and liabilities		125,085	4.1
Total fund capital		3,025,045	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. 95.9

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

*** Refers to other financial instruments. -

Compilation, Company and Group exposure*

Company/Group	% of fund capital
Greater Than	0.5

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

Volume of lent securities as a % of total lendable assets

Volume of lent securities as a % of total lendable assets 7.39

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

The British Government	24 461
Mitsubishi Ufj Financial Group Inc	7 606
Nippon Telegraph & Telephone Corp	7 064
Toyota Motor Corp	6 984
Softbank Group Corp	6 964
Fujitsu Ltd	6 939
Sony Corp	5 730
Mitsubishi Corp	4 873
Seven & I Holdings Co Ltd	4 832
Sumitomo Mitsui Financial Group Inc	4 023

The largest counterparties for securities lending, SEK thousand:

J.P. Morgan Securities Plc, Great Britain	126 983
UBS AG, London Branch, Great Britain	63 872
Merrill Lynch Intl, Great Britain	4 145
Morgan Stanley & Co International Plc, Great Britain	1 932
Citigroup Global Markets Ltd, Great Britain	255
	197 186

Type and quality of collateral, SEK thousand:

Equities	185 350
Bonds and other interest-bearing instruments	32 455
	217 805

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	159
One to three months	550
Three months to one year	741
Greater than one year	31 005
Indeterminate duration	185 350
	217 805

Currency of the collateral, SEK thousand:

AUD	1 751
CAD	201
CHF	3 293
DKK	911
EUR	20 949
GBP	40 855
HKD	2 305
JPY	94 935
SEK	3 296
SGD	1 665
USD	47 644
	217 805

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

Settlement and clearing for securities lending is conducted through a third party. The collateral received is held by J.P. Morgan Bank Luxembourg S.A. or another group company within the J.P. Morgan Group and is not reused.

Information about returns and expenses:

Securities lending for the full year generated a total revenue of 9 684 tSEK thousand, of which 80% was passed on to the fund and 20% to J.P. Morgan Bank Luxembourg S.A. in its role as the intermediary of securities lending.

Counterparties for securities lending during the year:

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

Handelsbanken Hållbar Energi

Sustainability dimensions that are taken into consideration in the management of the fund

The fund manager integrates environmental, social and corporate governance criteria (ESG) into the investment process, together with financial criteria, to obtain a more complete basis for decision-making. As a result, the fund manager takes into consideration both risks and opportunities related to various ESG aspects.

Methods used in sustainability efforts

Inclusion

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

- All investments should have a portion of the turnover linked to products or services (what) that lead to a better environment or social sustainability.
- The fund should only select company in which a minimum of 10% of turnover is derived from products that improve the environment.
- A minimum of 50% of the fund's underlying turnover shall focus on measure to improve the environment. As of September 30, 2018, this proportion exceeded 70%. Only companies with greater than 50% turnover focused on environmental measures contribute to the calculation, companies with a lower percentage count as a zero in the calculation.

The fund made an initial investment in the IPO of the Swedish company Climeon, which has developed a technology that produces energy from residual heat, and is also well-suited for extracting energy from geothermal heat on a significantly broader base than current technology. Geothermal heat is an important and stable renewable source of energy that is a necessary complement to the more volatile production from wind and solar energy. As Climeon's successes within geothermal heating increased during 2018, we increased our investments in the company.

Exclusion

In accordance with the Management Company's overall policy for responsible investment, all of the Management Company's funds exclude:

- companies involved in the production or distribution of banned weapons, such as cluster bombs, anti-personnel mines, biological and chemical weapons, in accordance with international legislation. Companies involved in the production or distribution of nuclear weapons are also excluded.
- companies with substantial business operations within coal mining or in power companies that have coal as a major source of energy.

The fund is managed based upon the Criteria exclusion strategy, which means an exclusion of companies/issuers in which the principle business operations are within controversial sectors such as alcohol, tobacco, commercial gaming, war materials, pornography, fossil fuels. The fund also excludes companies/issuers that are deemed to be violating international norms and conventions. This is followed-up by the Management Company's independent risk control function on a daily basis.

Management Company's engagement activities

A critical component in taking responsibility as an investor is to influence the companies in which we invest. Our engagement activities are founded on the value base of Handelsbanken and the Management Company, our commitments, as well as the international norms and conventions we safeguard. We conduct dialogues to encourage companies to improve their sustainability efforts, as well as with companies we deem do not fulfil the international norms and conventions we safeguard. We conduct the engagement activities primarily through:

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

A. The fund manager meets or has contact with companies on a regular basis, which provides a good opportunity to influence companies within sustainability. We hold dialogues with clear targets for change, but also dialogues that focus on an overall improvement to the company's sustainability efforts. Targets are identified for the direct dialogues and results are followed up regularly during the period of the dialogue. The targeted company dialogues are carried out by the fund manager directly with the company. The fund held 6 dialogues during the year.

One example is Vestas, which is a minority owner in a project in Kenya where it is unclear whether the project company conducted a sufficient evaluation with regard to respecting the rights of the indigenous people. We have had an ongoing discussion with the company and since December 2016, we have had three meetings on this matter with the company. Generally, Vestas has taken the matter very seriously and has been clear that the company will accept the outcome in Kenyan courts. On its own initiative, the company started an impact study to investigate the direct and indirect effects of the project. Vestas processes have been upgraded significantly since the project began over 15 years ago and we do not see any significant risk for similar situations to occur in the future. We are continuing to monitor the issue and are having discussions with the company regarding how the work is progressing in the specific matter.

B. The Management Company participates in dialogues with companies together with other investors through an external party (ISS ESG) in a so-called pooled engagement. The basis for these dialogues is a norm-based analysis that focuses primarily on companies with suspected or confirmed violations with regard to international norms and conventions within the environment, human rights, labour rights, and anti-corruption. The dialogue process consists of contact between ISS ESG and the company concerned, and in certain cases also includes meetings or telephone conferences in which we as an investor may participate. During 2018 the Management Company participated in 143 company dialogues. The fund did not have any investments in these companies.

C. During 2018 the Management Company participated in several international initiatives and collaborations with focus on specific sustainability matters. These initiatives are often thematic or focus on sustainability issues within a certain sector. Examples of initiatives we have participated in during the year include: Climate Action 100+, PRI Methane Engagement, PRI Sustainable Palm Oil, PRI Sustainable Soy, PRI Cyber Security and FAIRR Antibiotics Engagement. These initiatives include 336 companies in total.

General meetings and nomination committees

Normally, Handelsbanken Fonder votes at general meetings in those companies in which ownership exceeds 0.5% or if there are specific matters of concern. The Management Company has voted at 15 general meetings on behalf of the fund.

Handelsbanken Fonder participates in all of the nomination committees where we have a sufficiently large ownership to be offered a position. However, nomination committees are not common outside of the Nordics and the board composition can only be impacted by voting at the general meetings.

The Management Company participated in 2 nomination committees on behalf of the fund: ÅF AB and MyFc Holding AB.

Handelsbanken Hälsovård Tema, cont.

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Index including dividends in %, SEK										
Hälsovård Tema A1 - SEK	+11.0	+8.0	+0.4	+14.8	+43.9	+34.5	+11.5	+11.6	-3.6	+7.3
Hälsovård Tema A1 - EUR	+7.7	+5.2	-4.0	+18.7	-	-	-	-	-	-
Hälsovård Tema A1 - NOK	-	+13.8	-9.4	+25.8	-	-	-	-	-	-
Hälsovård Tema B1 - SEK	+11.0	-	-	-	-	-	-	-	-	-
Average yearly return, 2 yrs. %										
Hälsovård Tema A1 - SEK	+13.0	+7.0	+6.3	+26.7	+39.8	+23.1	+8.8	+2.3	+3.3	+0.4
Hälsovård Tema A1 - EUR	+9.9	+3.3	+5.7	+24.5	-	-	-	-	-	-
Hälsovård Tema A1 - NOK	-	+4.4	+5.7	+33.5	-	-	-	-	-	-
Hälsovård Tema B1 - SEK	+13.0	-	-	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+9.5	+4.1	+7.4	+28.5	+39.2	+22.5	+11.6	+3.7	+1.7	+1.5
EUR	+6.4	+0.5	+6.8	+26.4	-	-	-	-	-	-
NOK	-	+1.6	+6.8	+35.5	-	-	-	-	-	-
Average yearly return, 5 yrs. %										
Hälsovård Tema A1 - SEK	+15.8	+20.1	+19.8	+20.9	+17.9	+11.4	+3.3	+0.4	-2.3	+3.5
Hälsovård Tema A1 - EUR	+12.7	+16.8	+18.0	+20.5	-	-	-	-	-	-
Hälsovård Tema A1 - NOK	-	+23.8	+21.8	+25.7	-	-	-	-	-	-
Hälsovård Tema B1 - SEK	+15.8	-	-	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+14.7	+19.2	+20.0	+22.6	+18.4	+11.6	+4.4	+1.7	-1.5	+4.6
EUR	+11.7	+16.0	+18.3	+22.2	-	-	-	-	-	-
NOK	-	+23.0	+22.1	+27.4	-	-	-	-	-	-
Average yearly return, 10 yrs. %										
Hälsovård Tema A1 - SEK	+13.6	+11.4	+9.7	+8.7	+10.5	+5.9	+2.5	-2.8	-3.7	-
Hälsovård Tema A1 - EUR	+14.5	+10.9	+9.0	+9.0	-	-	-	-	-	-
Hälsovård Tema A1 - NOK	-	+13.3	+10.1	+11.0	-	-	-	-	-	-
Hälsovård Tema B1 - SEK	+13.6	-	-	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+13.2	+11.5	+10.5	+9.9	+11.3	+7.1	+3.9	-1.2	-2.6	-
EUR	+14.1	+11.1	+9.8	+10.2	-	-	-	-	-	-
NOK	-	+13.5	+10.9	+12.2	-	-	-	-	-	-
Dividends per unit, SEK										
Exchange rate EUR/SEK	10.13	9.83	9.58	9.16	-	-	0.61	2.07	1.17	0.68
Exchange rate NOK/SEK	1.02	1.00	1.06	0.95	-	-	-	-	-	-

Benchmark: MSCI World Health Care Net

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

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

Refer to the last page for definitions.

Fund Facts - Costs

Max. allowed mgmt. costs in % according to fund rules	
Hälsovård Tema A1	1.50
Hälsovård Tema B1	1.50
Collected mgmt. costs in % of average fund capital	
Hälsovård Tema A1	1.50
Hälsovård Tema B1	1.50
Annual fees in %	
Hälsovård Tema A1	1.51
Hälsovård Tema B1	1.51
Transaction costs, tSEK	2,444
Transaction costs in % of turnover	0.04
Costs in SEK for a one-time subscription, 10 000 SEK	
Hälsovård Tema A1	170.27
Hälsovård Tema B1	-
Costs in SEK for monthly savings, 100 SEK	
Hälsovård Tema A1	10.57
Hälsovård Tema B1	-

Fund Facts - Other Key Figures

Turnover rate	0.5
Share of turnover conducted via closely-related securities companies in %	3.4

Risk and Return Measurements*

Total risk % - A1 SEK	13.9	Active return % - A1 EUR	3.4
Total risk % - A1 EUR	12.8	Active return % - B1 SEK	3.5
Total risk % - B1 SEK	13.9	Information ratio - A1 SEK	1.0
Total risk in index % - A1 SEK	13.9	Information ratio - A1 EUR	1.0
Total risk in index % - A1 EUR	12.3	Information ratio - B1 SEK	1.0
Total risk in index % - B1 SEK	13.9	Sharpe ratio - A1 SEK	1.0
Active Share % ¹⁾	53.9	Sharpe ratio - A1 EUR	0.8
Tracking error % - A1 SEK	3.5	Sharpe ratio - B1 SEK	1.0
Tracking error % - A1 EUR	3.5	Sharpe ratio in index - A1 SEK	0.7
Tracking error % - B1 SEK	3.5	Sharpe ratio in index - A1 EUR	0.6
Benchmark	MSCI World Health Care Net	Sharpe ratio in index - B1 SEK	0.7
Active return % - A1 SEK	3.5		

¹⁾ As of the balance sheet date.

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

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

Income Statement, tSEK

	2018	2017
INCOME AND CHANGES IN VALUE		
Changes in value for transferable securities	176,100	228,440
Changes in value for other derivative instruments **	-	-1
Interest income	233	28
Dividends	41,641	25,995
Currency exchange profits and losses, net	-3,879	-600
Other financial income	1,221	687
Other income	47	3
Total income and changes in value	215,365	254,552
EXPENSES		
Management costs:		
- Remuneration to the Management Company	51,291	28,819
Interest expense	55	11
Other financial expenses	244	140
Other expenses	2,446	1,380
Total expenses	54,036	30,350
Net income	161,329	224,202
* Details of changes in value		
Capital gains	370,641	211,239
Capital losses	-127,796	-93,802
Unrealised gains/losses	-66,745	111,003
Sum	176,100	228,440
** Details of changes in value		
Unrealised gains/losses	-	-1
Sum	-	-1

Handelsbanken Hälsovård Tema, cont.

Balance Sheet, tSEK

	31 dec 2018	% of fund capital	31 dec 2017	% of fund capital
ASSETS				
Transferable securities	4,345,160	97.7	2,129,794	97.7
Total financial instruments with positive market value ^{Note 2)}	4,345,160	97.7	2,129,794	97.7
Bank assets and other liquid assets	106,797	2.4	50,804	2.4
Prepaid expenses and accrued income	3,057	0.0	371	0.0
Total assets	4,455,014	100.1	2,180,969	100.1
LIABILITIES				
Accrued expenses and prepaid income	6,026	0.1	1,540	0.1
Other liabilities	52	0.0	10	0.0
Total liabilities	6,078	0.1	1,550	0.1
Fund capital ^{Note 1)}	4,448,936	100.0	2,179,419	100.0
Financial instruments lent	163,656	3.7	46,064	2.1
Collateral received for financial instruments lent	182,475	4.1	50,093	2.3

Note 1) for Balance Sheet

Changes in fund capital, tSEK

	2018	2017
Fund capital at beginning of year	2,179,419	1,883,513
Units issued	3,316,292	647,715
Units redeemed	-1,208,104	-576,011
Profit according to Income Statement	161,329	224,202
Dividends to unit holders	-	-
Fund capital at the close of the period	4,448,936	2,179,419

Note 2) for Balance Sheet

Fund holdings in financial instruments

TRANSFERABLE SECURITIES*

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
LISTED EQUITIES			
CHINA (CNY)			
3SBio HK (Biotechnology)	900,000	10,232	0.2
MicroPort Scientific Ord Shs (Health Care Equipment and Supplies)	1,000,000	8,719	0.2
		18,952	0.4
DENMARK (DKK)			
Ambu B Ord (Health Care Equipment and Supplies)	177,400	37,730	0.8
Novo Nordisk (Pharmaceuticals)	336,008	135,945	3.1
		173,675	3.9
FRANCE (EUR)			
Ipsen (Pharmaceuticals)	40,000	45,749	1.0
Sanofi (Pharmaceuticals)	231,278	177,347	4.0
		223,097	5.0
GERMANY (EUR)			
Compugroup Medical (Commercial Services and Supplies)	40,000	16,394	0.4
Merck KGaA (Pharmaceuticals)	88,000	80,251	1.8
Sartorius Pref Shs (Health Care Equipment and Supplies)	24,000	26,489	0.6
		123,135	2.8
HONG KONG (HKD)			
Lee's Pharmaceutical (Pharmaceuticals)	1,140,000	7,100	0.2
		7,100	0.2
ISRAEL (ILS)			
Foamix Pharma (Pharmaceuticals)	180,000	5,729	0.1
		5,729	0.1
JAPAN (JPY)			
Eisai (Pharmaceuticals)	50,000	34,351	0.8
M3 (Other)	120,000	14,293	0.3
Terumo (Health Care Equipment and Supplies)	190,000	95,560	2.1
		144,205	3.2
LUXEMBOURG (EUR)			
Eurofins Scientific (Life Sciences Tools and Services)	10,054	33,219	0.7
		33,219	0.8
NETHERLANDS (EUR)			
arGEN-X (Biotechnology)	30,000	25,905	0.6
Kiadis Pharma Ord Shs (Biotechnology)	90,000	6,960	0.2
		32,865	0.8
SWEDEN (SEK)			
Asarina Pharma (Pharmaceuticals)	380,952	9,524	0.2
AstraZeneca SDB (Pharmaceuticals)	261,476	175,635	3.9
BioArctic B (Biotechnology)	111,667	9,157	0.2
Biotage (Biotechnology)	260,000	28,340	0.6
Calliditas Therapeutics AB (Pharmaceuticals)	178,000	7,832	0.2
Cantargia (Biotechnology)	900,000	12,780	0.3
CELLINK B (Life Sciences Tools and Services)	75,000	14,100	0.3
Hansa Medical (Biotechnology)	114,175	31,604	0.7

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
Immunovia			
(Health Care Equipment and Supplies)	225,512	31,076	0.7
IRLAB Therapeutics Ord Shs (Pharmaceuticals)	113,000	35,595	0.8
Isofol Medical (Biotechnology)	382,414	9,140	0.2
Oncopeptides (Biotechnology)	40,000	5,256	0.1
PledPharma (Biotechnology)	597,591	9,113	0.2
		379,150	8.5
SWITZERLAND (CHF)			
Lonza Group (Life Sciences Tools and Services)	39,400	90,252	2.0
Medartis Holding AG (Health Care Equipment and Supplies)	10,000	4,982	0.1
Roche Holding (Pharmaceuticals)	115,849	253,597	5.7
Straumann (Health Care Equipment and Supplies)	6,150	34,182	0.8
		383,013	8.6
UNITED STATES (USD)			
Abbott Laboratories (Pharmaceuticals)	331,548	212,611	4.8
AbbVie (Pharmaceuticals)	182,841	149,444	3.4
Abiomed Inc (Health Care Equipment and Supplies)	18,500	53,312	1.2
Aerie Pharmaceuticals (Pharmaceuticals)	83,000	26,565	0.6
Agios Pharmaceuticals Ord Shs (Biotechnology)	46,000	18,805	0.4
Alexion Pharmaceuticals (Pharmaceuticals)	60,496	52,219	1.2
Amgen (Biotechnology)	48,729	84,102	1.9
ArQule Ord Shs (Biotechnology)	300,000	7,368	0.2
Array BioPharma Ord Shs (Biotechnology)	323,000	40,807	0.9
Baxter International (Health Care Equipment and Supplies)	162,800	95,002	2.1
Centene (Health Care Providers and Services)	111,191	113,663	2.6
Editas Medicine Ord Shs (Biotechnology)	25,000	5,042	0.1
Edwards Lifesciences (Pharmaceuticals)	39,000	52,961	1.2
Eli Lilly (Pharmaceuticals)	158,134	162,239	3.6
Exact Sciences (Biotechnology)	23,000	12,867	0.3
FibroGen (Biotechnology)	86,000	35,287	0.8
Gilead Science (Biotechnology)	186,870	103,630	2.3
Illumina (Health Care Equipment and Supplies)	45,000	119,661	2.7
Johnson & Johnson (Pharmaceuticals)	294,446	336,887	7.6
Merck (Pharmaceuticals)	413,549	280,154	6.3
Minerva Neurosciences (Biotechnology)	205,000	12,250	0.3
Myokardia Ord Shs (Pharmaceuticals)	53,000	22,959	0.5
Nektar Therapeutics (Pharmaceuticals)	64,033	18,661	0.4
Neurocrine Biosciences (Biotechnology)	42,000	26,591	0.6
Retropin Ord Shs (Biotechnology)	127,000	25,481	0.6
Sangamo Therapeutics Ord Shs (Biotechnology)	95,000	9,669	0.2
Sarepta Therapeutics (Biotechnology)	26,500	25,640	0.6
Teladoc Ord Shs (Health Care Providers and Services)	71,639	31,484	0.7
The Cooper Companies (Health Care Equipment and Supplies)	36,500	82,357	1.9
Thermo Fisher Scientific (Life Sciences Tools and Services)	79,811	158,352	3.6
UnitedHealth Group (Health Care Providers and Services)	134,555	297,186	6.7
Vertex Pharmaceuticals (Health Care Providers and Services)	89,000	130,755	2.9
		2,804,010	63.0
Total listed equities		4,328,150	97.3

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
UNLISTED EQUITIES***			
SWEDEN (SEK)			
VICORE BTA 181130 (Biotechnology)	900,000	17,010	0.4
		17,010	0.4
Total unlisted equities		17,010	0.4
Total transferable securities		4,345,160	97.7
Total holdings in financial instruments		4,345,160	97.7
Net, other assets and liabilities		103,776	2.3
Total fund capital		4,448,936	100.0

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

* Refers to transferable securities admitted to trading on a regulated market or equivalent market outside EEA, or are the subject of regular trading in other markets that are regulated and open to the general public. 97.3

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

*** Refers to other financial instruments. 0.4

Compilation, Company and Group exposure*

Company/Group	% of fund capital
Merck	8.1

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

Handelsbanken Hälsovård Tema, cont.

Volume of lent securities as a % of total lendable assets

Volume of lent securities as a % of total lendable assets	3,77
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The ten largest issuers of collateral for securities lending per issuer, SEK thousand:

The British Government	61 791
The French Government	10 961
The Dutch Government	4 126
U.S.A.	4 040
The German Government	3 668
Cisco Systems Inc	1 854
Bhp Group Plc	1 461
Rolls-Royce Holdings Plc	1 414
Scor Se	1 403
Mitsubishi Ufj Financial Group Inc	1 401

The largest counterparties for securities lending, SEK thousand:

J.P. Morgan Securities Plc, Great Britain	60 186
UBS AG, London Branch, Great Britain	39 003
Morgan Stanley & Co International Plc, Great Britain	31 173
Goldman Sachs Intl, Great Britain	15 131
Credit Suisse Securities (Europe) Ltd, Great Britain	13 545
Merrill Lynch Intl, Great Britain	4 618
	163 656

Type and quality of collateral, SEK thousand:

Equities	96 821
Bonds and other interest-bearing instruments	85 654
	182 475

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	37
One week to one month	0
One to three months	168
Three months to one year	1 726
Greater than one year	83 723
Indeterminate duration	96 821
	182 475

Currency of the collateral, SEK thousand:

AUD	10 946
CAD	153
CHF	516
DKK	508
EUR	32 843
GBP	70 135
HKD	2 086
JPY	26 490
SEK	1 709
SGD	1 132
USD	35 957
	182 475

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

Settlement and clearing for securities lending is conducted through a third party. The collateral received is held by J.P. Morgan Bank Luxembourg S.A. or another group company within the J.P. Morgan Group and is not reused.

Information about returns and expenses:

Securities lending for the full year generated a total revenue of 1 221 tSEK thousand, of which 80% was passed on to the fund and 20% to J.P. Morgan Bank Luxembourg S.A. in its role as the intermediary of securities lending.

Counterparties for securities lending during the year:

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

Handelsbanken Hälsovård Tema

Sustainability dimensions that are taken into consideration in the management of the fund

The fund manager integrates environmental, social and corporate governance criteria (ESG) into the investment process, together with financial criteria, to obtain a more complete basis for decision-making. As a result, the fund manager takes into consideration both risks and opportunities related to various ESG aspects.

Methods used in sustainability efforts

Inclusion

An in-depth analysis is conducted in preparation for each investment decision in which sustainability dimensions as well as economic aspects are factored into the analysis. We believe sustainability issues are particularly important for making sound investment decisions to generate good, long-term returns. We have access to external ESG analyses as a complement to our own analyses and knowledge of the companies. Fund managers analyse sustainability through the company's sustainability performance (HOW they conduct their business operations), as well as through WHAT the company offers for products and services. The sustainability analysis is documented as an integral component of the investment documentation and consists of both sustainability risks and opportunities.

The fund has invested in Abbott, which markets medical technology products. One of the most important contributions to the company's growth is a continuous glucose monitoring system. Abbott's products provide better dosages than insulin dosages for diabetes patients than older methods. In addition, the company has priced the product at a significantly lower price than its competitors, which has led to a quick entry into the market. With its low price, Abbott's products can reach a large portion of the world's 25 million insulin-treated diabetics.

Exclusion

In accordance with the Management Company's overall policy for responsible investment, all of the Management Company's funds exclude:

- companies involved in the production or distribution of banned weapons, such as cluster bombs, anti-personnel mines, biological and chemical weapons, in accordance with international legislation. Companies involved in the production or distribution of nuclear weapons are also excluded.
- companies with substantial business operations within coal mining or in power companies that have coal as a major source of energy.

The fund is managed based upon the Criteria exclusion strategy, which means an exclusion of companies in which the principle business operations are within controversial sectors such as alcohol, tobacco, commercial gaming, war materials, pornography, fossil fuels. The fund also excludes companies that are deemed to be violating international norms and conventions. This is followed-up by the Management Company's independent risk control function on a daily basis.

Management Company's engagement activities

A critical component in taking responsibility as an investor is to influence the companies in which we invest. Our engagement activities are founded on the value base of Handelsbanken and the Management Company, our commitments, as well as the international norms and conventions we safeguard. We conduct dialogues to encourage companies to improve their sustainability efforts, as well as with companies we deem do not fulfil the international norms and conventions we safeguard. We conduct the engagement activities primarily through:

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

A. The fund manager meets or has contact with companies on a regular basis, which provides a good opportunity to influence companies within sustainability. We hold dialogues with clear targets for change, but also dialogues that focus on an overall improvement to the company's sustainability efforts. Targets are identified for the direct dialogues and results are followed up regularly during the period of the dialogue. The targeted company dialogues are carried out by the fund manager directly with the company. The fund had one dialogue during the year.

The fund had a dialogue with Johnson & Johnson, which has had repeated safety incidents and product recalls within medical technology and consumer products, e.g., Baby Powder, hip implants and a "morcellator device". The company is also involved in several litigation procedures. We have conducted a dialogue with the company regarding these incidents to ensure that improvements are being made within the company's processes and that patient safety is always put first. According to the company, improvements have been made within quality and compliance. For example, decisions about product recalls are now completely separate from the marketing departments. We continue to monitor certain issues, particularly regarding Baby Powder.

B. The Management Company participates in dialogues with companies together with other investors through an external party (ISS ESG) in a so-called pooled engagement. The basis for these dialogues is a norm-based analysis that focuses primarily on companies with suspected or confirmed violations with regard to international norms and conventions within the environment, human rights, labour rights, and anti-corruption. The dialogue process consists of contact between ISS ESG and the company concerned, and in certain cases also includes meetings or telephone conferences in which we as an investor may participate. During 2018 the Management Company participated in 143 company dialogues, of which the fund was invested in one of these companies.

A dialogue was held with Sanofi due to alleged corruption in several countries.

C. During 2018 the Management Company participated in several international initiatives and collaborations with focus on specific sustainability matters. These initiatives are often thematic or focus on sustainability issues within a certain sector. Examples of initiatives we have participated in during the year include: Climate Action 100+, PRI Methane Engagement, PRI Sustainable Palm Oil, PRI Sustainable Soy, PRI Cyber Security and FAIRR Antibiotics Engagement. These initiatives include 336 companies in total.

General meetings and nomination committees

Normally, Handelsbanken Fonder votes at general meetings in those companies in which ownership exceeds 0.5% or if there are specific matters of concern. The Management Company has voted at 15 general meetings on behalf of the fund.

Handelsbanken Fonder participates in all of the nomination committees where we have a sufficiently large ownership to be offered a position. However, nomination committees are not common outside of the Nordics and the board composition can only be impacted by voting at the general meetings.

The Management Company participated in 3 nomination committees on behalf of the fund: Immunovia AB, Isofol Medical AB and Pledpharma AB.

The nomination committee work at Isofol Medical AB resulted in the appointment of a female chairperson on the board of directors, which was previously totally male-dominated.

Handelsbanken Japan Tema , cont.

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Total returns in %, SEK										
Japan Tema A1 - SEK	-14.2	+19.0	+6.9	+16.7	+15.3	+22.4	+1.5	-11.4	+6.6	-5.1
Japan Tema A1 - EUR	-16.8	+16.0	+13.9	+20.8	+7.7	+18.6	+5.3	-10.2	+21.1	+1.8
Japan Tema A1 - NOK	-16.1	+25.5	+9.3	+28.0	+16.9	+35.1	-0.2	-10.8	+13.9	-13.3
Japan Tema A10 - SEK	-13.3	-	-	-	-	-	-	-	-	-
Japan Tema A10 - EUR	-15.9	-	-	-	-	-	-	-	-	-
Japan Tema A10 - NOK	-15.3	-	-	-	-	-	-	-	-	-
Index including dividends in %, SEK										
Japan Tema A1 - SEK	-6.5	+12.2	+10.3	+18.0	+17.0	+25.5	+2.7	-12.6	+8.7	-4.1
Japan Tema A1 - EUR	-9.3	+9.4	+15.2	+22.0	+9.3	+21.7	+6.5	-11.5	+23.5	+2.9
Japan Tema A1 - NOK	-8.6	+18.3	+10.9	+29.4	+18.6	+38.6	+0.9	-12.0	+16.2	-12.3
Japan Tema A10 - SEK	-6.5	-	-	-	-	-	-	-	-	-
Japan Tema A10 - EUR	-9.3	-	-	-	-	-	-	-	-	-
Japan Tema A10 - NOK	-8.6	-	-	-	-	-	-	-	-	-
Average yearly return, 2 yrs. %										
Japan Tema A1 - SEK	+1.1	+12.8	+11.7	+16.0	+18.8	+11.5	-5.2	-2.8	+0.6	-9.6
Japan Tema A1 - EUR	-1.7	+8.9	+11.1	+14.1	+13.0	+11.8	-2.8	+4.3	+11.0	-13.2
Japan Tema A1 - NOK	+2.6	+10.0	+11.1	+22.3	+25.7	+16.1	-5.7	+0.8	-0.6	-11.3
Japan Tema A10 - SEK	+2.1	-	-	-	-	-	-	-	-	-
Japan Tema A10 - EUR	-0.8	-	-	-	-	-	-	-	-	-
Japan Tema A10 - NOK	+3.6	-	-	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+2.4	+11.3	+14.1	+17.5	+21.2	+13.5	-5.3	-2.6	+2.1	-8.8
EUR	-0.4	+7.4	+13.4	+15.5	+15.3	+13.8	-2.9	+4.6	+12.7	-12.4
NOK	+4.0	+8.5	+13.5	+23.9	+28.2	+18.3	-5.8	+1.1	+0.9	-10.5
Average yearly return, 5 yrs. %										
Japan Tema A1 - SEK	+8.0	+16.0	+12.3	+8.2	+6.2	+2.2	-4.8	-7.3	-7.1	-1.1
Japan Tema A1 - EUR	+5.1	+12.8	+10.7	+7.8	+7.9	+5.7	-2.9	-7.1	-6.3	-
Japan Tema A1 - NOK	+8.7	+19.6	+14.2	+12.5	+9.9	+3.5	-4.4	-8.1	-6.8	-3.4
Japan Tema A10 - SEK	+9.1	-	-	-	-	-	-	-	-	-
Japan Tema A10 - EUR	+6.2	-	-	-	-	-	-	-	-	-
Japan Tema A10 - NOK	+9.8	-	-	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+9.8	+16.5	+14.4	+9.2	+7.4	+3.3	-4.1	-6.5	-5.7	+0.4
EUR	+6.9	+13.4	+12.8	+8.9	+9.1	+7.8	-2.2	-6.3	-4.9	-
NOK	+10.6	+20.2	+16.4	+13.5	+11.1	+4.6	-3.8	-7.4	-5.4	-1.9
Average yearly return, 10 yrs. %										
Japan Tema A1 - SEK	+5.0	+5.1	+2.0	+0.3	+2.5	+1.4	+0.3	-2.9	-4.2	-7.5
Japan Tema A1 - EUR	+5.9	+4.7	+1.4	+0.5	-	-	-	-	-	-
Japan Tema A1 - NOK	+6.1	+6.9	+2.4	+2.4	+3.0	+1.6	+1.1	-2.7	-5.0	-8.9
Japan Tema A10 - SEK	+6.1	-	-	-	-	-	-	-	-	-
Japan Tema A10 - EUR	+7.0	-	-	-	-	-	-	-	-	-
Japan Tema A10 - NOK	+7.1	-	-	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+6.5	+5.7	+3.4	+1.5	+3.9	+2.8	+1.7	-1.6	-3.0	-5.9
EUR	+7.4	+5.3	+2.8	+1.8	-	-	-	-	-	-
NOK	+7.5	+7.5	+3.8	+3.6	+4.4	+3.0	+2.4	-1.4	-3.8	-7.3
Dividends per unit, SEK	-	-	-	-	-	-	1.02	0.61	0.31	0.89
Exchange rate EUR/SEK	10.13	9.83	9.58	-	-	-	-	-	-	-
Exchange rate NOK/SEK	1.02	1.00	1.06	-	-	-	-	-	-	-

Benchmark: MSCI Japan Select Global Norms and Criteria Index

Up to 07/03/2017: MSCI 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	
Japan Tema A1	1.60
Japan Tema A10	0.60
Collected mgmt. costs in % of average fund capital	
Japan Tema A1	1.60
Japan Tema A10	0.60
Annual fees in %	
Japan Tema A1	1.61
Japan Tema A10	0.61
Transaction costs, tSEK	1,085
Transaction costs in % of turnover	0.02
Costs in SEK for a one-time subscription, 10 000 SEK	
Japan Tema A1	163.32
Japan Tema A10	-
Costs in SEK for monthly savings, 100 SEK	
Japan Tema A1	10.09
Japan Tema A10	-

Fund Facts - Other Key Figures

Turnover rate	0.5
Share of turnover conducted via closely-related securities companies in %	0.0

Risk and Return Measurements*

Total risk % - A1 SEK	16.4	Active return % - A10 SEK	-0.4
Total risk % - A1 EUR	14.3	Active return % - A10 EUR	-0.3
Total risk % - A1 NOK	15.4	Active return % - A10 NOK	-0.4
Total risk % - A10 SEK	16.4	Information ratio - A1 SEK	Negative
Total risk % - A10 EUR	14.3	Information ratio - A1 EUR	Negative
Total risk % - A10 NOK	15.4	Information ratio - A1 NOK	Negative
Total risk in index % - A1 SEK	12.9	Information ratio - A10 SEK	Negative
Total risk in index % - A1 EUR	10.6	Information ratio - A10 EUR	Negative
Total risk in index % - A1 NOK	11.8	Information ratio - A10 NOK	Negative
Total risk in index % - A10 SEK	12.9	Sharpe ratio - A1 SEK	0.1
Total risk in index % - A10 EUR	10.6	Sharpe ratio - A1 EUR	-0.1
Total risk in index % - A10 NOK	11.8	Sharpe ratio - A1 NOK	0.1
Active Share % ¹⁾	76.1	Sharpe ratio - A10 SEK	0.2
Tracking error % - A1 SEK	5.9	Sharpe ratio - A10 EUR	0.0
Tracking error % - A1 EUR	5.9	Sharpe ratio - A10 NOK	0.2
Tracking error % - A1 NOK	5.9	Sharpe ratio in index - A1 SEK	0.2
Tracking error % - A10 SEK	5.9	Sharpe ratio in index - A1 EUR	0.0
Tracking error % - A10 EUR	5.9	Sharpe ratio in index - A1 NOK	0.3
Tracking error % - A10 NOK	5.9	Sharpe ratio in index - A10 SEK	0.2
Benchmark	MSCI Japan Select Global Norms and Criteria Index	Sharpe ratio in index - A10 EUR	0.0
Active return % - A1 SEK	-1.4	Sharpe ratio in index - A10 NOK	0.3
Active return % - A1 EUR	-1.3		
Active return % - A1 NOK	-1.4		

¹⁾ As of the balance sheet date.

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

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

Handelsbanken Japan Tema , cont.

Income Statement, tSEK

	2018	2017
INCOME AND CHANGES IN VALUE		
Changes in value for transferable securities*	-598,221	656,569
Changes in value for fund units**	-	-2,942
Interest income	-112	-93
Dividends	63,766	52,047
Currency exchange profits and losses, net	7,454	-8,856
Other financial income	1,168	1,732
Other income	0	0
Total income and changes in value	-525,945	698,457
EXPENSES		
Management costs:		
- Remuneration to the Management Company	64,520	56,375
Interest expense	28	42
Other financial expenses	234	348
Other expenses	1,084	1,985
Total expenses	65,866	58,750
Net income	-591,811	639,707
* Details of changes in value		
Capital gains	433,542	347,375
Capital losses	-249,491	-137,386
Unrealised gains/losses	-782,272	446,580
Sum	-598,221	656,569
** Details of changes in value		
Capital losses	-	-4,578
Unrealised gains/losses	-	1,636
Sum	-	-2,942

Balance Sheet, tSEK

	31 dec 2018	% of fund capital	31 dec 2017	% of fund capital
ASSETS				
Transferable securities	3,599,903	97.9	4,685,067	98.2
Total financial instruments with positive market value (Note 2)	3,599,903	97.9	4,685,067	98.2
Bank assets and other liquid assets	130,291	3.5	84,459	1.8
Prepaid expenses and accrued income	3,982	0.1	4,627	0.1
Total assets	3,734,176	101.5	4,774,153	100.1
LIABILITIES				
Accrued expenses and prepaid income	4,505	0.1	3,662	0.1
Other liabilities	50,792	1.4	60	0.0
Total liabilities	55,297	1.5	3,722	0.1
Fund capital (Note 1)	3,678,879	100.0	4,770,431	100.0
Financial instruments lent	199,722	5.4	221,878	4.7
Collateral received for financial instruments lent	211,288	5.7	244,302	5.1

Note 1) for Balance Sheet

Changes in fund capital, tSEK

	2018	2017
Fund capital at beginning of year	4,770,431	2,541,002
Units issued	2,487,085	2,227,843
Units redeemed	-2,986,826	-638,121
Profit according to Income Statement	-591,811	639,707
Dividends to unit holders	-	-
Fund capital at the close of the period	3,678,879	4,770,431

Note 2) for Balance Sheet

Fund holdings in financial instruments

TRANSFERABLE SECURITIES*

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
LISTED EQUITIES			
CONSUMER DISCRETIONARY			
Don Quijote (Multiline Retail)	137,000	75,502	2.1
Marui Group (Multiline Retail)	603,000	103,935	2.8
Namco Bandai Holdings (Leisure Equipment and Products)	315,000	125,364	3.4
Sony (Household Durables)	397,000	170,862	4.6
Toyota Industries (Auto Components)	127,889	52,602	1.4
		528,265	14.4
CONSUMER STAPLES			
Kao (Household Products)	275,000	181,200	4.9
Kose (Personal Products)	40,000	55,790	1.5
Pola Orbis (Personal Products)	239,000	57,341	1.6
		294,330	8.0

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
FINANCIALS			
Iyo Bank (Commercial Banks)	285,000	13,358	0.4
Japan Post Holdings (Insurance)	400,000	40,889	1.1
Mitsubishi UFJ Financial Group (Commercial Banks)	3,473,000	150,960	4.1
Open House (Real Estate Management and Development)	195,000	58,461	1.6
ORIX (Consumer Finance)	961,400	124,729	3.4
Sumitomo Mitsui Financial Group (Commercial Banks)	313,000	92,193	2.5
T&D Holdings (Insurance)	689,000	71,211	1.9
		551,799	15.0
HEALTH CARE			
Eisai (Pharmaceuticals)	75,000	51,527	1.4
Terumo (Health Care Equipment and Supplies)	240,000	120,708	3.3
		172,235	4.7
INDUSTRIALS			
Amada (Machinery)	669,000	53,412	1.5
Daifuku (Machinery)	170,000	68,962	1.9
Hino Motors (Machinery)	300,000	25,212	0.7
Kurita Water Industries (Machinery)	130,000	27,985	0.8
Minebea (Machinery)	486,000	62,444	1.7
MISUMI Group			
(Trading Companies and Distributors)	154,000	28,859	0.8
Nihon M&A Center (Professional Services)	355,000	63,570	1.7
Obayashi Corporation (Construction and Engineering)	1,060,000	85,143	2.3
Persol Holdings (Professional Services)	580,000	76,677	2.1
Recruit Holdings (Professional Services)	705,000	151,682	4.1
SHO-BOND Holdings (Construction and Engineering)	80,000	52,816	1.4
Sohgo Security Services (Commercial Services and Supplies)	90,000	37,382	1.0
TechnoPro (Professional Services)	220,000	80,444	2.2
		814,587	22.1
INFORMATION TECHNOLOGY			
Hitachi Chemical (Elec Equip, Instr & Comp)	750,000	100,606	2.7
Keyence (Elec Equip, Instr & Comp)	45,500	204,722	5.6
Kyocera (Elec Equip, Instr & Comp)	230,000	102,371	2.8
Nidec (Elec Equip, Instr & Comp)	61,000	61,493	1.7
Nintendo (Software)	53,700	127,079	3.5
Nomura Research Institute (IT Services)	104,000	34,246	0.9
Omron (Elec Equip, Instr & Comp)	99,000	32,000	0.9
Rohm (Semiconductors and Semiconductor Eq.)	112,400	63,943	1.7
SCS (IT Services)	108,000	33,949	0.9
Shimadzu (Elec Equip, Instr & Comp)	350,000	61,487	1.7
SMS (Internet Software and Services)	358,000	50,048	1.4
Square Enix Holdings (Software)	75,300	18,175	0.5
TDK (Elec Equip, Instr & Comp)	47,500	29,632	0.8
		919,752	25.0
MATERIALS			
NITTO DENKO (Chemicals)	112,500	50,391	1.4
		50,391	1.4
TELECOMMUNICATION SERVICES			
Nippon Telegraph and Telephone (Diversified Telecommunication Services)	321,000	116,260	3.2
SoftBank (Wireless Telecommunication Services)	34,000	20,070	0.5
		136,331	3.7
OTHER			
M3 (Other)	1,110,000	132,213	3.6
		132,213	3.6
Total listed equities		3,599,903	97.9
Total transferable securities		3,599,903	97.9
Total holdings in financial instruments		3,599,903	97.9
Net, other assets and liabilities		78,976	2.1
Total fund capital		3,678,879	100.0

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

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

97.9

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

*** Refers to other financial instruments.

Compilation, Company and Group exposure*

Company/Group	% of fund capital
Toyota Group	2.1

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

Handelsbanken Japan Tema , cont.

Volume of lent securities as a % of total lendable assets

Volume of lent securities as a % of total lendable assets	5,59
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The ten largest issuers of collateral for securities lending per issuer, SEK thousand:

The British Government	181 954
The French Government	11 535
The German Government	2 110
Cisco Systems Inc	784
Royal Dutch Shell Plc	443
Adobe Inc	328
Sumitomo Mitsui Financial Group Inc	260
Rohm Co Ltd	232
Mitsubishi Ufj Financial Group Inc	226
Mizuho Financial Group Inc	198

The largest counterparties for securities lending, SEK thousand:

J.P. Morgan Securities Plc, Great Britain	185 641
UBS AG, London Branch, Great Britain	14 081
	199 722

Type and quality of collateral, SEK thousand:

Equities	15 688
Bonds and other interest-bearing instruments	195 600
	211 288

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. Som säkerheter godtar vi vidare Equities i stora och välkända index.

Profile of the collateral's duration, SEK thousand:

Less than one day	0
One day to one week	0
One week to one month	0
One to three months	0
Three months to one year	0
Greater than one year	195 600
Indeterminate duration	15 688
	211 288

Currency of the collateral, SEK thousand:

AUD	74
CAD	68
CHF	34
DKK	209
EUR	14 808
GBP	184 290
HKD	235
JPY	5 513
SEK	90
SGD	312
USD	5 655
	211 288

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

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

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

Information about returns and expenses:

Securities lending for the full year generated a total revenue of 1 168 tSEK thousand, of which 80% was passed on to the fund and 20% to J.P. Morgan Bank Luxembourg S.A. in its role as the intermediary of securities lending.

Counterparties for securities lending during the year:

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

Handelsbanken Japan Tema

Sustainability dimensions that are taken into consideration in the management of the fund

The fund manager integrates environmental, social and corporate governance criteria (ESG) into the investment process, together with financial criteria, to obtain a more complete basis for decision-making. As a result, the fund manager takes into consideration both risks and opportunities related to various ESG aspects.

Methods used in sustainability efforts

Inclusion

An in-depth analysis is conducted in preparation for each investment decision in which sustainability dimensions as well as economic aspects are factored into the analysis. We believe sustainability issues are particularly important for making sound investment decisions to generate good, long-term returns. We have access to external ESG analyses as a complement to our own analyses and knowledge of the companies. Fund managers analyse sustainability through the company's sustainability performance (HOW they conduct their business operations), as well as through WHAT the company offers for products and services. The sustainability analysis is documented as an integral component of the investment documentation and consists of both sustainability risks and opportunities.

In general, the reporting of sustainability efforts in Japanese companies is inferior to similar global companies, which is beginning to change for the better. Many holdings in the fund have low sustainability ratings since the companies do not provide any information. As a result, sustainability matters as a item to discuss at company meetings is extra important to obtain a sense of how the company addresses this issue. The Japanese automation company Keyence publishes basically no information on its website and has a low sustainability rating as a result. After continuing discussions and meetings with the company, we believe the company views sustainability efforts as a part of the operational business activities and is working actively to minimise the risks related to this. The company currently provides a printed report on how the company works responsibly with its supplier chain and the management of conflict minerals specifically.

Exclusion

In accordance with the Management Company's overall policy for responsible investment, all of the Management Company's funds exclude:

- companies involved in the production or distribution of banned weapons, such as cluster bombs, anti-personnel mines, biological and chemical weapons, in accordance with international legislation. Companies involved in the production or distribution of nuclear weapons are also excluded.
- companies with substantial business operations within coal mining or in power companies that have coal as a major source of energy.

The fund is managed based upon the Criteria exclusion strategy, which means an exclusion of companies in which the principle business operations are within controversial sectors such as alcohol, tobacco, commercial gaming, war materials, pornography, fossil fuels. The fund also excludes companies that are deemed to be violating international norms and conventions. This is followed-up by the Management Company's independent risk control function on a daily basis.

Management Company's engagement activities

A critical component in taking responsibility as an investor is to influence the companies in which we invest. Our engagement activities are founded on the value base of Handelsbanken and the Management Company, our commitments, as well as the international norms and conventions we safeguard. We conduct dialogues to encourage companies to improve their sustainability efforts, as well as with companies we deem do not fulfil the international norms and conventions we safeguard. We conduct the engagement activities primarily through:

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

A. The fund manager meets or has contact with companies on a regular basis, which provides a good opportunity to influence companies within sustainability. We hold dialogues with clear targets for change, but also dialogues that focus on an overall improvement to the company's sustainability efforts. Targets are identified for the direct dialogues and results are followed up regularly during the period of the dialogue. The targeted company dialogues are carried out by the fund manager directly with the company. The fund had one dialogue during the year.

During the year a dialogue was held with Persol Holdings related to an increase to its sustainability efforts, particularly within HR, as well as to make information available in English. The company is actively selected in the fund within the Womenomics theme, given that the majority of the employees are women. In addition, the company works actively to assist women, the elderly and handicapped to enter the labour market. The company is aware of the information deficiency and is striving to improve reporting going forward.

B. The Management Company participates in dialogues with companies together with other investors through an external party (ISS ESG) in a so-called pooled engagement. The basis for these dialogues is a norm-based analysis that focuses primarily on companies with suspected or confirmed violations with regard to international norms and conventions within the environment, human rights, labour rights, and anti-corruption. The dialogue process consists of contact between ISS ESG and the company concerned, and in certain cases also includes meetings or telephone conferences in which we as an investor may participate. During 2018 the Management Company participated in 143 company dialogues. The fund did not have any investments in these companies.

C. During 2018 the Management Company participated in several international initiatives and collaborations with focus on specific sustainability matters. These initiatives are often thematic or focus on sustainability issues within a certain sector. Examples of initiatives we have participated in during the year include: Climate Action 100+, PRI Methane Engagement, PRI Sustainable Palm Oil, PRI Sustainable Soy, PRI Cyber Security and FAIRR Antibiotics Engagement. These initiatives include 336 companies in total.

General meetings and nomination committees

Normally, Handelsbanken Fonder votes at general meetings in those companies in which ownership exceeds 0.5% or if there are specific matters of concern. The Management Company has voted at 3 general meetings on behalf of the fund.

Handelsbanken Fonder participates in all of the nomination committees where we have a sufficiently large ownership to be offered a position. However, nomination committees are not common outside of the Nordics and the board composition can only be impacted by voting at the general meetings.

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

Handelsbanken Kinafond, cont.

	2018	2017	2016	2015	10/10-31/12 2014	2013	2012	2011	2010	2009
Comparison to index including dividends, %										
SEK	+9.4	+21.3	+6.4	+14.4	+17.7	+10.6	-1.9	-6.0	+26.7	-3.6
EUR	+6.4	+17.1	+5.8	+12.5	+12.0	+10.9	+0.6	+0.9	+39.8	-7.4
NOK	+11.1	+18.3	+5.8	+20.6	+24.5	+15.2	-2.5	-2.5	+25.2	-5.4
Average yearly return, 5 yrs. %										
Kinafond A1 - SEK	+13.3	+18.0	+14.4	+7.1	+7.0	+10.0	-2.5	-	-	-
Kinafond A1 - EUR	+10.2	+14.8	+12.7	+6.7	+8.7	+14.9	-0.6	-	-	-
Kinafond A1 - NOK	+14.0	+21.7	+16.3	+11.3	+10.6	+11.4	-2.1	-	-	-
Kinafond A10 - SEK	+14.7	-	-	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+12.2	+15.2	+12.7	+5.8	+7.3	+10.2	-1.0	-	-	-
EUR	+9.2	+12.1	+11.1	+5.5	+9.0	+15.1	+1.0	-	-	-
NOK	+13.0	+18.9	+14.6	+10.0	+11.0	+11.7	-0.6	-	-	-
Average yearly return, 10 yrs. %										
Kinafond A1 - SEK	+11.6	+7.3	-	-	-	-	-	-	-	-
Kinafond A1 - EUR	+12.5	+6.8	-	-	-	-	-	-	-	-
Kinafond A1 - NOK	+12.7	+9.1	-	-	-	-	-	-	-	-
Kinafond A10 - SEK	+13.0	-	-	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+11.2	+6.8	-	-	-	-	-	-	-	-
EUR	+12.1	+6.4	-	-	-	-	-	-	-	-
NOK	+12.3	+8.7	-	-	-	-	-	-	-	-
Exchange rate EUR/SEK	10.13	9.83	9.58	9.16	9.47	-	-	-	-	-
Exchange rate NOK/SEK	1.02	1.00	1.06	0.95	1.04	-	-	-	-	-

Benchmark: MSCI Golden Dragon 10/40 Net

Up to 31/10/2017: MSCI Golden Dragon 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	
Kinafond A1	1.85
Kinafond A10	0.60
Collected mgmt. costs in % of average fund capital	
Kinafond A1	1.85
Kinafond A10	0.60
Annual fees in %	
Kinafond A1	1.86
Kinafond A10	0.61
Transaction costs, tSEK	4,288
Transaction costs in % of turnover	0.10
Costs in SEK for a one-time subscription, 10 000 SEK	
Kinafond A1	190.96
Kinafond A10	-
Costs in SEK for monthly savings, 100 SEK	
Kinafond A1	11.47
Kinafond A10	-

Fund Facts - Other Key Figures

Turnover rate	0.6
Share of turnover conducted via closely-related securities companies in %	0.0

Risk and Return Measurements*

Total risk % - A1 SEK	14.4	Active return % - A1 NOK	1.7
Total risk % - A1 EUR	14.7	Active return % - A10 SEK	3.1
Total risk % - A1 NOK	14.5	Information ratio - A1 SEK	0.7
Total risk % - A10 SEK	14.4	Information ratio - A1 EUR	0.6
Total risk in index % - A1 SEK	13.1	Information ratio - A1 NOK	0.7
Total risk in index % - A1 EUR	13.1	Information ratio - A10 SEK	1.2
Total risk in index % - A1 NOK	13.0	Sharpe ratio - A1 SEK	0.8
Total risk in index % - A10 SEK	13.1	Sharpe ratio - A1 EUR	0.6
Active Share % ¹⁾	44.3	Sharpe ratio - A1 NOK	0.9
Tracking error % - A1 SEK	2.6	Sharpe ratio - A10 SEK	0.9
Tracking error % - A1 EUR	2.6	Sharpe ratio in index - A1 SEK	0.8
Tracking error % - A1 NOK	2.6	Sharpe ratio in index - A1 EUR	0.5
Tracking error % - A10 SEK	2.6	Sharpe ratio in index - A1 NOK	0.8
Benchmark	MSCI Golden Dragon 10/40 Net	Sharpe ratio in index - A10 SEK	0.8
Active return % - A1 SEK	1.7		
Active return % - A1 EUR	1.7		

¹⁾ As of the balance sheet date.

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

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

Income Statement, tSEK

	2018	2017
INCOME AND CHANGES IN VALUE		
Changes in value for transferable securities ¹⁾	-279,902	538,646
Interest income	298	128
Dividends	70,205	33,755
Currency exchange profits and losses, net	6,511	-4,178
Other financial income	1,318	212
Other income	0	6
Total income and changes in value	-201,570	568,569
EXPENSES		
Management costs:		
- Remuneration to the Management Company	61,065	36,012
Interest expense	95	67
Other financial expenses	264	42
Other expenses	4,475	3,725
Total expenses	65,899	39,846
Net income	-267,469	528,723

¹⁾ Details of changes in value

Capital gains	519,540	191,855
Capital losses	-208,195	-42,260
Unrealised gains/losses	-591,247	389,051
Sum	-279,902	538,646

Balance Sheet, tSEK

	31 dec 2018	% of fund capital	31 dec 2017	% of fund capital
ASSETS				
Transferable securities	2,164,969	99.3	2,958,307	95.8
OTC derivative instruments with positive market value	62	0.0	-	-
Total financial instruments with positive market value ^{Note 2)}	2,165,031	99.3	2,958,307	95.8
Bank assets and other liquid assets	17,473	0.8	109,252	3.5
Prepaid expenses and accrued income	596	0.0	287	0.0
Other assets	-	-	42,496	1.4
Total assets	2,183,100	100.1	3,110,342	100.7
LIABILITIES				
Accrued expenses and prepaid income	3,567	0.1	2,676	0.1
Other liabilities	10	0.0	18,634	0.6
Total liabilities	3,577	0.1	21,310	0.7
Fund capital ^{Note 1)}	2,179,523	100.0	3,089,032	100.0
Financial instruments lent	52,355	2.4	159,006	5.1
Collateral received for financial instruments lent	57,857	2.7	175,999	5.7

Handelsbanken Kinafond, cont.

Note 1) for Balance Sheet

Changes in fund capital, tSEK

	2018	2017
Fund capital at beginning of year	3,089,032	933,228
Units issued	2,576,495	2,584,992
Units redeemed	-3,218,535	-957,911
Profit according to Income Statement	-267,469	528,723
Dividends to unit holders	-	-
Fund capital at the close of the period	2,179,523	3,089,032

Note 2) for Balance Sheet

Fund holdings in financial instruments

TRANSFERABLE SECURITIES*

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
LISTED EQUITIES			
CONSUMER DISCRETIONARY			
BTG Hotels Group Ord Shs A (Hotels, Restaurants and Leisure)	99,913	2,059	0.1
China International Travel Service (Hotels, Restaurants and Leisure)	100,000	7,774	0.4
China Maple Leaf Educational Systems Or (Diversified Consumer Services)	700,000	2,758	0.1
Galaxy Entertainment Group (Hotels, Restaurants and Leisure)	1,600,000	90,229	4.1
Geely Automobile Holdings (Automobiles)	900,000	14,064	0.6
Haier Electronics Group (Household Durables)	200,000	4,362	0.2
Largan Precision (Leisure Equipment and Products)	10,000	9,273	0.4
Las Vegas Sands (Leisure Equipment and Products)	46,000	21,228	1.0
Midea Group Co -A- (Household Durables)	299,969	14,278	0.7
New Oriental (Diversified Consumer Services)	23,000	11,177	0.5
President Chain Store (Multiline Retail)	40,000	3,588	0.2
Qingdao Haier Ord Shs A (Household Durables)	849,765	15,198	0.7
Sands China (Hotels, Restaurants and Leisure)	300,000	11,652	0.5
Shenzhen International Group Holdings (Textiles, Apparel and Luxury Goods)	60,000	6,030	0.3
TAL Education Group ADR (Diversified Consumer Services)	20,500	4,849	0.2
Wynn Resorts (Hotels, Restaurants and Leisure)	14,700	12,891	0.6
Xinyi Glass Holdings (Auto Components)	3,049,000	29,900	1.4
Yum China Holdings Ord Shs When Issued (Hotels, Restaurants and Leisure)	30,000	8,918	0.4
		270,228	12.4
CONSUMER STAPLES			
China Mengniu Dairy (Food Products)	850,000	23,486	1.1
Kweichow Moutai Ord Shs A (Beverages)	10,000	7,619	0.3
TCI Ord Shs (Personal Products)	30,000	4,491	0.2
Wuliangye Yibin -A- (Beverages)	80,000	5,256	0.2
		40,852	1.8
FINANCIALS			
Agricultural Bank of China (Commercial Banks)	1,500,000	5,826	0.3
AIA Group (Insurance)	1,444,770	106,342	4.9
Bank of China (Commercial Banks)	6,000,000	22,965	1.1
China Construction Bank (Commercial Banks)	13,340,025	97,585	4.5
China Intl Cap H (Capital Markets)	300,000	4,994	0.2
China Merchants Bank (Commercial Banks)	1,202,803	39,090	1.8
China Overseas Grand Oceans Group (Real Estate Management and Development)	3,500,000	10,186	0.5
China Overseas Land & Investment (Real Estate Management and Development)	996,420	30,352	1.4
China Pacific Insurance (Insurance)	400,000	11,482	0.5
China Resources Land (Real Estate)	1,025,483	34,953	1.6
Far East Consortium International (Real Estate)	950,438	3,638	0.2
Franshion Properties China (Real Estate Management and Development)	3,000,000	11,958	0.5
Fubon Financial Holding (Diversified Financial Services)	278,711	3,782	0.2
Fubon Group Pfd B (Diversified Financial Services)	15,170	271	0.0
Hang Seng Bank (Commercial Banks)	120,900	24,068	1.1
Henderson Land Development (Real Estate Management and Development)	100,000	4,416	0.2
Hong Kong Exchanges and Clearing (Diversified Financial Services)	172,747	44,327	2.0
Hongkong Land (Real Estate Management and Development)	250,000	13,964	0.6
Industrial & Commercial Bank of China HKD (Commercial Banks)	16,694,872	105,679	4.8
KWG Property Holding (Real Estate)	938,393	7,364	0.3
New China Life Insurance (Insurance)	300,000	10,565	0.5
New World Development (Real Estate Management and Development)	265,955	3,120	0.1
Ping An Insurance (Insurance)	657,400	51,477	2.4
Shimao Property (Real Estate)	450,000	10,650	0.5
Sun Hung Kai Properties (Real Estate Management and Development)	218,900	27,663	1.3
Vanke (Real Estate Management and Development)	800,000	24,097	1.1

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
Wharf Holdings (Real Estate Management and Development)	250,000	5,775	0.3
Wheelock (Real Estate)	171,000	8,665	0.4
		777,602	35.7
HEALTH CARE			
3SBio HK (Biotechnology)	450,000	5,116	0.2
China Animal Healthcare (Pharmaceuticals)	250,000	0	0.0
Sino Biopharmaceutical (Pharmaceuticals)	500,000	2,922	0.1
		8,038	0.4
INDUSTRIALS			
CK Hutchison Holdings (Industrial Conglomerates)	176,978	15,071	0.7
Hainan Meilan International Airport (Transportation Infrastructure)	900,000	6,492	0.3
Han's Laser Technology Ord Shs A (Machinery)	370,008	14,506	0.7
NWS Holdings (Transportation Infrastructure)	500,853	9,109	0.4
Shanghai International Airport (Transportation Infrastructure)	89,967	5,897	0.3
SITC International (Marine)	1,425,000	11,909	0.5
Weichai Power (Machinery)	1,800,000	18,243	0.8
		81,226	3.7
INFORMATION TECHNOLOGY			
58.com ADR (Internet Software and Services)	36,700	17,639	0.8
Alibaba Group Holding ADR (Internet Software and Services)	125,454	152,457	7.0
ASM Pacific Technology (Semiconductors and Semiconductor Eq.)	100,000	8,544	0.4
Aspeed Techn (Semiconductors and Semiconductor Eq.)	75,000	12,720	0.6
Autohome ADR (Internet Software and Services)	20,000	13,872	0.6
Baidu ADR (Internet Software and Services)	36,500	51,324	2.4
IGG Inc Ord Shs (Software)	550,000	6,689	0.3
MOMO (Internet Software and Services)	161,000	33,901	1.6
NetEase (Software)	32,900	68,654	3.1
Realtek Semiconductor (Semiconductors and Semiconductor Eq.)	500,000	20,624	0.9
Sina Corporation (Internet Software and Services)	22,500	10,700	0.5
Sunny Optical Technology Group (Elec Equip, Instr & Comp)	200,000	15,763	0.7
Taiwan Semiconductor (Semiconductors and Semiconductor Eq.)	2,450,000	159,357	7.3
Tencent (Internet Software and Services)	564,900	200,861	9.2
TravelSky Technology (IT Services)	260,000	5,903	0.3
Weibo Sp ADS-A (Internet Software and Services)	43,000	22,275	1.0
YY ADR (Internet Software and Services)	14,700	7,801	0.4
		809,084	37.1
MATERIALS			
Anhui Conch Cement HKD (Construction Materials)	564,000	24,269	1.1
Fosun International (Metals and Mining)	1,587,880	20,498	0.9
Nine Dragons Paper Holdings (Paper and Forest Products)	1,000,000	8,210	0.4
West China Cement (Construction Materials)	4,000,000	4,801	0.2
		57,778	2.7
REAL ESTATE			
CK Asset Holdings (Real Estate Management & Development)	286,978	18,621	0.9
Logan Property Holdings (Real Estate Management & Development)	2,200,000	24,439	1.1
Wharf Real Estate Investment (Real Estate Management & Development)	175,000	9,284	0.4
		777,602	35.7
TELECOMMUNICATION SERVICES			
China Mobile HKD (Wireless Telecommunication Services)	791,037	67,495	3.1
China Telecom (Diversified Telecommunication Services)	5,000,000	22,648	1.0
Chungghwa Telecom (Diversified Telecommunication Services)	203,892	6,646	0.3
Tencent Music Entertainment Group ADR R (Entertainment)	144	17	0.0
		96,806	4.4
OTHER			
Swire Properties (Other)	750,000	23,355	1.1
		23,355	1.1
Total listed equities		2,164,969	99.3
Total transferable securities		2,164,969	99.3
OTHER FINANCIAL INSTRUMENTS***			
	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
OTC DERIVATIVE INSTRUMENTS			
CURRENCY FUTURES			
SEK/USD		62	0.0
		62	0.0
Total OTC derivative instruments		62	0.0
Total other financial instruments		62	0.0

Handelsbanken Kinafond, cont.

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
Total holdings in financial instruments		2,165,031	99.3
Net, other assets and liabilities		14,492	0.7
Total fund capital		2,179,523	100.0

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

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

** 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
CSCEC	1.9	Fubon Group	0.2

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

Volume of lent securities as a % of total lendable assets

Volume of lent securities as a % of total lendable assets	2,75
---	------

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

The British Government	3 718
Cisco Systems Inc	2 480
The French Government	2 148
The Austrian Government	1 536
Royal Dutch Shell Plc	1 400
Adobe Inc	1 038
Sumitomo Mitsui Financial Group Inc	825
Rohm Co Ltd	732
Mitsubishi Ufj Financial Group Inc	719
The Belgium Government	684

The largest counterparties for securities lending, SEK thousand:

UBS AG, London Branch, Great Britain	45 082
Merrill Lynch Intl, Great Britain	4 004
J.P. Morgan Securities Plc, Great Britain	3 270
	52 355

Type and quality of collateral, SEK thousand:

Equities	49 681
Bonds and other interest-bearing instruments	8 176
	57 857

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	0
One to three months	12
Three months to one year	0
Greater than one year	8 163
Indeterminate duration	49 681
	57 857

Currency of the collateral, SEK thousand:

AUD	234
CAD	215
CHF	110
DKK	661
EUR	8 087
GBP	11 110
HKD	745
JPY	17 476
SEK	286
SGD	986
USD	17 947
	57 857

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Counterparties for securities lending during the year:

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- J.P. Morgan Securities Plc, Great Britain
- Merrill Lynch Intl, Great Britain
- UBS AG, London Branch, Great Britain

Handelsbanken Kinafond

Sustainability dimensions that are taken into consideration in the management of the fund

The fund manager integrates environmental, social and corporate governance criteria (ESG) into the investment process, together with financial criteria, to obtain a more complete basis for decision-making. As a result, the fund manager takes into consideration both risks and opportunities related to various ESG aspects.

Methods used in sustainability efforts

Inclusion

An in-depth analysis is conducted in preparation for each investment decision in which sustainability dimensions as well as economic aspects are factored into the analysis. We believe sustainability issues are particularly important for making sound investment decisions to generate good, long-term returns. We have access to external ESG analyses as a complement to our own analyses and knowledge of the companies. Fund managers analyse sustainability through the company's sustainability performance (HOW they conduct their business operations), as well as through WHAT the company offers for products and services. The sustainability analysis is documented as an integral component of the investment documentation and consists of both sustainability risks and opportunities.

The fund has a large holding in Taiwan Semiconductor Manufacturing Corporation. The company sets the standard within the manufacturing industry with its strong focus on sustainability. For example, the company's production facilities are very energy efficient and almost all of the water used has been recycled. The company also has good control over its supply chain and is among the best in its industry to avoid the use of conflict metals. Due to competitive wages and good work conditions, the fund also has a relatively low rate of employee turnover.

Exclusion

In accordance with the Management Company's overall policy for responsible investment, all of the Management Company's funds exclude:

- companies involved in the production or distribution of banned weapons, such as cluster bombs, anti-personnel mines, biological and chemical weapons, in accordance with international legislation. Companies involved in the production or distribution of nuclear weapons are also excluded.
- companies with substantial business operations within coal mining or in power companies that have coal as a major source of energy.

Provided that the fund observes a willingness to change and it is deemed that the company will address the problems within an acceptable amount of time, the fund may invest in companies involved in violations of international norms and conventions. The fund did not utilise this option during the year. Thus, the fund has not owned any of the companies involved in violations of international norms and conventions during the year.

Management Company's engagement activities

A critical component in taking responsibility as an investor is to influence the companies in which we invest. Our engagement activities are founded on the value base of Handelsbanken and the Management Company, our commitments, as well as the international norms and conventions we safeguard. We conduct dialogues to encourage companies to improve their sustainability efforts, as well as with companies we deem do not fulfil the international norms and conventions we safeguard. We conduct the engagement activities primarily through:

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

A. The fund manager meets or has contact with companies on a regular basis, which provides a good opportunity to influence companies within sustainability. We hold dialogues with clear targets for change, but also dialogues that focus on an overall improvement to the company's sustainability efforts. Targets are identified for the direct dialogues and results are followed up regularly during the period of the dialogue. The targeted company dialogues are carried out by the fund manager directly with the company. The fund had one dialogue during the year.

For example, a dialogue was held with Anhui Conch Cement due to the company's substantial emissions of carbon dioxide. The company lags the industry trend for the reduction of emissions and our goal is that Conch will reduce the gap to the best companies within the sector. We have analysed several companies in the cement industry together with other large investors and have an ongoing dialogue with Conch regarding the measures that should be taken to reduce the company's emissions.

B. The Management Company participates in dialogues with companies together with other investors through an external party (ISS ESG) in a so-called pooled engagement. The basis for these dialogues is a norm-based analysis that focuses primarily on companies with suspected or confirmed violations with regard to international norms and conventions within the environment, human rights, labour rights, and anti-corruption. The dialogue process consists of contact between ISS ESG and the company concerned, and in certain cases also includes meetings or telephone conferences in which we as an investor may participate. During 2018 the Management Company participated in 143 company dialogues, of which the fund was invested in 4 of these companies.

One of the companies is Wynn Resorts, where we are having a dialogue regarding deficiencies in information about how the company is ensuring a safe and equal workplace without discrimination.

C. During 2018 the Management Company participated in several international initiatives and collaborations with focus on specific sustainability matters. These initiatives are often thematic or focus on sustainability issues within a certain sector. Examples of initiatives we have participated in during the year include: Climate Action 100+, PRI Methane Engagement, PRI Sustainable Palm Oil, PRI Sustainable Soy, PRI Cyber Security and FAIRR Antibiotics Engagement. These initiatives include 336 companies in total.

General meetings and nomination committees

Normally, Handelsbanken Fonder votes at general meetings in those companies in which ownership exceeds 0.5% or if there are specific matters of concern. The Management Company has voted at 11 general meetings on behalf of the fund.

Handelsbanken Fonder participates in all of the nomination committees where we have a sufficiently large ownership to be offered a position. However, nomination committees are not common outside of the Nordics and the board composition can only be impacted by voting at the general meetings.

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



Handelsbanken Latinamerikafond

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 benchmark index. The fund invests in the markets of Latin America and mid-America. The fund may also invest in companies within the EU, EFTA, Australia, Hong Kong, Japan, Canada, Singapore and the U.S. that have a minimum of 25% of their business or market in Latin America. We place particular emphasis on ensuring that the company's strategy concurs with our assessment of what can generate favourable share price performance when we select equities for the fund. We then evaluate the company's key figures, such as profit growth, relative to the expectations of the market.

Portfolio

The fund fell 6.7% during 2018*. The election year was dramatic in Latin America, not least in Mexico and Brazil, which created significant volatility in the equity markets. After a major uproar during the election campaign, the market's favourite, Jair Bolosonaro, won the presidential election in Brazil, while the left-wing populist, Lopez Obrador, won in Mexico by a landslide. The Brazilian bank Banco do Brasil was the strongest contributor to fund returns. The bank, which is state-controlled, posted strength on the back of a Brazilian government that is more market-friendly. The company has begun work to increase profitability, which has already shown good results, and will now continue. The educational company SER was the most negative contributor to returns. The private education sector in Brazil has expanded capacity too quickly and is now required to cut costs. Given the difficulties in the sector, not least in northern Brazil, we sold the holdings in SER.

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

Significant risks

As of the balance sheet date or any other time during the year, fund

holdings did not have exposure to any other significant risks 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 during 2018. The fund has the option of lending securities. The fund used this option to a limited extent during 2018. The fund may use other techniques and instruments. The fund did not use this option during 2018.

Information

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

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

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

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Net asset value										
Latinamerikafond A1 - SEK	281.72	301.82	263.21	196.48	252.39	237.72	276.93	243.16	312.41	270.17
Latinamerikafond A1 - EUR	27.80	30.70	27.47	21.45	-	-	-	-	-	-
Latinamerikafond A1 - NOK	275.15	301.52	249.39	206.29	-	-	-	-	-	-
Latinamerikafond B1 - SEK	230.00	256.04	231.79	177.90	235.67	229.59	276.93	-	-	-
The fund's total net flow, mSEK	-529	86	542	-448	-856	-758	628	-	-	-
Fund capital total, mSEK	2,704	3,491	2,937	1,794	2,785	3,471	4,861	3,603	5,938	3,901
Latinamerikafond A1 - SEK	2,635	3,405	2,865	1,745	2,782	3,462	4,850	3,603	5,938	3,901
Latinamerikafond A1 - EUR	3	3	3	2	-	-	-	-	-	-
Latinamerikafond A1 - NOK	41	52	44	31	-	-	-	-	-	-
Latinamerikafond B1 - SEK	0	0	0	0	3	9	11	-	-	-
Number of units, 1000's	9,599	11,566	11,160	9,132	11,035	14,601	17,552	14,818	19,007	14,438
Latinamerikafond A1 - SEK	9,352	11,281	10,884	8,879	11,021	14,561	17,511	14,818	19,007	14,438
Latinamerikafond A1 - EUR	98	110	100	103	-	-	-	-	-	-
Latinamerikafond A1 - NOK	148	174	175	149	-	-	-	-	-	-
Latinamerikafond B1 - SEK	1	1	1	1	14	40	41	-	-	-
Total returns in %, SEK										
Latinamerikafond A1 - SEK	-6.7	+14.7	+34.0	-22.2	+6.2	-14.2	+17.1	-20.7	+17.1	+86.2
Latinamerikafond A1 - EUR	-9.5	+11.8	+28.0	-19.5	-	-	-	-	-	-
Latinamerikafond A1 - NOK	-8.7	+20.9	+20.9	-14.7	-	-	-	-	-	-
Latinamerikafond B1 - SEK	-6.7	+14.7	+34.0	-22.2	+6.2	-14.2	+3.6	-	-	-
Index including dividends in %, SEK										
Latinamerikafond A1 - SEK	+1.3	+11.5	+41.2	-25.7	+6.9	-14.5	+4.0	-17.0	+10.5	+82.9
Latinamerikafond A1 - EUR	-1.8	+8.7	+35.0	-23.2	-	-	-	-	-	-
Latinamerikafond A1 - NOK	-1.0	+17.6	+27.4	-18.6	-	-	-	-	-	-
Latinamerikafond B1 - SEK	+1.3	+11.5	+41.2	-25.7	+6.9	-14.5	+3.7	-	-	-
Average yearly return, 2 yrs. %										
Latinamerikafond A1 - SEK	+3.5	+23.9	+2.1	-9.1	-4.5	+0.3	-3.7	-3.6	+47.7	+4.8
Latinamerikafond A1 - EUR	+0.6	+19.6	+1.5	-10.6	-	-	-	-	-	-
Latinamerikafond A1 - NOK	+5.0	+20.9	+1.6	-4.2	-	-	-	-	-	-
Latinamerikafond B1 - SEK	+3.5	+23.9	+2.1	-9.1	-4.5	-	-	-	-	-

Handelsbanken Latinamerikafond, cont.

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Comparison to index including dividends, %										
SEK	+6.3	+25.5	+2.4	-10.9	-4.4	-5.7	-7.1	-4.2	+42.2	+6.3
EUR	+3.3	+21.1	+1.8	-12.4	-	-	-	-	-	-
NOK	+7.9	+22.4	+1.9	-6.1	-	-	-	-	-	-
Average yearly return, 5 yrs. %										
Latinamerikafond A1 - SEK	+3.5	+1.7	+2.2	-8.0	-0.2	+11.7	+3.6	+6.8	+16.4	+26.2
Latinamerikafond A1 - EUR	+0.7	-1.0	+0.7	-8.3	-	-	-	-	-	-
Latinamerikafond A1 - NOK	+4.1	+4.9	+3.9	-4.4	-	-	-	-	-	-
Latinamerikafond B1 - SEK	+3.5	+1.7	-	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+4.8	+1.4	-0.1	-10.1	-2.7	+8.3	+1.5	+7.0	+15.7	+27.6
EUR	+2.0	-1.4	-1.5	-10.4	-	-	-	-	-	-
NOK	+5.5	+4.5	+1.7	-6.6	-	-	-	-	-	-
Average yearly return, 10 yrs. %										
Latinamerikafond A1 - SEK	+7.5	+2.7	+4.5	+3.5	+12.3	+14.4	+20.0	+13.0	+16.5	+13.7
Latinamerikafond A1 - EUR	+8.4	+2.3	+3.8	+3.7	-	-	-	-	-	-
Latinamerikafond A1 - NOK	+8.6	+4.5	+4.9	+5.7	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+6.6	+1.4	+3.4	+2.0	+11.4	+13.5	+19.5	+13.9	+17.2	+15.1
EUR	+7.4	+1.0	+2.8	+2.2	-	-	-	-	-	-
NOK	+7.6	+3.2	+3.8	+4.2	-	-	-	-	-	-
Dividends per unit, SEK										
Latinamerikafond A1 - SEK	-	-	-	-	-	-	7.78	5.17	3.28	5.31
Latinamerikafond B1 - SEK	10.24	9.27	5.34	7.07	6.89	9.69	0.00	-	-	-
Exchange rate EUR/SEK										
	10.13	9.83	9.58	9.16	-	-	-	-	-	-
Exchange rate NOK/SEK										
	1.02	1.00	1.06	0.95	-	-	-	-	-	-

Benchmark: 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	1.60
Latinamerikafond B1	1.60
Transaction costs, tSEK	1,257
Transaction costs in % of turnover	0.06
Costs in SEK for a one-time subscription, 10 000 SEK	
Latinamerikafond A1	154.49
Latinamerikafond B1	154.49
Costs in SEK for monthly savings, 100 SEK	
Latinamerikafond A1	9.82
Latinamerikafond B1	9.82

Fund Facts - Other Key Figures

Turnover rate	0.2
Share of turnover conducted via closely-related securities companies in %	0.0

Risk and Return Measurements*

Total risk % - A1 SEK	17.4	Active return % - A1 NOK	-2.9
Total risk % - A1 EUR	18.2	Active return % - B1 SEK	-2.8
Total risk % - A1 NOK	17.2	Information ratio - A1 SEK	Negative
Total risk % - B1 SEK	17.4	Information ratio - A1 EUR	Negative
Total risk in index % - A1 SEK	16.9	Information ratio - A1 NOK	Negative
Total risk in index % - A1 EUR	17.7	Information ratio - B1 SEK	Negative
Total risk in index % - A1 NOK	15.7	Sharpe ratio - A1 SEK	0.2
Total risk in index % - B1 SEK	16.9	Sharpe ratio - A1 EUR	0.1
Active Share % ¹⁾	80.2	Sharpe ratio - A1 NOK	0.3
Tracking error % - A1 SEK	5.2	Sharpe ratio - B1 SEK	0.2
Tracking error % - A1 EUR	5.2	Sharpe ratio in index - A1 SEK	0.4
Tracking error % - A1 NOK	5.2	Sharpe ratio in index - A1 EUR	0.2
Tracking error % - B1 SEK	5.2	Sharpe ratio in index - A1 NOK	0.5
Benchmark	MSCI Emerging Markets Latin America 10/40 Net	Sharpe ratio in index - B1 SEK	0.4
Active return % - A1 SEK	-2.8		
Active return % - A1 EUR	-2.7		

¹⁾ As of the balance sheet date.

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

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

Income Statement, tSEK

	2018	2017
INCOME AND CHANGES IN VALUE		
Changes in value for transferable securities	-311,678	446,717
Interest income	273	47
Dividends	101,043	86,623
Currency exchange profits and losses, net	6,303	-4,603
Other financial income	30	8
Other income	14	131
Total income and changes in value	-204,015	528,923
EXPENSES		
Management costs:		
- Remuneration to the Management Company	51,771	58,840
Interest expense	92	51
Other financial expenses	6	2
Other expenses	1,457	2,434
Total expenses	53,326	61,327
Net income	-257,341	467,596

* Details of changes in value

Capital gains	269,376	156,674
Capital losses	-206,734	-95,088
Unrealised gains/losses	-374,320	385,131
Sum	-311,678	446,717

Balance Sheet, tSEK

	31 dec 2018	% of fund capital	31 dec 2017	% of fund capital
ASSETS				
Transferable securities	2,685,557	99.3	3,461,688	99.2
Total financial instruments with positive market value ^{Note 2)}	2,685,557	99.3	3,461,688	99.2
Bank assets and other liquid assets	13,751	0.5	24,735	0.7
Prepaid expenses and accrued income	7,493	0.3	7,224	0.2
Other assets	1,019	0.0	-	-
Total assets	2,707,820	100.1	3,493,647	100.1
LIABILITIES				
Accrued expenses and prepaid income	3,779	0.1	2,603	0.1
Other liabilities	1	0.0	188	0.0
Total liabilities	3,779	0.1	2,791	0.1
Fund capital ^{Note 1)}	2,704,041	100.0	3,490,856	100.0
Financial instruments lent	3,995	0.1	13,151	0.4
Collateral received for financial instruments lent	4,321	0.2	13,917	0.4

Handelsbanken Latinamerikafond, cont.

Note 1) for Balance Sheet

Changes in fund capital, tSEK

	2018	2017
Fund capital at beginning of year	3,490,856	2,937,405
Units issued	770,720	1,454,614
Units redeemed	-1,300,182	-1,368,749
Profit according to Income Statement	-257,341	467,596
Dividends to unit holders	-12	-10
Fund capital at the close of the period	2,704,041	3,490,856

Note 2) for Balance Sheet

Fund holdings in financial instruments

TRANSFERABLE SECURITIES*

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
LISTED EQUITIES			
AUSTRALIA (AUD)			
Orocobre (Metals and Mining)	690,000	13,911	0.5
		13,911	0.5
BRAZIL (BRL)			
Aliansce Shopping Centers (Real Estate)	395,444	17,296	0.6
Arezzo (Other)	421,548	53,094	2.0
B3 Brasil Bolsa Balcao Ord Shs (Capital Markets)	2,067,521	126,798	4.7
Banco do Brasil (Commercial Banks)	1,637,211	174,112	6.4
Banco do Brs Sp ADR (Commercial Banks)	130,000	13,727	0.5
BR Malls (Real Estate)	1,800,208	53,822	2.0
COPEL (Electrical Equipment)	393,000	27,464	1.0
CTEEP (Electric Utilities)	193,763	30,663	1.1
Estácio Participações (Diversified Consumer Services)	352,603	19,164	0.7
Fleury (Health Care Providers and Services)	630,000	28,506	1.1
GAEC Educação (Diversified Consumer Services)	388,670	15,115	0.6
Itaú Unibanco Holding pref (Commercial Banks)	2,415,705	196,172	7.3
Itaú Unibanco Holding pref ADR (Commercial Banks)	496,705	40,250	1.5
Itaúsa (Commercial Banks)	5,051,552	139,591	5.2
Kroton (Commercial Services and Supplies)	1,984,932	40,275	1.5
Light (Electric Utilities)	2,189,410	82,637	3.1
Localiza Rent a Car (Road and Rail)	1,130,639	76,944	2.8
Lojas Americanas (Multiline Retail)	905,000	40,783	1.5
LPS Brasil (Real Estate Management and Development)	538,242	7,781	0.3
Profarma (Pharmaceuticals)	1,974,248	17,748	0.7
SABESP (Water Utilities)	349,947	25,216	0.9
São Paulo Alpargatas (Textiles, Apparel and Luxury Goods)	1,468,351	57,168	2.1
Ser Educacional (Diversified Consumer Services)	322,587	11,475	0.4
Suzano Bahia Sul Papel E Celulose Ord S (Paper and Forest Products)	396,419	34,532	1.3
T4F Entretenimento (Leisure Equipment and Products)	1,561,200	26,356	1.0
Telefônica Brasil (Diversified Telecommunication Services)	841,100	88,948	3.3
Valid (Media)	495,000	20,382	0.8
Via Varejo Ord Shs (Specialty Retail)	1,288,623	12,941	0.5
		1,478,960	54.6
CHILE (CLP)			
AFP Habitat (Capital Markets)	3,588,490	41,713	1.5
Andina B ADR (Beverages)	517,320	104,664	3.9
Andina pref (Beverages)	472,284	15,654	0.6
Coca-Cola Embonor B pref (Beverages)	2,288,531	48,970	1.8
Hortifrut (Food Products)	3,274,734	88,480	3.3
Invers Construc (Diversified Financial Services)	110,000	15,671	0.6
		315,152	11.7
COLOMBIA (COP)			
Banco de Bogotá (Commercial Banks)	117,514	17,902	0.7
Corficolombiana (Diversified Financial Services)	101,412	4,541	0.2
		22,442	0.8
MEXICO (MXN)			
Actinver (Software)	2,696,400	15,174	0.6
Arca Continental (Beverages)	1,000,000	49,475	1.8
Banorte (Commercial Banks)	474,545	20,494	0.8
Bolsa Mexicana de Valores (Diversified Financial Services)	1,132,479	17,079	0.6
Consortio ARA (Household Durables)	5,088,000	11,636	0.4
Corp Fragua Ord Shs (Food and Staples Retailing)	386,488	48,552	1.8
Crédito Real (Real Estate Management and Development)	2,819,920	22,114	0.8
Gruma (Food Products)	543,430	54,279	2.0
Grupo Aeroportuario del Centro Norte (Transportation Infrastructure)	1,506,690	63,617	2.4
Grupo Aeroportuario del Pacifico ADR (Transportation Infrastructure)	67,780	90,500	3.3
Grupo Herdez (Food Products)	1,137,827	21,002	0.8
Grupo Sports World (Multiline Retail)	4,020,100	37,825	1.4
Hoteles City Express (Hotels, Restaurants and Leisure)	5,543,579	60,045	2.2
PINFRA (Transportation Infrastructure)	1,360,754	115,069	4.3
Vesta (Real Estate Management and Development)	4,481,577	53,324	2.0
		680,185	25.2

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
PERU (PEN)			
Alicorp (Food Products)	2,048,664	53,492	2.0
Andino Investment (Transportation Infrastructure)	4,050,000	9,884	0.4
Inretail Peru (Food and Staples Retailing)	173,900	43,632	1.6
Intergrup (Commercial Banks)	182,345	67,899	2.5
		174,907	6.5
Total listed equities		2,685,557	99.3
Total transferable securities		2,685,557	99.3
Total holdings in financial instruments		2,685,557	99.3
Net, other assets and liabilities		18,483	0.7
Total fund capital		2,704,040	100.0

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

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

99.3

** 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	14.0	Banco do Brasil	6.9
		Embotelladora Andina	4.5

* 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.

Volume of lent securities as a % of total lendable assets

Volume of lent securities as a % of total lendable assets 0.42

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

The British Government	1 253
U.S.A.	468
The French Government	468
Toyota Motor Corp	101
Mitsubishi Ujf Financial Group Inc	101
Nippon Telegraph & Telephone Corp	101
Softbank Group Corp	101
Fujitsu Ltd	100
Sony Corp	83
Mitsubishi Corp	70

The largest counterparties for securities lending, SEK thousand:

J.P. Morgan Securities Plc, Great Britain	1 827
UBS AG, London Branch, Great Britain	1 097
Morgan Stanley & Co International Plc, Great Britain	1 072
	3 995

Type and quality of collateral, SEK thousand:

Equities	2 030
Bonds and other interest-bearing instruments	2 291
	4 321

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	0
One to three months	24
Three months to one year	206
Greater than one year	2 060
Indeterminate duration	2 031
	4 321

Currency of the collateral, SEK thousand:

AUD	22
CHF	46
DKK	4
EUR	751
GBP	1 393
HKD	24
JPY	1 145
SEK	44
SGD	11
USD	881
	4 321

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

Settlement and clearing for securities lending is conducted through a third party. The collateral received is held by J.P. Morgan Bank Luxembourg S.A. or another group company within the J.P. Morgan Group and is not reused.

Information about returns and expenses:

Securities lending for the full year generated a total revenue of 30 tSEK thousand, of which 80% was passed on to the fund and 20% to J.P. Morgan Bank Luxembourg S.A. in its role as the intermediary of securities lending.

Handelsbanken Latinamerikafond, cont.

Counterparties for securities lending during the year:
-Credit Suisse Securities (Europe) Ltd, Great Britain
-J.P. Morgan Securities Plc, Great Britain
-Merrill Lynch Intl, Great Britain
-Morgan Stanley & Co International Plc, Great Britain
-UBS AG, London Branch, Great Britain

Handelsbanken Latinamerikafond

Sustainability dimensions that are taken into consideration in the management of the fund

The fund manager integrates environmental, social and corporate governance criteria (ESG) into the investment process, together with financial criteria, to obtain a more complete basis for decision-making. As a result, the fund manager takes into consideration both risks and opportunities related to various ESG aspects.

Methods used in sustainability efforts

Inclusion

An in-depth analysis is conducted in preparation for each investment decision in which sustainability dimensions as well as economic aspects are factored into the analysis. We believe sustainability issues are particularly important for making sound investment decisions to generate good, long-term returns. We have access to external ESG analyses as a complement to our own analyses and knowledge of the companies. Fund managers analyse sustainability through the company's sustainability performance (HOW they conduct their business operations), as well as through WHAT the company offers for products and services. The sustainability analysis is documented as an integral component of the investment documentation and consists of both sustainability risks and opportunities.

Quality Education for All is the UN's Sustainable Development Goal number 4, and good education is in short supply in Brazil. The Brazilian government has set ambitious goals to raise the education level in the country. The fund has invested in Kroton, a Brazilian education company that has grown from 85,000 students to over one million since our first investment in 2010. The company is also making a major effort to maintain an even and high level of quality in its education.

Exclusion

In accordance with the Management Company's overall policy for responsible investment, all of the Management Company's funds exclude:

- companies involved in the production or distribution of banned weapons, such as cluster bombs, anti-personnel mines, biological and chemical weapons, in accordance with international legislation. Companies involved in the production or distribution of nuclear weapons are also excluded.
- companies with substantial business operations within coal mining or in power companies that have coal as a major source of energy.

We sold the holdings in Grana Montero following the disclosure of the company's involvement in a corruption scandal in Peru.

Provided that the fund observes a willingness to change and it is deemed that the company will address the problems within an acceptable amount of time, the fund may invest in companies involved in violations of international norms and conventions. The fund did not utilise this option during the year. Thus, the fund has not owned any of the companies involved in violations of international norms and conventions during the year.

Management Company's engagement activities

A critical component in taking responsibility as an investor is to influence the companies in which we invest. Our engagement activities are founded on the value base of Handelsbanken and the Management Company, our commitments, as well as the international norms and conventions we safeguard. We conduct dialogues to encourage companies to improve their sustainability efforts, as well as with companies we deem do not fulfil the international norms and conventions we safeguard. We conduct the engagement activities primarily through:

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

A. The targeted company dialogues are conducted by the fund manager with the company directly. The fund manager meets or has contact with companies on a regular basis. This provides good opportunities to hold dialogues for change to occur, which we view as a significant opportunity for exercising influence. Targets are identified for the direct dialogues and results are followed up regularly during the period of the dialogue. The fund had 2 dialogues during the year.

The fund has an ongoing dialogue with Mexican Pinfra, an infrastructure company with road concessions. The aim of the dialogue is to get the company to create a sustainability report that clarifies their strategy and good efforts in the area. The currently low level of transparency makes it difficult for the company to attract additional long-term shareholders. We believe they would have a good chance of being included in the sustainability index and attract additional long-term shareholders. This would also increase our ability to ensure that the sustainability efforts maintain the desired level. With our guidance, we believe there is a good chance that the company will publish its first sustainability report in 2019.

B. The Management Company participates in dialogues with companies together with other investors through an external party (ISS ESG) in a so-called pooled engagement. The basis for these dialogues is a norm-based analysis that focuses primarily on companies with suspected or confirmed violations with regard to international norms and conventions within the environment, human rights, labour rights, and anti-corruption. The dialogue process consists of contact between ISS ESG and the company concerned, and in certain cases also includes meetings or telephone conferences in which we as an investor may participate. During 2018 the Management Company participated in 143 company dialogues. The fund did not have any investments in these companies.

C. During 2018 the Management Company participated in several international initiatives and collaborations with focus on specific sustainability matters. These initiatives are often thematic or focus on sustainability issues within a certain sector. Examples of initiatives we have participated in during the year include: Climate Action 100+, PRI Methane Engagement, PRI Sustainable Palm Oil, PRI Sustainable Soy, PRI Cyber Security and FAIRR Antibiotics Engagement. These initiatives include 336 companies in total.

General meetings and nomination committees

Normally, Handelsbanken Fonder votes at general meetings in those companies in which ownership exceeds 0.5% or if there are specific matters of concern. The Management Company has voted at 45 general meetings on behalf of the fund.

Handelsbanken Fonder participates in all of the nomination committees where we have a sufficiently large ownership to be offered a position. However, nomination committees are not common outside of the Nordics and the board composition can only be impacted by voting at the general meetings.

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



Handelsbanken Microcap Norden

Management Report

Investment Focus

The fund is actively managed, which means that the portfolio manager takes active, independent investment decisions. The objective of the fund is to attain returns over the long term that exceed the returns of the underlying market, which is defined as the benchmark index benchmark index. The fund is a non-UCITS fund, which means that the fund differs from a securities fund by limiting holdings to a smaller number of companies. The fund invests in a portfolio of small Nordic companies. A Nordic company refers to a company that has its headquarters in Sweden, Norway, Finland or Denmark, or is admitted to trading on a regulated market or another market place in one of these countries. A small cap refers to companies whose market value at the time of the investment does not exceed a value equivalent to 0.5% of the total market value of the companies admitted to trading on the regulated markets of Nasdaq OMX Stockholm, Helsinki, Copenhagen, as well as Oslo Börs. Irrespective of the aforementioned criteria, the fund may hold such financial instruments that were included in the fund due to previous holdings, e.g., as a result of an acquisition, spin-off or other company events. The fund may invest up to the total fund capital in fund units, in interest-bearing financial instruments or in liquid assets due to market conditions, liquidity or during significant flows.

Portfolio

The fund fell 5.5% between November 30 and December 31, 2018*. In general, small caps outperformed large caps during the year. The market had periods of volatility during 2018, and specifically during the autumn when concerns increased about the global economy. As a result of the U.S. trade war with China and general concerns about further trade barriers, companies with exposure to global growth fell in the period. Given this climate, healthcare and telecom posted strength in the Nordics, as did computer gaming companies and salmon producers. In general, companies with high profit multipliers fell sharply during the autumn. We have looked to identify companies with lower valuations and stable outlooks. The fund has invested in about 50 companies since its launch.

*) Refer to fund statistics for comparable index.

Significant risks

As of the balance sheet date or any other time during the year, fund holdings did not have exposure to any other significant risks than those stated in the fact sheet and information brochure.

Trading with derivatives

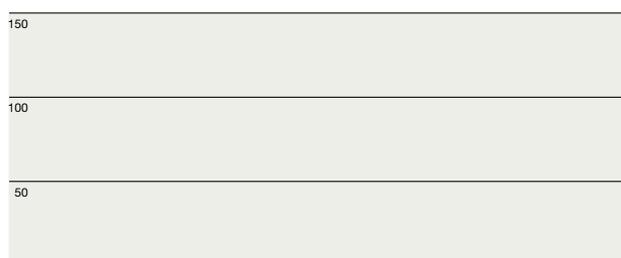
According to the fund rules, the fund may trade with derivatives as part of its investment focus. The fund used this option to a limited extent during 2018. The fund has the option of lending securities. The fund did not use this option during 2018. The fund may use other techniques and instruments. The fund did not use this option during 2018.

Information

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

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

Fund Performance*



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

Fund Facts - History

	30/11-31/12 2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Net asset value, SEK	94.80	-	-	-	-	-	-	-	-	-
The fund's total net flow, mSEK	81	-	-	-	-	-	-	-	-	-
Fund capital, mSEK	77	-	-	-	-	-	-	-	-	-
Number of units, 1000's	817	-	-	-	-	-	-	-	-	-
Total returns in %, SEK	-5.5	-	-	-	-	-	-	-	-	-
Index including dividends in %, SEK	-7.2	-	-	-	-	-	-	-	-	-

Relevant benchmark is not available.
Refer to the last page for definitions.

Fund Facts - Costs

Max. allowed mgmt. costs in % according to fund rules	1.85
Collected mgmt. costs in % of average fund capital	1.85
Annual fees in %	1.85
Transaction costs, tSEK	14
Transaction costs in % of turnover	0.02
Costs in SEK for a one-time subscription, 10 000 SEK	-
Costs in SEK for monthly savings, 100 SEK	-

Fund Facts - Other Key Figures

Turnover rate	0.3
Share of turnover conducted via closely-related securities companies in %	1.1

Risk and Return Measurements*

Active Share % ¹⁾	99.3	Forecasted total risk	9.9
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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.

Handelsbanken Microcap Norden, cont.

Income Statement, tSEK

	30/11-31/12 2018	2017
INCOME AND CHANGES IN VALUE		
Changes in value for transferable securities*	-3,746	-
Interest income	-5	-
Currency exchange profits and losses, net	30	-
Total income and changes in value	-3,721	
EXPENSES		
Management costs:		
- Remuneration to the Management Company	113	-
Interest expense	0	-
Other expenses	14	-
Total expenses	127	
Net income	-3,848	
* Details of changes in value		
Capital gains	38	
Capital losses	-60	
Unrealised gains/losses	-3,724	
Sum	-3,746	

Balance Sheet, tSEK

	31 dec 2018	% of fund capital	31 dec 2017	% of fund capital
ASSETS				
Transferable securities	62,721	81.0		
Total financial instruments with positive market value ^{Note 2)}	62,721	81.0		
Bank assets and other liquid assets	16,253	21.0		
Prepaid expenses and accrued income	-5	0.0		
Other assets	0	0.0		
Total assets	78,969	102.0		
LIABILITIES				
Accrued expenses and prepaid income	113	0.2		
Other liabilities	1,454	1.8		
Total liabilities	1,567	2.0		
Fund capital ^{Note 1)}	77,402	100.0		

Note 1) for Balance Sheet

Changes in fund capital, tSEK

	2018	2017
Fund capital at beginning of year	-	-
Units issued	81,250	-
Units redeemed	-	-
Profit according to Income Statement	-3,848	-
Dividends to unit holders	-	-
Fund capital at the close of the period	77,402	

Note 2) for Balance Sheet

Fund holdings in financial instruments

TRANSFERABLE SECURITIES*

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
LISTED EQUITIES			
CONSUMER DISCRETIONARY			
Bufab (Auto Components)	15,000	1,286	1.7
FinnvedenBulten (Auto Components)	10,000	882	1.1
HARVIA (Leisure Equipment and Products)	40,000	2,178	2.8
New Wave Group B (Textiles, Apparel and Luxury Goods)	30,000	1,422	1.8
Storytel B (Media)	10,000	902	1.2
		6,669	8.6
CONSUMER STAPLES			
Atlantic Sapphir Rg (Food Products)	20,000	1,413	1.8
Duni (Personal Products)	22,500	2,207	2.9
Salmones Camanchaca Ord Shs (Food Products)	20,000	1,679	2.2
		5,299	6.9
ENERGY			
Swedol B (Energy Equipment and Services)	50,000	1,570	2.0
		1,570	2.0
FINANCIALS			
Aktia Bank (Commercial Banks)	15,000	1,368	1.8
Sparebank1 Buskerud Vestfold Ord Shs (Commercial Banks)	40,000	1,458	1.9
Suomen Hoivatilat Ord Shs (Real Estate)	20,000	1,601	2.1
		4,428	5.7
HEALTH CARE			
Ambea (Health Care Providers and Services)	20,000	1,738	2.2
CELLINK B (Life Sciences Tools and Services)	9,000	1,692	2.2
Medi-Stim (Health Care Equipment and Supplies)	15,000	1,090	1.4
Midsona B (Pharmaceuticals)	35,000	2,156	2.8

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
Revenio (Health Care Equipment and Supplies)	8,000	1,018	1.3
		7,695	9.9
INDUSTRIALS			
Akva Group ORD (Machinery)	15,000	1,044	1.3
B&B Tools (Trading Companies and Distributors)	10,000	847	1.1
Balco Group (Building Products)	20,000	1,002	1.3
Concentric (Machinery)	7,500	899	1.2
Exel Composites (Machinery)	25,000	1,013	1.3
H&H International (Construction and Engineering)	5,000	645	0.8
Hexatronic Group (Electrical Equipment)	20,000	934	1.2
Instalco (Electrical Equipment)	20,000	1,380	1.8
Inwido (Building Products)	20,000	1,112	1.4
Momentum Group B (Machinery)	15,000	1,208	1.6
Nederman 1 (Building Products)	25,000	2,250	2.9
Nordic Waterproofing Holding (Building Products)	20,000	1,426	1.8
NRC Group (Construction and Engineering)	20,000	1,454	1.9
OEM International (Trading Companies and Distributors)	10,000	1,905	2.5
PiezoMotor B (Electrical Equipment)	20,000	920	1.2
Self Storage Group Ord Shs (Proposed) (Commercial Services and Supplies)	56,000	929	1.2
VMP Oyj (Professional Services)	20,000	665	0.9
Zalaris Ord Shs (Professional Services)	40,000	1,032	1.3
		20,665	26.7
INFORMATION TECHNOLOGY			
Acando B (IT Services)	30,000	873	1.1
CLX Communications (Software)	10,000	870	1.1
Columbus IT Partner (IT Services)	50,000	861	1.1
Data Respons (IT Services)	50,000	1,152	1.5
Detection Technology (Elec Equip, Instr & Comp)	10,000	1,657	2.1
ENEA Ord Shs1 (IT Services)	10,000	1,015	1.3
FormPipe Software (Internet Software and Services)	40,000	788	1.0
Imported 2017-11-24 08:27 (Software)	15,000	1,856	2.4
Knowit (IT Services)	15,000	2,304	3.0
Note (Elec Equip, Instr & Comp)	50,000	1,068	1.4
		12,443	16.1
MATERIALS			
SP Group Ord (Chemicals)	5,000	1,341	1.7
		1,341	1.7
UTILITIES			
Fjordkraft Holding Ord Shs (Electric Utilities)	75,000	2,611	3.4
		2,611	3.4
Total listed equities		62,721	81.0
Total transferable securities		62,721	81.0
Total holdings in financial instruments		62,721	81.0
Net, other assets and liabilities		14,681	19.0
Total fund capital		77,402	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.

81.0

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

*** Refers to other financial instruments.

Handelsbanken Microcap Norden

Sustainability dimensions that are taken into consideration in the management of the fund

The fund manager integrates environmental, social and corporate governance criteria (ESG) into the investment process, together with financial criteria, to obtain a more complete basis for decision-making. As a result, the fund manager takes into consideration both risks and opportunities related to various ESG aspects.

Methods used in sustainability efforts

Inclusion

An in-depth analysis is conducted in preparation for each investment decision in which sustainability dimensions as well as economic aspects are factored into the analysis. We believe sustainability issues are particularly important for making sound investment decisions to generate good, long-term returns. We have access to external ESG analyses as a complement to our own analyses and knowledge of the companies. Fund managers analyse sustainability through the company's sustainability performance (HOW they conduct their business operations), as well as through WHAT the company offers for products and services. The sustainability analysis is documented as an integral component of the investment documentation and consists of both sustainability risks and opportunities.

The fund has invested in companies within salmon farming, which is a climate-smart way to produce food. The amount of fodder used and the total emissions for fish farming are much lower than that of meat production. It is not possible to over-fish wild fish. However, there are different types of sustainability challenges with salmon farming, and this is something we are regularly discussing with the companies. We own holdings in the equipment manufacturer Akva Group and the new player, Atlantic Sapphire, which will only have production on land.

Exclusion

In accordance with the Management Company's overall policy for responsible investment, all of the Management Company's funds exclude:

- companies involved in the production or distribution of banned weapons, such as cluster bombs, anti-personnel mines, biological and chemical weapons, in accordance with international legislation. Companies involved in the production or distribution of nuclear weapons are also excluded.
- companies with substantial business operations within coal mining or in power companies that have coal as a major source of energy.

The fund is managed based upon the Criteria exclusion strategy, which means an exclusion of companies/issuers in which the principle business operations are within controversial sectors such as alcohol, tobacco, commercial gaming, war materials, pornography, fossil fuels. The fund also excludes companies/issuers that are deemed to be violating international norms and conventions. This is followed-up by the Management Company's independent risk control function on a daily basis.

Management Company's engagement activities

A critical component in taking responsibility as an investor is to influence the companies in which we invest. Our engagement activities are founded on the value base of Handelsbanken and the Management Company, our commitments, as well as the international norms and conventions we safeguard. We conduct dialogues to encourage companies to improve their sustainability efforts, as well as with companies we deem do not fulfil the international norms and conventions we safeguard. We conduct the engagement activities primarily through:

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

- A. The fund manager meets or has contact with companies on a regular basis, which provides a good opportunity to influence companies within sustainability. We hold dialogues with clear targets for change, but also dialogues that focus on an overall improvement to the company's sustainability efforts. Targets are identified for the direct dialogues and results are followed up regularly during the period of the dialogue. The targeted company dialogues are carried out by the fund manager directly with the company.

An example of a dialogue engagement is the regular discussions with salmon farming companies on how to make production as sustainable as possible.

- B. Management Company participates in dialogues with companies together with other investors through an external party (ISS ESG) in a so-called pooled engagement. The basis for these dialogues is a norm-based analysis that focuses primarily on companies with suspected or confirmed violations with regard to international norms and conventions within the environment, human rights, labour rights, and anti-corruption. The dialogue process consists of contact between ISS ESG and the company concerned, and in certain cases also includes meetings or telephone conferences in which we as an investor may participate. During 2018 the Management Company participated in 143 company dialogues. The fund did not have any investments in these companies.

- C. During 2018 the Management Company participated in several international initiatives and collaborations with focus on specific sustainability matters. These initiatives are often thematic or focus on sustainability issues within a certain sector. Examples of initiatives we have participated in during the year include: Climate Action 100+, PRI Methane Engagement, PRI Sustainable Palm Oil, PRI Sustainable Soy, PRI Cyber Security and FAIRR Antibiotics Engagement. These initiatives include 336 companies in total.

General meetings and nomination committees

Normally, Handelsbanken Fonder votes at general meetings in those companies in which ownership exceeds 0.5% or if there are specific matters of concern. Given that the fund was launched in November, the fund did not have the opportunity to vote at any general meetings.

Handelsbanken Fonder participates in all of the nomination committees where we have a sufficiently large ownership to be offered a position. However, nomination committees are not common outside of the Nordics and the board composition can only be impacted by voting at the general meetings. The Management Company did not participate in any nomination committees on behalf of the fund.

The fund was launched after the nomination committee season and thereby, the Management Company did not have the opportunity to participate in any nomination committees on behalf of this specific fund.



Handelsbanken Microcap Sverige

Management Report

Investment Focus

The fund is actively managed, which means that the portfolio manager takes active, independent investment decisions. The objective of the fund is to attain returns over the long term that exceed the returns of the underlying market, which is defined as the benchmark index benchmark index. The fund is a non-UCITS fund, which means that it differentiates itself from a securities fund by concentrating holdings to a limited number of companies. The fund invests in a portfolio of smaller Swedish companies. A Swedish company refers to a company that is headquartered in Sweden or is admitted to trading on a regulated market or another marketplace in Sweden. A small cap refers to a company with a market value at the time of the investment that does not exceed a value equivalent to 0.1% of the total market value of companies admitted to trading on the regulated market Nasdaq OMX Stockholm. Irrespective of the stated criteria, the fund may hold such financial instruments that are included in the fund due to a previous holding, e.g., as a result of an acquisition, spin-off or other company events. The fund can invest up to the entire fund capital in fund units, in interest-bearing financial instruments or in liquid assets, depending on the market climate, liquidity or significant flows.

Portfolio

The fund rose 0.7% during the full year 2018*, which was a very mixed year in the stock market. The beginning of the year was dominated by a broad cyclical rebound and rising share prices. Cyclical companies with high dependency on exports were unexpectedly positive and posted strength. After mid-year, however, equity prices were affected by increasing concerns about an economic slowdown, trade barriers between the U.S. and China, and the impact of a more contractionary global monetary policy. During the autumn the portfolio was partly adjusted with a more defensive character to offset the volatility that dominated H2. The research company Bioarctic, as well as the game developers Bublur and THQ Nordic were the strongest contributors to fund returns during the year. The technology companies Crunchfish, Hoist Finance and Transtema had a negative impact.

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

Significant risks

As of the balance sheet date or any other time during the year, fund holdings did not have exposure to any other significant risks 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 during 2018. The fund has the option of lending securities. The fund did not use this option during 2018. The fund may use other techniques and instruments. The fund did not use this option during 2018.

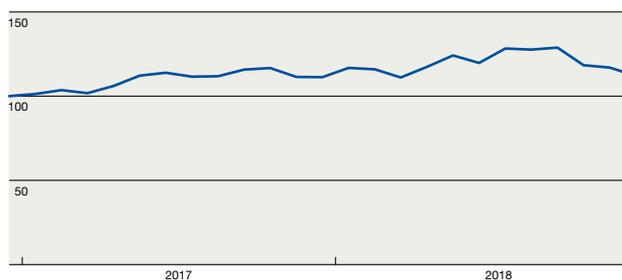
Information

The deposit limit was lowered from SEK 500 000 to SEK 250 000 on December 1, 2018.

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

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

Fund Performance*



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

Fund Facts - History

	2018	2017	30/11-31/12 2016	2015	2014	2013	2012	2011	2010	2009
Net asset value, SEK	114.05	113.24	101.76	-	-	-	-	-	-	-
The fund's total net flow, mSEK	-4	677	650	-	-	-	-	-	-	-
Fund capital, mSEK	1,430	1,427	660	-	-	-	-	-	-	-
Number of units, 1000's	12,536	12,605	6,490	-	-	-	-	-	-	-
Total returns in %, SEK	+0.7	+11.3	+1.8	-	-	-	-	-	-	-
Index including dividends in %, SEK	-0.2	+8.8	+3.4	-	-	-	-	-	-	-
Average yearly return, 2 yrs. %	+5.9	-	-	-	-	-	-	-	-	-
Comparison to index including dividends, %	+4.2	-	-	-	-	-	-	-	-	-

Benchmark: Carnegie Small Cap Return Index Gross (CSRKSE)

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

Fund Facts - Costs

Max. allowed mgmt. costs in % according to fund rules	1.85
Collected mgmt. costs in % of average fund capital	1.85
Annual fees in %	1.87
Transaction costs, tSEK	826
Transaction costs in % of turnover	0.04
Costs in SEK for a one-time subscription, 10 000 SEK	198.55
Costs in SEK for monthly savings, 100 SEK	12.35

Fund Facts - Other Key Figures

Turnover rate	0.8
Share of turnover conducted via closely-related securities companies in %	15.2

Handelsbanken Microcap Sverige, cont.

Risk and Return Measurements*

	2018	Benchmark	Carnegie Small Cap Return Index Gross (CSRXSE)
Total risk %	13.5		
Total risk in index %	11.4		
Active Share % ¹⁾	97.2		
Tracking error %	7.9		
		Active return %	1.6
		Information ratio	0.2
		Sharpe ratio	0.5
		Sharpe ratio in index	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, tSEK

	2018	2017
INCOME AND CHANGES IN VALUE		
Changes in value for transferable securities [*]	17,105	86,751
Changes in value for fund units ^{**}	-	12,172
Interest income	-117	-279
Dividends	15,922	10,918
Other financial income	1,510	1,562
Other income	1,100	3
Total income and changes in value	35,520	111,127
EXPENSES		
Management costs:		
- Remuneration to the Management Company	27,901	20,029
Interest expense	3	15
Other financial expenses	302	130
Other expenses	825	994
Total expenses	29,031	21,168
Net income	6,489	89,959
* Details of changes in value		
Capital gains	266,293	55,206
Capital losses	-142,118	-33,759
Unrealised gains/losses	-107,070	65,304
Sum	17,105	86,751
** Details of changes in value		
Capital gains	-	17,399
Unrealised gains/losses	-5,227	-
Sum	-	12,172

Balance Sheet, tSEK

	31 dec 2018	% of fund capital	31 dec 2017	% of fund capital
ASSETS				
Transferable securities	1,379,745	96.5	1,318,498	92.4
Total financial instruments with positive market value (Note 2)	1,379,745	96.5	1,318,498	92.4
Bank assets and other liquid assets	63,502	4.4	128,877	9.0
Prepaid expenses and accrued income	189	0.0	222	0.0
Other assets	1,372	0.2	30,888	2.2
Total assets	1,444,808	101.1	1,478,485	103.6
LIABILITIES				
Accrued expenses and prepaid income	2,300	0.2	1,329	0.1
Other liabilities	12,728	0.9	49,768	3.5
Total liabilities	15,028	1.1	51,097	3.6
Fund capital (Note 1)	1,429,780	100.0	1,427,388	100.0
Financial instruments lent	47,390	3.3	45,362	3.2
Collateral received for financial instruments lent	51,534	3.6	49,089	3.4

Note 1) for Balance Sheet

Changes in fund capital, tSEK

	2018	2017
Fund capital at beginning of year	1,427,388	660,395
Units issued	190,288	747,011
Units redeemed	-194,385	-69,977
Profit according to Income Statement	6,489	89,959
Dividends to unit holders	-	-
Fund capital at the close of the period	1,429,780	1,427,388

Note 2) for Balance Sheet

Fund holdings in financial instruments

TRANSFERABLE SECURITIES*

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
LISTED EQUITIES			
CONSUMER DISCRETIONARY			
Storytel B (Media)	550,000	49,610	3.5
		49,610	3.5
CONSUMER STAPLES			
Scandi Standard (Food Products)	750,000	46,425	3.2
		46,425	3.2
ENERGY			
Swedol B (Energy Equipment and Services)	1,300,000	40,820	2.9
		40,820	2.9
FINANCIALS			
DDM Holding (Consumer Finance)	215,000	7,955	0.6
		7,955	0.6
HEALTH CARE			
Calliditas Therapeutics AB (Pharmaceuticals)	400,000	17,600	1.2
CELLINK B (Life Sciences Tools and Services)	380,000	71,440	5.0
FRISQ Holding Ord Shs (Health Care Technology)	900,000	16,380	1.1
MedCap (Life Sciences Tools and Services)	310,000	24,614	1.7
Midsone B (Pharmaceuticals)	463,000	28,521	2.0
Q-linea (Health Care Equipment and Supplies)	76,000	4,598	0.3
Sedana Medical (Health Care Equipment and Supplies)	660,000	51,348	3.6
Swedencare Ord Shs (Pharmaceuticals)	425,000	19,508	1.4
Synthetic (Biotechnology)	130,568	37,734	2.6
Zenacor Medical Systems Ord Shs (Health Care Equipment and Supplies)	502,773	10,257	0.7
		281,999	19.7
INDUSTRIALS			
FlexQube AB (Machinery)	173,000	9,342	0.7
Hexatronic Group (Electrical Equipment)	1,100,000	51,370	3.6
Instalco (Electrical Equipment)	825,000	56,925	4.0
Invido (Building Products)	400,000	22,240	1.6
Momentum Group B (Machinery)	425,000	34,213	2.4
Nordic Waterproofing Holding (Building Products)	100,000	7,130	0.5
PiezoMotor B (Electrical Equipment)	1,200,000	55,200	3.9
Projektengagemang Sweden B (Professional Services)	1,262,688	44,194	3.1
Serendipity Innovations B (Commercial Services and Supplies)	1,415,562	58,746	4.1
Serneke Group B (Construction and Engineering)	725,000	43,573	3.0
		382,932	26.7
INFORMATION TECHNOLOGY			
Advenica AB (Software)	1,250,000	4,588	0.3
Bublur Group (Software)	2,656,740	17,269	1.2
Bygghemma Group (Internet Software and Services)	975,506	31,406	2.2
Cinnober Financial Technology (Software)	650,000	56,615	4.0
CLX Communications (Software)	522,963	45,498	3.2
Crunchfish (Software)	1,100,000	3,982	0.3
Fortnox (Software)	200,000	13,360	0.9
Greater Than Ord Shs (Software)	300,000	12,120	0.8
Knowit (IT Services)	320,000	49,152	3.4
NCAB Group (Elec Equip, Instr & Comp)	425,000	36,550	2.6
Nepa (IT Services)	477,651	27,608	1.9
Net Insight B (Communications Equipment)	4,000,000	10,700	0.7
Novotek B (IT Services)	550,000	15,675	1.1
Proact IT Group (IT Services)	210,000	34,314	2.4
Smart Eye (Elec Equip, Instr & Comp)	600,000	40,800	2.9
Stillfront (Software)	250,000	32,800	2.3
THQ Nordic B (Software)	173,731	25,087	1.8
Tobii Technology (Software)	1,000,000	27,080	1.9
Vitec Software Group B (Software)	250,000	19,400	1.4
XM Reality (Software)	1,600,000	11,008	0.8
		515,011	36.0
TELECOMMUNICATION SERVICES			
Beyond Frames Entertainment (Entertainment)	575,000	4,589	0.3
Invisio Communications (Diversified Telecommunication Services)	450,000	25,605	1.8
Transtema Group Ord Shs (Diversified Telecommunication Services)	756,148	10,737	0.8
		40,931	2.9
Total listed equities		1,365,683	95.5

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

HEALTH CARE			
Senzime BTA 181213 (Health Care Equipment and Supplies)	2,000,000	14,000	1.0
		14,000	1.0

Handelsbanken Microcap Sverige, cont.

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
INFORMATION TECHNOLOGY			
Greater Than TR 190102 (Software)	300,000	62	0.0
		62	0.0
Total unlisted equities		14,062	1.0
Total transferable securities		1,379,745	96.5
Total holdings in financial instruments		1,379,745	96.5
Net, other assets and liabilities		50,035	3.5
Total fund capital		1,429,780	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.	95.5
** Refers to other financial instruments admitted to trading on a regulated market or equivalent market outside EEA, or are the subject of regular trading in other markets that are regulated and open to the general public and in the case of money market instruments or such money market instruments referred to in Chapter 5, §4 of the Swedish UCITS Funds Act (2004:46).	-
*** Refers to other financial instruments.	1.0

Compilation, Company and Group exposure*

Company/Group	% of fund capital
Greater Than	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.

Volume of lent securities as a % of total lendable assets

Volume of lent securities as a % of total lendable assets	3,46
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The ten largest issuers of collateral for securities lending per issuer, SEK thousand:

U.S.A.	15 962
The French Government	10 579
The British Government	3 452
The Dutch Government	2 396
The Austrian Government	1 802
The Belgium Government	1 232
The German Government	1 097
Toyota Motor Corp	659
Mitsubishi Ufj Financial Group Inc	658
Nippon Telegraph & Telephone Corp	658

The largest counterparties for securities lending, SEK thousand:

Morgan Stanley & Co International Plc, Great Britain	28 155
J.P. Morgan Securities Plc, Great Britain	12 527
Merrill Lynch Intl, Great Britain	4 482
Credit Suisse Securities (Europe) Ltd, Great Britain	1 485
UBS AG, London Branch, Great Britain	604
Citigroup Global Markets Ltd, Great Britain	136
	47 390

Type and quality of collateral, SEK thousand:

Equities	15 006
Bonds and other interest-bearing instruments	36 528
	51 534

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	58
One week to one month	0
One to three months	30
Three months to one year	5 805
Greater than one year	30 636
Indeterminate duration	15 006
	51 534

Currency of the collateral, SEK thousand:

AUD	404
CHF	303
DKK	29
EUR	18 459
GBP	4 616
HKD	302
JPY	7 916
SEK	345
SGD	111
USD	19 049
	51 534

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

Settlement and clearing for securities lending is conducted through a third party. The collateral received is held by J.P. Morgan Bank Luxembourg S.A. or another group company within the J.P. Morgan Group and is not reused.

Information about returns and expenses:

Securities lending for the full year generated a total revenue of 1 510 tSEK thousand, of which 80% was passed on to the fund and 20% to J.P. Morgan Bank Luxembourg S.A. in its role as the intermediary of securities lending.

Counterparties for securities lending during the year:

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

Handelsbanken Microcap Sverige

Sustainability dimensions that are taken into consideration in the management of the fund

The fund manager integrates environmental, social and corporate governance criteria (ESG) into the investment process, together with financial criteria, to obtain a more complete basis for decision-making. As a result, the fund manager takes into consideration both risks and opportunities related to various ESG aspects.

Methods used in sustainability efforts

Inclusion

An in-depth analysis is conducted in preparation for each investment decision in which sustainability dimensions as well as economic aspects are factored into the analysis. We believe sustainability issues are particularly important for making sound investment decisions to generate good, long-term returns. We have access to external ESG analyses as a complement to our own analyses and knowledge of the companies. Fund managers analyse sustainability through the company's sustainability performance (HOW they conduct their business operations), as well as through WHAT the company offers for products and services. The sustainability analysis is documented as an integral component of the investment documentation and consists of both sustainability risks and opportunities.

The refrigeration wholesaler Beijer Ref is one of Europe's largest distributors of cooling systems and air conditioning. A new F-gas regulation has been implemented, which will quickly phase out F-gases used in cooling systems that are dangerous to the climate. This change in regulations will have a positive effect on the climate and also strengthens Beijer Ref's business as all of Europe's refrigerated display cabinets are replaced and run using more environmentally-friendly refrigerants.

Exclusion

In accordance with the Management Company's overall policy for responsible investment, all of the Management Company's funds exclude:

- companies involved in the production or distribution of banned weapons, such as cluster bombs, anti-personnel mines, biological and chemical weapons, in accordance with international legislation. Companies involved in the production or distribution of nuclear weapons are also excluded.
- companies with substantial business operations within coal mining or in power companies that have coal as a major source of energy.

Provided that the fund observes a willingness to change and it is deemed that the company will address the problems within an acceptable amount of time, the fund may invest in companies involved in violations of international norms and conventions. The fund did not utilise this option during the year. Thus, the fund has not owned any of the companies involved in violations of international norms and conventions during the year.

Management Company's engagement activities

A critical component in taking responsibility as an investor is to influence the companies in which we invest. Our engagement activities are founded on the value base of Handelsbanken and the Management Company, our commitments, as well as the international norms and conventions we safeguard. We conduct dialogues to encourage companies to improve their sustainability efforts, as well as with companies we deem do not fulfil the international norms and conventions we safeguard. We conduct the engagement activities primarily through:

- A. Targeted dialogues with direct contact between our fund managers and the company
 - B. Dialogues together with other investors/capital owners
 - C. Collaborations and sector initiatives, often through international collaborations such as the UN, PRI and CDP.
- A. The fund manager meets or has contact with companies on a regular basis, which provides a good opportunity to influence companies within sustainability. We hold dialogues with clear targets for change, but also dialogues that focus on an overall improvement to the company's sustainability efforts. Targets are identified for the direct dialogues and results are followed up regularly during the period of the dialogue. The targeted company dialogues are carried out by the fund manager directly with the company. The fund had 3 dialogues during the year.

A dialogue was held with the gambling company LeoVegas and focused on the management of gambling addiction. Gambling addiction is a public health problem that affects approximately 2% of the population. We want to ensure that LeoVegas has relevant plans for measures to sharply reduce the risk of gambling addiction on the company's gambling sites. Our engagement dialogue occurred through personal meetings with management and led to the strengthening of the company's sustainability efforts related to gambling addiction. However, we sold the entire holding in LeoVegas during 2018 since the measures taken did not lead to the desired effects.

- B. The Management Company participates in dialogues with companies together with other investors through an external party (ISS ESG) in a so-called pooled engagement. The basis for these dialogues is a norm-based analysis that focuses primarily on companies with suspected or confirmed violations with regard to international norms and conventions within the environment, human rights, labour rights, and anti-corruption. The dialogue process consists of contact between ISS ESG and the company concerned, and in certain cases also includes meetings or telephone conferences in which we as an investor may participate. During 2018 the Management Company participated in 143 company dialogues. The fund did not have any investments in these companies.
- C. During 2018 the Management Company participated in several international initiatives and collaborations with focus on specific sustainability matters. These initiatives are often thematic or focus on sustainability issues within a certain sector. Examples of initiatives we have participated in during the year include: Climate Action 100+, PRI Methane Engagement, PRI Sustainable Palm Oil, PRI Sustainable Soy, PRI Cyber Security and FAIRR Antibiotics Engagement. These initiatives include 336 companies in total.

General meetings and nomination committees

Normally, Handelsbanken Fonder votes at general meetings in those companies in which ownership exceeds 0.5% or if there are specific matters of concern. The Management Company has voted at 46 general meetings on behalf of the fund.

Handelsbanken Fonder participates in all of the nomination committees where we have a sufficiently large ownership to be offered a position. However, nomination committees are not common outside of the Nordics and the board composition can only be impacted by voting at the general meetings.

The Management Company participated in nomination committees on behalf of the fund: Instalco Intressenter AB, Inwido AB, Invisio Communications AB, Know It AB, Midsona AB, Net Insight AB, Nordic Waterproofing Holding AB, Swedol AB, Tobii AB and XMReality AB.

The work in the nomination committee at Instalco Intressenter AB resulted in broader competencies and a more equal representation in the composition of the board. After the general meeting, a totally male-dominated board was changed to a board consisting of 50% women.

Handelsbanken Nordenfond, cont.

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Average yearly return, 2 yrs. %										
Nordenfond A1 - SEK	+3.1	+11.9	+10.5	+14.4	+21.3	+20.9	-2.1	-1.1	+32.2	-9.4
Nordenfond A1 - EUR	+0.3	+8.0	+9.9	+12.4	-	-	-	-	-	-
Nordenfond A1 - NOK	+4.7	+9.2	+9.9	+20.6	-	-	-	-	-	-
Nordenfond A10 - SEK	+4.2	-	-	-	-	-	-	-	-	-
Nordenfond A10 - EUR	+1.3	-	-	-	-	-	-	-	-	-
Nordenfond A10 - NOK	+5.8	-	-	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+4.5	+10.4	+9.6	+14.4	+21.6	+21.0	-1.7	-0.3	+29.5	-11.0
EUR	+1.6	+6.6	+9.0	+12.5	-	-	-	-	-	-
NOK	+6.1	+7.7	+9.0	+20.6	-	-	-	-	-	-
Average yearly return, 5 yrs. %										
Nordenfond A1 - SEK	+8.9	+15.3	+16.1	+9.3	+11.1	+15.9	-1.2	-1.8	+6.3	+10.1
Nordenfond A1 - EUR	+6.0	+12.2	+14.4	+9.0	-	-	-	-	-	-
Nordenfond A1 - NOK	+9.7	+19.0	+18.1	+13.7	-	-	-	-	-	-
Nordenfond A10 - SEK	+10.1	-	-	-	-	-	-	-	-	-
Nordenfond A10 - EUR	+7.1	-	-	-	-	-	-	-	-	-
Nordenfond A10 - NOK	+10.8	-	-	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+9.0	+15.1	+15.6	+9.8	+11.3	+15.4	-1.8	-2.5	+5.1	+8.7
EUR	+6.1	+12.0	+13.9	+9.5	-	-	-	-	-	-
NOK	+9.8	+18.7	+17.6	+14.2	-	-	-	-	-	-
Average yearly return, 10 yrs. %										
Nordenfond A1 - SEK	+12.3	+6.8	+6.8	+7.8	+10.6	+10.1	+9.8	+3.4	+3.6	+1.9
Nordenfond A1 - EUR	+13.3	+6.3	+6.2	+8.1	-	-	-	-	-	-
Nordenfond A1 - NOK	+13.5	+8.6	+7.2	+10.1	-	-	-	-	-	-
Nordenfond A10 - SEK	+13.5	-	-	-	-	-	-	-	-	-
Nordenfond A10 - EUR	+14.5	-	-	-	-	-	-	-	-	-
Nordenfond A10 - NOK	+14.7	-	-	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+12.2	+6.3	+6.1	+7.4	+10.0	+10.3	+10.1	+4.7	+4.6	+1.4
EUR	+13.1	+5.9	+5.5	+7.7	-	-	-	-	-	-
NOK	+13.3	+8.2	+6.6	+9.7	-	-	-	-	-	-
Dividends per unit, SEK	-	-	-	-	-	-	14.90	10.08	7.69	21.48
Exchange rate EUR/SEK	10.13	9.83	9.58	9.16	-	-	-	-	-	-
Exchange rate NOK/SEK	1.02	1.00	1.06	0.95	-	-	-	-	-	-

Benchmark: 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	
Nordenfond A1	1.50
Nordenfond A10	0.50
Collected mgmt. costs in % of average fund capital	
Nordenfond A1	1.50
Nordenfond A10	0.50
Annual fees in %	
Nordenfond A1	1.50
Nordenfond A10	0.50
Transaction costs, tSEK	5,465
Transaction costs in % of turnover	0.02
Costs in SEK for a one-time subscription, 10 000 SEK	
Nordenfond A1	156.19
Nordenfond A10	-
Costs in SEK for monthly savings, 100 SEK	
Nordenfond A1	9.72
Nordenfond A10	-

Fund Facts - Other Key Figures

Turnover rate	0.5
Share of turnover conducted via closely-related securities companies in %	15.6

Risk and Return Measurements*

Total risk % - A1 SEK	10.9	Active return % - A10 SEK	-0.4
Total risk % - A1 EUR	9.5	Active return % - A10 EUR	-0.4
Total risk % - A1 NOK	9.9	Active return % - A10 NOK	-0.4
Total risk % - A10 SEK	10.9	Information ratio - A1 SEK	Negative
Total risk % - A10 EUR	9.5	Information ratio - A1 EUR	Negative
Total risk % - A10 NOK	9.9	Information ratio - A1 NOK	Negative
Total risk in index % - A1 SEK	10.9	Information ratio - A10 SEK	Negative
Total risk in index % - A1 EUR	9.5	Information ratio - A10 EUR	Negative
Total risk in index % - A1 NOK	10.1	Information ratio - A10 NOK	Negative
Total risk in index % - A10 SEK	10.9	Sharpe ratio - A1 SEK	0.4
Total risk in index % - A10 EUR	9.5	Sharpe ratio - A1 EUR	0.1
Total risk in index % - A10 NOK	10.1	Sharpe ratio - A1 NOK	0.4
Active Share % ¹⁾	40.2	Sharpe ratio - A10 SEK	0.5
Tracking error % - A1 SEK	1.5	Sharpe ratio - A10 EUR	0.2
Tracking error % - A1 EUR	1.5	Sharpe ratio - A10 NOK	0.5
Tracking error % - A1 NOK	1.5	Sharpe ratio in index - A1 SEK	0.5
Tracking error % - A10 SEK	1.4	Sharpe ratio in index - A1 EUR	0.2
Tracking error % - A10 EUR	1.4	Sharpe ratio in index - A1 NOK	0.6
Tracking error % - A10 NOK	1.4	Sharpe ratio in index - A10 SEK	0.5
Benchmark	VINX Benchmark Cap SEK_NI (VINXBCAPSEKNI)	Sharpe ratio in index - A10 EUR	0.2
Active return % - A1 SEK	-1.4	Sharpe ratio in index - A10 NOK	0.6
Active return % - A1 EUR	-1.4		
Active return % - A1 NOK	-1.4		

¹⁾ As of the balance sheet date.

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

Handelsbanken Nordenfond, cont.

Income Statement, tSEK

	2018	2017
INCOME AND CHANGES IN VALUE		
Changes in value for transferable securities*	-1,848,138	2,360,093
Interest income	-2,900	-861
Dividends	652,306	525,044
Currency exchange profits and losses, net	9,481	3,188
Other financial income	4,084	5,807
Other income	46	170
Total income and changes in value	-1,185,121	2,893,441
EXPENSES		
Management costs:		
- Remuneration to the Management Company	340,021	314,280
Interest expense	185	38
Other financial expenses	817	1,114
Other expenses	5,465	10,868
Total expenses	346,488	326,300
Net income	-1,531,609	2,567,141
* Details of changes in value		
Capital gains	2,138,022	1,528,855
Capital losses	-866,572	-244,081
Unrealised gains/losses	-3,119,588	1,075,319
Sum	-1,848,138	2,360,093

Balance Sheet, tSEK

	31 dec 2018	% of fund capital	31 dec 2017	% of fund capital
ASSETS				
Transferable securities	20,947,976	98.3	21,995,464	98.6
Total financial instruments with positive market value ^{Note 2)}	20,947,976	98.3	21,995,464	98.6
Bank assets and other liquid assets	350,908	1.7	331,751	1.5
Prepaid expenses and accrued income	932	0.0	132	0.0
Other assets	204,573	0.9	-	-
Total assets	21,504,389	100.9	22,327,347	100.1
LIABILITIES				
Accrued expenses and prepaid income	27,481	0.1	15,743	0.1
Other liabilities	159,526	0.8	-	-
Total liabilities	187,007	0.9	15,743	0.1
Fund capital ^{Note 1)}	21,317,382	100.0	22,311,604	100.0
Financial instruments lent	712,870	3.3	482,387	2.2
Collateral received for financial instruments lent	789,096	3.7	528,671	2.4

Note 1) for Balance Sheet

Changes in fund capital, tSEK

	2018	2017
Fund capital at beginning of year	22,311,604	18,405,102
Units issued	4,397,466	3,216,711
Units redeemed	-3,860,079	-1,877,350
Profit according to Income Statement	-1,531,609	2,567,141
Dividends to unit holders	-	-
Fund capital at the close of the period	21,317,382	22,311,604

Note 2) for Balance Sheet

Fund holdings in financial instruments

TRANSFERABLE SECURITIES*

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
LISTED EQUITIES			
DENMARK (DKK)			
Carlsberg (Beverages)	246,000	231,399	1.1
Coloplast B (Health Care Equipment and Supplies)	270,000	221,852	1.0
DFDS (Marine)	74,444	26,510	0.1
DSV (Road and Rail)	652,903	380,585	1.8
FLSmidth (Construction and Engineering)	230,000	91,556	0.4
Genmab (Biotechnology)	206,000	298,661	1.4
ISS (Commercial Services and Supplies)	410,000	101,372	0.5
Jyske Bank (Commercial Banks)	545,000	174,091	0.8
Nilfisk Holding Ord Shs (Machinery)	210,000	65,741	0.3
Novo Nordisk (Pharmaceuticals)	4,109,281	1,662,570	7.8
Rockwool International B (Building Products)	74,379	171,729	0.8
Sydbank (Commercial Banks)	209,000	44,025	0.2
Vestas Wind Systems (Electrical Equipment)	889,957	594,793	2.8
		4,064,883	19.1
FINLAND (EUR)			
Cargotec (Machinery)	120,000	32,497	0.2
Fortum (Electric Utilities)	970,000	187,771	0.9
Huhtamaki (Containers and Packaging)	599,268	164,412	0.8
Kesko B (Food and Staples Retailing)	450,000	214,811	1.0
Kone (Machinery)	290,022	122,395	0.6
Metso (Machinery)	400,000	92,837	0.4
Nokia (Communications Equipment)	16,908,360	861,972	4.0

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
Nokian Tyres (Auto Components)	600,000	163,092	0.8
Orion B (Health Care Equipment and Supplies)	570,000	174,926	0.8
Sampo A (Insurance)	1,543,782	600,972	2.8
Stora Enso R EUR (Paper and Forest Products)	1,800,000	183,981	0.9
Tieto EUR (IT Services)	780,000	186,407	0.9
UPM-Kymmene (Paper and Forest Products)	1,364,428	306,301	1.4
Valmet (Machinery)	705,000	128,256	0.6
Wärtsilä (Machinery)	2,150,000	302,775	1.4
		3,723,404	17.5
NORWAY (NOK)			
Aker (Energy Equipment and Services)	170,000	80,415	0.4
DNB (Commercial Banks)	3,300,243	466,812	2.2
Equinor ASA (Oil, Gas and Consumable Fuels)	1,050,000	197,543	0.9
Gjensidige Forsikring (Insurance)	1,050,000	145,349	0.7
Lerøy Seafood Group (Food Products)	2,720,000	183,638	0.9
Mowi ASA (Food Products)	2,145,000	401,246	1.9
Scatec Solar (IPP, ET)	1,257,143	94,992	0.4
Schibsted B (Media)	530,000	142,446	0.7
SpareBank 1 SR-Bank (Commercial Banks)	1,400,000	127,861	0.6
Storebrand (Insurance)	3,200,000	201,956	0.9
Telenor (Diversified Telecommunication Services)	2,767,516	474,624	2.2
Yara International (Chemicals)	940,000	320,973	1.5
		2,837,856	13.3

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
SWEDEN (SEK)			
ABB SDB (Electrical Equipment)	2,400,000	409,560	1.9
Alfa Laval (Machinery)	1,600,000	303,440	1.4
AstraZeneca SDB (Pharmaceuticals)	540,000	363,798	1.7
Atlas Copco B1 (Machinery)	732,096	141,529	0.7
Autooliv (Auto Components)	210,000	132,258	0.6
Balder B (Real Estate)	304,167	76,650	0.4
Boliden (Metals and Mining)	1,040,000	199,659	0.9
Dometic Group (Household Durables)	1,091,667	60,042	0.3
Electrolux B (Household Durables)	1,500,000	280,650	1.3
EPIROC B (Machinery)	3,532,096	278,612	1.3
Ericsson B (Communications Equipment)	9,900,000	771,408	3.6
Essity B (Household Products)	2,881,085	626,924	2.9
Fabege (Real Estate Management & Development)	930,000	109,889	0.5
Handelsbanken A (Commercial Banks)	5,500,042	540,654	2.5
Hexagon B (Machinery)	1,015,999	414,528	1.9
HiQ International (IT Services)	1,350,000	63,869	0.3
Holmen B1 (Paper and Forest Products)	280,000	48,983	0.2
Husqvarna B (Household Durables)	4,360,000	286,452	1.3
Intrum Justitia (Commercial Services and Supplies)	580,000	119,306	0.6
Investor B (Diversified Financial Services)	1,645,801	618,163	2.9
Kinnlevik B (Diversified Financial Services)	958,451	204,821	1.0
Kungsleden (Real Estate Management and Development)	1,500,000	94,350	0.4
Millicom (Wireless Telecommunication Services)	510,000	286,365	1.3
Modern Times Group B (Media)	450,000	131,850	0.6
Oriflame Holding (Personal Products)	568,357	112,592	0.5
Pandox B (Hotels, Restaurants and Leisure)	1,148,637	168,390	0.8
Sandvik (Machinery)	3,001,353	379,221	1.8
SCA B (Paper and Forest Products)	2,476,085	170,157	0.8
Scandic Hotels Group (Hotels, Restaurants and Leisure)	1,510,000	117,931	0.6
SEB A (Commercial Banks)	7,873,889	677,942	3.2
Securitas B (Commercial Services and Supplies)	1,600,000	227,600	1.1
Swedbank A (Commercial Banks)	3,318,323	656,198	3.1
Swedish Orphan Biovitrum (Health Care Providers and Services)	750,000	144,750	0.7
TeliaSonera (Diversified Telecommunication Services)	14,200,000	596,116	2.8
Trelleborg B (Machinery)	960,000	133,776	0.6
Volvo A (Machinery)	2,300,572	267,326	1.3
Wihlborgs (Real Estate Management & Development)	572,409	58,615	0.3
		10,274,372	48.2
UNITED KINGDOM (GBP)			
Subsea 7 (Other)	550,000	47,461	0.2
		47,461	0.2
Total listed equities		20,947,976	98.3
Total transferable securities		20,947,976	98.3
Total holdings in financial instruments		20,947,976	98.3
Net, other assets and liabilities		369,406	1.7
Total fund capital		21,317,382	100.0

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

* Refers to transferable securities admitted to trading on a regulated market or equivalent market outside EEA, or are the subject of regular trading in other markets that are regulated and open to the general public. 98.3

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

*** Refers to other financial instruments.

Handelsbanken Nordenfond, cont.

Volume of lent securities as a % of total lendable assets

Volume of lent securities as a % of total lendable assets	3,38
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The ten largest issuers of collateral for securities lending per issuer, SEK thousand:

The French Government	131 197
U.S.A.	107 194
The German Government	88 352
The Dutch Government	75 339
The Swedish Government	49 099
The British Government	24 710
The Finnish Government	17 208
The Austrian Government	16 556
Rolls-Royce Holdings Plc	6 971
Bhp Group Plc	6 840

The largest counterparties for securities lending, SEK thousand:

Citigroup Global Markets Ltd, Great Britain	268 099
Morgan Stanley & Co International Plc, Great Britain	213 607
J.P. Morgan Securities Plc, Great Britain	125 771
Svenska Handelsbanken AB (publ), Sweden	47 795
Merrill Lynch Intl, Great Britain	32 480
UBS AG, London Branch, Great Britain	25 117
	712 870

Type and quality of collateral, SEK thousand:

Equities	275 305
Bonds and other interest-bearing instruments	513 791
	789 096

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	1 890
One week to one month	143
One to three months	890
Three months to one year	60 786
Greater than one year	450 082
Indeterminate duration	275 305
	789 096

Currency of the collateral, SEK thousand:

AUD	41 694
CAD	44
CHF	2 642
DKK	386
EUR	388 989
GBP	95 869
HKD	1 504
JPY	68 979
SEK	52 297
SGD	846
USD	135 846
	789 096

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

Settlement and clearing for securities lending is conducted through a third party. The collateral received is held by J.P. Morgan Bank Luxembourg S.A. or another group company within the J.P. Morgan Group and is not reused.

Information about returns and expenses:

Securities lending for the full year generated a total revenue of 4 084 tSEK thousand, of which 80% was passed on to the fund and 20% to J.P. Morgan Bank Luxembourg S.A. in its role as the intermediary of securities lending.

Counterparties for securities lending during the year:

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

Handelsbanken Nordenfond

Sustainability dimensions that are taken into consideration in the management of the fund

The fund manager integrates environmental, social and corporate governance criteria (ESG) into the investment process, together with financial criteria, to obtain a more complete basis for decision-making. As a result, the fund manager takes into consideration both risks and opportunities related to various ESG aspects.

Methods used in sustainability efforts

Inclusion

An in-depth analysis is conducted in preparation for each investment decision in which sustainability dimensions as well as economic aspects are factored into the analysis. We believe sustainability issues are particularly important for making sound investment decisions to generate good, long-term returns. We have access to external ESG analyses as a complement to our own analyses and knowledge of the companies. Fund managers analyse sustainability through the company's sustainability performance (HOW they conduct their business operations), as well as through WHAT the company offers for products and services. The sustainability analysis is documented as an integral component of the investment documentation and consists of both sustainability risks and opportunities.

The fund has shares in Scatec Solar and Vestas Wind. Scatec Solar builds and operates solar parks. Vestas is one of the world's key players in wind power. Investments have been made to be and take advantage of the strong growth that these industries are expected to have as the global demand increases for fossil-free energy.

Exclusion

In accordance with the Management Company's overall policy for responsible investment, all of the Management Company's funds exclude:

- companies involved in the production or distribution of banned weapons, such as cluster bombs, anti-personnel mines, biological and chemical weapons, in accordance with international legislation. Companies involved in the production or distribution of nuclear weapons are also excluded.
- companies with substantial business operations within coal mining or in power companies that have coal as a major source of energy.

Provided that the fund observes a willingness to change and it is deemed that the company will address the problems within an acceptable amount of time, the fund may invest in companies involved in violations of international norms and conventions. The fund did not utilise this option during the year. Thus, the fund has not owned any of the companies involved in violations of international norms and conventions during the year.

Management Company's engagement activities

A critical component in taking responsibility as an investor is to influence the companies in which we invest. Our engagement activities are founded on the value base of Handelsbanken and the Management Company, our commitments, as well as the international norms and conventions we safeguard. We conduct dialogues to encourage companies to improve their sustainability efforts, as well as with companies we deem do not fulfil the international norms and conventions we safeguard. We conduct the engagement activities primarily through:

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

A. The fund manager meets or has contact with companies on a regular basis, which provides a good opportunity to influence companies within sustainability. We hold dialogues with clear targets for change, but also dialogues that focus on an overall improvement to the company's sustainability efforts. Targets are identified for the direct dialogues and results are followed up regularly during the period of the dialogue. The targeted company dialogues are carried out by the fund manager directly with the company. The fund had 5 dialogues during the year.

A dialogue was held with Danske Bank regarding accusations about money laundering in its operations in Estonia from 2007 to 2016. Danish authorities, as well as the US Department of Justice are investigating the matter. The objective has been to ensure that the company is doing everything possible to be transparent and clear about the financial risks present, as well as that the bank's management can demonstrate how similar risks will be minimized going forward.

B. The Management Company participates in dialogues with companies together with other investors through an external party (ISS ESG) in a so-called pooled engagement. The basis for these dialogues is a norm-based analysis that focuses primarily on companies with suspected or confirmed violations with regard to international norms and conventions within the environment, human rights, labour rights, and anti-corruption. The dialogue process consists of contact between ISS ESG and the company concerned, and in certain cases also includes meetings or telephone conferences in which we as an investor may participate. During 2018 the Management Company participated in 143 company dialogues, of which the fund invested in 4 of these companies.

One of the companies is the telephone company LM Ericsson, where a dialogue was held due to alleged deficiencies in the anti-corruption efforts in China and South Africa.

C. During 2018 the Management Company participated in several international initiatives and collaborations with focus on specific sustainability matters. These initiatives are often thematic or focus on sustainability issues within a certain sector. Examples of initiatives we have participated in during the year include: Climate Action 100+, PRI Methane Engagement, PRI Sustainable Palm Oil, PRI Sustainable Soy, PRI Cyber Security and FAIRR Antibiotics Engagement. These initiatives include 336 companies in total.

General meetings and nomination committees

Normally, Handelsbanken Fonder votes at general meetings in those companies in which ownership exceeds 0.5% or if there are specific matters of concern. The Management Company has voted at 64 general meetings on behalf of the fund.

Handelsbanken Fonder participates in all of the nomination committees where we have a sufficiently large ownership to be offered a position. However, nomination committees are not common outside of the Nordics and the board composition can only be impacted by voting at the general meetings.

The Management Company participated in 4 nomination committees on behalf of the fund: Dometic Group AB, Intrum AB, Modern Times Group MTG AB and Scandic Hotels Group AB.



Handelsbanken Norden 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 benchmark index. The fund invests in 16 - 25 equities over the long term issued by companies in Denmark, Finland, Norway and Sweden. As a result, the fund has a currency exposure to these markets. Our focus is to construct a portfolio of high-quality companies with a variety of drivers and strong outlooks at a reasonable valuation. Within the context of the fund's investment focus, international norms 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

The fund fell 0.9% in SEK during the full year 2018*, which was stronger than the underlying market. SimCorp, Amer Sports and Rockwool were the strongest contributors to fund returns. The software company SimCorp continues to deliver the growth strategy they have followed since we made our first investment in the equity 8 years ago and has been a key contributor over a long period in the fund. Amer Sports was subject to a bid and therefore we sold the equity at year-end, and had good returns during the 5 years we held the equity. We have owned Rockwool since the summer of 2018, and to date the company has delivered on its growth strategy, which resulted in strong returns. The manufacturing companies ABB, Atlas Copco and Autoliv were the largest negative contributors. All of these equities fell, primarily due to increased concerns for cyclical weakness in the companies' end markets. We took new positions in Coloplast, Husqvarna and Hexagon, as well as in Epiroc and Veoneer through the spin-off from the existing holdings in Atlas Copco and Autoliv. Coloplast is a medtech company with market-leading positions within intimate and chronic segments such as ostomy and incontinence care. We believe Husqvarna has strong growth potential within robot mowers and watering products at a reasonable valuation. We believe that Hexagon has a strong product platform for further growth and that the market for these types of services will continue to grow strongly. We chose to increase in Epiroc after the spin-off from Atlas Copco as the company has strong financial and operational performance and we believe that the company is well-positioned for the growing needs in underground mines, where the company is world-leading. We sold the entire holdings in Amer Sports, Pandora, Veoneer and Kindred during the year. We sold Pandora during the summer when performance in the company did not deliver according to our expectations for some time and we did not see a fundamental turnaround. The shares in Veoneer, which we received through the

spin-off from Autoliv, were gradually sold since the company's financial performance not fulfil our investment criteria. The fund took the decision to generally exclude gaming companies and thereby sold the holdings in Kindred. Other portfolio adjustments included the decrease in holdings during the summer in SimCorp and Rockwool, as valuations became too high. This was a positive decision, as the equities fell towards the end of the autumn, in line with the decline of many other growth equities. However, we reinvested in both of these equities at year-end since the valuations returned to normal 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.

Significant risks

As of the balance sheet date or any other time during the year, fund holdings did not have exposure to any other significant risks 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 during 2018. The fund has the option of lending securities. The fund used this option rather extensively during 2018. The fund may use other techniques and instruments. The fund did not use this option during 2018.

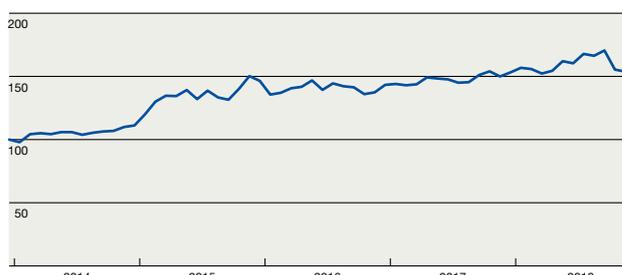
Information

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

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

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

Fund Performance*



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

Fund Facts - History

	2018	2017	2016	2015	10/10-31/12 2014	2013	2012	2011	2010	2009
Net asset value										
Norden Selektiv A1 - SEK	335.61	338.78	308.90	301.72	236.95	-	-	-	-	-
Norden Selektiv A1 - EUR	33.11	34.46	32.24	32.95	25.01	-	-	-	-	-
Norden Selektiv A1 - NOK	327.79	338.44	292.68	316.78	226.94	-	-	-	-	-
Norden Selektiv A9 - SEK	-	-	329.58	-	-	-	-	-	-	-
Norden Selektiv A9 - EUR	35.95	37.08	34.40	34.85	26.24	-	-	-	-	-
Norden Selektiv A9 - NOK	-	364.19	312.28	335.13	238.05	-	-	-	-	-
Norden Selektiv A10 - SEK	339.22	-	-	-	-	-	-	-	-	-
Norden Selektiv A10 - EUR	33.47	-	-	-	-	-	-	-	-	-
Norden Selektiv A10 - NOK	331.31	-	-	-	-	-	-	-	-	-
Norden Selektiv B1 - SEK	209.87	220.82	209.81	213.88	174.09	-	-	-	-	-
Norden Selektiv B1 - EUR	20.71	22.46	21.90	23.35	18.38	-	-	-	-	-
Norden Selektiv B10 - SEK	212.13	-	-	-	-	-	-	-	-	-
Norden Selektiv B10 - EUR	20.93	-	-	-	-	-	-	-	-	-
The fund's total net flow, mEUR	148	-163	44	240	-18	-	-	-	-	-

Handelsbanken Norden Selektiv, cont.

Fund Facts - History cont.

	2018	2017	2016	2015	10/10-31/12 2014	2013	2012	2011	2010	2009
Norden Selektiv B1 - SEK	+13.6	+7.9	-	-	-	-	-	-	-	-
Norden Selektiv B1 - EUR	+14.5	+7.5	-	-	-	-	-	-	-	-
Norden Selektiv B10 - SEK	+15.0	-	-	-	-	-	-	-	-	-
Norden Selektiv B10 - EUR	+15.9	-	-	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+12.2	+6.3	+6.1	+7.4	-	-	-	-	-	-
EUR	+13.1	+5.9	+5.5	+7.7	-	-	-	-	-	-
NOK	+13.3	+8.2	-	-	-	-	-	-	-	-
Dividends per unit, SEK										
Norden Selektiv B1 - SEK	9.13	8.39	8.67	6.85	-	-	-	-	-	-
Norden Selektiv B1 - EUR	0.90	0.88	0.93	0.74	-	-	-	-	-	-
Norden Selektiv B10 - SEK	9.13	-	-	-	-	-	-	-	-	-
Norden Selektiv B10 - EUR	0.90	-	-	-	-	-	-	-	-	-
Exchange rate EUR/SEK	10.13	9.83	9.58	9.16	9.47	-	-	-	-	-
Exchange rate EUR/NOK	9.90	9.82	9.08	9.62	9.07	-	-	-	-	-

Benchmark: VINX Benchmark Cap SEK_NI (VINXBCAPSEKNI)

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

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

Refer to the last page for definitions.

Fund Facts - Costs

Max. allowed mgmt. costs in % according to fund rules	
Norden Selektiv A1	1.85
Norden Selektiv A9	0.95
Norden Selektiv A10	0.60
Norden Selektiv B1	1.85
Norden Selektiv B10	0.60
Collected mgmt. costs in % of average fund capital	
Norden Selektiv A1	1.85
Norden Selektiv A9	0.97
Norden Selektiv A10	0.60
Norden Selektiv B1	1.85
Norden Selektiv B10	0.60
Annual fees in %	
Norden Selektiv A1	1.85
Norden Selektiv A9	0.98
Norden Selektiv A10	0.60
Norden Selektiv B1	1.85
Norden Selektiv B10	0.60
Transaction costs, tEUR	177
Transaction costs in % of turnover	
	0.02
Costs in EUR for a one-time subscription, 1 000 EUR	
Norden Selektiv A1	19.13
Norden Selektiv A9	9.94
Norden Selektiv A10	-
Norden Selektiv B1	19.13
Norden Selektiv B10	-
Costs in EUR for monthly savings, 10 EUR	
Norden Selektiv A1	1.21
Norden Selektiv A9	0.63
Norden Selektiv A10	-
Norden Selektiv B1	1.21
Norden Selektiv B10	-

Fund Facts - Other Key Figures

Turnover rate	0.4
Share of turnover conducted via closely-related securities companies in %	17.4

Risk and Return Measurements*

Total risk % - A1 SEK	11.3	Active return % - A10 EUR	1.0
Total risk % - A1 EUR	10.7	Active return % - A10 NOK	1.0
Total risk % - A1 NOK	11.0	Active return % - B1 SEK	-0.3
Total risk % - A9 EUR	10.7	Active return % - B1 EUR	-0.3
Total risk % - A10 SEK	11.3	Active return % - B10 SEK	1.0
Total risk % - A10 EUR	10.7	Active return % - B10 EUR	1.0
Total risk % - A10 NOK	11.0	Information ratio - A1 SEK	Negative
Total risk % - B1 SEK	11.3	Information ratio - A1 EUR	Negative
Total risk % - B1 EUR	10.7	Information ratio - A1 NOK	Negative
Total risk % - B10 SEK	11.3	Information ratio - A9 EUR	0.1
Total risk % - B10 EUR	10.7	Information ratio - A10 SEK	0.2
Total risk in index % - A1 SEK	10.9	Information ratio - A10 EUR	0.2
Total risk in index % - A1 EUR	9.5	Information ratio - A10 NOK	0.2
Total risk in index % - A1 NOK	10.1	Information ratio - B1 SEK	Negative
Total risk in index % - A9 EUR	9.5	Information ratio - B1 EUR	Negative
Total risk in index % - A10 SEK	10.9	Information ratio - B10 SEK	0.2
Total risk in index % - A10 EUR	9.5	Information ratio - B10 EUR	0.2
Total risk in index % - A10 NOK	10.1	Sharpe ratio - A1 SEK	0.4
Total risk in index % - B1 SEK	10.9	Sharpe ratio - A1 EUR	0.2
Total risk in index % - B1 EUR	9.5	Sharpe ratio - A1 NOK	0.5
Total risk in index % - B10 SEK	10.9	Sharpe ratio - A9 EUR	0.3
Total risk in index % - B10 EUR	9.5	Sharpe ratio - A10 SEK	0.6
Active Share % ¹⁾	77.2	Sharpe ratio - A10 EUR	0.3
Tracking error % - A1 SEK	4.7	Sharpe ratio - A10 NOK	0.6
Tracking error % - A1 EUR	4.7	Sharpe ratio - B1 SEK	0.4
Tracking error % - A1 NOK	4.7	Sharpe ratio - B1 EUR	0.2
Tracking error % - A9 EUR	4.7	Sharpe ratio - B10 SEK	0.6
Tracking error % - A10 SEK	4.7	Sharpe ratio - B10 EUR	0.3
Tracking error % - A10 EUR	4.7	Sharpe ratio in index - A1 SEK	0.5
Tracking error % - A10 NOK	4.7	Sharpe ratio in index - A1 EUR	0.2
Tracking error % - B1 SEK	4.7	Sharpe ratio in index - A1 NOK	0.6
Tracking error % - B1 EUR	4.7	Sharpe ratio in index - A9 EUR	0.2
Tracking error % - B10 SEK	4.7	Sharpe ratio in index - A10 SEK	0.5
Tracking error % - B10 EUR	4.7	Sharpe ratio in index - A10 EUR	0.2
Benchmark	VINX Benchmark Cap SEK_NI (VINXBCAPSEKNI)	Sharpe ratio in index - A10 NOK	0.6
Active return % - A1 SEK	-0.3	Sharpe ratio in index - B1 SEK	0.5
Active return % - A1 EUR	-0.3	Sharpe ratio in index - B1 EUR	0.2
Active return % - A1 NOK	-0.3	Sharpe ratio in index - B10 SEK	0.5
Active return % - A9 EUR	0.6	Sharpe ratio in index - B10 EUR	0.2
Active return % - A10 SEK	1.0		

¹⁾ As of the balance sheet date.

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

Handelsbanken Norden Selektiv, cont.

Income Statement, tEUR

	2018	2017
INCOME AND CHANGES IN VALUE		
Changes in value for transferable securities*	-46,309	48,546
Interest income	-51	-54
Dividends	20,022	22,435
Currency exchange profits and losses, net	-155	-650
Other financial income	89	113
Other income	128	0
Total income and changes in value	-26,276	70,390
EXPENSES		
Management costs:		
- Remuneration to the Management Company	15,121	13,691
Interest expense	1	3
Other financial expenses	18	23
Other expenses	177	495
Total expenses	15,317	14,212
Net income	-41,593	56,178
* Details of changes in value		
Capital gains	89,454	88,867
Capital losses	-25,371	-36,304
Unrealised gains/losses	-110,392	-4,017
Sum	-46,309	48,546

Balance Sheet, tEUR

	31 dec 2018	% of fund capital	31 dec 2017	% of fund capital
ASSETS				
Transferable securities	887,042	97.4	786,402	97.8
Total financial instruments with positive market value ^{Note 2)}	887,042	97.4	786,402	97.8
Bank assets and other liquid assets	24,800	2.7	21,826	2.7
Prepaid expenses and accrued income	19	0.0	0	0.0
Other assets	0	0.0	0	0.0
Total assets	911,861	100.1	808,228	100.5
LIABILITIES				
Accrued expenses and prepaid income	1,354	0.1	610	0.1
Other liabilities	0	0.0	3,568	0.4
Total liabilities	1,354	0.1	4,178	0.5
Fund capital ^{Note 1)}	910,507	100.0	804,050	100.0
Financial instruments lent	42,456	4.7	13,433	1.7
Collateral received for financial instruments lent	46,292	5.1	14,350	1.8

Note 1) for Balance Sheet

Changes in fund capital, tEUR

	2018	2017
Fund capital at beginning of year	804,050	907,916
Units issued	284,913	202,455
Units redeemed	-136,600	-361,908
Profit according to Income Statement	-41,593	56,178
Dividends to unit holders	-263	-591
Fund capital at the close of the period	910,507	804,050

Note 2) for Balance Sheet

Fund holdings in financial instruments

TRANSFERABLE SECURITIES*

	Number/Nominal amount in 1000's	Market value tEUR	% of fund capital
LISTED EQUITIES			
DENMARK (DKK)			
Coloplast B (Health Care Equipment and Supplies)	265,000	21,484	2.4
Novo Nordisk (Pharmaceuticals)	2,190,000	87,425	9.6
Rockwool International B (Building Products)	145,000	33,032	3.6
SimCorp (Software)	645,000	38,515	4.2
		180,456	19.8
FAROE ISLANDS (DKK)			
Bakkafrost (Household Durables)	790,000	33,775	3.7
		33,775	3.7
FINLAND (EUR)			
Huhtamaki (Containers and Packaging)	1,550,000	41,959	4.6
Kone (Machinery)	770,000	32,063	3.5
		74,021	8.1
NORWAY (NOK)			
Atea (IT Services)	3,200,000	35,883	3.9
DNB (Commercial Banks)	2,750,000	38,380	4.2
Veidekke (Construction and Engineering)	3,950,000	38,667	4.2
		112,931	12.4

	Number/Nominal amount in 1000's	Market value tEUR	% of fund capital
SWEDEN (SEK)			
AarhusKarlskrona (Food Products)	2,760,000	33,414	3.7
ABB SDB (Electrical Equipment)	2,200,000	37,043	4.1
ÅF B (Professional Services)	2,100,000	33,235	3.7
Assa Abloy B (Building Products)	1,400,000	21,846	2.4
Atlas Copco B1 (Machinery)	1,860,000	35,479	3.9
Autoliv (Auto Components)	600,000	37,285	4.1
EPIROC B (Machinery)	5,000,000	38,915	4.3
Handelsbanken A (Commercial Banks)	4,510,000	43,743	4.8
Hexagon B (Machinery)	960,000	38,646	4.2
Hexpol B (Chemicals)	3,000,000	20,735	2.3
Husqvarna B (Household Durables)	6,820,000	44,211	4.9
Indutrade (Trading Companies and Distributors)	1,900,000	38,544	4.2
Lifco B (Health Care Providers and Services)	945,000	30,537	3.4
Thule Group (Leisure Equipment and Products)	2,015,000	32,228	3.5
		485,859	53.4
Total listed equities		887,042	97.4
Total transferable securities		887,042	97.4
Total holdings in financial instruments		887,042	97.4
Net, other assets and liabilities		23,465	2.6
Total fund capital		910,507	100.0

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

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

97.4

** 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.

Volume of lent securities as a % of total lendable assets

Volume of lent securities as a % of total lendable assets 4.83

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

The British Government	7 431
U.S.A.	3 374
The French Government	2 763
The German Government	2 009
Mitsubishi Uj Financial Group Inc	1 347
Nippon Telegraph & Telephone Corp	1 320
Toyota Motor Corp	1 318
Softbank Group Corp	1 315
Fujitsu Ltd	1 310
The Dutch Government	1 244

The largest counterparties for securities lending, EUR thousand:

J.P. Morgan Securities Plc, Great Britain	31 048
Citigroup Global Markets Ltd, Great Britain	6 816
UBS AG, London Branch, Great Britain	4 592
	42 456

Type and quality of collateral, EUR thousand:

Equities	28 749
Bonds and other interest-bearing instruments	17 543
	46 292

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

Profile of the collateral's duration, EUR thousand:

Less than one day	0
One day to one week	210
One week to one month	46
One to three months	177
Three months to one year	1 536
Greater than one year	15 574
Indeterminate duration	28 749
	46 292

Currency of the collateral, EUR thousand:

AUD	302
CAD	10
CHF	604
DKK	87
EUR	9 267
GBP	9 594
HKD	342
JPY	15 736
SEK	585
SGD	191
USD	9 574
	46 292

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

Settlement and clearing for securities lending is conducted through a third party. The collateral received is held by J.P. Morgan Bank Luxembourg S.A. or another group company within the J.P. Morgan Group and is not reused.

Handelsbanken Norden Selektiv, cont.

Information about returns and expenses:

Securities lending for the full year generated a total revenue of 89 tEUR thousand, of which 80% was passed on to the fund and 20% to J.P. Morgan Bank Luxembourg S.A. in its role as the intermediary of securities lending.

Counterparties for securities lending during the year:

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

Handelsbanken Norden Selektiv

Sustainability dimensions that are taken into consideration in the management of the fund

The fund manager integrates environmental, social and corporate governance criteria (ESG) into the investment process, together with financial criteria, to obtain a more complete basis for decision-making. As a result, the fund manager takes into consideration both risks and opportunities related to various ESG aspects.

Methods used in sustainability efforts

Inclusion

An in-depth analysis is conducted in preparation for each investment decision in which sustainability dimensions as well as economic aspects are factored into the analysis. We believe sustainability issues are particularly important for making sound investment decisions to generate good, long-term returns. We have access to external ESG analyses as a complement to our own analyses and knowledge of the companies. Fund managers analyse sustainability through the company's sustainability performance (HOW they conduct their business operations), as well as through WHAT the company offers for products and services. The sustainability analysis is documented as an integral component of the investment documentation and consists of both sustainability risks and opportunities.

Through the spin-off from Atlas Copco, the fund received and held Epiroc, given that they are at the forefront for sustainability within mining machinery. During the year Epiroc launched its second-generation battery-driven machines that will result in several benefits for mining customers worldwide, e.g., improved health and safety, lower emissions and reduced maintenance costs.

Exclusion

In accordance with the Management Company's overall policy for responsible investment, all of the Management Company's funds exclude:

- companies involved in the production or distribution of banned weapons, such as cluster bombs, anti-personnel mines, biological and chemical weapons, in accordance with international legislation. Companies involved in the production or distribution of nuclear weapons are also excluded.
- companies with substantial business operations within coal mining or in power companies that have coal as a major source of energy.

The fund is managed based upon the Criteria exclusion strategy, which means an exclusion of companies/issuers in which the principle business operations are within controversial sectors such as alcohol, tobacco, commercial gaming, war materials, pornography, fossil fuels. The fund also excludes companies/issuers that are deemed to be violating international norms and conventions. This is followed-up by the Management Company's independent risk control function on a daily basis.

During the year we had broad engagement dialogues with the gaming companies owned by the Management Company. During the spring, the fund made the decision to exclude gaming companies and thereby sold the remaining holdings in Kindred. However, after concluding our dialogue with Kindred, we believe that the company is one of the more responsible players of the increasing number of private operators in the sector.

Management Company's engagement activities

A critical component in taking responsibility as an investor is to influence the companies in which we invest. Our engagement activities are founded on the value base of Handelsbanken and the Management Company, our commitments, as well as the international norms and conventions we safeguard. We conduct dialogues to encourage companies to improve their sustainability efforts, as well as with companies we deem do not fulfil the international norms and conventions we safeguard. We conduct the engagement activities primarily through:

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

A. The fund manager meets or has contact with companies on a regular basis, which provides a good opportunity to influence companies within sustainability. We hold dialogues with clear targets for change, but also dialogues that focus on an overall improvement to the company's sustainability efforts. Targets are identified for the direct dialogues and results are followed up regularly during the period of the dialogue. The targeted company dialogues are carried out by the fund manager directly with the company. The fund held 3 dialogues during the year.

During the year we specifically analysed and had a dialogue with Huhtamaki. The focus of the dialogue has been "sourcing" of raw materials and innovation, as well as goals and reporting related to sustainability. At this point, we have concluded that the company is one of the few global suppliers able to offer global customers innovative, sustainable packaging solutions with responsible purchasing, which is expected to be even more important going forward. We chose to increase our holdings in Huhtamaki during the latter part of the year and continue to follow the company's developments within sustainability.

B. The Management Company participates in dialogues with companies together with other investors through an external party (ISS ESG) in a so-called pooled engagement. The basis for these dialogues is a norm-based analysis that focuses primarily on companies with suspected or confirmed violations with regard to international norms and conventions within the environment, human rights, labour rights, and anti-corruption. The dialogue process consists of contact between ISS ESG and the company concerned, and in certain cases also includes meetings or telephone conferences in which we as an investor may participate. During 2018 the Management Company participated in 143 company dialogues. The fund did not have any investments in these companies.

C. During 2018 the Management Company participated in several international initiatives and collaborations with focus on specific sustainability matters. These initiatives are often thematic or focus on sustainability issues within a certain sector. Examples of initiatives we have participated in during the year include: Climate Action 100+, PRI Methane Engagement, PRI Sustainable Palm Oil, PRI Sustainable Soy, PRI Cyber Security and FAIRR Antibiotics Engagement. These initiatives include 336 companies in total.

General meetings and nomination committees

Normally, Handelsbanken Fonder votes at general meetings in those companies in which ownership exceeds 0.5% or if there are specific matters of concern. The Management Company has voted at 20 general meetings on behalf of the fund.

Handelsbanken Fonder participates in all of the nomination committees where we have a sufficiently large ownership to be offered a position. However, nomination committees are not common outside of the Nordics and the board composition can only be impacted by voting at the general meetings.

The Management Company participated in 5 nomination committees on behalf of the fund: AAK AB, ÅF AB, Hexpol AB, Indutrade AB and Thule Group AB.

Handelsbanken Nordiska Småbolagsfond, cont.

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Total returns in %, SEK										
Nordiska Småbolagsfond A1 - SEK	-0.4	+12.0	+20.1	+23.3	+16.8	+36.7	+16.6	-23.2	+19.8	+75.4
Nordiska Småbolagsfond A1 - EUR	-3.4	+9.2	+14.8	+27.6	-	-	-	-	-	-
Nordiska Småbolagsfond A1 - NOK	-2.6	+18.1	+8.4	+35.2	-	-	-	-	-	-
Nordiska Småbolagsfond A10 - SEK	+0.6	-	-	-	-	-	-	-	-	-
Nordiska Småbolagsfond A10 - EUR	-2.4	-	-	-	-	-	-	-	-	-
Nordiska Småbolagsfond A10 - NOK	-1.7	-	-	-	-	-	-	-	-	-
Nordiska Småbolagsfond B1 - SEK	-0.4	+12.0	+20.1	+23.3	+16.8	+36.7	+5.3	-	-	-
Nordiska Småbolagsfond B10 - SEK	+0.6	-	-	-	-	-	-	-	-	-
Index including dividends in %, SEK										
Nordiska Småbolagsfond A1 - SEK	-0.2	+11.8	+17.7	+21.7	+17.1	+35.5	+17.3	-21.6	+18.7	+66.9
Nordiska Småbolagsfond A1 - EUR	-2.4	+9.0	+12.5	+25.9	-	-	-	-	-	-
Nordiska Småbolagsfond A1 - NOK	-1.6	+17.9	+6.3	+33.4	-	-	-	-	-	-
Nordiska Småbolagsfond A10 - SEK	-0.2	-	-	-	-	-	-	-	-	-
Nordiska Småbolagsfond A10 - EUR	-2.4	-	-	-	-	-	-	-	-	-
Nordiska Småbolagsfond A10 - NOK	-1.6	-	-	-	-	-	-	-	-	-
Nordiska Småbolagsfond B1 - SEK	-0.2	+11.8	+17.7	+21.7	+17.1	+35.5	+4.4	-	-	-
Nordiska Småbolagsfond B10 - SEK	-0.2	-	-	-	-	-	-	-	-	-
Average yearly return, 2 yrs. %										
Nordiska Småbolagsfond A1 - SEK	+5.6	+16.0	+21.7	+20.0	+26.3	+26.3	-5.4	-4.1	+45.0	-5.0
Nordiska Småbolagsfond A1 - EUR	+2.7	+12.0	+21.0	+18.0	-	-	-	-	-	-
Nordiska Småbolagsfond A1 - NOK	+7.3	+13.2	+21.1	+26.5	-	-	-	-	-	-
Nordiska Småbolagsfond A10 - SEK	+6.7	-	-	-	-	-	-	-	-	-
Nordiska Småbolagsfond A10 - EUR	+3.7	-	-	-	-	-	-	-	-	-
Nordiska Småbolagsfond A10 - NOK	+8.3	-	-	-	-	-	-	-	-	-
Nordiska Småbolagsfond B1 - SEK	+5.6	+16.0	+21.7	+20.0	+26.3	-	-	-	-	-
Nordiska Småbolagsfond B10 - SEK	+6.7	-	-	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+5.6	+14.8	+19.7	+19.4	+25.9	+26.0	-4.1	-3.6	+40.7	-7.2
EUR	+3.2	+10.8	+19.0	+17.3	-	-	-	-	-	-
NOK	+7.7	+11.9	+19.1	+25.9	-	-	-	-	-	-
Average yearly return, 5 yrs. %										
Nordiska Småbolagsfond A1 - SEK	+14.1	+21.5	+22.5	+12.0	+11.4	+20.8	-0.7	-3.8	+8.0	+14.7
Nordiska Småbolagsfond A1 - EUR	+11.0	+18.2	+20.7	+11.7	-	-	-	-	-	-
Nordiska Småbolagsfond A1 - NOK	+14.8	+25.3	+24.6	+16.4	-	-	-	-	-	-
Nordiska Småbolagsfond A10 - SEK	+15.2	-	-	-	-	-	-	-	-	-
Nordiska Småbolagsfond A10 - EUR	+12.1	-	-	-	-	-	-	-	-	-
Nordiska Småbolagsfond A10 - NOK	+16.0	-	-	-	-	-	-	-	-	-
Nordiska Småbolagsfond B1 - SEK	+14.1	+21.5	-	-	-	-	-	-	-	-
Nordiska Småbolagsfond B10 - SEK	+15.2	-	-	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+13.4	+20.5	+21.7	+12.1	+11.6	+19.8	-1.2	-4.8	+6.2	+12.4
EUR	+10.5	+17.3	+19.9	+11.8	-	-	-	-	-	-
NOK	+14.3	+24.3	+23.7	+16.6	-	-	-	-	-	-
Average yearly return, 10 yrs. %										
Nordiska Småbolagsfond A1 - SEK	+17.4	+9.9	+8.6	+10.0	+13.0	+13.9	+14.2	+8.8	+9.5	+8.0
Nordiska Småbolagsfond A1 - EUR	+18.3	+9.4	+7.9	+10.2	-	-	-	-	-	-
Nordiska Småbolagsfond A1 - NOK	+18.5	+11.8	+9.0	+12.3	-	-	-	-	-	-
Nordiska Småbolagsfond A10 - SEK	+18.5	-	-	-	-	-	-	-	-	-
Nordiska Småbolagsfond A10 - EUR	+19.5	-	-	-	-	-	-	-	-	-
Nordiska Småbolagsfond A10 - NOK	+19.7	-	-	-	-	-	-	-	-	-
Nordiska Småbolagsfond B10 - SEK	+18.5	-	-	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+16.5	+9.1	+7.6	+9.1	+12.0	+13.3	+13.7	+9.3	+10.7	+8.6
EUR	+17.6	+8.7	+7.0	+9.4	-	-	-	-	-	-
NOK	+17.8	+11.0	+8.1	+11.5	-	-	-	-	-	-
Dividends per unit, SEK										
Nordiska Småbolagsfond A1 - SEK	-	-	-	-	-	-	9.45	5.39	2.53	19.50
Nordiska Småbolagsfond B1 - SEK	32.14	29.84	25.92	21.80	19.40	12.83	0.00	-	-	-
Nordiska Småbolagsfond B10 - SEK	32.14	-	-	-	-	-	-	-	-	-
Exchange rate EUR/SEK										
	10.13	9.83	9.58	9.16	-	-	-	-	-	-
Exchange rate NOK/SEK										
	1.02	1.00	1.06	0.95	-	-	-	-	-	-

Benchmark: 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 A10	0.60
Nordiska Småbolagsfond B1	1.60
Nordiska Småbolagsfond B10	0.60
Collected mgmt. costs in % of average fund capital	
Nordiska Småbolagsfond A1	1.60
Nordiska Småbolagsfond A10	0.60
Nordiska Småbolagsfond B1	1.60
Nordiska Småbolagsfond B10	0.60
Annual fees in %	
Nordiska Småbolagsfond A1	1.62
Nordiska Småbolagsfond A10	0.62
Nordiska Småbolagsfond B1	1.62
Nordiska Småbolagsfond B10	0.62
Transaction costs, tSEK	
	6,200
Transaction costs in % of turnover	
	0.03
Costs in SEK for a one-time subscription, 10 000 SEK	
Nordiska Småbolagsfond A1	176.22
Nordiska Småbolagsfond A10	-
Nordiska Småbolagsfond B1	176.22
Nordiska Småbolagsfond B10	-
Costs in SEK for monthly savings, 100 SEK	
Nordiska Småbolagsfond A1	10.77
Nordiska Småbolagsfond A10	-
Nordiska Småbolagsfond B1	10.77
Nordiska Småbolagsfond B10	-

Fund Facts - Other Key Figures

Turnover rate	0.5
Share of turnover conducted via closely-related securities companies in %	21.8

Handelsbanken Nordiska Småbolagsfond, cont.

Risk and Return Measurements*

Total risk % - A1 SEK	12.1	Active return % - A10 EUR	0.6
Total risk % - A1 EUR	11.3	Active return % - A10 NOK	0.6
Total risk % - A1 NOK	10.4	Active return % - B1 SEK	0.0
Total risk % - A10 SEK	12.1	Active return % - B10 SEK	1.0
Total risk % - A10 EUR	11.3	Information ratio - A1 SEK	Negative
Total risk % - A10 NOK	10.4	Information ratio - A1 EUR	Negative
Total risk % - B1 SEK	12.1	Information ratio - A1 NOK	Negative
Total risk % - B10 SEK	12.1	Information ratio - A10 SEK	0.5
Total risk in index % - A1 SEK	12.0	Information ratio - A10 EUR	0.3
Total risk in index % - A1 EUR	10.4	Information ratio - A10 NOK	0.3
Total risk in index % - A1 NOK	10.0	Information ratio - B1 SEK	Negative
Total risk in index % - A10 SEK	12.0	Information ratio - B10 SEK	0.5
Total risk in index % - A10 EUR	10.4	Sharpe ratio - A1 SEK	0.5
Total risk in index % - A10 NOK	10.0	Sharpe ratio - A1 EUR	0.3
Total risk in index % - B1 SEK	12.0	Sharpe ratio - A1 NOK	0.7
Total risk in index % - B10 SEK	12.0	Sharpe ratio - A10 SEK	0.6
Active Share % ¹⁾	36.5	Sharpe ratio - A10 EUR	0.4
Tracking error % - A1 SEK	2.1	Sharpe ratio - A10 NOK	0.8
Tracking error % - A1 EUR	2.0	Sharpe ratio - B1 SEK	0.5
Tracking error % - A1 NOK	2.0	Sharpe ratio - B10 SEK	0.6
Tracking error % - A10 SEK	2.1	Sharpe ratio in index - A1 SEK	0.5
Tracking error % - A10 EUR	2.0	Sharpe ratio in index - A1 EUR	0.3
Tracking error % - A10 NOK	2.0	Sharpe ratio in index - A1 NOK	0.7
Tracking error % - B1 SEK	2.1	Sharpe ratio in index - A10 SEK	0.5
Tracking error % - B10 SEK	2.1	Sharpe ratio in index - A10 EUR	0.3
Benchmark	SIX NORDIX Small Cap Port Nordic Net (NHNMXPRT)	Sharpe ratio in index - A10 NOK	0.7
		Sharpe ratio in index - B1 SEK	0.5
		Sharpe ratio in index - B10 SEK	0.5
Active return % - A1 SEK	0.0		
Active return % - A1 EUR	-0.4		
Active return % - A1 NOK	-0.5		
Active return % - A10 SEK	1.0		

1) As of the balance sheet date.

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

Income Statement, tSEK

	2018	2017
INCOME AND CHANGES IN VALUE		
Changes in value for transferable securities [*]	-362,822	1,785,522
Interest income	-1,662	-631
Dividends	436,604	357,852
Currency exchange profits and losses, net	-3,416	-14
Other financial income	16,208	13,400
Other income	1,036	47
Total income and changes in value	85,948	2,156,176
EXPENSES		
Management costs:		
- Remuneration to the Management Company	314,757	272,338
Interest expense	85	57
Other financial expenses	3,241	2,620
Other expenses	6,203	9,736
Total expenses	324,286	284,751
Net income	-238,338	1,871,425
* Details of changes in value		
Capital gains	3,127,390	1,642,560
Capital losses	-554,837	-290,422
Unrealised gains/losses	-2,935,375	433,384
Sum	-362,822	1,785,522

Balance Sheet, tSEK

	31 dec 2018	% of fund capital	31 dec 2017	% of fund capital
ASSETS				
Transferable securities	17,839,593	97.5	17,510,653	98.8
Total financial instruments with positive market value ^{Note 2)}	17,839,593	97.5	17,510,653	98.8
Bank assets and other liquid assets	467,834	2.6	230,418	1.3
Prepaid expenses and accrued income	2,696	0.0	2,113	0.0
Other assets	89,713	0.5	85,127	0.4
Total assets	18,399,836	100.6	17,828,311	100.5
LIABILITIES				
Accrued expenses and prepaid income	25,832	0.1	13,409	0.1
Other liabilities	79,900	0.5	83,220	0.4
Total liabilities	105,732	0.6	96,629	0.5
Fund capital ^{Note 1)}	18,294,104	100.0	17,731,682	100.0
Financial instruments lent	847,448	4.6	1,248,270	7.0
Collateral received for financial instruments lent	1,013,376	5.5	1,352,731	7.6

Note 1) for Balance Sheet

Changes in fund capital, tSEK

	2018	2017
Fund capital at beginning of year	17,731,682	14,975,352
Units issued	4,717,727	3,769,893
Units redeemed	-3,912,281	-2,877,237
Profit according to Income Statement	-238,338	1,871,425
Dividends to unit holders	-4,686	-7,751
Fund capital at the close of the period	18,294,104	17,731,682

Note 2) for Balance Sheet

Fund holdings in financial instruments

TRANSFERABLE SECURITIES*

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
LISTED EQUITIES			
BERMUDA (BMD)			
BW Offshore1 (Energy Equipment and Services)	1,100,001	35,646	0.2
NODL NS (Energy Equipment and Services)	868,000	45,147	0.2
Odfjell Drilling (Energy Equipment and Services)	1,134,615	24,047	0.1
		104,840	0.6
CHILE (CLP)			
Salmones Camanchaca Ord Shs (Food Products)	328,262	27,560	0.2
		27,560	0.2
DENMARK (DKK)			
ALK-Abelló (Pharmaceuticals)	68,500	89,311	0.5
Ambu B Ord (Health Care Equipment and Supplies)	1,066,925	226,918	1.2
Bang&Olufsen B (Household Durables)	495,000	59,765	0.3
cBrain Ord Shs (Software)	142,925	3,843	0.0
Columbus IT Partner (IT Services)	3,276,400	56,423	0.3
DFDS (Marine)	515,308	183,503	1.0
FLSmith (Construction and Engineering)	161,000	64,089	0.4
GN Store Nord (Health Care Equipment and Supplies)	436,832	144,344	0.8
H&H International (Construction and Engineering)	961,366	124,038	0.7
Imported 2017-11-24 08:27 (Software)	622,301	76,995	0.4
ISS (Commercial Services and Supplies)	615,000	152,058	0.8
Jyske Bank (Commercial Banks)	602,717	192,528	1.1
Netcompany Group A/S (Internet Software and Services)	188,900	56,441	0.3
Nilfisk Holding Ord Shs (Machinery)	175,760	55,022	0.3
Pandora (Other)	280,000	100,888	0.6
Ringjobing Landbobank Ord Shs (Commercial Banks)	135,000	62,338	0.3
Rockwool International B (Building Products)	121,424	280,348	1.5
Royal Unibrew (Beverages)	191,000	116,472	0.6
Rtx Telecom (Communications Equipment)	85,000	18,702	0.1
Schow (Machinery)	195,000	128,605	0.7
SimCorp (Software)	230,000	139,193	0.8
SP Group Ord (Chemicals)	299,837	80,426	0.4
Sydbank (Commercial Banks)	271,800	57,254	0.3
Topdanmark (Insurance)	360,580	148,384	0.8
Tryg (Insurance)	900,000	200,339	1.1
		2,818,229	15.4
FINLAND (EUR)			
Aktia Bank (Commercial Banks)	787,578	71,839	0.4
Amer Sports A (Leisure Equipment and Products)	377,666	146,867	0.8
Cargotec (Machinery)	225,400	61,040	0.3
Cramo (Commercial Services and Supplies)	172,263	26,049	0.1
Detection Technology (Elec Equip, Instr & Comp)	368,466	61,057	0.3
DNA Ord Shs (Diversified Telecommunication Services)	883,920	153,012	0.8
Elisa (Diversified Telecommunication Services)	585,000	213,917	1.2
Exel Composites (Machinery)	829,096	33,612	0.2
HARVIA (Leisure Equipment and Products)	992,605	54,043	0.3
Huhtamäki (Containers and Packaging)	600,000	164,613	0.9
Kesko B (Food and Staples Retailing)	431,002	205,742	1.1
Konecranes (Machinery)	319,000	85,321	0.5
Kotipizza Group Ord Shs (Hotels, Restaurants and Leisure)	225,000	51,993	0.3
Lehto Group (Construction and Engineering)	751,100	32,353	0.2
Metsä Board (Paper and Forest Products)	2,546,936	132,164	0.7
Metso (Machinery)	750,000	174,069	1.0
Munksjö (Paper and Forest Products)	491,428	60,365	0.3
NIXU (IT Services)	305,000	23,493	0.1
Nokian Tyres (Auto Components)	705,000	191,634	1.0
Orma Säästöpankki Oyj (Commercial Banks)	856,000	60,729	0.3
Orion B (Health Care Equipment and Supplies)	900,000	276,199	1.5
Ponss (Machinery)	133,000	33,362	0.2
Revenio (Health Care Equipment and Supplies)	463,620	59,017	0.3
Sanoma (Media)	1,230,000	105,774	0.6
Suomen Hoivatilat Ord Shs (Real Estate)	653,011	52,284	0.3
Terveystalo Plc (Health Care Providers and Services)	912,990	74,257	0.4
Tieto EUR (IT Services)	476,582	113,895	0.6
Uponor (Building Products)	283,588	24,775	0.1

Handelsbanken Nordiska Småbolagsfond, 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
Vaisala (Elec Equip, Instr & Comp)	181,168	30,296	0.2	Hansa Medical (Biotechnology)	367,591	101,749	0.6
Vaimet (Machinery)	800,000	145,539	0.8	Hemfosa Fastigheter (Real Estate Management and Development)	1,240,000	86,676	0.5
Vincit Group Ord Shs (Software)	552,283	28,771	0.2	Hexatron Group (Electrical Equipment)	350,000	16,345	0.1
VMP Oyj (Professional Services)	840,000	27,924	0.2	Hexpol B (Chemicals)	925,620	64,840	0.4
		2,976,001	16.3	Holmen B1 (Paper and Forest Products)	781,943	136,793	0.7
NORWAY (NOK)				Husqvarna B (Household Durables)	3,975,000	261,158	1.4
Aker (Energy Equipment and Services)	400,000	189,211	1.0	ICA Gruppen (Food Products)	385,000	121,968	0.7
Akva Group ORD (Machinery)	150,000	10,443	0.1	Indutrade (Trading Companies and Distributors)	275,000	56,540	0.3
Atea (IT Services)	325,217	36,961	0.2	Instalco (Electrical Equipment)	427,273	29,482	0.2
Atlantic Sapphir Rg (Food Products)	399,921	28,253	0.2	Intrum Justitia (Commercial Services and Supplies)	643,000	132,265	0.7
Austevoll Seafood (Food Products)	655,231	71,649	0.4	Inwido (Building Products)	1,261,036	70,114	0.4
Borregaard (Chemicals)	1,248,447	95,613	0.5	ITAB Shop Concept B (Commercial Services and Supplies)	827,398	12,411	0.1
Data Respons (IT Services)	2,752,775	63,416	0.3	JM (Household Durables)	100,000	17,300	0.1
Elkem Ord Shs (Chemicals)	1,591,041	36,156	0.2	Kløvern B (Real Estate Management and Development)	3,250,450	33,415	0.2
Europriis (Multiline Retail)	1,600,000	37,924	0.2	Knowit (IT Services)	793,172	121,831	0.7
Fjordkraft Holding Ord Shs (Electric Utilities)	1,252,771	43,611	0.2	Latour B (Diversified Financial Services)	950,000	106,400	0.6
Gjensidige Forsikring (Insurance)	2,341,145	324,078	1.8	Lifco B (Health Care Providers and Services)	380,000	124,450	0.7
Grieg Seafood (Food Products)	1,057,190	110,732	0.6	Lindab International (Construction Materials)	1,464,399	92,989	0.5
Infront ASA (Capital Markets)	1,020,000	27,675	0.2	Loomis B (Commercial Services and Supplies)	308,289	88,171	0.5
Kahoot Ord Shs (Entertainment)	575,000	12,952	0.1	Lundin Mining (Metals and Mining)	1,000,000	37,080	0.2
Kitron (Elec Equip, Instr & Comp)	6,500,000	57,900	0.3	Micronic MYDATA (Elec Equip, Instr & Comp)	763,503	90,170	0.5
Kongsberg Automotive Holding (Auto Components)	3,410,760	26,715	0.1	Midsona B (Pharmaceuticals)	2,046,049	126,037	0.7
Kvaerner (Energy Equipment and Services)	4,328,270	53,445	0.3	Millicom (Wireless Telecommunication Services)	1,020,000	67,380	0.4
Leroy Seafood Group (Food Products)	5,214,000	352,018	1.9	Modern Times Group B (Media)	485,000	142,105	0.8
Multiconsult (Professional Services)	391,550	24,294	0.1	Momentum Group B (Machinery)	535,000	43,068	0.2
Norwegian Air Shuttle (Airlines)	100,000	17,759	0.1	NCC B (Construction and Engineering)	894,958	123,325	0.7
Norwegian Finans Holding (Commercial Banks)	453,580	31,115	0.2	Nederman 1 (Building Products)	843,364	75,903	0.4
NRC Group (Construction and Engineering)	950,771	69,116	0.4	Nepa (IT Services)	146,296	8,456	0.0
Ocean Yield (Energy Equipment and Services)	505,803	30,658	0.2	New Wave Group B (Textiles, Apparel and Luxury Goods)	800,000	37,920	0.2
Protector Forsikring (Insurance)	413,972	20,260	0.1	NGS Group 1 (Health Care Providers and Services)	280,036	5,881	0.0
SailMar (Food Products)	175,000	76,688	0.4	NIBE Industrier B (Building Products)	1,125,028	102,288	0.6
Scatec Solar (IPP, ET)	706,271	53,367	0.3	Nobia (Specialty Retail)	1,568,260	77,221	0.4
Schibsted B (Media)	1,004,219	269,900	1.5	Nolato B (Communications Equipment)	130,393	47,789	0.3
Self Storage Group Ord Shs (Proposed) (Commercial Services and Supplies)	1,209,323	20,059	0.1	Nordic Waterproofing Holding (Building Products)	750,044	53,478	0.3
SpareBank 1 Midt-Norge (Commercial Banks)	1,701,137	146,655	0.8	Note (Elec Equip, Instr & Comp)	1,700,000	36,295	0.2
SpareBank 1 SR-Bank (Commercial Banks)	1,470,000	134,254	0.7	Nyfosä (Real Estate Management & Development)	1,520,000	64,988	0.4
Storebrand (Insurance)	2,743,814	173,166	0.9	OEM International (Trading Companies and Distributors)	214,064	40,779	0.2
TGS-NOPEC Geophysical (Energy Equipment and Services)	360,000	76,962	0.4	Pandox B (Hotels, Restaurants and Leisure)	730,000	107,018	0.6
Tomra Systems (Machinery)	612,400	122,143	0.7	Paradox Interactive Ord Shs (Software)	356,000	47,775	0.3
Veidekke (Construction and Engineering)	520,715	51,662	0.3	Peab B (Construction and Engineering)	985,000	71,314	0.4
Webstep ASA (IT Services)	722,000	18,481	0.1	Recipharm B (Pharmaceuticals)	275,000	31,130	0.2
Wilh. Wilhelmsen (Marine)	2,772,193	84,300	0.5	SAAB B (Aerospace and Defense)	366,295	112,746	0.6
Wilh. Wilhelmsen Holding (Marine)	246,701	40,717	0.2	Sagax B (Real Estate Management and Development)	1,100,000	142,560	0.8
Zataris Ord Shs (Professional Services)	1,205,339	31,100	0.2	SCA B (Paper and Forest Products)	3,200,000	219,904	1.2
		3,071,411	16.8	Scandic Hotels Group (Hotels, Restaurants and Leisure)	1,150,000	89,815	0.5
SINGAPORE (SGD)				Securitas B (Commercial Services and Supplies)	1,610,000	229,023	1.3
BW LPG (Oil, Gas and Consumable Fuels)	841,851	22,488	0.1	Sedana Medical (Health Care Equipment and Supplies)	239,903	18,664	0.1
		22,488	0.1	Skanska B (Construction and Engineering)	1,775,000	250,275	1.4
SWEDEN (SEK)				Skistar B (Hotels, Restaurants and Leisure)	326,200	67,523	0.4
24Sevenoffice Scandinavia (Software)	3,000,000	23,100	0.1	SSAB B (Metals and Mining)	6,529,528	162,716	0.9
AarhusKarishamn (Food Products)	883,200	108,369	0.6	Stillfront (Software)	269,399	35,345	0.2
Acando B (IT Services)	2,201,970	64,077	0.4	Storytel B (Media)	785,000	70,807	0.4
ÅF B (Professional Services)	899,440	144,270	0.8	Sweco B (Construction and Engineering)	150,000	29,535	0.2
Ahlsell (Commercial Services and Supplies)	1,725,000	89,873	0.5	Swedish Orphan Biovitrum (Health Care Providers and Services)	1,111,250	214,471	1.2
Aleion (Electrical Equipment)	240,000	2,016	0.0	Swedol B (Energy Equipment and Services)	1,269,286	39,856	0.2
Alimak Group (Machinery)	856,050	94,166	0.5	Synthetic (Biotechnology)	76,338	22,062	0.1
Ambea (Health Care Providers and Services)	321,102	27,904	0.2	Tele2 B (Diversified Telecommunication Services)	2,203,107	248,841	1.4
Arjo B (Health Care Equipment and Supplies)	4,219,201	119,614	0.7	THQ Nordic B (Software)	965,393	139,403	0.8
B&B Tools (Trading Companies and Distributors)	325,000	27,528	0.2	Thule Group (Leisure Equipment and Products)	336,527	54,551	0.3
Balco Group (Building Products)	60,079	3,010	0.0	Trelleborg B (Machinery)	1,027,718	143,213	0.8
Balder B (Real Estate)	1,355,208	341,512	1.9	Troax Group A (Machinery)	100,000	25,450	0.1
Beijer Ref B (Trading Companies and Distributors)	675,000	98,469	0.5	Vitec Software Group B (Software)	250,000	19,400	0.1
BillerudKorsnäs (Containers and Packaging)	902,494	95,213	0.5	Wihlborgs (Real Estate Management & Development)	516,418	52,881	0.3
BioArctic B (Biotechnology)	475,000	38,950	0.2		8,740,079	47.7	
Boliden (Metals and Mining)	1,425,000	273,572	1.5	UNITED ARAB EMIRATES (AED)			
Bonava (Household Durables)	550,000	62,810	0.3	Sheff Drilling Ord Shs (Energy Equipment and Services)	562,498	25,053	0.1
Boule Diagnostics AB (Health Care Equipment and Supplies)	454,660	23,733	0.1		25,053	0.1	
Bravida Holding (Commercial Services and Supplies)	1,355,000	83,062	0.5	UNITED KINGDOM (GBP)			
Bufab (Auto Components)	433,796	37,176	0.2	Subsea 7 (Other)	625,000	53,932	0.3
Castellum (Real Estate)	748,931	122,338	0.7		53,932	0.3	
Cinnober Financial Technology (Software)	730,227	63,603	0.3	Total listed equities			
Concentric (Machinery)	555,254	66,519	0.4		17,839,593	97.5	
Corem Property B (Real Estate Management & Development)	1,879,782	20,110	0.1				
Diös Fastigheter (Real Estate)	1,750,000	98,613	0.5				
Dometic Group (Household Durables)	2,231,269	122,720	0.7				
Duni (Personal Products)	947,924	92,991	0.5				
Electrolux B (Household Durables)	1,800,000	336,780	1.8				
Elekta B (Health Care Equipment and Supplies)	1,598,611	168,414	0.9				
ENEA Ord Shs1 (IT Services)	90,717	9,208	0.1				
Fabege (Real Estate Management & Development)	1,224,962	144,742	0.8				
Fagerhult (Electrical Equipment)	531,455	40,444	0.2				
FinnvedenBulten (Auto Components)	394,334	34,780	0.2				
FlexQube AB (Machinery)	87,000	4,698	0.0				
FormPipe Software (Internet Software and Services)	2,064,063	40,662	0.2				
Fortnox (Software)	450,916	30,121	0.2				
Getinge B (Health Care Equipment and Supplies)	352,855	28,193	0.2				
Gränges (Chemicals)	688,041	55,387	0.3				

Handelsbanken Nordiska Småbolagsfond, cont.

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
UNLISTED EQUITIES***			
DENMARK (DKK)			
OW Bunker (Oil, Gas and Consumable Fuels)	127,500	0	0.0
		0	0.0
Total unlisted equities		0	0.0
Total transferable securities		17,839,593	97.5
Total holdings in financial instruments		17,839,593	97.5
Net, other assets and liabilities		454,511	2.5
Total fund capital		18,294,104	100.0

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

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

** 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
SpareBank 1	1.5	Wilh. Wilhelmsen	0.7

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

Volume of lent securities as a % of total lendable assets

Volume of lent securities as a % of total lendable assets	5,03
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The ten largest issuers of collateral for securities lending per issuer, SEK thousand:

The British Government	213 901
The Swedish Government	72 451
U.S.A.	69 098
The French Government	61 069
The Dutch Government	43 024
The German Government	41 631
The Austrian Government	15 892
3i Group Plc	10 172
Rolls-Royce Holdings Plc	7 667
Bhp Group Plc	7 569

The largest counterparties for securities lending, SEK thousand:

UBS AG, London Branch, Great Britain	186 349
Morgan Stanley & Co International Plc, Great Britain	185 755
J.P. Morgan Securities Plc, Great Britain	174 674
Svenska Handelsbanken AB (publ), Sweden	150 944
Citigroup Global Markets Ltd, Great Britain	86 405
Credit Suisse Securities (Europe) Ltd, Great Britain	63 321
	847 448

Type and quality of collateral, SEK thousand:

Equities	484 021
Bonds and other interest-bearing instruments	529 355
	1 013 376

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	2 533
One week to one month	162
One to three months	4 135
Three months to one year	29 171
Greater than one year	493 355
Indeterminate duration	484 021
	1 013 376

Currency of the collateral, SEK thousand:

AUD	53 553
CAD	151
CHF	3 361
DKK	764
EUR	290 448
GBP	346 440
HKD	6 468
JPY	103 388
SEK	82 846
SGD	2 531
USD	123 426
	1 013 376

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

Settlement and clearing for securities lending is conducted through a third party. The collateral received is held by J.P. Morgan Bank Luxembourg S.A. or another group company within the J.P. Morgan Group and is not reused.

Information about returns and expenses:

Securities lending for the full year generated a total revenue of 16 208 tSEK thousand, of which 80% was passed on to the fund and 20% to J.P. Morgan Bank Luxembourg S.A. in its role as the intermediary of securities lending.

Counterparties for securities lending during the year:

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

Handelsbanken Nordiska Småbolagsfond

Sustainability dimensions that are taken into consideration in the management of the fund

The fund manager integrates environmental, social and corporate governance criteria (ESG) into the investment process, together with financial criteria, to obtain a more complete basis for decision-making. As a result, the fund manager takes into consideration both risks and opportunities related to various ESG aspects.

Methods used in sustainability efforts

Inclusion

An in-depth analysis is conducted in preparation for each investment decision in which sustainability dimensions as well as economic aspects are factored into the analysis. We believe sustainability issues are particularly important for making sound investment decisions to generate good, long-term returns. We have access to external ESG analyses as a complement to our own analyses and knowledge of the companies. Fund managers analyse sustainability through the company's sustainability performance (HOW they conduct their business operations), as well as through WHAT the company offers for products and services. The sustainability analysis is documented as an integral component of the investment documentation and consists of both sustainability risks and opportunities.

The fund invested in companies within salmon farming, which is a climate-smart way to produce food. The amount of fodder and total emissions are significantly less than for meat production. It also is not possible to over-fish wild fish, although there are sustainability challenges associated with salmon farming, and this is something we are regularly discussing with the company. We own holdings in the salmon producers such as Lerøy Seafood, Grieg Seafood, the equipment producer Akva Group and the new Atlantic Sapphire, which will only have production on land.

Exclusion

In accordance with the Management Company's overall policy for responsible investment, all of the Management Company's funds exclude:

- companies involved in the production or distribution of banned weapons, such as cluster bombs, anti-personnel mines, biological and chemical weapons, in accordance with international legislation. Companies involved in the production or distribution of nuclear weapons are also excluded.
- companies with substantial business operations within coal mining or in power companies that have coal as a major source of energy.

Provided that the fund observes a willingness to change and it is deemed that the company will address the problems within an acceptable amount of time, the fund may invest in companies involved in violations of international norms and conventions. The fund did not utilise this option during the year. Thus, the fund has not owned any of the companies involved in violations of international norms and conventions during the year.

Management Company's engagement activities

A critical component in taking responsibility as an investor is to influence the companies in which we invest. Our engagement activities are founded on the value base of Handelsbanken and the Management Company, our commitments, as well as the international norms and conventions we safeguard. We conduct dialogues to encourage companies to improve their sustainability efforts, as well as with companies we deem do not fulfil the international norms and conventions we safeguard. We conduct the engagement activities primarily through:

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

- A. The fund manager meets or has contact with companies on a regular basis, which provides a good opportunity to influence companies within sustainability. We hold dialogues with clear targets for change, but also dialogues that focus on an overall improvement to the company's sustainability efforts. Targets are identified for the direct dialogues and results are followed up regularly during the period of the dialogue. The targeted company dialogues are carried out by the fund manager directly with the company. The fund had 7 dialogues during the year.

A dialogue was held with the gambling company LeoVegas and focused on the management of gambling addiction. Gambling addiction is a public health problem that affects approximately 2% of the population. We want to ensure that LeoVegas has relevant plans for measures to sharply reduce the risk of gambling addiction on the company's gambling sites. Our engagement dialogue occurred through personal meetings with management and led to the strengthening of the company's sustainability efforts related to gambling addiction. However, we sold the entire holding in LeoVegas during 2018 since the measures taken did not lead to the desired effects.

- B. The Management Company participates in dialogues with companies together with other investors through an external party (ISS ESG) in a so-called pooled engagement. The basis for these dialogues is a norm-based analysis that focuses primarily on companies with suspected or confirmed violations with regard to international norms and conventions within the environment, human rights, labour rights, and anti-corruption. The dialogue process consists of contact between ISS ESG and the company concerned, and in certain cases also includes meetings or telephone conferences in which we as an investor may participate. During 2018 the Management Company participated in 143 company dialogues. The fund did not have any investments in these companies.
- C. During 2018 the Management Company participated in several international initiatives and collaborations with focus on specific sustainability matters. These initiatives are often thematic or focus on sustainability issues within a certain sector. Examples of initiatives we have participated in during the year include: Climate Action 100+, PRI Methane Engagement, PRI Sustainable Palm Oil, PRI Sustainable Soy, PRI Cyber Security and FAIRR Antibiotics Engagement. These initiatives include 336 companies in total.

General meetings and nomination committees

Normally, Handelsbanken Fonder votes at general meetings in those companies in which ownership exceeds 0.5% or if there are specific matters of concern. The Management Company has voted at 175 general meetings on behalf of the fund.

Handelsbanken Fonder participates in all of the nomination committees where we have a sufficiently large ownership to be offered a position. However, nomination committees are not common outside of the Nordics and the board composition can only be impacted by voting at the general meetings.

The Management Company participated in 19 nomination committees on behalf of the fund: Exel Composites Oyj, Aak AB, ÅF AB, Ahlsell AB, Alimak Group AB, Dometic Group AB, Formpipe Software AB, Hexpol AB, Indutrade AB, Instalco Intressenter AB, Intrum AB, Inwido AB, Know It AB, Midsona AB, Modern Times Group MTG AB, Nordic Waterproofing Holding AB, Scandic Hotels Group AB, Swedol AB and Thule Group AB.

The work in the nomination committee at Instalco Intressenter AB resulted in broader competencies and a more equal representation in the composition of the board. After the general meeting, a totally male-dominated board was changed to a board consisting of 50% women.



Handelsbanken Norge

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 benchmark index. The fund invests in equities issued by companies on the Norwegian market and thereby has a currency exposure to this market.

Portfolio

The fund fell 9.2% during the full year 2018*. Den norska marknaden steg först kraftigt för att under andra halvåret falla tillbaka till nästan samma nivå som vid årets början. Den norska kronan stärktes ett par procent mot den svenska kronan vilket bidrog positivt till fondens utveckling. Börsen präglades mycket av stora rörelserna i oljepriset. I början av året låg priset på runt \$ 67 per fat för att sedan öka till över \$ 86 i början av oktober, under fjärde kvartalet vände oljemarknaden plötsligt ner and året slutade med ett pris runt \$ 54 per fat. Energisektorn hade därför en mycket bra start 2018, särskilt oljebolagen, men slutade med en negativ avkastning för året.

Fonden hade en låg exponering mot energisektorn i början av året men ökade gradvis till en övervikt relativt referensindex under hösten. Mot slutet av året såldes aktierna åter av. Den sektor som gick bäst på börsen var laxproducenterna där aktier steg mellan 10-80%. Främsta anledningen till detta var att priset på lax blev betydligt högre än väntat efter ett dåligt år 2017. Positiva bidrag till fondens utveckling var framför allt innehaven i laxproducenterna Marine Harvest, Bakkafrøst and Lerøy Seafood samt teknikbolaget Tomra and oljebolaget DNO. Negativt bidrag innehaven i Norsk Hydro, B2 Holding, Subsea 7, Norwegian Finance Holding and Elkem.

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

Significant risks

As of the balance sheet date or any other time during the year, fund holdings did not have exposure to any other significant risks 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 during 2018. The fund has the option of lending securities. The fund used this option to a limited extent during 2018. The fund may use other techniques and instruments. The fund did not use this option during 2018.

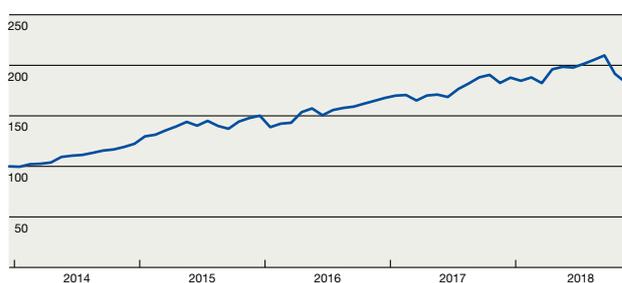
Information

The fund's historical performance prior to the launch date is attributed to the merger between Handelsbanken Norge (Norway) and Handelsbanken Norge (Sweden) that occurred on September 8, 2017.

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

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

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

	2018	8/9-31/12 2017	2016	2015	2014	2013	2012	2011	2010	2009
Net asset value										
Norge A1 - NOK	1,057.69	1,164.91	-	-	-	-	-	-	-	-
Norge A1 - SEK	1,082.94	1,166.07	-	-	-	-	-	-	-	-
Norge A10 - NOK	1,070.48	-	-	-	-	-	-	-	-	-
The fund's total net flow, mNOK	-603	-156	-	-	-	-	-	-	-	-
Fund capital total, mNOK	2,816	3,676	-	-	-	-	-	-	-	-
Norge A1 - NOK	1,738	2,992	-	-	-	-	-	-	-	-
Norge A1 - SEK	632	684	-	-	-	-	-	-	-	-
Norge A10 - NOK	461	-	-	-	-	-	-	-	-	-
Number of units, 1000's	2,657	3,156	-	-	-	-	-	-	-	-
Norge A1 - NOK	1,643	2,569	-	-	-	-	-	-	-	-
Norge A1 - SEK	583	587	-	-	-	-	-	-	-	-
Norge A10 - NOK	431	-	-	-	-	-	-	-	-	-
Total returns in %, NOK										
Norge A1 - NOK	-9.2	+11.9	+11.7	+22.7	+22.3	+33.2	+17.7	-25.1	+21.0	+70.2
Norge A1 - SEK	-7.1	+6.2	+23.8	+12.0	+20.7	+20.7	+19.7	-25.6	+13.3	+86.2
Norge A10 - NOK	-7.8	-	-	-	-	-	-	-	-	-
Index including dividends in %, NOK										
Norge A1 - NOK	-2.2	+17.0	+11.5	+6.7	+5.7	+24.2	+20.6	-18.8	+22.3	+70.1
Norge A1 - SEK	0.0	+11.0	+23.5	-2.7	+4.2	+12.5	+22.8	-19.3	+14.4	+86.2
Norge A10 - NOK	-2.2	-	-	-	-	-	-	-	-	-
Average yearly return, 2 yrs. %										
Norge A1 - NOK	+0.8	+11.8	+17.1	+22.5	+27.7	+25.2	-6.1	-4.8	+43.5	-15.0
Norge A1 - SEK	-0.7	+14.6	+17.7	+16.2	+20.7	+20.2	-5.6	-8.2	+45.2	-13.4
Norge A10 - NOK	+2.3	-	-	-	-	-	-	-	-	-
Comparison to index including dividends, %										
NOK	+7.0	+14.2	+9.1	+6.2	+14.6	+22.4	-1.0	-0.3	+44.2	-14.9
SEK	+5.4	+17.1	+9.7	+0.7	+8.3	+17.5	-0.5	-3.9	+46.0	-13.3

Handelsbanken Norge, cont.

	2018	8/9-31/12 2017	2016	2015	2014	2013	2012	2011	2010	2009
Average yearly return, 5 yrs. %										
Norge A1 - NOK	+11.3	+20.1	+21.3	+12.0	+11.7	+19.3	-5.1	-4.5	+7.6	+10.9
Norge A1 - SEK	+10.5	+16.5	+19.3	+7.7	+8.0	+17.8	-5.4	-3.7	+7.3	+13.6
Norge A10 - NOK	+12.9	-	-	-	-	-	-	-	-	-
Comparison to index including dividends, %										
NOK	+7.6	+12.8	+13.5	+6.5	+9.5	+20.4	-2.8	-4.5	+5.4	+8.2
SEK	+6.8	+9.4	+11.6	+2.5	+5.9	+18.9	-3.1	-3.7	+5.0	+10.8
Average yearly return, 10 yrs. %										
Norge A1 - NOK	+15.2	+6.8	+7.6	+9.8	+11.3	+12.2	+13.4	+7.1	+8.6	+5.9
Norge A1 - SEK	+14.1	+5.0	+7.2	+7.5	+10.8	+12.0	+12.5	+6.9	+9.4	+7.6
Norge A10 - NOK	+16.9	-	-	-	-	-	-	-	-	-
Comparison to index including dividends, %										
NOK	+13.8	+4.7	+4.1	+5.9	+8.8	+11.9	+14.3	+7.8	+8.2	+5.8
SEK	+12.7	+2.9	+3.7	+3.7	+8.3	+11.6	+13.5	+7.6	+9.0	+7.4
Exchange rate NOK/SEK	1.02	1.00	-	-	-	-	-	-	-	-

Benchmark: Oslo Børs Fondsindeks (OSEFX)

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

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

Refer to the last page for definitions.

Fund Facts - Costs

Max. allowed mgmt. costs in % according to fund rules	
Norge A1	2.00
Norge A10	0.50
Collected mgmt. costs in % of average fund capital	
Norge A1	2.00
Norge A10	0.50
Annual fees in %	
Norge A1	2.01
Norge A10	0.51
Transaction costs, tNOK	1,074
Transaction costs in % of turnover	0.02
Costs in NOK for a one-time subscription, 10 000 NOK	
Norge A1	20.54
Norge A10	-
Costs in NOK for monthly savings, 100 NOK	
Norge A1	1.31
Norge A10	-

Fund Facts - Other Key Figures

Turnover rate	0.5
Share of turnover conducted via closely-related securities companies in %	11.3

Risk and Return Measurements*

Total risk % - A1 NOK	13.1	Active return % - A1 SEK	-6.1
Total risk % - A1 SEK	17.1	Active return % - A10 NOK	-4.7
Total risk % - A10 NOK	13.1	Information ratio - A1 NOK	Negative
Total risk in index % - A1 NOK	11.0	Information ratio - A1 SEK	Negative
Total risk in index % - A1 SEK	14.8	Information ratio - A10 NOK	Negative
Total risk in index % - A10 NOK	11.0	Sharpe ratio - A1 NOK	0.0
Active Share % ¹⁾	36.9	Sharpe ratio - A1 SEK	0.0
Tracking error % - A1 NOK	5.0	Sharpe ratio - A10 NOK	0.1
Tracking error % - A1 SEK	5.0	Sharpe ratio in index - A1 NOK	0.6
Tracking error % - A10 NOK	5.0	Sharpe ratio in index - A1 SEK	0.4
Benchmark	Oslo Børs Fondsindeks (OSEFX)	Sharpe ratio in index - A10 NOK	0.6
Active return % - A1 NOK	-6.2		

1) As of the balance sheet date.

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

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

Income Statement, tNOK

	2018	8/9-31/12 2017
INCOME AND CHANGES IN VALUE		
Changes in value for transferable securities	-296,790	125,352
Interest income	-31	-1
Dividends	106,404	10,186
Currency exchange profits and losses, net	44	263
Other financial income	974	145
Other income	2	0
Total income and changes in value	-189,397	135,945
EXPENSES		
Management costs:		
- Remuneration to the Management Company	66,505	22,843
Interest expense	40	24
Other financial expenses	195	29
Other expenses	1,075	429
Total expenses	67,815	23,325
Net income	-257,212	112,620
* Details of changes in value		
Capital gains	467,709	149,213
Capital losses	-149,997	-4,549
Unrealised gains/losses	-614,502	-19,312
Sum	-296,790	125,352

Balance Sheet, tNOK

	31 dec 2018	% of fund capital	31 dec 2017	% of fund capital
ASSETS				
Transferable securities	2,741,956	97.4	3,652,247	99.4
Total financial instruments with positive market value ^{Note 2)}	2,741,956	97.4	3,652,247	99.4
Bank assets and other liquid assets	78,463	2.8	38,970	1.1
Prepaid expenses and accrued income	127	0.0	85	0.0
Other assets	7	0.0	6,417	0.1
Total assets	2,820,553	100.2	3,697,719	100.6
LIABILITIES				
Accrued expenses and prepaid income	4,335	0.2	3,378	0.1
Other liabilities	0	0.0	18,258	0.5
Total liabilities	4,335	0.2	21,636	0.6
Fund capital ^{Note 1)}	2,816,218	100.0	3,676,083	100.0
Financial instruments lent	62,812	2.2	143,440	3.9
Collateral received for financial instruments lent	69,668	2.5	159,176	4.3

Note 1) for Balance Sheet

Changes in fund capital, tNOK

	2018	2017
Fund capital at beginning of year	3,676,083	-
Units issued	788,091	4,218,927
Units redeemed	-1,390,744	-655,464
Profit according to Income Statement	-257,212	112,620
Dividends to unit holders	-	-
Fund capital at the close of the period	2,816,218	3,676,083

Handelsbanken Norge, cont.

Note 2) for Balance Sheet

Fund holdings in financial instruments

TRANSFERABLE SECURITIES*

	Number/Nominal amount in 1000's	Market value tNOK	% of fund capital
LISTED EQUITIES			
CONSUMER DISCRETIONARY			
Bakkafrost (Household Durables)	310,000	131,192	4.7
Europris (Multiline Retail)	1,450,000	33,568	1.2
Schibsted B (Media)	350,000	91,875	3.3
		256,635	9.1
CONSUMER STAPLES			
Austevoll Seafood (Food Products)	150,000	16,020	0.6
Leroy Seafood Group (Food Products)	1,600,000	105,504	3.7
Mowi ASA (Food Products)	1,130,000	206,451	7.3
SaIMar (Food Products)	100,000	42,800	1.5
		370,775	13.1
ENERGY			
Aker (Energy Equipment and Services)	95,000	43,890	1.6
Aker Solutions (Energy Equipment and Services)	680,000	26,969	1.0
Det Norske Oljeselskap (Energy Equipment and Services)	375,000	81,750	2.9
DNO International (Oil, Gas and Consumable Fuels)	5,325,000	66,829	2.4
Equinor ASA (Oil, Gas and Consumable Fuels)	985,000	180,994	6.4
Kvaerner (Energy Equipment and Services)	500,000	6,030	0.2
TGS-NOPEC Geophysical (Energy Equipment and Services)	350,000	73,080	2.6
		479,541	17.0
FINANCIALS			
Avida Holding Ord Shs (Diversified Financial Services)	503,333	12,583	0.4
B2Holding (Diversified Financial Services)	2,500,000	30,750	1.1
DNB (Commercial Banks)	1,000,000	138,150	4.9
Komplett Bank (Commercial Banks)	700,000	8,820	0.3
Norwegian Finans Holding (Commercial Banks)	1,200,000	80,400	2.9
Selvaag Bolig (Real Estate)	750,000	30,338	1.1
SpareBank 1 Midt-Norge (Commercial Banks)	880,000	74,096	2.6
SpareBank 1 SR-Bank (Commercial Banks)	1,400,000	124,880	4.4
Storebrand (Insurance)	2,600,000	160,264	5.7
		660,281	23.5
HEALTH CARE			
BergenBio (Biotechnology)	665,000	17,756	0.6
		17,756	0.6
INDUSTRIALS			
AF Gruppen (Construction and Engineering)	590,000	77,880	2.8
Norwegian Air Shuttle (Airlines)	275,000	47,699	1.7
Tomra Systems (Machinery)	70,000	13,636	0.5
Veidekke (Construction and Engineering)	575,000	55,718	2.0
		194,932	6.9
INFORMATION TECHNOLOGY			
Atea (IT Services)	540,000	59,940	2.1
Crayon Group Holding ASA (IT Services)	1,150,000	18,423	0.7
Data Respons (IT Services)	1,860,000	41,850	1.5
Evry (IT Services)	800,000	25,160	0.9
Kitron (Elec Equip, Instr & Comp)	3,000,000	26,100	0.9
Webstep ASA (IT Services)	520,000	13,000	0.5
		184,473	6.6
MATERIALS			
Elkem Ord Shs (Chemicals)	650,000	14,427	0.5
Norsk Hydro (Metals and Mining)	1,900,000	74,499	2.6
Yara International (Chemicals)	625,000	208,438	7.4
		297,363	10.6
TELECOMMUNICATION SERVICES			
AINMT AS			
(Diversified Telecommunication Services)	270,588	13,529	0.5
Net1 Intl Hold (Diversified Telecommunication Services)	270,588	1,556	0.1
Telenor (Diversified Telecommunication Services)	1,250,000	209,375	7.4
		224,460	8.0
UTILITIES			
Fjordkraft Holding Ord Shs (Electric Utilities)	400,000	13,600	0.5
		13,600	0.5
OTHER			
Subsea 7 (Other)	500,000	42,140	1.5
		42,140	1.5
Total listed equities		2,741,956	97.4
Total transferable securities		2,741,956	97.4
Total holdings in financial instruments		2,741,956	97.4
Net, other assets and liabilities		74,262	2.6
Total fund capital		2,816,218	100.0

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

* Refers to transferable securities admitted to trading on a regulated market or equivalent market outside EEA, or are the subject of regular trading in other markets that are regulated and open to the general public. 97.4

** 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
SpareBank 1	7.0

* 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.

Volume of lent securities as a % of total lendable assets

Volume of lent securities as a % of total lendable assets	2.29
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The ten largest issuers of collateral for securities lending per issuer, NOK thousand:

U.S.A.	13 818
The British Government	8 330
The French Government	3 944
The German Government	2 100
The Dutch Government	1 997
Axa Sa	1 661
Mitsui & Co Ltd	1 559
Ping An Insurance Group Co Of China Ltd	1 525
Ntt Docomo Inc	1 440
Astellas Pharma Inc	1 440

The largest counterparties for securities lending, NOK thousand:

Credit Suisse Securities (Europe) Ltd, Great Britain	30 127
UBS AG, London Branch, Great Britain	15 207
Citigroup Global Markets Ltd, Great Britain	10 927
J.P. Morgan Securities Plc, Great Britain	6 550
	62 812

Type and quality of collateral, NOK thousand:

Equities	38 293
Bonds and other interest-bearing instruments	31 375
	69 668

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

Profile of the collateral's duration, NOK thousand:

Less than one day	0
One day to one week	101
One week to one month	376
One to three months	1 073
Three months to one year	3 661
Greater than one year	26 165
Indeterminate duration	38 293
	69 668

Currency of the collateral, NOK thousand:

AUD	4 708
CAD	2
CHF	217
DKK	21
EUR	12 759
GBP	13 286
HKD	2 738
JPY	11 773
SEK	1 209
SGD	702
USD	22 253
	69 668

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

Settlement and clearing for securities lending is conducted through a third party. The collateral received is held by J.P. Morgan Bank Luxembourg S.A. or another group company within the J.P. Morgan Group and is not reused.

Information about returns and expenses:

Securities lending for the full year generated a total revenue of 974 tNOK thousand, of which 80% was passed on to the fund and 20% to J.P. Morgan Bank Luxembourg S.A. in its role as the intermediary of securities lending.

Counterparties for securities lending during the year:

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

Handelsbanken Svenska Småbolagsfond, cont.

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Comparison to index including dividends, %										
SEK	+4.2	+10.5	+20.8	+25.7	+28.9	+24.1	-1.1	+6.5	+48.6	-3.1
EUR	+1.3	-	-	-	-	-	-	-	-	-
Average yearly return, 5 yrs. %										
Svenska Småbolagsfond A1 - SEK	+14.3	+22.6	+23.2	+17.7	+17.5	+25.5	+5.1	+1.2	+10.8	+12.5
Svenska Småbolagsfond A1 - EUR	+11.2	-	-	-	-	-	-	-	-	-
Svenska Småbolagsfond B1 - SEK	+15.3	-	-	-	-	-	-	-	-	-
Svenska Småbolagsfond B1 - SEK	+14.3	+22.6	-	-	-	-	-	-	-	-
Svenska Småbolagsfond B10 - SEK	+15.3	-	-	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+14.0	+21.4	+22.2	+16.1	+16.2	+24.1	+3.7	-0.2	+9.5	+12.3
EUR	+11.0	-	-	-	-	-	-	-	-	-
Average yearly return, 10 yrs. %										
Svenska Småbolagsfond A1 - SEK	+19.8	+13.5	+11.6	+14.2	+15.0	+14.5	+14.6	+9.7	+8.7	+6.4
Svenska Småbolagsfond A1 - EUR	+20.7	-	-	-	-	-	-	-	-	-
Svenska Småbolagsfond A10 - SEK	+20.8	-	-	-	-	-	-	-	-	-
Svenska Småbolagsfond B10 - SEK	+20.8	-	-	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+19.0	+12.2	+10.5	+12.7	+14.2	+14.2	+14.4	+9.8	+9.6	+6.0
EUR	+19.9	-	-	-	-	-	-	-	-	-
Dividends per unit, SEK										
Svenska Småbolagsfond A1 - SEK	-	-	-	-	-	-	17.88	8.46	6.70	19.76
Svenska Småbolagsfond B1 - SEK	51.20	48.05	45.51	35.12	29.75	19.51	0.00	-	-	-
Svenska Småbolagsfond B10 - SEK	51.20	-	-	-	-	-	-	-	-	-
Exchange rate EUR/SEK	10.13	-	-	-	-	-	-	-	-	-

Benchmark: 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 A10	0.60
Svenska Småbolagsfond B1	1.50
Svenska Småbolagsfond B10	0.60
Collected mgmt. costs in % of average fund capital	
Svenska Småbolagsfond A1	1.50
Svenska Småbolagsfond A10	0.60
Svenska Småbolagsfond B1	1.50
Svenska Småbolagsfond B10	0.60
Annual fees in %	
Svenska Småbolagsfond A1	1.51
Svenska Småbolagsfond A10	0.61
Svenska Småbolagsfond B1	1.51
Svenska Småbolagsfond B10	0.61
Transaction costs, tSEK	8,405
Transaction costs in % of turnover	0.03
Costs in SEK for a one-time subscription, 10 000 SEK	
Svenska Småbolagsfond A1	157.37
Svenska Småbolagsfond A10	-
Svenska Småbolagsfond B1	157.37
Svenska Småbolagsfond B10	-
Costs in SEK for monthly savings, 100 SEK	
Svenska Småbolagsfond A1	9.99
Svenska Småbolagsfond A10	-
Svenska Småbolagsfond B1	9.99
Svenska Småbolagsfond B10	-

Fund Facts - Other Key Figures

Turnover rate	0.6
Share of turnover conducted via closely-related securities companies in %	19.0

Risk and Return Measurements*

Total risk % - A1 SEK	13.2	Active return % - A10 SEK	0.2
Total risk % - A1 EUR	13.3	Active return % - B1 SEK	-0.7
Total risk % - A10 SEK	13.2	Active return % - B10 SEK	0.2
Total risk % - B1 SEK	13.2	Information ratio - A1 SEK	Negative
Total risk % - B10 SEK	13.2	Information ratio - A1 EUR	Negative
Total risk in index % - A1 SEK	11.4	Information ratio - A10 SEK	0.1
Total risk in index % - A1 EUR	11.3	Information ratio - B1 SEK	Negative
Total risk in index % - A10 SEK	11.4	Information ratio - B10 SEK	0.1
Total risk in index % - B1 SEK	11.4	Sharpe ratio - A1 SEK	0.3
Total risk in index % - B10 SEK	11.4	Sharpe ratio - A1 EUR	0.1
Active Share % ¹⁾	46.6	Sharpe ratio - A10 SEK	0.4
Tracking error % - A1 SEK	3.2	Sharpe ratio - B1 SEK	0.3
Tracking error % - A1 EUR	3.2	Sharpe ratio - B10 SEK	0.4
Tracking error % - A10 SEK	3.2	Sharpe ratio in index - A1 SEK	0.4
Tracking error % - B1 SEK	3.2	Sharpe ratio in index - A1 EUR	0.2
Tracking error % - B10 SEK	3.2	Sharpe ratio in index - A10 SEK	0.4
Benchmark	Carnegie Small Cap Return Index Gross (CSRXSE)	Sharpe ratio in index - B1 SEK	0.4
		Sharpe ratio in index - B10 SEK	0.4
Active return % - A1 SEK	-0.7		
Active return % - A1 EUR	-0.7		

1) As of the balance sheet date.

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

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

Income Statement, tSEK

	2018	2017
INCOME AND CHANGES IN VALUE		
Changes in value for transferable securities	-783,757	1,914,335
Interest income	-788	-306
Dividends	472,403	456,526
Currency exchange profits and losses, net	-536	-
Other financial income	13,881	20,544
Other income	6,420	0
Total income and changes in value	-292,377	2,391,099
EXPENSES		
Management costs:		
- Remuneration to the Management Company	295,757	315,638
Interest expense	14	12
Other financial expenses	2,776	3,882
Other expenses	8,405	12,012
Total expenses	306,952	331,544
Net income	-599,329	2,059,555
* Details of changes in value		
Capital gains	3,918,621	1,994,243
Capital losses	-692,119	-413,096
Unrealised gains/losses	-4,010,259	333,188
Sum	-783,757	1,914,335

Balance Sheet, tSEK

	31 dec 2018	% of fund capital	31 dec 2017	% of fund capital
ASSETS				
Transferable securities	17,850,318	95.8	20,373,877	95.9
Total financial instruments with positive market value ^(Note 2)	17,850,318	95.8	20,373,877	95.9
Bank assets and other liquid assets	864,222	4.6	757,621	3.6
Prepaid expenses and accrued income	6,520	0.0	4,172	0.0
Other assets	38,726	0.3	138,021	0.7
Total assets	18,759,786	100.7	21,273,691	100.2
LIABILITIES				
Accrued expenses and prepaid income	22,691	0.1	15,032	0.1
Other liabilities	100,806	0.6	17,068	0.1
Total liabilities	123,497	0.7	32,100	0.2
Fund capital ^(Note 1)	18,636,289	100.0	21,241,591	100.0
Financial instruments lent	597,026	3.2	1,492,934	7.0
Collateral received for financial instruments lent	702,097	3.8	1,615,993	7.6

Handelsbanken Svenska Småbolagsfond, cont.

Note 1) for Balance Sheet

Changes in fund capital, tSEK

	2018	2017
Fund capital at beginning of year	21,241,591	18,789,491
Units issued	4,916,935	4,676,744
Units redeemed	-6,905,622	-4,272,585
Profit according to Income Statement	-599,329	2,059,555
Dividends to unit holders	-17,286	-11,614
Fund capital at the close of the period	18,636,289	21,241,591

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

Bonava (Household Durables)	1,300,000	148,460	0.8
Bygghem (Specialty Retail)	1,600,000	51,200	0.3
Dometic Group (Household Durables)	10,000,000	550,000	3.0
Husqvarna B (Household Durables)	9,800,000	643,860	3.5
Modern Times Group B (Media)	1,050,000	307,650	1.7
Nobia (Specialty Retail)	4,380,262	215,684	1.2
Pandox B (Hotels, Restaurants and Leisure)	900,000	131,940	0.7
Scandic Hotels Group (Hotels, Restaurants and Leisure)	2,300,000	179,630	1.0
Storytel B (Media)	1,800,000	162,360	0.9
Thule Group (Leisure Equipment and Products)	1,100,000	178,310	1.0
		2,569,094	13.8

CONSUMER STAPLES

AarhusKarlskrona (Food Products)	2,200,000	269,940	1.4
Scandi Standard (Food Products)	600,000	37,140	0.2
		307,080	1.7

ENERGY

Swedol B (Energy Equipment and Services)	2,000,000	62,800	0.3
		62,800	0.3

FINANCIALS

Atrium Ljungberg (Real Estate)	2,050,000	311,600	1.7
Balder B (Real Estate)	3,000,000	756,000	4.1
Collector (Commercial Banks)	1,000,000	49,500	0.3
Diös Fastigheter (Real Estate)	3,400,000	191,590	1.0
Hemfosa Fastigheter (Real Estate Management and Development)	3,000,000	209,700	1.1
Hoist Finance (Consumer Finance)	3,800,000	163,970	0.9
Klövern B (Real Estate Management and Development)	25,000,000	257,000	1.4
Kungsleden (Real Estate Management and Development)	4,000,000	251,600	1.4
Resurs (Consumer Finance)	3,900,000	213,330	1.1
Sagax B (Real Estate Management and Development)	2,500,000	324,000	1.7
Volati (Capital Markets)	3,900,000	128,700	0.7
		3,752,141	20.1

HEALTH CARE

Attendo (Health Care Providers and Services)	600,000	47,220	0.3
Bactiguard B (Health Care Equipment and Supplies)	1,600,000	64,320	0.3
BioArctic B (Biotechnology)	2,200,000	180,400	1.0
Boule Diagnostics AB (Health Care Equipment and Supplies)	699,256	36,501	0.2
Calliditas Therapeutics AB (Pharmaceuticals)	700,000	30,800	0.2
CELLINK B (Life Sciences Tools and Services)	277,824	52,231	0.3
Elekta B (Health Care Equipment and Supplies)	4,800,000	505,680	2.7
Getinge B (Health Care Equipment and Supplies)	1,300,000	103,870	0.6
Hansa Medical (Biotechnology)	820,000	226,976	1.2
Immunovia (Health Care Equipment and Supplies)	1,000,000	137,800	0.7
IRLAB Therapeutics Ord Shs (Pharmaceuticals)	159,136	50,128	0.3
Isofol Medical (Biotechnology)	2,500,000	59,750	0.3
Lifco B (Health Care Providers and Services)	650,000	212,875	1.1
Midsöna B (Pharmaceuticals)	1,300,000	80,080	0.4
Oncopptides (Biotechnology)	1,419,635	186,540	1.0
Recipharm B (Pharmaceuticals)	1,800,000	203,760	1.1
Sedana Medical (Health Care Equipment and Supplies)	303,503	23,613	0.1
Swedish Orphan Biovitrum (Health Care Providers and Services)	800,000	154,400	0.8
Synthetic (Biotechnology)	110,000	31,790	0.2
		2,388,733	12.8

INDUSTRIALS

Addtech B (Trading Companies and Distributors)	925,000	146,335	0.8
ÅF B (Professional Services)	1,850,000	296,740	1.6
Ahlsell (Commercial Services and Supplies)	8,507,000	443,215	2.4
Alimak Group (Machinery)	1,300,000	143,000	0.8
B&B Tools (Trading Companies and Distributors)	1,100,000	93,170	0.5
Beijer Ref B (Trading Companies and Distributors)	2,175,000	317,289	1.7
Bravida Holding (Commercial Services and Supplies)	1,793,038	109,913	0.6

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
Concentric (Machinery)	500,000	59,900	0.3
Hexatronic Group (Electrical Equipment)	1,737,176	81,126	0.4
Indutrade (Trading Companies and Distributors)	1,450,000	298,120	1.6
Instalco (Electrical Equipment)	1,850,000	127,650	0.7
Intrum Justitia (Commercial Services and Supplies)	3,400,000	699,380	3.8
Inwido (Building Products)	3,000,000	166,800	0.9
ITAB Shop Concept B (Commercial Services and Supplies)	600,000	9,000	0.0
Loomis B (Commercial Services and Supplies)	1,550,000	443,300	2.4
Momentum Group B (Machinery)	1,450,000	116,725	0.6
Munters Group B (Commercial Services and Supplies)	1,200,000	40,800	0.2
NCC B (Construction and Engineering)	2,700,000	372,060	2.0
NIBE Industrier B (Building Products)	4,000,000	363,680	2.0
Peab B (Construction and Engineering)	4,100,000	296,840	1.6
Securitas B (Commercial Services and Supplies)	1,350,000	192,038	1.0
Sweco B (Construction and Engineering)	350,000	68,915	0.4
Trelleborg B (Machinery)	3,900,000	543,465	2.9
		5,429,461	29.2
INFORMATION TECHNOLOGY			
Cinnober Financial Technology (Software)	625,000	54,438	0.3
CLX Communications (Software)	2,207,405	192,044	1.0
HMS Network AB (Elec Equip, Instr & Comp)	250,000	30,750	0.2
I.A.R. Systems Group B (Software)	90,000	21,870	0.1
MAG INTERACTIVE AB (Software)	850,000	10,982	0.1
Micronic MYDATA (Elec Equip, Instr & Comp)	950,000	112,195	0.6
Net Insight B (Communications Equipment)	18,500,000	49,488	0.3
Nolato B (Communications Equipment)	500,000	183,250	1.0
Paradox Interactive Ord Shs (Software)	850,000	114,070	0.6
Stillfront (Software)	650,000	85,280	0.5
THQ Nordic B (Software)	2,797,666	403,983	2.2
Tobii Technology (Software)	4,700,000	127,276	0.7
Verisec Ord Shs (Software)	268,224	26,286	0.1
		1,411,911	7.6
MATERIALS			
BillerudKorsnäs (Containers and Packaging)	3,150,000	332,325	1.8
Gränges (Chemicals)	1,500,000	120,750	0.6
Hexpol B (Chemicals)	4,250,000	297,713	1.6
Holmen B1 (Paper and Forest Products)	400,000	69,976	0.4
Lindab International (Construction Materials)	2,300,000	146,050	0.8
SCA B (Paper and Forest Products)	5,100,000	350,472	1.9
SSAB B (Metals and Mining)	15,500,000	386,260	2.1
		1,703,546	9.1
REAL ESTATE			
Fabege (Real Estate Management & Development)	3,600,000	425,376	2.3
Nyfosa (Real Estate Management & Development)	5,000,000	213,775	1.1
Wihlborgs (Real Estate Management & Development)	2,500,000	256,000	1.4
		3,752,141	20.1
TELECOMMUNICATION SERVICES			
Invisio Communications (Diversified Telecommunication Services)	2,352,319	133,847	0.7
OVZON (Diversified Telecommunication Services)	375,000	27,765	0.1
		161,612	0.9
OTHER			
Micro Systemation (Other)	1,150,000	63,940	0.3
		63,940	0.3
Total listed equities		17,850,318	95.8
Total transferable securities		17,850,318	95.8
Total holdings in financial instruments		17,850,318	95.8
Net, other assets and liabilities		785,971	4.2
Total fund capital		18,636,289	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.

95.8

** 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.

Volume of lent securities as a % of total lendable assets

Volume of lent securities as a % of total lendable assets 3.54

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

The British Government	188 157
U.S.A.	88 403
The Swedish Government	43 342
The French Government	38 578
The German Government	23 872
The Finnish Government	12 574
The Dutch Government	11 815
Mitsubishi Ufj Financial Group Inc	8 964
Nippon Telegraph & Telephone Corp	7 553
Toyota Motor Corp	7 310

Handelsbanken Svenska Småbolagsfond, cont.

The largest counterparties for securities lending, SEK thousand:

J.P. Morgan Securities Plc, Great Britain	206 363
UBS AG, London Branch, Great Britain	186 630
Morgan Stanley & Co International Plc, Great Britain	108 773
Credit Suisse Securities (Europe) Ltd, Great Britain	33 575
Svenska Handelsbanken AB (publ), Sweden	32 212
Skandinaviska Enskilda Banken AB (publ), Sweden	29 473
	597 026

Type and quality of collateral, SEK thousand:

Equities	285 122
Bonds and other interest-bearing instruments	416 975
	702 097

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	437
One week to one month	24
One to three months	2 004
Three months to one year	28 617
Greater than one year	385 893
Indeterminate duration	285 122
	702 097

Currency of the collateral, SEK thousand:

AUD	4 227
CAD	502
CHF	3 592
DKK	1 862
EUR	122 354
GBP	220 002
HKD	4 074
JPY	127 972
SEK	47 615
SGD	3 273
USD	166 624
	702 097

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

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

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

Information about returns and expenses:

Securities lending for the full year generated a total revenue of 13 881 tSEK thousand, of which 80% was passed on to the fund and 20% to J.P. Morgan Bank Luxembourg S.A. in its role as the intermediary of securities lending.

Counterparties for securities lending during the year:

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

Handelsbanken Svenska Småbolagsfond

Sustainability dimensions that are taken into consideration in the management of the fund

The fund manager integrates environmental, social and corporate governance criteria (ESG) into the investment process, together with financial criteria, to obtain a more complete basis for decision-making. As a result, the fund manager takes into consideration both risks and opportunities related to various ESG aspects.

Methods used in sustainability efforts

Inclusion

An in-depth analysis is conducted in preparation for each investment decision in which sustainability dimensions as well as economic aspects are factored into the analysis. We believe sustainability issues are particularly important for making sound investment decisions to generate good, long-term returns. We have access to external ESG analyses as a complement to our own analyses and knowledge of the companies. Fund managers analyse sustainability through the company's sustainability performance (HOW they conduct their business operations), as well as through WHAT the company offers for products and services. The sustainability analysis is documented as an integral component of the investment documentation and consists of both sustainability risks and opportunities.

The refrigeration wholesaler Beijer Ref is one of Europe's largest distributors of cooling systems and air conditioning. A new F-gas regulation has been implemented, which will quickly phase out F-gases used in cooling systems that are dangerous to the climate. This change in regulations will have a positive effect on the climate and also strengthens Beijer Ref's business as all of Europe's refrigerated display cabinets are replaced and run using more environmentally-friendly refrigerants.

Exclusion

In accordance with the Management Company's overall policy for responsible investment, all of the Management Company's funds exclude:

- companies involved in the production or distribution of banned weapons, such as cluster bombs, anti-personnel mines, biological and chemical weapons, in accordance with international legislation. Companies involved in the production or distribution of nuclear weapons are also excluded.
- companies with substantial business operations within coal mining or in power companies that have coal as a major source of energy.

Provided that the fund observes a willingness to change and it is deemed that the company will address the problems within an acceptable amount of time, the fund may invest in companies involved in violations of international norms and conventions. The fund did not utilise this option during the year. Thus, the fund has not owned any of the companies involved in violations of international norms and conventions during the year.

Management Company's engagement activities

A critical component in taking responsibility as an investor is to influence the companies in which we invest. Our engagement activities are founded on the value base of Handelsbanken and the Management Company, our commitments, as well as the international norms and conventions we safeguard. We conduct dialogues to encourage companies to improve their sustainability efforts, as well as with companies we deem do not fulfil the international norms and conventions we safeguard. We conduct the engagement activities primarily through:

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

A. The fund manager meets or has contact with companies on a regular basis, which provides a good opportunity to influence companies within sustainability. We hold dialogues with clear targets for change, but also dialogues that focus on an overall improvement to the company's sustainability efforts. Targets are identified for the direct dialogues and results are followed up regularly during the period of the dialogue. The targeted company dialogues are carried out by the fund manager directly with the company. The fund had 6 dialogues during the year.

A dialogue was held with the gambling company LeoVegas and focused on the management of gambling addiction. Gambling addiction is a public health problem that affects approximately 2% of the population. We want to ensure that LeoVegas has relevant plans for measures to sharply reduce the risk of gambling addiction on the company's gambling sites. Our engagement dialogue occurred through personal meetings with management and led to the strengthening of the company's sustainability efforts related to gambling addiction. However, we sold the entire holding in LeoVegas during 2018 since the measures taken did not lead to the desired effects.

B. The Management Company participates in dialogues with companies together with other investors through an external party (ISS ESG) in a so-called pooled engagement. The basis for these dialogues is a norm-based analysis that focuses primarily on companies with suspected or confirmed violations with regard to international norms and conventions within the environment, human rights, labour rights, and anti-corruption. The dialogue process consists of contact between ISS ESG and the company concerned, and in certain cases also includes meetings or telephone conferences in which we as an investor may participate. During 2018 the Management Company participated in 143 company dialogues. The fund did not have any investments in these companies.

C. During 2018 the Management Company participated in several international initiatives and collaborations with focus on specific sustainability matters. These initiatives are often thematic or focus on sustainability issues within a certain sector. Examples of initiatives we have participated in during the year include: Climate Action 100+, PRI Methane Engagement, PRI Sustainable Palm Oil, PRI Sustainable Soy, PRI Cyber Security and FAIRR Antibiotics Engagement. These initiatives include 336 companies in total.

General meetings and nomination committees

Normally, Handelsbanken Fonder votes at general meetings in those companies in which ownership exceeds 0.5% or if there are specific matters of concern. The Management Company has voted at 106 general meetings on behalf of the fund.

Handelsbanken Fonder participates in all of the nomination committees where we have a sufficiently large ownership to be offered a position. However, nomination committees are not common outside of the Nordics and the board composition can only be impacted by voting at the general meetings.

The Management Company participated in 23 nomination committees on behalf of the fund: AAK AB, ÅF AB, Ahlsell AB, Alimak Group AB, Bactiguard Holding AB, Dometic Group AB, Hexpol AB, IAR Systems Group AB, Immunovia AB, Indutrade AB, Instalco Intressenter AB, Intrum AB, Inwido AB, Isofol Medical AB, Invisio Communications AB, MAG Interactive AB, Midsona AB, Modern Times Group MTG AB, Net Insight AB, Scandic Hotels Group AB, Swedol AB, Thule Group AB and Tobii AB.

The work in the nomination committee at MAG Interactive resulted in broader competencies and a more equal representation in the composition of the board. After the general meeting, a totally male-dominated board was changed to a board consisting of 40% women, of which one is the chairperson. We also increased the proportion of women from zero to 50% on the board of Instalco Intressenter AB.



Handelsbanken 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 equities issued by companies in Sweden. We place particular emphasis on ensuring that the company's strategy concurs with our assessment of what can generate favourable share price performance when we select equities for the fund, as well as that valuations are attractive. Within the context of the fund's investment focus, international norms 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

The fund fell 7.8% during the full year 2018*, which was a mixed year in the stock market. The beginning of the year was dominated by a broad cyclical rebound and rising share prices. Cyclical companies with high dependency on exports were unexpectedly positive and posted strength. The fund's position prior to mid-year focused on benefiting from the strong economy. However, reality caught up with the markets after mid-year when equity prices were affected by increasing concerns about an economic slowdown, trade barriers between the U.S. and China, and the impact of a more contractionary global monetary policy. During the summer months, the portfolio was adjusted to have a more defensive character to offset the volatility that dominated H2.

The computer game developers THQ Nordic and Paradox Interactive, as well as the audio book publisher Storytel, were the strongest contributors to fund returns during the year. The cosmetic company Oriflame, Hoist Finance and Dometic Group, which manufactures air conditioners, water heaters and ovens for various motor vehicles, had a negative impact.

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

Significant risks

As of the balance sheet date or any other time during the year, fund holdings did not have exposure to any other significant risks than those stated in the fact sheet and information brochure.

Trading with derivatives

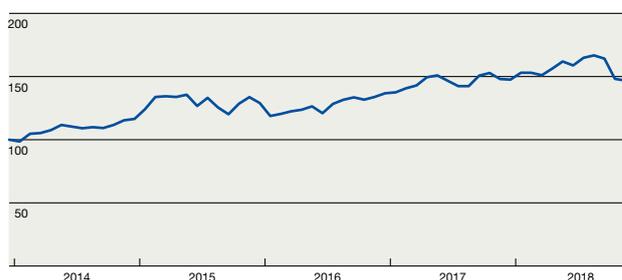
According to the fund rules, the fund may trade with derivatives as part of its investment focus. The fund did not use this option during 2018. The fund has the option of lending securities. The fund used this option to a limited extent during 2018. The fund may use other techniques and instruments. The fund did not use this option during 2018.

Information

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

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

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

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Net asset value, SEK										
Sverigefond A1	1,707.13	1,851.47	1,716.07	1,618.57	1,461.18	1,254.77	997.49	895.42	1,071.42	871.24
Sverigefond A10	1,713.97	-	-	-	-	-	-	-	-	-
The fund's total net flow, mSEK	-406	-759	-1,255	-690	-381	-695	-255	-	-	-
Fund capital total, mSEK	8,825	9,960	9,950	10,593	10,219	-	-	-	-	-
Sverigefond A1	8,810	9,960	9,950	10,593	10,219	9,126	7,863	7,079	8,776	7,058
Sverigefond A10	15	-	-	-	-	-	-	-	-	-
Number of units, 1000's	5,170	5,380	5,798	6,545	6,994	7,273	7,883	7,906	8,191	8,101
Sverigefond A1	5,161	5,380	5,798	6,545	6,994	7,273	7,883	7,906	8,191	8,101
Sverigefond A10	9	-	-	-	-	-	-	-	-	-
Total returns in %, SEK										
Sverigefond A1	-7.8	+7.9	+6.0	+10.8	+16.4	+25.8	+15.8	-14.6	+25.7	+53.0
Sverigefond A10	-7.3	-	-	-	-	-	-	-	-	-
Index including dividends in %, SEK										
Sverigefond A1	-4.4	+7.6	+9.3	+10.5	+15.9	+28.0	+16.7	-13.6	+26.9	+53.3
Sverigefond A10	-4.4	-	-	-	-	-	-	-	-	-
Average yearly return, 2 yrs. %										
Sverigefond A1	-0.3	+7.0	+8.4	+13.6	+21.0	+20.7	-0.5	+3.6	+38.7	-3.4
Sverigefond A10	+0.2	-	-	-	-	-	-	-	-	-
Comparison to index including dividends, %	+1.4	+8.4	+9.9	+13.2	+21.8	+22.2	+0.4	+4.7	+39.5	-3.4
Average yearly return, 5 yrs. %										
Sverigefond A1	+6.4	+13.2	+14.8	+9.9	+12.7	+19.1	+3.0	-0.1	+7.9	+9.6
Sverigefond A10	+7.0	-	-	-	-	-	-	-	-	-
Comparison to index including dividends, %	+7.6	+14.0	+15.9	+10.6	+13.7	+20.2	+3.6	0.0	+8.0	+9.8
Average yearly return, 10 yrs. %										
Sverigefond A1	+12.5	+8.0	+7.1	+8.9	+11.1	+10.8	+11.2	+4.2	+4.6	+0.4
Sverigefond A10	+13.4	-	-	-	-	-	-	-	-	-
Comparison to index including dividends, %	+13.7	+8.7	+7.7	+9.3	+11.7	+12.1	+12.7	+6.3	+6.6	+2.9
Dividends per unit, SEK	-	-	-	-	-	-	38.87	22.17	19.11	50.71
Benchmark: SIX SRI Sweden Index GI										

Up to 01/05/2016: SIX Portfolio Return Index (SIXPRX)

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

Handelsbanken Sverigefond, cont.

Fund Facts - Costs

Max. allowed mgmt. costs in % according to fund rules	
Sverigefond A1	1.00
Sverigefond A10	0.50
Collected mgmt. costs in % of average fund capital	
Sverigefond A1	1.00
Sverigefond A10	0.50
Annual fees in %	
Sverigefond A1	1.01
Sverigefond A10	0.51
Transaction costs, tSEK	4,571
Transaction costs in % of turnover	0.02
Costs in SEK for a one-time subscription, 10 000 SEK	
Sverigefond A1	104.56
Sverigefond A10	-
Costs in SEK for monthly savings, 100 SEK	
Sverigefond A1	6.47
Sverigefond A10	-

Fund Facts - Other Key Figures

Turnover rate	1.0
Share of turnover conducted via closely-related securities companies in %	29.5

Risk and Return Measurements*

Total risk % - A1 SEK	12.8	Active return % - A10 SEK	-1.2
Total risk % - A10 SEK	12.8	Information ratio - A1 SEK	Negative
Total risk in index % - A1 SEK	10.8	Information ratio - A10 SEK	Negative
Total risk in index % - A10 SEK	10.8	Sharpe ratio - A1 SEK	0.0
Active Share % ¹⁾	53.3	Sharpe ratio - A10 SEK	0.1
Tracking error % - A1 SEK	4.8	Sharpe ratio in index - A1 SEK	0.2
Tracking error % - A10 SEK	4.8	Sharpe ratio in index - A10 SEK	0.2
Benchmark	SIX SRI Sweden Index GI		
Active return % - A1 SEK	-1.7		

1) As of the balance sheet date.

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

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

Income Statement, tSEK

	2018	2017
INCOME AND CHANGES IN VALUE		
Changes in value for transferable securities ¹⁾	-907,474	576,885
Interest income	-97	-164
Dividends	280,113	297,016
Currency exchange profits and losses, net	-1	-
Other financial income	4,354	5,188
Other income	1,330	50
Total income and changes in value	-621,775	878,975
EXPENSES		
Management costs:		
- Remuneration to the Management Company	101,775	101,812
Interest expense	6	7
Other financial expenses	871	974
Other expenses	4,571	7,041
Total expenses	107,223	109,834
Net income	-728,998	769,141
* Details of changes in value		
Capital gains	1,300,558	1,131,343
Capital losses	-612,457	-414,548
Unrealised gains/losses	-1,595,575	-139,910
Sum	-907,474	576,885

Balance Sheet, tSEK

	31 dec 2018	% of fund capital	31 dec 2017	% of fund capital
ASSETS				
Transferable securities	8,688,983	98.5	9,830,500	98.7
Total financial instruments with positive market value ^{Note 2)}	8,688,983	98.5	9,830,500	98.7
Bank assets and other liquid assets	163,041	1.9	98,736	1.0
Prepaid expenses and accrued income	86	0.0	965	0.0
Other assets	61,084	0.6	55,616	0.6
Total assets	8,913,194	101.0	9,985,817	100.3
LIABILITIES				
Accrued expenses and prepaid income	7,728	0.1	4,723	0.1
Other liabilities	79,983	0.9	21,034	0.2
Total liabilities	87,711	1.0	25,757	0.3
Fund capital ^{Note 1)}	8,825,483	100.0	9,960,060	100.0
Financial instruments lent	37,296	0.4	305,111	3.1
Collateral received for financial instruments lent	40,629	0.5	326,727	3.3

Note 1) for Balance Sheet

Changes in fund capital, tSEK

	2018	2017
Fund capital at beginning of year	9,960,060	9,950,184
Units issued	567,443	346,043
Units redeemed	-973,022	-1,105,308
Profit according to Income Statement	-728,998	769,141
Dividends to unit holders	-	-
Fund capital at the close of the period	8,825,483	9,960,060

Note 2) for Balance Sheet

Fund holdings in financial instruments

TRANSFERABLE SECURITIES*

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
LISTED EQUITIES			
CONSUMER DISCRETIONARY			
Autoliv (Auto Components)	169,699	106,876	1.2
Bufab (Auto Components)	942,500	80,772	0.9
Dometic Group (Household Durables)	3,672,763	202,002	2.3
Electrolux B (Household Durables)	700,000	130,970	1.5
Husqvarna B (Household Durables)	3,060,000	201,042	2.3
Storytel B (Media)	1,954,542	176,300	2.0
Thule Group (Leisure Equipment and Products)	374,016	60,628	0.7
		958,590	10.9
CONSUMER STAPLES			
AarhusKarlskrona (Food Products)	206,000	25,276	0.3
Essity B (Household Products)	1,330,000	289,408	3.3
Oriflame Holding (Personal Products)	125,273	24,817	0.3
		339,501	3.9
ENERGY			
Swedol B (Energy Equipment and Services)	1,450,000	45,530	0.5
		45,530	0.5
FINANCIALS			
Balder B (Real Estate)	713,000	179,676	2.0
Handelsbanken A (Commercial Banks)	4,955,000	487,077	5.5
Hoist Finance (Consumer Finance)	925,000	39,914	0.5
Investor B (Diversified Financial Services)	1,055,000	396,258	4.5
Nordea Bank Abp Stockholm (Commercial Banks)	1,345,000	100,310	1.1
SEB A (Commercial Banks)	3,280,000	282,408	3.2
Swedbank A (Commercial Banks)	2,425,000	479,544	5.4
		1,965,186	22.3
HEALTH CARE			
AstraZeneca SDB (Pharmaceuticals)	163,500	110,150	1.2
Lifco B (Health Care Providers and Services)	420,000	137,550	1.6
Swedish Orphan Biovitrum (Health Care Providers and Services)	345,000	66,585	0.8
		314,285	3.6
INDUSTRIALS			
ABB SDB (Electrical Equipment)	1,505,000	256,828	2.9
Addtech B (Trading Companies and Distributors)	950,000	150,290	1.7
ÅF B (Professional Services)	1,046,325	167,831	1.9
Ahlsell (Commercial Services and Supplies)	850,000	44,285	0.5
Alfa Laval (Machinery)	395,000	74,912	0.8
Alimak Group (Machinery)	199,999	22,000	0.2
Assa Abloy B (Building Products)	150,000	23,723	0.3
Atlas Copco B1 (Machinery)	1,180,000	228,118	2.6
Beijer Ref B (Trading Companies and Distributors)	1,810,479	264,113	3.0
Concentric (Machinery)	457,500	54,809	0.6
EPIROC B (Machinery)	3,600,000	283,968	3.2
Hexagon B (Machinery)	1,312,000	535,296	6.1
Indutrade (Trading Companies and Distributors)	695,000	142,892	1.6
Intrum Justitia (Commercial Services and Supplies)	715,000	147,076	1.7

Handelsbanken Sverigefond, cont.

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
NIBE Industrier B (Building Products)	800,000	72,736	0.8
Sandvik (Machinery)	1,490,000	188,262	2.1
Trelleborg B (Machinery)	450,000	62,708	0.7
Trox Group A (Machinery)	307,500	78,259	0.9
Volvo B (Machinery)	2,579,545	299,098	3.4
		3,097,200	35.0
INFORMATION TECHNOLOGY			
Acando B (IT Services)	3,355,000	97,631	1.1
Ericsson B (Communications Equipment)	3,805,000	296,486	3.4
I.A.R. Systems Group B (Software)	466,000	113,238	1.3
Lagercrantz B (Elec Equip, Instr & Comp)	1,273,351	109,636	1.2
Micronic MYDATA (Elec Equip, Instr & Comp)	220,000	25,982	0.3
Paradox Interactive Ord Shs (Software)	1,988,919	266,913	3.0
Stillfront (Software)	996,269	130,710	1.5
THQ Nordic B (Software)	3,355,030	484,466	5.5
		1,525,062	17.3
MATERIALS			
SCA B (Paper and Forest Products)	2,100,000	144,312	1.6
		144,312	1.6
TELECOMMUNICATION SERVICES			
TeliaSonera (Diversified Telecommunication Services)	7,130,000	299,317	3.4
		299,317	3.4
Total listed equities		8,688,983	98.5
Total transferable securities		8,688,983	98.5
Total holdings in financial instruments		8,688,983	98.5
Net, other assets and liabilities		136,500	1.5
Total fund capital		8,825,483	100.0

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

* Refers to transferable securities admitted to trading on a regulated market or equivalent market outside EEA, or are the subject of regular trading in other markets that are regulated and open to the general public. 98.5

** 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. -

Volume of lent securities as a % of total lendable assets

Volume of lent securities as a % of total lendable assets 0.43

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

The Finnish Government	10 540
The French Government	7 913
The German Government	3 285
The Belgium Government	2 093
U.S.A.	731
The Dutch Government	635
The Austrian Government	520
Equitrans Midstream Corp	405
Nitto Denko Corp	405
Gci Liberty Inc	405

The largest counterparties for securities lending, SEK thousand:

Skandinaviska Enskilda Banken AB (publ), Sweden	28 873
Credit Suisse AG, Dublin Branch, Ireland	6 972
Merrill Lynch Intl, Great Britain	1 452
	37 296

Type and quality of collateral, SEK thousand:

Equities	14 533
Bonds and other interest-bearing instruments	26 096
	40 629

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	372
One to three months	0
Three months to one year	0
Greater than one year	25 724
Indeterminate duration	14 533
	40 629

Currency of the collateral, SEK thousand:

AUD	4
CAD	443
CHF	497
EUR	25 527
GBP	929
HKD	395
JPY	3 527
SEK	80
SGD	1
USD	9 226
	40 629

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

Settlement and clearing for securities lending is conducted through a third party. The collateral received is held by J.P. Morgan Bank Luxembourg S.A. or another group company within the J.P. Morgan Group and is not reused.

Information about returns and expenses:

Securities lending for the full year generated a total revenue of 4 354 tSEK thousand, of which 80% was passed on to the fund and 20% to J.P. Morgan Bank Luxembourg S.A. in its role as the intermediary of securities lending.

Counterparties for securities lending during the year:

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

Handelsbanken Sverigefond

Sustainability dimensions that are taken into consideration in the management of the fund

The fund manager integrates environmental, social and corporate governance criteria (ESG) into the investment process, together with financial criteria, to obtain a more complete basis for decision-making. As a result, the fund manager takes into consideration both risks and opportunities related to various ESG aspects.

Methods used in sustainability efforts

Inclusion

An in-depth analysis is conducted in preparation for each investment decision in which sustainability dimensions as well as economic aspects are factored into the analysis. We believe sustainability issues are particularly important for making sound investment decisions to generate good, long-term returns. We have access to external ESG analyses as a complement to our own analyses and knowledge of the companies. Fund managers analyse sustainability through the company's sustainability performance (HOW they conduct their business operations), as well as through WHAT the company offers for products and services. The sustainability analysis is documented as an integral component of the investment documentation and consists of both sustainability risks and opportunities.

The refrigeration wholesaler Beijer Ref is one of Europe's largest distributors of cooling systems and air conditioning. A new F-gas regulation has been implemented, which will quickly phase out F-gases used in cooling systems that are dangerous to the climate. This change in regulations will have a positive effect on the climate and also strengthens Beijer Ref's business as all of Europe's refrigerated display cabinets are replaced and run using more environmentally-friendly refrigerants.

Exclusion

In accordance with the Management Company's overall policy for responsible investment, all of the Management Company's funds exclude:

- companies involved in the production or distribution of banned weapons, such as cluster bombs, anti-personnel mines, biological and chemical weapons, in accordance with international legislation. Companies involved in the production or distribution of nuclear weapons are also excluded.
- companies with substantial business operations within coal mining or in power companies that have coal as a major source of energy.

The fund is managed based upon the Criteria exclusion strategy, which means an exclusion of companies in which the principle business operations are within controversial sectors such as alcohol, tobacco, commercial gaming, war materials, pornography, fossil fuels. The fund also excludes companies that are deemed to be violating international norms and conventions. This is followed-up by the Management Company's independent risk control function on a daily basis.

Management Company's engagement activities

A critical component in taking responsibility as an investor is to influence the companies in which we invest. Our engagement activities are founded on the value base of Handelsbanken and the Management Company, our commitments, as well as the international norms and conventions we safeguard. We conduct dialogues to encourage companies to improve their sustainability efforts, as well as with companies we deem do not fulfil the international norms and conventions we safeguard. We conduct the engagement activities primarily through:

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

A. The fund manager meets or has contact with companies on a regular basis, which provides a good opportunity to influence companies within sustainability. We hold dialogues with clear targets for change, but also dialogues that focus on an overall improvement to the company's sustainability efforts. Targets are identified for the direct dialogues and results are followed up regularly during the period of the dialogue. The targeted company dialogues are carried out by the fund manager directly with the company. The fund had 5 dialogues during the year.

A dialogue was held with the vegetable oil and fat producer AAK. The dialogue focused on AAK's purchases of palm oil. Palm oil is a key input for AAK's production of vegetable oils. We want to ensure that the company's plantations did not arise from deforestation and that the company respects the indigenous people's rights to cultivate the land. Our engagement dialogues occurred through personal meetings with management and hopefully AAK's sustainability efforts do not end with high traceability at the mill, but also focus on traceability at the plantation and control of sub-contractors.

B. The Management Company participates in dialogues with companies together with other investors through an external party (ISS ESG) in a so-called pooled engagement. The basis for these dialogues is a norm-based analysis that focuses primarily on companies with suspected or confirmed violations with regard to international norms and conventions within the environment, human rights, labour rights, and anti-corruption. The dialogue process consists of contact between ISS ESG and the company concerned, and in certain cases also includes meetings or telephone conferences in which we as an investor may participate. During 2018 the Management Company participated in 143 company dialogues, of which the fund was invested in one of these companies.

A dialogue was held with the telephone company LM Ericsson, given alleged deficiencies in the anti-corruption efforts in China and South Africa.

C. During 2018 the Management Company participated in several international initiatives and collaborations with focus on specific sustainability matters. These initiatives are often thematic or focus on sustainability issues within a certain sector. Examples of initiatives we have participated in during the year include: Climate Action 100+, PRI Methane Engagement, PRI Sustainable Palm Oil, PRI Sustainable Soy, PRI Cyber Security and FAIRR Antibiotics Engagement. These initiatives include 336 companies in total.

General meetings and nomination committees

Normally, Handelsbanken Fonder votes at general meetings in those companies in which ownership exceeds 0.5% or if there are specific matters of concern. The Management Company has voted at 47 general meetings on behalf of the fund.

The Management Company often has discussions in preparation for the general meeting with regard to the incentive programme that is to be presented for approval. On behalf of the fund, we have influenced the development of the incentive programme for employees at Acando and Bilia.

Handelsbanken Fonder participates in all of the nomination committees where we have a sufficiently large ownership to be offered a position. However, nomination committees are not common outside of the Nordics and the board composition can only be impacted by voting at the general meetings.

The Management Company participated in 9 nomination committees on behalf of the fund: AAK AB, ÅF AB, Alimak Group AB, Dometic Group AB, IAR Systems Group AB, Indutrade AB, Intrum AB, Swedol AB and Thule Group AB.

Handelsbanken Sverige Selektiv, cont.

	2018	2017	2016	2015	26/9-31/12 2014	2013	2012	2011	2010	2009
Number of units, 1000's	8,485	6,304	11,167	9,796	9,114	-	-	-	-	-
Sverige Selektiv A1 - SEK	6,862	4,728	7,052	6,766	6,835	-	-	-	-	-
Sverige Selektiv A1 - EUR	158	155	266	-	-	-	-	-	-	-
Sverige Selektiv A9 - SEK	1	97	742	176	43	-	-	-	-	-
Sverige Selektiv A9 - EUR	41	49	55	-	-	-	-	-	-	-
Sverige Selektiv A10 - SEK	791	-	-	-	-	-	-	-	-	-
Sverige Selektiv A10 - EUR	5	-	-	-	-	-	-	-	-	-
Sverige Selektiv B1 - SEK	186	1,275	3,052	2,854	2,236	-	-	-	-	-
Sverige Selektiv B1 - EUR	19	-	-	-	-	-	-	-	-	-
Sverige Selektiv B10 - SEK	422	-	-	-	-	-	-	-	-	-
Total returns in %, SEK										
Sverige Selektiv A1 - SEK	-5.9	+12.9	+3.2	+25.8	+19.3	+22.0	+13.4	-13.8	+26.7	+62.5
Sverige Selektiv A1 - EUR	-8.7	+10.1	-1.4	+30.1	+11.4	+18.3	+17.7	-12.6	+44.0	+74.4
Sverige Selektiv A9 - SEK	-5.1	+13.9	+4.1	+26.9	+20.0	-	-	-	-	-
Sverige Selektiv A9 - EUR	-7.9	+11.0	-0.5	+31.2	-	-	-	-	-	-
Sverige Selektiv A10 - SEK	-4.7	-	-	-	-	-	-	-	-	-
Sverige Selektiv A10 - EUR	-7.6	-	-	-	-	-	-	-	-	-
Sverige Selektiv B1 - SEK	-5.9	+12.9	+3.2	+25.8	+19.3	+22.0	+13.4	-13.8	+26.7	+62.5
Sverige Selektiv B1 - EUR	-8.7	-	-	-	-	-	-	-	-	-
Sverige Selektiv B10 - SEK	-4.7	-	-	-	-	-	-	-	-	-
Index including dividends in %, SEK										
Sverige Selektiv A1 - SEK	-4.4	+9.5	+9.6	+10.5	-	-	-	-	-	-
Sverige Selektiv A1 - EUR	-7.2	+6.7	+4.8	+14.3	+8.3	+24.0	+21.1	-12.4	+44.1	+64.5
Sverige Selektiv A9 - SEK	-4.4	+9.5	+9.6	+10.5	-	-	-	-	-	-
Sverige Selektiv A9 - EUR	-7.2	+6.7	+4.8	+14.3	-	-	-	-	-	-
Sverige Selektiv A10 - SEK	-4.4	-	-	-	-	-	-	-	-	-
Sverige Selektiv A10 - EUR	-7.2	-	-	-	-	-	-	-	-	-
Sverige Selektiv B1 - SEK	-4.4	+9.5	+9.6	+10.5	-	-	-	-	-	-
Sverige Selektiv B1 - EUR	-7.2	-	-	-	-	-	-	-	-	-
Sverige Selektiv B10 - SEK	-4.4	-	-	-	-	-	-	-	-	-
Average yearly return, 2 yrs. %										
Sverige Selektiv A1 - SEK	+3.1	+8.0	+13.9	+22.5	+20.7	+17.7	-1.1	+4.6	+43.5	-0.6
Sverige Selektiv A1 - EUR	+0.2	+4.2	+13.3	+20.4	+14.8	+18.0	+1.4	+12.2	+58.4	-4.6
Sverige Selektiv A9 - SEK	+4.0	+8.9	+14.9	-	-	-	-	-	-	-
Sverige Selektiv A9 - EUR	+1.1	+5.1	+14.3	-	-	-	-	-	-	-
Sverige Selektiv A10 - SEK	+4.4	-	-	-	-	-	-	-	-	-
Sverige Selektiv A10 - EUR	+1.5	-	-	-	-	-	-	-	-	-
Sverige Selektiv B1 - SEK	+3.1	+8.0	+13.9	+22.5	+20.7	+17.7	-1.1	+4.6	+43.5	-0.6
Sverige Selektiv B1 - EUR	+0.2	-	-	-	-	-	-	-	-	-
Sverige Selektiv B10 - SEK	+4.4	-	-	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+2.3	+9.6	+10.1	+13.2	-	-	-	-	-	-
EUR	-0.5	+5.7	+9.4	+11.2	+15.9	+22.5	+3.0	+12.3	+54.0	-7.2
Average yearly return, 5 yrs. %										
Sverige Selektiv A1 - SEK	+10.5	+16.4	+16.5	+12.4	+12.5	+19.7	+4.1	+0.4	+9.3	-
Sverige Selektiv A1 - EUR	+7.5	+13.2	+14.8	+12.0	+14.3	+25.0	+6.2	+0.6	+10.2	-
Sverige Selektiv A10 - SEK	+11.9	-	-	-	-	-	-	-	-	-
Sverige Selektiv A10 - EUR	+8.9	-	-	-	-	-	-	-	-	-
Sverige Selektiv B1 - SEK	+10.5	+16.4	+16.5	+12.4	+12.5	+19.7	+4.1	-	-	-
Sverige Selektiv B1 - EUR	+7.5	-	-	-	-	-	-	-	-	-
Sverige Selektiv B10 - SEK	+11.9	-	-	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+8.0	+14.5	+16.0	+10.6	-	-	-	-	-	-
EUR	+5.1	+11.4	+14.3	+10.2	+15.5	+25.5	+5.6	+0.3	+8.9	-
Average yearly return, 10 yrs. %										
Sverige Selektiv A1 - SEK	+15.0	+10.1	+8.1	+10.8	-	-	-	-	-	-
Sverige Selektiv A1 - EUR	+15.9	+9.6	+7.5	+11.1	-	-	-	-	-	-
Sverige Selektiv A10 - SEK	+16.4	-	-	-	-	-	-	-	-	-
Sverige Selektiv A10 - EUR	+17.4	-	-	-	-	-	-	-	-	-
Sverige Selektiv B1 - SEK	+15.0	+10.1	-	-	-	-	-	-	-	-
Sverige Selektiv B1 - EUR	+15.9	-	-	-	-	-	-	-	-	-
Sverige Selektiv B10 - SEK	+16.4	-	-	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+13.9	+8.9	+7.7	+9.3	-	-	-	-	-	-
EUR	+14.9	+8.5	+7.1	+9.6	-	-	-	-	-	-
Dividends per unit, SEK										
Sverige Selektiv A1 - SEK	-	-	-	-	-	-	-	-	-	-
Sverige Selektiv B1 - SEK	9.82	9.04	9.15	7.54	-	-	-	-	-	-
Sverige Selektiv B1 - EUR	0.97	-	-	-	-	-	-	-	-	-
Sverige Selektiv B10 - SEK	9.82	-	-	-	-	-	-	-	-	-
Exchange rate EUR/SEK	10.13	9.83	9.58	-	-	-	-	-	-	-

Benchmark: SIX Portfolio Return Index (SIXPRX)

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

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

Refer to the last page for definitions.

Handelsbanken Sverige Selektiv, cont.

Fund Facts - Costs

Max. allowed mgmt. costs in % according to fund rules	
Sverige Selektiv A1	1.85
Sverige Selektiv A9	0.95
Sverige Selektiv A10	0.60
Sverige Selektiv B1	1.85
Sverige Selektiv B10	0.60
Collected mgmt. costs in % of average fund capital	
Sverige Selektiv A1	1.85
Sverige Selektiv A9	0.97
Sverige Selektiv A10	0.60
Sverige Selektiv B1	1.85
Sverige Selektiv B10	0.60
Annual fees in %	
Sverige Selektiv A1	1.85
Sverige Selektiv A9	0.97
Sverige Selektiv A10	0.60
Sverige Selektiv B1	1.85
Sverige Selektiv B10	0.60
Transaction costs, tSEK	
Transaction costs in % of turnover	0.03
Costs in SEK for a one-time subscription, 10 000 SEK	
Sverige Selektiv A1	195.92
Sverige Selektiv A9	101.77
Sverige Selektiv A10	-
Sverige Selektiv B1	195.92
Sverige Selektiv B10	-
Costs in SEK for monthly savings, 100 SEK	
Sverige Selektiv A1	12.04
Sverige Selektiv A9	6.21
Sverige Selektiv A10	-
Sverige Selektiv B1	12.04
Sverige Selektiv B10	-

Fund Facts - Other Key Figures

Turnover rate	0.5
Share of turnover conducted via closely-related securities companies in %	18.7

Risk and Return Measurements*

Total risk % - A1 SEK	12.7	Active return % - A10 EUR	2.0
Total risk % - A1 EUR	12.4	Active return % - B1 SEK	0.8
Total risk % - A9 SEK	12.7	Active return % - B1 EUR	0.7
Total risk % - A9 EUR	12.4	Active return % - B10 SEK	2.0
Total risk % - A10 SEK	12.7	Information ratio - A1 SEK	0.1
Total risk % - A10 EUR	12.4	Information ratio - A1 EUR	0.1
Total risk % - B1 SEK	12.7	Information ratio - A9 SEK	0.3
Total risk % - B1 EUR	12.4	Information ratio - A9 EUR	0.3
Total risk % - B10 SEK	12.7	Information ratio - A10 SEK	0.4
Total risk in index % - A1 SEK	11.2	Information ratio - A10 EUR	0.4
Total risk in index % - A1 EUR	11.1	Information ratio - B1 SEK	0.1
Total risk in index % - A9 SEK	11.2	Information ratio - B1 EUR	0.1
Total risk in index % - A9 EUR	11.1	Information ratio - B10 SEK	0.4
Total risk in index % - A10 SEK	11.2	Sharpe ratio - A1 SEK	0.3
Total risk in index % - A10 EUR	11.1	Sharpe ratio - A1 EUR	0.1
Total risk in index % - B1 SEK	11.2	Sharpe ratio - A9 SEK	0.4
Total risk in index % - B1 EUR	11.1	Sharpe ratio - A9 EUR	0.1
Total risk in index % - B10 SEK	11.2	Sharpe ratio - A10 SEK	0.4
Tracking error % - A1 SEK	5.6	Sharpe ratio - A10 EUR	0.2
Tracking error % - A1 EUR	5.6	Sharpe ratio - B1 SEK	0.3
Tracking error % - A9 SEK	5.6	Sharpe ratio - B1 EUR	0.1
Tracking error % - A9 EUR	5.6	Sharpe ratio - B10 SEK	0.4
Tracking error % - A10 SEK	5.6	Sharpe ratio in index - A1 SEK	0.3
Tracking error % - A10 EUR	5.6	Sharpe ratio in index - A1 EUR	0.0
Tracking error % - B1 SEK	5.6	Sharpe ratio in index - A9 SEK	0.3
Tracking error % - B1 EUR	5.6	Sharpe ratio in index - A9 EUR	0.0
Tracking error % - B10 SEK	5.6	Sharpe ratio in index - A10 SEK	0.3
Benchmark	SIX Portfolio Return Index (SIXPRX)	Sharpe ratio in index - A10 EUR	0.0
Active return % - A1 SEK	0.8	Sharpe ratio in index - B1 SEK	0.3
Active return % - A1 EUR	0.7	Sharpe ratio in index - B1 EUR	0.0
Active return % - A9 SEK	1.7	Sharpe ratio in index - B10 SEK	0.3
Active return % - A9 EUR	1.6	Active Share % ¹⁾	78.4
Active return % - A10 SEK	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, tSEK

	2018	2017
INCOME AND CHANGES IN VALUE		
Changes in value for transferable securities	-235,010	343,755
Interest income	-103	-109
Dividends	57,968	72,123
Currency exchange profits and losses, net	-854	-379
Other financial income	323	156
Other income	0	0
Total income and changes in value	-177,676	415,546
EXPENSES		
Management costs:		
- Remuneration to the Management Company	50,309	55,943
Interest expense	6	16
Other financial expenses	65	31
Other expenses	1,165	2,142
Total expenses	51,545	58,132
Net income	-229,221	357,414
* Details of changes in value		
Capital gains	349,960	534,873
Capital losses	-46,219	-86,177
Unrealised gains/losses	-538,751	-104,941
Sum	-235,010	343,755

Balance Sheet, tSEK

	31 dec 2018	% of fund capital	31 dec 2017	% of fund capital
ASSETS				
Transferable securities	2,893,718	97.9	2,202,875	98.9
Total financial instruments with positive market value ^{Note 2)}	2,893,718	97.9	2,202,875	98.9
Bank assets and other liquid assets	64,445	2.2	27,336	1.2
Prepaid expenses and accrued income	38	0.0	-5	0.0
Other assets	-	-	10	0.0
Total assets	2,958,201	100.1	2,230,216	100.1
LIABILITIES				
Accrued expenses and prepaid income	4,130	0.1	1,917	0.1
Other liabilities	4	0.0	0	0.0
Total liabilities	4,134	0.1	1,917	0.1
Fund capital ^{Note 1)}	2,954,067	100.0	2,228,299	100.0
Financial instruments lent	140,170	4.7	8,188	0.4
Collateral received for financial instruments lent	151,406	5.1	9,099	0.4

Note 1) for Balance Sheet

Changes in fund capital, tSEK

	2018	2017
Fund capital at beginning of year	2,228,299	3,438,174
Units issued	2,360,636	556,442
Units redeemed	-1,394,237	-2,094,746
Profit according to Income Statement	-229,221	357,414
Dividends to unit holders	-11,410	-28,985
Fund capital at the close of the period	2,954,067	2,228,299

Note 2) for Balance Sheet

Fund holdings in financial instruments

TRANSFERABLE SECURITIES*

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
LISTED EQUITIES			
CONSUMER DISCRETIONARY			
Autoliv (Auto Components)	195,000	122,811	4.2
Fenix Outdoor B (Specialty Retail)	149,889	128,455	4.3
Husqvarna B (Household Durables)	3,010,000	197,757	6.7
Thule Group (Leisure Equipment and Products)	470,000	76,187	2.6
		525,210	17.8
CONSUMER STAPLES			
AarhusKarlshamn (Food Products)	630,000	77,301	2.6
		77,301	2.6
FINANCIALS			
Handelsbanken A (Commercial Banks)	2,325,000	228,548	7.7
		228,548	7.7
HEALTH CARE			
Lifco B (Health Care Providers and Services)	275,000	90,063	3.0
Novo Nordisk (Pharmaceuticals)	324,000	131,087	4.4
		221,149	7.5

Handelsbanken Sverige Selektiv, cont.

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
INDUSTRIALS			
ABB SDB (Electrical Equipment)	1,110,000	189,422	6.4
ÅF B (Professional Services)	670,000	107,468	3.6
Assa Abloy B (Building Products)	1,095,000	173,174	5.9
Atlas Copco A (Machinery)	550,000	115,775	3.9
EPIROC A (Machinery)	1,120,000	93,901	3.2
Hexagon B (Machinery)	624,000	254,592	8.6
Indutrade (Trading Companies and Distributors)	525,000	107,940	3.7
Loomis B (Commercial Services and Supplies)	480,000	137,280	4.6
NIBE Industrier B (Building Products)	520,000	47,278	1.6
		1,226,830	41.5
INFORMATION TECHNOLOGY			
HiQ International (IT Services)	2,420,000	114,490	3.9
HMS Network AB (Elec Equip, Instr & Comp)	1,090,000	134,070	4.5
I.A.R. Systems Group B (Software)	468,603	113,871	3.9
Lagercrantz B (Elec Equip, Instr & Comp)	1,260,000	108,486	3.7
SimCorp (Software)	160,000	96,830	3.3
		567,746	19.2
MATERIALS			
Hexpol B (Chemicals)	670,000	46,934	1.6
		46,934	1.6
Total listed equities		2,893,718	97.9
Total transferable securities		2,893,718	97.9
Total holdings in financial instruments		2,893,718	97.9
Net, other assets and liabilities		60,349	2.1
Total fund capital		2,954,067	100.0

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

* Refers to transferable securities admitted to trading on a regulated market or equivalent market outside EEA, or are the subject of regular trading in other markets that are regulated and open to the general public.	97.9
** Refers to other financial instruments admitted to trading on a regulated market or equivalent market outside EEA, or are the subject of regular trading in other markets that are regulated and open to the general public and in the case of money market instruments or such money market instruments referred to in Chapter 5, §4 of the Swedish UCITS Funds Act (2004:46).	-
*** Refers to other financial instruments.	-

Volume of lent securities as a % of total lendable assets

Volume of lent securities as a % of total lendable assets **4,84**

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

The British Government	74 692
The French Government	4 735
Toyota Motor Corp	3 530
Mitsubishi Ufj Financial Group Inc	3 522
Nippon Telegraph & Telephone Corp	3 522
Softbank Group Corp	3 522
Fujitsu Ltd	3 509
Sony Corp	2 898
Mitsubishi Corp	2 463
Seven & I Holdings Co Ltd	2 444

The largest counterparties for securities lending, SEK thousand:

J.P. Morgan Securities Plc, Great Britain	140 170
	140 170

Type and quality of collateral, SEK thousand:

Equities	71 112
Bonds and other interest-bearing instruments	80 294
	151 406

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	0
One to three months	0
Three months to one year	0
Greater than one year	80 294
Indeterminate duration	71 112
	151 406

Currency of the collateral, SEK thousand:

AUD	780
CHF	1 605
DKK	154
EUR	11 939
GBP	79 609
HKD	828
JPY	40 080
SEK	1 534
SGD	395
USD	14 482
	151 406

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

Settlement and clearing for securities lending is conducted through a third party. The collateral received is held by J.P. Morgan Bank Luxembourg S.A. or another group company within the J.P. Morgan Group and is not reused.

Information about returns and expenses:

Securities lending for the full year generated a total revenue of 323 tSEK thousand, of which 80% was passed on to the fund and 20% to J.P. Morgan Bank Luxembourg S.A. in its role as the intermediary of securities lending.

Counterparties for securities lending during the year:

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

Handelsbanken Sverige Selektiv

Sustainability dimensions that are taken into consideration in the management of the fund

The fund manager integrates environmental, social and corporate governance criteria (ESG) into the investment process, together with financial criteria, to obtain a more complete basis for decision-making. As a result, the fund manager takes into consideration both risks and opportunities related to various ESG aspects.

Methods used in sustainability efforts

Inclusion

An in-depth analysis is conducted in preparation for each investment decision in which sustainability dimensions as well as economic aspects are factored into the analysis. We believe sustainability issues are particularly important for making sound investment decisions to generate good, long-term returns. We have access to external ESG analyses as a complement to our own analyses and knowledge of the companies. Fund managers analyse sustainability through the company's sustainability performance (HOW they conduct their business operations), as well as through WHAT the company offers for products and services. The sustainability analysis is documented as an integral component of the investment documentation and consists of both sustainability risks and opportunities.

Through the spin-off from Atlas Copco, the fund received and held Epiroc, given that they are at the forefront for sustainability within mining machinery. During the year Epiroc launched its second-generation battery-driven machines that will result in several benefits for mining customers worldwide, e.g., improved health and safety, lower emissions and reduced maintenance costs.

Exclusion

In accordance with the Management Company's overall policy for responsible investment, all of the Management Company's funds exclude:

- companies involved in the production or distribution of banned weapons, such as cluster bombs, anti-personnel mines, biological and chemical weapons, in accordance with international legislation. Companies involved in the production or distribution of nuclear weapons are also excluded.
- companies with substantial business operations within coal mining or in power companies that have coal as a major source of energy.

The fund is managed based upon the Criteria exclusion strategy, which means an exclusion of companies in which the principle business operations are within controversial sectors such as alcohol, tobacco, commercial gaming, war materials, pornography, fossil fuels. The fund also excludes companies that are deemed to be violating international norms and conventions. This is followed-up by the Management Company's independent risk control function on a daily basis.

Management Company's engagement activities

A critical component in taking responsibility as an investor is to influence the companies in which we invest. Our engagement activities are founded on the value base of Handelsbanken and the Management Company, our commitments, as well as the international norms and conventions we safeguard. We conduct dialogues to encourage companies to improve their sustainability efforts, as well as with companies we deem do not fulfil the international norms and conventions we safeguard. We conduct the engagement activities primarily through:

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

A. The fund manager meets or has contact with companies on a regular basis, which provides a good opportunity to influence companies within sustainability. We hold dialogues with clear targets for change, but also dialogues that focus on an overall improvement to the company's sustainability efforts. Targets are identified for the direct dialogues and results are followed up regularly during the period of the dialogue. The targeted company dialogues are carried out by the fund manager directly with the company. The fund had 2 dialogues during the year.

A dialogue was held with the vegetable oil and fat producer AAK. The dialogue focused on AAK's purchases of palm oil. Palm oil is a key input for AAK's production of vegetable oils. We want to ensure that the company's plantations did not arise from deforestation and that the company respects the indigenous people's rights to cultivate the land. Our engagement dialogues occurred through personal meetings with management and hopefully AAK's sustainability efforts do not end with high traceability at the mill, but also focus on traceability at the plantation and control of sub-contractors.

B. The Management Company participates in dialogues with companies together with other investors through an external party (ISS ESG) in a so-called pooled engagement. The basis for these dialogues is a norm-based analysis that focuses primarily on companies with suspected or confirmed violations with regard to international norms and conventions within the environment, human rights, labour rights, and anti-corruption. The dialogue process consists of contact between ISS ESG and the company concerned, and in certain cases also includes meetings or telephone conferences in which we as an investor may participate. During 2018 the Management Company participated in 143 company dialogues. The fund did not have any investments in these companies.

C. During 2018 the Management Company participated in several international initiatives and collaborations with focus on specific sustainability matters. These initiatives are often thematic or focus on sustainability issues within a certain sector. Examples of initiatives we have participated in during the year include: Climate Action 100+, PRI Methane Engagement, PRI Sustainable Palm Oil, PRI Sustainable Soy, PRI Cyber Security and FAIRR Antibiotics Engagement. These initiatives include 336 companies in total.

General meetings and nomination committees

Normally, Handelsbanken Fonder votes at general meetings in those companies in which ownership exceeds 0.5% or if there are specific matters of concern. The Management Company has voted at 22 general meetings on behalf of the fund.

Handelsbanken Fonder participates in all of the nomination committees where we have a sufficiently large ownership to be offered a position. However, nomination committees are not common outside of the Nordics and the board composition can only be impacted by voting at the general meetings.

The Management Company participated in 6 nomination committees on behalf of the fund: AAK AB, ÅF AB, Hexpol AB, IAR Systems Group AB, Indutrade AB and Thule Group AB.

Handelsbanken Tillväxtmarknad Tema, cont.

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Total returns in %, SEK										
Tillväxtmarknad Tema A1 - SEK	-8.6	+28.8	+17.1	-8.4	+22.9	+0.8	+15.0	-20.6	+13.6	+60.8
Tillväxtmarknad Tema A1 - EUR	-11.3	+25.5	+11.9	-5.2	-	-	-	-	-	-
Tillväxtmarknad Tema A1 - NOK	-10.6	+35.8	+5.7	+0.4	-	-	-	-	-	-
Tillväxtmarknad Tema A10 - SEK	-7.7	-	-	-	-	-	-	-	-	-
Tillväxtmarknad Tema A10 - EUR	-10.4	-	-	-	-	-	-	-	-	-
Tillväxtmarknad Tema A10 - NOK	-9.7	-	-	-	-	-	-	-	-	-
Tillväxtmarknad Tema B1 - SEK	-8.6	+28.8	+17.1	-8.4	+22.9	+0.8	+2.2	-	-	-
Tillväxtmarknad Tema B10 - SEK	-7.7	-	-	-	-	-	-	-	-	-
Index including dividends in %, SEK										
Tillväxtmarknad Tema A1 - SEK	-9.9	+26.6	+20.0	-8.4	+19.2	-3.8	+12.2	-16.8	+11.9	+61.2
Tillväxtmarknad Tema A1 - EUR	-12.6	+23.4	+14.7	-5.2	-	-	-	-	-	-
Tillväxtmarknad Tema A1 - NOK	-11.9	+33.5	+8.3	+0.4	-	-	-	-	-	-
Tillväxtmarknad Tema A10 - SEK	-9.9	-	-	-	-	-	-	-	-	-
Tillväxtmarknad Tema A10 - EUR	-12.6	-	-	-	-	-	-	-	-	-
Tillväxtmarknad Tema A10 - NOK	-11.9	-	-	-	-	-	-	-	-	-
Tillväxtmarknad Tema B1 - SEK	-9.9	+26.6	+20.0	-8.4	+19.2	-3.8	+3.3	-	-	-
Tillväxtmarknad Tema B10 - SEK	-9.9	-	-	-	-	-	-	-	-	-
Average yearly return, 2 yrs. %										
Tillväxtmarknad Tema A1 - SEK	+8.5	+22.8	+3.6	+6.1	+11.3	+7.6	-4.5	-5.0	+35.2	-5.7
Tillväxtmarknad Tema A1 - EUR	+5.5	+18.5	+3.0	+4.3	-	-	-	-	-	-
Tillväxtmarknad Tema A1 - NOK	+10.2	+19.8	+3.0	+11.9	-	-	-	-	-	-
Tillväxtmarknad Tema A10 - SEK	+9.6	-	-	-	-	-	-	-	-	-
Tillväxtmarknad Tema A10 - EUR	+6.6	-	-	-	-	-	-	-	-	-
Tillväxtmarknad Tema A10 - NOK	+11.3	-	-	-	-	-	-	-	-	-
Tillväxtmarknad Tema B1 - SEK	+8.5	+22.8	+3.6	+6.1	+11.3	-	-	-	-	-
Tillväxtmarknad Tema B10 - SEK	+9.6	-	-	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+6.8	+23.3	+4.9	+4.5	+7.1	+3.9	-3.4	-3.5	+34.3	-4.1
EUR	+3.9	+19.0	+4.3	+2.7	-	-	-	-	-	-
NOK	+8.4	+20.2	+4.3	+10.2	-	-	-	-	-	-
Average yearly return, 5 yrs. %										
Tillväxtmarknad Tema A1 - SEK	+9.2	+11.3	+8.8	+0.7	+5.1	+10.9	-1.6	+1.0	+7.3	+14.6
Tillväxtmarknad Tema A1 - EUR	+6.3	+8.3	+7.3	+0.4	-	-	-	-	-	-
Tillväxtmarknad Tema A1 - NOK	+9.9	+14.9	+10.7	+4.7	-	-	-	-	-	-
Tillväxtmarknad Tema A10 - SEK	+10.3	-	-	-	-	-	-	-	-	-
Tillväxtmarknad Tema A10 - EUR	+7.3	-	-	-	-	-	-	-	-	-
Tillväxtmarknad Tema A10 - NOK	+11.0	-	-	-	-	-	-	-	-	-
Tillväxtmarknad Tema B1 - SEK	+9.2	+11.3	-	-	-	-	-	-	-	-
Tillväxtmarknad Tema B10 - SEK	+10.3	-	-	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+8.4	+9.8	+7.2	-0.4	+3.7	+10.1	-0.8	+2.4	+9.0	+17.2
EUR	+5.5	+6.8	+5.6	-0.7	-	-	-	-	-	-
NOK	+9.1	+13.3	+9.0	+3.5	-	-	-	-	-	-
Average yearly return, 10 yrs. %										
Tillväxtmarknad Tema A1 - SEK	+10.1	+4.7	+4.8	+3.9	+9.8	+8.9	+11.3	+6.6	+9.5	+4.5
Tillväxtmarknad Tema A1 - EUR	+11.0	+4.3	+4.2	+4.2	-	-	-	-	-	-
Tillväxtmarknad Tema A1 - NOK	+11.2	+6.5	+5.3	+6.1	-	-	-	-	-	-
Tillväxtmarknad Tema A10 - SEK	+11.2	-	-	-	-	-	-	-	-	-
Tillväxtmarknad Tema A10 - EUR	+12.1	-	-	-	-	-	-	-	-	-
Tillväxtmarknad Tema A10 - NOK	+12.3	-	-	-	-	-	-	-	-	-
Tillväxtmarknad Tema B10 - SEK	+11.2	-	-	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+9.2	+4.4	+4.8	+4.2	+10.2	+9.9	+13.2	+9.1	+12.0	+7.8
EUR	+10.1	+4.0	+4.2	+4.5	-	-	-	-	-	-
NOK	+10.3	+6.2	+5.2	+6.4	-	-	-	-	-	-
Dividends per unit, SEK										
Tillväxtmarknad Tema A1 - SEK	-	-	-	-	-	-	3.61	2.24	1.37	4.27
Tillväxtmarknad Tema B1 - SEK	10.73	8.66	5.72	6.42	5.38	6.45	-	-	-	-
Tillväxtmarknad Tema B10 - SEK	10.73	-	-	-	-	-	-	-	-	-
Exchange rate EUR/SEK										
	10.13	9.83	9.58	9.16	-	-	-	-	-	-
Exchange rate NOK/SEK										
	1.02	1.00	1.06	0.95	-	-	-	-	-	-

Benchmark: MSCI EM Select Global Norms and Criteria

Up to 01/05/2016: 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 A10	0.60
Tillväxtmarknad Tema B1	1.60
Tillväxtmarknad Tema B10	0.60
Collected mgmt. costs in % of average fund capital	
Tillväxtmarknad Tema A1	1.60
Tillväxtmarknad Tema A10	0.59
Tillväxtmarknad Tema B1	1.60
Tillväxtmarknad Tema B10	0.59
Annual fees in %	
Tillväxtmarknad Tema A1	1.60
Tillväxtmarknad Tema A10	0.60
Tillväxtmarknad Tema B1	1.60
Tillväxtmarknad Tema B10	0.60
Transaction costs, tSEK	9,484
Transaction costs in % of turnover	0.12
Costs in SEK for a one-time subscription, 10 000 SEK	
Tillväxtmarknad Tema A1	160.60
Tillväxtmarknad Tema A10	-
Tillväxtmarknad Tema B1	160.60
Tillväxtmarknad Tema B10	-
Costs in SEK for monthly savings, 100 SEK	
Tillväxtmarknad Tema A1	9.94
Tillväxtmarknad Tema A10	-
Tillväxtmarknad Tema B1	9.94
Tillväxtmarknad Tema B10	-

Fund Facts - Other Key Figures

Turnover rate	0.1
Share of turnover conducted via closely-related securities companies in %	0.4

Handelsbanken Tillväxtmarknad Tema, cont.

Risk and Return Measurements*

Total risk % - A1 SEK	10.1	Active return % - A10 EUR	2.7
Total risk % - A1 EUR	10.4	Active return % - A10 NOK	2.8
Total risk % - A1 NOK	10.8	Active return % - B1 SEK	1.7
Total risk % - A10 SEK	10.1	Active return % - B10 SEK	2.8
Total risk % - A10 EUR	10.4	Information ratio - A1 SEK	0.4
Total risk % - A10 NOK	10.8	Information ratio - A1 EUR	0.4
Total risk % - B1 SEK	10.1	Information ratio - A1 NOK	0.5
Total risk % - B10 SEK	10.1	Information ratio - A10 SEK	0.7
Total risk in index % - A1 SEK	11.4	Information ratio - A10 EUR	0.7
Total risk in index % - A1 EUR	11.0	Information ratio - A10 NOK	0.7
Total risk in index % - A1 NOK	11.7	Information ratio - B1 SEK	0.4
Total risk in index % - A10 SEK	11.4	Information ratio - B10 SEK	0.7
Total risk in index % - A10 EUR	11.0	Sharpe ratio - A1 SEK	0.9
Total risk in index % - A10 NOK	11.7	Sharpe ratio - A1 EUR	0.6
Total risk in index % - B1 SEK	11.4	Sharpe ratio - A1 NOK	0.9
Total risk in index % - B10 SEK	11.4	Sharpe ratio - A10 SEK	1.0
Active Share % ¹⁾	66.0	Sharpe ratio - A10 EUR	0.7
Tracking error % - A1 SEK	3.8	Sharpe ratio - A10 NOK	1.0
Tracking error % - A1 EUR	3.8	Sharpe ratio - B1 SEK	0.9
Tracking error % - A1 NOK	3.8	Sharpe ratio - B10 SEK	1.0
Tracking error % - A10 SEK	3.8	Sharpe ratio in index - A1 SEK	0.7
Tracking error % - A10 EUR	3.8	Sharpe ratio in index - A1 EUR	0.4
Tracking error % - A10 NOK	3.8	Sharpe ratio in index - A1 NOK	0.7
Tracking error % - B1 SEK	3.8	Sharpe ratio in index - A10 SEK	0.7
Tracking error % - B10 SEK	3.8	Sharpe ratio in index - A10 EUR	0.4
Benchmark	MSCI EM Select Global Norms and Criteria	Sharpe ratio in index - A10 NOK	0.7
Active return % - A1 SEK	1.7	Sharpe ratio in index - B1 SEK	0.7
Active return % - A1 EUR	1.6	Sharpe ratio in index - B10 SEK	0.7
Active return % - A1 NOK	1.7		
Active return % - A10 SEK	2.8		

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, tSEK

	2018	2017
INCOME AND CHANGES IN VALUE		
Changes in value for transferable securities	-1,015,998	3,488,231
Changes in value for other derivative instruments	-	-218
Interest income	1,912	265
Dividends	267,770	259,877
Currency exchange profits and losses, net	36,335	-6,265
Other financial income	1,677	1,662
Other income	557	17
Total income and changes in value	-707,747	3,743,569
EXPENSES		
Management costs:		
- Remuneration to the Management Company	217,723	225,234
Interest expense	288	461
Other financial expenses	335	332
Other expenses	14,075	12,789
Total expenses	232,421	238,816
Net income	-940,168	3,504,753
* Details of changes in value		
Capital gains	2,967,559	632,332
Capital losses	-221,710	-237,873
Unrealised gains/losses	-3,161,847	3,093,772
Sum	-1,015,998	3,488,231
** Details of changes in value		
Unrealised gains/losses	-	-218
Sum	-	-218

Balance Sheet, tSEK

	31 dec 2018	% of fund capital	31 dec 2017	% of fund capital
ASSETS				
Transferable securities	11,191,755	95.5	16,004,134	97.0
Total financial instruments with positive market value ^{Note 2)}	11,191,755	95.5	16,004,134	97.0
Bank assets and other liquid assets	525,064	4.5	490,038	3.0
Prepaid expenses and accrued income	11,243	0.1	9,138	0.1
Other assets	1,157	-0.1	-	-
Total assets	11,729,219	100.1	16,503,310	100.1
LIABILITIES				
Accrued expenses and prepaid income	15,657	0.1	12,333	0.1
Other liabilities	0	0.0	256	0.0
Total liabilities	15,657	0.1	12,589	0.1
Fund capital ^{Note 1)}	11,713,562	100.0	16,490,721	100.0
Financial instruments lent	306,853	2.6	364,654	2.2
Collateral received for financial instruments lent	342,665	2.9	405,762	2.5

Note 1) for Balance Sheet

Changes in fund capital, tSEK

	2018	2017
Fund capital at beginning of year	16,490,721	11,531,365
Units issued	4,571,035	3,910,982
Units redeemed	-8,399,603	-2,450,642
Profit according to Income Statement	-940,168	3,504,753
Dividends to unit holders	-8,423	-5,737
Fund capital at the close of the period	11,713,562	16,490,721

Note 2) for Balance Sheet

Fund holdings in financial instruments

TRANSFERABLE SECURITIES*

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
LISTED EQUITIES			
BERMUDA (BMD)			
Credicorp ADR (Commercial Banks)	56,665	111,363	1.0
		111,363	1.0
BRAZIL (BRL)			
B3 Brasil Bolsa Balcao Ord Shs (Capital Markets)	2,457,210	150,697	1.3
Banco do Brasil (Commercial Banks)	2,658,249	282,696	2.4
Itaú Unibanco Holding pref (Commercial Banks)	1,481,235	120,287	1.0
Kroton (Commercial Services and Supplies)	5,176,058	105,024	0.9
Localiza Rent a Car (Road and Rail)	3,632,856	247,229	2.1
Odontoprev (Health Care Providers and Services)	1,513,274	47,598	0.4
Raia Drogasil (Health Care Providers and Services)	271,697	35,519	0.3
São Paulo Alpargatas (Textiles, Apparel and Luxury Goods)	1,715,000	66,771	0.6
Ser Educacional (Diversified Consumer Services)	404,013	14,371	0.1
Telefônica Brasil (Diversified Telecommunication Services)	1,087,249	114,979	1.0
Via Varejo Ord Shs (Specialty Retail)	11,575,311	116,242	1.0
		1,301,412	11.1
CHILE (CLP)			
AFP Habitat (Capital Markets)	5,046,368	58,659	0.5
Andina B ADR (Beverages)	265,500	53,716	0.5
Coca-Cola Embonor B pref (Beverages)	3,500,000	74,893	0.6
Forus (Textiles, Apparel and Luxury Goods)	1,576,000	38,274	0.3
		225,541	1.9
CHINA (CNY)			
3SBio HK (Biotechnology)	5,500,000	62,530	0.5
Alibaba Group Holding ADR (Internet Software and Services)	708,625	861,151	7.4
Autohome ADR (Internet Software and Services)	106,456	73,835	0.6
Baidu ADR (Internet Software and Services)	128,289	180,390	1.5
Bank of China (Commercial Banks)	87,609,900	335,324	2.9
China Construction Bank (Commercial Banks)	46,338,047	338,973	2.9
China Mobile HKD (Wireless Telecommunication Services)	1,193,500	101,836	0.9
China Shineway Pharmaceutical Group (Pharmaceuticals)	2,520,000	21,716	0.2
MicroPort Scientific Ord Shs (Health Care Equipment and Supplies)	6,500,000	56,676	0.5
NetEase (Software)	105,568	220,295	1.9
New Oriental (Diversified Consumer Services)	97,846	47,547	0.4
Ping An Insurance (Insurance)	3,444,021	269,682	2.3
Tencent (Internet Software and Services)	2,736,500	973,016	8.3
Tencent Music Entertainment Group ADR R (Entertainment)	701	82	0.0
TravelSky Technology (IT Services)	8,371,000	190,058	1.6

Handelsbanken Tillväxtmarknad Tema, cont.

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
Xinyi Solar Holdings (Semiconductors and Semiconductor Eqp.)	17,329,999	53,967	0.5
		3,787,077	32.3
COLOMBIA (COP)			
Corficolombiana (Diversified Financial Services)	234,869	10,516	0.1
Grupo Nutresa (Food Products)	786,000	50,427	0.4
		60,943	0.5
GREECE (EUR)			
JUMBO (Leisure Equipment and Products)	765,000	98,622	0.8
		98,622	0.8
GUERNSEY (GBP)			
Etalon Group GDR (Real Estate Management and Development)	2,775,400	40,108	0.3
		40,108	0.3
HONG KONG (HKD)			
AIA Group (Insurance)	4,100,000	301,781	2.6
China Medical System Holdings (Pharmaceuticals)	4,015,000	33,099	0.3
China Overseas Land & Investment (Real Estate Management and Development)	1,880,000	57,267	0.5
Hainan Meilan International Airport (Transportation Infrastructure)	9,300,000	67,084	0.6
Lee's Pharmaceutical (Pharmaceuticals)	3,200,000	19,930	0.2
NWS Holdings (Transportation Infrastructure)	3,785,000	68,834	0.6
		547,995	4.7
INDIA (INR)			
Bharti Infratel (Diversified Telecommunication Services)	1,765,687	58,074	0.5
Container Corporation Of India Ord Shs1 (Road and Rail)	661,250	57,748	0.5
HDFC Bank (Commercial Banks)	844,102	227,431	1.9
Housing Development Finance (Diversified Financial Services)	594,532	148,610	1.3
ICICI Bank (Commercial Banks)	2,900,566	132,659	1.1
Infosys Technologies (IT Services)	949,362	79,443	0.7
Tata Consultancy Services (IT Services)	542,232	130,352	1.1
Wonderla Holidays (Hotels, Restaurants and Leisure)	1,256,292	43,067	0.4
		877,386	7.5
INDONESIA (IDR)			
Bank BTN (Commercial Banks)	122,000,000	191,054	1.6
Bank Rakyat Indonesia (Commercial Banks)	92,650,000	209,068	1.8
Telkom Indonesia (Diversified Telecommunication Services)	31,123,962	71,959	0.6
		472,081	4.0
KAZAKHSTAN (KZT)			
Halyk Bank (Commercial Banks)	450,000	41,293	0.4
		41,293	0.4
KOREA, REPUBLIC OF (KRW)			
CJ O Shopping Ord Shs (Internet and Catalog Retail)	49,710	79,747	0.7
Samsung Electronics (Semiconductors and Semiconductor Eqp.)	1,103,206	339,236	2.9
		418,983	3.6
MEXICO (MXN)			
Bolsa Mexicana de Valores (Diversified Financial Services)	2,820,000	42,529	0.4
Gruma (Food Products)	1,720,825	171,881	1.5
Grupo Aeroportuario del Centro Norte (Transportation Infrastructure)	2,427,638	102,502	0.9
Grupo Aeroportuario del Pacifico ADR (Transportation Infrastructure)	116,000	154,883	1.3
Hoteles City Express (Hotels, Restaurants and Leisure)	2,655,207	28,760	0.2
PINFRA (Transportation Infrastructure)	730,606	61,782	0.5
		562,337	4.8
PERU (PEN)			
Alicorp (Food Products)	3,150,000	82,249	0.7
Intergroup (Commercial Banks)	215,000	80,059	0.7
		162,308	1.4
PHILIPPINES (PHP)			
BDO Unibank (Commercial Banks)	3,194,327	70,444	0.6
Globe Telecom (Diversified Telecommunication Services)	197,000	63,107	0.5
		133,551	1.1
POLAND (PLN)			
KRUK (Diversified Financial Services)	82,691	30,580	0.3
		30,580	0.3
RUSSIAN FEDERATION (RUB)			
Moscow Exchange (Diversified Financial Services)	2,500,000	25,587	0.2
Obuv Rossii OOO1 (Textiles, Apparel and Luxury Goods)	2,684,720	16,562	0.1
Phosagro GDR (Chemicals)	403,348	45,594	0.4
Sberbank (Commercial Banks)	9,510,547	226,071	1.9
X5 Retail Group (Food and Staples Retailing)	399,368	87,739	0.7
		401,553	3.4
SOUTH AFRICA (ZAR)			
City Lodge (Hotels, Restaurants and Leisure)	400,000	31,097	0.3
Clicks Group (Food and Staples Retailing)	1,388,617	163,851	1.4
Johannesburg Stock Exchange (Diversified Financial Services)	1,378,300	140,640	1.2
LIFE Healthcare Group (Health Care Providers and Services)	2,061,000	33,535	0.3
Naspers (Media)	112,787	201,052	1.7

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
Sanlam (Insurance)	2,580,000	126,892	1.1
		697,066	6.0
TAIWAN, PROVINCE OF CHINA (TWD)			
Catcher Technology (Electrical Equipment)	818,000	53,088	0.5
Fubon Financial Holding (Diversified Financial Services)	3,004,000	40,768	0.3
Largan Precision (Leisure Equipment and Products)	39,000	36,166	0.3
Taiwan Semiconductor (Semiconductors and Semiconductor Eqp.)	8,304,000	540,123	4.6
		670,145	5.7
THAILAND (THB)			
Airports of Thailand Ord Shs F (Transportation Infrastructure)	8,958,538	156,728	1.3
Bangkok Dusit Medical Services (Health Care Providers and Services)	26,800,000	178,058	1.5
Major Cineplex (Media)	6,150,000	34,497	0.3
Minor International (Hotels, Restaurants and Leisure)	8,500,000	78,693	0.7
		447,975	3.8
TURKEY (TRY)			
TSKB (Commercial Banks)	14,399,996	19,439	0.2
		19,439	0.2
UNITED STATES (USD)			
Yandex (Internet Software and Services)	346,406	83,997	0.7
		83,997	0.7
Total listed equities		11,191,755	95.5
Total transferable securities		11,191,755	95.5
Total holdings in financial instruments		11,191,755	95.5
Net, other assets and liabilities		521,807	4.5
Total fund capital		11,713,562	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. 95.5

** 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. -

Volume of lent securities as a % of total lendable assets**Volume of lent securities as a % of total lendable assets 4.57****The ten largest issuers of collateral for securities lending per issuer, SEK thousand:**

The British Government	55 813
Cisco Systems Inc	12 530
Royal Dutch Shell Plc	7 191
Adobe Inc	5 244
Mitsubishi Ufj Financial Group Inc	5 104
Sumitomo Mitsui Financial Group Inc	4 862
Rohm Co Ltd	3 700
Mizuho Financial Group Inc	3 166
Pioneer Natural Resources Co	3 066
U.S.A.	3 029

The largest counterparties for securities lending, SEK thousand:

UBS AG, London Branch, Great Britain	276 989
J.P. Morgan Securities Plc, Great Britain	27 107
Merrill Lynch Intl, Great Britain	2 757
	306 853

Type and quality of collateral, SEK thousand:

Equities	280 737
Bonds and other interest-bearing instruments	61 928
	342 665

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	23
One week to one month	87
One to three months	1 408
Three months to one year	469
Greater than one year	59 940
Indeterminate duration	280 737
	342 665

Handelsbanken Tillväxtmarknad Tema, cont.

Currency of the collateral, SEK thousand:	
AUD	1 508
CAD	1 086
CHF	1 229
DKK	3 402
EUR	24 337
GBP	95 216
HKD	4 112
JPY	105 050
SEK	2 085
SGD	5 145
USD	99 495
	342 665

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

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

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

Information about returns and expenses:

Securities lending for the full year generated a total revenue of 1 676 TSEK thousand, of which 80% was passed on to the fund and 20% to J.P. Morgan Bank Luxembourg S.A. in its role as the intermediary of securities lending.

Counterparties for securities lending during the year:

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

Handelsbanken Tillväxtmarknad Tema

Sustainability dimensions that are taken into consideration in the management of the fund

The fund manager integrates environmental, social and corporate governance criteria (ESG) into the investment process, together with financial criteria, to obtain a more complete basis for decision-making. As a result, the fund manager takes into consideration both risks and opportunities related to various ESG aspects.

Methods used in sustainability efforts

Inclusion

An in-depth analysis is conducted in preparation for each investment decision in which sustainability dimensions as well as economic aspects are factored into the analysis. We believe sustainability issues are particularly important for making sound investment decisions to generate good, long-term returns. We have access to external ESG analyses as a complement to our own analyses and knowledge of the companies. Fund managers analyse sustainability through the company's sustainability performance (HOW they conduct their business operations), as well as through WHAT the company offers for products and services. The sustainability analysis is documented as an integral component of the investment documentation and consists of both sustainability risks and opportunities.

Being a part of the financial system is one of the most powerful changes in an individual's and family's path to greater prosperity through employment, education and long-term savings over time, which is also identified as one of the UN's Sustainable Development Goals (SDG) in Agenda 2030. We have many investments in the fund the work actively to include an increasing number of people in the formal economy. One example is Bank Rakyat in Indonesia, which allocated over 90% of its capital to financial inclusion in the form of traditional bank services, as well as micro loans to private individuals and small to mid-sized companies. They are reaching out to the countryside in Indonesia through traditional bank offices, as well as through mobile units in the form of buses and boats, where needed. They are also building customer relations further by offering small, often sole proprietors, to complement their ordinary business operations with simpler banking services on behalf of Bank Rakyat.

Exclusion

In accordance with the Management Company's overall policy for responsible investment, all of the Management Company's funds exclude:

- companies involved in the production or distribution of banned weapons, such as cluster bombs, anti-personnel mines, biological and chemical weapons, in accordance with international legislation. Companies involved in the production or distribution of nuclear weapons are also excluded.
- companies with substantial business operations within coal mining or in power companies that have coal as a major source of energy.

The fund is managed based upon the Criteria exclusion strategy, which means an exclusion of companies in which the principle business operations are within controversial sectors such as alcohol, tobacco, commercial gaming, war materials, pornography, fossil fuels. The fund also excludes companies that are deemed to be violating international norms and conventions. This is followed-up by the Management Company's independent risk control function on a daily basis.

An important component in the analysis is corporate governance, which we have placed particular focus on in Amrest, a Polish company that operates restaurants such as Burger King, Pizza Hut and La Tagliatella, in a growing proportion of Europe. The company's new principal owner has changed the strategy from growth in its domestic markets to major expansion. Through the expansion in several, even new, geographic areas and concepts, the risks have become greater as management has lost focus on issues such as product safety and profitability. We chose to sell the entire holding during the year, as we did not see any realistic opportunities to influence the strategy and focus of the company. Following the sale of the holdings there was a serious outbreak of hepatitis was detected in at least one of the company's restaurants. The company has also had a deteriorating cash flow.

Management Company's engagement activities

A critical component in taking responsibility as an investor is to influence the companies in which we invest. Our engagement activities are founded on the value base of Handelsbanken and the Management Company, our commitments, as well as the international norms and conventions we safeguard. We conduct dialogues to encourage companies to improve their sustainability efforts, as well as with companies we deem do not fulfil the international norms and conventions we safeguard. We conduct the engagement activities primarily through:

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

A. The fund manager meets or has contact with companies on a regular basis, which provides a good opportunity to influence companies within sustainability. We hold dialogues with clear targets for change, but also dialogues that focus on an overall improvement to the company's sustainability efforts. Targets are identified for the direct dialogues and results are followed up regularly during the period of the dialogue. The targeted company dialogues are carried out by the fund manager directly with the company. The fund held 3 dialogues during the year.

The fund has an ongoing dialogue with Mexican Pinfra, an infrastructure company with road concessions. The aim of the dialogue is to get the company to create a sustainability report that clarifies their strategy and good efforts in the area. The currently low level of transparency makes it difficult for the company to attract additional long-term shareholders. We believe they would have a good chance of being included in the sustainability index and attract additional long-term shareholders. This would also increase our ability to ensure that the sustainability efforts maintain the desired level. With our guidance, we believe there is a good chance that the company will publish its first sustainability report in 2019.

B. The Management Company participates in dialogues with companies together with other investors through an external party (ISS ESG) in a so-called pooled engagement. The basis for these dialogues is a norm-based analysis that focuses primarily on companies with suspected or confirmed violations with regard to international norms and conventions within the environment, human rights, labour rights, and anti-corruption. The dialogue process consists of contact between ISS ESG and the company concerned, and in certain cases also includes meetings or telephone conferences in which we as an investor may participate. During 2018 the Management Company participated in 143 company dialogues, of which the fund was invested in one of these companies.

A dialogue was held with Samsung Electronics regarding appropriate measures to improve the company's anti-corruption efforts.

C. During 2018 the Management Company participated in several international initiatives and collaborations with focus on specific sustainability matters. These initiatives are often thematic or focus on sustainability issues within a certain sector. Examples of initiatives we have participated in during the year include: Climate Action 100+, PRI Methane Engagement, PRI Sustainable Palm Oil, PRI Sustainable Soy, PRI Cyber Security and FAIRR Antibiotics Engagement. These initiatives include 336 companies in total.

General meetings and nomination committees

Normally, Handelsbanken Fonder votes at general meetings in those companies in which ownership exceeds 0.5% or if there are specific matters of concern. The Management Company has voted at 54 general meetings on behalf of the fund.

Handelsbanken Fonder participates in all of the nomination committees where we have a sufficiently large ownership to be offered a position. However, nomination committees are not common outside of the Nordics and the board composition can only be impacted by voting at the general meetings.

The fund did not have any holdings in companies where the Management Company was represented in the nomination committees.



Handelsbanken Global Selektiv Hedge

Management Report

Investment Focus

The fund is an actively-managed hedge fund, which means that the portfolio manager takes active, independent investment decisions. 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 fund invests in global equities, equity-related securities, unlisted securities, interest-bearing securities and derivatives such as futures. The fund may sell securities borrowed by the fund. The fund's assets may be invested in interest-bearing financial instruments with a minimum rating of BB- according to Standard & Poor's or Ba3 from Moody's. The fund may also invest in securities that lack an official credit rating that we deem have an equivalent credit quality. The fund strives to generate positive returns over the long term at a low risk and low correlation to the equity market. Fundamentally, the fund consists of long companies of high quality and short companies of low quality. The investment process is expressed in several sub-strategies in which the quality aspects for both long and short positions are combined with other fundamental parameters, e.g., differences in profit growth, valuations and reporting risks.

Portfolio

The fund fell 1.6% during the full year 2018*. The fund had a low equity exposure during the year as risk for a stock market correction and rising volatility were deemed to be high. This cautious position limited returns during the year, but helped the fund to remain largely unchanged during Q4 when the equity market fell sharply. The short sale of the sports chain XXL was the strongest contribution to returns, followed by holdings in Mastercard. The funeral services company Dignity, which fell due to a profit warning was the largest negative contribution. Following the downturn in the equity market at the end of the year, the fund has gradually increased the equity exposure.

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

Significant risks

As of the balance sheet date or any other time during the year, fund

holdings did not have exposure to any other significant risks 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 2018.

The fund has the option of lending securities. The fund did not use this option during 2018. The fund may use other techniques and instruments. The fund did not use this option during 2018.

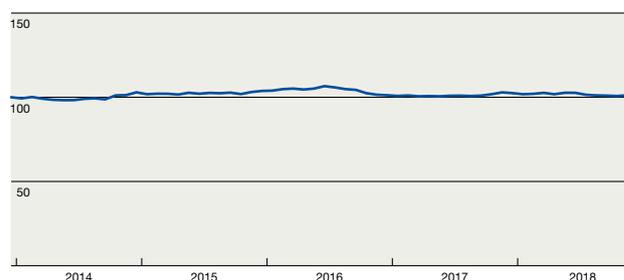
- Highest leverage during the financial year 39.1%
- Lowest leverage during the financial year 0.0%
- Average leverage during the financial year 11.7%

Information

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

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

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

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Net asset value, SEK										
Global Selektiv Hedge A1	103.90	105.61	104.30	106.94	106.08	103.07	102.90	100.62	103.15	96.85
Global Selektiv Hedge A10	104.20	-	-	-	-	-	-	-	-	-
The fund's total net flow, mSEK	-178	-399	332	99	-533	95	266	-	-	-
Fund capital total, mSEK	161	344	740	433	330	-	-	-	-	-
Global Selektiv Hedge A1	158	344	740	433	330	861	767	468	387	306
Global Selektiv Hedge A10	3	-	-	-	-	-	-	-	-	-
Number of units, 1000's	1,553	3,255	7,090	4,051	-	-	-	-	-	-
Global Selektiv Hedge A1	1,522	3,255	7,090	4,051	3,110	8,356	7,458	4,656	3,748	3,155
Global Selektiv Hedge A10	31	-	-	-	-	-	-	-	-	-
Total returns in %, SEK										
Global Selektiv Hedge A1	-1.6	+1.3	-2.5	+0.8	+2.9	+0.2	+5.3	-1.5	+6.5	+1.1
Global Selektiv Hedge A10	-1.0	-	-	-	-	-	-	-	-	-
STIBOR performance, %	0.0	0.0	0.0	0.0	+0.6	+1.2	+1.9	+2.2	+0.7	+0.9
Index including dividends in %, SEK	0.0	-	-	-	-	-	-	-	-	-
Average yearly return, 2 yrs. %										
Global Selektiv Hedge A1	-0.2	-0.6	-0.8	+1.9	+1.5	+2.7	+1.9	+2.4	+3.8	+5.6
Comparison to STIBOR, %	0.0	0.0	0.0	+0.3	+0.9	+1.5	+2.0	+1.4	+0.8	+2.8
Average yearly return, 5 yrs. %										
Global Selektiv Hedge A1	+0.2	+0.5	+1.3	+1.5	+2.6	+2.3	+4.3	+3.4	+4.3	+3.5
Comparison to STIBOR, %	+0.1	+0.4	+0.7	+1.2	+1.3	+1.4	+2.0	+2.4	+2.5	+2.7
Average yearly return, 10 yrs. %										
Global Selektiv Hedge A1	+1.2	+2.4	+2.4	+2.9	+3.1	+3.0	+2.7	+2.4	-	-
Comparison to STIBOR, %	+0.7	+1.2	+1.6	+1.8	+2.0	+2.2	+2.4	+2.7	-	-
Dividends per unit, SEK	-	-	-	-	-	-	3.12	0.93	0.01	6.53

Benchmark: 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.

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

Refer to the last page for definitions.

Handelsbanken Global Selektiv Hedge, cont.

Fund Facts - Costs

Max. allowed mgmt. costs in % according to fund rules	
Global Selektiv Hedge A1	0.70
Global Selektiv Hedge A10	0.35
Collected mgmt. costs in % of average fund capital	
Global Selektiv Hedge A1	0.70
Global Selektiv Hedge A10	0.35
Annual fees in %	
Global Selektiv Hedge A1	0.70
Global Selektiv Hedge A10	0.35
Collected performance-based fee in % of average fund capital	
Global Selektiv Hedge A1	-
Global Selektiv Hedge A10	-
Transaction costs, tSEK	1,948
Transaction costs in % of turnover	0.04
Costs in SEK for a one-time subscription, 10 000 SEK	
Global Selektiv Hedge A1	69.40
Global Selektiv Hedge A10	-
Costs in SEK for monthly savings, 100 SEK	
Global Selektiv Hedge A1	4.52
Global Selektiv Hedge A10	-

Fund Facts - Other Key Figures

Turnover rate	5.3
Share of turnover conducted via closely-related securities companies in %	3.7

Risk and Return Measurements*

Total risk %	1.9	Information ratio	Negative
Total risk in index %	0.0	Sharpe ratio	0.3
Tracking error %	1.9	Sharpe ratio in index	0.0
Benchmark	STIBOR 30 dagar, Dow Jones STOXX		
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.

Income Statement, tSEK

	2018	2017
INCOME AND CHANGES IN VALUE		
Changes in value for transferable securities*	135	30,799
Changes in value for other derivative instruments**	3,675	-27,024
Changes in value for fund units***	-147	1,279
Interest income	91	126
Dividends	44	5,358
Currency exchange profits and losses, net	-3,138	-896
Other financial income	0	33
Other income	17	67
Total income and changes in value	677	9,742
EXPENSES		
Management costs:		
- Remuneration to the Management Company	1,762	3,747
Interest expense	195	99
Other financial expenses	743	269
Other expenses	2,238	2,390
Total expenses	4,938	6,505
Net income	-4,261	3,237
* Details of changes in value		
Capital gains	89,795	80,115
Capital losses	-76,885	-55,820
Unrealised gains/losses	-12,775	6,504
Sum	135	30,799
** Details of changes in value		
Capital gains	36,906	75,302
Capital losses	-33,231	-102,326
Unrealised gains/losses	0	0
Sum	3,675	-27,024
*** Details of changes in value		
Capital gains	1,549	3,979
Capital losses	-1,498	-2,872
Unrealised gains/losses	-198	172
Sum	-147	1,279

Balance Sheet, tSEK

	31 dec 2018	% of fund capital	31 dec 2017	% of fund capital
ASSETS				
Transferable securities	36,062	22.4	211,602	61.5
Money market instruments	89,943	55.7	174,932	50.9
OTC derivative instruments with positive market value	500	0.3	3,075	0.9
Fund units	0	0.0	11,220	3.3
Total financial instruments with positive market value (Note 2)	126,505	78.4	400,829	116.6
Bank assets and other liquid assets	42,032	26.1	45,271	13.2
Prepaid expenses and accrued income	-	-	89	0.0
Other assets	-	-	124	0.0
Total assets	168,537	104.5	446,313	129.8
LIABILITIES				
Transferable securities with negative market value	5,472	3.4	101,377	29.5
OTC derivative instruments with negative market value	6	0.0	1,022	0.3
Total financial instruments with negative market value (Note 2)	5,478	0.0	102,399	29.8
Accrued expenses and prepaid income	110	0.1	113	0.0
Other liabilities	1,598	1.0	8	0.0
Total liabilities	7,186	4.5	102,520	29.8
Fund capital (Note 1)	161,351	100.0	343,793	100.0
Secured collateral for deposits of financial instruments	19,678	12.2	105,204	30.6
Other derivative instruments with negative market value	1,245	0.8	4,772	1.4

Note 1) for Balance Sheet

Changes in fund capital, tSEK

	2018	2017
Fund capital at beginning of year	343,793	739,544
Units issued	125,152	56,458
Units redeemed	-303,333	-455,446
Profit according to Income Statement	-4,261	3,237
Dividends to unit holders	-	-
Fund capital at the close of the period	161,351	343,793

Note 2) for Balance Sheet

Fund holdings in financial instruments

TRANSFERABLE SECURITIES*	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
LISTED EQUITIES			
AUSTRALIA (AUD)			
G8 Education Ltd (Diversified Consumer Services)	50,000	883	0.5
Orocobre (Metals and Mining)	45,000	907	0.6
		1,790	1.1
CHINA (CNY)			
Tencent (Internet Software and Services)	4,000	1,422	0.9
		1,422	0.9
DENMARK (DKK)			
Christian Hansen Holding (Chemicals)	-1,793	-1,404	-0.9
Novo Nordisk (Pharmaceuticals)	5,000	2,023	1.3
		619	0.4
FRANCE (EUR)			
Air Liquide (Chemicals)	2,200	2,418	1.5
		2,418	1.5
GERMANY (EUR)			
SAP (Software)	3,000	2,643	1.6
Symrise (Chemicals)	-3,600	-2,353	-1.5
		290	0.2
HONG KONG (HKD)			
AIA Group (Insurance)	14,000	1,030	0.6
		1,030	0.6
NETHERLANDS (EUR)			
Koninklijke Ahold Delhaize Ord Shs (Food and Staples Retailing)	8,000	1,790	1.1
		1,790	1.1
UNITED KINGDOM (GBP)			
Michael Page International (Commercial Services and Supplies)	42,000	2,138	1.3
Reckitt Benckiser (Household Products)	3,000	2,037	1.3
Sig Ord (Trading Companies and Distributors)	-70,000	-868	-0.5
		3,307	2.1

Handelsbanken Global Selektiv Hedge, cont.

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
UNITED STATES (USD)			
Amgen (Biotechnology)	1,000	1,726	1.1
Automatic Data Processing (IT Services)	1,800	2,092	1.3
Global Water Resources Ord Shs (Water Utilities)	14,000	1,259	0.8
Mastercard (IT Services)	1,200	2,007	1.2
Microsoft (Software)	2,500	2,251	1.4
Nike B (Textiles, Apparel and Luxury Goods)	1,000	657	0.4
PRA Group (Consumer Finance)	5,000	1,080	0.7
Robert Half International (Commercial Services and Supplies)	3,000	1,521	0.9
Texas Roadhouse Ord Shs (Hotels, Restaurants and Leisure)	-1,600	-847	-0.5
Thermo Fisher Scientific (Life Sciences Tools and Services)	1,000	1,984	1.2
TJX Companies (Specialty Retail)	5,000	1,983	1.2
UnitedHealth Group (Health Care Providers and Services)	1,000	2,209	1.4
		17,924	11.1
Total listed equities		30,590	19.0
Total transferable securities		30,590	19.0
MONEY MARKET INSTRUMENTS**			
	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
CERTIFICATE			
Hexagon 2019-04-03	30,000	29,981	18.6
Hornlegården Fastigheter 2019-03-25	30,000	29,983	18.6
Wallenstam 2019-04-09	30,000	29,979	18.6
Total certificate		89,943	55.7
Total money market instruments		89,943	55.7
EXCHANGE-TRADED DERIVATIVES**			
	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
STOCK INDEX FUTURES			
E-mini S&P MARS 2019	-7	0	0.0
FSMI19H	-8	0	0.0
FXXP	-35	0	0.0
Nasdaq 100 E-mini Mar 19	-7	0	0.0
Total stock index futures		0	0.0
Total exchange-traded derivatives		0	0.0
OTHER FINANCIAL INSTRUMENTS***			
	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
OTC DERIVATIVE INSTRUMENTS			
CURRENCY FUTURES			
CHF/SEK		-3	0.0
DKK/GBP		-3	0.0
SEK/AUD		28	0.0
SEK/EUR		57	0.0
SEK/GBP		29	0.0
SEK/USD		386	0.2
		494	0.3
Total OTC derivative instruments		494	0.3
Total other financial instruments		494	0.3
Total holdings in financial instruments		121,027	75.0
Net, other assets and liabilities		40,324	25.0
Total fund capital		161,351	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. 19.0

** 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). 55.7

*** Refers to other financial instruments. 0.3

Supplemental information on securities borrowed

The largest counterparties for securities borrowed, SEK thousand:

Svenska Handelsbanken AB (Publ), Sweden	4 949
Skandinaviska Enskilda Banken AB (Publ), Sweden	3 266

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) and Skandinaviska Enskilda Banken AB (Publ) in an omnibus account.

Expenses for securities borrowed, SEK thousand:

Premium costs	743
Distribution remuneration	2 850

Handelsbanken Global Selektiv Hedge

Sustainability dimensions that are taken into consideration in the management of the fund

The fund manager integrates environmental, social and corporate governance criteria (ESG) into the investment process, together with financial criteria, to obtain a more complete basis for decision-making. As a result, the fund manager takes into consideration both risks and opportunities related to various ESG aspects.

Methods used in sustainability efforts

Inclusion

An in-depth analysis is conducted in preparation for each investment decision in which sustainability dimensions as well as economic aspects are factored into the analysis. We believe sustainability issues are particularly important for making sound investment decisions to generate good, long-term returns. We have access to external ESG analyses as a complement to our own analyses and knowledge of the companies. Fund managers analyse sustainability through the company's sustainability performance (HOW they conduct their business operations), as well as through WHAT the company offers for products and services. The sustainability analysis is documented as an integral component of the investment documentation and consists of both sustainability risks and opportunities.

Mastercard is one of the world's largest players within payment solutions. By expanding in emerging markets in a responsible manner, the company is strengthening its future opportunities at the same time, through financial inclusion, is contributing to the UN's Sustainable Development Goals, most notable Goal 8, which deals with increasing financial services to the entire population.

Exclusion

In accordance with the Management Company's overall policy for responsible investment, all of the Management Company's funds exclude:

- companies involved in the production or distribution of banned weapons, such as cluster bombs, anti-personnel mines, biological and chemical weapons, in accordance with international legislation. Companies involved in the production or distribution of nuclear weapons are also excluded.
- companies with substantial business operations within coal mining or in power companies that have coal as a major source of energy.

Provided that the fund observes a willingness to change and it is deemed that the company will address the problems within an acceptable amount of time, the fund may invest in companies involved in violations of international norms and conventions. The fund did not utilise this option during the year. Thus, the fund has not owned any of the companies involved in violations of international norms and conventions during the year.

Management Company's engagement activities

A critical component in taking responsibility as an investor is to influence the companies in which we invest. Our engagement activities are founded on the value base of Handelsbanken and the Management Company, our commitments, as well as the international norms and conventions we safeguard. We conduct dialogues to encourage companies to improve their sustainability efforts, as well as with companies we deem do not fulfil the international norms and conventions we safeguard. We conduct the engagement activities primarily through:

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

A. The fund manager meets or has contact with companies on a regular basis, which provides a good opportunity to influence companies within sustainability. We hold dialogues with clear targets for change, but also dialogues that focus on an overall improvement to the company's sustainability efforts. Targets are identified for the direct dialogues and results are followed up regularly during the period of the dialogue. The targeted company dialogues are carried out by the fund manager directly with the company. The fund had 4 dialogues during the year.

As an example, a dialogue has been held with Estée Lauder about how the company's sustainability report could be more complete with information about how the company's business operations are carried out. For example, the competitor L'Oreal, whose sustainability efforts are largely comparable to Estée Lauder's, provides a more comprehensive sustainability report that has led to a higher sustainability rating, which is something that even Estée Lauder should be able to attain.

B. The Management Company participates in dialogues with companies together with other investors through an external party (ISS ESG) in a so-called pooled engagement. The basis for these dialogues is a norm-based analysis that focuses primarily on companies with suspected or confirmed violations with regard to international norms and conventions within the environment, human rights, labour rights, and anti-corruption. The dialogue process consists of contact between ISS ESG and the company concerned, and in certain cases also includes meetings or telephone conferences in which we as an investor may participate. During 2018 the Management Company participated in 143 company dialogues. The fund did not have any investments in these companies.

C. During 2018 the Management Company participated in several international initiatives and collaborations with focus on specific sustainability matters. These initiatives are often thematic or focus on sustainability issues within a certain sector. Examples of initiatives we have participated in during the year include: Climate Action 100+, PRI Methane Engagement, PRI Sustainable Palm Oil, PRI Sustainable Soy, PRI Cyber Security and FAIRR Antibiotics Engagement. These initiatives include 336 companies in total.

General meetings and nomination committees

Normally, Handelsbanken Fonder votes at general meetings in those companies in which ownership exceeds 0.5% or if there are specific matters of concern. The Management Company has voted at 7 general meetings on behalf of the fund.

Handelsbanken Fonder participates in all of the nomination committees where we have a sufficiently large ownership to be offered a position. However, nomination committees are not common outside of the Nordics and the board composition can only be impacted by voting at the general meetings.

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

Handelsbanken Hållbarhet Hedge Criteria, cont.

	7/2-31/12 2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Index including dividends in %, SEK										
Hållbarhet Hedge Criteria A1 - SEK	+0.9	-	-	-	-	-	-	-	-	-
Hållbarhet Hedge Criteria A1 - EUR	-1.7	-	-	-	-	-	-	-	-	-
Hållbarhet Hedge Criteria A1 - NOK	+0.6	-	-	-	-	-	-	-	-	-
Hållbarhet Hedge Criteria A10 - SEK	+0.9	-	-	-	-	-	-	-	-	-
Hållbarhet Hedge Criteria B10 - SEK	+0.9	-	-	-	-	-	-	-	-	-
Exchange rate EUR/SEK	10.13	-	-	-	-	-	-	-	-	-
Exchange rate NOK/SEK	1.02	-	-	-	-	-	-	-	-	-

Relevant benchmark is not available.

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

Refer to the last page for definitions.

Fund Facts - Costs

Max. allowed mgmt. costs in % according to fund rules	
Hållbarhet Hedge Criteria A1	0.70
Hållbarhet Hedge Criteria A10	0.35
Hållbarhet Hedge Criteria B10	0.35
Collected mgmt. costs in % of average fund capital	
Hållbarhet Hedge Criteria A1	0.70
Hållbarhet Hedge Criteria A10	0.35
Hållbarhet Hedge Criteria B10	0.35
Annual fees in %	
Hållbarhet Hedge Criteria A1	0.70
Hållbarhet Hedge Criteria A10	0.35
Hållbarhet Hedge Criteria B10	0.35
Collected performance-based fee in % of average fund capital	
Hållbarhet Hedge Criteria A1	0.35
Hållbarhet Hedge Criteria A10	0.29
Hållbarhet Hedge Criteria B10	0.05
Transaction costs, tSEK	8,673
Transaction costs in % of turnover	0.03
Costs in SEK for a one-time subscription, 10 000 SEK	
Hållbarhet Hedge Criteria A1	-
Hållbarhet Hedge Criteria A10	-
Hållbarhet Hedge Criteria B10	-
Costs in SEK for monthly savings, 100 SEK	
Hållbarhet Hedge Criteria A1	-
Hållbarhet Hedge Criteria A10	-
Hållbarhet Hedge Criteria B10	-

Fund Facts - Other Key Figures

Turnover rate	9.6
Share of turnover conducted via closely-related securities companies in %	3.6

Risk and Return Measurements*

Forecasted total risk	2.7
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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, tSEK

	7/2-31/12 2018	2017
INCOME AND CHANGES IN VALUE		
Changes in value for transferable securities	-168,865	-
Changes in value for other derivative instruments **	-601	-
Changes in value for fund units ***	-1,323	-
Interest income	-102	-
Dividends	12	-
Currency exchange profits and losses, net	9,710	-
Other income	130	-
Total income and changes in value	-161,039	
EXPENSES		
Management costs:		
- Remuneration to the Management Company	6,706	-
Interest expense	216	-
Other financial expenses	4,159	-
Other expenses	9,927	-
Total expenses	21,008	
Net income	-182,047	
* Details of changes in value		
Capital gains	359,600	-
Capital losses	-526,699	-
Unrealised gains/losses	-1,766	-
Sum	-168,865	-
** Details of changes in value		
Capital gains	98,619	-
Capital losses	-99,220	-
Unrealised gains/losses	0	-
Sum	-601	-
*** Details of changes in value		
Capital losses	-1,323	-
Sum	-1,323	-

Balance Sheet, tSEK

	31 dec 2018	% of fund capital	31 dec 2017	% of fund capital
ASSETS				
Transferable securities	31,489	61.4	-	-
Money market instruments	0	0.0	-	-
OTC derivative instruments with positive market value	571	1.1	-	-
Total financial instruments with positive market value ^{Note 2)}	32,060	62.5		
Bank assets and other liquid assets	20,788	40.5	-	-
Prepaid expenses and accrued income	46	0.1	-	-
Other assets	750	1.5	-	-
Total assets	53,644	104.6		
LIABILITIES				
Transferable securities with negative market value	1,733	3.4	-	-
OTC derivative instruments with negative market value	4	0.0	-	-
Total financial instruments with negative market value ^{Note 2)}	1,737	3.4		
Accrued expenses and prepaid income	27	0.1	-	-
Other liabilities	571	1.1	-	-
Total liabilities	2,335	4.6		
Fund capital ^{Note 1)}	51,309	100.0		
Secured collateral for deposits of financial instruments	5,974	11.6	-	-
Other derivative instruments with negative market value	1,322	2.6	-	-

Note 1) for Balance Sheet

Changes in fund capital, tSEK

	2018	2017
Fund capital at beginning of year	-	-
Units issued	1,541,475	-
Units redeemed	-1,308,119	-
Profit according to Income Statement	-182,047	-
Dividends to unit holders	-	-
Fund capital at the close of the period	51,309	

Note 2) for Balance Sheet

Fund holdings in financial instruments

TRANSFERABLE SECURITIES*	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
LISTED EQUITIES			
CONSUMER DISCRETIONARY			
Bilia A (Specialty Retail)	-12,000	-994	-1.9
		-994	-1.9
CONSUMER STAPLES			
Danone (Food Products)	1,643	1,024	2.0
Koninklijke Ahold Delhaize Ord Shs (Food and Staples Retailing)	5,000	1,119	2.2
Nestlé (Food Products)	1,800	1,292	2.5
Reckitt Benckiser (Household Products)	1,600	1,086	2.1
		4,521	8.8
ENERGY			
Ormat Technologies (Energy Equipment and Services)	1,200	556	1.1
		556	1.1
FINANCIALS			
Hannon Armstrong (Commercial Banks)	3,500	591	1.2
		591	1.2
HEALTH CARE			
Abbott Laboratories (Pharmaceuticals)	2,000	1,283	2.5
GlaxoSmithKline (Pharmaceuticals)	7,000	1,179	2.3
Novo Nordisk (Pharmaceuticals)	3,200	1,295	2.5
Roche Holding (Pharmaceuticals)	700	1,532	3.0
Tivity Health Ord Shs (Health Care Providers and Services)	3,600	792	1.5
UnitedHealth Group (Health Care Providers and Services)	300	663	1.3
		6,743	13.1

Handelsbanken Hållbarhet Hedge Criteria, cont.

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
INDUSTRIALS			
Deere & Company (Machinery)	800	1,058	2.1
Evoqua Water Technologies Ord Shs (Machinery)	10,000	851	1.7
MSA Safety Ord Shs (Commercial Services and Supplies)	1,500	1,254	2.4
Robert Half International (Commercial Services and Supplies)	1,818	922	1.8
Schneider Electric (Electrical Equipment)	1,700	1,029	2.0
TPI Composites Ord Shs (Electrical Equipment)	3,200	697	1.4
Xylem (Machinery)	2,200	1,301	2.5
		7,112	13.8
INFORMATION TECHNOLOGY			
Accenture (IT Services)	400	500	1.0
Mastercard (IT Services)	800	1,338	2.6
Microsoft (Software)	1,200	1,081	2.1
SAP (Software)	1,200	1,057	2.1
TE Connectivity (Elec Equip, Instr & Comp)	1,500	1,006	2.0
		4,982	9.7
MATERIALS			
Air Liquide (Chemicals)	1,000	1,099	2.1
Boliden (Metals and Mining)	3,000	576	1.1
Ecolab (Chemicals)	900	1,176	2.3
Orocobre (Metals and Mining)	30,494	615	1.2
SCA B (Paper and Forest Products)	12,000	825	1.6
Symrise (Chemicals)	-1,130	-739	-1.4
		3,552	6.9
UTILITIES			
Global Water Resources Ord Shs (Water Utilities)	14,000	1,259	2.5
Mighty River Power (Electric Utilities)	66,211	1,435	2.8
		2,693	5.3
Total listed equities		29,756	58.0
Total transferable securities		29,756	58.0

EXCHANGE-TRADED DERIVATIVES**

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
STOCK INDEX FUTURES			
E-mini S&P MARS 2019	-8	0	0.0
FSMI19H	-5	0	0.0
FXXP	-42	0	0.0
Nasdaq 100 E-mini Mar 19	-7	0	0.0
Total stock index futures		0	0.0
Total exchange-traded derivatives		0	0.0

OTHER FINANCIAL INSTRUMENTS***

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
OTC DERIVATIVE INSTRUMENTS			
CURRENCY FUTURES			
DKK/GBP		-1	0.0
SEK/AUD		37	0.1
SEK/CHF		11	0.0
SEK/EUR		146	0.3
SEK/GBP		2	0.0
SEK/JPY		-3	0.0
SEK/NZD		60	0.1
SEK/USD		315	0.6
		567	1.1
Total OTC derivative instruments		567	1.1
Total other financial instruments		567	1.1
Total holdings in financial instruments		30,323	59.1
Net, other assets and liabilities		20,986	40.9
Total fund capital		51,309	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. 58.0

** 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. 1.1

Compilation, Company and Group exposure*

Company/Group	% of fund capital
Eurex	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.

Supplemental information on securities borrowed**The largest counterparties for securities borrowed, SEK thousand:**

Skandinaviska Enskilda Banken AB (Publ), Sweden	1 733
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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 Skandinaviska Enskilda Banken AB (Publ) in an omnibus account.

Expenses for securities borrowed, SEK thousand:

Premium costs	4 159
Distribution remuneration	23 856

Handelsbanken Hållbarhet Hedge Criteria

Sustainability dimensions that are taken into consideration in the management of the fund

The fund manager integrates environmental, social and corporate governance criteria (ESG) into the investment process, together with financial criteria, to obtain a more complete basis for decision-making. As a result, the fund manager takes into consideration both risks and opportunities related to various ESG aspects.

Methods used in sustainability efforts

Inclusion

The fund consists of both long and short exposure. Among the long exposures the selection is limited based on the Criteria exclusion strategy, as well as limits in the UN's principles for responsible investment and the UN's Global Compact initiative. The short exposures do not have any screening limitations as it should be possible to position holdings to companies with business operations in which we have chosen to not invest directly. Sustainability is a fundamental parameter in the investment process, regardless of whether they are long or short positions. For example, a company can be included in the fund due to its position in the transition to a more sustainable society, or conversely, that it is not in any respect considered to be a sustainable investment.

Mercury is an electricity producer in Nya Zealand that generates 100% renewable electricity by using water, wind and geothermal power. The company has a strong position in the transition to a fossil-free society and therefore has a good economic outlook, at the same time as it contributes to reaching the UN's Sustainable Development Goals (SDG), particularly Goal 7 (Affordable and Clean Energy) and Goal 13 (Climate Action).

Exclusion

In accordance with the Management Company's overall policy for responsible investment, all of the Management Company's funds exclude:

- companies involved in the production or distribution of banned weapons, such as cluster bombs, anti-personnel mines, biological and chemical weapons, in accordance with international legislation. Companies involved in the production or distribution of nuclear weapons are also excluded.
- companies with substantial business operations within coal mining or in power companies that have coal as a major source of energy.

The fund is managed based upon the Criteria exclusion strategy, which means an exclusion of companies/issuers in which the principle business operations are within controversial sectors such as alcohol, tobacco, commercial gaming, war materials, pornography, fossil fuels. The fund also excludes companies/issuers that are deemed to be violating international norms and conventions. This is followed-up by the Management Company's independent risk control function on a daily basis.

Management Company's engagement activities

A critical component in taking responsibility as an investor is to influence the companies in which we invest. Our engagement activities are founded on the value base of Handelsbanken and the Management Company, our commitments, as well as the international norms and conventions we safeguard. We conduct dialogues to encourage companies to improve their sustainability efforts, as well as with companies we deem do not fulfil the international norms and conventions we safeguard. We conduct the engagement activities primarily through:

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

A. The fund manager meets or has contact with companies on a regular basis, which provides a good opportunity to influence companies within sustainability. We hold dialogues with clear targets for change, but also dialogues that focus on an overall improvement to the company's sustainability efforts. Targets are identified for the direct dialogues and results are followed up regularly during the period of the dialogue. The targeted company dialogues are carried out by the fund manager directly with the company. The fund had 2 dialogues during the year.

For example, we had a dialogue with Tesla regarding issues related to labour rights. Tesla has a high frequency of injuries in its factories (events during 2014 – 2017), transfer injured employees without full compensation, hinder trade union membership and unfairly dismiss personnel. The company was receptive to our opinions and has taken measures within many of the areas. During the year, major issues arose related to corporate governance in conjunction with the CEO's unusual approach in communicating a potential acquisition of the company. Holdings in the company are currently sold.

B. The Management Company participates in dialogues with companies together with other investors through an external party (ISS ESG) in a so-called pooled engagement. The basis for these dialogues is a norm-based analysis that focuses primarily on companies with suspected or confirmed violations with regard to international norms and conventions within the environment, human rights, labour rights, and anti-corruption. The dialogue process consists of contact between ISS ESG and the company concerned, and in certain cases also includes meetings or telephone conferences in which we as an investor may participate. During 2018 the Management Company participated in 143 company dialogues of which the fund has invested in 2 of these companies.

One of the companies is GlaxoSmithKline, where a dialogue was conducted regarding measures to improve and implement new anti-corruption guidelines.

C. During 2018 the Management Company participated in several international initiatives and collaborations with focus on specific sustainability matters. These initiatives are often thematic or focus on sustainability issues within a certain sector. Examples of initiatives we have participated in during the year include: Climate Action 100+, PRI Methane Engagement, PRI Sustainable Palm Oil, PRI Sustainable Soy, PRI Cyber Security and FAIRR Antibiotics Engagement. These initiatives include 336 companies in total.

General meetings and nomination committees

Normally, Handelsbanken Fonder votes at general meetings in those companies in which ownership exceeds 0.5% or if there are specific matters of concern. The Management Company has voted at 8 general meetings on behalf of the fund.

Handelsbanken Fonder participates in all of the nomination committees where we have a sufficiently large ownership to be offered a position. However, nomination committees are not common outside of the Nordics and the board composition can only be impacted by voting at the general meetings.

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

Handelsbanken Råntestategi Criteria, cont.

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Total returns in %, SEK										
Råntestategi Criteria A1	-0.7	+0.5	+0.3	-0.9	+0.6	+1.9	+2.5	+2.8	+0.7	+2.3
Råntestategi Criteria A10	-0.9	-	-	-	-	-	-	-	-	-
Råntestategi Criteria B1	-0.7	+0.5	+0.3	-0.9	-	-	-	-	-	-
Råntestategi Criteria B10	-0.9	-	-	-	-	-	-	-	-	-
Benchmark rate in %, kr	0.0	0.0	0.0	0.0	+0.5	+0.9	+1.2	+1.6	+0.3	+0.6
Index including dividends in %, SEK										
Råntestategi Criteria A1	0.0	-	-	-	-	-	-	-	-	-
Råntestategi Criteria A10	0.0	-	-	-	-	-	-	-	-	-
Råntestategi Criteria B1	0.0	-	-	-	-	-	-	-	-	-
Råntestategi Criteria B10	0.0	-	-	-	-	-	-	-	-	-
Average yearly return, 2 yrs. %										
Råntestategi Criteria A1	-0.1	+0.4	-0.3	-0.2	+1.2	+2.2	+2.7	+1.8	+1.5	+3.1
Råntestategi Criteria B1	-0.1	+0.4	-	-	-	-	-	-	-	-
Comparison to index including dividends, %	0.0	-	-	-	-	-	-	-	-	-
Comparison to benchmark rate in %, kr	0.0	0.0	0.0	+0.2	+0.7	+1.1	+1.4	+0.9	+0.4	+2.3
Average yearly return, 5 yrs. %										
Råntestategi Criteria A1	0.0	+0.5	+0.9	+1.4	+1.7	+2.1	+2.5	+2.7	+2.6	+2.6
Comparison to index including dividends, %	+0.1	-	-	-	-	-	-	-	-	-
Comparison to benchmark rate in %	+0.1	+0.3	+0.5	+0.8	+0.9	+0.9	+1.6	+2.0	+2.1	+2.5
Average yearly return, 10 yrs. %										
Råntestategi Criteria A1	+1.0	+1.5	+1.8	+2.0	+2.1	-	-	-	-	-
Comparison to index including dividends, %	+0.5	-	-	-	-	-	-	-	-	-
Benchmark rate in %, kr	+0.5	+0.9	+1.2	+1.4	-	-	-	-	-	-
Dividends per unit, SEK										
Råntestategi Criteria A1	-	-	-	-	-	-	2.55	1.56	0.69	5.00
Råntestategi Criteria B1	0.50	1.01	1.02	0.00	-	-	-	-	-	-
Råntestategi Criteria B10	0.50	-	-	-	-	-	-	-	-	-

Relevant benchmark is not available.

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

Refer to the last page for definitions.

Fund Facts - Costs

Max. allowed mgmt. costs in % according to fund rules	
Råntestategi Criteria A1	0.10
Råntestategi Criteria A10	0.08
Råntestategi Criteria B1	0.10
Råntestategi Criteria B10	0.08
Collected mgmt. costs in % of average fund capital	
Råntestategi Criteria A1	0.10
Råntestategi Criteria A10	0.08
Råntestategi Criteria B1	0.10
Råntestategi Criteria B10	0.08
Annual fees in %	
Råntestategi Criteria A1	0.10
Råntestategi Criteria A10	0.08
Råntestategi Criteria B1	0.10
Råntestategi Criteria B10	0.08
Collected performance-based fee in % of average fund capital	
Råntestategi Criteria A1	0.02
Råntestategi Criteria A10	0.03
Råntestategi Criteria B1	0.02
Råntestategi Criteria B10	0.03
Transaction costs, tSEK	1,013
Transaction costs in % of turnover	0.00
Costs in SEK for a one-time subscription, 10 000 SEK	
Råntestategi Criteria A1	12.53
Råntestategi Criteria A10	-
Råntestategi Criteria B1	12.53
Råntestategi Criteria B10	-
Costs in SEK for monthly savings, 100 SEK	
Råntestategi Criteria A1	0.77
Råntestategi Criteria A10	-
Råntestategi Criteria B1	0.77
Råntestategi Criteria B10	-

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

Fund Facts - Other Key Figures

Turnover rate	0.5
Share of turnover conducted via closely-related securities companies in %	2.3

Risk and Return Measurements*

Total risk % - A1 SEK	0.5	Sharpe ratio - A1 SEK	1.3
Total risk % - B1 SEK	0.5	Sharpe ratio - B1 SEK	1.3
Total risk in index % - A1 SEK	0.0	Sharpe ratio in index - A1 SEK	59756.9
Total risk in index % - B1 SEK	0.0	Sharpe ratio in index - B1 SEK	59756.9
Tracking error % - A1 SEK	0.5	VaR as of the closing date	0.04
Tracking error % - B1 SEK	0.5	Highest VaR during the financial year	0.06
Active return % - A1 SEK	-0.1	Lowest VaR during the financial year	0.03
Active return % - B1 SEK	-0.1	Average VaR during the financial year	0.05
Information ratio - A1 SEK	Negative	Duration, years ¹⁾	0.1
Information ratio - B1 SEK	Negative		

1) As of the balance sheet date.

The fund's benchmark index is based on a short-term fixed income investment that has very low volatility. As a result, the Sharpe ratio for the index is very high. Read more about the Sharpe ratio under the Definitions heading at the end of the report.

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

Total exposure in the fund is calculated in accordance with an absolute Value at Risk method.

Income Statement, tSEK

	2018	2017
INCOME AND CHANGES IN VALUE		
Changes in value for transferable securities	-163,493	-19,823
Changes in value for other derivative instruments **	-193,409	-23,992
Interest income	170,270	141,840
Currency exchange profits and losses, net	2,768	-1,555
Other financial income	1	-
Other income	0	0
Total income and changes in value	-183,863	96,470
EXPENSES		
Management costs:		
- Remuneration to the Management Company	30,298	16,985
Interest expense	121	5
Other expenses	1,012	581
Total expenses	31,431	17,571
Net income	-215,294	78,899
* Details of changes in value		
Capital gains	14,410	6,556
Capital losses	-81,184	-27,785
Unrealised gains/losses	-96,719	1,406
Sum	-163,493	-19,823
** Details of changes in value		
Capital gains	987,664	158,664
Capital losses	-1,181,073	-182,656
Unrealised gains/losses	-	0
Sum	-193,409	-23,992

Balance Sheet, tSEK

	31 dec 2018	% of fund capital	31 dec 2017	% of fund capital
ASSETS				
Transferable securities	21,726,261	80.7	15,842,239	74.7
Money market instruments	2,308,625	8.6	3,040,604	14.3
OTC derivative instruments with positive market value	3,380	0.0	2,780	0.0
Total financial instruments with positive market value ^{Note 2)}	24,038,266	89.3	18,885,623	89.0
Bank assets and other liquid assets	2,821,246	10.5	2,477,523	11.7
Prepaid expenses and accrued income	71,237	0.2	65,170	0.3
Other assets	-	-	691	0.0
Total assets	26,930,749	100.0	21,429,007	101.0
LIABILITIES				
Accrued expenses and prepaid income	2,148	0.0	986	0.0
Other liabilities	2,505	0.0	199,999	1.0
Total liabilities	4,653	0.0	200,985	1.0
Fund capital ^{Note 1)}	26,926,096	100.0	21,228,022	100.0
Other derivative instruments with negative market value	65,044	0.2	15,991	0.1

Handelsbanken Råntestrategi Criteria, cont.

Note 1) for Balance Sheet

Changes in fund capital, tSEK

	2018	2017
Fund capital at beginning of year	21,228,022	14,836,809
Units issued	22,788,124	10,896,130
Units redeemed	-16,872,432	-4,581,040
Profit according to Income Statement	-215,294	78,899
Dividends to unit holders	-2,324	-2,776
Fund capital at the close of the period	26,926,096	21,228,022

Note 2) for Balance Sheet

Fund holdings in financial instruments

TRANSFERABLE SECURITIES*

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
LISTED FIXED-INCOME SECURITIES			
FOREIGN ISSUER, OTHERS			
BMW 1,75% 2020-10-03	42,000	42,958	0.2
BNP FRN 2020-05-13	190,000	191,406	0.7
Danske Bank FRN 2023-01-25	230,000	221,368	0.8
LeasePlan 0,705% 2020-01-24	300,000	299,355	1.1
LeasePlan 0,93% 2020-10-05	430,000	427,072	1.6
LeasePlan Corp 0,7275% 2021-05-03	250,000	244,665	0.9
Leaseplan Corporation 0,60% 2021-01-11	150,000	147,444	0.5
Nordea Bank 0,36% 2021-06-14	500,000	498,100	1.8
Nordea Bank 1,125% 2023-06-27	175,000	171,742	0.6
Nordea CB 1,935% 2020-09-17	100,000	101,331	0.4
Nordea CB FRN 2020-03-12	233,000	232,427	0.9
Nordea FRN 2025-09-17	200,000	201,374	0.7
Pohjola Bank FRN 2020-08-25	90,000	90,611	0.3
Santander 0,285% 2021-06-14	135,000	135,329	0.5
Santander Consumer Bank FRN 2020-03-30	218,000	218,397	0.8
Santander FRN 2019-11-18	200,000	200,438	0.7
		3,424,017	12.7
MORTGAGE			
Nordea Hypotek 5532 1,25% 2021-05-19	1,000,000	1,026,230	3.8
Stadshypotek 1584 1,50% 2021-03-17	1,000,000	1,030,710	3.8
		2,056,940	7.6
OTHER			
Akelius 1,125% 2021-10-04	240,000	238,224	0.9
Assa Abloy 0,375% 2021-07-26	150,000	149,117	0.6
Atrium Ljungberg 0,365% 2020-01-29	150,000	149,232	0.6
Atrium Ljungberg 0,743% 2021-04-19	310,000	306,308	1.1
Atrium Ljungberg 114 0,58% 2020-10-26	75,000	74,351	0.3
Atrium Ljungberg FRN 2019-07-01	50,000	50,109	0.2
Balder 0,50% 2020-11-20	350,000	346,283	1.3
Balder 0,743% 2021-07-02	350,000	345,345	1.3
BillerudKorsnäs 0,7% 2021-01-04	200,000	199,316	0.7
Castellum 0,81% 2021-07-09	300,000	295,284	1.1
Castellum 0,98% 2020-03-03	350,000	350,588	1.3
Castellum FRN 116 2019-09-16	180,000	180,376	0.7
Ellevio FRN 2020-02-28	155,000	155,369	0.6
Handelsbanken 11,00% Perpetual	32,000	32,603	0.1
Handelsbanken FRN 2027-11-15	195,000	190,999	0.7
Heimstaden Bostad FRN 2020-12-07	225,000	225,250	0.8
Hemsö 0,42% 2021-05-04	550,000	546,139	2.0
Hemsö 0,529% 2020-08-24	200,000	200,010	0.7
Hexagon 0,66% 2020-11-16	300,000	299,421	1.1
Hexagon 1,625% 108 2020-09-17	59,000	59,897	0.2
Hexagon FRN 2019-03-10	166,000	166,045	0.6
Hexagon FRN 2021-05-24	257,000	258,653	1.0
Humlegården Fast 1,035% 2021-05-28	122,000	121,139	0.4
Humlegården Fast FRN 2022-06-22	71,000	70,522	0.3
Husvarna FRN 2019-05-03	75,000	75,175	0.3
ICA Gruppen 0,465% 2021-01-15	63,000	62,746	0.2
Ikano Bank FRN 2019-04-29	224,000	224,477	0.8
Ikano Bank FRN 2022-05-16	100,000	99,339	0.4
Intea Fastigheter 0,7% 2020-02-21	62,000	61,873	0.2
Intea Fastigheter FRN 2022-07-05	108,000	108,269	0.4
Investment AB Latour 0,24% 2020-03-16	94,000	93,741	0.3
Landshypotek 0,065% 2019-01-15	65,000	65,005	0.2
Länsförsäkringar 1,00% 2020-02-03	150,000	151,125	0.6
Länsförsäkringar Bank 0,554% 2021-11-30	150,000	149,364	0.6
Länsförsäkringar FRN Perpetual	211,000	210,605	0.8
Latour 0,36% 2020-11-16	66,000	65,721	0.2
LEJONFASTIGHETER FRN 220905	140,000	142,568	0.5
LF Bank 0,3825% 2021-03-08	200,000	199,272	0.7
LF Bank 0,7275% 2022-03-07	200,000	199,666	0.7
Lifco 0,355% 2019-12-06	139,000	138,807	0.5
Lifco 0,405% 2020-04-03	52,000	51,886	0.2
NIBE Industrier 1,00% 2021-06-21	150,000	149,772	0.6
NIBE Industrier FRN 2022-04-11	110,000	111,042	0.4
Nya SFF 0,49% 2020-02-28	200,000	199,124	0.7
Nya SFF 0,51% 2019-02-28	150,000	150,020	0.6
Nya SFF 0,53% 2020-09-07	150,000	148,796	0.6
Nya SFF 1,42% 2020-04-20	170,000	171,115	0.6
Rikshem 0,485% 2020-08-25	150,000	149,933	0.6
Rikshem 0,716% 2022-01-12	226,000	224,517	0.8
RIKSHEM 1,525% 201118	100,000	101,737	0.4
Rikshem FRN 2019-09-16	252,000	252,368	0.9
Rikshem FRN 2019-04-29	150,000	150,225	0.6
SBAB 0,0775% 2020-08-27	300,000	298,557	1.1
SCA 0,375% 2021-05-24	120,000	119,318	0.4
SCA 0,75% 2019-06-10	194,000	194,374	0.7
Scania 1,00% 2020-03-16	200,000	201,192	0.7
Scania CV 0,25% 2020-09-15	325,000	322,839	1.2
Scania CV 0,455% 210504	300,000	297,330	1.1

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
Scania CV 0,635 % 2022-02-21	300,000	295,848	1.1
Skandiabanken 0,07 % 2020-02-28	200,000	199,370	0.7
Skandiabanken 0,35% 2020-05-26	150,000	149,924	0.6
Skandiabanken 1,10% 2022-08-29	123,000	123,969	0.5
Stångåstaden FRN 2019-11-25	150,000	150,315	0.6
Svensk Fastighetsfinansiering 0,365% 2019-11-20	204,000	203,321	0.8
Swedavia 0,3625% 2021-04-12	490,000	487,775	1.8
Swedbank 0,305% 2021-05-09	600,000	597,270	2.2
Swedbank Sjuharad 0,55% 2020-05-12	200,000	200,096	0.7
Tele2 FRN 2022-03-16	150,000	153,362	0.6
Vasakronan 0,41% 2021-03-05	330,000	328,225	1.2
Vasakronan 0,546% 2020-03-16	250,000	250,378	0.9
Vasakronan 1,4825% 2020-11-10	300,000	305,181	1.1
Volvo Treasury 0,39% 2020-12-21	400,000	397,920	1.5
Volvo Treasury 0,425% 2021-04-06	200,000	198,548	0.7
Volvo Treasury 0,467% 2021-08-24	400,000	395,780	1.5
Volvofinans Bank FRN 2020-01-20	70,000	70,199	0.3
Volvofinans Bank FRN 2020-09-08	60,000	60,355	0.2
Volvofinans Bank FRN 2021-06-22	200,000	202,616	0.8
Wallenstam 0,48% 2020-06-05	118,000	117,215	0.4
Wallenstam 0,875% 2020-11-23	182,000	181,196	0.7
Wilhelm 0,12% 2019-09-20	67,000	66,871	0.2
Wilhelm 0,48% 2020-06-26	100,000	99,918	0.4
Wilhelm 0,69% 2022-01-11	500,000	496,180	1.8
Wilhelm FRN 2021-01-18	160,000	160,998	0.6
		16,245,304	60.4
Total listed fixed-income securities		21,726,261	80.7
Total transferable securities		21,726,261	80.7

MONEY MARKET INSTRUMENTS**

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
CERTIFICATE			
Balder 2019-04-11	50,000	49,964	0.2
Balder 2019-05-10	100,000	99,904	0.4
Bonava 2019-01-31	50,000	49,991	0.2
Bonava 2019-08-29	100,000	99,803	0.4
Castellum 2019-02-25	200,000	199,931	0.7
Castellum 2019-04-11	100,000	99,929	0.4
Fabege 2019-04-23	130,000	129,895	0.5
Hexagon 2019-04-03	300,000	299,806	1.1
Hexagon 2019-04-18	100,000	99,925	0.4
Humlegården Fastigheter 2019-02-20	185,000	184,943	0.7
Ikano Bank 2019-06-24	180,000	180,243	0.7
Intea Fastigheter 2019-01-30	50,000	49,992	0.2
Intea Fastigheter 2019-02-28	40,000	39,985	0.1
Loomis 2019-03-18	100,000	99,949	0.4
Olav Thon 2019-08-22	100,000	99,809	0.4
PostNord 2019-04-05	200,000	199,868	0.7
PostNord 2019-04-10	25,000	24,982	0.1
Wallenstam 2019-03-25	150,000	149,914	0.6
Wallenstam 2019-06-26	150,000	149,791	0.6
Total certificate		2,308,625	8.6
Total money market instruments		2,308,625	8.6

EXCHANGE-TRADED DERIVATIVES**

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
INTEREST RATE FUTURES			
3M Eur Euribor mar 2020	-2,619	0	0.0
3M EURODOLLAR MAR 20	-3,080	0	0.0
CEYH9	-2,444	0	0.0
RIBA Sep 2019	5,382	0	0.0
USFUT 10Y/MAR19	-685	0	0.0
Total interest rate futures		0	0.0
Total exchange-traded derivatives		0	0.0

OTHER FINANCIAL INSTRUMENTS***

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
OTC DERIVATIVE INSTRUMENTS			
CURRENCY FUTURES			
SEK/EUR		1,340	0.0
SEK/USD		2,040	0.0
		3,380	0.0
Total OTC derivative instruments		3,380	0.0
Total other financial instruments		3,380	0.0
Total holdings in financial instruments		24,038,266	89.3
Net, other assets and liabilities		2,887,830	10.7
Total fund capital		26,926,096	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.

80.7

** 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).

8.6

*** Refers to other financial instruments.

Handelsbanken Råntestrategi Criteria, cont.

Compilation, Company and Group exposure*

Company/Group	% of fund capital	Company/Group	% of fund capital
Nordea	8.2	Wallenstam	2.3
Volvo	5.0	Atrium Ljungberg	2.2
Handelsbanken	4.6	Santander Group	2.0
Hexagon	4.4	Skandiabanken	1.8
Castellum	4.2	Ikano Bank	1.2
LeasePlan	4.1	SCA	1.1
Scania	4.1	Nibe Industrier	1.0
Länsförsäkringar	3.4	PostNord	0.8
Nya Svensk FastighetsFinansiering	3.3	Humlegården Fastigheter	0.7
Rikshem	3.3	Lifco	0.7
Balder	3.2	Bonava	0.6
Vasakronan	3.2	Intea Fastigheter	0.6
Willhem	3.0	Latour	0.5
Hemsö	2.7	INTEA FASTIGHET	0.3

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

Handelsbanken Röntestategi Criteria

Sustainability dimensions that are taken into consideration in the management of the fund

The fund manager integrates environmental, social and corporate governance criteria (ESG) into the investment process, together with financial criteria, to obtain a more complete basis for decision-making. As a result, the fund manager takes into consideration both risks and opportunities related to various ESG aspects.

Methods used in sustainability efforts

Inclusion

An in-depth analysis is conducted in preparation for each investment decision in which sustainability dimensions as well as economic aspects are factored into the analysis. We believe sustainability issues are particularly important for making sound investment decisions to generate good, long-term returns. We have access to external ESG analyses as a complement to our own analyses and knowledge of the companies. Fund managers analyse sustainability through the company's sustainability performance (HOW they conduct their business operations), as well as through WHAT the company offers for products and services. The sustainability analysis is documented as an integral component of the investment documentation and consists of both sustainability risks and opportunities.

During the year, the fund intensified fund management to investments in the companies and sectors that have a clear objective of being at the forefront in the transition to a sustainable society. Investments in companies that have their sustainability risks in good order, as well as position themselves as leaders within their sector's sustainability efforts, result in additional satisfied customers, at the same time as company risks are reduced. One example of such an investment is the real estate company Humlegården. Humlegården is owned by the Länsförsäkring company and issued a Green bond during the year, in which the fund invested. The borrowed assets will be used for new and existing properties for investments in energy efficient building management, renewable energy and clean transport. Approximately 6% of the fund's total bond holdings were in green bonds at year-end.

Exclusion

In accordance with the Management Company's overall policy for responsible investment, all of the Management Company's funds exclude:

- companies involved in the production or distribution of banned weapons, such as cluster bombs, anti-personnel mines, biological and chemical weapons, in accordance with international legislation. Companies involved in the production or distribution of nuclear weapons are also excluded.
- companies with substantial business operations within coal mining or in power companies that have coal as a major source of energy.

The fund is managed based upon the Criteria exclusion strategy, which means an exclusion of companies/issuers in which the principle business operations are within controversial sectors such as alcohol, tobacco, commercial gaming, war materials, pornography, fossil fuels. The fund also excludes companies/issuers that are deemed to be violating international norms and conventions. This is followed-up by the Management Company's independent risk control function on a daily basis.

Management Company's engagement activities

A critical component in taking responsibility as an investor is to influence the companies in which we invest. Our engagement activities are founded on the value base of Handelsbanken and the Management Company, our commitments, as well as the international norms and conventions we safeguard. We conduct dialogues to encourage companies to improve their sustainability efforts, as well as with companies we deem do not fulfil the international norms and conventions we safeguard. We conduct the engagement activities primarily through:

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

- A. The fund manager meets or has contact with companies on a regular basis, which provides a good opportunity to influence companies within sustainability. We hold dialogues with clear targets for change, but also dialogues that focus on an overall improvement to the company's sustainability efforts. Targets are identified for the direct dialogues and results are followed up regularly during the period of the dialogue. The targeted company dialogues are carried out by the fund manager directly with the company. The fund held one dialogue during the year.

A dialogue was initiated during the year with Danske Bank regarding the bank's suspected money laundering in an Estonian subsidiary from 2007 to 2016. The matter is being investigated by the supervisory authority in Estonia, Denmark and the U.S. During the period of the investigation, Danske Bank has replaced senior management, a majority of the board, including the chairman, as well as initiated changes to the bank's compliance controls. The bank has taken a transparent approach with the public and investors in regard to the management of the incident and cooperating with the authorities concerned.

- B. The Management Company participates in dialogues with companies together with other investors through an external party (ISS ESG) in a so-called pooled engagement. The basis for these dialogues is a norm-based analysis that focuses primarily on companies with suspected or confirmed violations with regard to international norms and conventions within the environment, human rights, labour rights, and anti-corruption. The dialogue process consists of contact between ISS ESG and the company concerned, and in certain cases also includes meetings or telephone conferences in which we as an investor may participate. During 2018 the Management Company participated in 143 company dialogues.

- C. During 2018 the Management Company participated in several international initiatives and collaborations with focus on specific sustainability matters. These initiatives are often thematic or focus on sustainability issues within a certain sector. Examples of initiatives we have participated in during the year include: Climate Action 100+, PRI Methane Engagement, PRI Sustainable Palm Oil, PRI Sustainable Soy, PRI Cyber Security and FAIRR Antibiotics Engagement. These initiatives include 336 companies in total.

Handelsbanken Råntestrategi Plus Criteria, cont.

	2018	2017	2016	3/9-31/12 2015	2014	2013	2012	2011	2010	2009
Total returns in %, SEK										
Råntestrategi Plus Criteria A1	-0.8	+0.1	+0.3	-0.8	-	-	-	-	-	-
Råntestrategi Plus Criteria A7	-0.7	+0.2	+0.5	-0.7	-	-	-	-	-	-
Råntestrategi Plus Criteria A10	-1.5	-	-	-	-	-	-	-	-	-
Råntestrategi Plus Criteria B1	-0.8	+0.1	+0.3	-0.8	-	-	-	-	-	-
Råntestrategi Plus Criteria B10	-1.5	-	-	-	-	-	-	-	-	-
Benchmark rate in %, kr										
Råntestrategi Plus Criteria A1	-	0.0	0.0	0.0	-	-	-	-	-	-
Råntestrategi Plus Criteria B1	0.0	-	-	-	-	-	-	-	-	-
Index including dividends in %, SEK										
Råntestrategi Plus Criteria A1	0.0	-	-	-	-	-	-	-	-	-
Råntestrategi Plus Criteria A7	0.0	-	-	-	-	-	-	-	-	-
Råntestrategi Plus Criteria A10	0.0	-	-	-	-	-	-	-	-	-
Råntestrategi Plus Criteria B1	0.0	-	-	-	-	-	-	-	-	-
Råntestrategi Plus Criteria B10	0.0	-	-	-	-	-	-	-	-	-
Average yearly return, 2 yrs. %										
Råntestrategi Plus Criteria A1	-0.4	+0.2	-	-	-	-	-	-	-	-
Råntestrategi Plus Criteria A7	-0.2	+0.4	-	-	-	-	-	-	-	-
Råntestrategi Plus Criteria B1	-0.4	+0.2	-	-	-	-	-	-	-	-
Comparison to index including dividends, %										
Råntestrategi Plus Criteria A1	0.0	-	-	-	-	-	-	-	-	-
Comparison to benchmark rate in %, kr										
Råntestrategi Plus Criteria A1	0.0	-	-	-	-	-	-	-	-	-
Dividends per unit, SEK										
Råntestrategi Plus Criteria B1	0.00	0.98	1.98	0.00	-	-	-	-	-	-
Råntestrategi Plus Criteria B10	0.00	-	-	-	-	-	-	-	-	-

Relevant benchmark is not available.

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

Refer to the last page for definitions.

Fund Facts - Costs

Max. allowed mgmt. costs in % according to fund rules	
Råntestrategi Plus Criteria A1	0.40
Råntestrategi Plus Criteria A7	0.20
Råntestrategi Plus Criteria A10	0.15
Råntestrategi Plus Criteria B1	0.40
Råntestrategi Plus Criteria B10	0.15
Collected mgmt. costs in % of average fund capital	
Råntestrategi Plus Criteria A1	0.40
Råntestrategi Plus Criteria A7	0.20
Råntestrategi Plus Criteria A10	0.15
Råntestrategi Plus Criteria B1	0.40
Råntestrategi Plus Criteria B10	0.15
Annual fees in %	
Råntestrategi Plus Criteria A1	0.40
Råntestrategi Plus Criteria A7	0.20
Råntestrategi Plus Criteria A10	0.15
Råntestrategi Plus Criteria B1	0.40
Råntestrategi Plus Criteria B10	0.15
Collected performance-based fee in % of average fund capital	
Råntestrategi Plus Criteria A1	0.12
Råntestrategi Plus Criteria A7	0.17
Råntestrategi Plus Criteria A10	0.24
Råntestrategi Plus Criteria B1	0.13
Råntestrategi Plus Criteria B10	0.18
Transaction costs, tSEK	
Råntestrategi Plus Criteria A1	386
Transaction costs in % of turnover	
Råntestrategi Plus Criteria A1	0.00
Costs in SEK for a one-time subscription, 10 000 SEK	
Råntestrategi Plus Criteria A1	53.30
Råntestrategi Plus Criteria A7	38.39
Råntestrategi Plus Criteria A10	-
Råntestrategi Plus Criteria B1	53.30
Råntestrategi Plus Criteria B10	-
Costs in SEK for monthly savings, 100 SEK	
Råntestrategi Plus Criteria A1	3.15
Råntestrategi Plus Criteria A7	2.06
Råntestrategi Plus Criteria A10	-
Råntestrategi Plus Criteria B1	3.15
Råntestrategi Plus Criteria B10	-

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

Fund Facts - Other Key Figures

Turnover rate	0.5
Share of turnover conducted via closely-related securities companies in %	0.7

Risk and Return Measurements*

Total risk % - A1 SEK	1.9	Information ratio - A7 SEK	Negative
Total risk % - A7 SEK	1.9	Information ratio - B1 SEK	Negative
Total risk % - B1 SEK	1.9	Sharpe ratio - A1 SEK	0.2
Total risk in index % - A1 SEK	0.0	Sharpe ratio - A7 SEK	0.3
Total risk in index % - A7 SEK	0.0	Sharpe ratio - B1 SEK	0.2
Total risk in index % - B1 SEK	0.0	Sharpe ratio in index - A1 SEK	59756.9
Tracking error % - A1 SEK	1.9	Sharpe ratio in index - A7 SEK	59756.9
Tracking error % - A7 SEK	1.9	Sharpe ratio in index - B1 SEK	59756.9
Tracking error % - B1 SEK	1.9	VaR as of the closing date	0.13
Active return % - A1 SEK	-0.4	Highest VaR during the financial year	0.28
Active return % - A7 SEK	-0.2	Lowest VaR during the financial year	0.11
Active return % - B1 SEK	-0.4	Average VaR during the financial year	0.18
Information ratio - A1 SEK	Negative	Duration, years ¹⁾	-1.7

1) As of the balance sheet date.

The fund's benchmark index is based on a short-term fixed income investment that has very low volatility. As a result, the Sharpe ratio for the index is very high. Read more about the Sharpe ratio under the Definitions heading at the end of the report.

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

Income Statement, tSEK

	2018	2017
INCOME AND CHANGES IN VALUE		
Changes in value for transferable securities	-5,904	-6,295
Changes in value for other derivative instruments**	-53,470	-19,532
Changes in value for fund units***	-2,657	-
Interest income	44,123	47,226
Currency exchange profits and losses, net	7,598	-8,574
Other income	1,066	257
Total income and changes in value	-9,244	13,082
EXPENSES		
Management costs:		
- Remuneration to the Management Company	8,514	10,290
Interest expense	6	10
Other expenses	385	564
Total expenses	8,905	10,864
Net income	-18,149	2,218
* Details of changes in value		
Capital gains	14,126	7,121
Capital losses	-8,379	-8,089
Unrealised gains/losses	-11,651	-5,327
Sum	-5,904	-6,295
** Details of changes in value		
Capital gains	266,783	142,042
Capital losses	-320,253	-161,574
Unrealised gains/losses	0	-
Sum	-53,470	-19,532
*** Details of changes in value		
Unrealised gains/losses	-2,657	-
Sum	-2,657	-

Handelsbanken Råntestrategi Plus Criteria, cont.

Balance Sheet, tSEK

	31 dec 2018	% of fund capital	31 dec 2017	% of fund capital
ASSETS				
Transferable securities	1,778,783	77.1	1,583,204	73.9
Money market instruments	349,841	15.2	439,830	20.5
OTC derivative instruments with positive market value	4,139	0.1	10,190	0.5
Fund units	114,258	4.9	-	-
Total financial instruments with positive market value (Note 2)	2,247,021	97.3	2,033,224	94.9
Bank assets and other liquid assets	49,167	2.1	107,006	5.0
Prepaid expenses and accrued income	13,236	0.6	15,152	0.8
Other assets	-	-	432	0.0
Total assets	2,309,424	100.0	2,155,814	100.7
LIABILITIES				
OTC derivative instruments with negative market value	-	-	13,300	0.7
Total financial instruments with negative market value (Note 2)	-	-	13,300	0.7
Accrued expenses and prepaid income	416	0.0	209	0.0
Other liabilities	691	0.0	0	0.0
Total liabilities	1,107	0.0	13,509	0.7
Fund capital (Note 1)	2,308,317	100.0	2,142,305	100.0
Other derivative instruments with negative market value	12,726	0.6	9,647	0.5

Note 1) for Balance Sheet

Changes in fund capital, tSEK

	2018	2017
Fund capital at beginning of year	2,142,305	1,673,729
Units issued	369,544	977,366
Units redeemed	-185,383	-510,658
Profit according to Income Statement	-18,149	2,218
Dividends to unit holders	-	-350
Fund capital at the close of the period	2,308,317	2,142,305

Note 2) for Balance Sheet

Fund holdings in financial instruments

TRANSFERABLE SECURITIES*

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
LISTED FIXED-INCOME SECURITIES			
FOREIGN ISSUER, OTHERS			
Arla FRN 2021-05-31	15,000	15,303	0.7
LeasePlan 1,792% 2020-09-10	40,000	40,351	1.7
Nordea FRN 2025-09-17	40,000	40,275	1.7
		95,929	4.2
FOREIGN ISSUER, STATE			
Asian Development Bank 6,45% 2021-08-08	610,000	76,237	3.3
Bonos y Obligaciones del Estado 4,40% 2023-10-31	9,900	119,459	5.2
EIB 7,20% 2019-07-09	127,000,000	77,875	3.4
Peru 8,2% 2026-08-12	26,500	81,529	3.5
		355,101	15.4
MORTGAGE			
Länsförsäkringar Hypotek 514 1,75% 2021-06-15	44,000	45,810	2.0
Nordea Hypotek 5532 1,25% 2021-05-19	45,000	46,180	2.0
Stadshypotek 1585 1,50% 2021-12-15	45,000	46,617	2.0
Stadshypotek 1586 4,50% 2022-09-21	30,000	34,456	1.5
		173,063	7.5
OTHER			
Akelius 1,125% 2021-10-04	43,000	42,682	1.8
Billerd FRN 2022-02-21	23,000	23,237	1.0
Castellum 1,75% 2020-09-17	40,000	40,444	1.8
Castellum 2,125% 2023-11-20	2,000	20,325	0.9
Castellum FRN 2019-12-14	50,000	49,975	2.2
Fabege FRN 2022-09-26	50,000	49,497	2.1
Fastighetspart FRN 2021-09-15	32,000	32,136	1.4
Handelsbanken FRN 2027-11-15	60,000	58,769	2.5
Hexagon 1,125% 2021-05-24	67,000	67,353	2.9
Hexagon 1,625% 108 2020-09-17	40,000	40,608	1.8
Humlegården Fast 1,5% 2020-06-22	46,000	45,506	2.0
Husqvarna FRN 2021-05-03	35,000	35,673	1.5
Intea Fastigheter FRN 2022-07-05	54,000	54,134	2.3
Intrum FRN 2020-07-06	58,000	57,140	2.5
Klarra Bank FRN 2020-09-22	60,000	60,239	2.6
KLOV FRN 2021-02-26	50,000	49,648	2.2
Kungsliden 2,375% 2022-03-21	54,000	54,060	2.3
Länsförsäkringar FRN Perpetual	70,000	69,869	3.0
Mölnlycke Holding 1,50% 2022-02-28	3,300	34,051	1.5
SAGAX 2% 2024-01-17	2,000	20,330	0.9
Sagax FRN 2021-06-15	3,000	31,592	1.4
Tele2 1,1125% 2024-0515	2,600	26,159	1.1
Tele2 FRN 2022-03-16	50,000	51,121	2.2
Volvo Car FRN 1,741% 2022-03-07	40,000	40,497	1.8
Wihlborgs FRN 2019-03-27	50,000	50,029	2.2
Willhem 0,69% 2022-01-11	50,000	49,618	2.1
		1,154,690	50.0
Total listed fixed-income securities		1,778,783	77.1
Total transferable securities		1,778,783	77.1

MONEY MARKET INSTRUMENTS**

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
CERTIFICATE			
Bonava 2019-01-31	100,000	99,983	4.3
Castellum 2019-04-11	70,000	69,950	3.0
Klövem DI FC 2019-03-04	70,000	69,972	3.0
Kungsliden 2019-01-21	40,000	39,996	1.7
Wallenstam 2019-04-29	70,000	69,940	3.0
Total certificate		349,841	15.2
Total money market instruments		349,841	15.2

EXCHANGE-TRADED DERIVATIVES**

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
INTEREST RATE FUTURES			
3M Eur Euribor mar 2020	-676	0	0.0
3M EURODOLLAR MAR 20	-795	0	0.0
CEYH9	-415	0	0.0
RIBA Sep 2019	1,150	0	0.0
USFUT 10YMAR19	-173	0	0.0
Total interest rate futures		0	0.0
Total exchange-traded derivatives		0	0.0

OTHER FINANCIAL INSTRUMENTS***

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
FUND UNITS			
EXCHANGE-TRADED FIXED INCOME FUNDS**			
iShares Emerging Markets Local Gov Bond (Europe)	220,000	114,258	4.9
		114,258	4.9
Total fund units		114,258	4.9

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
OTC DERIVATIVE INSTRUMENTS			
CURRENCY FUTURES			
SEK/EUR		3,459	0.1
SEK/USD		680	0.0
		4,139	0.1
Total OTC derivative instruments		4,139	0.1
Total other financial instruments		118,397	5.0
Total holdings in financial instruments		2,247,021	97.3
Net, other assets and liabilities		61,296	2.7
Total fund capital		2,308,317	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. 77.1

** 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). 20.1

*** Refers to other financial instruments. 0.1

Compilation, Company and Group exposure*

Company/Group	% of fund capital	Company/Group	% of fund capital
Castellum	7.9	Hexagon	4.7
Handelsbanken	6.0	Kungsliden	4.0
Klövem	5.2	Nordea	3.7
Länsförsäkringar	5.0	Tele2	3.3
		Sagax	2.3

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

Handelsbanken Röntestategi Plus Criteria

Sustainability dimensions that are taken into consideration in the management of the fund

The fund manager integrates environmental, social and corporate governance criteria (ESG) into the investment process, together with financial criteria, to obtain a more complete basis for decision-making. As a result, the fund manager takes into consideration both risks and opportunities related to various ESG aspects.

Methods used in sustainability efforts

Inclusion

An in-depth analysis is conducted in preparation for each investment decision in which sustainability dimensions as well as economic aspects are factored into the analysis. We believe sustainability issues are particularly important for making sound investment decisions to generate good, long-term returns. We have access to external ESG analyses as a complement to our own analyses and knowledge of the companies. Fund managers analyse sustainability through the company's sustainability performance (HOW they conduct their business operations), as well as through WHAT the company offers for products and services. The sustainability analysis is documented as an integral component of the investment documentation and consists of both sustainability risks and opportunities.

During the year, the fund intensified fund management to investments in the companies and sectors that have a clear objective of being at the forefront in the transition to a sustainable society. Investments in companies that have their sustainability risks in good order, as well as position themselves as leaders within their sector's sustainability efforts, result in additional satisfied customers, at the same time as company risks are reduced. One example of such an investment is the real estate company Humlegården. Humlegården is owned by the Länsförsäkring company and issued a Green bond during the year, in which the fund invested. The borrowed assets will be used for new and existing properties for investments in energy efficient building management, renewable energy and clean transport. Approximately 7% of the fund's total bond holdings were in green bonds at year-end.

Exclusion

In accordance with the Management Company's overall policy for responsible investment, all of the Management Company's funds exclude:

- companies involved in the production or distribution of banned weapons, such as cluster bombs, anti-personnel mines, biological and chemical weapons, in accordance with international legislation. Companies involved in the production or distribution of nuclear weapons are also excluded.
- companies with substantial business operations within coal mining or in power companies that have coal as a major source of energy.

The fund is managed based upon the Criteria exclusion strategy, which means an exclusion of companies/issuers in which the principle business operations are within controversial sectors such as alcohol, tobacco, commercial gaming, war materials, pornography, fossil fuels. The fund also excludes companies/issuers that are deemed to be violating international norms and conventions. This is followed-up by the Management Company's independent risk control function on a daily basis.

Management Company's engagement activities

A critical component in taking responsibility as an investor is to influence the companies in which we invest. Our engagement activities are founded on the value base of Handelsbanken and the Management Company, our commitments, as well as the international norms and conventions we safeguard. We conduct dialogues to encourage companies to improve their sustainability efforts, as well as with companies we deem do not fulfil the international norms and conventions we safeguard. We conduct the engagement activities primarily through:

- A. Targeted dialogues with direct contact between our fund managers and the company
 - B. Dialogues together with other investors/capital owners
 - C. Collaborations and sector initiatives, often through international collaborations such as the UN, PRI and CDP.
- A. The fund manager meets or has contact with companies on a regular basis, which provides a good opportunity to influence companies within sustainability. We hold dialogues with clear targets for change, but also dialogues that focus on an overall improvement to the company's sustainability efforts. Targets are identified for the direct dialogues and results are followed up regularly during the period of the dialogue. The targeted company dialogues are carried out by the fund manager directly with the company. The fund did not hold any dialogues during the year.
 - B. The Management Company participates in dialogues with companies together with other investors through an external party (ISS ESG) in a so-called pooled engagement. The basis for these dialogues is a norm-based analysis that focuses primarily on companies with suspected or confirmed violations with regard to international norms and conventions within the environment, human rights, labour rights, and anti-corruption. The dialogue process consists of contact between ISS ESG and the company concerned, and in certain cases also includes meetings or telephone conferences in which we as an investor may participate. During 2018 the Management Company participated in 143 company dialogues. The fund did not have any investments in these companies.
 - C. During 2018 the Management Company participated in several international initiatives and collaborations with focus on specific sustainability matters. These initiatives are often thematic or focus on sustainability issues within a certain sector. Examples of initiatives we have participated in during the year include: Climate Action 100+, PRI Methane Engagement, PRI Sustainable Palm Oil, PRI Sustainable Soy, PRI Cyber Security and FAIRR Antibiotics Engagement. These initiatives include 336 companies in total.



Handelsbanken Euro Corporate 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 benchmark index. The fund may invest in interest-bearing financial instruments in EUR, SEK, DKK and NOK that are issued by companies, mortgage institutions and states. A maximum of 2% of the fund's value may be exposed to currency risk in SEK, NOK or DKK. The average remaining duration for the fund's investments may be between zero and seven years. Fund assets may be invested in interest-bearing financial instruments with a minimum rating of BB- from S&P or corresponding rating of Ba3 from Moody's. In the event the financial instrument lacks an official rating and is not a type of subordinated debt, the issuer's official rating shall be used. If the issuer in such a case lacks an official rating, the Management Company may make its own assessment of the credit worthiness. A maximum of 30 percent of the fund's value may be invested in interest-bearing financial instruments that hold a rating within the BB segment (BB+/BB/BB-) according to S&P or within the Ba segment (Ba1/Ba2/Ba3) according to Moody's. The remainder shall be within the so-called Investment Grade segment. Within the context of the fund's investment focus, international norms 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

The fund fell 0.6% in EUR during the full year 2018*. Following an initial upturn in interest rates, the year was characterised by falling European market rates and swap rates. The U.S. central bank hiked interest rates on four occasions during 2018 and continued to reduce its balance sheet. The Riksbank also raised rates in December, which was the first rate hike since 2011. The fixed income and credit market has been visibly affected by political uncertainty. Brexit, the trade war, president Trump and Italian budget negotiations are several of the political events that have played a critical role for the direction of interest rates and credit spreads. Q4 was sharply affected by risk aversion with both declining stock markets and long rates. The credit market was also negatively affected by these developments. In addition, the European Central Bank announced that the bond-buying programme for corporate bonds (CSPP) would be terminated at year-end. A year that began with high demand on credits and many significantly oversubscribed new share issues shifted after the summer when weeks of excess supply had a negative impact on credit spreads. The disappearance of a major purchaser in the form of CSPP added further volatility. Issuing companies had to pay an extra premium

to attract investors during the volatile climate in the autumn.

The fund was actively positioned for shorter durations during the year, which generated good returns relative to the benchmark index. The fund was also adapted for the Criteria segment at the end of November. To increase the proportion of sustainable investments, the fund actively identifies sectors and companies that have a low or small amount of negative impact on the climate. We are seeing improved liquidity and less volatility in companies that actively work with their sustainability profile. The fund is entering 2019 positioned for a further widening of credit spreads and is neutral in interest rate positions relative to its benchmark index. We continue to prefer investments in somewhat shorter durations as we see more attractive investments given our outlook on credit spreads.

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

Significant risks

As of the balance sheet date or any other time during the year, fund holdings did not have exposure to any other significant risks than those stated in the fact sheet and information brochure.

Trading with derivatives

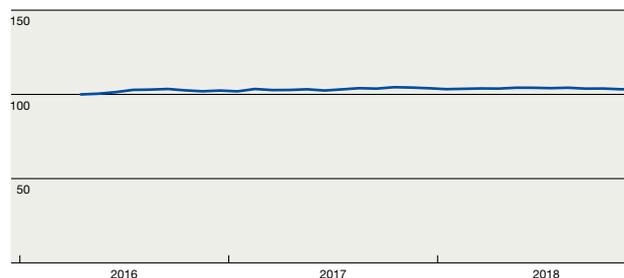
According to the fund rules, the fund may trade with derivatives as part of its investment focus. The fund used this option to a limited extent during 2018. The fund has the option of lending securities. The fund did not use this option during 2018. The fund may use other techniques and instruments. The fund did not use this option during 2018.

Information

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

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

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

	2018	2017	20/4-31/12 2016	2015	2014	2013	2012	2011	2010	2009
Net asset value, EUR										
Euro Corporate Bond Fund A1	102.61	103.18	101.84	-	-	-	-	-	-	-
Euro Corporate Bond Fund A7	103.30	103.62	102.01	-	-	-	-	-	-	-
Euro Corporate Bond Fund A10	102.99	-	-	-	-	-	-	-	-	-
Euro Corporate Bond Fund B7	100.23	101.56	102.01	-	-	-	-	-	-	-
The fund's total net flow, mEUR	56	11	38	-	-	-	-	-	-	-
Fund capital total, mEUR	106	51	39	-	-	-	-	-	-	-
Euro Corporate Bond Fund A1	75	28	20	-	-	-	-	-	-	-
Euro Corporate Bond Fund A7	12	18	14	-	-	-	-	-	-	-
Euro Corporate Bond Fund A10	19	-	-	-	-	-	-	-	-	-
Euro Corporate Bond Fund B7	0	5	5	-	-	-	-	-	-	-

Handelsbanken Euro Corporate Bond Fund , cont.

	2018	2017	20/4-31/12 2016	2015	2014	2013	2012	2011	2010	2009
Number of units, 1000's	1,031	490	380	-	-	-	-	-	-	-
Euro Corporate Bond Fund A1	733	265	195	-	-	-	-	-	-	-
Euro Corporate Bond Fund A7	113	173	134	-	-	-	-	-	-	-
Euro Corporate Bond Fund A10	184	-	-	-	-	-	-	-	-	-
Euro Corporate Bond Fund B7	2	52	51	-	-	-	-	-	-	-
Total returns in %, EUR										
Euro Corporate Bond Fund A1	-0.6	+1.3	+1.8	-	-	-	-	-	-	-
Euro Corporate Bond Fund A7	-0.3	+1.6	+2.0	-	-	-	-	-	-	-
Euro Corporate Bond Fund A10	-0.1	-	-	-	-	-	-	-	-	-
Euro Corporate Bond Fund B7	-0.3	+1.6	+2.0	-	-	-	-	-	-	-
Index including dividends in %, EUR										
Euro Corporate Bond Fund A1	-1.3	+2.4	+1.8	-	-	-	-	-	-	-
Euro Corporate Bond Fund A7	-1.3	+2.4	+1.8	-	-	-	-	-	-	-
Euro Corporate Bond Fund A10	-1.3	-	-	-	-	-	-	-	-	-
Euro Corporate Bond Fund B7	-1.3	+2.4	+1.8	-	-	-	-	-	-	-
Average yearly return, 2 yrs. %										
Euro Corporate Bond Fund A1	+0.4	-	-	-	-	-	-	-	-	-
Euro Corporate Bond Fund A7	+0.6	-	-	-	-	-	-	-	-	-
Euro Corporate Bond Fund A10	+0.8	-	-	-	-	-	-	-	-	-
Euro Corporate Bond Fund B7	+0.6	-	-	-	-	-	-	-	-	-
Comparison to index including dividends, % in EUR	+0.6	-	-	-	-	-	-	-	-	-
Dividends per unit, EUR	1.02	2.04	-	-	-	-	-	-	-	-
Exchange rate EUR/SEK	10.13	9.83	9.58	-	-	-	-	-	-	-

Benchmark: Barclays Euro Aggregate Corporate Index.

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

Refer to the last page for definitions.

Fund Facts - Costs

Max. allowed mgmt. costs in % according to fund rules	
Euro Corporate Bond Fund A1	0.65
Euro Corporate Bond Fund A7	0.40
Euro Corporate Bond Fund A10	0.20
Euro Corporate Bond Fund B7	0.40
Collected mgmt. costs in % of average fund capital	
Euro Corporate Bond Fund A1	0.65
Euro Corporate Bond Fund A7	0.40
Euro Corporate Bond Fund A10	0.20
Euro Corporate Bond Fund B7	0.40
Annual fees in %	
Euro Corporate Bond Fund A1	0.65
Euro Corporate Bond Fund A7	0.40
Euro Corporate Bond Fund A10	0.20
Euro Corporate Bond Fund B7	0.40
Transaction costs, tEUR	0
Transaction costs in % of turnover	0.00
Costs in EUR for a one-time subscription, 1 000 EUR	
Euro Corporate Bond Fund A1	6.49
Euro Corporate Bond Fund A7	4.00
Euro Corporate Bond Fund A10	-
Euro Corporate Bond Fund B7	4.00
Costs in EUR for monthly savings, 10 EUR	
Euro Corporate Bond Fund A1	0.42
Euro Corporate Bond Fund A7	0.26
Euro Corporate Bond Fund A10	-
Euro Corporate Bond Fund B7	0.26

Fund Facts - Other Key Figures

Turnover rate	0.4
Share of turnover conducted via closely-related securities companies in %	9.9

Risk and Return Measurements*

Total risk % - A1 EUR	1.8	Active return % - B7 EUR	0.1
Total risk % - A7 EUR	1.8	Information ratio - A1 EUR	Negative
Total risk % - A10 EUR	1.8	Information ratio - A7 EUR	0.1
Total risk % - B7 EUR	1.8	Information ratio - A10 EUR	0.3
Total risk in index % - A1 EUR	1.7	Information ratio - B7 EUR	0.1
Total risk in index % - A7 EUR	1.7	Sharpe ratio - A1 EUR	0.5
Total risk in index % - A10 EUR	1.7	Sharpe ratio - A7 EUR	0.6
Total risk in index % - B7 EUR	1.7	Sharpe ratio - A10 EUR	0.7
Tracking error % - A1 EUR	1.0	Sharpe ratio - B7 EUR	0.6
Tracking error % - A7 EUR	1.0	Sharpe ratio in index - A1 EUR	0.6
Tracking error % - A10 EUR	1.0	Sharpe ratio in index - A7 EUR	0.6
Tracking error % - B7 EUR	1.0	Sharpe ratio in index - A10 EUR	0.6
Benchmark	Barclays Euro Aggregate Corporate Index.	Sharpe ratio in index - B7 EUR	0.6
Active return % - A1 EUR	-0.2	Duration, years ¹⁾	4.9
Active return % - A7 EUR	0.1		
Active return % - A10 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, tEUR

	2018	2017
INCOME AND CHANGES IN VALUE		
Changes in value for transferable securities	-1,465	63
Changes in value for other derivative instruments **	272	10
Interest income	1,006	843
Currency exchange profits and losses, net	0	0
Other financial income	0	-
Other income	0	0
Total income and changes in value	-187	916
EXPENSES		
Management costs:		
- Remuneration to the Management Company	346	240
Interest expense	0	0
Other expenses	0	0
Total expenses	346	240
Net income	-533	676
* Details of changes in value		
Capital gains	52	12
Capital losses	-351	-95
Unrealised gains/losses	-1,166	146
Sum	-1,465	63
** Details of changes in value		
Capital gains	1,600	1,213
Capital losses	-1,328	-1,203
Unrealised gains/losses	-	0
Sum	272	10

Balance Sheet, tEUR

	31 dec 2018	% of fund capital	31 dec 2017	% of fund capital
ASSETS				
Transferable securities	94,210	88.9	47,430	93.9
Total financial instruments with positive market value ^{Note 2)}	94,210	88.9	47,430	93.9
Bank assets and other liquid assets	11,072	10.5	2,619	5.2
Prepaid expenses and accrued income	748	0.7	472	0.9
Total assets	106,030	100.0	50,521	100.0
LIABILITIES				
Accrued expenses and prepaid income	42	0.0	13	0.0
Other liabilities	9	0.0	4	0.0
Total liabilities	51	0.0	17	0.0
Fund capital ^{Note 1)}	105,979	100.0	50,504	100.0
Other derivative instruments with negative market value	1,033	1.0	90	0.2

Handelsbanken Euro Corporate Bond Fund , cont.

Note 1) for Balance Sheet

Changes in fund capital, tEUR

	2018	2017
Fund capital at beginning of year	50,504	38,707
Units issued	95,650	25,698
Units redeemed	-39,621	-14,474
Profit according to Income Statement	-533	676
Dividends to unit holders	-21	-103
Fund capital at the close of the period	105,979	50,504

Note 2) for Balance Sheet

Fund holdings in financial instruments

TRANSFERABLE SECURITIES*

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

FOREIGN ISSUER, OTHERS

3M Company 1,50% 2031-06-02	1,000	1,014	1.0
A.P. Møller-Mærsk 1,50% 2022-11-24	1,000	1,023	1.0
BNP Paribas 1,5% 2028-05-28	1,000	1,028	1.0
Citycon 3,75% 2020-06-24	1,000	1,049	1.0
Coca Cola Co 1,625% 2035-03-09	500	491	0.5
Cooperatieve Rabobank UA 0,75% 2023-08-29	1,000	998	0.9
Cramo OYJ 2,375% 2022-02-28	1,000	1,035	1.0
Credit Agro 0,75% 2023-12-05	3,500	3,503	3.3
Credit Agro London 1,375% 2027-05-03	2,000	2,005	1.9
Credit Suisse Group AG 1,25% 2025-07-17	1,000	978	0.9
Danfoss 1,375% 2022-02-23	2,000	2,044	1.9
Elisa Communications 2,75% 2021-01-22	700	734	0.7
ISS Global 2,125% 2024-12-02	1,500	1,578	1.5
Jab Holdings 2,125% 2022-09-16	1,200	1,265	1.2
Jyske Bank FRN 2022-12-01	3,000	2,990	2.8
Kemira 1,75% 2024-05-30	2,000	2,008	1.9
Kojamo 1,5% 2024-06-19	850	833	0.8
Leaseplan Corp 1% 2023-05-02	2,000	1,905	1.8
Metso 1,125% 2024-06-13	2,000	2,016	1.9
Nasdaq 1,75% 2023-05-19	1,000	1,037	1.0
Nasdaq 3,875% 2021-06-07	400	434	0.4
Nestle Finance 1.75% 2037-11-02	500	508	0.5
Nordea Bank 0,875% 2023-06-26	3,000	2,984	2.8
Nordea Bank 1,125% 2027-09-27	1,000	1,011	1.0
Nykredit Realkredit 0,50% 2022-01-19	1,000	991	0.9
Sampo 1,00% 2023-09-18	1,000	1,006	0.9
Sampo 1,50% 2021-09-16	1,000	1,031	1.0
Santander Consumer Finance 0,875% 2022-01-24	1,000	1,004	0.9
SATO 2,25% 2020-09-10	220	225	0.2
SATO 2,375 2021-03-24	100	103	0.1
Statkraft 2,5% 2022-11-28	1,500	1,622	1.5
Teollisuuden Voima 2,625% 2023-01-13	1,000	1,040	1.0
Transmission Finance 1,50% 2023-05-24	1,400	1,443	1.4
TVO 2,50% 2021-03-17	1,600	1,658	1.6
UBS GR FUND JERSEY 1.5% 2024-11-30	1,000	1,006	0.9
Verizon Communications 1,375% 2028-02-1	1,000	960	0.9
VVO-Yhtymä 3,25% 2020-05-29	2,000	2,083	2.0
		48,644	45.9

FOREIGN ISSUER, STATE

France 0,75% 2028-05-25	6,500	6,556	6.2
		6,556	6.2

MORTGAGE

SHBASS 0,375% 2024-02-21 COV EUR	2,000	2,005	1.9
		2,005	1.9

OTHER

Akelius 1.5% 2023-01-23	1,300	1,307	1.2
Akelius 1.75% 2025-02-07	750	721	0.7
Akelius Residential 1,125% 2024-03-14	2,300	2,177	2.1
Alfa Laval 1,375% 2022-09-12	3,200	3,299	3.1
Balder 1,125% 2022-03-14	500	495	0.5
Balder 1,875 % 2026-01-23	2,000	1,879	1.8
Castellum 2,125% 2023-11-20	1,100	1,103	1.0
Handelsbanken 0,375 % 2023-07-03	2,600	2,582	2.4
Handelsbanken 1,625% Fix-to-Var 2029-03-05	1,500	1,484	1.4
Handelsbanken 2,66% 2024-01-15	500	500	0.5
Hoist Kredit AB 1,125% 2021-10-04	1,225	1,203	1.1
LF Bank 0,875% 2023-09-25	2,000	1,987	1.9
Mölnlycke Holding 1,50% 2022-02-28	2,600	2,647	2.5
Rikshem 1,25% 2024-06-28	700	697	0.7
Sagax FRN 2020-09-09	400	409	0.4
Sagax FRN 2021-06-15	700	727	0.7
Sandvik 3,00% 2026-06-18	1,700	1,893	1.8
SCA 2,50% 2023-06-09	1,200	1,297	1.2
SCA Hygiene 1,625% 2027-03-30	2,650	2,655	2.5
SCHHYG 1,125 2024-03-27	1,200	1,210	1.1
Securitas 1,25% 2022-03-15	1,500	1,534	1.4
Tele2 1,1125% 2024-05-15	1,500	1,489	1.4
Tele2 2,125% 2028-05-15	1,000	992	0.9
TeliaSonera 3,625% 2024-02-14	1,200	1,364	1.3
Volvo Car 3,25% 2021-05-18	1,300	1,353	1.3
		37,005	34.9

Total listed fixed-income securities 94,210 88.9

Total transferable securities 94,210 88.9

EXCHANGE-TRADED DERIVATIVES**

	Number/Nominal amount in 1000's	Market value tEUR	% of fund capital
INTEREST RATE FUTURES			
RXH9	48	0	0.0
Total interest rate futures		0	0.0
Total exchange-traded derivatives		0	0.0
Total holdings in financial instruments		94,210	88.9
Net, other assets and liabilities		11,769	11.1
Total fund capital		105,979	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.

88.9

** 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
Handelsbanken	6.2	Tele2	2.3
Credit Agro Lon	5.2	Sampo	1.9
Akelius	4.0	Nasdaq	1.4
TVO	2.6	Sagax	1.1
Balder	2.3	Sato	0.3

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

Handelsbanken Euro Corporate Bond Fund

Sustainability dimensions that are taken into consideration in the management of the fund

The fund manager integrates environmental, social and corporate governance criteria (ESG) into the investment process, together with financial criteria, to obtain a more complete basis for decision-making. As a result, the fund manager takes into consideration both risks and opportunities related to various ESG aspects.

Methods used in sustainability efforts

Inclusion

An in-depth analysis is conducted in preparation for each investment decision in which sustainability dimensions as well as economic aspects are factored into the analysis. We believe sustainability issues are particularly important for making sound investment decisions to generate good, long-term returns. We have access to external ESG analyses as a complement to our own analyses and knowledge of the companies. Fund managers analyse sustainability through the company's sustainability performance (HOW they conduct their business operations), as well as through WHAT the company offers for products and services. The sustainability analysis is documented as an integral component of the investment documentation and consists of both sustainability risks and opportunities.

The fund has invested in Castellum, a Swedish real estate company with focus on commercial properties. The company has a clear sustainability strategy that is well-integrated and a natural part of the entire business operations. To contribute to the global agenda, the company has the objective of governing and setting objectives in line with the UN's Sustainable Development Goals and the global climate agreement. Castellum acts as a responsible societal developer and works explicitly to drive development forward to a sustainable society. The company is also the only Nordic real estate company included in the Dow Jones Sustainability Index.

The fund has also chosen to participate in two issues of Green bonds: Handelsbanken and Credit Agricole. Both issues follow the Green Bond Principles and in order to develop renewable energy, green buildings and water treatment. Both borrowers will be reporting the environmental benefits with the financing in an annual report that will be important to follow up. Approximately 6% of the fund's total bond holdings were in green bonds at year-end.

Exclusion

In accordance with the Management Company's overall policy for responsible investment, all of the Management Company's funds exclude:

- companies involved in the production or distribution of banned weapons, such as cluster bombs, anti-personnel mines, biological and chemical weapons, in accordance with international legislation. Companies involved in the production or distribution of nuclear weapons are also excluded.
- companies with substantial business operations within coal mining or in power companies that have coal as a major source of energy.

The fund is managed based upon the Criteria exclusion strategy, which means an exclusion of companies/issuers in which the principle business operations are within controversial sectors such as alcohol, tobacco, commercial gaming, war materials, pornography, fossil fuels. The fund also excludes companies/issuers that are deemed to be violating international norms and conventions. This is followed-up by the Management Company's independent risk control function on a daily basis.

Management Company's engagement activities

A critical component in taking responsibility as an investor is to influence the companies in which we invest. Our engagement activities are founded on the value base of Handelsbanken and the Management Company, our commitments, as well as the international norms and conventions we safeguard. We conduct dialogues to encourage companies to improve their sustainability efforts, as well as with companies we deem do not fulfil the international norms and conventions we safeguard. We conduct the engagement activities primarily through:

- A. Targeted dialogues with direct contact between our fund managers and the company
 - B. Dialogues together with other investors/capital owners
 - C. Collaborations and sector initiatives, often through international collaborations such as the UN, PRI and CDP.
- A. The fund manager meets or has contact with companies on a regular basis, which provides a good opportunity to influence companies within sustainability. We hold dialogues with clear targets for change, but also dialogues that focus on an overall improvement to the company's sustainability efforts. Targets are identified for the direct dialogues and results are followed up regularly during the period of the dialogue. The targeted company dialogues are carried out by the fund manager directly with the company. The fund did not have any dialogues during the year.
 - B. The Management Company participates in dialogues with companies together with other investors through an external party (ISS ESG) in a so-called pooled engagement. The basis for these dialogues is a norm-based analysis that focuses primarily on companies with suspected or confirmed violations with regard to international norms and conventions within the environment, human rights, labour rights, and anti-corruption. The dialogue process consists of contact between ISS ESG and the company concerned, and in certain cases also includes meetings or telephone conferences in which we as an investor may participate. During 2018 the Management Company participated in 143 company dialogues.
 - C. During 2018 the Management Company participated in several international initiatives and collaborations with focus on specific sustainability matters. These initiatives are often thematic or focus on sustainability issues within a certain sector. Examples of initiatives we have participated in during the year include: Climate Action 100+, PRI Methane Engagement, PRI Sustainable Palm Oil, PRI Sustainable Soy, PRI Cyber Security and FAIRR Antibiotics Engagement. These initiatives include 336 companies in total.

Handelsbanken Euro Obligation, cont.

	2018	2017	2016	2015	26/9-31/12 2014	2013	2012	2011	2010	2009
Total returns in %, SEK										
Euro Obligation A1 - SEK	+3.2	+2.8	+7.3	-1.9	+22.0	+6.8	+5.9	+1.6	-11.7	-2.3
Euro Obligation A1 - EUR	+0.1	+0.2	+2.5	+1.4	+13.9	+3.5	+9.9	+3.0	+0.3	+4.9
Euro Obligation A10 - EUR	+0.5	-	-	-	-	-	-	-	-	-
Index including dividends in %, SEK										
Euro Obligation A1 - SEK	+4.1	+2.8	+8.0	-1.7	+21.1	+5.5	+6.9	+2.0	-11.1	-2.8
Euro Obligation A1 - EUR	+1.0	+0.2	+3.2	+1.6	+13.1	+2.2	+10.9	+3.4	+1.0	+4.3
Euro Obligation A10 - EUR	+1.0	-	-	-	-	-	-	-	-	-
Average yearly return, 2 yrs. %										
Euro Obligation A1 - SEK	+3.0	+5.0	+2.6	+9.4	+14.1	+6.3	+3.7	-5.2	-7.1	+10.9
Euro Obligation A1 - EUR	+0.2	+1.4	+2.0	+7.5	+8.6	+6.6	+6.4	+1.7	+2.6	+6.5
Euro Obligation A10 - EUR	+0.6	-	-	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+3.4	+5.4	+3.0	+9.1	+13.0	+6.2	+4.5	-4.7	-7.0	+11.2
EUR	+0.6	+1.7	+2.4	+7.2	+7.6	+6.5	+7.1	+2.2	+2.6	+6.8
Average yearly return, 5 yrs. %										
Euro Obligation A1 - SEK	+6.4	+7.1	+7.7	+6.6	+4.4	-0.2	+3.2	+3.0	-	-
Euro Obligation A1 - EUR	+3.5	+4.2	+6.1	+6.2	+6.0	+4.3	+5.2	+3.4	+2.5	+3.5
Euro Obligation A10 - EUR	+3.9	-	-	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+6.6	+6.9	+7.7	+6.5	+4.4	-0.1	+3.7	+3.6	-	-
EUR	+3.7	+4.0	+6.1	+6.2	+6.0	+4.3	+5.7	+3.9	+3.2	+4.0
Average yearly return, 10 yrs. %										
Euro Obligation A1 - SEK	+3.1	+5.1	+5.3	-	-	-	-	-	-	-
Euro Obligation A1 - EUR	+3.9	+4.7	+4.7	+4.4	+4.7	+4.1	+4.1	+4.0	+4.2	+4.7
Euro Obligation A10 - EUR	+4.3	-	-	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+3.2	+5.3	+5.7	-	-	-	-	-	-	-
EUR	+4.0	+4.9	+5.0	+4.7	+5.0	+4.5	+4.7	+4.6	+4.8	+5.5
Exchange rate EUR/SEK	10.13	9.83	9.58	9.16	9.47	-	-	-	-	-

Benchmark: Barclays Euro Government Bond Index

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

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

Refer to the last page for definitions.

Fund Facts - Costs

Max. allowed mgmt. costs in % according to fund rules	
Euro Obligation A1	0.60
Euro Obligation A10	0.20
Collected mgmt. costs in % of average fund capital	
Euro Obligation A1	0.60
Euro Obligation A10	0.20
Annual fees in %	
Euro Obligation A1	0.60
Euro Obligation A10	0.20
Transaction costs, tEUR	0
Transaction costs in % of turnover	0.00
Costs in EUR for a one-time subscription, 1 000 EUR	
Euro Obligation A1	5.98
Euro Obligation A10	-
Costs in EUR for monthly savings, 10 EUR	
Euro Obligation A1	0.39
Euro Obligation A10	-

Fund Facts - Other Key Figures

Turnover rate	1.6
Share of turnover conducted via closely-related securities companies in %	0.0

Risk and Return Measurements*

Total risk % - A1 SEK	7.6	Active return % - A10 EUR	0.0
Total risk % - A1 EUR	3.0	Information ratio - A1 SEK	Negative
Total risk % - A10 EUR	3.0	Information ratio - A1 EUR	Negative
Total risk in index % - A1 SEK	7.6	Information ratio - A10 EUR	Negative
Total risk in index % - A1 EUR	2.9	Sharpe ratio - A1 SEK	0.5
Total risk in index % - A10 EUR	2.9	Sharpe ratio - A1 EUR	0.2
Tracking error % - A1 SEK	0.4	Sharpe ratio - A10 EUR	0.3
Tracking error % - A1 EUR	0.4	Sharpe ratio in index - A1 SEK	0.6
Tracking error % - A10 EUR	0.4	Sharpe ratio in index - A1 EUR	0.4
Benchmark	Barclays Euro Government Bond Index	Sharpe ratio in index - A10 EUR	0.4
Active return % - A1 SEK	-0.4	Duration, years ¹⁾	6.6
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, tEUR

	2018	2017
INCOME AND CHANGES IN VALUE		
Changes in value for transferable securities	-1,341	-2,004
Changes in value for other derivative instruments ^{**}	-112	251
Interest income	2,029	2,061
Dividends	0	-
Currency exchange profits and losses, net	-7	-5
Other income	-	0
Total income and changes in value	569	303
EXPENSES		
Management costs:		
- Remuneration to the Management Company	427	388
Interest expense	2	1
Other expenses	0	2
Total expenses	429	391
Net income	140	-88
* Details of changes in value		
Capital gains	518	338
Capital losses	-2,220	-1,574
Unrealised gains/losses	363	-768
Sum	-1,341	-2,004
** Details of changes in value		
Capital gains	278	1,183
Capital losses	-390	-932
Sum	-112	251

Balance Sheet, tEUR

	31 dec 2018	% of fund capital	31 dec 2017	% of fund capital
ASSETS				
Transferable securities	119,697	90.5	66,453	96.5
Total financial instruments with positive market value ^{Note 2)}	119,697	90.5	66,453	96.5
Bank assets and other liquid assets	13,677	10.3	-211	-0.3
Prepaid expenses and accrued income	1,594	1.2	905	1.3
Other assets	15	0.1	2,199	3.2
Total assets	134,983	102.1	69,346	100.7
LIABILITIES				
OTC derivative instruments with negative market value	11	0.0	-	-
Total financial instruments with negative market value ^{Note 2)}	11	0.0	-	-
Accrued expenses and prepaid income	46	0.0	20	0.0
Other liabilities	2,693	2.1	482	0.7
Total liabilities	2,750	2.1	502	0.7
Fund capital ^{Note 1)}	132,233	100.0	68,844	100.0
Other derivative instruments with negative market value	964	0.7	36	0.1

Handelsbanken Euro Obligation, cont.

Note 1) for Balance Sheet

Changes in fund capital, tEUR

	2018	2017
Fund capital at beginning of year	68,844	69,531
Units issued	120,876	44,152
Units redeemed	-57,627	-44,751
Profit according to Income Statement	140	-88
Dividends to unit holders	-	-
Fund capital at the close of the period	132,233	68,844

Note 2) for Balance Sheet

Fund holdings in financial instruments

TRANSFERABLE SECURITIES*

	Number/Nominal amount in 1000's	Market value tEUR	% of fund capital
LISTED FIXED-INCOME SECURITIES			
FOREIGN ISSUER, STATE			
Austria 0% 2023-07-15	1,500	1,512	1.1
Austria 0,75% 2026-10-20	1,050	1,086	0.8
Austria 1,5% 2047-02-20	1,200	1,244	0.9
Belgium 1,45 % 2037-06-22	2,100	2,089	1.6
Belgium 2,60% 2024-06-22	1,900	2,160	1.6
Belgium 5,50% 2028-03-28	2,540	3,626	2.7
Bonos y Obligaciones del Estado 4,00% 2020-04-30	6,920	7,326	5.5
Bonos y Obligaciones del Estado 4,40% 2023-10-31	4,650	5,536	4.2
Bonos y Obligaciones del Estado 4,90% 2040-07-30	2,380	3,434	2.6
Bonos y Obligaciones del Estado 6,00% 2029-01-31	4,380	6,250	4.7
Bundesobligation 2,25% 2021-09-04	1,100	1,184	0.9
Bundesobligation 4,75% 2034-07-04	585	954	0.7
Bundesobligation 4,75% 2040-07-04	2,525	4,568	3.5
Buono del Tesoro Poliennale 3,75% 2021-03-01	6,530	6,958	5.3
Buono del Tesoro Poliennale 4,75% 2023-08-01	4,560	5,180	3.9
Buono del Tesoro Poliennale 5,00% 2040-09-01	3,600	4,418	3.3
Buono del Tesoro Poliennale 6,00% 2031-05-01	5,550	7,283	5.5
Buono del Tesoro Poliennale 7,25% 2026-11-01	2,370	3,183	2.4
Finland 0,875% 2025-09-15	2,000	2,099	1.6
France 0,75% 2028-05-25	2,700	2,723	2.1
France 2,50% 2020-10-25	6,700	7,074	5.3
France 2.5 OAT 30	3,800	4,485	3.4
France 3,75% 2019-10-25	1,500	1,553	1.2
France 4,00% 2055-04-25	890	1,435	1.1
France 4,25% 2023-10-25	6,240	7,551	5.7
France 4,50% 2041-04-25	3,400	5,441	4.1
France 4,75% 2035-04-25	1,820	2,811	2.1
Germany 1,25% 2048-08-15	200	219	0.2
Germany 1,5% 2024-05-15	600	657	0.5
Germany 5,625% 2028-01-04	800	1,195	0.9
Irish TSY 1,0% 2026-05-15	2,400	2,472	1.9
Netherlands 0,5% 2026-07-15	2,300	2,362	1.8
Netherlands 1,75% 2023-07-15	1,950	2,132	1.6
Netherlands 4% 2037-01-15	1,200	1,862	1.4
Portugal 2,875% 2025-10-15	2,500	2,784	2.1
Portugal 4,95% 2023-10-25	2,350	2,853	2.2
		119,697	90.5
Total listed fixed-income securities		119,697	90.5
Total transferable securities		119,697	90.5

EXCHANGE-TRADED DERIVATIVES**

	Number/Nominal amount in 1000's	Market value tEUR	% of fund capital
INTEREST RATE FUTURES			
RXH9	-36	0	0.0
Total interest rate futures		0	0.0
Total exchange-traded derivatives		0	0.0

OTHER FINANCIAL INSTRUMENTS***

	Number/Nominal amount in 1000's	Market value tEUR	% of fund capital
OTC DERIVATIVE INSTRUMENTS			
CURRENCY FUTURES			
EUR/SEK		-11	0.0
		-11	0.0
Total OTC derivative instruments		-11	0.0
Total other financial instruments		-11	0.0
Total holdings in financial instruments		119,686	90.5
Net, other assets and liabilities		12,547	9.5
Total fund capital		132,233	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.

90.5

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

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*** Refers to other financial instruments.

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Compilation, Company and Group exposure*

Company/Group	% of fund capital	Company/Group	% of fund capital
Franska staten	25.0	Belgiska staten	5.9
Italienska staten	20.4	Nederländska staten	4.8
Spanska staten	17.0	Portugisiska staten	4.3
Tyska staten	6.7	Österrikiska staten	2.8

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

Handelsbanken Euro Obligation

Sustainability dimensions that are taken into consideration in the management of the fund

The fund manager integrates environmental, social and corporate governance criteria (ESG) into the investment process, together with financial criteria, to obtain a more complete basis for decision-making. As a result, the fund manager takes into consideration both risks and opportunities related to various ESG aspects.

Methods used in sustainability efforts

Inclusion

The fund is sustainable due to the investment focus, as it invests in interest-bearing instruments that are issued or guaranteed by a state, municipality, or a governmental or municipal authority or by an intergovernmental body in which one or several states in the EEA is a member, as well as in covered bonds.

Exclusion

Due to the fund's investment focus, it is not possible for the fund to invest in bonds issued by companies, and as a result the fund does not have any investments in companies with business operations within controversial sectors.

Handelsbanken Euro Ranta, cont.

	2018	2017	2016	2015	26/9-31/12 2014	2013	2012	2011	2010	2009
Total returns in %, SEK										
Euro Ranta A1 - SEK	+2.6	+2.2	+4.5	-3.6	+7.0	+3.3	-2.3	-0.2	-10.8	-3.1
Euro Ranta A1 - EUR	-0.5	-0.4	-0.1	-0.3	-0.1	+0.1	+1.4	+1.2	+1.4	+4.0
Euro Ranta A7 - EUR	-0.4	-0.1	+0.2	0.0	+0.2	+0.3	+1.6	+1.4	+1.7	+4.3
Euro Ranta A10 - EUR	-0.3	-	-	-	-	-	-	-	-	-
Index including dividends in %, SEK										
Euro Ranta A1 - SEK	+2.9	+2.2	+4.4	-3.3	+7.3	+3.3	-3.0	0.0	-11.3	-5.4
Euro Ranta A1 - EUR	-0.2	-0.4	-0.3	0.0	+0.2	+0.1	+0.6	+1.3	+0.7	+1.5
Euro Ranta A7 - EUR	-0.2	-0.4	-0.3	0.0	+0.2	+0.1	+0.6	+1.3	+0.7	+1.5
Euro Ranta A10 - EUR	-0.2	-	-	-	-	-	-	-	-	-
Average yearly return, 2 yrs. %										
Euro Ranta A1 - SEK	+2.4	+3.3	+0.4	+1.6	+5.1	+0.5	-1.2	-5.6	-7.0	-2.2
Euro Ranta A1 - EUR	-0.4	-0.3	-0.2	-0.2	0.0	+0.7	+1.3	+1.3	+2.7	-6.1
Euro Ranta A7 - EUR	-0.2	0.0	+0.1	+0.1	+0.3	+1.0	+1.5	+1.5	+3.0	-5.8
Euro Ranta A10 - EUR	-0.2	-	-	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+2.6	+3.3	+0.4	+1.8	+5.3	+0.1	-1.5	-5.8	-8.4	+7.5
EUR	-0.3	-0.3	-0.1	+0.1	+0.2	+0.4	+1.0	+1.0	+1.1	+3.3
Average yearly return, 5 yrs. %										
Euro Ranta A1 - SEK	+2.5	+2.6	+1.7	+0.8	-0.8	-2.7	-3.6	-	-	-
Euro Ranta A1 - EUR	-0.3	-0.2	+0.2	+0.5	+0.8	+1.6	-1.7	-1.6	-1.4	-1.4
Euro Ranta A7 - EUR	0.0	+0.1	+0.5	+0.7	+1.0	+1.9	-1.5	-1.3	-1.1	-
Euro Ranta A10 - EUR	0.0	-	-	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+2.6	+2.7	+1.6	+0.8	-1.0	-3.4	-0.1	-	-	-
EUR	-0.1	-0.1	+0.1	+0.5	+0.6	+0.9	+1.8	+2.6	+2.9	+3.1
Average yearly return, 10 yrs. %										
Euro Ranta A1 - SEK	-0.2	-0.5	-	-	-	-	-	-	-	-
Euro Ranta A1 - EUR	+0.7	-0.9	-0.7	-0.5	-0.3	-0.1	+0.1	+0.3	+0.5	+0.8
Euro Ranta A7 - EUR	+0.9	-0.7	-0.4	-0.2	-	-	-	-	-	-
Euro Ranta A10 - EUR	+1.0	-	-	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	-0.4	+1.3	-	-	-	-	-	-	-	-
EUR	+0.4	+0.9	+1.3	+1.7	+1.9	+2.1	+2.3	+2.6	+2.9	+3.2
Exchange rate EUR/SEK	10.13	9.83	9.58	9.16	9.47	-	-	-	-	-

Benchmark: Bloomberg Barclays Euro Treasury 0-12 Months

Up to 31/05/2018: EUR Libor 3 month index

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

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

Refer to the last page for definitions.

Fund Facts - Costs

Max. allowed mgmt. costs in % according to fund rules	
Euro Ranta A1	0.50
Euro Ranta A7	0.20
Euro Ranta A10	0.05
Collected mgmt. costs in % of average fund capital	
Euro Ranta A1	0.30
Euro Ranta A7	0.20
Euro Ranta A10	0.06
Annual fees in %	
Euro Ranta A1	0.30
Euro Ranta A7	0.20
Euro Ranta A10	0.06
Transaction costs, tEUR	1
Transaction costs in % of turnover	0.00
Costs in EUR for a one-time subscription, 1 000 EUR	
Euro Ranta A1	3.10
Euro Ranta A7	2.00
Euro Ranta A10	-
Costs in EUR for monthly savings, 10 EUR	
Euro Ranta A1	0.16
Euro Ranta A7	0.13
Euro Ranta A10	-

Fund Facts - Other Key Figures

Turnover rate	1.0
Share of turnover conducted via closely-related securities companies in %	9.2

Risk and Return Measurements*

Total risk % - A1 SEK	6.1	Active return % - A10 EUR	0.1
Total risk % - A1 EUR	0.2	Information ratio - A1 SEK	Negative
Total risk % - A7 EUR	0.2	Information ratio - A1 EUR	Negative
Total risk % - A10 EUR	0.2	Information ratio - A7 EUR	0.2
Total risk in index % - A1 SEK	6.1	Information ratio - A10 EUR	0.5
Total risk in index % - A1 EUR	0.1	Sharpe ratio - A1 SEK	0.5
Total risk in index % - A7 EUR	0.1	Sharpe ratio - A1 EUR	0.2
Total risk in index % - A10 EUR	0.1	Sharpe ratio - A7 EUR	1.4
Tracking error % - A1 SEK	0.2	Sharpe ratio - A10 EUR	1.7
Tracking error % - A1 EUR	0.2	Sharpe ratio in index - A1 SEK	0.5
Tracking error % - A7 EUR	0.2	Sharpe ratio in index - A1 EUR	1.8
Tracking error % - A10 EUR	0.2	Sharpe ratio in index - A7 EUR	1.8
Benchmark	Bloomberg Barclays Euro Treasury 0-12 Months	Sharpe ratio in index - A10 EUR	1.8
Active return % - A1 SEK	-0.2	Duration, months ¹⁾	5.5
Active return % - A1 EUR	-0.2		
Active return % - A7 EUR	0.0		

¹⁾ As of the balance sheet date.

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

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

Handelsbanken Euro Ranta, cont.

Income Statement, tEUR

	2018	2017
INCOME AND CHANGES IN VALUE		
Changes in value for transferable securities*	-809	-676
Changes in value for other derivative instruments**	-67	-
Interest income	774	728
Currency exchange profits and losses, net	-15	-37
Other income	0	1
Total income and changes in value	-117	16
EXPENSES		
Management costs:		
- Remuneration to the Management Company	180	308
Interest expense	1	1
Other expenses	1	0
Total expenses	182	309
Net income	-299	-293
* Details of changes in value		
Capital gains	106	72
Capital losses	-485	-1,311
Unrealised gains/losses	-429	563
Sum	-809	-676
** Details of changes in value		
Capital gains	126	-
Capital losses	-194	-
Sum	-67	-

Balance Sheet, tEUR

	31 dec 2018	% of fund capital	31 dec 2017	% of fund capital
ASSETS				
Transferable securities	78,577	58.9	47,844	80.5
Money market instruments	32,506	24.3	2,998	5.0
Total financial instruments with positive market value (Note 2)	111,083	83.2	50,842	85.5
Bank assets and other liquid assets	21,979	16.5	8,207	13.8
Prepaid expenses and accrued income	429	0.3	387	0.7
Other assets	0	0.0	-	-
Total assets	133,491	100.0	59,436	100.0
LIABILITIES				
Accrued expenses and prepaid income	16	0.0	12	0.0
Other liabilities	0	0.0	-	-
Total liabilities	16	0.0	12	0.0
Fund capital (Note 1)	133,475	100.0	59,424	100.0

Note 1) for Balance Sheet

Changes in fund capital, tEUR

	2018	2017
Fund capital at beginning of year	59,424	121,207
Units issued	140,873	76,546
Units redeemed	-66,523	-138,036
Profit according to Income Statement	-299	-293
Dividends to unit holders	-	-
Fund capital at the close of the period	133,475	59,424

Note 2) for Balance Sheet

Fund holdings in financial instruments

TRANSFERABLE SECURITIES*

	Number/Nominal amount in 1000's	Market value tEUR	% of fund capital
LISTED FIXED-INCOME SECURITIES			
FOREIGN ISSUER, OTHERS			
ABB Financial 2,375% 2019-03-26	1,000	1,006	0.8
ABN Amro Bank FRN 2021-12-03	1,250	1,251	0.9
Ålandsbanken FRN 2020-03-24	3,200	3,197	2.4
BMW Finance NV 3,25% 2019-01-14	1,000	1,001	0.7
Carrefour 1,75% 2019-05-22	1,000	1,006	0.8
Citycon 3,75% 2020-06-24	1,650	1,731	1.3
CS Group Funding 1,25% 2022-04-14	2,000	2,016	1.5
DnB NOR Bank FRN 2020-01-13	3,000	3,005	2.3
Goldman Sachs FRN 190429	1,000	1,001	0.8
ING Bank FRN 2020-11-26	3,000	3,007	2.3
ISS Global 1,125% 2020-01-09	2,000	2,016	1.5
JYSKE BANK FRN 2020-06-02	4,000	4,003	3.0
Kemira 2,5% 2019-05-27	578	583	0.4
Metso 2,75% 2019-10-04	3,800	3,875	2.9
Morgan Stanley FRN 2019-11-19	2,000	2,009	1.5
NORDEA BANK 2% 210217	2,000	2,081	1.6
OP Yrityspankki FRN 2020-03-11	1,900	1,903	1.4
Rabobank Nederland 5,875% 2019-05-20	1,200	1,226	0.9
Rentokil 3,375% 2019-09-24	1,000	1,024	0.8
SATO 2,25% 2020-09-10	2,500	2,562	1.9
Sparebank 1 1,50% 2019-05-20	1,000	1,006	0.8
Tomator OYJ 3,125% 2019-12-19	2,310	2,373	1.8

	Number/Nominal amount in 1000's	Market value tEUR	% of fund capital
UBS AG 0,179% 2019-09-05	2,000	2,004	1.5
Vodafone Group FRN 2019-02-25	1,000	1,001	0.7
VVO-Yhtymä 3,25% 2020-05-29	2,000	2,083	1.6
		47,972	35.9
OTHER			
Akelius 3,375% 2020-09-23	1,000	1,047	0.8
Balder 1,125% 2022-03-14	2,000	1,980	1.5
Castellum 2,125% 2023-11-20	800	802	0.6
Handelsbanken 2,66% 2024-01-15	1,000	1,001	0.7
LF Bank FRN 2019-06-03	2,000	2,000	1.5
SBAB FRN 2019-04-05	700	701	0.5
SBAB FRN 2019-08-15	2,000	2,005	1.5
SCA 0,50% 2020-03-05	4,000	4,015	3.0
Scania CV FRN 2021-03-17	3,000	2,990	2.2
Scania FRN 2019-09-06	2,500	2,501	1.9
SCANIA FRN 2020-04-20	1,500	1,501	1.1
SKF 1,875 2019-09-11	3,000	3,036	2.3
Swedbank FRN 2019-03-11	2,500	2,503	1.9
SWEDX 0,625% 210404	2,000	2,019	1.5
SWEDX 200818	1,000	1,005	0.8
Volvo Treasury FRN 2020-08-10	1,500	1,496	1.1
		30,605	22.9
Total listed fixed-income securities		78,577	58.9
Total transferable securities		78,577	58.9

MONEY MARKET INSTRUMENTS**

	Number/Nominal amount in 1000's	Market value tEUR	% of fund capital
CERTIFICATE			
Hexagon 2019-01-21 EUR	5,000	5,000	3.7
Total certificate		5,000	3.7
TREASURY BILLS			
Rep of Italy 2019-02-28	27,500	27,506	20.6
Total Treasury bills		27,506	20.6
Total money market instruments		32,506	24.3
Total holdings in financial instruments		111,083	83.2
Net, other assets and liabilities		22,392	16.8
Total fund capital		133,475	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. 58.9

** 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). 24.3

*** Refers to other financial instruments. -

Compilation, Company and Group exposure*

Company/Group	% of fund capital	Company/Group	% of fund capital
Scania	5.2	Swedbank	4.2
		SBAB	2.0

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

Handelsbanken Euro Rönta

Sustainability dimensions that are taken into consideration in the management of the fund

The fund manager integrates environmental, social and corporate governance criteria (ESG) into the investment process, together with financial criteria, to obtain a more complete basis for decision-making. As a result, the fund manager takes into consideration both risks and opportunities related to various ESG aspects.

Methods used in sustainability efforts

Inclusion

An in-depth analysis is conducted in preparation for each investment decision in which sustainability dimensions as well as economic aspects are factored into the analysis. We believe sustainability issues are particularly important for making sound investment decisions to generate good, long-term returns. We have access to external ESG analyses as a complement to our own analyses and knowledge of the companies. Fund managers analyse sustainability through the company's sustainability performance (HOW they conduct their business operations), as well as through WHAT the company offers for products and services. The sustainability analysis is documented as an integral component of the investment documentation and consists of both sustainability risks and opportunities.

One example of a company that has clear sustainability guidelines and has a goal of contributing positively to the environment is the forestry company Tornator. Tornator follows the Principles of sustainable forestry and the forests in Finland are certified by PEFC (Programme for the Endorsement of Forest Certification Schemes) and FSC (Forest Stewardship Council). Managing and cultivating forests in a sustainable manner is key to reducing our carbon footprint, which Tornator is actively engaged in.

Exclusion

In accordance with the Management Company's overall policy for responsible investment, all of the Management Company's funds exclude:

- companies involved in the production or distribution of banned weapons, such as cluster bombs, anti-personnel mines, biological and chemical weapons, in accordance with international legislation. Companies involved in the production or distribution of nuclear weapons are also excluded.
- companies with substantial business operations within coal mining or in power companies that have coal as a major source of energy.

The fund is managed based upon the Criteria exclusion strategy, which means an exclusion of companies/issuers in which the principle business operations are within controversial sectors such as alcohol, tobacco, commercial gaming, war materials, pornography, fossil fuels. The fund also excludes companies/issuers that are deemed to be violating international norms and conventions. This is followed-up by the Management Company's independent risk control function on a daily basis.

The fund sold the holdings in the tobacco company Swedish Match due to its exposure in a sector where we see heightened sustainability risks in the value chain, as well as taking into consideration the product's potential negative health effects.

Management Company's engagement activities

A critical component in taking responsibility as an investor is to influence the companies in which we invest. Our engagement activities are founded on the value base of Handelsbanken and the Management Company, our commitments, as well as the international norms and conventions we safeguard. We conduct dialogues to encourage companies to improve their sustainability efforts, as well as with companies we deem do not fulfil the international norms and conventions we safeguard. We conduct the engagement activities primarily through:

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

A. The fund manager meets or has contact with companies on a regular basis, which provides a good opportunity to influence companies within sustainability. We hold dialogues with clear targets for change, but also dialogues that focus on an overall improvement to the company's sustainability efforts. Targets are identified for the direct dialogues and results are followed up regularly during the period of the dialogue. The targeted company dialogues are carried out by the fund manager directly with the company. The fund held one dialogue during the year.

A dialogue was held with RCI Banque, which is a subsidiary to Renault SA. The dialogue was initiated since Renault is making substantial investments in the EV (electric vehicle) segment, and is therefore a major purchaser of cobalt. Cobalt is a metal used in the production of batteries for electric cars and 64% of the global production comes from the Congo. There have been reports of poor working conditions and child labour in several cobalt mines in the Congo. Amnesty has brought attention to this issue and Renault was one of the companies reviewed that has not taken any action. After a dialogue, Renault has joined initiatives such as RMI (Responsible Minerals Initiative) and has expanded its work with due diligence in accordance with OECD guidelines, which means that they have carried out due diligence together with LG Chem, which is their supplier of cobalt to ensure that the cobalt purchased by Renault is produced responsibly.

B. The Management Company participates in dialogues with companies together with other investors through an external party (ISS ESG) in a so-called pooled engagement. The basis for these dialogues is a norm-based analysis that focuses primarily on companies with suspected or confirmed violations with regard to international norms and conventions within the environment, human rights, labour rights, and anti-corruption. The dialogue process consists of contact between ISS ESG and the company concerned, and in certain cases also includes meetings or telephone conferences in which we as an investor may participate. During 2018 the Management Company participated in 143 company dialogues.

C. During 2018 the Management Company participated in several international initiatives and collaborations with focus on specific sustainability matters. These initiatives are often thematic or focus on sustainability issues within a certain sector. Examples of initiatives we have participated in during the year include: Climate Action 100+, PRI Methane Engagement, PRI Sustainable Palm Oil, PRI Sustainable Soy, PRI Cyber Security and FAIRR Antibiotics Engagement. These initiatives include 336 companies in total.

Handelsbanken Flexibel Rränta, cont.

	2018	2017	2016	2015	15/1-31/12 2014	2013	2012	2011	2010	2009
Index including dividends in %, SEK										
Flexibel Rränta A1	+0.6	+0.8	+4.0	-0.8	+6.7	-	-	-	-	-
Flexibel Rränta A8	+0.6	+0.8	+4.0	-0.8	+6.7	-	-	-	-	-
Flexibel Rränta A10	+0.6	-	-	-	-	-	-	-	-	-
Flexibel Rränta B1	+0.6	-	-	-	-	-	-	-	-	-
Flexibel Rränta B8	+0.6	+0.8	+4.0	-0.8	+6.7	-	-	-	-	-
Flexibel Rränta B10	+0.6	-	-	-	-	-	-	-	-	-
Average yearly return, 2 yrs. %										
Flexibel Rränta A1	+1.1	+2.7	+1.3	-	-	-	-	-	-	-
Flexibel Rränta A8	+1.2	+2.8	+1.5	-	-	-	-	-	-	-
Flexibel Rränta A10	+1.5	-	-	-	-	-	-	-	-	-
Flexibel Rränta B1	+1.1	-	-	-	-	-	-	-	-	-
Flexibel Rränta B8	+1.2	+2.7	+1.3	-	-	-	-	-	-	-
Flexibel Rränta B10	+1.5	-	-	-	-	-	-	-	-	-
Comparison to index including dividends, %	+0.7	+2.4	+1.6	-	-	-	-	-	-	-
Dividends per unit, SEK										
Flexibel Rränta B1	1.00	-	-	-	-	-	-	-	-	-
Flexibel Rränta B8	1.00	3.03	1.99	2.57	2.64	-	-	-	-	-
Flexibel Rränta B10	1.00	-	-	-	-	-	-	-	-	-

Benchmark: OMRX Treasury Bill Index 37.0%, HMNI Swe All Gov Dur Const 6Y 19.0%, NOMX Credit SEK Total Return Index 14.0%, JP Morgan EM Diversified Index 10.0%, Barclays Euro Government Bond Index 9.0%, Bloomberg Barclays Euro Treasury 0-12 Months 6.0%, OMRX Real Return Bond Index 5.0%

Up to 31/05/2018: OMRX Treasury Bill Index 37.0%, HMNI Swe All Gov Dur Const 6Y 19.0%, NOMX Credit SEK Total Return Index 14.0%, JP Morgan EM Diversified Index 10.0%, BARX Euro Government Bond Index 9.0%, EURIBOR 6.0%, HMNI Real 5.0%

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 Rränta A1	0.60
Flexibel Rränta A8	0.45
Flexibel Rränta A10	0.20
Flexibel Rränta B1	0.60
Flexibel Rränta B8	0.45
Flexibel Rränta B10	0.20
Collected mgmt. costs in % of average fund capital	
Flexibel Rränta A1	0.60
Flexibel Rränta A8	0.45
Flexibel Rränta A10	0.20
Flexibel Rränta B1	0.60
Flexibel Rränta B8	0.45
Flexibel Rränta B10	0.20
Annual fees in %	
Flexibel Rränta A1	0.70
Flexibel Rränta A8	0.55
Flexibel Rränta A10	0.30
Flexibel Rränta B1	0.70
Flexibel Rränta B8	0.55
Flexibel Rränta B10	0.30
Transaction costs, tSEK	52
Transaction costs in % of turnover	0.00
Costs in SEK for a one-time subscription, 10 000 SEK	
Flexibel Rränta A1	60.74
Flexibel Rränta A8	45.59
Flexibel Rränta A10	-
Flexibel Rränta B1	-
Flexibel Rränta B8	45.59
Flexibel Rränta B10	-
Costs in SEK for monthly savings, 100 SEK	
Flexibel Rränta A1	3.91
Flexibel Rränta A8	2.93
Flexibel Rränta A10	-
Flexibel Rränta B1	-
Flexibel Rränta B8	2.93
Flexibel Rränta B10	-

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

Fund Facts - Other Key Figures

Turnover rate	0.2
Share of turnover conducted via closely-related securities companies in %	4.2

Risk and Return Measurements*

Total risk % - A1 SEK	1.9	Active return % - B8 SEK	0.5
Total risk % - A8 SEK	1.9	Active return % - B10 SEK	0.8
Total risk % - A10 SEK	1.9	Information ratio - A1 SEK	0.8
Total risk % - B1 SEK	1.9	Information ratio - A8 SEK	1.1
Total risk % - B8 SEK	1.9	Information ratio - A10 SEK	1.6
Total risk % - B10 SEK	1.9	Information ratio - B1 SEK	0.8
Total risk in index % - A1 SEK	1.9	Information ratio - B8 SEK	1.0
Total risk in index % - A8 SEK	1.9	Information ratio - B10 SEK	1.6
Total risk in index % - A10 SEK	1.9	Sharpe ratio - A1 SEK	1.0
Total risk in index % - B1 SEK	1.9	Sharpe ratio - A8 SEK	1.1
Total risk in index % - B8 SEK	1.9	Sharpe ratio - A10 SEK	1.2
Total risk in index % - B10 SEK	1.9	Sharpe ratio - B1 SEK	1.0
Tracking error % - A1 SEK	0.5	Sharpe ratio - B8 SEK	1.0
Tracking error % - A8 SEK	0.5	Sharpe ratio - B10 SEK	1.2
Tracking error % - A10 SEK	0.5	Sharpe ratio in index - A1 SEK	0.8
Tracking error % - B1 SEK	0.5	Sharpe ratio in index - A8 SEK	0.8
Tracking error % - B8 SEK	0.5	Sharpe ratio in index - A10 SEK	0.8
Tracking error % - B10 SEK	0.5	Sharpe ratio in index - B1 SEK	0.8
Benchmark	OMRX Treasury Bill Index	Sharpe ratio in index - B8 SEK	0.8
	37.0%, HMNI Swe All Gov	Sharpe ratio in index - B10 SEK	0.8
	Dur Const 6Y 19.0%,	Duration, years ¹⁾	1.9
	NOMX Credit SEK Total		
	Return Index 14.0%, JP		
	Morgan EM Diversified		
	Index 10.0%, Barclays		
	Euro Government Bond		
	Index 9.0%, Bloomberg		
	Barclays Euro Treasury		
	0-12 Months 6.0%, OMRX		
	Real Return Bond Index		
	5.0%		
Active return % - A1 SEK	0.4		
Active return % - A8 SEK	0.5		
Active return % - A10 SEK	0.8		
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.

Handelsbanken Flexibel Ränta, cont.

Income Statement, tSEK

	2018	2017
INCOME AND CHANGES IN VALUE		
Changes in value for transferable securities*	1,636	11,668
Changes in value for other derivative instruments**	-5,371	-
Changes in value for fund units***	15,774	5,702
Interest income	1,796	9,110
Dividends	33,704	40,156
Currency exchange profits and losses, net	6,310	33,788
Other financial income	25,411	27,480
Other income	3	49
Total income and changes in value	79,263	127,953
EXPENSES		
Management costs:		
- Remuneration to the Management Company	28,460	33,305
Interest expense	69	38
Other expenses	52	859
Total expenses	28,581	34,202
Net income	50,682	93,751
* Details of changes in value		
Capital gains	7,942	1,144
Capital losses	-	-5,356
Unrealised gains/losses	-6,306	15,880
Sum	1,636	11,668
** Details of changes in value		
Capital gains	9,705	-
Capital losses	-15,076	-
Sum	-5,371	-
*** Details of changes in value		
Capital gains	45,925	40,632
Capital losses	-8,416	-3,473
Unrealised gains/losses	-21,735	-31,457
Sum	15,774	5,702

Balance Sheet, tSEK

	31 dec 2018	% of fund capital	31 dec 2017	% of fund capital
ASSETS				
Transferable securities	-	-	427,176	6.9
OTC derivative instruments with positive market value	25,444	0.5	15,400	0.2
Fund units	5,446,671	99.2	5,752,742	92.5
Total financial instruments with positive market value (Note 2)	5,472,115	99.7	6,195,318	99.6
Bank assets and other liquid assets	50,824	0.9	31,380	0.5
Prepaid expenses and accrued income	1,795	0.0	2,990	0.1
Other assets	3,300	0.1	1,749	0.0
Total assets	5,528,034	100.7	6,231,437	100.2
LIABILITIES				
OTC derivative instruments with negative market value	-	-	4,017	0.1
Total financial instruments with negative market value (Note 2)	-	-	4,017	0.1
Accrued expenses and prepaid income	2,280	0.0	1,608	0.0
Other liabilities	36,543	0.7	3,395	0.1
Total liabilities	38,823	0.7	9,020	0.2
Fund capital (Note 1)	5,489,211	100.0	6,222,417	100.0
Secured collateral for OTC derivative instruments	21,802	0.4	-	-
Other derivative instruments with negative market value	3,848	0.1	-	-

Note 1) for Balance Sheet

Changes in fund capital, tSEK

	2018	2017
Fund capital at beginning of year	6,222,417	6,273,217
Units issued	2,909,010	1,659,906
Units redeemed	-3,687,972	-1,792,545
Profit according to Income Statement	50,682	93,751
Dividends to unit holders	-4,926	-11,912
Fund capital at the close of the period	5,489,211	6,222,417

Note 2) for Balance Sheet

Fund holdings in financial instruments

EXCHANGE-TRADED DERIVATIVES**

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
INTEREST RATE FUTURES			
RXH9	-155	0	0.0
Total interest rate futures		0	0.0
Total exchange-traded derivatives		0	0.0

OTHER FINANCIAL INSTRUMENTS***

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
FUND UNITS			
EXCHANGE-TRADED FIXED INCOME FUNDS**			
iShares Emerging Markets Local Gov Bond (Europe)	1,084,205	563,087	10.3
		563,087	10.3

FIXED INCOME FUNDS

BGF Euro Short Duration Bond A2 EUR (Europe)	1,674,808	267,174	4.9
BlueOrchard Ucits EM Sdg Impact Bd Fd S (Nordic countries)	1,047,578	104,056	1.9
Handelsbanken Euro Corporate Bond Fund (B7 EUR) (Nordic countries)	548	557	0.0
Handelsbanken Euro Obligation (A1 SEK) (Europe)	28,804	113,840	2.1
Handelsbanken Företagsobligation (A1 SEK) (Nordic countries)	4,150,226	534,062	9.7
Handelsbanken Företagsobligation IG Criteria (A1 SEK) (Nordic countries)	3,846,014	387,050	7.1
Handelsbanken Høyrente (A1 NOK) (Nordic countries)	4,626,862	526,733	9.6
Handelsbanken Institutionell Kortränta Criteria (A1 SEK) (Nordic countries)	3,733,644	373,290	6.8
Handelsbanken Långränta Criteria (A1 SEK) (Nordic countries)	4,754,561	554,801	10.1
Handelsbanken Ränteevkastning Criteria (A1 SEK) (Nordic countries)	349,366	664,663	12.1
Handelsbanken Råntestrategi Criteria (A1 SEK) (Nordic countries)	9,387,692	959,674	17.5
Handelsinvest Virksomhedsobligationer (Nordic countries)	1,194,881	168,870	3.1
UI - Aktia EM Local Currency Bond+ - s1 (Nordic countries)	2,350,196	228,815	4.2
		4,883,584	88.9
Total fund units		5,446,671	99.2

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
OTC DERIVATIVE INSTRUMENTS			
CURRENCY FUTURES			
EUR/NOK		7,282	0.1
SEK/EUR		7,220	0.1
SEK/NOK		10,941	0.2
		25,444	0.5
Total OTC derivative instruments		25,444	0.5
Total other financial instruments		5,472,115	99.7
Total holdings in financial instruments		5,472,115	99.7
Net, other assets and liabilities		17,096	0.3
Total fund capital		5,489,211	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
BlackRock	15.2

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

Handelsbanken Flexibel Ränta

Sustainability dimensions that are taken into consideration in the management of the fund

The fund takes ESG factors into consideration in its selection of investments, i.e., in the selection of the underlying funds. This means that the fund is focusing more of its investments to be in line with the UN's Sustainable Development Goals (SDG). We also encourage the fund managers of the underlying funds to increase investments in green bonds, for example. The fund has also invested in underlying funds with explicit impact goals. Impact investments are currently a smaller category but are expected to increase.

Methods used in sustainability efforts

Inclusion

In the evaluation of underlying funds and investments, sustainability is an individual area of assessment. When striking a balance between comparable returns and risk, we make the choice that is most sustainable. A critical evaluation factors is how well sustainability is integrated into the underlying fund. We also work actively to increase the quantitative measurability in our assessment to clarify the sustainability dimensions in the portfolio.

BlueOrchard Emerging Markets Impact Bond Fund is an interesting example. Over time, the fund will be investing in bonds from issuing bodies with a demonstrated history of performance within impact investing. This is accomplished in the investment process by assessing the issuers' "social performance". The fund also invests to some extent in green bonds. The fund contributes to several of the UN's SDGs in its investment process: No Poverty, Affordable and Clean Energy, Decent Work and Economic Growth, Reduced Inequalities, as well as Industry, Innovation and Infrastructure.

Exclusion

In accordance with the Management Company's overall policy for responsible investment, all of the Management Company's funds exclude:

- companies involved in the production or distribution of banned weapons, such as cluster bombs, anti-personnel mines, biological and chemical weapons, in accordance with international legislation. Companies involved in the production or distribution of nuclear weapons are also excluded.
- companies with substantial business operations within coal mining or in power companies that have coal as a major source of energy.

Management Company's engagement activities

We make demands in the fund that providers use their ownership influence in the underlying companies. In addition, we work actively to influence providers to make more sustainable changes to their policies, both generally and in specific funds, e.g., by excluding certain types of sectors or specific companies. The activities in 2018 have resulted in changes to a number of funds. The engagement activities also focus on contributing to the development of new products that have a higher sustainability standard.

The fund is a fund of funds, which means that we are unable to impact the underlying companies directly and work with influencing the fund providers. During 2018 we worked within this area to make it clear that we will be excluding more companies and expect providers to meet our demands by offering funds that meet our expectations. Within this work we have influenced funds as well as fund management companies to change and develop new products.

Handelsbanken Företagsobligation, cont.

	2018	2017	2016	2015	10/10-31/12 2014	2013	2012	2011	2010	2009
Number of units, 1000's	65,299	104,762	88,722	111,214	107,964	-	-	-	-	-
Företagsobligation A1	40,399	75,187	63,322	70,816	59,761	-	-	-	-	-
Företagsobligation A10	1,264	-	-	-	-	-	-	-	-	-
Företagsobligation B1	10,910	-	-	-	-	-	-	-	-	-
Företagsobligation B5	5,787	29,575	25,400	40,399	48,203	-	-	-	-	-
Företagsobligation B10	6,939	-	-	-	-	-	-	-	-	-
Total returns in %, SEK										
Företagsobligation A1	+0.2	+1.4	+3.0	-0.9	+5.0	+3.5	+7.0	+6.2	-	-
Företagsobligation A10	+1.0	-	-	-	-	-	-	-	-	-
Företagsobligation B1	+0.2	-	-	-	-	-	-	-	-	-
Företagsobligation B5	+0.7	+1.9	+3.5	-0.4	+5.4	+3.8	+7.3	+6.6	-	-
Företagsobligation B10	+1.0	-	-	-	-	-	-	-	-	-
Index including dividends in %, SEK										
Företagsobligation A1	-0.1	+1.3	+3.0	+0.4	+6.2	+2.8	+6.2	+8.1	-	-
Företagsobligation A10	-0.1	-	-	-	-	-	-	-	-	-
Företagsobligation B1	-0.1	-	-	-	-	-	-	-	-	-
Företagsobligation B5	-0.1	+1.3	+3.0	+0.4	+6.2	+2.8	+6.2	+8.1	-	-
Företagsobligation B10	-0.1	-	-	-	-	-	-	-	-	-
Average yearly return, 2 yrs. %										
Företagsobligation A1	+0.8	+2.2	+1.1	+2.0	+4.2	+5.2	+6.6	-	-	-
Företagsobligation A10	+1.6	-	-	-	-	-	-	-	-	-
Företagsobligation B1	+0.8	-	-	-	-	-	-	-	-	-
Företagsobligation B5	+1.3	+2.7	+1.5	+2.5	+4.6	+5.6	+7.0	-	-	-
Företagsobligation B10	+1.6	-	-	-	-	-	-	-	-	-
Comparison to index including dividends, %	+0.6	+2.2	+1.7	+3.3	+4.5	+4.5	+7.1	-	-	-
Average yearly return, 5 yrs. %										
Företagsobligation A1	+1.7	+2.4	+3.5	+4.1	-	-	-	-	-	-
Företagsobligation A10	+2.5	-	-	-	-	-	-	-	-	-
Företagsobligation B1	+1.7	-	-	-	-	-	-	-	-	-
Företagsobligation B5	+2.2	+2.8	+3.9	+4.5	-	-	-	-	-	-
Företagsobligation B10	+2.5	-	-	-	-	-	-	-	-	-
Comparison to index including dividends, %	+2.2	+2.7	+3.7	+4.7	-	-	-	-	-	-
Dividends per unit, SEK										
Företagsobligation B1	1.64	-	-	-	-	-	-	-	-	-
Företagsobligation B5	1.64	3.90	2.19	3.41	-	-	-	-	-	-
Företagsobligation B10	1.64	-	-	-	-	-	-	-	-	-

Benchmark: NOMX Credit SEK Total Return

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

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

Refer to the last page for definitions.

Fund Facts - Costs

Max. allowed mgmt. costs in % according to fund rules	
Företagsobligation A1	0.95
Företagsobligation A10	0.20
Företagsobligation B1	0.95
Företagsobligation B5	0.50
Företagsobligation B10	0.20
Collected mgmt. costs in % of average fund capital	
Företagsobligation A1	0.95
Företagsobligation A10	0.20
Företagsobligation B1	0.95
Företagsobligation B5	0.50
Företagsobligation B10	0.20
Annual fees in %	
Företagsobligation A1	0.95
Företagsobligation A10	0.20
Företagsobligation B1	0.95
Företagsobligation B5	0.50
Företagsobligation B10	0.20
Transaction costs, tSEK	440
Transaction costs in % of turnover	0.00
Costs in SEK for a one-time subscription, 10 000 SEK	
Företagsobligation A1	95.56
Företagsobligation A10	-
Företagsobligation B1	-
Företagsobligation B5	50.41
Företagsobligation B10	-
Costs in SEK for monthly savings, 100 SEK	
Företagsobligation A1	6.19
Företagsobligation A10	-
Företagsobligation B1	-
Företagsobligation B5	3.26
Företagsobligation B10	-

Fund Facts - Other Key Figures

Turnover rate	0.2
Share of turnover conducted via closely-related securities companies in %	18.3

Risk and Return Measurements*

Total risk % - A1 SEK	1.0	Active return % - B5 SEK	0.7
Total risk % - A10 SEK	1.0	Active return % - B10 SEK	1.0
Total risk % - B1 SEK	1.0	Information ratio - A1 SEK	1.0
Total risk % - B5 SEK	1.0	Information ratio - A10 SEK	4.7
Total risk % - B10 SEK	1.0	Information ratio - B1 SEK	1.0
Total risk in index % - A1 SEK	0.9	Information ratio - B5 SEK	3.2
Total risk in index % - A10 SEK	0.9	Information ratio - B10 SEK	4.7
Total risk in index % - B1 SEK	0.9	Sharpe ratio - A1 SEK	1.7
Total risk in index % - B5 SEK	0.9	Sharpe ratio - A10 SEK	2.5
Total risk in index % - B10 SEK	0.9	Sharpe ratio - B1 SEK	1.7
Tracking error % - A1 SEK	0.2	Sharpe ratio - B5 SEK	2.1
Tracking error % - A10 SEK	0.2	Sharpe ratio - B10 SEK	2.5
Tracking error % - B1 SEK	0.2	Sharpe ratio in index - A1 SEK	1.6
Tracking error % - B5 SEK	0.2	Sharpe ratio in index - A10 SEK	1.6
Tracking error % - B10 SEK	0.2	Sharpe ratio in index - B1 SEK	1.6
Benchmark	NOMX Credit SEK Total Return	Sharpe ratio in index - B5 SEK	1.6
		Sharpe ratio in index - B10 SEK	1.6
Active return % - A1 SEK	0.2	Duration, years ¹⁾	2.7
Active return % - A10 SEK	1.0		
Active return % - B1 SEK	0.2		

1) As of the balance sheet date.

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

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

Handelsbanken Företagsobligation, cont.

Income Statement, tSEK

	2018	2017
INCOME AND CHANGES IN VALUE		
Changes in value for transferable securities*	-59,476	77,669
Changes in value for other derivative instruments**	71,452	33,807
Interest income	137,926	163,020
Currency exchange profits and losses, net	2	2
Other income	2	0
Total income and changes in value	149,906	274,498
EXPENSES		
Management costs:		
- Remuneration to the Management Company	92,648	102,633
Interest expense	10	8
Other expenses	440	502
Total expenses	93,098	103,143
Net income	56,808	171,355
* Details of changes in value		
Capital gains	54,799	58,114
Capital losses	-33,538	-9,605
Unrealised gains/losses	-80,737	29,160
Sum	-59,476	77,669
** Details of changes in value		
Capital gains	316,542	532,833
Capital losses	-245,090	-499,026
Unrealised gains/losses	0	0
Sum	71,452	33,807

Balance Sheet, tSEK

	31 dec 2018	% of fund capital	31 dec 2017	% of fund capital
ASSETS				
Transferable securities	7,016,678	88.5	12,378,970	96.0
Money market instruments	99,996	1.3	474,924	3.7
Total financial instruments with positive market value (Note 2)	7,116,674	89.8	12,853,894	99.7
Bank assets and other liquid assets	792,036	10.0	41,743	0.3
Prepaid expenses and accrued income	22,949	0.3	48,810	0.4
Other assets	-	-	47,920	0.4
Total assets	7,931,659	100.1	12,992,367	100.8
LIABILITIES				
Accrued expenses and prepaid income	5,924	0.1	5,068	0.0
Other liabilities	719	0.0	100,000	0.8
Total liabilities	6,643	0.1	105,068	0.8
Fund capital (Note 1)	7,925,016	100.0	12,887,299	100.0
Other derivative instruments with negative market value	24,199	0.3	31,574	0.2

Note 1) for Balance Sheet

Changes in fund capital, tSEK

	2018	2017
Fund capital at beginning of year	12,887,299	10,844,008
Units issued	2,995,424	4,994,153
Units redeemed	-7,968,929	-3,018,834
Profit according to Income Statement	56,808	171,355
Dividends to unit holders	-45,586	-103,383
Fund capital at the close of the period	7,925,016	12,887,299

Note 2) for Balance Sheet

Fund holdings in financial instruments

TRANSFERABLE SECURITIES*

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
LISTED FIXED-INCOME SECURITIES			
FOREIGN ISSUER, OTHERS			
Danske Bank FRN 2023-01-25	140,000	134,746	1.7
Jyske Bank A/S FRN 2023-09-07	29,000	28,514	0.4
LeasePlan 1,792% 2020-09-10	171,000	172,501	2.2
LeasePlan FRN 2021-01-05	150,000	150,936	1.9
Nordea Bank 1,125% 2023-06-27	175,000	171,742	2.2
Nordea CB 1,935% 2020-09-17	100,000	101,331	1.3
Nordea CB FRN 2020-03-12	122,000	121,700	1.5
Olav Thon 0,37% 2019-05-10	50,000	49,958	0.6
Olav Thon Eien 0,757% 2020-09-07	83,000	82,799	1.0
Pohjola Bank FRN 2020-08-25	85,000	85,577	1.1
Santan Cons Bk FRN 2021-10-18	200,000	199,302	2.5
Teollisuuden V FRN 2022-02-15	250,000	248,843	3.1
		1,547,948	19.5

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
OTHER			
Akelius 1,125% 2021-10-04	240,000	238,224	3.0
Atrium Ljungberg 114 0,58% 2020-10-26	75,000	74,351	0.9
Balder 0,375% 2020-01-22	91,000	90,603	1.1
Balder 0,50% 2020-11-20	100,000	98,938	1.2
Billerud FRN 2022-02-21	18,000	18,185	0.2
BillerudKorsnäs 0,7% 2021-01-04	100,000	99,658	1.3
Castellum 1,58% 2020-06-17	36,000	36,333	0.5
Castellum 1,75% 2020-09-17	65,000	65,722	0.8
Castellum 1,875% RB 118 2021-10-04	130,000	131,114	1.7
Castellum FRN 2021-04-12	100,000	99,164	1.3
Fabege FRN 2021-08-30	75,000	74,692	0.9
Fabege FRN 2022-09-26	50,000	49,497	0.6
Fastighetspart FRN 2021-09-15	98,000	98,417	1.2
Fortum Värme 1,75% 2022-05-18	158,000	161,833	2.0
Handelsbanken 1,41% 2027-11-15	194,000	190,593	2.4
Hufvudstaden 1,2% 2021-12-08	50,000	50,467	0.6
Humlegården Fast 1,035% 2021-05-28	60,000	59,576	0.8
Humlegården Fast FRN 2022-06-22	125,000	124,159	1.6
Husqvarna FRN 2021-05-03	50,000	50,962	0.6
Ikano FRN 2021-10-15	50,000	49,735	0.6
Indutrade 102 1,75% 2023-02-23	42,000	41,904	0.5
Intea Fastigheter FRN 2022-07-05	120,000	120,299	1.5
Klarna Bank FRN 2020-09-22	60,000	60,239	0.8
KLOV FRN 2021-02-26	200,000	198,590	2.5
Klövern FRN 2020-06-01	150,000	151,818	1.9
Kungsleden 2,06% 2021-10-11	200,000	199,536	2.5
Kungsleden 2,375% 2022-03-21	80,000	80,090	1.0
Länsförsäkringar FRN Perpetual	149,000	148,721	1.9
Lundbergforetag 1,337% 2023-10-24	150,000	150,242	1.9
NIBE Industrier 1,00% 2021-06-21	71,000	70,892	0.9
NIBE Industrier FRN 2022-04-11	110,000	111,042	1.4
NIBE Industrier FRN 2023-09-04	60,000	59,223	0.7
Nya SFF 1,42% 2020-04-20	200,000	201,312	2.5
Rikshem 0,485% 2020-08-25	40,000	39,982	0.5
Rikshem 1,25% 2022-02-22	80,000	80,687	1.0
Rikshem FRN 2021-04-22	100,000	101,983	1.3
Rodamco Sverige AB 0,85% 2021-10-20	250,000	249,128	3.1
SBAB CB FRN 2020-03-16	200,000	199,302	2.5
SCA 0,375% 2021-05-24	42,000	41,761	0.5
Scania CV 0,635% 2022-02-21	200,000	197,232	2.5
Sveaskog 1,10% 2022-09-26	95,000	95,268	1.2
Vacse FRN 2022-06-07	44,000	43,597	0.6
Vasakronan 1,4825% 2020-11-10	50,000	50,864	0.6
Volvo Car FRN 1,741% 2022-03-07	275,000	278,418	3.5
Volvo Treasury 0,467% 2021-08-24	200,000	197,890	2.5
Volvofinans Bank FRN 2022-05-16	65,000	65,384	0.8
Wallenstam 0,875% 2020-11-23	183,000	182,191	2.3
Wihlborgs FRN 2019-03-27	50,000	50,029	0.6
Willhem 0,48% 2020-06-26	139,000	138,886	1.8
		5,468,730	69.0
Total listed fixed-income securities		7,016,678	88.5
Total transferable securities		7,016,678	88.5

MONEY MARKET INSTRUMENTS**

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
CERTIFICATE			
Klövern DI FC 190110	100,000	99,996	1.3
Total certificate		99,996	1.3
Total money market instruments		99,996	1.3

EXCHANGE-TRADED DERIVATIVES**

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
INTEREST RATE FUTURES			
BTOH9	700	0	0.0
BUOH9	450	0	0.0
CEYH9	100	0	0.0
Total interest rate futures		0	0.0
Total exchange-traded derivatives		0	0.0
Total holdings in financial instruments		7,116,674	89.8
Net, other assets and liabilities		808,342	10.2
Total fund capital		7,925,016	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 and in the case of money market instruments or such money market instruments referred to in Chapter 5, §4 of the Swedish UCITS Funds Act (2004:46).

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

*** Refers to other financial instruments.

Compilation, Company and Group exposure*

Company/Group	% of fund capital	Company/Group	% of fund capital
Klövern	5.7	Nibe Industrier	3.0
Nordea	5.0	Rikshem	2.8
Castellum	4.3	Humlegården Fastigheter	2.4
LeasePlan	4.1	Balder	2.3
Kungsleden	3.5	Olav Thon Eien	1.6
Volvo	3.3	Billerud	1.5
		Fabege	1.5

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

Handelsbanken Företagsobligation

Sustainability dimensions that are taken into consideration in the management of the fund

The fund manager integrates environmental, social and corporate governance criteria (ESG) into the investment process, together with financial criteria, to obtain a more complete basis for decision-making. As a result, the fund manager takes into consideration both risks and opportunities related to various ESG aspects.

Methods used in sustainability efforts

Inclusion

An in-depth analysis is conducted in preparation for each investment decision in which sustainability dimensions as well as economic aspects are factored into the analysis. We believe sustainability issues are particularly important for making sound investment decisions to generate good, long-term returns. We have access to external ESG analyses as a complement to our own analyses and knowledge of the companies. Fund managers analyse sustainability through the company's sustainability performance (HOW they conduct their business operations), as well as through WHAT the company offers for products and services. The sustainability analysis is documented as an integral component of the investment documentation and consists of both sustainability risks and opportunities.

During the year, the fund intensified fund management to investments in the companies and sectors that have a clear objective of being at the forefront in the transition to a sustainable society. Investments in companies that have their sustainability risks in good order, as well as position themselves as leaders within their sector's sustainability efforts, result in additional satisfied customers, at the same time as company risks are reduced. One example of such an investment is the real estate company Vacse. Vacse's aim toward a sustainable construction sector and building management led to the company's creation of a new Green framework that focuses on SDG 6, 7, 11, 13 and 15. In June they issued their first Green bond, in which the fund also participated. Approximately 12% of the fund's total bond holdings were in green bonds at year-end.

Exclusion

In accordance with the Management Company's overall policy for responsible investment, all of the Management Company's funds exclude:

- companies involved in the production or distribution of banned weapons, such as cluster bombs, anti-personnel mines, biological and chemical weapons, in accordance with international legislation. Companies involved in the production or distribution of nuclear weapons are also excluded.
- companies with substantial business operations within coal mining or in power companies that have coal as a major source of energy.

The fund is managed based upon the Criteria exclusion strategy, which means an exclusion of companies/issuers in which the principle business operations are within controversial sectors such as alcohol, tobacco, commercial gaming, war materials, pornography, fossil fuels. The fund also excludes companies/issuers that are deemed to be violating international norms and conventions. This is followed-up by the Management Company's independent risk control function on a daily basis.

Management Company's engagement activities

A critical component in taking responsibility as an investor is to influence the companies in which we invest. Our engagement activities are founded on the value base of Handelsbanken and the Management Company, our commitments, as well as the international norms and conventions we safeguard. We conduct dialogues to encourage companies to improve their sustainability efforts, as well as with companies we deem do not fulfil the international norms and conventions we safeguard. We conduct the engagement activities primarily through:

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

- A. The fund manager meets or has contact with companies on a regular basis, which provides a good opportunity to influence companies within sustainability. We hold dialogues with clear targets for change, but also dialogues that focus on an overall improvement to the company's sustainability efforts. Targets are identified for the direct dialogues and results are followed up regularly during the period of the dialogue. The targeted company dialogues are carried out by the fund manager directly with the company. The fund held one dialogue during the year.

A dialogue was initiated during the year with Danske Bank regarding the bank's suspected money laundering in an Estonian subsidiary from 2007 to 2016. The matter is being investigated by the supervisory authority in Estonia, Denmark and the U.S. During the period of the investigation, Danske Bank has replaced senior management, a majority of the board, including the chairman, as well as initiated changes to the bank's compliance controls. The bank has taken a transparent approach with the public and investors in regard to the management of the incident and cooperating with the authorities concerned.

- B. The Management Company participates in dialogues with companies together with other investors through an external party (ISS ESG) in a so-called pooled engagement. The basis for these dialogues is a norm-based analysis that focuses primarily on companies with suspected or confirmed violations with regard to international norms and conventions within the environment, human rights, labour rights, and anti-corruption. The dialogue process consists of contact between ISS ESG and the company concerned, and in certain cases also includes meetings or telephone conferences in which we as an investor may participate. During 2018 the Management Company participated in 143 company dialogues.
- C. During 2018 the Management Company participated in several international initiatives and collaborations with focus on specific sustainability matters. These initiatives are often thematic or focus on sustainability issues within a certain sector. Examples of initiatives we have participated in during the year include: Climate Action 100+, PRI Methane Engagement, PRI Sustainable Palm Oil, PRI Sustainable Soy, PRI Cyber Security and FAIRR Antibiotics Engagement. These initiatives include 336 companies in total.

Handelsbanken Företagsobligation Investment Grade Criteria, cont.

	2018	2017	12/1-31/12 2016	2015	2014	2013	2012	2011	2010	2009
Total returns in %, SEK										
Företagsobligation Investment Grade Criteria A1	-0.4	+0.5	+0.5	-	-	-	-	-	-	-
Företagsobligation Investment Grade Criteria A10	0.0	-	-	-	-	-	-	-	-	-
Företagsobligation Investment Grade Criteria B1	-0.4	-	-	-	-	-	-	-	-	-
Företagsobligation Investment Grade Criteria B5	-0.1	+0.7	+0.8	-	-	-	-	-	-	-
Företagsobligation Investment Grade Criteria B10	0.0	-	-	-	-	-	-	-	-	-
Index including dividends in %, SEK										
Företagsobligation Investment Grade Criteria A1	-0.5	+0.2	+0.8	-	-	-	-	-	-	-
Företagsobligation Investment Grade Criteria A10	-0.5	-	-	-	-	-	-	-	-	-
Företagsobligation Investment Grade Criteria B1	-0.5	-	-	-	-	-	-	-	-	-
Företagsobligation Investment Grade Criteria B5	-0.5	+0.2	+0.8	-	-	-	-	-	-	-
Företagsobligation Investment Grade Criteria B10	-0.5	-	-	-	-	-	-	-	-	-
Average yearly return, 2 yrs. %										
Företagsobligation Investment Grade Criteria A1	+0.1	-	-	-	-	-	-	-	-	-
Företagsobligation Investment Grade Criteria A10	+0.5	-	-	-	-	-	-	-	-	-
Företagsobligation Investment Grade Criteria B1	+0.1	-	-	-	-	-	-	-	-	-
Företagsobligation Investment Grade Criteria B5	+0.3	-	-	-	-	-	-	-	-	-
Företagsobligation Investment Grade Criteria B10	+0.5	-	-	-	-	-	-	-	-	-
Comparison to index including dividends, %										
	-0.2	-	-	-	-	-	-	-	-	-
Dividends per unit, SEK										
Företagsobligation Investment Grade Criteria B1	0.50	-	-	-	-	-	-	-	-	-
Företagsobligation Investment Grade Criteria B5	0.50	1.01	-	-	-	-	-	-	-	-
Företagsobligation Investment Grade Criteria B10	0.50	-	-	-	-	-	-	-	-	-

Benchmark: 55% OMRX Treasury Bill Index and 45% NOMX Credit SEK Total Return Index.

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

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 Investment Grade Criteria A1	0.60
Företagsobligation Investment Grade Criteria A10	0.20
Företagsobligation Investment Grade Criteria B1	0.60
Företagsobligation Investment Grade Criteria B5	0.35
Företagsobligation Investment Grade Criteria B10	0.20
Collected mgmt. costs in % of average fund capital	
Företagsobligation Investment Grade Criteria A1	0.60
Företagsobligation Investment Grade Criteria A10	0.20
Företagsobligation Investment Grade Criteria B1	0.60
Företagsobligation Investment Grade Criteria B5	0.35
Företagsobligation Investment Grade Criteria B10	0.20
Annual fees in %	
Företagsobligation Investment Grade Criteria A1	0.60
Företagsobligation Investment Grade Criteria A10	0.20
Företagsobligation Investment Grade Criteria B1	0.60
Företagsobligation Investment Grade Criteria B5	0.35
Företagsobligation Investment Grade Criteria B10	0.20
Transaction costs, tSEK	
	325
Transaction costs in % of turnover	
	0.00
Costs in SEK for a one-time subscription, 10 000 SEK	
Företagsobligation Investment Grade Criteria A1	60.12
Företagsobligation Investment Grade Criteria A10	-
Företagsobligation Investment Grade Criteria B1	-
Företagsobligation Investment Grade Criteria B5	35.11
Företagsobligation Investment Grade Criteria B10	-
Costs in SEK for monthly savings, 100 SEK	
Företagsobligation Investment Grade Criteria A1	3.90
Företagsobligation Investment Grade Criteria A10	-
Företagsobligation Investment Grade Criteria B1	-
Företagsobligation Investment Grade Criteria B5	2.28
Företagsobligation Investment Grade Criteria B10	-

Fund Facts - Other Key Figures

Turnover rate	0.2
Share of turnover conducted via closely-related securities companies in %	17.1

Risk and Return Measurements*

Total risk % - A1 SEK	0.5	Active return % - B5 SEK	0.5
Total risk % - A10 SEK	0.5	Active return % - B10 SEK	0.6
Total risk % - B1 SEK	0.5	Information ratio - A1 SEK	0.8
Total risk % - B5 SEK	0.5	Information ratio - A10 SEK	2.4
Total risk % - B10 SEK	0.5	Information ratio - B1 SEK	0.8
Total risk in index % - A1 SEK	0.4	Information ratio - B5 SEK	1.8
Total risk in index % - A10 SEK	0.4	Information ratio - B10 SEK	2.4
Total risk in index % - B1 SEK	0.4	Sharpe ratio - A1 SEK	1.9
Total risk in index % - B5 SEK	0.4	Sharpe ratio - A10 SEK	2.7
Total risk in index % - B10 SEK	0.4	Sharpe ratio - B1 SEK	1.9
Tracking error % - A1 SEK	0.3	Sharpe ratio - B5 SEK	2.4
Tracking error % - A10 SEK	0.3	Sharpe ratio - B10 SEK	2.7
Tracking error % - B1 SEK	0.3	Sharpe ratio in index - A1 SEK	1.6
Tracking error % - B5 SEK	0.3	Sharpe ratio in index - A10 SEK	1.6
Tracking error % - B10 SEK	0.3	Sharpe ratio in index - B1 SEK	1.6
Benchmark	55% OMRX Treasury Bill Index och 45% NOMX Credit SEK Total Return Index.	Sharpe ratio in index - B5 SEK	1.6
		Sharpe ratio in index - B10 SEK	1.6
		Duration, years ¹⁾	1.2
Active return % - A1 SEK	0.2		
Active return % - A10 SEK	0.6		
Active return % - B1 SEK	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.

Income Statement, tSEK

	2018	2017
INCOME AND CHANGES IN VALUE		
Changes in value for transferable securities	-136,002	15,326
Changes in value for other derivative instruments**	-30,911	-7,261
Interest income	197,951	127,956
Other income	0	2
Total income and changes in value	31,038	136,023
EXPENSES		
Management costs:		
- Remuneration to the Management Company	110,903	77,521
Interest expense	48	10
Other expenses	325	220
Total expenses	111,276	77,751
Net income	-80,238	58,272
* Details of changes in value		
Capital gains	14,080	22,435
Capital losses	-29,834	-12,842
Unrealised gains/losses	-120,248	5,733
Sum	-136,002	15,326
** Details of changes in value		
Capital gains	167,924	158,542
Capital losses	-198,835	-165,803
Unrealised gains/losses	-	0
Sum	-30,911	-7,261

Handelsbanken Företagsobligation Investment Grade Criteria, cont.

Balance Sheet, tSEK

	31 dec 2018	% of fund capital	31 dec 2017	% of fund capital
ASSETS				
Transferable securities	20,309,610	91.7	17,263,554	97.6
Money market instruments	104,948	0.5	454,188	2.6
Total financial instruments with positive market value (Note 2)	20,414,558	92.2	17,717,742	100.2
Bank assets and other liquid assets	1,671,583	7.6	59,210	0.3
Prepaid expenses and accrued income	64,129	0.3	59,062	0.3
Other assets	957	0.0	4,145	0.1
Total assets	22,151,228	100.1	17,840,159	100.9
LIABILITIES				
Accrued expenses and prepaid income	9,917	0.0	4,593	0.0
Other liabilities	508	0.1	150,000	0.9
Total liabilities	10,425	0.1	154,593	0.9
Fund capital (Note 1)	22,140,803	100.0	17,685,566	100.0
Other derivative instruments with negative market value	16,894	0.1	38,590	0.2

Note 1) for Balance Sheet

Changes in fund capital, tSEK

	2018	2017
Fund capital at beginning of year	17,685,566	8,501,890
Units issued	11,721,040	10,629,243
Units redeemed	-7,170,889	-1,481,674
Profit according to Income Statement	-80,238	58,272
Dividends to unit holders	-14,676	-22,165
Fund capital at the close of the period	22,140,803	17,685,566

Note 2) for Balance Sheet

Fund holdings in financial instruments

TRANSFERABLE SECURITIES*

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
LISTED FIXED-INCOME SECURITIES			
FOREIGN ISSUER, OTHERS			
Arla Foods Finance 2,625% 2019-05-28	36,000	36,321	0.2
Arla FRN 2021-05-31	156,000	159,154	0.7
BNP Paribas 1,00% 2020-05-12	71,000	71,372	0.3
Danske Bank 1,225% 2019-12-09	110,000	110,866	0.5
Danske Bank FRN 2023-01-25	230,000	221,368	1.0
DnB NOR FRN 2025-05-28	50,000	50,139	0.2
Jyske Bank 0,91% 2020-04-22	105,000	105,644	0.5
Jyske Bank A/S FRN 2023-09-07	57,000	56,044	0.3
LeasePlan 0,93% 2020-10-05	200,000	198,638	0.9
LeasePlan 1,792% 2020-09-10	100,000	100,878	0.5
LeasePlan Corp 0,79% 2021-01-28	300,000	295,782	1.3
LeasePlan FRN 2021-01-05	300,000	301,872	1.4
Nordea 0,85% 2020-02-18	20,000	20,140	0.1
Nordea Bank 0,36% 2021-06-14	500,000	498,100	2.2
Nordea Bank 1,125% 2023-06-27	175,000	171,742	0.8
Nordea CB 1,935% 2020-09-17	100,000	101,331	0.5
Nordea CB FRN 2020-03-12	100,000	99,754	0.5
Olav Thon 0,37% 2019-05-10	370,000	369,686	1.7
Olav Thon Eien 0,757% 2020-09-07	138,000	137,666	0.6
Pohjola Bank FRN 2020-08-25	5,000	5,034	0.0
Sampo 1,25% 2020-05-28	374,000	378,159	1.7
Santan Cons Bk FRN 2021-10-18	250,000	249,128	1.1
		3,738,816	16.9
MORTGAGE			
Stadshypotek 1584 1,50% 2021-03-17	650,000	669,962	3.0
Stadshypotek 1585 1,50% 2021-12-15	880,000	911,627	4.1
Stadshypotek 1586 4,50% 2022-09-21	550,000	631,686	2.9
		2,213,275	10.0
OTHER			
Akelius 1,125% 2021-10-04	240,000	238,224	1.1
Atrium Ljungberg 0,75% 111 2020-03-27	231,000	230,568	1.0
Atrium Ljungberg 114 0,58% 2020-10-26	75,000	74,351	0.3
Atrium Ljungberg FRN 2022-03-21	110,000	109,033	0.5
Balder 0,375% 2020-01-22	200,000	199,128	0.9
Balder 0,50% 2020-11-20	300,000	296,814	1.3
Balder 0,743% 2021-07-02	200,000	197,340	0.9
Balder FRN 2019-03-12	45,000	45,068	0.2
Billerud FRN 2022-02-21	300,000	303,090	1.4
BillerudKorsnäs 0,7% 2021-01-04	150,000	149,487	0.7
Castellum 0,81% 2021-07-09	200,000	196,856	0.9
Castellum 0,98% 2020-03-03	30,000	30,050	0.1
Castellum 1,58% 2020-06-17	80,000	80,739	0.4
Castellum 1,75% 2020-09-17	25,000	25,278	0.1
Castellum FRN 2020-03-13	235,000	235,768	1.1
Castellum FRN 2021-04-12	150,000	148,746	0.7
Castellum FRN 2021-10-04	39,000	39,619	0.2
Ellevio FRN 2020-02-28	180,000	180,428	0.8
Fabege FRN 2020-04-20	70,000	70,227	0.3
Fabege FRN 2021-08-30	100,000	99,589	0.4
Fabege FRN 2022-09-26	194,000	192,046	0.9
Handelsbanken 1,41% 2027-11-15	203,000	199,435	0.9
Heimstaden Bostad FRN 2020-12-07	271,000	271,301	1.2

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
Hemsö 0,42% 2021-05-04	150,000	148,947	0.7
Hemsö 0,529% 2020-08-24	160,000	160,008	0.7
Hemsö 1,00% 2020-06-04	150,000	151,115	0.7
Hemsö 1,375% 2021-06-03	26,000	26,392	0.1
Hemsö FRN 2021-06-03	170,000	172,132	0.8
Hexagon 0,66% 2020-11-16	270,000	269,479	1.2
Hexagon 1,125% 2021-05-24	145,000	145,764	0.7
Hexagon FRN 2019-03-10	60,000	60,016	0.3
Hexagon FRN 2019-11-26	75,000	75,285	0.3
Hexagon FRN 2021-05-24	163,000	164,048	0.7
Humlegården Fast 1,035% 2021-05-28	86,000	85,393	0.4
Humlegården Fast FRN 2022-06-22	125,000	124,159	0.6
ICA Gruppen 0,465% 2021-01-15	37,000	36,851	0.2
Ikano Bank 0,72% 2020-06-12	100,000	100,089	0.5
Ikano Bank FRN 2020-06-16	79,000	79,432	0.4
Ikano FRN 2021-10-15	124,000	123,342	0.6
Intea Fastigheter FRN 2022-07-05	170,000	170,423	0.8
Investment AB Latour 0,24% 2020-03-16	94,000	93,741	0.4
Kinnevik 0,635% 2020-05-29	150,000	150,143	0.7
Länsförsäkringar 0,73% 2021-10-13	250,000	250,338	1.1
Länsförsäkringar 1,00% 2020-02-03	35,000	35,263	0.2
Länsförsäkringar Bank 0,554% 2021-11-30	150,000	149,364	0.7
Latour 0,36% 2020-11-16	154,000	153,350	0.7
Litco 0,355% 2019-12-06	139,000	138,807	0.6
LKAB 1,125% 2019-12-09	64,000	64,467	0.3
Loomis 1,875% 2019-12-18	42,000	42,543	0.2
Loomis FRN 2019-12-18	58,000	58,413	0.3
NIBE Industrier 1,00% 2021-06-21	271,000	270,588	1.2
NIBE Industrier FRN 2019-06-09	50,000	50,112	0.2
NIBE Industrier FRN 2022-04-11	110,000	111,042	0.5
Nya SFF 1,42% 2020-04-20	355,000	357,329	1.6
Nya SFF FRN 2020-05-29	150,000	150,161	0.7
Rikshem 0,485% 2020-08-25	320,000	319,856	1.4
Rikshem 1,16% 2022-10-19	200,000	199,784	0.9
Rikshem FRN 2022-02-22	95,000	95,835	0.4
Rodamco 2,25% 2019-06-03	150,000	151,139	0.7
Rodamco FRN 2019-06-03	115,000	115,092	0.5
SBAB 0,80% 2020-04-22	50,000	50,318	0.2
SCA 0,375% 2021-05-24	90,000	89,489	0.4
Scania Cert 1,125% 2021-09-06	135,000	135,666	0.6
Scania CV 0,25% 2020-09-15	500,000	496,675	2.2
Scania CV 0,455% 210504	80,000	79,288	0.4
Scania FRN 2021-09-06	129,000	130,615	0.6
SEB Bolån 574 1,50% 2021-12-15	330,000	341,860	1.5
Skandiabanken 0,35% 2020-05-26	210,000	209,893	0.9
Södra Skogsägarna FRN 2021-06-07	100,000	101,833	0.5
Sparbanken Skåne 0,50% 2021-02-15	245,000	244,539	1.1
Sveaskog 1,10% 2022-09-26	80,000	80,226	0.4
Swedavia 0,7125% 2021-05-17	80,000	80,175	0.4
Swedbank 0,305% 2021-05-09	700,000	696,815	3.1
Tele2 FRN 2020-02-18	13,000	13,282	0.1
Tele2 FRN 2021-05-11	225,000	230,117	1.0
Tele2 FRN 2022-03-16	350,000	357,844	1.6
Vacse 2,75% 2019-06-03	33,000	33,310	0.2
Vacse FRN 2019-06-03	57,000	57,213	0.3
Vacse FRN 2022-06-07	22,000	21,799	0.1
Vasakronan 1,083% 2022-05-24	250,000	250,715	1.1
Vasakronan 1,4825% 2020-11-10	270,000	274,663	1.2
Vasakronan RB 517 2019-07-31	25,000	25,006	0.1
Volvo Treasury 0,467% 2021-08-24	400,000	395,780	1.8
Volvofinans Bank 1,04% 2020-02-13	100,000	100,687	0.5
Volvofinans Bank FRN 2021-01-27	135,000	135,782	0.6
Volvofinans Bank FRN 2022-05-16	65,000	65,384	0.3
Wallenstam 0,875% 2020-11-23	183,000	182,191	0.8
Wallenstam FRN 2019-03-25	79,000	79,074	0.4
Wilhelm 0,48% 2020-06-26	185,000	184,848	0.8
Wilhelm 0,69% 2022-01-11	300,000	297,708	1.3
Wilhelm 0,9525% 2020-01-27	55,000	55,301	0.2
Wilhelm FRN 2020-01-27	40,000	40,033	0.2
Wilhelm FRN 2021-01-18	155,000	155,967	0.7
		14,357,520	64.8
Total listed fixed-income securities		20,309,610	91.7
Total transferable securities		20,309,610	91.7

MONEY MARKET INSTRUMENTS**

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
CERTIFICATE			
Intea Fastigheter 2019-02-28	40,000	39,985	0.2
Wallenstam 2019-03-25	65,000	64,963	0.3
Total certificate		104,948	0.5
Total money market instruments		104,948	0.5

EXCHANGE-TRADED DERIVATIVES**

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
INTEREST RATE FUTURES			
BTOH9	-100	0	0.0
CEYH9	-845	0	0.0
Total interest rate futures		0	0.0
Total exchange-traded derivatives		0	0.0
Total holdings in financial instruments		20,414,558	92.2
Net, other assets and liabilities		1,726,244	7.8
Total fund capital		22,140,802	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.

91.7

0.5

Handelsbanken Företagsobligation Investment Grade Criteria, cont.

Compilation, Company and Group exposure*

Company/Group	% of fund capital	Company/Group	% of fund capital
Handelsbanken	10.9	Billerud	2.1
LeasePlan	4.1	Länsförsäkringar	2.0
Nordea	4.1	Nibe Industrier	1.9
Scania	3.8	Atrium Ljungberg	1.8
Castellum	3.5	Fabege	1.6
Balder	3.3	Danske Bank	1.5
Hexagon	3.2	Ikano Bank	1.5
Willhem	3.2	Wallenstam	1.5
Volvo	3.2	Rodamco	1.2
Hemsö	3.0	Latour	1.1
Rikshem	2.7	Humlegården Fastigheter	1.0
Tele2	2.7	Aria	0.9
Vasakronan	2.4	Jyske Bank	0.8
Nya Svensk FastighetsFinansiering	2.3	Vacse	0.6
Olav Thon Eien	2.3	Loomis	0.5

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

Handelsbanken Företagsobligation Investment Grade Criteria

Sustainability dimensions that are taken into consideration in the management of the fund

The fund manager integrates environmental, social and corporate governance criteria (ESG) into the investment process, together with financial criteria, to obtain a more complete basis for decision-making. As a result, the fund manager takes into consideration both risks and opportunities related to various ESG aspects.

Methods used in sustainability efforts

Inclusion

An in-depth analysis is conducted in preparation for each investment decision in which sustainability dimensions as well as economic aspects are factored into the analysis. We believe sustainability issues are particularly important for making sound investment decisions to generate good, long-term returns. We have access to external ESG analyses as a complement to our own analyses and knowledge of the companies. Fund managers analyse sustainability through the company's sustainability performance (HOW they conduct their business operations), as well as through WHAT the company offers for products and services. The sustainability analysis is documented as an integral component of the investment documentation and consists of both sustainability risks and opportunities.

During the year, the fund intensified fund management to investments in the companies and sectors that have a clear objective of being at the forefront in the transition to a sustainable society. Investments in companies that have their sustainability risks in good order, as well as position themselves as leaders within their sector's sustainability efforts, result in additional satisfied customers, at the same time as company risks are reduced. One example of such an investment is the real estate company Humlegården. Humlegården is owned by the Länsförsäkring company and issued a Green bond during the year, in which the fund invested. The borrowed assets will be used for new and existing properties for investments in energy efficient building management, renewable energy and clean transport. Approximately 10% of the fund's total bond holdings were in green bonds at year-end.

Exclusion

In accordance with the Management Company's overall policy for responsible investment, all of the Management Company's funds exclude:

- companies involved in the production or distribution of banned weapons, such as cluster bombs, anti-personnel mines, biological and chemical weapons, in accordance with international legislation. Companies involved in the production or distribution of nuclear weapons are also excluded.
- companies with substantial business operations within coal mining or in power companies that have coal as a major source of energy.

The fund is managed based upon the Criteria exclusion strategy, which means an exclusion of companies/issuers in which the principle business operations are within controversial sectors such as alcohol, tobacco, commercial gaming, war materials, pornography, fossil fuels. The fund also excludes companies/issuers that are deemed to be violating international norms and conventions. This is followed-up by the Management Company's independent risk control function on a daily basis.

Management Company's engagement activities

A critical component in taking responsibility as an investor is to influence the companies in which we invest. Our engagement activities are founded on the value base of Handelsbanken and the Management Company, our commitments, as well as the international norms and conventions we safeguard. We conduct dialogues to encourage companies to improve their sustainability efforts, as well as with companies we deem do not fulfil the international norms and conventions we safeguard. We conduct the engagement activities primarily through:

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

- A. The fund manager meets or has contact with companies on a regular basis, which provides a good opportunity to influence companies within sustainability. We hold dialogues with clear targets for change, but also dialogues that focus on an overall improvement to the company's sustainability efforts. Targets are identified for the direct dialogues and results are followed up regularly during the period of the dialogue. The targeted company dialogues are carried out by the fund manager directly with the company. The fund held one dialogue during the year.

A dialogue was initiated during the year with Volvo AB regarding the company's subsidiary Renault Defense. Renault Defense is a military material producer that focuses on motor vehicles and has the French government as its primary market. The dialogue addresses a possible sale of this segment of operations, which is a minor proportion of Volvo AB's balance sheet total. We are continuing to follow the developments of this operations segment and the company's strategy.

- B. The Management Company participates in dialogues with companies together with other investors through an external party (ISS ESG) in a so-called pooled engagement. The basis for these dialogues is a norm-based analysis that focuses primarily on companies with suspected or confirmed violations with regard to international norms and conventions within the environment, human rights, labour rights, and anti-corruption. The dialogue process consists of contact between ISS ESG and the company concerned, and in certain cases also includes meetings or telephone conferences in which we as an investor may participate. During 2018 the Management Company participated in 143 company dialogues.
- C. During 2018 the Management Company participated in several international initiatives and collaborations with focus on specific sustainability matters. These initiatives are often thematic or focus on sustainability issues within a certain sector. Examples of initiatives we have participated in during the year include: Climate Action 100+, PRI Methane Engagement, PRI Sustainable Palm Oil, PRI Sustainable Soy, PRI Cyber Security and FAIRR Antibiotics Engagement. These initiatives include 336 companies in total.

Portfolio Manager: ERIK GUNNARSSON
Up to 02/05/2018 CHARLOTTE SILLÉN

BASE CURRENCY



Handelsbanken Företagsobligation Investment Grade Criteria (NOK)

Management Report

Investment Focus

The fund is actively managed, which means that the portfolio manager takes active, independent investment decisions. The objective of the fund is to attain returns over the long term that exceed the returns of the underlying market, which is defined as the benchmark index benchmark index. The fund invests in interest-bearing financial instruments in SEK and EUR issued by companies, mortgage institutions and states. A minimum of 50% of the fund's value shall be invested in corporate bonds. A maximum of 2% of the fund's value may have exposure to currency risk in EUR. The average remaining duration of fund investments may total a maximum of five years. Fund assets may invest in interest-bearing financial instruments with a minimum rating of BBB- from S&P or a corresponding rating of Baa3 from Moody's, i.e., Investment Grade. The fund may also invest in securities that lack an official credit rating that we judge have an equivalent credit quality. A maximum of 30% of the fund's value may be invested in interest-bearing financial instruments in which the rating is within the BB segment (BB+/BB/BB-) according to S&P or the Ba segment (Ba1/Ba2/Ba3) according to Moody's. The remaining shall be within the Investment Grade segment. Within the context of the fund's investment focus, international norms 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

The fund rose 1.5% during 2018*. The year began with rising market rates that then turned downward throughout most of the year. At its lowest level, interest rates fell approximately 35 bp on slightly longer government bonds, while performance in the three-year swap rate was more volatile and closed the year up 15 bp. The performance differences could be attributed to the market's gradual price changes on risk assets. Rates on government bonds fell, while credit spreads widened. This is largely due to developments in the foreign markets. Concerns about a trade war between the U.S. and China, the formation of the Italian government, and economic uncertainty in Turkey contributed to varying degrees to a weaker risk sentiment. When the central banks also decreased stimulus and the ECB terminated its purchase programme of corporate bonds, demand decreased and approximately used credit spreads to widen even further. The spreads in Europe widened during a great part of the year, while spreads in Sweden didn't widen until Q4. The fund was well-positioned for this as we had more defensive investments during the year in holdings with shorter durations and we offset the

interest rate trends with government and mortgage futures.

During the year the fund had several investments in companies lacking an official rating, e.g., Castellum and Fabega, where our suggestion was that they should obtain an official rating. When this occurred, the holdings contributed positively to fund returns as the market prices rose. Our position in fixed rate loans also contributed positively to fund returns when the rates declined. Fund holdings in Danske Bank had a negative impact when the risk premium rose sharply after the authority's investigations regarding suspected money laundering in the Baltics.

*) Refer to fund statistics for comparable index.

Significant risks

As of the balance sheet date or any other time during the year, fund holdings did not have exposure to any other significant risks than those stated in the fact sheet and information brochure.

Trading with derivatives

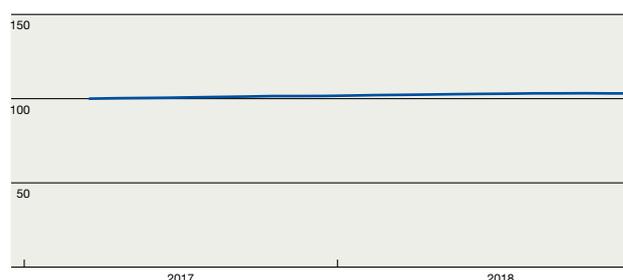
According to the fund rules, the fund may trade with derivatives as part of its investment focus. The fund used this option rather extensively during 2018. The fund has the option of lending securities. The fund did not use this option during 2018. The fund may use other techniques and instruments. The fund did not use this option during 2018.

Information

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

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

Fund Performance*



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

Fund Facts - History

	2018	29/3-31/12 2017	2016	2015	2014	2013	2012	2011	2010	2009
Net asset value, NOK	102.91	101.40	-	-	-	-	-	-	-	-
The fund's total net flow, mNOK	325	1,421	-	-	-	-	-	-	-	-
Fund capital, NOKm	1,787	1,439	-	-	-	-	-	-	-	-
Number of units, 1000's	17,364	14,192	-	-	-	-	-	-	-	-
Total returns in %, NOK	+1.5	+1.4	-	-	-	-	-	-	-	-
Index including dividends in %, NOK	-2.7	+4.2	-	-	-	-	-	-	-	-
Exchange rate NOK/SEK	1.02	1.00	-	-	-	-	-	-	-	-

Relevant benchmark is not available.
Refer to the last page for definitions.

Handelsbanken Företagsobligation Investment Grade Criteria (NOK), cont.

Fund Facts - Costs

Max. allowed mgmt. costs in % according to fund rules	0.20
Collected mgmt. costs in % of average fund capital	0.20
Annual fees in %	0.20
Transaction costs, tNOK	18
Transaction costs in % of turnover	0.00
Costs in NOK for a one-time subscription, 10 000 NOK	2.02
Costs in NOK for monthly savings, 100 NOK	0.13

Fund Facts - Other Key Figures

Turnover rate	0.2
Share of turnover conducted via closely-related securities companies in %	6.5

Risk and Return Measurements*

Forecasted total risk	0.5	Duration, years ¹⁾	1.2
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1) As of the balance sheet date.

* The fund has been in existence for less than two years; consequently, the calculation of historical risk is not applicable.

Refer to the last page for definitions.

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

Income Statement, tNOK

	2018	2017
INCOME AND CHANGES IN VALUE		
Changes in value for transferable securities ^{**}	-23,559	42,683
Changes in value for other derivative instruments ^{**}	-461	-223
Interest income	13,449	9,996
Currency exchange profits and losses, net	36,290	-32,559
Other income	0	-
Total income and changes in value	25,719	19,897
EXPENSES		
Management costs:		
- Remuneration to the Management Company	3,202	1,832
Interest expense	25	0
Other expenses	18	25
Total expenses	3,245	1,857
Net income	22,474	18,040
* Details of changes in value		
Capital gains	2,042	4,977
Capital losses	-6,590	-404
Unrealised gains/losses	-19,011	38,110
Sum	-23,559	42,683
** Details of changes in value		
Capital gains	7,416	17,500
Capital losses	-7,877	-17,723
Sum	-461	-223

Balance Sheet, tNOK

	31 dec 2018	% of fund capital	31 dec 2017	% of fund capital
ASSETS				
Transferable securities	1,752,783	98.1	1,479,168	102.8
Money market instruments	19,527	1.1	29,904	2.1
Total financial instruments with positive market value ^{Note 2)}	1,772,310	99.2	1,509,072	104.9
Bank assets and other liquid assets	91,716	5.1	4,004	0.3
Prepaid expenses and accrued income	6,496	0.4	5,657	0.4
Other assets	41	0.0	240	0.0
Total assets	1,870,563	104.7	1,518,973	105.6
LIABILITIES				
OTC derivative instruments with negative market value	83,224	4.7	29,798	2.1
Total financial instruments with negative market value ^{Note 2)}	83,224	4.7	29,798	2.1
Accrued expenses and prepaid income	301	0.0	134	0.0
Other liabilities	22	0.0	49,950	3.5
Total liabilities	83,547	4.7	79,882	5.6
Fund capital ^{Note 1)}	1,787,016	100.0	1,439,091	100.0
Collateral received for OTC derivative instruments	78,928	4.4	-	-
Other derivative instruments with negative market value	1,874	0.1	2,508	0.2

Note 1) for Balance Sheet

Changes in fund capital, tNOK

	2018	2017
Fund capital at beginning of year	1,439,091	-
Units issued	525,451	1,421,051
Units redeemed	-200,000	-
Profit according to Income Statement	22,474	18,040
Dividends to unit holders	-	-
Fund capital at the close of the period	1,787,016	1,439,091

Note 2) for Balance Sheet

Fund holdings in financial instruments

TRANSFERABLE SECURITIES*

	Number/Nominal amount in 1000's	Market value tNOK	% of fund capital
LISTED FIXED-INCOME SECURITIES			
FOREIGN ISSUER, OTHERS			
DNB Bank Green FRN 2020-02-17	30,000	30,111	1.7
Jyske Bank 0,91% 2020-04-22	22,000	21,619	1.2
LeasePlan 1,792% 2020-09-10	60,000	59,116	3.3
Nordea Bank 1,125% 2023-06-27	17,000	16,294	0.9
Nordea Bank FRN 2023-09-18	20,000	19,876	1.1
Olav Thon 0,37% 2019-05-10	30,000	29,276	1.6
Olav Thon Eien 0,757% 2020-09-07	19,000	18,512	1.0
TINE SA FRN 2023-02-28	25,000	24,717	1.4
		219,520	12.3
OTHER			
Akellius 1,125% 2021-10-04	37,000	35,870	2.0
Atrium Ljungberg FRN 2022-03-21	40,000	38,724	2.2
Balder 0,50% 2020-11-20	50,000	48,316	2.7
Billerud FRN 2022-02-21	20,000	19,735	1.1
BillerudKorsnäs 0,7% 2021-01-04	50,000	48,667	2.7
Castellum 0,98% 2020-03-03	20,000	19,567	1.1
Castellum FRN 2021-03-01	33,000	32,332	1.8
Ellevio FRN 2020-02-28	21,000	20,559	1.2
Fabege FRN 2019-09-16	62,000	60,716	3.4
Handelsbanken 1,41% 2027-11-15	18,000	17,272	1.0
Heimstaden Bostad FRN 2020-12-07	27,000	26,400	1.5
Hemsö 0,529% 2020-08-24	40,000	39,069	2.2
Hexagon 0,66% 2020-11-16	30,000	29,244	1.6
Hexagon 1,625% 108 2020-09-17	20,000	19,831	1.1
Hexagon FRN 2021-05-24	20,000	19,659	1.1
Humlegården Fast FRN 2022-06-22	30,000	29,103	1.6
Ikano Bank FRN 2021-01-26	21,000	20,684	1.2
Ikano Bank FRN 2022-05-16	14,000	13,583	0.8
Ikano FRN 2021-10-15	26,000	25,259	1.4
Indutrade 102 1,75% 2023-02-23	36,000	35,080	2.0
Intea Fastigheter FRN 2022-07-05	43,000	42,102	2.4
Investment AB Latour 0,24% 2020-03-16	38,000	37,012	2.1
Länsförsäkringar 3,268% 2021-01-27	33,000	34,064	1.9
Latour 0,36% 2020-11-16	20,000	19,451	1.1
Lifco 0,355% 2019-12-06	52,000	50,717	2.8
Nya SFF 1,42% 2020-04-20	50,000	49,155	2.8
Rikshem 0,485% 2020-08-25	40,000	39,050	2.2
Sandvik 2,625% 2020-01-14	30,000	29,977	1.7
SCA 0,375% 2021-05-24	30,000	29,134	1.6
Scania 1,00% 2020-03-16	33,000	32,423	1.8
Scania CV 0,455% 210504	40,000	38,720	2.2
Skandiabanken 0,35% 2020-05-26	30,000	29,286	1.6
Södra Skogsägarna FRN 2021-06-07	40,000	39,784	2.2
Sparbanken Skane 0,50% 2021-02-15	30,000	29,245	1.6
Swedavia 0,7125% 2021-05-17	70,000	68,518	3.8
Swedbank 0,305% 2021-05-09	50,000	48,612	2.7
Vacse 2,75% 2019-06-03	23,000	22,675	1.3
Vacse FRN 2022-06-07	18,000	17,419	1.0
Vasakronan 1,4825% 2020-11-10	50,000	49,678	2.8
Volvo Treasury 0,467% 2021-08-24	50,000	48,319	2.7
Volvofinans Bank FRN 2022-05-16	15,000	14,737	0.8
Wallenstam 0,875% 2020-11-23	72,000	70,011	3.9
Wallenstam FRN 2019-03-25	25,000	24,440	1.4
Willhem FRN 2022-06-08	70,000	69,066	3.9
		1,533,263	85.8
Total listed fixed-income securities		1,752,783	98.1
Total transferable securities		1,752,783	98.1

Handelsbanken Företagsobligation Investment Grade Criteria (NOK), cont.

OTHER FINANCIAL INSTRUMENTS***

	Number/Nominal amount in 1000's	Market value TNOK	% of fund capital
OTC DERIVATIVE INSTRUMENTS			
CURRENCY FUTURES			
NOK/SEK		-83,224	-4.7
		-83,224	-4.7
Total OTC derivative instruments		-83,224	-4.7
Total other financial instruments		-83,224	-4.7
Total holdings in financial instruments		1,689,086	94.5
Net, other assets and liabilities		97,930	5.5
Total fund capital		1,787,016	100.0

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

* Refers to transferable securities admitted to trading on a regulated market or equivalent market outside EEA, or are the subject of regular trading in other markets that are regulated and open to the general public. 98.1

** Refers to other financial instruments admitted to trading on a regulated market or equivalent market outside EEA, or are the subject of regular trading in other markets that are regulated and open to the general public and in the case of money market instruments or such money market instruments referred to in Chapter 5, §4 of the Swedish UCITS Funds Act (2004:46). 1.1

*** Refers to other financial instruments. -4.7

Compilation, Company and Group exposure*

Company/Group	% of fund capital	Company/Group	% of fund capital
Wallenstam	5.3	Ikano Bank	3.4
Scania	4.0	Latour	3.2
Billerud	3.8	Castellum	2.9
Hexagon	3.8	Olav Thon Eien	2.6
Volvo	3.5	Vacse	2.3
		Nordea	2.0

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

Handelsbanken Företagsobligation Investment Grade Criteria (NOK)

Sustainability dimensions that are taken into consideration in the management of the fund

The fund manager integrates environmental, social and corporate governance criteria (ESG) into the investment process, together with financial criteria, to obtain a more complete basis for decision-making. As a result, the fund manager takes into consideration both risks and opportunities related to various ESG aspects.

Methods used in sustainability efforts

Inclusion

An in-depth analysis is conducted in preparation for each investment decision in which sustainability dimensions as well as economic aspects are factored into the analysis. We believe sustainability issues are particularly important for making sound investment decisions to generate good, long-term returns. We have access to external ESG analyses as a complement to our own analyses and knowledge of the companies. Fund managers analyse sustainability through the company's sustainability performance (HOW they conduct their business operations), as well as through WHAT the company offers for products and services. The sustainability analysis is documented as an integral component of the investment documentation and consists of both sustainability risks and opportunities.

During the year, the fund intensified fund management to investments in the companies and sectors that have a clear objective of being at the forefront in the transition to a sustainable society. Investments in companies that have their sustainability risks in good order, as well as position themselves as leaders within their sector's sustainability efforts, result in additional satisfied customers, at the same time as company risks are reduced. One example of such an investment is the real estate company Humlegården. Humlegården is owned by the Länsförsäkring company and issued a Green bond during the year, in which the fund invested. The borrowed assets will be used for new and existing properties for investments in energy efficient building management, renewable energy and clean transport. Approximately 10% of the fund's total bond holdings were in green bonds at year-end.

Exclusion

In accordance with the Management Company's overall policy for responsible investment, all of the Management Company's funds exclude:

- companies involved in the production or distribution of banned weapons, such as cluster bombs, anti-personnel mines, biological and chemical weapons, in accordance with international legislation. Companies involved in the production or distribution of nuclear weapons are also excluded.
- companies with substantial business operations within coal mining or in power companies that have coal as a major source of energy.

The fund is managed based upon the Criteria exclusion strategy, which means an exclusion of companies/issuers in which the principle business operations are within controversial sectors such as alcohol, tobacco, commercial gaming, war materials, pornography, fossil fuels. The fund also excludes companies/issuers that are deemed to be violating international norms and conventions. This is followed-up by the Management Company's independent risk control function on a daily basis.

Management Company's engagement activities

A critical component in taking responsibility as an investor is to influence the companies in which we invest. Our engagement activities are founded on the value base of Handelsbanken and the Management Company, our commitments, as well as the international norms and conventions we safeguard. We conduct dialogues to encourage companies to improve their sustainability efforts, as well as with companies we deem do not fulfil the international norms and conventions we safeguard. We conduct the engagement activities primarily through:

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

- A. The fund manager meets or has contact with companies on a regular basis, which provides a good opportunity to influence companies within sustainability. We hold dialogues with clear targets for change, but also dialogues that focus on an overall improvement to the company's sustainability efforts. Targets are identified for the direct dialogues and results are followed up regularly during the period of the dialogue. The targeted company dialogues are carried out by the fund manager directly with the company. The fund held one dialogue during the year.

A dialogue was initiated during the year with Volvo AB regarding the company's subsidiary Renault Defense. Renault Defense is a military material producer that focuses on motor vehicles and has the French government as its primary market. The dialogue addresses a possible sale of this segment of operations, which is a minor proportion of Volvo AB's balance sheet total. We are continuing to follow the developments of this operations segment and the company's strategy.

- B. The Management Company participates in dialogues with companies together with other investors through an external party (ISS ESG) in a so-called pooled engagement. The basis for these dialogues is a norm-based analysis that focuses primarily on companies with suspected or confirmed violations with regard to international norms and conventions within the environment, human rights, labour rights, and anti-corruption. The dialogue process consists of contact between ISS ESG and the company concerned, and in certain cases also includes meetings or telephone conferences in which we as an investor may participate. During 2018 the Management Company participated in 143 company dialogues.
- C. During 2018 the Management Company participated in several international initiatives and collaborations with focus on specific sustainability matters. These initiatives are often thematic or focus on sustainability issues within a certain sector. Examples of initiatives we have participated in during the year include: Climate Action 100+, PRI Methane Engagement, PRI Sustainable Palm Oil, PRI Sustainable Soy, PRI Cyber Security and FAIRR Antibiotics Engagement. These initiatives include 336 companies in total.

Handelsbanken Fonder, cont.

	2018	24/8-31/12 2017	2016	2015	2014	2013	2012	2011	2010	2009
Comparison to index including dividends, %										
NOK	+0.8	+1.0	+1.2	-	-	-	-	-	-	-
SEK	+0.1	-	-	-	-	-	-	-	-	-
Exchange rate NOK/SEK	1.02	1.00	-	-	-	-	-	-	-	-

Benchmark: ST1X

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

Refer to the last page for definitions.

Fund Facts - Costs

Max. allowed mgmt. costs in % according to fund rules	
Høyrente A1	0.50
Høyrente A10	0.20
Collected mgmt. costs in % of average fund capital	
Høyrente A1	0.50
Høyrente A10	0.20
Annual fees in %	
Høyrente A1	0.50
Høyrente A10	0.20
Transaction costs, tNOK	-
Transaction costs in % of turnover	-
Costs in NOK for a one-time subscription, 10 000 NOK	
Høyrente A1	5.05
Høyrente A10	-
Costs in NOK for monthly savings, 100 NOK	
Høyrente A1	0.33
Høyrente A10	-

Fund Facts - Other Key Figures

Turnover rate	0.6
Share of turnover conducted via closely-related securities companies in %	3.8

Risk and Return Measurements*

Total risk % - A1 NOK	0.6	Active return % - A10 NOK	2.4
Total risk % - A1 SEK	6.4	Information ratio - A1 NOK	3.3
Total risk % - A10 NOK	0.6	Information ratio - A1 SEK	3.2
Total risk in index % - A1 NOK	0.1	Information ratio - A10 NOK	3.7
Total risk in index % - A1 SEK	6.2	Sharpe ratio - A1 NOK	3.3
Total risk in index % - A10 NOK	0.1	Sharpe ratio - A1 SEK	0.3
Tracking error % - A1 NOK	0.7	Sharpe ratio - A10 NOK	3.8
Tracking error % - A1 SEK	0.7	Sharpe ratio in index - A1 NOK	0.0
Tracking error % - A10 NOK	0.7	Sharpe ratio in index - A1 SEK	0.0
Benchmark	ST1X	Sharpe ratio in index - A10 NOK	0.0
Active return % - A1 NOK	2.1	Duration, months ¹⁾	4.6
Active return % - A1 SEK	2.1		

1) As of the balance sheet date.

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

Income Statement, tNOK

	2018	24/8-31/12 2017
INCOME AND CHANGES IN VALUE		
Changes in value for transferable securities	-146,798	45,315
Interest income	251,774	105,969
Dividends	-9	-
Currency exchange profits and losses, net	32,452	-69,370
Other income	0	456
Total income and changes in value	137,419	82,370
EXPENSES		
Management costs:		
- Remuneration to the Management Company	39,255	12,865
Interest expense	60	55
Other expenses	1	0
Total expenses	39,316	12,920
Net income	98,103	69,450
* Details of changes in value		
Capital gains	41,198	27,210
Capital losses	-49,510	-4,160
Unrealised gains/losses	-138,486	22,265
Sum	-146,798	45,315

Balance Sheet, tNOK

	31 dec 2018	% of fund capital	31 dec 2017	% of fund capital
ASSETS				
Transferable securities	7,808,365	95.7	6,946,977	92.7
OTC derivative instruments with positive market value	-	-	8,819	0.1
Total financial instruments with positive market value ^{Note 2)}	7,808,365	95.7	6,955,796	92.8
Bank assets and other liquid assets	384,786	4.7	540,766	7.2
Prepaid expenses and accrued income	43,377	0.5	34,779	0.5
Other assets	-	-	945	0.0
Total assets	8,236,528	100.9	7,532,286	100.5
LIABILITIES				
OTC derivative instruments with negative market value	31,456	0.4	11,048	0.1
Total financial instruments with negative market value ^{Note 2)}	31,456	0.4	11,048	0.1
Accrued expenses and prepaid income	3,178	0.0	1,728	0.0
Other liabilities	45,874	0.5	25,038	0.4
Total liabilities	80,508	0.9	37,814	0.5
Fund capital ^{Note 1)}	8,156,020	100.0	7,494,472	100.0
Collateral received for OTC derivative instruments	47,938	0.6	-	-

Note 1) for Balance Sheet

Changes in fund capital, tNOK

	2018	2017
Fund capital at beginning of year	7,494,472	-
Units issued	2,810,434	8,136,663
Units redeemed	-2,246,989	-711,641
Profit according to Income Statement	98,103	69,450
Dividends to unit holders	-	-
Fund capital at the close of the period	8,156,020	7,494,472

Note 2) for Balance Sheet

Fund holdings in financial instruments

TRANSFERABLE SECURITIES*

	Number/Nominal amount in 1000's	Market value tNOK	% of fund capital
LISTED FIXED-INCOME SECURITIES			
FOREIGN ISSUER, MORTGAGE			
DnB Boligkreditt AS FRN 2019-11-22	25,000	25,118	0.3
DnB NOR Boligkreditt FRN 2020-05-26	25,000	25,168	0.3
Eika Boligkred FRN Perp	18,000	17,810	0.2
KLP Boligkreditt FRN 2020-10-20	60,000	60,551	0.7
KLP Kommunekreditt FRN 2022-05-23	50,000	50,213	0.6
Landkreditt Boligkred AS FRN 2020-04-202	25,000	25,211	0.3
OBOS BBL FRN 2021-04-28	84,000	84,688	1.0
Oslo Bolig FRN 2019-12-09	37,000	37,032	0.5
Oslo Bolig FRN 2023-09-13	55,000	53,846	0.7
Pluss Bolig FRN 2019-11-27	25,000	25,102	0.3
Sparebank Vest Boligkreditt FRN 2021-04-27	15,000	15,104	0.2
Sparebank Vest Boligkreditt FRN 2022-10-28	75,000	75,653	0.9
		495,496	6.1
FOREIGN ISSUER, OTHERS			
ABN AMRO Bank FRN 2019-02-18	30,000	30,015	0.4
Aker ASA FRN 2020-05-29	33,500	34,057	0.4
Aker ASA FRN 2020-06-06	70,000	71,581	0.9
Aker ASA FRN 2022-09-07	102,000	109,493	1.3
Aker BP ASA 5,875% 2025-03-31	2,500	21,560	0.3
Aker BP ASA 6,00% 2022-07-01	9,100	79,169	1.0
Aker BP ASA FRN 2020-07-02	70,000	78,612	1.0
Aker Solutions FRN 2022-07-25	90,000	89,685	1.1
Aria Finance FRN 2023-07-23	35,000	33,839	0.4
Aurskog Sparebank FRN 2019-09-26	15,000	15,038	0.2
Aurskog Sparebank FRN 2021-10-25	40,000	40,085	0.5
Austevoll FRN 2021-05-04	22,500	22,950	0.3
Austevoll Seafood FRN 2023-06-21	18,000	18,018	0.2
Avinor AS FRN 2019-10-30	20,000	20,014	0.2
B2 Holding ASA FRN 2022-11-14	18,500	172,459	2.1
B2Holding AS FRN 2023-05-23	9,700	90,331	1.1
B2Holding FRN 2020-12-08	500	5,149	0.1
B2Holding FRN 2021-10-04	4,300	43,933	0.5
Bank Norwegian Perp FRN C Hybrid	22,000	21,843	0.3
Barclays FRN 2023-09-14	50,000	48,002	0.6
BN Bank 1,46% 2020-03-16	30,000	30,096	0.4
BN Bank FRN 2023-08-30	38,000	37,781	0.5

Handelsbanken Heyrente, cont.

	Number/Nominal amount in 1000's	Market value tNOK	% of fund capital		Number/Nominal amount in 1000's	Market value tNOK	% of fund capital
BN Bank FRN 2025-03-11	47,000	47,512	0.6	SpareBank1 SR 2023-10-04	5,000	4,931	0.1
Bonheur FRN 2022-05-24	115,500	114,807	1.4	SPAREBANKEN OST FRN 2023-08-24	30,000	29,780	0.4
Borregaard FRN 2023-06-20	51,000	50,019	0.6	Sparebanken Ost FRN Perpetual1	40,000	39,477	0.5
Color 20 FRN 2020-12-17	56,000	58,106	0.7	Sparebanken Vest FRN 2023-09-12 Perp	50,000	49,147	0.6
Color Group FRN 2022-09-23	40,000	39,350	0.5	SPB MORE FRN perp	5,000	4,955	0.1
Danske Bank FRN 2023-01-25	46,000	43,241	0.5	Spb Telemark FRN 2023-03-21	50,000	49,725	0.6
Danske Bank FRN 2023-11-28	25,000	24,075	0.3	Statkraft FRN 200708	25,000	25,043	0.3
Danske Bank FRN Perpetual	104,000	131,387	1.6	Storebrand 4,95 201022	25,000	26,180	0.3
DFDS A/S FRN 2022-09-28	90,000	89,024	1.1	Storebrand ASA FRN 2019-09-10	20,000	20,038	0.2
DNB Bank 5,75% 2020-03-26	9,400	79,463	1.0	Storebrand ASA FRN 2020	17,000	17,177	0.2
DNB Bank FRN 2027-01-19	10,000	10,084	0.1	Storebrand ASA FRN 23052022	41,000	41,611	0.5
DNB Bank Green FRN 2020-02-17	10,000	10,037	0.1	Storebrand Bank 20	6,000	6,021	0.1
DNB FRN PERP CALL 210627	5,000	5,248	0.1	Storebrand Bank FRN 2019-09-26	65,000	65,138	0.8
Eksportfinans FRN 2019-04-04	14,000	14,012	0.2	Storebrand FRN 2047-11-21	20,000	19,084	0.2
Elkem FRN 2021-12-06	45,000	44,954	0.6	Storebrand FRN Perpetual	174,000	171,427	2.1
Entra ASA FRN 2021-06-02	15,000	15,079	0.2	Storebrand FRN Perpetual	136,000	136,681	1.7
ENTRAL ASA FRN 2022-10-14	12,000	11,866	0.1	Thon Holding AS FRN 2021-04-22	70,000	69,626	0.9
Fana Sparebank FRN 2020-04-15	20,000	20,197	0.2	Tine SA 2019-09-09	20,000	20,017	0.2
Fana Sparebank FRN 2021-10-20	75,000	75,122	0.9	TINE SA FRN 2023-02-28	50,000	49,435	0.6
Fjord ASA FRN 2022-11-22	76,000	76,618	0.9	Tryg Forsikring Frn 2023-03-20	106,000	112,081	1.4
Gjensidige Bank 2,05% 2020-11-23	30,000	30,138	0.4	Tryg Forsikring FRN Perpetual	42,000	39,273	0.5
Gjensidige Bank 3,4% 2019-05-24	5,000	5,036	0.1	Veidekke FRN 2023-06-05	124,000	121,251	1.5
Gjensidige Bank ASA FRN 2024-06-27	25,000	25,079	0.3	Volkswagen FRN 2020-04-14	50,000	50,051	0.6
Gjensidige Bank Bolig FRN 2021-05-12	75,000	75,212	0.9	Wallenius Wilhelmsen FRN 2022-10-12	114,500	111,809	1.4
Gjensidige Bank FRN 2019-11-29	85,000	85,330	1.0	WWASA FRN 2021-09-13	25,000	24,734	0.3
Gjensidige Bank FRN 2022-09-22	20,000	19,969	0.2	WWI FRN 2020-03-30	2,000	1,939	0.0
Gjensidige Fors FRN Perpetual	103,000	104,309	1.3	Yara International FRN 2019-12-18	6,000	6,008	0.1
GLX Holding FRN 2023-12-08	125,500	125,375	1.5	Zalaris FRN 2023-09-28	3,300	32,529	0.4
Hafslund FRN 2021-11-04	57,000	57,323	0.7			6,548,087	80.2
Helgeland Sparb 2.3% 2020-11-11	65,000	65,557	0.8	MORTGAGE			
Icelandair Group Hf. 16/21 FRN USD C	10,300	88,680	1.1	Stadshypotek FRN 2020-06-05	10,000	10,031	0.1
Jacob Holm & Sønner FRN EUR 2031-03-22C	10,000	95,486	1.2			10,031	0.1
Jyske Bank A/S FRN 2023-09-07	29,000	27,849	0.3	OTHER			
Kredittforeningen FRN 2021-09-17	40,000	39,988	0.5	BEWI Group FRN 2020-06-08	45,000	44,372	0.5
LeasePlan Corp FRN 2020-08-07	35,000	34,992	0.4	Bewi Group FRN 2022-04-19	5,800	57,988	0.7
Leaseplan Corp FRN 2021-06-071	75,000	73,672	0.9	Domestic Group 3,0% 2023-09-13	5,000	46,661	0.6
Leaseplan Corp FRN 2023-08-07	50,000	48,422	0.6	Handelsbanken 5,25% Perpetual	14,789	123,394	1.5
LeasePlan Corporation FRN 2019-05-07	10,000	10,021	0.1	If Skadeforsak FRN 2046-12-01	44,000	43,687	0.5
NDA 190923 Fixed-to-Variable	3,900	33,161	0.4	Indutrade 101 FRN 2023-02-23	57,000	54,908	0.7
NDA FRN 2022-06-15	50,000	50,912	0.6	Lansforsakringar Bank FRN 2028-03-01	50,000	47,700	0.6
Nordea Bank 5,25% 5,25% Perp Call 210913	11,950	97,552	1.2	NIBE Industrier FRN 2022-04-11	87,000	85,776	1.1
Nordea Bank FRN 2023-09-18	34,000	33,789	0.4	SAMPFH FRN Perp Call 2023-03-22	53,000	48,658	0.6
Nordea Bank FRN 2028-09-26	50,000	49,342	0.6	Scania CV FRN 2021-03-02	70,000	70,176	0.9
Nordea Bank FRN Perpetual	84,000	83,919	1.0	SEB 5,75 Perp 20 MTN	1,530	12,922	0.2
Norwegian Prop FRN 2019-01-07	21,000	21,042	0.3	Skandiabanken AktieBilag 14/19 20190910	5,000	5,010	0.1
Norwegian Prop FRN 2020-07-05	5,000	5,046	0.1	Telia FRN 2077-10-04	25,000	24,503	0.3
Norwegian Prop FRN 2020-11-09	27,000	27,013	0.3	Volvo Car FRN 1,741% 2022-03-07	90,000	88,994	1.1
OBOS Banken FRN 2023-08-31	50,000	49,529	0.6			754,751	9.3
OBOS FRN 2020-01-30	10,000	10,036	0.1	Total listed fixed-income securities		7,808,365	95.7
OBOS FRN 2020-07-30	25,000	25,136	0.3	Total transferable securities		7,808,365	95.7
OBOS FRN 2027-05-18	11,000	10,928	0.1				
Ocean Yield FRN 2020-04-29	35,000	34,965	0.4	OTHER FINANCIAL INSTRUMENTS***			
Ocean Yield FRN 2021-09-23	39,000	38,903	0.5		Number/Nominal amount in 1000's	Market value tNOK	% of fund capital
Ocean Yield FRN 2023-05-25	13,000	12,383	0.2	OTC DERIVATIVE INSTRUMENTS			
Olav Thon Eien FRN 2022-09-26	25,000	24,711	0.3	CURRENCY FUTURES			
Olav Thon FRN 2020-06-23	17,000	17,078	0.2	NOK/DKK		-1,779	0.0
OSLO BÖRS FRN 2023-05-23	41,000	40,853	0.5	NOK/EUR		-7,775	-0.1
Posten Norge FRN 2021-09-28	25,000	24,940	0.3	NOK/SEK		-18,615	-0.2
Santans Cons Bk FRN 2019-07-26	15,000	14,987	0.2	NOK/USD		-3,287	0.0
Santander Consumer Bank FRN 2019-08-08	40,000	40,088	0.5			-31,456	-0.4
Schibsted Asa 5,9% 2019-03-01	50,000	50,328	0.6	Total OTC derivative instruments		-31,456	-0.4
Schibsted ASA FRN 2020-06-22	96,000	96,270	1.2	Total other financial instruments		-31,456	-0.4
Schibsted FRN 2021-05-06	25,000	25,050	0.3	Total holdings in financial instruments		7,776,909	95.3
SCHNO FRN 2023-06-22	20,000	20,062	0.2	Net, other assets and liabilities		379,111	4.7
Sirius Int GRP 2047-09-22	104,000	101,575	1.2	Total fund capital		8,156,020	100.0
Skandiabanken FRN 2021-03-01	20,000	20,056	0.2				
Skandiabanken FRN 2025-10-13	51,000	51,682	0.6	The figures in the column under the heading % of fund value are rounded to the nearest tenth of a percent.			
SkandiabankASA FRN Perp Call 2020-10-12	30,000	30,444	0.4	* Refers to transferable securities admitted to trading on a regulated market or equivalent market outside EEA, or are the subject of regular trading in other markets that are regulated and open to the general public.			95.7
Spareb Ostlandet 5,2% 2020-06-11	50,000	52,480	0.6	** 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).			-
Spareb Ostlandet FRN 2021-09-27	4,500	44,467	0.5	*** Refers to other financial instruments.			-0.4
Spareb Ostlandet FRN 2024-08-23	50,000	49,458	0.6				
Sparebank 1 FRN 2019-03-18	5,000	5,014	0.1				
Sparebank 1 FRN 2020-02-14	15,000	15,163	0.2				
Sparebank 1 FRN 2022-06-15	30,000	30,508	0.4				
Sparebank 1 FRN 2024-12-10	5,000	5,029	0.1				
Sparebank 1 Nord-Norge FRN 2020-02-13	20,000	20,033	0.2				
Sparebank 1 Nord-Norge FRN 2023-08-24	75,000	74,451	0.9				
Sparebank 1 Nord-Norge FRN 2024-06-12	15,000	15,044	0.2				
Sparebank 1 Nordvest FRN 2019-01-25	10,000	10,007	0.1				
Sparebank 1 SMN 2023-02-16	50,000	49,801	0.6				
Sparebank 1 SMN 5,0% 2025-01-26	44,000	42,377	0.5				
Sparebank 1 smn 8,25% 2020-04-03	500	526	0.0				
Sparebank 1 SMN FRN 2028-09-04	65,000	63,981	0.8				
Sparebank 1 SMN FRN Perpetual1	42,500	41,412	0.5				
Sparebank 1 SMN FRN Perpetual2	2,000	1,962	0.0				
Sparebank 1 SR 9,35% Perpetual	60,500	63,328	0.8				
Sparebank Hedmark 15/20 FRN	65,000	65,837	0.8				
Sparebank Hedmark 2,40% 2021-06-28	30,000	30,319	0.4				
Sparebank Hedmark FRN 2021-04-16	20,000	20,240	0.2				
Sparebank More 1,26% 2021-02-25	20,000	20,024	0.2				
Sparebank Ost 2,0% 2020-11-27	18,000	18,065	0.2				
Sparebank Ost FRN 2019-06-26	46,000	46,055	0.6				
Sparebank Sor 2025-08-25	35,000	35,191	0.4				
Sparebank Sor FRN 2022-09-28	3,000	2,959	0.0				
Sparebank Sor FRN 2025-01-30	5,000	5,031	0.1				
Sparebank Telemark FRN 2020-02-06	45,000	45,117	0.6				
Sparebank Telemark FRN 2026-11-10	20,000	20,354	0.2				
Sparebank Vest FRN 2020-09-07	30,000	30,231	0.4				
Sparebank Vest FRN 2024-06-27	25,000	25,073	0.3				
Sparebank1 2.35% 2020-11-30	25,000	25,253	0.3				

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
Storebrand Livs	4.0	WWASA	1.7
B2Holding	3.8	DNB	1.3
Nordea	3.6	Sparebank 1 Nor	1.3
Spareb Hedmark	3.5	Sparebanken Ves	1.3
Aker ASA	2.6	Bewi Group	1.2
Danske Bank	2.4	Color Group	1.2
Sparebank 1 SMN	2.4	Skandb ASA	1.2
Det Norske	2.3	Storebrand	1.2
Schibsted	2.3	Fana Sparebank	1.1
Oslo Bolig	2.2	If Skadeforsak	1.1
Gjensidige Bank	2.0	OBOS BANKEN AS	1.1
LeasePlan	2.0	Ocean Yield	1.1
Tryg Forsikring	1.9	Spb Vest Bolig	1.1
Sparebanken Ost	1.7	Thon Hldg	1.1

Handelsbanken Heyrente, cont.

Company/Group	% of fund capital	Company/Group	% of fund capital
BN Banken	1.0	Santan Cons Bk	0.7
SpareBank1 SR	0.9	DnB NOR Bigkrdi	0.6
Storebrand Bank	0.9	Austevoll	0.5
Spb 1 Telemark	0.8	Sparebanken Sor	0.5
Tine BA	0.8	Entra	0.3
Aurskog Spareb.	0.7	Sparebank More	0.3
Norwegian Prop	0.7		

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

Handelsbanken Høyrente

Sustainability dimensions that are taken into consideration in the management of the fund

The fund manager integrates environmental, social and corporate governance criteria (ESG) into the investment process, together with financial criteria, to obtain a more complete basis for decision-making. As a result, the fund manager takes into consideration both risks and opportunities related to various ESG aspects.

Methods used in sustainability efforts

Inclusion

An in-depth analysis is conducted in preparation for each investment decision in which sustainability dimensions as well as economic aspects are factored into the analysis. We believe sustainability issues are particularly important for making sound investment decisions to generate good, long-term returns. We have access to external ESG analyses as a complement to our own analyses and knowledge of the companies. Fund managers analyse sustainability through the company's sustainability performance (HOW they conduct their business operations), as well as through WHAT the company offers for products and services. The sustainability analysis is documented as an integral component of the investment documentation and consists of both sustainability risks and opportunities.

The fund has invested in Green Bond (NO0010730872) in DNB ASA. The bond finances wind generation projects (WindPower), on land and offshore, situated in Sweden, Ireland and Great Britain. The bond finances an installed capacity of 984 MegaWatt, which has contributed to a CO₂ reduction of 2,107,307 tons since the bond's issue in 2015. (CO₂ reduction of 263,542 tons in 2017). Approximately 2% of the fund's total bond holdings were in green bonds at year-end.

Exclusion

In accordance with the Management Company's overall policy for responsible investment, all of the Management Company's funds exclude:

- companies involved in the production or distribution of banned weapons, such as cluster bombs, anti-personnel mines, biological and chemical weapons, in accordance with international legislation. Companies involved in the production or distribution of nuclear weapons are also excluded.
- companies with substantial business operations within coal mining or in power companies that have coal as a major source of energy.

Management Company's engagement activities

A critical component in taking responsibility as an investor is to influence the companies in which we invest. Our engagement activities are founded on the value base of Handelsbanken and the Management Company, our commitments, as well as the international norms and conventions we safeguard. We conduct dialogues to encourage companies to improve their sustainability efforts, as well as with companies we deem do not fulfil the international norms and conventions we safeguard. We conduct the engagement activities primarily through:

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

A. The fund manager meets or has contact with companies on a regular basis, which provides a good opportunity to influence companies within sustainability. We hold dialogues with clear targets for change, but also dialogues that focus on an overall improvement to the company's sustainability efforts. Targets are identified for the direct dialogues and results are followed up regularly during the period of the dialogue. The targeted company dialogues are carried out by the fund manager directly with the company. The fund had one dialogue during the year.

A dialogue was initiated during the year with Danske Bank regarding the bank's suspected money laundering in an Estonian subsidiary from 2007 to 2016. The matter is being investigated by the supervisory authority in Estonia, Denmark and the U.S. During the period of the investigation, Danske Bank has replaced senior management, a majority of the board, including the chairman, as well as initiated changes to the bank's compliance controls. The bank has taken a transparent approach with the public and investors in regard to the management of the incident and cooperating with the authorities concerned.

- B. The Management Company participates in dialogues with companies together with other investors through an external party (ISS ESG) in a so-called pooled engagement. The basis for these dialogues is a norm-based analysis that focuses primarily on companies with suspected or confirmed violations with regard to international norms and conventions within the environment, human rights, labour rights, and anti-corruption. The dialogue process consists of contact between ISS ESG and the company concerned, and in certain cases also includes meetings or telephone conferences in which we as an investor may participate. During 2018 the Management Company participated in 143 company dialogues.
- C. During 2018 the Management Company participated in several international initiatives and collaborations with focus on specific sustainability matters. These initiatives are often thematic or focus on sustainability issues within a certain sector. Examples of initiatives we have participated in during the year include: Climate Action 100+, PRI Methane Engagement, PRI Sustainable Palm Oil, PRI Sustainable Soy, PRI Cyber Security and FAIRR Antibiotics Engagement. These initiatives include 336 companies in total.

Handelsbanken Institutionell Kortränta Criteria, cont.

	2018	2017	14/9-31/12 2016	2015	2014	2013	2012	2011	2010	2009
Index including dividends in %, SEK										
Institutionell Kortränta Criteria A1	-0.8	-0.8	-0.2	-	-	-	-	-	-	-
Institutionell Kortränta Criteria A4	-	-0.8	-0.2	-	-	-	-	-	-	-
Institutionell Kortränta Criteria A10	-0.8	-	-	-	-	-	-	-	-	-
Institutionell Kortränta Criteria B1	-0.8	-0.8	-0.2	-	-	-	-	-	-	-
Institutionell Kortränta Criteria B10	-0.8	-	-	-	-	-	-	-	-	-
Average yearly return, 2 yrs. %										
Institutionell Kortränta Criteria A1	0.0	-	-	-	-	-	-	-	-	-
Institutionell Kortränta Criteria A10	+0.1	-	-	-	-	-	-	-	-	-
Institutionell Kortränta Criteria B1	0.0	-	-	-	-	-	-	-	-	-
Institutionell Kortränta Criteria B10	+0.1	-	-	-	-	-	-	-	-	-
Comparison to index including dividends, %	-0.8	-	-	-	-	-	-	-	-	-
Dividends per unit, SEK										
Institutionell Kortränta Criteria B1	0.00	0.00	-	-	-	-	-	-	-	-
Institutionell Kortränta Criteria B10	0.00	-	-	-	-	-	-	-	-	-

Benchmark: OMRX Treasury Bill Index

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

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

Refer to the last page for definitions.

Fund Facts - Costs

Max. allowed mgmt. costs in % according to fund rules	
Institutionell Kortränta Criteria A1	0.14
Institutionell Kortränta Criteria A10	0.05
Institutionell Kortränta Criteria B1	0.14
Institutionell Kortränta Criteria B10	0.05
Collected mgmt. costs in % of average fund capital	
Institutionell Kortränta Criteria A1	0.14
Institutionell Kortränta Criteria A10	0.05
Institutionell Kortränta Criteria B1	0.14
Institutionell Kortränta Criteria B10	0.05
Annual fees in %	
Institutionell Kortränta Criteria A1	0.14
Institutionell Kortränta Criteria A10	0.05
Institutionell Kortränta Criteria B1	0.14
Institutionell Kortränta Criteria B10	0.05
Transaction costs, tSEK	6
Transaction costs in % of turnover	0.00
Costs in SEK for a one-time subscription, 10 000 SEK	
Institutionell Kortränta Criteria A1	14.01
Institutionell Kortränta Criteria A10	-
Institutionell Kortränta Criteria B1	14.01
Institutionell Kortränta Criteria B10	-
Costs in SEK for monthly savings, 100 SEK	
Institutionell Kortränta Criteria A1	0.91
Institutionell Kortränta Criteria A10	-
Institutionell Kortränta Criteria B1	0.91
Institutionell Kortränta Criteria B10	-

Fund Facts - Other Key Figures

Turnover rate	0.8
Share of turnover conducted via closely-related securities companies in %	22.0

Risk and Return Measurements*

Total risk % - A1 SEK	0.1	Active return % - B10 SEK	0.9
Total risk % - A10 SEK	0.1	Information ratio - A1 SEK	6.0
Total risk % - B1 SEK	0.1	Information ratio - A10 SEK	6.6
Total risk % - B10 SEK	0.1	Information ratio - B1 SEK	6.0
Total risk in index % - A1 SEK	0.0	Information ratio - B10 SEK	6.6
Total risk in index % - A10 SEK	0.0	Sharpe ratio - A1 SEK	6.0
Total risk in index % - B1 SEK	0.0	Sharpe ratio - A10 SEK	6.7
Total risk in index % - B10 SEK	0.0	Sharpe ratio - B1 SEK	6.0
Tracking error % - A1 SEK	0.1	Sharpe ratio - B10 SEK	6.7
Tracking error % - A10 SEK	0.1	Sharpe ratio in index - A1 SEK	-0.2
Tracking error % - B1 SEK	0.1	Sharpe ratio in index - A10 SEK	-0.2
Tracking error % - B10 SEK	0.1	Sharpe ratio in index - B1 SEK	-0.2
Benchmark OMRX Treasury Bill Index		Sharpe ratio in index - B10 SEK	-0.2
Active return % - A1 SEK	0.8	Duration, months ¹⁾	6.5
Active return % - A10 SEK	0.9		
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, tSEK

	2018	2017
INCOME AND CHANGES IN VALUE		
Changes in value for transferable securities	-40,332	-12,866
Changes in value for other derivative instruments**	-153	-
Interest income	41,073	18,526
Currency exchange profits and losses, net	-664	-
Other income	0	1
Total income and changes in value	-76	5,661
EXPENSES		
Management costs:		
- Remuneration to the Management Company	13,086	5,212
Interest expense	39	28
Other expenses	6	-
Total expenses	13,131	5,240
Net income	-13,207	421
* Details of changes in value		
Capital gains	5,811	612
Capital losses	-15,648	-2,581
Unrealised gains/losses	-30,495	-10,897
Sum	-40,332	-12,866
** Details of changes in value		
Capital gains	719	-
Capital losses	-872	-
Sum	-153	-

Balance Sheet, tSEK

	31 dec 2018	% of fund capital	31 dec 2017	% of fund capital
ASSETS				
Transferable securities	7,939,680	69.2	3,007,084	55.9
Money market instruments	1,879,014	16.4	1,998,249	37.2
Total financial instruments with positive market value ^{Note 2)}	9,818,694	85.6	5,005,333	93.1
Bank assets and other liquid assets	1,639,352	14.3	364,221	6.8
Prepaid expenses and accrued income	20,267	0.1	7,846	0.1
Other assets	107	0.0	-	-
Total assets	11,478,420	100.0	5,377,400	100.0
LIABILITIES				
Accrued expenses and prepaid income	1,289	0.0	359	0.0
Other liabilities	62	0.0	1	0.0
Total liabilities	1,351	0.0	360	0.0
Fund capital ^{Note 1)}	11,477,069	100.0	5,377,040	100.0
Other derivative instruments with negative market value	3,781	0.0	-	-

Note 1) for Balance Sheet

Changes in fund capital, tSEK

	2018	2017
Fund capital at beginning of year	5,377,040	1,280,491
Units issued	13,348,581	6,296,348
Units redeemed	-7,235,345	-2,200,220
Profit according to Income Statement	-13,207	421
Dividends to unit holders	-	-
Fund capital at the close of the period	11,477,069	5,377,040

Handelsbanken Institutionell Kontrånta 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
LISTED FIXED-INCOME SECURITIES			
FOREIGN ISSUER, OTHERS			
Arla Foods Finance FRN 2019-05-28	179,000	179,417	1.6
Jyske Bank 0,91% 2020-04-22	100,000	100,613	0.9
LeasePlan 0,127% 2019-07-05	50,000	49,848	0.4
LeasePlan 1,028% 2019-04-05	148,000	148,123	1.3
LeasePlan Corp 1,00% 2019-04-05	100,000	100,077	0.9
LeasePlan FRN 2019-01-15	30,000	30,002	0.3
Leasplan FRN 2020-06-05	40,000	39,947	0.3
Nordea Bank 0,04% 2020-05-15	350,000	348,723	3.0
Nordea Bank 0,097% 2020-06-17	41,000	40,858	0.4
Olav Thon 0,37% 2019-05-10	50,000	49,958	0.4
Santander Consumer Bank FRN 2020-03-30	130,000	130,237	1.1
		1,217,802	10.6
MORTGAGE			
Länsförsäkringar Hypotek 513 3,25% 2020-09-16	200,000	211,104	1.8
Nordea Hypotek 5521 3,25% 2020-06-17	125,000	131,065	1.1
Nordea Hypotek 5532 1,25% 2021-05-19	250,000	256,558	2.2
Stadshypotek 1583 4,25% 2020-06-17	150,000	159,464	1.4
		758,190	6.6
OTHER			
Akelius FRN 190327	56,000	56,244	0.5
Atrium Ljungberg 0,365% 2020-01-29	50,000	49,744	0.4
Atrium Ljungberg FRN 2019-03-19	30,000	30,032	0.3
Balder 0,25% 2019-11-22	200,000	199,110	1.7
Balder 0,375% 2020-01-22	24,000	23,895	0.2
BillerudKorsnäs 0,18% 2020-06-04	150,000	148,986	1.3
Castellum 0,37% 2019-09-05	190,000	189,578	1.7
Castellum FRN 2019-04-12	30,000	30,007	0.3
Castellum FRN 2019-12-14	100,000	99,949	0.9
Castellum FRN 2020-03-13	30,000	30,098	0.3
Electrolux 2,34% 2019-05-28	50,000	50,408	0.4
Fabege 0,385% 2020-04-09	110,000	109,348	1.0
Fabege FRN 2019-09-16	45,000	45,120	0.4
Fabege FRN 2020-04-20	55,000	55,178	0.5
Fabege FRN 2020-06-09	30,000	29,999	0.3
Heimstaden Bostad FRN 2020-12-07	226,000	226,251	2.0
Hemsö 0,147% 2020-06-29	100,000	99,492	0.9
Hemsö 0,182% 2019-08-28	50,000	49,950	0.4
Hemsö Fastighets AB	200,000	199,472	1.7
Hexagon FRN 2019-03-10	100,000	100,027	0.9
Hexagon FRN 2019-11-26	36,000	36,137	0.3
Humlegården Fast 1,035% 2021-05-28	62,000	61,562	0.5
Humlegården FRN 2020-11-27	26,000	25,842	0.2
Husqvarna FRN 2019-05-03	100,000	100,233	0.9
ICA Gruppen FRN 2019-06-17	56,800	56,999	0.5
Ikano Bank 0,397% 2020-01-22	125,000	124,798	1.1
Ikano Bank FRN 2019-04-29	35,000	35,075	0.3
Ikano Bank FRN 2019-06-12	250,000	250,070	2.2
Intea Fastigheter 0,7% 2020-02-21	108,000	107,779	0.9
Investment AB Latour 0,24% 2020-03-16	62,000	61,829	0.5
Landshypotek Bank FRN 2020-01-10	200,000	201,306	1.8
Lifco 0,355% 2019-12-06	138,000	137,808	1.2
Lifco 0,405% 2020-04-03	110,000	109,759	1.0
NIBE Industrier FRN 2019-06-09	78,000	78,175	0.7
Nya SFF 0,49% 2020-02-28	70,000	69,693	0.6
Nya SFF 0,53% 2020-09-07	100,000	99,197	0.9
Postnord FRN 2019-04-01	35,000	35,026	0.3
Rikshem FRN 2019-06-13	50,000	50,084	0.4
SBAB 0,0775% 2020-08-27	150,000	149,279	1.3
SCA FRN 2020-11-26	60,000	60,292	0.5
Scania 1,00% 2020-03-16	100,000	100,596	0.9
Scania CV 0,25% 2020-09-15	260,000	258,271	2.3
Scania FRN 2019-04-05	31,000	31,046	0.3
Skandiabanken 0,06% 2019-12-27	100,000	99,748	0.9
Skandiabanken 0,07 % 2020-02-28	100,000	99,685	0.9
Svensk Fastighetsfinansiering 0,345% 2019-09-25	87,000	86,783	0.8
Svensk Fastighetsfinansiering 0,365% 2019-11-20	222,000	221,261	1.9
Svensk Fastighetsfinansiering FRN 2020-03-09	30,000	30,023	0.3
Tele2 FRN 2019-03-19	31,000	31,025	0.3
Tele2 FRN 2020-11-30	150,000	150,341	1.3
Vacse FRN 2019-06-03	137,000	137,512	1.2
Vasakronan 0,095% 2020-03-02	40,000	39,852	0.3
Vasakronan 0,14% 2019-10-10	50,000	49,917	0.4
Vasakronan 0,24% 2019-05-16	50,000	49,993	0.4
Vasakronan RB 517 2019-07-31	25,000	25,006	0.2
Volvo Treasury 0,083% 2020-04-06	150,000	149,277	1.3
Volvo Treasury 0,18% 2020-08-24	200,000	198,742	1.7
Volvo Treasury 0,3% 2019-09-19	300,000	299,910	2.6
Wallenstam 0,48% 2020-06-05	82,000	81,455	0.7
Wallenstam 0,68% 2020-01-22	50,000	49,912	0.4
Willhem 0,109% 2020-05-27	100,000	99,506	0.9
		5,963,688	52.0
Total listed fixed-income securities		7,939,680	69.2
Total transferable securities		7,939,680	69.2

MONEY MARKET INSTRUMENTS**

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
CERTIFICATE			
Bonava 2019-01-28	100,000	99,985	0.9
Fabege 2019-08-16	100,000	99,815	0.9
Hexagon 2019-02-20	70,000	69,979	0.6
Hexagon 2019-04-03	75,000	74,952	0.7
Humlegården Fastigheter 2019-02-21	185,000	184,942	1.6
Humlegården Fastigheter 2019-02-22	70,000	69,977	0.6
Intea Fastigheter 2019-01-28	60,000	59,991	0.5
Intea Fastigheter 2019-02-28	70,000	69,974	0.6
Intea Fastigheter 2019-03-29	50,000	49,970	0.4
Kinnevik 2019-02-20	125,000	124,962	1.1
Loomis 2019-01-07	70,000	69,998	0.6
Loomis 2019-01-18	50,000	49,996	0.4
Loomis 2019-01-28	100,000	99,985	0.9
Olav Thon 2019-03-11	50,000	49,977	0.4
Olav Thon 2019-03-18	115,000	114,941	1.0
Olav Thon 2019-08-22	50,000	49,905	0.4
PostNord 2019-04-05	30,000	29,980	0.3
PostNord 2019-04-10	90,000	89,937	0.8
Trophé Fastighets 2019-02-04	150,000	149,970	1.3
Wallenstam 2019-01-08	80,000	79,998	0.7
Wallenstam 2019-03-06	50,000	49,979	0.4
Wallenstam 2019-04-29	30,000	29,974	0.3
Wallenstam 2019-07-09	90,000	89,864	0.8
Wallenstam 2019-08-13	20,000	19,964	0.2
Total certificate		1,879,014	16.4
Total money market instruments		1,879,014	16.4

EXCHANGE-TRADED DERIVATIVES**

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
INTEREST RATE FUTURES			
BTOH9	-200	0	0.0
Total interest rate futures		0	0.0
Total exchange-traded derivatives		0	0.0
Total holdings in financial instruments		9,818,694	85.6
Net, other assets and liabilities		1,658,375	14.5
Total fund capital		11,477,069	100.0

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

* Refers to transferable securities admitted to trading on a regulated market or equivalent market outside EEA, or are the subject of regular trading in other markets that are regulated and open to the general public. 69.2

** Refers to other financial instruments admitted to trading on a regulated market or equivalent market outside EEA, or are the subject of regular trading in other markets that are regulated and open to the general public and in the case of money market instruments or such money market instruments referred to in Chapter 5, §4 of the Swedish UCITS Funds Act (2004:46). 16.4

*** Refers to other financial instruments. -

Compilation, Company and Group exposure*

Company/Group	% of fund capital	Company/Group	% of fund capital
Nordea	6.7	HUMLEGÅRDEN FAS	2.2
Volvo	5.6	Lifco	2.2
Nya Svensk FastighetsFinansiering	4.5	Olav Thon Eien	2.2
Ikano Bank	3.6	Balder	1.9
Scania	3.5	Loomis	1.9
Wallenstam	3.5	Skandiabanken	1.8
Castellum	3.2	Tele2	1.6
LeasePlan	3.2	INTEA FASTIGHET	1.5
Fabege	3.1	PostNord	1.4
Hemsö	3.0	Vasakronan	1.3
Hexagon	2.5	Atrium Ljungberg	0.7
		Humlegården Fastigheter	0.7

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

Handelsbanken Institutionell Kortranta Criteria

Sustainability dimensions that are taken into consideration in the management of the fund

The fund manager integrates environmental, social and corporate governance criteria (ESG) into the investment process, together with financial criteria, to obtain a more complete basis for decision-making. As a result, the fund manager takes into consideration both risks and opportunities related to various ESG aspects.

Methods used in sustainability efforts

Inclusion

An in-depth analysis is conducted in preparation for each investment decision in which sustainability dimensions as well as economic aspects are factored into the analysis. We believe sustainability issues are particularly important for making sound investment decisions to generate good, long-term returns. We have access to external ESG analyses as a complement to our own analyses and knowledge of the companies. Fund managers analyse sustainability through the company's sustainability performance (HOW they conduct their business operations), as well as through WHAT the company offers for products and services. The sustainability analysis is documented as an integral component of the investment documentation and consists of both sustainability risks and opportunities.

The fund has invested in Castellum, one of Sweden's largest real estate companies with focus on commercial properties. The company's sustainability strategy governs its business operations, which are in line with the UN's Sustainable Development Goals (SDG) and shall minimise scope 1, 2 and 3 carbon dioxide emissions that contribute to global warming. Castellum's explicit sustainability efforts have made them the only Nordic real estate company and one of seven Swedish companies included in the Dow Jones Sustainability Index. Approximately 5% of the fund's total bond holdings were in green bonds at year-end.

Exclusion

In accordance with the Management Company's overall policy for responsible investment, all of the Management Company's funds exclude:

- companies involved in the production or distribution of banned weapons, such as cluster bombs, anti-personnel mines, biological and chemical weapons, in accordance with international legislation. Companies involved in the production or distribution of nuclear weapons are also excluded.
- companies with substantial business operations within coal mining or in power companies that have coal as a major source of energy.

The fund is managed based upon the Criteria exclusion strategy, which means an exclusion of companies/issuers in which the principle business operations are within controversial sectors such as alcohol, tobacco, commercial gaming, war materials, pornography, fossil fuels. The fund also excludes companies/issuers that are deemed to be violating international norms and conventions. This is followed-up by the Management Company's independent risk control function on a daily basis.

Management Company's engagement activities

A critical component in taking responsibility as an investor is to influence the companies in which we invest. Our engagement activities are founded on the value base of Handelsbanken and the Management Company, our commitments, as well as the international norms and conventions we safeguard. We conduct dialogues to encourage companies to improve their sustainability efforts, as well as with companies we deem do not fulfil the international norms and conventions we safeguard. We conduct the engagement activities primarily through:

- A. Targeted dialogues with direct contact between our fund managers and the company
 - B. Dialogues together with other investors/capital owners
 - C. Collaborations and sector initiatives, often through international collaborations such as the UN, PRI and CDP.
- A. The fund manager meets or has contact with companies on a regular basis, which provides a good opportunity to influence companies within sustainability. We hold dialogues with clear targets for change, but also dialogues that focus on an overall improvement to the company's sustainability efforts. Targets are identified for the direct dialogues and results are followed up regularly during the period of the dialogue. The targeted company dialogues are carried out by the fund manager directly with the company. The fund did not have any dialogues during the year.
 - B. The Management Company participates in dialogues with companies together with other investors through an external party (ISS ESG) in a so-called pooled engagement. The basis for these dialogues is a norm-based analysis that focuses primarily on companies with suspected or confirmed violations with regard to international norms and conventions within the environment, human rights, labour rights, and anti-corruption. The dialogue process consists of contact between ISS ESG and the company concerned, and in certain cases also includes meetings or telephone conferences in which we as an investor may participate. During 2018 the Management Company participated in 143 company dialogues.
 - C. During 2018 the Management Company participated in several international initiatives and collaborations with focus on specific sustainability matters. These initiatives are often thematic or focus on sustainability issues within a certain sector. Examples of initiatives we have participated in during the year include: Climate Action 100+, PRI Methane Engagement, PRI Sustainable Palm Oil, PRI Sustainable Soy, PRI Cyber Security and FAIRR Antibiotics Engagement. These initiatives include 336 companies in total.



Handelsbanken Kortrränta

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 benchmark index. The fund invests in interest-bearing securities issued by Swedish issuers in currencies within OECD. The average residual fixed interest duration for the fund's investments is a maximum of one year. The fund's assets may be invested in interest-bearing financial instruments with a minimum rating of BBB- from S&P or a corresponding rating of Baa3 from Moody's, i.e., Investment Grade. The fund may also invest in securities that lack an official credit rating that we deem have an equivalent credit quality. Within the context of the fund's investment focus, international norms 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

The fund fell 0.2% between November 9 and December 31, 2018*. The portfolio texts refers to the full year and largely reflects merger of Handelsbanken Funds Swedish Short Term Asset with the newly-launched fund in November.

The central banks began to withdraw stimulus during the year. The U.S. central bank raised interest rates four times and reduced the balance sheet. The Riksbank also hiked rates and the ECB terminated bond-buying at year-end. This led to rising short-term rates worldwide, and in the U.S. the long-term rate has also risen. The rising short-term rates in Sweden led the fund to decrease its fixed income duration by increasing the proportion of FRN bonds, as well as through derivatives. Credit spreads widened in the European market at the beginning of the year without impacting the Swedish market in any significant manner. Corresponding movements in the Swedish credit market were first seen during the autumn. Increased concerns in the financial markets increased demand on short-term corporate bonds during H2, which resulted in a less negative effect on shorter durations relative to longer durations.

Despite this, the fund increased the proportion of real estate and cash during H2 to lower the impact of widening credit spreads and to increase liquidity in the fund.

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

Significant risks

As of the balance sheet date or any other time during the year, fund holdings did not have exposure to any other significant risks than those stated in the fact sheet and information brochure.

Trading with derivatives

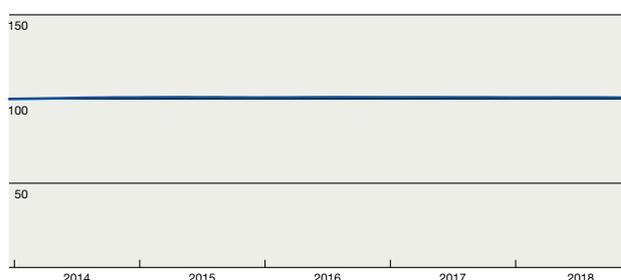
According to the fund rules, the fund may trade with derivatives as part of its investment focus. The fund used this option to a limited extent during 2018. The fund has the option of lending securities. The fund did not use this option during 2018. The fund may use other techniques and instruments. The fund did not use this option during 2018.

Information

The fund's historical performance prior to the launch date is attributed to the merger between Handelsbanken Funds Swedish Short Term Assets (Luxemburg) and Handelsbanken Kortrränta (Sweden) that occurred on November 9, 2018.

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

Fund Performance*



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

Fund Facts - History

	9/11-31/12 2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Net asset value, SEK										
Kortrränta A1	144.22	-	-	-	-	-	-	-	-	-
Kortrränta A9	145.50	-	-	-	-	-	-	-	-	-
Kortrränta A10	144.34	-	-	-	-	-	-	-	-	-
The fund's total net flow, mSEK	123	-	-	-	-	-	-	-	-	-
Fund capital total, mSEK	14,299	-	-	-	-	-	-	-	-	-
Kortrränta A1	13,340	-	-	-	-	-	-	-	-	-
Kortrränta A9	900	-	-	-	-	-	-	-	-	-
Kortrränta A10	60	-	-	-	-	-	-	-	-	-
Number of units, 1000's	99,094	-	-	-	-	-	-	-	-	-
Kortrränta A1	92,496	-	-	-	-	-	-	-	-	-
Kortrränta A9	6,184	-	-	-	-	-	-	-	-	-
Kortrränta A10	414	-	-	-	-	-	-	-	-	-
Total returns in %, SEK										
Kortrränta A1	-0.2	-0.1	+0.1	0.0	+0.9	+1.3	+2.6	+2.4	+0.4	+0.4
Kortrränta A9	-0.1	-0.1	+0.2	0.0	+1.1	+1.4	+2.8	-	-	-
Kortrränta A10	-0.1	0.0	+0.2	0.0	+1.2	+1.6	+3.0	+2.7	+0.8	+0.8
Index including dividends in %, SEK										
Kortrränta A1	-0.8	-0.8	-0.7	-0.3	+0.5	+0.9	+1.2	+1.6	+0.3	+0.3
Kortrränta A9	-0.8	-0.8	-0.7	-0.3	+0.5	+0.9	+1.2	-	-	-
Kortrränta A10	-0.8	-0.8	-0.7	-0.3	+0.5	+0.9	+1.2	+1.6	+0.3	+0.3
Average yearly return, 2 yrs. %										
Kortrränta A1	-0.1	0.0	0.0	+0.4	+1.1	+2.0	+2.5	+1.4	+1.0	+2.1
Kortrränta A9	-0.1	+0.1	+0.1	+0.6	+1.3	+2.1	-	-	-	-
Kortrränta A10	-0.1	+0.1	+0.1	+0.6	+1.4	+2.3	+2.8	+1.7	+1.5	+2.5
Comparison to index including dividends, %	-0.8	-0.7	-0.5	+0.1	+0.7	+1.0	+1.4	+1.0	+0.4	+2.5

Handelsbanken Kortrånta, cont.

	9/11-31/12 2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Average yearly return, 5 yrs. %										
Kortrånta A1	+0.1	+0.4	+1.0	+1.4	+1.5	+1.7	+1.9	+1.9	+1.8	+2.0
Kortrånta A9	+0.2	+0.5	+1.1	-	-	-	-	-	-	-
Kortrånta A10	+0.3	+0.6	+1.2	+1.7	+1.8	+2.0	+2.3	+2.3	+2.2	+2.5
Comparison to index including dividends, %	-0.4	-0.1	+0.3	+0.8	+0.9	+0.9	+1.6	+2.1	+2.2	+2.5
Average yearly return, 10 yrs. %										
Kortrånta A1	+0.9	+1.2	+1.4	+1.6	+1.8	+1.9	+2.0	+2.2	+2.3	+2.6
Kortrånta A10	+1.1	+1.4	+1.7	+2.0	+2.2	+2.3	+2.5	+2.6	+2.8	+3.1
Comparison to index including dividends, %	+0.2	+0.8	+1.2	+1.5	+1.7	+1.9	+2.2	+2.5	+2.8	+3.2

Relevant benchmark is not available.

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

Refer to the last page for definitions.

Fund Facts - Costs

Max. allowed mgmt. costs in % according to fund rules	
Kortrånta A1	0.15
Kortrånta A9	0.08
Kortrånta A10	0.05
Collected mgmt. costs in % of average fund capital	
Kortrånta A1	0.15
Kortrånta A9	0.08
Kortrånta A10	0.05
Annual fees in %	
Kortrånta A1	0.15
Kortrånta A9	0.08
Kortrånta A10	0.05
Transaction costs, tSEK	7
Transaction costs in % of turnover	0.00
Costs in SEK for a one-time subscription, 10 000 SEK	
Kortrånta A1	-
Kortrånta A9	-
Kortrånta A10	-
Costs in SEK for monthly savings, 100 SEK	
Kortrånta A1	-
Kortrånta A9	-
Kortrånta A10	-

Fund Facts - Other Key Figures

Turnover rate	0.0
Share of turnover conducted via closely-related securities companies in %	32.6

Risk and Return Measurements*

Total risk % - A1 SEK	0.1	Active return % - A10 SEK	0.7
Total risk % - A9 SEK	0.1	Information ratio - A1 SEK	6.6
Total risk % - A10 SEK	0.1	Information ratio - A9 SEK	7.3
Total risk in index % - A1 SEK	0.0	Information ratio - A10 SEK	7.5
Total risk in index % - A9 SEK	0.0	Sharpe ratio - A1 SEK	6.6
Total risk in index % - A10 SEK	0.0	Sharpe ratio - A9 SEK	7.2
Tracking error % - A1 SEK	0.1	Sharpe ratio - A10 SEK	7.5
Tracking error % - A9 SEK	0.1	Sharpe ratio in index - A1 SEK	-0.2
Tracking error % - A10 SEK	0.1	Sharpe ratio in index - A9 SEK	-0.2
Active return % - A1 SEK	0.7	Sharpe ratio in index - A10 SEK	-0.2
Active return % - A9 SEK	0.7	Duration, months ¹⁾	6.9

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, tSEK

	9/11-31/12 2018	2017
INCOME AND CHANGES IN VALUE		
Changes in value for transferable securities	-52,422	-
Changes in value for other derivative instruments **	-192	-
Interest income	38,247	-
Currency exchange profits and losses, net	0	-
Total income and changes in value	-14,367	
EXPENSES		
Management costs:		
- Remuneration to the Management Company	2,926	-
Interest expense	0	-
Other expenses	7	-
Total expenses	2,933	
Net income	-17,300	
* Details of changes in value		
Capital gains	224	
Capital losses	-10,693	
Unrealised gains/losses	-41,953	
Sum	-52,422	
** Details of changes in value		
Capital gains	899	
Capital losses	-1,090	
Sum	-192	

Balance Sheet, tSEK

	31 dec 2018	% of fund capital	31 dec 2017	% of fund capital
ASSETS				
Transferable securities	10,162,632	71.1		
Money market instruments	1,919,440	13.4		
Total financial instruments with positive market value ^{Note 2)}	12,082,072	84.5		
Bank assets and other liquid assets	2,181,810	15.3		
Prepaid expenses and accrued income	37,228	0.3		
Other assets	136	-0.1		
Total assets	14,301,246	100.0		
LIABILITIES				
Accrued expenses and prepaid income	1,749	0.0		
Other liabilities	77	0.0		
Total liabilities	1,826	0.0		
Fund capital ^{Note 1)}	14,299,420	100.0		
Other derivative instruments with negative market value	4,726	0.0		

Note 1) for Balance Sheet

Changes in fund capital, tSEK

	2018	2017
Fund capital at beginning of year	-	-
Units issued	14,770,825	-
Units redeemed	-454,105	-
Profit according to Income Statement	-17,300	-
Dividends to unit holders	-	-
Fund capital at the close of the period	14,299,420	

Note 2) for Balance Sheet

Fund holdings in financial instruments

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
TRANSFERABLE SECURITIES*			
LISTED FIXED-INCOME SECURITIES			
MORTGAGE			
Länsförsäkringar Hypotek 513 3,25% 2020-09-16	200,000	211,104	1.5
Nordea Hypotek 5521 3,25% 2020-06-17	350,000	366,982	2.6
Stadshypotek 1582 2,50% 2019-09-18	300,000	305,847	2.1
Stadshypotek 1583 4,25% 2020-06-17	350,000	372,082	2.6
Stadshypotek 1584 1,50% 2021-03-17	400,000	412,284	2.9
Swedbank Hypotek 189 1,00% 2020-12-16	300,000	305,616	2.1
		1,973,915	13.8
OTHER			
Atrium Ljungberg 0,2% 2019-06-12	76,000	75,846	0.5
Atrium Ljungberg 0,365% 2020-01-29	50,000	49,744	0.3
Balder 0,25% 2019-11-22	300,000	298,665	2.1
Castellum 0,37% 2019-09-05	100,000	99,778	0.7
Castellum FRN 2019-03-06	100,000	99,994	0.7
Castellum FRN 2019-04-12	150,000	150,033	1.0
Fabege 0,385% 2020-04-09	100,000	99,407	0.7
Fabege FRN 2020-04-09	100,000	99,824	0.7
Heimstaden Bostad FRN 2020-12-07	225,000	225,250	1.6
Hemsö 0,147% 2020-06-29	200,000	198,984	1.4
Hemsö 0,182% 2019-08-28	150,000	149,850	1.0
Hemsö 0,217% 2019-01-25	150,000	150,017	1.0
Hemsö Fastighets AB	100,000	99,736	0.7
Hexagon FRN 2019-03-10	176,000	176,048	1.2
Humlegården FRN 2020-11-27	88,000	87,465	0.6
Husqvarna FRN 2019-05-03	50,000	50,117	0.4
ICA Gruppen FRN 2019-06-17	100,000	100,351	0.7
Ikano Bank 0,397% 2020-01-22	150,000	149,757	1.0
Ikano Bank 0,72% 2020-06-12	50,000	50,045	0.3
Ikano Bank FRN 2019-06-12	100,000	100,028	0.7
Intea Fastigheter 0,7% 2020-02-21	110,000	109,775	0.8
Investment AB Latour 0,24% 2020-03-16	78,000	77,785	0.5
Landshypotek 0,08% 2020-01-10	100,000	99,778	0.7
Landshypotek Bank 0,135% 2020-01-30	200,000	199,636	1.4
LANSBK FRN 2019-09-02	60,000	60,261	0.4
Lifco 0,355% 2019-12-06	70,000	69,903	0.5
Lifco 0,405% 2020-04-03	50,000	49,891	0.3
NIBE Industrier FRN 2019-06-09	120,000	120,269	0.8
Nibe Industrier RB 102 2020-05-28	99,000	99,708	0.7

Handelsbanken Kortrånta, cont.

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
Nya SFF 0,50% 2019-02-06	50,000	50,002	0.3
Nya SFF FRN 2020-12-03	150,000	149,103	1.0
Postnord FRN 2019-04-01	60,000	60,044	0.4
Rikshem 0,155% 2019-09-13	200,000	199,720	1.4
Rikshem FRN 2019-06-13	100,000	100,167	0.7
SBAB 0,0775% 2020-08-27	250,000	248,798	1.7
SBAB FRN 2020-04-22	72,000	72,148	0.5
SCA FRN 2020-11-26	60,000	60,292	0.4
Scania 1,00% 2020-03-16	75,000	75,447	0.5
SEB Bolån 572 3,00% 2019-06-19	300,000	304,578	2.1
Skandiabanken 0.07 % 2020-02-28	100,000	99,685	0.7
Skandiabanken 0.35% 2020-05-26	210,000	209,893	1.5
Svensk Fastighetsfinansiering 0,465% 2020-05-31	58,000	57,631	0.4
Svensk Fastighetsfinansiering 0,345% 2019-09-25	130,000	129,676	0.9
Svensk Fastighetsfinansiering 0,365% 2019-11-20	162,000	161,461	1.1
Swedavia 0,075% 2020-03-06	150,000	149,529	1.0
Tele2 FRN 2020-11-30	250,000	250,568	1.8
Vacse FRN 2019-06-03	68,000	68,254	0.5
Vasakronan 0,095% 2020-03-02	200,000	199,262	1.4
Vasakronan 0,105% 2019-12-27	300,000	299,094	2.1
Vasakronan 0,255% 2019-01-24	200,000	200,032	1.4
Volvo Treasury 0,083% 2020-04-06	200,000	199,036	1.4
Volvo Treasury 0,18% 2020-08-24	200,000	198,742	1.4
Volvo Treasury 0,3% 2019-09-19	500,000	499,850	3.5
Wallenstam 0,48% 2020-06-05	100,000	99,335	0.7
Wallenstam 0,68% 2020-01-22	175,000	174,692	1.2
Willhem 0,109% 2020-05-27	150,000	149,259	1.0
Willhem 0,183% 2020-01-22	250,000	249,345	1.7
WILIHEM FRN 2019-06-17	75,000	75,136	0.5
		8,188,717	57.3
Total listed fixed-income securities		10,162,632	71.1
Total transferable securities		10,162,632	71.1

MONEY MARKET INSTRUMENTS**

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
CERTIFICATE			
Balder 2019-04-11	25,000	24,982	0.2
BALDER DI FC 2019-02-04	125,000	124,967	0.9
Castellum 2019-04-11	75,000	74,947	0.5
Hexagon 2019-01-18	150,000	149,988	1.0
Hexagon 2019-02-20	150,000	149,954	1.0
Humlegården Fastigheter 2019-02-19	185,000	184,945	1.3
Humlegården Fastigheter 2019-03-25	50,000	49,971	0.3
Ikanobank 2019-07-24	100,000	100,151	0.7
Indutrade 2019-05-07	90,000	89,916	0.6
Intea Fastigheter 2019-01-28	40,000	39,994	0.3
Intea Fastigheter 2019-02-28	70,000	69,974	0.5
Kinnevik 2019-02-20	125,000	124,962	0.9
Loomis 2019-01-18	125,000	124,990	0.9
Loomis 2019-01-21	100,000	99,990	0.7
NCC Treasury DI FC 2019-01-21	100,000	99,990	0.7
PostNord 2019-04-05	30,000	29,980	0.2
PostNord 2019-04-10	30,000	29,979	0.2
Trophi Fastighets 2019-02-04	50,000	49,990	0.3
Wallenstam 2019-01-08	50,000	49,999	0.3
Wallenstam 2019-03-06	50,000	49,979	0.3
Wallenstam 2019-05-16	150,000	149,849	1.0
Wallenstam 2019-05-29	50,000	49,944	0.3
Total certificate		1,919,440	13.4
Total money market instruments		1,919,440	13.4

EXCHANGE-TRADED DERIVATIVES**

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
INTEREST RATE FUTURES			
BTOH9	-250	0	0.0
Total interest rate futures		0	0.0
Total exchange-traded derivatives		0	0.0
Total holdings in financial instruments		12,082,072	84.5
Net, other assets and liabilities		2,217,348	15.5
Total fund capital		14,299,420	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. 71.1

** 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). 13.4

*** Refers to other financial instruments. -

Compilation, Company and Group exposure*

Company/Group	% of fund capital	Company/Group	% of fund capital
Handelsbanken	7.6	Castellum	2.9
Volvo	6.3	SBAB	2.2
Vasakronan	4.9	Skandiabanken	2.2
Hemsö	4.1	Landshypotek	2.1
Wallenstam	3.8	Rikshem	2.1
Nya Svensk FastighetsFinansiering	3.7	Ikanobank	2.0
Balder	3.2	Länsförsäkringar	1.9
Hexagon	3.2	HUMLEGÅRDEN FAS	1.6
Willhem	3.2	Loomis	1.6

Company/Group	% of fund capital	Company/Group	% of fund capital
Nibe Industrier	1.5	Lifco	0.8
Fabege	1.4	PostNord	0.8
Atrium Ljungberg	0.8		
INTEA FASTIGHET	0.8		

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

Handelsbanken Kortränta*

* Sustainability data is reported for the full-year 2018. During 2018 the fund took over the historical data of Handelsbanken Funds Swedish Short Term Asset after a cross-border merger with Handelsbanken Kortränta.

Sustainability dimensions that are taken into consideration in the management of the fund

The fund manager integrates environmental, social and corporate governance criteria (ESG) into the investment process, together with financial criteria, to obtain a more complete basis for decision-making. As a result, the fund manager takes into consideration both risks and opportunities related to various ESG aspects.

Methods used in sustainability efforts

Inclusion

An in-depth analysis is conducted in preparation for each investment decision in which sustainability dimensions as well as economic aspects are factored into the analysis. We believe sustainability issues are particularly important for making sound investment decisions to generate good, long-term returns. We have access to external ESG analyses as a complement to our own analyses and knowledge of the companies. Fund managers analyse sustainability through the company's sustainability performance (HOW they conduct their business operations), as well as through WHAT the company offers for products and services. The sustainability analysis is documented as an integral component of the investment documentation and consists of both sustainability risks and opportunities.

The fund has invested in Castellum, one of Sweden's largest real estate companies with focus on commercial properties. The company's sustainability strategy governs its business operations, which are in line with the UN's Sustainable Development Goals (SDG) and shall minimise scope 1, 2 and 3 carbon dioxide emissions that contribute to global warming. Castellum's explicit sustainability efforts have made them the only Nordic real estate company and one of seven Swedish companies included in the Dow Jones Sustainability Index. Approximately 2% of the fund's total bond holdings were in green bonds at year-end.

Exclusion

In accordance with the Management Company's overall policy for responsible investment, all of the Management Company's funds exclude:

- companies involved in the production or distribution of banned weapons, such as cluster bombs, anti-personnel mines, biological and chemical weapons, in accordance with international legislation. Companies involved in the production or distribution of nuclear weapons are also excluded.
- companies with substantial business operations within coal mining or in power companies that have coal as a major source of energy.

The fund is managed based upon the Criteria exclusion strategy, which means an exclusion of companies/issuers in which the principle business operations are within controversial sectors such as alcohol, tobacco, commercial gaming, war materials, pornography, fossil fuels. The fund also excludes companies/issuers that are deemed to be violating international norms and conventions. This is followed-up by the Management Company's independent risk control function on a daily basis.

Management Company's engagement activities

A critical component in taking responsibility as an investor is to influence the companies in which we invest. Our engagement activities are founded on the value base of Handelsbanken and the Management Company, our commitments, as well as the international norms and conventions we safeguard. We conduct dialogues to encourage companies to improve their sustainability efforts, as well as with companies we deem do not fulfil the international norms and conventions we safeguard. We conduct the engagement activities primarily through:

- A. Targeted dialogues with direct contact between our fund managers and the company
 - B. Dialogues together with other investors/capital owners
 - C. Collaborations and sector initiatives, often through international collaborations such as the UN, PRI and CDP.
- A. The fund manager meets or has contact with companies on a regular basis, which provides a good opportunity to influence companies within sustainability. We hold dialogues with clear targets for change, but also dialogues that focus on an overall improvement to the company's sustainability efforts. Targets are identified for the direct dialogues and results are followed up regularly during the period of the dialogue. The targeted company dialogues are carried out by the fund manager directly with the company. The fund did not have any dialogues during the year.
 - B. The Management Company participates in dialogues with companies together with other investors through an external party (ISS ESG) in a so-called pooled engagement. The basis for these dialogues is a norm-based analysis that focuses primarily on companies with suspected or confirmed violations with regard to international norms and conventions within the environment, human rights, labour rights, and anti-corruption. The dialogue process consists of contact between ISS ESG and the company concerned, and in certain cases also includes meetings or telephone conferences in which we as an investor may participate. During 2018 the Management Company participated in 143 company dialogues.
 - C. During 2018 the Management Company participated in several international initiatives and collaborations with focus on specific sustainability matters. These initiatives are often thematic or focus on sustainability issues within a certain sector. Examples of initiatives we have participated in during the year include: Climate Action 100+, PRI Methane Engagement, PRI Sustainable Palm Oil, PRI Sustainable Soy, PRI Cyber Security and FAIRR Antibiotics Engagement. These initiatives include 336 companies in total.



Handelsbanken Kortränta 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 benchmark index. The fund invests in interest-bearing securities denominated in SEK issued by states and companies. These shall have a minimum credit rating of BBB- (Investment Grade) according to Standard & Poor's or Baa3 according to Moody's rating scale. The fund may also invest in securities that lack an official credit rating that we deem have an equivalent credit quality. The fund invests in a larger or smaller portion of interest-bearing securities issued by companies depending on the state of the market. Within the context of the fund's investment focus, international norms 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

The fund fell 0.2% during the full year 2018*. The central banks began to withdraw stimulus during the year. The U.S. central bank raised interest rates four times and reduced the balance sheet. The Riksbank also raised rates and the ECB terminated its bond-buying at year-end. This led to rising short-term rates worldwide, and in the U.S. the long-term rate has also risen. The rising short-term rates in Sweden led the fund to decrease its fixed income duration by increasing the proportion of FRN bonds, as well as through derivatives. Credit spreads widened in the European market at the beginning of the year without impacting the Swedish market in any significant manner. Corresponding movements in the Swedish credit market were first seen during the autumn. Increased concerns in the financial markets increased demand on short-term corporate bonds

during H2, which resulted in a less negative effect on shorter durations relative to longer durations. Despite this, the fund increased the proportion of real estate and cash during H2 to lower the impact of widening credit spreads and to increase liquidity in the fund.

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

Significant risks

As of the balance sheet date or any other time during the year, fund holdings did not have exposure to any other significant risks than those stated in the fact sheet and information brochure.

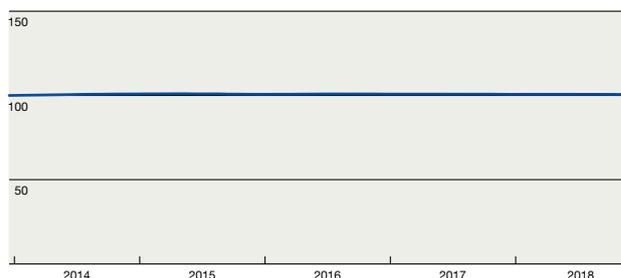
Trading with derivatives

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 during 2018. The fund has the option of lending securities. The fund did not use this option during 2018. The fund may use other techniques and instruments. The fund did not use this option during 2018.

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

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Net asset value, SEK										
Kortränta Criteria A1	104.16	104.32	104.48	104.34	104.52	103.59	102.32	99.92	99.24	99.36
Kortränta Criteria A10	104.24	-	-	-	-	-	-	-	-	-
Kortränta Criteria B1	95.77	95.92	97.03	97.88	99.54	100.15	100.68	-	-	-
Kortränta Criteria B10	95.84	-	-	-	-	-	-	-	-	-
The fund's total net flow, mSEK	817	-9,007	-1,224	9,550	4,102	5,056	1,129	-	-	-
Fund capital total, mSEK	23,057	22,272	31,428	32,649	23,181	18,878	13,636	12,189	8,069	5,857
Kortränta Criteria A1	14,936	13,798	18,755	29,290	21,393	17,748	12,923	12,189	8,069	5,857
Kortränta Criteria A10	398	-	-	-	-	-	-	-	-	-
Kortränta Criteria B1	7,369	8,474	12,673	3,359	1,788	1,130	713	-	-	-
Kortränta Criteria B10	354	-	-	-	-	-	-	-	-	-
Number of units, 1000's	227,855	220,607	310,103	315,026	222,633	182,603	133,382	121,996	81,300	58,949
Kortränta Criteria A1	143,393	132,264	179,499	280,711	204,671	171,325	126,298	121,996	81,300	58,949
Kortränta Criteria A10	3,821	-	-	-	-	-	-	-	-	-
Kortränta Criteria B1	76,951	88,343	130,604	34,315	17,962	11,278	7,084	-	-	-
Kortränta Criteria B10	3,690	-	-	-	-	-	-	-	-	-
Total returns in %, SEK										
Kortränta Criteria A1	-0.2	-0.2	+0.1	-0.2	+0.9	+1.2	+2.7	+2.3	+0.5	+1.9
Kortränta Criteria A10	-0.1	-	-	-	-	-	-	-	-	-
Kortränta Criteria B1	-0.2	-0.2	+0.1	-0.2	+0.9	+1.2	+0.2	-	-	-
Kortränta Criteria B10	-0.1	-	-	-	-	-	-	-	-	-
Index including dividends in %, SEK										
Kortränta Criteria A1	-0.8	-0.8	-0.7	-0.3	+0.5	+0.9	+1.2	+1.6	+0.3	+0.4
Kortränta Criteria A10	-0.8	-	-	-	-	-	-	-	-	-
Kortränta Criteria B1	-0.8	-0.8	-0.7	-0.3	+0.5	+0.9	+0.1	-	-	-
Kortränta Criteria B10	-0.8	-	-	-	-	-	-	-	-	-
Average yearly return, 2 yrs. %										
Kortränta Criteria A1	-0.2	0.0	0.0	+0.4	+1.1	+1.9	+2.5	+1.4	+1.2	+2.2
Kortränta Criteria A10	-0.1	-	-	-	-	-	-	-	-	-
Kortränta Criteria B1	-0.2	0.0	0.0	+0.4	+1.1	-	-	-	-	-
Kortränta Criteria B10	-0.1	-	-	-	-	-	-	-	-	-
Comparison to index including dividends, %	-0.8	-0.7	-0.5	+0.1	+0.7	+1.0	+1.4	+1.0	+0.4	+2.5

Handelsbanken Kortranta Criteria, cont.

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Average yearly return, 5 yrs. %										
Kortranta Criteria A1	+0.1	+0.4	+0.9	+1.4	+1.5	+1.7	+2.0	+2.0	+1.9	+2.1
Kortranta Criteria A10	+0.3	-	-	-	-	-	-	-	-	-
Kortranta Criteria B1	+0.1	+0.4	-	-	-	-	-	-	-	-
Kortranta Criteria B10	+0.3	-	-	-	-	-	-	-	-	-
Comparison to index including dividends, %	-0.4	-0.1	+0.3	+0.8	+0.9	+0.9	+1.6	+2.1	+2.2	+2.5
Average yearly return, 10 yrs. %										
Kortranta Criteria A1	+0.9	+1.2	+1.5	+1.6	+1.8	+1.9	+2.1	+2.2	+2.4	+2.7
Kortranta Criteria A10	+1.2	-	-	-	-	-	-	-	-	-
Kortranta Criteria B10	+1.2	-	-	-	-	-	-	-	-	-
Comparison to index including dividends, %	+0.2	+0.8	+1.2	+1.5	+1.7	+1.9	+2.2	+2.5	+2.8	+3.2
Dividends per unit, SEK										
Kortranta Criteria A1	-	-	-	-	-	-	0.25	1.59	0.56	1.85
Kortranta Criteria B1	0.00	0.97	0.98	1.49	1.50	1.76	1.64	-	-	-
Kortranta Criteria B10	0.00	-	-	-	-	-	-	-	-	-

Benchmark: OMRX Treasury Bill Index

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

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

Refer to the last page for definitions.

Fund Facts - Costs

Max. allowed mgmt. costs in % according to fund rules	
Kortranta Criteria A1	0.15
Kortranta Criteria A10	0.05
Kortranta Criteria B1	0.15
Kortranta Criteria B10	0.05
Collected mgmt. costs in % of average fund capital	
Kortranta Criteria A1	0.15
Kortranta Criteria A10	0.05
Kortranta Criteria B1	0.15
Kortranta Criteria B10	0.05
Annual fees in %	
Kortranta Criteria A1	0.15
Kortranta Criteria A10	0.05
Kortranta Criteria B1	0.15
Kortranta Criteria B10	0.05
Transaction costs, tSEK	8
Transaction costs in % of turnover	0.00
Costs in SEK for a one-time subscription, 10 000 SEK	
Kortranta Criteria A1	15.00
Kortranta Criteria A10	-
Kortranta Criteria B1	15.00
Kortranta Criteria B10	-
Costs in SEK for monthly savings, 100 SEK	
Kortranta Criteria A1	0.98
Kortranta Criteria A10	-
Kortranta Criteria B1	0.98
Kortranta Criteria B10	-

Fund Facts - Other Key Figures

Turnover rate	0.8
Share of turnover conducted via closely-related securities companies in %	16.1

Risk and Return Measurements*

Total risk % - A1 SEK	0.1	Active return % - B10 SEK	0.7
Total risk % - A10 SEK	0.1	Information ratio - A1 SEK	7.6
Total risk % - B1 SEK	0.1	Information ratio - A10 SEK	8.8
Total risk % - B10 SEK	0.1	Information ratio - B1 SEK	7.6
Total risk in index % - A1 SEK	0.0	Information ratio - B10 SEK	8.8
Total risk in index % - A10 SEK	0.0	Sharpe ratio - A1 SEK	7.4
Total risk in index % - B1 SEK	0.0	Sharpe ratio - A10 SEK	8.7
Total risk in index % - B10 SEK	0.0	Sharpe ratio - B1 SEK	7.5
Tracking error % - A1 SEK	0.1	Sharpe ratio - B10 SEK	8.7
Tracking error % - A10 SEK	0.1	Sharpe ratio in index - A1 SEK	-0.2
Tracking error % - B1 SEK	0.1	Sharpe ratio in index - A10 SEK	-0.2
Tracking error % - B10 SEK	0.1	Sharpe ratio in index - B1 SEK	-0.2
Benchmark OMRX Treasury Bill Index		Sharpe ratio in index - B10 SEK	-0.2
Active return % - A1 SEK	0.6	Duration, months ¹⁾	6.9
Active return % - A10 SEK	0.7		
Active return % - B1 SEK	0.6		

1) As of the balance sheet date.

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

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

Income Statement, tSEK

	2018	2017
INCOME AND CHANGES IN VALUE		
Changes in value for transferable securities	-104,841	-234,675
Changes in value for other derivative instruments ^{**}	-230	-
Interest income	103,185	237,602
Other income	0	0
Total income and changes in value	-1,886	2,927
EXPENSES		
Management costs:		
- Remuneration to the Management Company	30,405	40,508
Interest expense	6	11
Other expenses	8	-
Total expenses	30,419	40,519
Net income	-32,305	-37,592
* Details of changes in value		
Capital gains	1,894	3,321
Capital losses	-208,359	-340,186
Unrealised gains/losses	101,624	102,190
Sum	-104,841	-234,675
** Details of changes in value		
Capital gains	1,078	-
Capital losses	-1,308	-
Sum	-230	-

Balance Sheet, tSEK

	31 dec 2018	% of fund capital	31 dec 2017	% of fund capital
ASSETS				
Transferable securities	16,392,447	71.1	16,225,550	72.9
Money market instruments	2,669,004	11.6	3,767,310	16.9
Total financial instruments with positive market value ^{Note 2)}	19,061,451	82.7	19,992,860	89.8
Bank assets and other liquid assets	4,017,879	17.4	1,753,987	7.9
Prepaid expenses and accrued income	61,681	0.3	75,830	0.3
Other assets	-	-	450,715	2.0
Total assets	23,141,011	100.4	22,273,392	100.0
LIABILITIES				
Accrued expenses and prepaid income	2,767	0.0	1,512	0.0
Other liabilities	81,279	0.4	-	-
Total liabilities	84,046	0.4	1,512	0.0
Fund capital ^{Note 1)}	23,056,965	100.0	22,271,880	100.0
Other derivative instruments with negative market value	5,672	0.0	-	-

Note 1) for Balance Sheet

Changes in fund capital, tSEK

	2018	2017
Fund capital at beginning of year	22,271,880	31,427,758
Units issued	12,902,011	14,765,283
Units redeemed	-12,084,621	-23,757,125
Profit according to Income Statement	-32,305	-37,592
Dividends to unit holders	-	-126,444
Fund capital at the close of the period	23,056,965	22,271,880

Handelsbanken Kortrånta 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
LISTED FIXED-INCOME SECURITIES			
FOREIGN ISSUER, OTHERS			
Arla Foods Finance FRN 2019-05-28	78,000	78,182	0.3
LeasePlan 0,08% 2026-06-26	100,000	99,660	0.4
LeasePlan 0,127% 2019-07-05	300,000	299,088	1.3
LeasePlan 0,16% 2019-07-11	150,000	149,585	0.6
LeasePlan Corp 1,00% 2019-04-05	50,000	50,039	0.2
LeasePlan FRN 2019-01-15	225,000	225,018	1.0
Nordea Bank 0,04% 2020-05-15	400,000	398,540	1.7
Olav Thon Eien 0,395% 2019-09-06	102,000	101,788	0.4
		1,401,899	6.1
MORTGAGE			
Länsförsäkringar Hypotek 513 3,25% 2020-09-16	400,000	422,208	1.8
Nordea Hypotek 5521 3,25% 2020-06-17	500,000	524,260	2.3
Nordea Hypotek 5532 1,25% 2021-05-19	400,000	410,492	1.8
SCBV 4,00% 2019-09-18	200,000	206,028	0.9
Stadshypotek 1582 2,50% 2019-09-18	200,000	203,898	0.9
Stadshypotek 1583 4,25% 2020-06-17	500,000	531,545	2.3
Stadshypotek 1584 1,50% 2021-03-17	400,000	412,284	1.8
Swedbank Hypotek 189 1,00% 2020-12-16	300,000	305,616	1.3
Swedbank Hypotek 190 1,00% 2021-09-15	250,000	255,243	1.1
		3,271,574	14.2
OTHER			
Atrium Ljungberg 0,2% 2019-06-12	17,000	16,965	0.1
Atrium Ljungberg 0,365% 2020-01-29	50,000	49,744	0.2
Atrium Ljungberg FRN 2019-03-19	54,000	54,057	0.2
Balder FRN 2019-03-12	35,000	35,053	0.2
Castellum 0,37% 2019-09-05	200,000	199,556	0.9
Castellum FRN 2019-03-06	300,000	299,982	1.3
Castellum FRN 2019-04-12	210,000	210,046	0.9
Fabege 0,385% 2020-04-09	90,000	89,466	0.4
Fabege FRN 2019-09-16	15,000	15,040	0.1
Fabege FRN 2020-04-09	100,000	99,824	0.4
Heimstaden Bostad FRN 2020-12-07	236,000	236,262	1.0
Hemsö 0,147% 2020-06-29	100,000	99,492	0.4
Hemsö 0,182% 2019-08-28	200,000	199,800	0.9
Hemsö 0,217% 2019-01-25	200,000	200,022	0.9
Hemsö Fastighets AB	200,000	199,472	0.9
Hexagon FRN 2019-03-10	277,000	277,075	1.2
Humlegården FRN 2020-11-27	86,000	85,477	0.4
ICA Gruppen FRN 2019-06-17	270,000	270,948	1.2
Ikano Bank 0,397% 2020-01-22	225,000	224,636	1.0
Ikano Bank 0,72% 2020-06-12	50,000	50,045	0.2
Ikano Bank FRN 2019-06-12	150,000	150,042	0.7
Intea Fastigheter 0,7% 2020-02-21	170,000	169,652	0.7
Investment AB Latour 0,24% 2020-03-16	94,000	93,741	0.4
Landshypotek 0,08% 2020-01-10	250,000	249,445	1.1
Landshypotek AB FRN 220915 COV	350,000	359,741	1.6
Landshypotek Bank 0,135% 2020-01-30	100,000	99,818	0.4
Länsförsäkringar 0,0825% 2019-01-30	393,000	393,028	1.7
Länsförsäkringar 1,00% 2020-02-03	410,000	413,075	1.8
Lifco 0,355% 2019-12-06	139,000	138,807	0.6
Lifco 0,405% 2020-04-03	68,000	67,851	0.3
Loomis FRN 2019-12-18	75,000	75,534	0.3
Lundbergs 3,05% 2019-03-20	124,000	124,759	0.5
NIBE Industrier FRN 2019-06-09	145,000	145,325	0.6
Nibe Industrier RB 102 2020-05-28	50,000	50,358	0.2
Nya SFF 0,49% 2020-02-28	34,000	33,851	0.1
Nya SFF 0,50% 2019-02-06	50,000	50,002	0.2
Nya SFF 0,53% 2020-09-07	100,000	99,197	0.4
Nya SFF FRN 2020-12-03	150,000	149,103	0.6
Postnord FRN 2019-04-01	95,000	95,070	0.4
Rikshem 0,155% 2019-09-13	150,000	149,790	0.6
Rikshem FRN 2019-06-13	100,000	100,167	0.4
SBAB 0,0775% 2020-08-27	200,000	199,038	0.9
SCA 0,75% 2019-06-10	316,000	316,610	1.4
SCA FRN 2020-11-26	60,000	60,292	0.3
SCA FRN 1,00% 2020-03-16	125,000	125,745	0.5
Scania FRN 2019-04-05	460,000	460,681	2.0
SEB Bolån 572 3,00% 2019-06-19	200,000	203,052	0.9
Skandiabanken 0,06% 2019-12-27	400,000	398,992	1.7
Skandiabanken 0,07 % 2020-02-28	100,000	99,685	0.4
Svensk Fastighetsfinansiering 0,465% 2020-05-31	60,000	59,618	0.3
Svensk Fastighetsfinansiering 0,345% 2019-09-25	174,000	173,567	0.8
Svensk Fastighetsfinansiering 0,365% 2019-11-20	162,000	161,461	0.7
Swedavia 0,075% 2020-03-06	150,000	149,529	0.6
Tele2 FRN 2020-11-30	350,000	350,795	1.5
Vacse 2,75% 2019-06-03	26,000	26,244	0.1
Vacse FRN 2019-06-03	80,000	80,299	0.3
Vasakronan 0,095% 2020-03-02	160,000	159,410	0.7
Vasakronan 0,105% 2019-12-27	100,000	99,698	0.4
Vasakronan 0,14% 2019-10-10	150,000	149,750	0.6
Vasakronan 0,24% 2019-05-16	350,000	349,951	1.5
Vasakronan 0,255% 2019-01-24	300,000	300,048	1.3
Vasakronan 2,45% 2019-04-15	25,000	25,155	0.1
Volvo Treasury 0,083% 2020-04-06	350,000	348,313	1.5
Volvo Treasury 0,09% 2019-12-20	300,000	299,055	1.3
Volvo Treasury 0,18% 2020-08-24	200,000	198,742	0.9
Volvo Treasury 0,3% 2019-09-19	200,000	199,940	0.9
Wallenstam 0,48% 2020-06-05	100,000	99,335	0.4
Wallenstam 0,68% 2020-01-22	175,000	174,692	0.8
Willhem 0,109% 2020-05-27	150,000	149,259	0.6
Willhem 0,12% 2019-09-20	133,000	132,745	0.6
Willhem 0,48% 2020-06-26	46,000	45,962	0.2
		11,718,975	50.8
Total listed fixed-income securities		16,392,447	71.1
Total transferable securities		16,392,447	71.1

MONEY MARKET INSTRUMENTS**

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
CERTIFICATE			
Balder 2019-04-11	25,000	24,982	0.1
BALDER DI FC 2019-02-04	25,000	24,993	0.1
Castellum 2019-04-11	75,000	74,947	0.3
Hexagon 2019-01-18	150,000	149,988	0.7
Hexagon 2019-02-20	280,000	279,914	1.2
Hexagon 2019-03-26	160,000	159,907	0.7
Hexagon 2019-04-03	75,000	74,952	0.3
HUFVUDSTADEN DI FC 190123	150,000	149,983	0.7
Humlegården Fastigheter 2019-02-19	185,000	184,945	0.8
Humlegården Fastigheter 2019-03-25	50,000	49,971	0.2
Ikano Bank 2019-07-24	100,000	100,151	0.4
Intea Fastigheter 2019-01-28	40,000	39,994	0.2
Intea Fastigheter 2019-02-28	160,000	159,941	0.7
Kinnevik 2019-02-20	150,000	149,954	0.7
Loomis 2019-01-18	175,000	174,986	0.8
Loomis 2019-01-28	50,000	49,992	0.2
NCC Treasury DI FC 2019-01-21	100,000	99,990	0.4
Olav Thon 2019-03-11	150,000	149,932	0.7
Olav Thon 2019-08-22	50,000	49,905	0.2
PostNord 2019-04-05	40,000	39,974	0.2
PostNord 2019-04-10	80,000	79,944	0.3
Tropi Fastighets 2019-03-05	100,000	99,959	0.4
Wallenstam 2019-01-08	70,000	69,998	0.3
Wallenstam 2019-05-16	150,000	149,849	0.6
Wallenstam 2019-08-13	80,000	79,854	0.3
Total certificate		2,669,004	11.6
Total money market instruments		2,669,004	11.6

EXCHANGE-TRADED DERIVATIVES**

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
INTEREST RATE FUTURES			
BTOH9	-300	0	0.0
Total interest rate futures		0	0.0
Total exchange-traded derivatives		0	0.0
Total holdings in financial instruments		19,061,451	82.7
Net, other assets and liabilities		3,995,514	17.3
Total fund capital		23,056,965	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. 71.1

** 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). 11.6

*** Refers to other financial instruments. -

Compilation, Company and Group exposure*

Company/Group	% of fund capital	Company/Group	% of fund capital
Nordea	5.8	Ikano Bank	1.9
Länsförsäkringar	5.3	SCA	1.7
Handelsbanken	5.0	Willhem	1.4
Vasakronan	4.6	Loomis	1.3
Volvo	4.6	Olav Thon Eien	1.3
Hexagon	4.1	HUMLEGÅRDEN FAS	1.0
LeasePlan	3.5	Rikshem	1.0
Castellum	3.4	Fabege	0.9
Hemsö	3.1	INTEA FASTIGHET	0.9
Landshypotek	3.1	Lifco	0.9
Nya Svensk FastighetsFinansiering	3.1	PostNord	0.9
Scania	2.5	Nibe Industrier	0.8
Swedbank	2.4	Atrium Ljungberg	0.5
Wallenstam	2.4	Balder	0.4
Skandiabanken	2.1	Vacse	0.4

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

Handelsbanken Kortränta Criteria

Sustainability dimensions that are taken into consideration in the management of the fund

The fund manager integrates environmental, social and corporate governance criteria (ESG) into the investment process, together with financial criteria, to obtain a more complete basis for decision-making. As a result, the fund manager takes into consideration both risks and opportunities related to various ESG aspects.

Methods used in sustainability efforts

Inclusion

An in-depth analysis is conducted in preparation for each investment decision in which sustainability dimensions as well as economic aspects are factored into the analysis. We believe sustainability issues are particularly important for making sound investment decisions to generate good, long-term returns. We have access to external ESG analyses as a complement to our own analyses and knowledge of the companies. Fund managers analyse sustainability through the company's sustainability performance (HOW they conduct their business operations), as well as through WHAT the company offers for products and services. The sustainability analysis is documented as an integral component of the investment documentation and consists of both sustainability risks and opportunities.

The fund has invested in Castellum, one of Sweden's largest real estate companies with focus on commercial properties. The company's sustainability strategy governs its business operations, which are in line with the UN's Sustainable Development Goals (SDG) and shall minimise scope 1, 2 and 3 carbon dioxide emissions that contribute to global warming. Castellum's explicit sustainability efforts have made them the only Nordic real estate company and one of seven Swedish companies included in the Dow Jones Sustainability Index. Approximately 2% of the fund's total bond holdings were in green bonds at year-end.

Exclusion

In accordance with the Management Company's overall policy for responsible investment, all of the Management Company's funds exclude:

- companies involved in the production or distribution of banned weapons, such as cluster bombs, anti-personnel mines, biological and chemical weapons, in accordance with international legislation. Companies involved in the production or distribution of nuclear weapons are also excluded.
- companies with substantial business operations within coal mining or in power companies that have coal as a major source of energy.

The fund is managed based upon the Criteria exclusion strategy, which means an exclusion of companies in which the principle business operations are within controversial sectors such as alcohol, tobacco, commercial gaming, war materials, pornography, fossil fuels. The fund also excludes companies that are deemed to be violating international norms and conventions. This is followed-up by the Management Company's independent risk control function on a daily basis.

Management Company's engagement activities

A critical component in taking responsibility as an investor is to influence the companies in which we invest. Our engagement activities are founded on the value base of Handelsbanken and the Management Company, our commitments, as well as the international norms and conventions we safeguard. We conduct dialogues to encourage companies to improve their sustainability efforts, as well as with companies we deem do not fulfil the international norms and conventions we safeguard. We conduct the engagement activities primarily through:

- A. Targeted dialogues with direct contact between our fund managers and the company
 - B. Dialogues together with other investors/capital owners
 - C. Collaborations and sector initiatives, often through international collaborations such as the UN, PRI and CDP.
- A. The fund manager meets or has contact with companies on a regular basis, which provides a good opportunity to influence companies within sustainability. We hold dialogues with clear targets for change, but also dialogues that focus on an overall improvement to the company's sustainability efforts. Targets are identified for the direct dialogues and results are followed up regularly during the period of the dialogue. The targeted company dialogues are carried out by the fund manager directly with the company. The fund did not have any dialogues during the year.
 - B. The Management Company participates in dialogues with companies together with other investors through an external party (ISS ESG) in a so-called pooled engagement. The basis for these dialogues is a norm-based analysis that focuses primarily on companies with suspected or confirmed violations with regard to international norms and conventions within the environment, human rights, labour rights, and anti-corruption. The dialogue process consists of contact between ISS ESG and the company concerned, and in certain cases also includes meetings or telephone conferences in which we as an investor may participate. During 2018 the Management Company participated in 143 company dialogues.
 - C. During 2018 the Management Company participated in several international initiatives and collaborations with focus on specific sustainability matters. These initiatives are often thematic or focus on sustainability issues within a certain sector. Examples of initiatives we have participated in during the year include: Climate Action 100+, PRI Methane Engagement, PRI Sustainable Palm Oil, PRI Sustainable Soy, PRI Cyber Security and FAIRR Antibiotics Engagement. These initiatives include 336 companies in total.

Handelsbanken Långränta Criteria, cont.

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Index including dividends in %, SEK										
Långränta Criteria A1	+1.2	+0.2	+3.2	+0.2	+9.3	-1.1	+2.4	+11.2	+2.4	+1.0
Långränta Criteria A10	+1.2	-	-	-	-	-	-	-	-	-
Långränta Criteria B1	+1.2	+0.2	+3.2	+0.2	+9.3	-1.1	-0.3	-	-	-
Långränta Criteria B10	+1.2	-	-	-	-	-	-	-	-	-
Average yearly return, 2 yrs. %										
Långränta Criteria A1	+0.7	+2.2	+0.9	+2.1	+3.1	+2.6	+7.3	+5.4	+1.1	+6.8
Långränta Criteria A10	+1.3	-	-	-	-	-	-	-	-	-
Långränta Criteria B1	+0.7	+2.2	+0.9	+2.1	+3.1	-	-	-	-	-
Långränta Criteria B10	+1.3	-	-	-	-	-	-	-	-	-
Comparison to index including dividends, %	+0.7	+1.7	+1.7	+4.7	+4.0	+0.6	+6.7	+6.7	+1.7	+7.5
Average yearly return, 5 yrs. %										
Långränta Criteria A1	+1.9	+1.7	+2.6	+3.7	+4.5	+3.3	+5.9	+4.9	+3.1	+3.7
Långränta Criteria A10	+2.4	-	-	-	-	-	-	-	-	-
Långränta Criteria B1	+1.9	+1.7	-	-	-	-	-	-	-	-
Långränta Criteria B10	+2.4	-	-	-	-	-	-	-	-	-
Comparison to index including dividends, %	+2.8	+2.3	+2.7	+4.3	+4.7	+3.1	+6.2	+6.0	+4.0	+4.6
Average yearly return, 10 yrs. %										
Långränta Criteria A1	+2.6	+3.8	+3.8	+3.4	+4.1	+4.1	+4.5	+4.8	+4.1	+4.8
Långränta Criteria A10	+3.2	-	-	-	-	-	-	-	-	-
Långränta Criteria B10	+3.2	-	-	-	-	-	-	-	-	-
Comparison to index including dividends, %	+2.9	+4.2	+4.4	+4.1	+4.7	+4.6	+5.2	+5.8	+5.0	+5.7
Dividends per unit, SEK										
Långränta Criteria A1	-	-	-	-	-	-	2.28	4.28	3.76	7.16
Långränta Criteria B1	0.00	3.08	2.02	2.64	2.55	2.88	1.50	-	-	-
Långränta Criteria B10	0.00	-	-	-	-	-	-	-	-	-

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

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

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

Refer to the last page for definitions.

Fund Facts - Costs

Max. allowed mgmt. costs in % according to fund rules	
Långränta Criteria A1	0.75
Långränta Criteria A10	0.20
Långränta Criteria B1	0.75
Långränta Criteria B10	0.20
Collected mgmt. costs in % of average fund capital	
Långränta Criteria A1	0.75
Långränta Criteria A10	0.20
Långränta Criteria B1	0.75
Långränta Criteria B10	0.20
Annual fees in %	
Långränta Criteria A1	0.75
Långränta Criteria A10	0.20
Långränta Criteria B1	0.75
Långränta Criteria B10	0.20
Transaction costs, tSEK	1,332
Transaction costs in % of turnover	0.00
Costs in SEK for a one-time subscription, 10 000 SEK	
Långränta Criteria A1	75.41
Långränta Criteria A10	-
Långränta Criteria B1	75.41
Långränta Criteria B10	-
Costs in SEK for monthly savings, 100 SEK	
Långränta Criteria A1	4.89
Långränta Criteria A10	-
Långränta Criteria B1	4.89
Långränta Criteria B10	-

Fund Facts - Other Key Figures

Turnover rate	0.3
Share of turnover conducted via closely-related securities companies in %	11.6

Risk and Return Measurements*

Total risk % - A1 SEK	1.7	Active return % - B10 SEK	0.6
Total risk % - A10 SEK	1.7	Information ratio - A1 SEK	0.1
Total risk % - B1 SEK	1.7	Information ratio - A10 SEK	1.8
Total risk % - B10 SEK	1.7	Information ratio - B1 SEK	0.1
Total risk in index % - A1 SEK	1.8	Information ratio - B10 SEK	1.8
Total risk in index % - A10 SEK	1.8	Sharpe ratio - A1 SEK	0.9
Total risk in index % - B1 SEK	1.8	Sharpe ratio - A10 SEK	1.2
Total risk in index % - B10 SEK	1.8	Sharpe ratio - B1 SEK	0.9
Tracking error % - A1 SEK	0.3	Sharpe ratio - B10 SEK	1.2
Tracking error % - A10 SEK	0.3	Sharpe ratio in index - A1 SEK	0.8
Tracking error % - B1 SEK	0.3	Sharpe ratio in index - A10 SEK	0.8
Tracking error % - B10 SEK	0.3	Sharpe ratio in index - B1 SEK	0.8
Benchmark	HMNI Sve All Government Dur Const 6Y (HMSD6) 70%, HMNI Sve All Mortgage Dur Const 2.5Y (HMSMD25) 30%	Sharpe ratio in index - B10 SEK	0.8
Active return % - A1 SEK	0.0	Duration, years ¹⁾	4.7
Active return % - A10 SEK	0.6		
Active return % - B1 SEK	0.0		

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, tSEK

	2018	2017
INCOME AND CHANGES IN VALUE		
Changes in value for transferable securities	6,441	-15,677
Changes in value for other derivative instruments**	9,789	3,704
Interest income	146,484	146,813
Other financial income	50	28
Other income	0	51
Total income and changes in value	162,764	134,919
EXPENSES		
Management costs:		
- Remuneration to the Management Company	71,115	69,428
Interest expense	19	10
Other expenses	1,332	842
Total expenses	72,466	70,279
Net income	90,298	64,640
* Details of changes in value		
Capital gains	11,525	23,470
Capital losses	-44,195	-45,646
Unrealised gains/losses	39,111	6,499
Sum	6,441	-15,677
** Details of changes in value		
Capital gains	1,573,956	836,362
Capital losses	-1,564,167	-832,658
Unrealised gains/losses	-	0
Sum	9,789	3,704

Balance Sheet, tSEK

	31 dec 2018	% of fund capital	31 dec 2017	% of fund capital
ASSETS				
Transferable securities	9,936,107	94.7	9,243,479	94.4
Total financial instruments with positive market value ^{Note 2)}	9,936,107	94.7	9,243,479	94.4
Bank assets and other liquid assets	502,962	4.8	498,723	5.1
Prepaid expenses and accrued income	62,476	0.6	69,994	0.7
Other assets	576	0.0	-	-
Total assets	10,502,121	100.1	9,812,196	100.2
LIABILITIES				
Accrued expenses and prepaid income	5,838	0.1	3,433	0.0
Other liabilities	272	0.0	13,861	0.2
Total liabilities	6,109	0.1	17,294	0.2
Fund capital ^{Note 1)}	10,496,011	100.0	9,794,902	100.0
Other derivative instruments with negative market value	108,837	1.0	76,551	0.8

Handelsbanken Långfristiga Criteria, cont.

Note 1) for Balance Sheet

Changes in fund capital, tSEK

	2018	2017
Fund capital at beginning of year	9,794,902	9,068,497
Units issued	4,122,296	3,237,351
Units redeemed	-3,511,485	-2,554,885
Profit according to Income Statement	90,298	64,640
Dividends to unit holders	-	-20,701
Fund capital at the close of the period	10,496,011	9,794,902

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 FIXED-INCOME SECURITIES

FOREIGN ISSUER, OTHERS

BNP Paribas 1,00% 2020-05-12	164,000	164,859	1.6
Sampo 1,25% 2020-05-28	127,000	128,412	1.2
		293,272	2.8

GOVERNMENT

Kommuninvest 0,625% 2023-06-01	121,000	121,546	1.2
Kommuninvest 1,00% 2021-09-15	313,000	320,033	3.0
Statsobligation 1053 3,50% 2039-03-30	477,600	674,161	6.4
Statsobligation 1054 3,50% 2022-06-01	100	113	0.0
Statsobligation 1056 2,25% 2032-06-01	190,000	222,866	2.1
Statsobligation 1057 1,50% 2023-11-13	100	107	0.0
Statsobligation 1058 2,50% 2025-05-12	100	115	0.0
Statsobligation 1059 1,00% 2026-11-12	100	105	0.0
Statsobligation 1060 0,75% 2028-05-12	106,100	108,863	1.0
		1,447,909	13.8

MORTGAGE

Länsförsäkringar Hypotek 515 2,25% 2022-09-21	294,000	313,289	3.0
Nordea Hypotek 5531 1,00% 2022-04-08	1,351,000	1,379,439	13.1
Nordea Hypotek 5532 1,25% 2021-05-19	234,800	240,959	2.3
Nordea Hypotek 5533 1,25% 2023-09-20	328,000	335,872	3.2
SCBC 143 1,25% 2022-06-15	202,000	207,941	2.0
SCBC 147 2,0% 2026-06-17	298,000	311,964	3.0
Stadshypotek 1,50% 2023-06-01	930,000	964,457	9.2
Stadshypotek 1584 1,50% 2021-03-17	250,000	257,678	2.5
Stadshypotek 1586 4,50% 2022-09-21	268,000	307,803	2.9
Stadshypotek RB 1594 2% 2028-09-01	100,000	103,760	1.0
Swedbank Hypotek 189 1,00% 2020-12-16	409,000	416,656	4.0
Swedbank Hypotek 190 1,00% 2021-09-15	275,000	280,767	2.7
Swedbank Hypotek 192 1,00% 2023-03-15	266,000	270,456	2.6
		5,391,040	51.4

OTHER

Castellum 1,29% 2019-10-23	119,000	119,545	1.1
Castellum 1,875% RB 118 2021-10-04	92,000	92,788	0.9
Hexagon 1,625% 108 2020-09-17	177,000	179,692	1.7
Länsförsäkringar 1,00% 2020-02-03	136,000	137,020	1.3
Länsförsäkringar 1,265% 2019-11-18	214,000	215,890	2.1
Loomis 1,875% 2019-12-18	88,000	89,139	0.8
Lundbergforetag 1,337% 2023-10-24	119,000	119,192	1.1
Nya SFF 1,42% 2020-04-20	82,000	82,538	0.8
SBAB 1,24% 2019-11-18	127,000	128,116	1.2
SEB Bolån 574 1,50% 2021-12-15	572,000	592,558	5.6
SEB RB 576 1,0% 2023-12-20	362,000	365,685	3.5
Swedbank 0,875% 2020-05-11	199,000	200,885	1.9
TeliaSonera 1,125% 2019-12-04	204,000	205,503	2.0
Vasakronan 0,875% 2021-10-11	183,000	183,214	1.7
Willhem 0,93% 2021-11-01	92,000	92,121	0.9
		2,803,886	26.7

Total listed fixed-income securities 9,936,107 94.7

Total transferable securities 9,936,107 94.7

EXCHANGE-TRADED DERIVATIVES**

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

INTEREST RATE FUTURES

BTOH9	3,129	0	0.0
BUOH9	713	0	0.0
CEYH9	-3,640	0	0.0

Total interest rate futures 0 0.0

Total exchange-traded derivatives 0 0.0

Total holdings in financial instruments 9,936,107 94.7

Net, other assets and liabilities 559,904 5.3

Total fund capital 10,496,011 100.0

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.

94.7

** 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
Nordea	18.6	SEB	9.1
Handelsbanken	15.6	Länsförsäkringar	6.4
Swedbank	11.2	SCBC	5.0
Svenska staten	9.5	Kommuninvest	4.2
		Castellum	2.0

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

Handelsbanken Långgränta Criteria

Sustainability dimensions that are taken into consideration in the management of the fund

The fund manager integrates environmental, social and corporate governance criteria (ESG) into the investment process, together with financial criteria, to obtain a more complete basis for decision-making. As a result, the fund manager takes into consideration both risks and opportunities related to various ESG aspects.

Methods used in sustainability efforts

Inclusion

An in-depth analysis is conducted in preparation for each investment decision in which sustainability dimensions as well as economic aspects are factored into the analysis. We believe sustainability issues are particularly important for making sound investment decisions to generate good, long-term returns. We have access to external ESG analyses as a complement to our own analyses and knowledge of the companies. Fund managers analyse sustainability through the company's sustainability performance (HOW they conduct their business operations), as well as through WHAT the company offers for products and services. The sustainability analysis is documented as an integral component of the investment documentation and consists of both sustainability risks and opportunities.

The fund has invested in Kommuninvest's green bonds. All of the projects financed by these bonds are in Sweden, a country with ambitions to be one of the world's first fossil-free developing countries. This development must be led by municipalities and county councils, which are the major public investments in the country. Kommuninvest's framework for green bonds meets six of the UN's Sustainable Development Goals and is subscribed to The Green Bond Principles, Green Bonds Harmonized Framework for Impact Reporting and Nordic Public Sector Issues: Position Paper on Green Bonds Impact Reporting. Documentation for Kommuninvest green bonds contains an independent statement from the climate research institute Cicero. Kommuninvest also publishes an annual report, Green Bonds Impact Report, which illustrates the effect of the green investments financed through this programme.

The fund has also participated in the issue of green issues from Castellum. Castellum is a Swedish real estate company with commercial properties. The company has a clear sustainability strategy that is well-integrated and is a natural part of the entire business operations. To contribute to the global agenda, the company has a goal of governing and setting its goals in line with the UN's Sustainable Development Goals (SDG) and the global climate agreement. In addition, Castellum is the only Nordic real estate company included in the Dow Jones Sustainability Index. Approximately 2% of the fund's total bond holdings were in green bonds at year-end.

Exclusion

In accordance with the Management Company's overall policy for responsible investment, all of the Management Company's funds exclude:

- companies involved in the production or distribution of banned weapons, such as cluster bombs, anti-personnel mines, biological and chemical weapons, in accordance with international legislation. Companies involved in the production or distribution of nuclear weapons are also excluded.
- companies with substantial business operations within coal mining or in power companies that have coal as a major source of energy.

The fund is managed based upon the Criteria exclusion strategy, which means an exclusion of companies in which the principle business operations are within controversial sectors such as alcohol, tobacco, commercial gaming, war materials, pornography, fossil fuels. The fund also excludes companies that are deemed to be violating international norms and conventions. This is followed-up by the Management Company's independent risk control function on a daily basis.

Management Company's engagement activities

A critical component in taking responsibility as an investor is to influence the companies in which we invest. Our engagement activities are founded on the value base of Handelsbanken and the Management Company, our commitments, as well as the international norms and conventions we safeguard. We conduct dialogues to encourage companies to improve their sustainability efforts, as well as with companies we deem do not fulfil the international norms and conventions we safeguard. We conduct the engagement activities primarily through:

- A. Targeted dialogues with direct contact between our fund managers and the company
 - B. Dialogues together with other investors/capital owners
 - C. Collaborations and sector initiatives, often through international collaborations such as the UN, PRI and CDP.
- A. The fund manager meets or has contact with companies on a regular basis, which provides a good opportunity to influence companies within sustainability. We hold dialogues with clear targets for change, but also dialogues that focus on an overall improvement to the company's sustainability efforts. Targets are identified for the direct dialogues and results are followed up regularly during the period of the dialogue. The targeted company dialogues are carried out by the fund manager directly with the company. The fund did not have any dialogues during the year.
- B. The Management Company participates in dialogues with companies together with other investors through an external party (ISS ESG) in a so-called pooled engagement. The basis for these dialogues is a norm-based analysis that focuses primarily on companies with suspected or confirmed violations with regard to international norms and conventions within the environment, human rights, labour rights, and anti-corruption. The dialogue process consists of contact between ISS ESG and the company concerned, and in certain cases also includes meetings or telephone conferences in which we as an investor may participate. During 2018 the Management Company participated in 143 company dialogues.
- C. During 2018 the Management Company participated in several international initiatives and collaborations with focus on specific sustainability matters. These initiatives are often thematic or focus on sustainability issues within a certain sector. Examples of initiatives we have participated in during the year include: Climate Action 100+, PRI Methane Engagement, PRI Sustainable Palm Oil, PRI Sustainable Soy, PRI Cyber Security and FAIRR Antibiotics Engagement. These initiatives include 336 companies in total.

Handelsbanken Likviditet, cont.

	2018	24/8-31/12 2017	2016	2015	2014	2013	2012	2011	2010	2009
Average yearly return, 10 yrs. %										
Likviditet A1 - NOK	+1.9	+2.4	+2.8	+2.8	+2.9	+2.9	+3.1	-	-	-
Likviditet A1 - SEK	+0.9	-	-	-	-	-	-	-	-	-
Comparison to index including dividends, %										
NOK	+1.4	+1.9	+2.3	+2.5	+2.6	+2.7	+3.0	-	-	-
SEK	+0.4	-	-	-	-	-	-	-	-	-
Exchange rate NOK/SEK	1.02	1.00	-	-	-	-	-	-	-	-

Benchmark: ST1X

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

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

Refer to the last page for definitions.

Fund Facts - Costs

Max. allowed mgmt. costs in % according to fund rules	
Likviditet A1	0.35
Likviditet A10	0.05
Collected mgmt. costs in % of average fund capital	
Likviditet A1	0.35
Likviditet A10	0.05
Annual fees in %	
Likviditet A1	0.35
Likviditet A10	0.05
Transaction costs, tNOK	-
Transaction costs in % of turnover	-
Costs in NOK for a one-time subscription, 10 000 NOK	
Likviditet A1	3.51
Likviditet A10	-
Costs in NOK for monthly savings, 100 NOK	
Likviditet A1	0.23
Likviditet A10	-

Fund Facts - Other Key Figures

Turnover rate	1.1
Share of turnover conducted via closely-related securities companies in %	3.4

Risk and Return Measurements*

Total risk % - A1 NOK	0.1	Information ratio - A1 NOK	2.8
Total risk % - A1 SEK	6.2	Information ratio - A1 SEK	2.7
Total risk in index % - A1 NOK	0.1	Sharpe ratio - A1 NOK	2.9
Total risk in index % - A1 SEK	6.2	Sharpe ratio - A1 SEK	0.0
Tracking error % - A1 NOK	0.1	Sharpe ratio in index - A1 NOK	0.0
Tracking error % - A1 SEK	0.1	Sharpe ratio in index - A1 SEK	0.0
Benchmark	ST1X	Duration, months ¹⁾	1.7
Active return % - A1 NOK	0.4		
Active return % - A1 SEK	0.4		

¹⁾ As of the balance sheet date.

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

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

Income Statement, tNOK

	2018	24/8-31/12 2017
INCOME AND CHANGES IN VALUE		
Changes in value for transferable securities	-4,004	-5,345
Interest income	10,539	7,879
Dividends	-2	-
Currency exchange profits and losses, net	-80	-
Other income	0	0
Total income and changes in value	6,453	2,534
EXPENSES		
Management costs:		
- Remuneration to the Management Company	1,987	863
Interest expense	8	62
Other expenses	0	-
Total expenses	1,995	925
Net income	4,458	1,609
* Details of changes in value		
Capital gains	83	615
Capital losses	-2,422	-3,203
Unrealised gains/losses	-1,665	-2,758
Sum	-4,004	-5,345

Balance Sheet, tNOK

	31 dec 2018	% of fund capital	31 dec 2017	% of fund capital
ASSETS				
Transferable securities	1,094,375	93.3	456,198	93.4
Total financial instruments with positive market value ^{Note 2)}	1,094,375	93.3	456,198	93.4
Bank assets and other liquid assets	75,457	6.4	30,718	6.3
Prepaid expenses and accrued income	3,404	0.3	1,744	0.3
Other assets	2	0.0	64	0.0
Total assets	1,173,238	100.0	488,724	100.0
LIABILITIES				
Accrued expenses and prepaid income	224	0.0	81	0.0
Other liabilities	3	0.0	-	-
Total liabilities	227	0.0	81	0.0
Fund capital ^{Note 1)}	1,173,011	100.0	488,643	100.0

Note 1) for Balance Sheet

Changes in fund capital, tNOK

	2018	2017
Fund capital at beginning of year	488,643	-
Units issued	1,009,370	1,229,075
Units redeemed	-329,460	-742,041
Profit according to Income Statement	4,458	1,609
Dividends to unit holders	-	-
Fund capital at the close of the period	1,173,011	488,643

Note 2) for Balance Sheet

Fund holdings in financial instruments

TRANSFERABLE SECURITIES*

	Number/Nominal amount in 1000's	Market value tNOK	% of fund capital
LISTED FIXED-INCOME SECURITIES			
FOREIGN ISSUER, OTHERS			
ABN AMRO Bank FRN 2019-02-18	38,000	38,019	3.2
Aurskog Sparebank FRN 2019-01-23	5,000	5,002	0.4
Aurskog Sparebank FRN 2019-09-26	20,000	20,051	1.7
Aurskog Sparebank FRN 2021-02-22	14,000	14,076	1.2
BN Bank 1,46% 2020-03-16	15,000	15,048	1.3
BN Bank FRN 2021-06-08	15,000	14,983	1.3
DNB Bank Green FRN 2020-02-17	20,000	20,074	1.7
DNB FRN 2019-01-30	22,000	22,011	1.9
Eksportfinans FRN 2019-04-04	25,000	25,021	2.1
Fana Sparebank FRN 2019-04-04	32,000	32,038	2.7
Fana Sparebank FRN 2019-09-18	10,000	10,031	0.9
Fana Sparebank FRN 2020-04-15	10,000	10,098	0.9
Gjensidige Bank 3,4% 2019-05-24	10,000	10,073	0.9
Gjensidige Bank FRN 2019-11-29	12,000	12,047	1.0
Helgeland Sparbank FRN 2019-09-16	5,000	5,010	0.4
KLP Banken FRN 2019-06-11	20,000	20,033	1.7
KLP Banken FRN 2020-10-05	20,000	19,969	1.7
Kredittforeningen FRN 2021-09-17	20,000	19,994	1.7
Landkreditt Bank FRN 2019-02-20	4,000	4,006	0.3
Landkreditt Bank FRN 2019-10-24	36,000	36,098	3.1
Leaseplan Corp FRN 2021-06-071	25,000	24,557	2.1
LeasePlan Corporation FRN 2019-05-07	7,000	7,015	0.6
Lilleström Sparebank FRN 2019-11-22	10,000	10,046	0.9
Modum Sparebank FRN 2020-09-21	10,000	10,028	0.9
Nordea Bank Norge FRN 2019-02-07	20,000	20,012	1.7
Nottero Spareb FRN	35,000	35,059	3.0
Obos Banken FRN 15/20 FRN 2020-10-19	20,000	20,335	1.7
Obos Banken FRN 2019-03-13	10,000	10,009	0.9
Santan Cons Bk FRN 2019-07-26	10,000	9,991	0.9
Santander Consumer Bank FRN 2019-08-08	10,000	10,022	0.9
Skandiabanken FRN 2019-04-23	40,000	40,054	3.4
Skandiabanken FRN 2020-01-17	15,000	15,050	1.3
Sparb Sogn o Fj FRN 2020-10-15	9,000	9,054	0.8
SpareB 1 Ringe FRN 2021-05-20	7,000	7,016	0.6
Sparebank 1 FRN 2019-11-22	20,000	20,126	1.7
Sparebank 1 Hallingdal FRN 2019-03-25	15,000	15,021	1.3
Sparebank 1 Nord-Norge FRN 2020-02-13	25,000	25,041	2.1
Sparebank 1 Nord-Norge FRN 2020-06-22	10,000	10,040	0.9
Sparebank 1 SMN 5.17% 2019-02-08	18,000	18,071	1.5
SPAREBANK 1 SMN FRN 2020-01-13	20,000	20,070	1.7
Sparebank 1 SMN FRN 2021-10-12	5,000	5,005	0.4
Sparebank Hedmark FRN 2019-10-30	20,000	20,058	1.7

Handelsbanken Likviditet, cont.

	Number/Nominal amount in 1000's	Market value TNOK	% of fund capital
Sparebank More FRN 2019-06-14	40,000	40,119	3.4
Sparebank Ost 3% 2019-03-26	7,000	7,025	0.6
Sparebank Telemark FRN 2020-02-06	10,000	10,026	0.9
Sparebank Vest FRN 2019-09-25	40,000	40,047	3.4
SpareBank1 SR	15,000	15,045	1.3
SpareBank1 SR FRN 2021-06-21	20,000	20,248	1.7
Sparebanken Ost FRN 2019-12-18	8,000	8,030	0.7
Sparebanken Sogn og Fjordane FRN 2019-1	10,000	10,023	0.9
Sparebanken Sogn&Fjordane FRN 2019-02-0	30,000	30,026	2.6
SPKTM FRN 2019-05-27	23,000	23,043	2.0
STB FRN 2019-03-04	19,000	19,036	1.6
Storebrand ASA FRN 2019-09-10	25,000	25,048	2.1
Storebrand ASA FRN 23052022	10,000	10,149	0.9
Storebrand Bank FRN 2019-09-26	20,000	20,042	1.7
Storebrand FRN 2020-01-14	7,000	7,024	0.6
		1,000,294	85.3
FOREIGN ISSUER, STATE			
FROGN KOMM FRN 2019-08-22	30,000	30,012	2.6
Tromso Kommune FRN 2019-09-27	35,000	35,011	3.0
Trondheim komm FRN 2019-09-20	14,000	14,027	1.2
		79,050	6.7
OTHER			
Skandiabanken AktieBilag 14/19 20190910	15,000	15,031	1.3
		15,031	1.3
Total listed fixed-income securities		1,094,375	93.3
Total transferable securities		1,094,375	93.3
Total holdings in financial instruments		1,094,375	93.3
Net, other assets and liabilities		78,636	6.7
Total fund capital		1,173,011	100.0

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

* Refers to transferable securities admitted to trading on a regulated market or equivalent market outside EEA, or are the subject of regular trading in other markets that are regulated and open to the general public. 93.3

** 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
Skandb ASA	4.7	Spareb Hedmark	3.4
Fana Sparebank	4.5	Aurskog Spareb.	3.3
Spareb Sogn o F	4.3	Sparebank 1 Nor	3.0
Storebrand Bank	3.9	SpareBank1 SR	3.0
DNB	3.6	Storebrand	3.0
Sparebank 1 SMN	3.6	LeasePlan	2.7
KLP Banken	3.4	Gjensidige Bank	1.9
Landkreditt Ban	3.4	Santan Cons Bk	1.8
		Sparebanken Ost	1.3

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

Handelsbanken Likviditet

Sustainability dimensions that are taken into consideration in the management of the fund

The fund manager integrates environmental, social and corporate governance criteria (ESG) into the investment process, together with financial criteria, to obtain a more complete basis for decision-making. As a result, the fund manager takes into consideration both risks and opportunities related to various ESG aspects.

Methods used in sustainability efforts

Inclusion

An in-depth analysis is conducted in preparation for each investment decision in which sustainability dimensions as well as economic aspects are factored into the analysis. We believe sustainability issues are particularly important for making sound investment decisions to generate good, long-term returns. We have access to external ESG analyses as a complement to our own analyses and knowledge of the companies. Fund managers analyse sustainability through the company's sustainability performance (HOW they conduct their business operations), as well as through WHAT the company offers for products and services. The sustainability analysis is documented as an integral component of the investment documentation and consists of both sustainability risks and opportunities.

The fund has invested in Green Bond (NO0010730872) in DNB ASA. The bond finances wind generation projects (WindPower), on land and offshore, situated in Sweden, Ireland and Great Britain. The bond finances an installed capacity of 984 MegaWatt, which has contributed to a CO₂ reduction of 2,107,307 tons since the bond's issue in 2015. (CO₂ reduction of 263,542 tons in 2017). Approximately 2% of the fund's total bond holdings were in green bonds at year-end.

Exclusion

In accordance with the Management Company's overall policy for responsible investment, all of the Management Company's funds exclude:

- companies involved in the production or distribution of banned weapons, such as cluster bombs, anti-personnel mines, biological and chemical weapons, in accordance with international legislation. Companies involved in the production or distribution of nuclear weapons are also excluded.
- companies with substantial business operations within coal mining or in power companies that have coal as a major source of energy.

Management Company's engagement activities

A critical component in taking responsibility as an investor is to influence the companies in which we invest. Our engagement activities are founded on the value base of Handelsbanken and the Management Company, our commitments, as well as the international norms and conventions we safeguard. We conduct dialogues to encourage companies to improve their sustainability efforts, as well as with companies we deem do not fulfil the international norms and conventions we safeguard. We conduct the engagement activities primarily through:

- A. Targeted dialogues with direct contact between our fund managers and the company
 - B. Dialogues together with other investors/capital owners
 - C. Collaborations and sector initiatives, often through international collaborations such as the UN, PRI and CDP.
- A. The fund manager meets or has contact with companies on a regular basis, which provides a good opportunity to influence companies within sustainability. We hold dialogues with clear targets for change, but also dialogues that focus on an overall improvement to the company's sustainability efforts. Targets are identified for the direct dialogues and results are followed up regularly during the period of the dialogue. The targeted company dialogues are carried out by the fund manager directly with the company. The fund did not have any dialogues during the year.
 - B. The Management Company participates in dialogues with companies together with other investors through an external party (ISS ESG) in a so-called pooled engagement. The basis for these dialogues is a norm-based analysis that focuses primarily on companies with suspected or confirmed violations with regard to international norms and conventions within the environment, human rights, labour rights, and anti-corruption. The dialogue process consists of contact between ISS ESG and the company concerned, and in certain cases also includes meetings or telephone conferences in which we as an investor may participate. During 2018 the Management Company participated in 143 company dialogues.
 - C. During 2018 the Management Company participated in several international initiatives and collaborations with focus on specific sustainability matters. These initiatives are often thematic or focus on sustainability issues within a certain sector. Examples of initiatives we have participated in during the year include: Climate Action 100+, PRI Methane Engagement, PRI Sustainable Palm Oil, PRI Sustainable Soy, PRI Cyber Security and FAIRR Antibiotics Engagement. These initiatives include 336 companies in total.

Handelsbanken Obligasjon, cont.

	2018	24/8-31/12 2017	2016	2015	2014	2013	2012	2011	2010	2009
Comparison to index including dividends, %										
NOK	+2.8	+2.5	+2.9	+4.7	+5.6	+4.3	+6.6	+6.5	+4.6	+4.1
SEK	+2.2	-	-	-	-	-	-	-	-	-
Average yearly return, 10 yrs. %										
Obligasjon A1 - NOK	+4.0	+4.8	+4.8	+4.6	+5.0	+4.7	+5.7	-	-	-
Obligasjon A1 - SEK	+3.0	-	-	-	-	-	-	-	-	-
Obligasjon A10 - NOK	+4.2	-	-	-	-	-	-	-	-	-
Comparison to index including dividends, %										
NOK	+3.6	+4.6	+4.7	+4.7	+4.8	+4.7	+6.1	-	-	-
SEK	+2.6	-	-	-	-	-	-	-	-	-
Exchange rate NOK/SEK	1.02	1.00	-	-	-	-	-	-	-	-

Benchmark: ST5X

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

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

Refer to the last page for definitions.

Fund Facts - Costs

Max. allowed mgmt. costs in % according to fund rules	
Obligasjon A1	0.45
Obligasjon A10	0.20
Collected mgmt. costs in % of average fund capital	
Obligasjon A1	0.45
Obligasjon A10	0.20
Annual fees in %	
Obligasjon A1	0.45
Obligasjon A10	0.20
Transaction costs, tNOK	-
Transaction costs in % of turnover	-
Costs in NOK for a one-time subscription, 10 000 NOK	
Obligasjon A1	4.49
Obligasjon A10	-
Costs in NOK for monthly savings, 100 NOK	
Obligasjon A1	0.29
Obligasjon A10	-

Fund Facts - Other Key Figures

Turnover rate	0.6
Share of turnover conducted via closely-related securities companies in %	4.9

Risk and Return Measurements*

Total risk % - A1 NOK	1.7	Active return % - A10 NOK	0.5
Total risk % - A1 SEK	5.9	Information ratio - A1 NOK	0.5
Total risk % - A10 NOK	1.7	Information ratio - A1 SEK	0.5
Total risk in index % - A1 NOK	1.8	Information ratio - A10 NOK	1.0
Total risk in index % - A1 SEK	6.1	Sharpe ratio - A1 NOK	0.6
Total risk in index % - A10 NOK	1.8	Sharpe ratio - A1 SEK	0.1
Tracking error % - A1 NOK	0.5	Sharpe ratio - A10 NOK	0.8
Tracking error % - A1 SEK	0.5	Sharpe ratio in index - A1 NOK	0.5
Tracking error % - A10 NOK	0.5	Sharpe ratio in index - A1 SEK	0.1
Benchmark	ST5X	Sharpe ratio in index - A10 NOK	0.5
Active return % - A1 NOK	0.3	Duration, years ¹⁾	4.5
Active return % - A1 SEK	0.3		

1) As of the balance sheet date.

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

Income Statement, tNOK

	2018	24/8-31/12 2017
INCOME AND CHANGES IN VALUE		
Changes in value for transferable securities	-13,872	-21,598
Interest income	38,097	25,804
Dividends	-1	-
Currency exchange profits and losses, net	-59	-
Other income	0	3
Total income and changes in value	24,165	4,209
EXPENSES		
Management costs:		
- Remuneration to the Management Company	6,936	2,706
Interest expense	6	-
Other expenses	0	-
Total expenses	6,942	2,706
Net income	17,223	1,503
* Details of changes in value		
Capital gains	3,196	4
Capital losses	-10,595	-
Unrealised gains/losses	-6,473	-21,602
Sum	-13,872	-21,598

Balance Sheet, tNOK

	31 dec 2018	% of fund capital	31 dec 2017	% of fund capital
ASSETS				
Transferable securities	1,425,661	97.5	1,672,084	95.4
Total financial instruments with positive market value ^{Note 2)}	1,425,661	97.5	1,672,084	95.4
Bank assets and other liquid assets	19,344	1.3	61,236	3.5
Prepaid expenses and accrued income	17,429	1.2	19,587	1.1
Other assets	1	0.0	237	0.0
Total assets	1,462,435	100.0	1,753,144	100.0
LIABILITIES				
Accrued expenses and prepaid income	394	0.0	365	0.0
Other liabilities	0	0.0	-	-
Total liabilities	394	0.0	365	0.0
Fund capital ^{Note 1)}	1,462,041	100.0	1,752,779	100.0

Note 1) for Balance Sheet

Changes in fund capital, tNOK

	2018	2017
Fund capital at beginning of year	1,752,779	-
Units issued	860,340	1,939,007
Units redeemed	-1,168,301	-187,731
Profit according to Income Statement	17,223	1,503
Dividends to unit holders	-	-
Fund capital at the close of the period	1,462,041	1,752,779

Note 2) for Balance Sheet

Fund holdings in financial instruments

TRANSFERABLE SECURITIES*

	Number/Nominal amount in 1000's	Market value tNOK	% of fund capital
LISTED FIXED-INCOME SECURITIES			
FOREIGN ISSUER, MORTGAGE			
DNB Boligkreditt AS 1,65% 2022-02-16	60,000	59,783	4.1
KLP Kommunekreditt 4,60% 2020-12-15	10,000	10,581	0.7
		70,364	4.8
FOREIGN ISSUER, OTHERS			
BN Bank 2,15% 2023-06-29	80,000	79,043	5.4
DNB Bank Green FRN 2020-02-17	10,000	10,037	0.7
Gjensidige Bank 2,02% 2023-09-13	50,000	49,073	3.4
Gjensidige Bank Bolig 13/25 2026-05-08	19,000	20,414	1.4
Nordea Eiendom 1,80% 2022-06-15	64,000	63,936	4.4
SPABOL	40,000	40,521	2.8
Sparebank 1 Nord-Norge 2,45% 2024-02-22	110,000	109,647	7.5
Sparebank Sogn & Fjordane FRN 2025-04-28	45,000	44,433	3.0
Sparebanken Ost 2,67% 2024-03-25	50,000	50,347	3.4
Sparebanken Vest 1,98% 2022-10-04	60,000	59,422	4.1
		526,875	36.1
FOREIGN ISSUER, STATE			
Asker Kommune 1,83% 2022-02-18	30,000	29,920	2.0
Asker Kommune 2,16% 2024-06-21	50,000	49,685	3.4
Asker Kommune 4,35% 2021-10-28	35,000	37,372	2.6
Buskerud Fylke 2,45% 2023-06-27	40,000	39,601	2.7
Fredrikstad Kommune 1,1917% 2022-05-19	21,300	21,268	1.5
Fredrikstad Kommune 1,795% 2021-10-27	40,000	39,928	2.7
Hordaland 1,989% 2023-11-21	25,000	24,746	1.7
Hordaland 2,335% 2024-03-11	40,000	40,164	2.7
Karmoy Kommune 16/23 2023-09-20	20,000	19,881	1.4
Norska staten 1,50% 2026-02-19	100,000	99,030	6.8
Norska staten 1,75% 2025-03-13	56,000	56,616	3.9
Norska staten 3,00% 2024-03-14	76,500	82,329	5.6
Oslo Kommune 1,60% 2022-05-05	14,000	13,871	0.9
Oslo Kommune 2,25% 2027-06-07	25,000	24,533	1.7
Oslo Kommune 3,30% 2021-11-25	4,000	4,167	0.3
Oslo Kommune 3,60% 2022-12-06	8,000	8,483	0.6
Rogaland Fylke 1,845% 2022-05-23	30,000	29,883	2.0
Stavanger Kommune 2,67% 2027-03-23	20,000	20,221	1.4
Tromsø Kommune 1,73% 2022-09-29	55,000	54,443	3.7
Tromsø Kommune 1,855% 2022-06-21	40,000	39,835	2.7
Trondheim Kommune 2,142% 2025-01-16	20,000	19,769	1.4

Handelsbanken Obligasjon, cont.

	Number/Nominal amount in 1000's	Market value TNOK	% of fund capital
Trondheim Kommune 3,57% 2024-04-15	26,000	27,681	1.9
Vestre Toten 1.675% 2021-02-26	30,000	29,964	2.0
		813,391	55.6
OTHER			
Skandiabanken AktieBolag 14/19 20190910	15,000	15,031	1.0
		15,031	1.0
Total listed fixed-income securities		1,425,661	97.5
Total transferable securities		1,425,661	97.5
Total holdings in financial instruments		1,425,661	97.5
Net, other assets and liabilities		36,380	2.5
Total fund capital		1,462,041	100.0

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

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

** 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
Norwegian Gov	16.3	Hordaland	4.4
Asker kommune	8.0	Fredrikstad Kom	4.2
Tromsø Kommune	6.4	Oslo kommune	3.5
		Trondheim	3.3

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

Handelsbanken Obligasjon

Sustainability dimensions that are taken into consideration in the management of the fund

The fund manager integrates environmental, social and corporate governance criteria (ESG) into the investment process, together with financial criteria, to obtain a more complete basis for decision-making. As a result, the fund manager takes into consideration both risks and opportunities related to various ESG aspects.

Methods used in sustainability efforts

Inclusion

An in-depth analysis is conducted in preparation for each investment decision in which sustainability dimensions as well as economic aspects are factored into the analysis. We believe sustainability issues are particularly important for making sound investment decisions to generate good, long-term returns. We have access to external ESG analyses as a complement to our own analyses and knowledge of the companies. Fund managers analyse sustainability through the company's sustainability performance (HOW they conduct their business operations), as well as through WHAT the company offers for products and services. The sustainability analysis is documented as an integral component of the investment documentation and consists of both sustainability risks and opportunities.

The fund has invested in Green Bond (NO0010730872) in DNB ASA. The bond finances wind generation projects (Wind Power), both on land and offshore, located in Sweden, Ireland and Great Britain. The bond finances an installed capacity of 984 MegaWatt, which contributes to a CO₂ reduction of 2,107,307 tons since the bond was issued in 2015. (the carbon dioxide reduction was 263,542 tons in 2017). Of the fund's total bond holdings, approximately 1% were in Green bonds at year-end.

Exclusion

In accordance with the Management Company's overall policy for responsible investment, all of the Management Company's funds exclude:

- companies involved in the production or distribution of banned weapons, such as cluster bombs, anti-personnel mines, biological and chemical weapons, in accordance with international legislation. Companies involved in the production or distribution of nuclear weapons are also excluded.
- companies with substantial business operations within coal mining or in power companies that have coal as a major source of energy.

Management Company's engagement activities

A critical component in taking responsibility as an investor is to influence the companies in which we invest. Our engagement activities are founded on the value base of Handelsbanken and the Management Company, our commitments, as well as the international norms and conventions we safeguard. We conduct dialogues to encourage companies to improve their sustainability efforts, as well as with companies we deem do not fulfil the international norms and conventions we safeguard. We conduct the engagement activities primarily through:

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

A. The fund manager meets or has contact with companies on a regular basis, which provides a good opportunity to influence companies within sustainability. We hold dialogues with clear targets for change, but also dialogues that focus on an overall improvement to the company's sustainability efforts. Targets are identified for the direct dialogues and results are followed up regularly during the period of the dialogue. The targeted company dialogues are carried out by the fund manager directly with the company. The fund did not hold any dialogues during the year.

B. The Management Company participates in dialogues with companies together with other investors through an external party (ISS ESG) in a so-called pooled engagement. The basis for these dialogues is a norm-based analysis that focuses primarily on companies with suspected or confirmed violations with regard to international norms and conventions within the environment, human rights, labour rights, and anti-corruption. The dialogue process consists of contact between ISS ESG and the company concerned, and in certain cases also includes meetings or telephone conferences in which we as an investor may participate. During 2018 the Management Company participated in 143 company dialogues.

C. During 2018 the Management Company participated in several international initiatives and collaborations with focus on specific sustainability matters. These initiatives are often thematic or focus on sustainability issues within a certain sector. Examples of initiatives we have participated in during the year include: Climate Action 100+, PRI Methane Engagement, PRI Sustainable Palm Oil, PRI Sustainable Soy, PRI Cyber Security and FAIRR Antibiotics Engagement. These initiatives include 336 companies in total.

Handelsbanken Råntevkastning Criteria, cont.

	2018	2017	2016	2015	26/9-31/12 2014	2013	2012	2011	2010	2009
Total returns in %, SEK										
Råntevkastning Criteria A1	+0.5	+0.6	+2.9	-0.6	+4.7	+0.9	+3.7	+7.5	+1.4	+2.0
Råntevkastning Criteria A10	+0.6	-	-	-	-	-	-	-	-	-
Råntevkastning Criteria B1	+0.4	+0.4	+2.7	-0.8	+4.6	+0.9	+3.7	+7.5	+1.4	+2.0
Råntevkastning Criteria B10	+0.6	-	-	-	-	-	-	-	-	-
Index including dividends in %, SEK										
Råntevkastning Criteria A1	+0.4	0.0	+1.9	+0.4	+6.2	+0.1	+2.4	+7.9	+1.6	+2.0
Råntevkastning Criteria A10	+0.4	-	-	-	-	-	-	-	-	-
Råntevkastning Criteria B1	+0.4	0.0	+1.9	+0.4	+6.2	+0.1	+2.4	+7.9	+1.6	+2.0
Råntevkastning Criteria B10	+0.4	-	-	-	-	-	-	-	-	-
Average yearly return, 2 yrs. %										
Råntevkastning Criteria A1	+0.6	+1.8	+1.1	+2.0	+2.8	+2.3	+5.6	+4.4	+1.7	+6.2
Råntevkastning Criteria A10	+0.7	-	-	-	-	-	-	-	-	-
Råntevkastning Criteria B1	+0.4	+1.5	+0.9	+1.8	+2.7	+2.3	+5.6	+4.4	+1.7	+6.2
Råntevkastning Criteria B10	+0.7	-	-	-	-	-	-	-	-	-
Comparison to index including dividends, %	+0.2	+1.0	+1.1	+3.3	+3.1	+1.2	+5.1	+4.7	+1.8	+6.6
Average yearly return, 5 yrs. %										
Råntevkastning Criteria A1	+1.6	+1.7	+2.3	+3.2	+3.6	+3.1	+5.0	+4.5	+3.2	+3.7
Råntevkastning Criteria A10	+1.7	-	-	-	-	-	-	-	-	-
Råntevkastning Criteria B1	+1.4	+1.5	+2.2	+3.1	+3.6	+3.1	+5.0	+4.5	+3.2	+3.7
Råntevkastning Criteria B10	+1.7	-	-	-	-	-	-	-	-	-
Comparison to index including dividends, %	+1.8	+1.7	+2.2	+3.3	+3.6	+2.8	+5.0	+4.9	+3.6	+4.2
Average yearly return, 10 yrs. %										
Råntevkastning Criteria A1	+2.3	+3.3	+3.4	+3.2	+3.7	+3.8	+4.1	+4.4	+4.0	-
Råntevkastning Criteria A10	+2.4	-	-	-	-	-	-	-	-	-
Råntevkastning Criteria B1	+2.3	+3.2	+3.3	+3.2	+3.6	+3.8	+4.1	+4.4	+4.0	-
Råntevkastning Criteria B10	+2.4	-	-	-	-	-	-	-	-	-
Comparison to index including dividends, %	+2.3	+3.3	+3.5	+3.5	+3.9	+3.9	+4.4	+4.9	+4.5	-
Dividends per unit, SEK										
Råntevkastning Criteria A1	-	-	-	-	-	-	-	-	-	-
Råntevkastning Criteria B1	4.58	29.26	23.25	30.06	-	-	-	-	-	-
Råntevkastning Criteria B10	4.58	-	-	-	-	-	-	-	-	-

Benchmark: HMSD5 Sweden All Government Dur Const 5y 50%, HMSMD25 Sweden All Mortgage Dur Const 2,5y 30%, HMT27 Swe Government Dur Const 1Y 20%

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

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

Refer to the last page for definitions.

Fund Facts - Costs

Max. allowed mgmt. costs in % according to fund rules	
Råntevkastning Criteria A1	0.30
Råntevkastning Criteria A10	0.20
Råntevkastning Criteria B1	0.30
Råntevkastning Criteria B10	0.20
Collected mgmt. costs in % of average fund capital	
Råntevkastning Criteria A1	0.30
Råntevkastning Criteria A10	0.20
Råntevkastning Criteria B1	0.33
Råntevkastning Criteria B10	0.20
Annual fees in %	
Råntevkastning Criteria A1	0.30
Råntevkastning Criteria A10	0.20
Råntevkastning Criteria B1	0.33
Råntevkastning Criteria B10	0.20
Transaction costs, tSEK	1,631
Transaction costs in % of turnover	0.00
Costs in SEK for a one-time subscription, 10 000 SEK	
Råntevkastning Criteria A1	30.10
Råntevkastning Criteria A10	-
Råntevkastning Criteria B1	30.10
Råntevkastning Criteria B10	-
Costs in SEK for monthly savings, 100 SEK	
Råntevkastning Criteria A1	1.96
Råntevkastning Criteria A10	-
Råntevkastning Criteria B1	1.96
Råntevkastning Criteria B10	-

Risk and Return Measurements*

Total risk % - A1 SEK	1.2	Active return % - B10 SEK	0.5
Total risk % - A10 SEK	1.2	Information ratio - A1 SEK	1.5
Total risk % - B1 SEK	1.2	Information ratio - A10 SEK	1.9
Total risk % - B10 SEK	1.2	Information ratio - B1 SEK	1.0
Total risk in index % - A1 SEK	1.1	Information ratio - B10 SEK	1.9
Total risk in index % - A10 SEK	1.1	Sharpe ratio - A1 SEK	1.1
Total risk in index % - B1 SEK	1.1	Sharpe ratio - A10 SEK	1.2
Total risk in index % - B10 SEK	1.1	Sharpe ratio - B1 SEK	1.0
Tracking error % - A1 SEK	0.2	Sharpe ratio - B10 SEK	1.2
Tracking error % - A10 SEK	0.2	Sharpe ratio in index - A1 SEK	0.9
Tracking error % - B1 SEK	0.2	Sharpe ratio in index - A10 SEK	0.9
Tracking error % - B10 SEK	0.2	Sharpe ratio in index - B1 SEK	0.9
Benchmark	HMSD5 Sweden All Government Dur Const 5y 50%, HMSMD25 Sweden All Mortgage Dur Const 2,5y 30%, HMT27 Swe Government Dur Const 1Y 20%	Sharpe ratio in index - B10 SEK	0.9
Active return % - A1 SEK	0.4	Duration, years ¹⁾	2.9
Active return % - A10 SEK	0.5		
Active return % - B1 SEK	0.2		

1) As of the balance sheet date.

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

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

Fund Facts - Other Key Figures

Turnover rate	0.6
Share of turnover conducted via closely-related securities companies in %	14.9

Handelsbanken Råntevkastning Criteria, cont.

Income Statement, tSEK

	2018	2017
INCOME AND CHANGES IN VALUE		
Changes in value for transferable securities*	-60,692	-97,028
Changes in value for other derivative instruments**	-36,755	10,202
Interest income	201,088	190,728
Other financial income	45	-
Other income	0	0
Total income and changes in value	103,686	103,902
EXPENSES		
Management costs:		
- Remuneration to the Management Company	39,948	35,304
Interest expense	4	2
Other expenses	1,631	970
Total expenses	41,583	36,276
Net income	62,103	67,626
* Details of changes in value		
Capital gains	27,680	27,993
Capital losses	-106,168	-60,316
Unrealised gains/losses	17,796	-64,705
Sum	-60,692	-97,028
** Details of changes in value		
Capital gains	853,901	719,772
Capital losses	-890,656	-709,570
Unrealised gains/losses	0	-
Sum	-36,755	10,202

Balance Sheet, tSEK

	31 dec 2018	% of fund capital	31 dec 2017	% of fund capital
ASSETS				
Transferable securities	13,237,572	93.0	10,620,618	86.6
Total financial instruments with positive market value (Note 2)	13,237,572	93.0	10,620,618	86.6
Bank assets and other liquid assets	922,812	6.4	1,555,770	12.7
Prepaid expenses and accrued income	82,987	0.6	86,404	0.7
Other assets	2,525	-0.1	2,835	0.0
Total assets	14,245,896	100.0	12,265,627	100.0
LIABILITIES				
Accrued expenses and prepaid income	3,470	0.0	1,852	0.0
Other liabilities	1,315	0.0	-	-
Total liabilities	4,785	0.0	1,852	0.0
Fund capital (Note 1)	14,241,111	100.0	12,263,775	100.0
Other derivative instruments with negative market value	103,857	0.7	85,022	0.7

Note 1) for Balance Sheet

Changes in fund capital, tSEK

	2018	2017
Fund capital at beginning of year	12,263,775	9,247,330
Units issued	4,536,862	5,146,587
Units redeemed	-2,614,958	-2,166,177
Profit according to Income Statement	62,103	67,626
Dividends to unit holders	-6,671	-31,591
Fund capital at the close of the period	14,241,111	12,263,775

Note 2) for Balance Sheet

Fund holdings in financial instruments

TRANSFERABLE SECURITIES*

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
LISTED FIXED-INCOME SECURITIES			
FOREIGN ISSUER, OTHERS			
Realkredit Danmark FRN 2020-10-01	125,000	126,041	0.9
		126,041	0.9
GOVERNMENT			
Göteborgs stad 2,00% 2020-06-03	150,000	154,310	1.1
Jönköpings Kommun 0.983% 2024-06-20	100,000	100,204	0.7
Kommuninvest 0,625% 2023-06-01	121,000	121,546	0.9
Kommuninvest 1,00% 2021-09-15	394,000	402,853	2.8
Kommuninvest 2,50% 2020-12-01	599,000	627,764	4.4
Linköpings kommun 1,125 2019-10-29	120,000	121,015	0.8
Orebro Kommun FRN 2023-11-20	50,000	51,303	0.4
Statsobligation 1052 4,25% 2019-03-12	100	101	0.0
Statsobligation 1053 3,50% 2039-03-30	293,850	414,787	2.9
Statsobligation 1054 3,50% 2022-06-01	100	113	0.0
Statsobligation 1056 2,25% 2032-06-01	115,500	135,479	1.0
Statsobligation 1057 1,50% 2023-11-13	200,100	214,893	1.5
Statsobligation 1058 2,50% 2025-05-12	100,100	114,940	0.8
Statsobligation 1059 1,00% 2026-11-12	100	105	0.0
Statsobligation 1060 0,75% 2028-05-12	185,100	189,920	1.3
Stockholms stad 0,675% 2022-02-15	143,000	144,540	1.0

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
Stockholms stad 0,9% 2021-02-26	100,000	101,730	0.7
Stockholms stad 1,85% 2024-11-12	100,000	104,973	0.7
Vellinge kommun 0,443% 2020-04-30	50,000	50,301	0.4
		3,050,876	21.4
MORTGAGE			
Länsförsäkringar Hypotek 515 2,25% 2022-09-21	670,000	713,959	5.0
Nordea Hypotek 5521 3,25% 2020-06-17	377,000	395,292	2.8
Nordea Hypotek 5531 1,00% 2022-04-08	1,836,000	1,874,648	13.2
Nordea Hypotek 5532 1,25% 2021-05-19	306,000	314,026	2.2
Nordea Hypotek 5533 1,25% 2023-09-20	212,000	217,088	1.5
SCBC 143 1,25% 2022-06-15	262,000	269,705	1.9
Stadshypotek 1,50% 2023-06-01	1,212,000	1,256,905	8.8
Stadshypotek 1584 1,50% 2021-03-17	652,000	672,023	4.7
Stadshypotek 1586 4,50% 2022-09-21	736,000	845,311	5.9
Stadshypotek RB 1594 2% 2028-09-01	200,000	207,520	1.5
Swedbank Hypotek 190 1,00% 2021-09-15	687,000	701,406	4.9
Swedbank Hypotek 192 1,00% 2023-03-15	233,000	236,903	1.7
		7,704,786	54.2
OTHER			
Landshypotek 0,625% 2020-06-17	157,000	158,292	1.1
Landshypotek 0,70% 2022-05-09	160,000	161,195	1.1
Landshypotek FRN 2020-10-16	70,000	70,676	0.5
Landshypotek FRN 2021-05-19	79,000	80,044	0.6
Landshypotek FRN 2021-10-25	73,000	74,192	0.5
Landshypotek FRN 2024-08-14	230,000	237,510	1.7
SEB Bolån 574 1,50% 2021-12-15	1,121,500	1,161,807	8.2
SEB RB 576 1,0% 2023-12-20	408,000	412,153	2.9
		2,355,869	16.5
Total listed fixed-income securities		13,237,572	93.0
Total transferable securities		13,237,572	93.0

EXCHANGE-TRADED DERIVATIVES**

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
INTEREST RATE FUTURES			
BTOH9	1,947	0	0.0
BUOH9	505	0	0.0
CEYH9	-4,423	0	0.0
Total interest rate futures		0	0.0
Total exchange-traded derivatives		0	0.0
Total holdings in financial instruments		13,237,572	93.0
Net, other assets and liabilities		1,003,539	7.0
Total fund capital		14,241,111	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
Handelsbanken	20.9	Svenska staten	7.5
Nordea	19.7	Swedbank	6.6
SEB	11.1	Landshypotek	5.5
Kommuninvest	8.1	Stockholms stad	2.4

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

Handelsbanken Rånteavkastning Criteria

Sustainability dimensions that are taken into consideration in the management of the fund

The fund manager integrates environmental, social and corporate governance criteria (ESG) into the investment process, together with financial criteria, to obtain a more complete basis for decision-making. As a result, the fund manager takes into consideration both risks and opportunities related to various ESG aspects.

Methods used in sustainability efforts

Inclusion

An in-depth analysis is conducted in preparation for each investment decision in which sustainability dimensions as well as economic aspects are factored into the analysis. We believe sustainability issues are particularly important for making sound investment decisions to generate good, long-term returns. We have access to external ESG analyses as a complement to our own analyses and knowledge of the companies. Fund managers analyse sustainability through the company's sustainability performance (HOW they conduct their business operations), as well as through WHAT the company offers for products and services. The sustainability analysis is documented as an integral component of the investment documentation and consists of both sustainability risks and opportunities.

The fund has invested in Kommuninvest's green bonds. All of the projects financed by these bonds are in Sweden, a country with ambitions to be one of the world's first fossil-free developing countries. This development must be led by municipalities and county councils, which are the major public investments in the country. Kommuninvest's framework for green bonds meets six of the UN's Sustainable Development Goals and is subscribed to The Green Bond Principles, Green Bonds Harmonized Framework for Impact Reporting and Nordic Public Sector Issus: Position Paper on Green Bonds Impact Reporting.

Documentation for Kommuninvest green bonds contains an independent statement from the climate research institute Cicero. Kommuninvest also publishes an annual report, Green Bonds Impact Report, which illustrates the effect of the green investments financed through this programme.

The fund has also participated in the issues of Green bonds from two individual municipalities, Gothenburg and Örebro. Approximately 3% of the fund's total bond holdings were in green bonds at year-end

Exclusion

In accordance with the Management Company's overall policy for responsible investment, all of the Management Company's funds exclude:

- companies involved in the production or distribution of banned weapons, such as cluster bombs, anti-personnel mines, biological and chemical weapons, in accordance with international legislation. Companies involved in the production or distribution of nuclear weapons are also excluded.
- companies with substantial business operations within coal mining or in power companies that have coal as a major source of energy.

The fund is managed based upon the Criteria exclusion strategy, which means an exclusion of companies in which the principle business operations are within controversial sectors such as alcohol, tobacco, commercial gaming, war materials, pornography, fossil fuels. The fund also excludes companies that are deemed to be violating international norms and conventions. This is followed-up by the Management Company's independent risk control function on a daily basis.

Management Company's engagement activities

A critical component in taking responsibility as an investor is to influence the companies in which we invest. Our engagement activities are founded on the value base of Handelsbanken and the Management Company, our commitments, as well as the international norms and conventions we safeguard. We conduct dialogues to encourage companies to improve their sustainability efforts, as well as with companies we deem do not fulfil the international norms and conventions we safeguard. We conduct the engagement activities primarily through:

- A. Targeted dialogues with direct contact between our fund managers and the company
 - B. Dialogues together with other investors/capital owners
 - C. Collaborations and sector initiatives, often through international collaborations such as the UN, PRI and CDP.
- A. The fund manager meets or has contact with companies on a regular basis, which provides a good opportunity to influence companies within sustainability. We hold dialogues with clear targets for change, but also dialogues that focus on an overall improvement to the company's sustainability efforts. Targets are identified for the direct dialogues and results are followed up regularly during the period of the dialogue. The targeted company dialogues are carried out by the fund manager directly with the company. The fund did not have any dialogues during the year.
 - B. The Management Company participates in dialogues with companies together with other investors through an external party (ISS ESG) in a so-called pooled engagement. The basis for these dialogues is a norm-based analysis that focuses primarily on companies with suspected or confirmed violations with regard to international norms and conventions within the environment, human rights, labour rights, and anti-corruption. The dialogue process consists of contact between ISS ESG and the company concerned, and in certain cases also includes meetings or telephone conferences in which we as an investor may participate. During 2018 the Management Company participated in 143 company dialogues.
 - C. During 2018 the Management Company participated in several international initiatives and collaborations with focus on specific sustainability matters. These initiatives are often thematic or focus on sustainability issues within a certain sector. Examples of initiatives we have participated in during the year include: Climate Action 100+, PRI Methane Engagement, PRI Sustainable Palm Oil, PRI Sustainable Soy, PRI Cyber Security and FAIRR Antibiotics Engagement. These initiatives include 336 companies in total.

Portfolio Manager: MIKAEL ROSELL
Up to 14/10/2018 ALEXANDER GULLNÄS

BASE CURRENCY



Handelsbanken Realräntefond

Management Report

Investment Focus

The fund is fixed income fund that invests primarily in index bonds with the aim of protecting returns 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 average residual fixed interest period for the fund's investments is between a minimum of 2 and a maximum of 15 years. The fund's assets may be invested in interest-bearing financial instruments with a minimum rating of AA- from S&P or an equivalent rating of Aa3 from Moody's. Within the context of the fund's investment focus, international norms 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

The fund rose 1.1% during 2018*. Long-term Swedish real rates fell approximately 20 bp during the year, which was positive for fund returns. Nominal rates fell slightly less than real rates during the year, which meant that the break-even spread (the market's expectations) decreased slightly during the year. The combination of higher oil prices, a weaker SEK, the Riksbank's expansive monetary policy and strong global growth drove up inflation outlooks during the spring and autumn. However, the year-end was characterised by an increased risk aversion and sharply falling oil prices, which led market outlooks to decline just below 2% in December. The 10-year real interest rate closed the year at -1.44%. The fund closely reflected its benchmark index, the OMRX Real Return Index.

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

Significant risks

As of the balance sheet date or any other time during the year, fund holdings did not have exposure to any other significant risks than those stated in the fact sheet and information brochure.

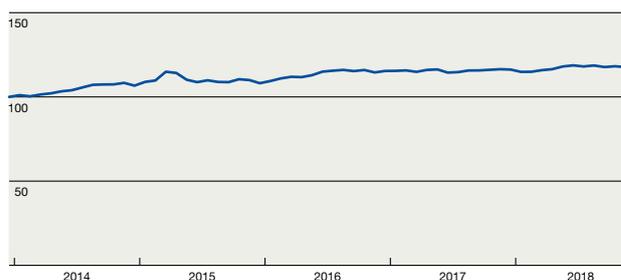
Trading with derivatives

According to the fund rules, the fund may trade with derivatives as part of its investment focus. The fund did not use this option during 2018. The fund has the option of lending securities. The fund did not use this option during 2018. The fund may use other techniques and instruments. The fund did not use this option during 2018.

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

	2018	2017	2016	2015	2014	2013	2012	2011	29/10-31/12 2010	2009
Net asset value, SEK										
Realräntefond A1	120.68	119.38	118.50	111.04	109.56	102.69	108.75	110.56	98.98	-
Realräntefond A10	120.97	-	-	-	-	-	-	-	-	-
Realräntefond B1	109.95	109.32	111.30	105.85	105.99	100.84	108.75	-	-	-
The fund's total net flow, mSEK	109	-1,609	263	415	1,003	-527	-2,156	-	-	-
Fund capital total, mSEK	521	409	2,025	1,639	1,218	142	696	2,848	888	-
Realräntefond A1	477	341	2,025	1,639	1,218	142	696	2,848	888	-
Realräntefond A10	0	-	-	-	-	-	-	-	-	-
Realräntefond B1	44	68	0	0	0	0	0	-	-	-
Number of units, 1000's	4,356	3,477	17,090	14,762	11,115	1,381	6,399	25,757	8,975	-
Realräntefond A1	3,952	2,853	17,090	14,762	11,115	1,381	6,399	25,757	8,975	-
Realräntefond A10	4	-	-	-	-	-	-	-	-	-
Realräntefond B1	400	623	0	0	0	0	0	-	-	-
Total returns in %, SEK										
Realräntefond A1	+1.1	+0.7	+6.7	+1.4	+6.7	-5.6	+0.6	+12.0	-1.0	-
Realräntefond A10	+1.4	-	-	-	-	-	-	-	-	-
Realräntefond B1	+1.1	+0.7	+6.7	+1.4	+6.7	-5.6	+0.8	-	-	-
Index including dividends in %, SEK										
Realräntefond A1	+1.5	+1.0	+7.2	+1.8	+7.4	-5.2	+0.8	+12.7	-0.7	-
Realräntefond A10	+1.5	-	-	-	-	-	-	-	-	-
Realräntefond B1	+1.5	+1.0	+7.2	+1.8	+7.4	-5.2	+0.8	-	-	-
Average yearly return, 2 yrs. %										
Realräntefond A1	+0.9	+3.7	+4.0	+4.0	+0.4	-2.5	+6.2	-	-	-
Realräntefond A10	+1.2	-	-	-	-	-	-	-	-	-
Realräntefond B1	+0.9	+3.7	+4.0	+4.0	+0.4	-	-	-	-	-
Comparison to index including dividends, %	+1.3	+4.1	+4.5	+4.6	+0.9	-2.2	+6.6	-	-	-
Average yearly return, 5 yrs. %										
Realräntefond A1	+3.3	+1.9	+1.9	+2.8	-	-	-	-	-	-
Realräntefond A10	+3.6	-	-	-	-	-	-	-	-	-
Realräntefond B1	+3.3	+1.9	-	-	-	-	-	-	-	-
Comparison to index including dividends, %	+3.8	+2.3	+2.3	+3.3	-	-	-	-	-	-
Dividends per unit, SEK										
Realräntefond A1	-	-	-	-	-	-	2.46	0.25	-	-
Realräntefond B1	0.55	2.78	1.59	1.59	1.51	1.90	-	-	-	-

Benchmark: OMRX REAL

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

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

Refer to the last page for definitions.

Handelsbanken Realräntefond, cont.

Fund Facts - Costs

Max. allowed mgmt. costs in % according to fund rules	
Realräntefond A1	0.40
Realräntefond A10	0.10
Realräntefond B1	0.40
Collected mgmt. costs in % of average fund capital	
Realräntefond A1	0.40
Realräntefond A10	0.10
Realräntefond B1	0.40
Annual fees in %	
Realräntefond A1	0.40
Realräntefond A10	0.10
Realräntefond B1	0.40
Transaction costs, tSEK	
Transaction costs in % of turnover	0.00
Costs in SEK for a one-time subscription, 10 000 SEK	
Realräntefond A1	40.30
Realräntefond A10	-
Realräntefond B1	40.30
Costs in SEK for monthly savings, 100 SEK	
Realräntefond A1	2.63
Realräntefond A10	-
Realräntefond B1	2.63

Fund Facts - Other Key Figures

Turnover rate	1.0
Share of turnover conducted via closely-related securities companies in %	9.7

Risk and Return Measurements*

Total risk % - A1 SEK	2.4	Active return % - B1 SEK	-0.4
Total risk % - A10 SEK	2.4	Information ratio - A1 SEK	Negative
Total risk % - B1 SEK	2.4	Information ratio - A10 SEK	Negative
Total risk in index % - A1 SEK	2.3	Information ratio - B1 SEK	Negative
Total risk in index % - A10 SEK	2.3	Sharpe ratio - A1 SEK	0.7
Total risk in index % - B1 SEK	2.3	Sharpe ratio - A10 SEK	0.8
Tracking error % - A1 SEK	0.6	Sharpe ratio - B1 SEK	0.7
Tracking error % - A10 SEK	0.6	Sharpe ratio in index - A1 SEK	0.9
Tracking error % - B1 SEK	0.6	Sharpe ratio in index - A10 SEK	0.9
Benchmark	OMRX REAL	Sharpe ratio in index - B1 SEK	0.9
Active return % - A1 SEK	-0.4	Duration, years ¹⁾	6.2
Active return % - A10 SEK	-0.1		

1) As of the balance sheet date.

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

Income Statement, tSEK

	2018	2017
INCOME AND CHANGES IN VALUE		
Changes in value for transferable securities*	-344	-15,921
Interest income	6,280	13,647
Other income	0	0
Total income and changes in value	5,936	-2,274
EXPENSES		
Management costs:		
- Remuneration to the Management Company	1,618	3,509
Interest expense	8	5
Other expenses	0	1,396
Total expenses	1,626	4,910
Net income	4,310	-7,184
* Details of changes in value		
Capital gains	8,992	75,795
Capital losses	-2,653	-10,224
Unrealised gains/losses	-6,683	-81,492
Sum	-344	-15,921

Balance Sheet, tSEK

	31 dec 2018	% of fund capital	31 dec 2017	% of fund capital
ASSETS				
Transferable securities	518,233	99.4	407,275	99.6
Total financial instruments with positive market value ^{Note 2)}	518,233	99.4	407,275	99.6
Bank assets and other liquid assets	15,242	2.9	733	0.2
Prepaid expenses and accrued income	1,086	0.2	823	0.2
Other assets	2	0.0	-	-
Total assets	534,563	102.5	408,831	100.0
LIABILITIES				
Accrued expenses and prepaid income	167	0.0	76	0.0
Other liabilities	12,980	2.5	-	-
Total liabilities	13,147	2.5	76	0.0
Fund capital ^{Note 1)}	521,416	100.0	408,755	100.0

Note 1) for Balance Sheet

Changes in fund capital, tSEK

	2018	2017
Fund capital at beginning of year	408,755	2,025,173
Units issued	626,777	460,431
Units redeemed	-518,083	-2,069,665
Profit according to Income Statement	4,310	-7,184
Dividends to unit holders	-343	0
Fund capital at the close of the period	521,416	408,755

Note 2) for Balance Sheet

Fund holdings in financial instruments

TRANSFERABLE SECURITIES*

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
LISTED FIXED-INCOME SECURITIES			
GOVERNMENT			
Statsobligation 3102 4,00% 2020-12-01	83,600	126,764	24.3
Statsobligation 3104 3.50% 2028-12-01	61,400	120,585	23.1
Statsobligation 3108 0,25% 2022-06-01	75,300	86,734	16.6
Statsobligation 3109 1,00% 2025-06-01	53,000	65,974	12.7
Statsobligation 3111 0,125% 2032-06-01	38,500	47,847	9.2
Statsobligation 3112 0,125% 2026-06-01	35,700	42,668	8.2
Statsobligation 3113 0,125% 2027-12-01	23,200	27,661	5.3
		518,233	99.4
Total listed fixed-income securities		518,233	99.4
Total transferable securities		518,233	99.4
Total holdings in financial instruments		518,233	99.4
Net, other assets and liabilities		3,183	0.6
Total fund capital		521,416	100.0

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

* Refers to transferable securities admitted to trading on a regulated market or equivalent market outside EEA, or are the subject of regular trading in other markets that are regulated and open to the general public. 99.4

** 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
Svenska staten	99.4

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

Handelsbanken Realränta

Sustainability dimensions that are taken into consideration in the management of the fund

The fund manager integrates environmental, social and corporate governance criteria (ESG) into the investment process, together with financial criteria, to obtain a more complete basis for decision-making. As a result, the fund manager takes into consideration both risks and opportunities related to various ESG aspects.

Methods used in sustainability efforts

Inclusion

The fund is sustainable as a result of its investment focus, which invests only in real and nominal government bonds, as well as treasury bills issued by the Swedish government.

Exclusion

Due to the fund's investment focus, the fund may not invest in bonds issued by companies. As a result, the fund does not have any investments in companies with business operations within controversial sectors.

Handelsbanken Tillväxtmarknad Obligation, cont.

	7/12-31/12 2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Fund capital total, mSEK	711	-	-	-	-	-	-	-	-	-
Tillväxtmarknad Obligation A1 - SEK	212	-	-	-	-	-	-	-	-	-
Tillväxtmarknad Obligation A1 - EUR	1	-	-	-	-	-	-	-	-	-
Tillväxtmarknad Obligation A1 - NOK	1	-	-	-	-	-	-	-	-	-
Tillväxtmarknad Obligation A9 - SEK	151	-	-	-	-	-	-	-	-	-
Tillväxtmarknad Obligation A9 - EUR	0	-	-	-	-	-	-	-	-	-
Tillväxtmarknad Obligation A10 - SEK	11	-	-	-	-	-	-	-	-	-
Tillväxtmarknad Obligation A10 - NOK	279	-	-	-	-	-	-	-	-	-
Tillväxtmarknad Obligation B9 - SEK	35	-	-	-	-	-	-	-	-	-
Number of units, 1000's	6,961	-	-	-	-	-	-	-	-	-
Tillväxtmarknad Obligation A1 - SEK	2,068	-	-	-	-	-	-	-	-	-
Tillväxtmarknad Obligation A1 - EUR	132	-	-	-	-	-	-	-	-	-
Tillväxtmarknad Obligation A1 - NOK	9	-	-	-	-	-	-	-	-	-
Tillväxtmarknad Obligation A9 - SEK	1,452	-	-	-	-	-	-	-	-	-
Tillväxtmarknad Obligation A9 - EUR	21	-	-	-	-	-	-	-	-	-
Tillväxtmarknad Obligation A10 - SEK	109	-	-	-	-	-	-	-	-	-
Tillväxtmarknad Obligation A10 - NOK	2,768	-	-	-	-	-	-	-	-	-
Tillväxtmarknad Obligation B9 - SEK	402	-	-	-	-	-	-	-	-	-
Total returns in %, SEK										
Tillväxtmarknad Obligation A1 - SEK	-5.4	+3.3	+14.5	-6.8	+11.0	-	-	-	-	-
Tillväxtmarknad Obligation A1 - EUR	-8.2	+0.6	+9.5	-3.6	+3.7	-	-	-	-	-
Tillväxtmarknad Obligation A1 - NOK	-7.5	+8.9	+3.4	+2.2	+12.5	-	-	-	-	-
Tillväxtmarknad Obligation A9 - SEK	-4.9	+3.5	+14.8	-6.6	+11.2	-	-	-	-	-
Tillväxtmarknad Obligation A9 - EUR	-7.8	+0.8	+9.7	-3.4	+3.9	-	-	-	-	-
Tillväxtmarknad Obligation A10 - SEK	-4.5	+4.2	+15.6	-5.9	+12.0	-	-	-	-	-
Tillväxtmarknad Obligation A10 - NOK	-6.7	+9.8	+4.3	+3.1	+13.5	-	-	-	-	-
Tillväxtmarknad Obligation B9 - SEK	-4.9	+3.5	+14.8	-6.5	+11.2	-	-	-	-	-
Index including dividends in %, SEK										
Tillväxtmarknad Obligation A1 - SEK	-0.3	+4.1	+18.3	-5.9	+11.5	-	-	-	-	-
Tillväxtmarknad Obligation A1 - EUR	-3.3	+1.5	+13.1	-2.7	+4.2	-	-	-	-	-
Tillväxtmarknad Obligation A1 - NOK	-2.5	+9.8	+6.8	+3.1	+13.1	-	-	-	-	-
Tillväxtmarknad Obligation A9 - SEK	-0.3	+4.1	+18.3	-5.9	+11.5	-	-	-	-	-
Tillväxtmarknad Obligation A9 - EUR	-3.3	+1.5	+13.1	-2.7	+4.2	-	-	-	-	-
Tillväxtmarknad Obligation A10 - SEK	-0.3	+4.1	+18.3	-5.9	+11.5	-	-	-	-	-
Tillväxtmarknad Obligation A10 - NOK	-2.5	+9.8	+6.8	+3.1	+13.1	-	-	-	-	-
Tillväxtmarknad Obligation B9 - SEK	-0.3	+4.1	+18.3	-5.9	+11.5	-	-	-	-	-
Average yearly return, 2 yrs. %										
Tillväxtmarknad Obligation A1 - SEK	-1.2	+8.8	+3.3	+1.7	-	-	-	-	-	-
Tillväxtmarknad Obligation A1 - EUR	-3.9	+5.0	+2.8	0.0	-	-	-	-	-	-
Tillväxtmarknad Obligation A1 - NOK	+0.4	+6.1	+2.8	+7.2	-	-	-	-	-	-
Tillväxtmarknad Obligation A9 - SEK	-0.8	+9.0	+3.6	+1.9	-	-	-	-	-	-
Tillväxtmarknad Obligation A9 - EUR	-3.6	+5.2	+3.0	+0.2	-	-	-	-	-	-
Tillväxtmarknad Obligation A10 - SEK	-0.3	+9.7	+4.3	+2.6	-	-	-	-	-	-
Tillväxtmarknad Obligation A10 - NOK	+1.3	+7.0	+3.7	+8.2	-	-	-	-	-	-
Tillväxtmarknad Obligation B9 - SEK	-0.8	+9.0	+3.6	+2.0	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+1.9	+11.0	+5.5	+2.4	-	-	-	-	-	-
EUR	-1.0	+7.1	+4.9	+0.7	-	-	-	-	-	-
NOK	+3.4	+8.3	+4.9	+8.0	-	-	-	-	-	-
Average yearly return, 5 yrs. %										
Tillväxtmarknad Obligation A1 - SEK	+3.0	-	-	-	-	-	-	-	-	-
Tillväxtmarknad Obligation A1 - EUR	+0.2	-	-	-	-	-	-	-	-	-
Tillväxtmarknad Obligation A1 - NOK	+3.7	-	-	-	-	-	-	-	-	-
Tillväxtmarknad Obligation A9 - SEK	+3.2	-	-	-	-	-	-	-	-	-
Tillväxtmarknad Obligation A9 - EUR	+0.5	-	-	-	-	-	-	-	-	-
Tillväxtmarknad Obligation A10 - SEK	+3.9	-	-	-	-	-	-	-	-	-
Tillväxtmarknad Obligation A10 - NOK	+4.6	-	-	-	-	-	-	-	-	-
Tillväxtmarknad Obligation B9 - SEK	+3.3	-	-	-	-	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+5.2	-	-	-	-	-	-	-	-	-
EUR	+2.4	-	-	-	-	-	-	-	-	-
NOK	+5.9	-	-	-	-	-	-	-	-	-
Exchange rate EUR/SEK	10.13	-	-	-	-	-	-	-	-	-
Exchange rate NOK/SEK	1.02	-	-	-	-	-	-	-	-	-

Relevant benchmark is not available.

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

Refer to the last page for definitions.

Fund Facts - Costs

Max. allowed mgmt. costs in % according to fund rules	
Tillväxtmarknad Obligation A1	1.10
Tillväxtmarknad Obligation A9	0.55
Tillväxtmarknad Obligation A10	0.20
Tillväxtmarknad Obligation B9	0.55
Collected mgmt. costs in % of average fund capital	
Tillväxtmarknad Obligation A1	1.10
Tillväxtmarknad Obligation A9	0.55
Tillväxtmarknad Obligation A10	0.20
Tillväxtmarknad Obligation B9	0.55
Annual fees in %	
Tillväxtmarknad Obligation A1	1.10
Tillväxtmarknad Obligation A9	0.55
Tillväxtmarknad Obligation A10	0.20
Tillväxtmarknad Obligation B9	0.55
Transaction costs, tSEK	8
Transaction costs in % of turnover	0.00
Costs in SEK for a one-time subscription, 10 000 SEK	
Tillväxtmarknad Obligation A1	-
Tillväxtmarknad Obligation A9	-
Tillväxtmarknad Obligation A10	-
Tillväxtmarknad Obligation B9	-
Costs in SEK for monthly savings, 100 SEK	
Tillväxtmarknad Obligation A1	-
Tillväxtmarknad Obligation A9	-
Tillväxtmarknad Obligation A10	-
Tillväxtmarknad Obligation B9	-

Fund Facts - Other Key Figures

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

Handelsbanken Tillväxtmarknad Obligation, cont.

Risk and Return Measurements*

Total risk % - A1 SEK	7.8	Active return % - A10 SEK	-2.1
Total risk % - A1 EUR	7.5	Active return % - A10 NOK	-2.2
Total risk % - A1 NOK	9.1	Active return % - B9 SEK	-2.6
Total risk % - A9 SEK	7.8	Information ratio - A1 SEK	Negative
Total risk % - A9 EUR	7.5	Information ratio - A1 EUR	Negative
Total risk % - A10 SEK	7.8	Information ratio - A1 NOK	Negative
Total risk % - A10 NOK	9.1	Information ratio - A9 SEK	Negative
Total risk % - B9 SEK	7.8	Information ratio - A9 EUR	Negative
Total risk in index % - A1 SEK	7.9	Information ratio - A10 SEK	Negative
Total risk in index % - A1 EUR	7.9	Information ratio - A10 NOK	Negative
Total risk in index % - A1 NOK	9.3	Information ratio - B9 SEK	Negative
Total risk in index % - A9 SEK	7.9	Sharpe ratio - A1 SEK	0.0
Total risk in index % - A9 EUR	7.9	Sharpe ratio - A1 EUR	-0.5
Total risk in index % - A10 SEK	7.9	Sharpe ratio - A1 NOK	0.0
Total risk in index % - A10 NOK	9.3	Sharpe ratio - A9 SEK	0.0
Total risk in index % - B9 SEK	7.9	Sharpe ratio - A9 EUR	-0.4
Tracking error % - A1 SEK	1.6	Sharpe ratio - A10 SEK	0.1
Tracking error % - A1 EUR	1.6	Sharpe ratio - A10 NOK	0.1
Tracking error % - A1 NOK	1.6	Sharpe ratio - B9 SEK	0.0
Tracking error % - A9 SEK	1.5	Sharpe ratio in index - A1 SEK	0.3
Tracking error % - A9 EUR	1.5	Sharpe ratio in index - A1 EUR	-0.1
Tracking error % - A10 SEK	1.6	Sharpe ratio in index - A1 NOK	0.3
Tracking error % - A10 NOK	1.6	Sharpe ratio in index - A9 SEK	0.3
Tracking error % - B9 SEK	1.6	Sharpe ratio in index - A9 EUR	-0.1
Active return % - A1 SEK	-3.0	Sharpe ratio in index - A10 SEK	0.3
Active return % - A1 EUR	-2.9	Sharpe ratio in index - A10 NOK	0.3
Active return % - A1 NOK	-3.1	Sharpe ratio in index - B9 SEK	0.3
Active return % - A9 SEK	-2.7	Duration, years ¹⁾	4.4
Active return % - A9 EUR	-2.6		

1) As of the balance sheet date.

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

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

Income Statement, tSEK

	7/12-31/12 2018	2017
INCOME AND CHANGES IN VALUE		
Changes in value for transferable securities*	-29,638	-
Changes in value for fund units**	-385	-
Interest income	22,178	-
Currency exchange profits and losses, net	-100	-
Other income	0	-
Total income and changes in value	-7,945	
EXPENSES		
Management costs:		
- Remuneration to the Management Company	270	-
Interest expense	3	-
Other expenses	8	-
Total expenses	281	
Net income	-8,226	
* Details of changes in value		
Capital gains	585	-
Capital losses	-13,247	-
Unrealised gains/losses	-16,976	-
Sum	-29,638	-
** Details of changes in value		
Capital gains	332	-
Capital losses	-241	-
Unrealised gains/losses	-476	-
Sum	-385	-

Balance Sheet, tSEK

	31 dec 2018	fund capital	% of	31 dec 2017	fund capital	% of
ASSETS						
Transferable securities	665,417		93.6			
Fund units	18,536		2.6			
Total financial instruments with positive market value	683,953		96.2			
Bank assets and other liquid assets	10,702		1.5			
Prepaid expenses and accrued income	16,336		2.3			
Other assets	0		0.0			
Total assets	710,991		100.0			
LIABILITIES						
Accrued expenses and prepaid income	270		0.0			
Other liabilities	3		0.0			
Total liabilities	273		0.0			
Fund capital ^{Note 1)}	710,718		100.0			

Note 1) for Balance Sheet

Changes in fund capital, tSEK

	2018	2017
Fund capital at beginning of year	-	-
Units issued	779,868	-
Units redeemed	-60,924	-
Profit according to Income Statement	-8,226	-
Dividends to unit holders	-	-
Fund capital at the close of the period	710,718	

Note 2) for Balance Sheet

Fund holdings in financial instruments

TRANSFERABLE SECURITIES*

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
LISTED FIXED-INCOME SECURITIES			
FOREIGN ISSUER, STATE			
Brazil 8,5% 2024-01-05	11,700	26,965	3.8
Chile 5,50% 2020-08-05	67,000	879	0.1
China Government Bond 2025-05-21	500	632	0.1
Colombia 7,75%, 2021-04-14	1,000,000	2,839	0.4
Czech Republic 2,5% 2028-08-25	52,300	21,654	3.0
Czech Republic 3,75 % 2020-09-12	24,000	9,801	1.4
Czech Republic 5,70% 2024-05-25	30,700	14,679	2.1
EBRD 35% 2019-08-07	13,000	2,834	0.4
EBRD 37,5% 2019-12-17	50,000	11,366	1.6
EIB 12,5% 2021-03-27	5,400	8,071	1.1
EIB 7,625 % 2022-01-12	28,000	12,162	1.7
EIB 7,25% 2021-06-28	1,500	3,485	0.5
EIB 8,50% 2024-09-17	17,700	11,047	1.6
Federation of Malaysia 3,659% 2020-10-1	12,300	26,445	3.7
Hungary 2,50% 2024-10-24	809,900	25,650	3.6
Hungary 7,50% 2022-06-24	724,200	27,034	3.8
IBRD 8,25% 2022-03-04	3,500	4,713	0.7
IFC 6,30% 2024-11-25	140,000	16,934	2.4
IFC 7,50% 2022-05-09	18,860	43,881	6.2
Intl Finance Corp 4% 2020-12-14	9,000	11,707	1.6
Malaysia Government 4,059% 2024-09-30	4,000	8,613	1.2
Malaysia Govt 4,258% 2027-07-26	6,500	13,980	2.0
Mexico 10,00% 2024-02-05	69,200	33,089	4.7
Mexico 6,50% 2021-06-10	11,377	4,893	0.7
Mexico 7,75% 2034-11-23	32,800	13,391	1.9
Mexico Bonos Desarr Fix RT 7,5% 2027-06	20,000	8,366	1.2
Nordic Investment Bank 14,0% 2020-01-27	1,000	177	0.0
Peru 6,95% 2031-08-12	12,300	35,169	4.9
Peru 7,84% 2020-08-12	960	2,711	0.4
Poland 1,50% 2020-04-25	10,500	24,864	3.5
Poland 2,75% 2028-04-25	8,000	18,762	2.6
Poland 4,00% 2023-10-25	10,200	26,113	3.7
Rep of S. Africa 10,5% 2026-12-21	3,500	2,355	0.3
Rep of S.Africa 7,75% 2023-02-28	9,500	5,783	0.8
Romania 4,75% 2025-02-24	8,100	17,961	2.5
Romania 5,95% 2021-06-11	5,300	12,057	1.7
Romania 5,75% 2020-04-29	3,800	8,495	1.2
Russia Gov 7,05% 2028-01-19	203,500	23,617	3.3
Russian Gov 7,75% 2026-09-16	282,700	34,608	4.9
Russian Govt 6,4% 2020-05-27	170,300	21,436	3.0
South Africa 8,75% 2044-01-31	53,300	29,277	4.1
South Africa 8,875% 2035-02-28	37,700	21,559	3.0
Uruguay 9,875% 2022-06-20	1,000	270	0.0
World Bank 2023-08-02	14,600	6,102	0.9
World Bank 3,55 % 2023-08-19	7,000	8,994	1.3
		665,417	93.6
Total listed fixed-income securities		665,417	93.6
Total transferable securities		665,417	93.6

OTHER FINANCIAL INSTRUMENTS***

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
FUND UNITS			
EXCHANGE-TRADED FIXED INCOME FUNDS**			
iShares Emerging Markets Local Gov Bond (Europe)	35,690	18,536	2.6
		18,536	2.6
Total fund units		18,536	2.6
Total other financial instruments		18,536	2.6
Total holdings in financial instruments		683,953	96.2
Net, other assets and liabilities		26,765	3.8
Total fund capital		710,718	100.0

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

* Refers to transferable securities admitted to trading on a regulated market or equivalent market outside EEA, or are the subject of regular trading in other markets that are regulated and open to the general public. 93.6

** 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). 2.6

*** Refers to other financial instruments. -

Handelsbanken Tillväxtmarknad Obligation, cont.

Compilation, Company and Group exposure*

Company/Group	% of fund capital	Company/Group	% of fund capital
Ryska staten	11.2	Malaysiska staten	6.9
IFC	10.2	Czech Republic	6.5
Polska staten	9.8	Rumänska staten	5.4
Mexikanska staten	8.5	Peruanska staten	5.3
Sydafrikanska staten	8.2	EIB	4.9
Ungerska staten	7.4	EBRD	2.0
		Världsbanken	2.0

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

Handelsbanken Tillväxtmarknad Obligation*

* Sustainability data is reported for the full-year 2018. During 2018 the fund took over the historical data of Handelsbanken Funds Emerging Markets Bond Fund, after a cross-border merger with Handelsbanken Tillväxtmarknad Obligation.

Sustainability dimensions that are taken into consideration in the management of the fund

The fund manager integrates environmental, social and corporate governance criteria (ESG) into the investment process, together with financial criteria, to obtain a more complete basis for decision-making. As a result, the fund manager takes into consideration both risks and opportunities related to various ESG aspects.

Methods used in sustainability efforts

Inclusion

Sustainability analysis is an integral part of the fund managers' investment analysis. The fund manager uses an ESG model to highlight the sustainability risks at a country level. The results of this analysis contributed to the positioning in the fund.

Exclusion

Due to the fund's investment focus, the fund may not invest in bonds issued by companies. As a result, the fund does not have any investments in companies with business operations within controversial sectors.



Handelsbanken Aktiv 30

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 benchmark index. The fund is a mixed fund that invests globally without being limited to a specific branch or geographic region. The fund invests in fixed income funds, equity funds, alternative assets as well as in other financial instruments. Alternative assets refer to funds or other financial instruments that provide exposure to commodities, real estate and other permitted exposures, in addition to equities or fixed income, for the purpose of increasing the diversification of the fund. The fund may invest partly in funds within Handelsbanken and partly in funds managed by other fund management companies. The starting point for investments is to create excess returns in NOK over the long term. Fifteen to forty-five percent of the fund's value shall be invested in equity funds or other equity-related financial instruments, 40 – 80% in fixed income funds or other fixed income related financial instruments and 0 – 20% in funds and other financial instruments with alternative exposure.

Portfolio

The fund fell 1.3% during 2018*. Concerns in the financial markets increased during the autumn. High expectations, together with concerns about the affect that a weaker global economy, rising interest rates, and a trade war would have on corporate earnings ahead explain much of the market uncertainty. The World Index fell 4.10% in NOK. A weaker NOK benefited returns on foreign holdings. Regionally, the U.S. stock market fared best, while performance was weaker in Japan and emerging markets. Market rates in Norway fell during the year, which meant that bonds outperformed fixed income investments with a shorter duration. Holdings in Aktia Emerging Bond Fund contributed to returns. We had an underweight in equities relative to the benchmark index throughout most

of the year. Regionally, we decreased holdings in the U.S. during the autumn and instead increased holdings in Asia. During the year we continued to increase our exposure to emerging market bonds. We also sold our entire position in the JPM Systematic Alpha hedge fund and instead increased holdings in JPM Global Macro. During the autumn we purchased holdings in Blue Orchard Emerging Markets Impact Bond Fund, which invests in sustainable economic, social and environmental development in emerging markets. We had a short duration in our fixed income holdings during the year.

*) Refer to fund statistics for comparable index.

Significant risks

As of the balance sheet date or any other time during the year, fund holdings did not have exposure to any other significant risks than those stated in the fact sheet and information brochure.

Trading with derivatives

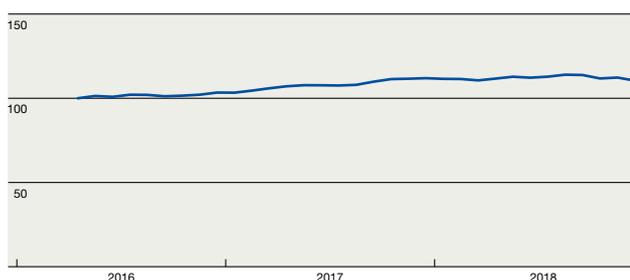
According to the fund rules, the fund may trade with derivatives as part of its investment focus. The fund used this option extensively during 2018. The fund has the option of lending securities. The fund did not use this option during 2018. The fund may use other techniques and instruments. The fund did not use this option during 2018.

Information

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

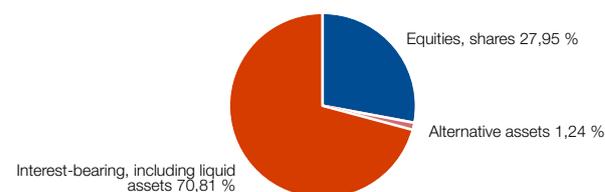
Information about employee remuneration can be found in the Appendix Remuneration policy, see the fund company website in connection with the fund as well as at the end of the overall fundreport.

Fund Performance*



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

Market Exposure*



* The fund's allocation of investments within the markets as of 31/12/2018, relative to the fund's total assets on this date.

Fund Facts - History

	2018	2017	13/4-31/12 2016	2015	2014	2013	2012	2011	2010	2009
Net asset value, NOK	110.28	111.72	103.20	-	-	-	-	-	-	-
The fund's total net flow, mNOK	52	156	107	-	-	-	-	-	-	-
Fund capital, NOKm	327	279	110	-	-	-	-	-	-	-
Number of units, 1000's	2,963	2,494	1,062	-	-	-	-	-	-	-
Total returns in %, NOK	-1.3	+8.3	+3.2	-	-	-	-	-	-	-
Index including dividends in %, NOK	-0.6	+6.2	+2.8	-	-	-	-	-	-	-
Average yearly return, 2 yrs. % in NOK	+3.4	-	-	-	-	-	-	-	-	-
Comparison to index including dividends, % in NOK	+2.7	-	-	-	-	-	-	-	-	-
Exchange rate NOK/SEK	1.02	1.00	1.06	-	-	-	-	-	-	-

Benchmark: MSCI All Country World Index Net 15,00%, VINX Benchmark Cap Net Index SEK 6,0%, Oslo Stock Exchange Mutual Fund Index 9,0%, Oslo Stock Exchange State Bonds 5Y Index 42,0% and Oslo Stock Exchange State Bonds 0.25Y Index 28,0%.

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.

Handelsbanken Aktiv 30, cont.

Fund Facts - Costs

Max. allowed mgmt. costs in % according to fund rules	0.90
Collected mgmt. costs in % of average fund capital	0.90
Annual fees in %	1.03
Transaction costs, tNOK	18
Transaction costs in % of turnover	0.00
Costs in NOK for a one-time subscription, 10 000 NOK	9.01
Costs in NOK for monthly savings, 100 NOK	0.59

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

Fund Facts - Other Key Figures

Turnover rate	0.3
Share of turnover conducted via closely-related securities companies in %	2.4

Risk and Return Measurements*

Total risk %	3.1	Information ratio	0.7
Total risk in index %	2.9	Sharpe ratio	0.9
Tracking error %	0.9	Sharpe ratio in index	0.8
Benchmark	MSCI All Country World Index Net 15,00%, VINX Benchmark Cap Net Index SEK 6,0%, Oslo Stock Exchange Mutual Fund Index 9,0%, Oslo Stock Exchange State Bonds 5Y Index 42,0% och Oslo Stock Exchange State Bonds 0.25Y Index 28,0%.		
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, tNOK

	2018	2017
INCOME AND CHANGES IN VALUE		
Changes in value for other derivative instruments *	-1,007	2,055
Changes in value for fund units **	-2,969	9,720
Interest income	-5	-16
Dividends	160	1,296
Currency exchange profits and losses, net	1,049	160
Other financial income	1,739	1,000
Other income	0	0
Total income and changes in value	-1,033	14,215
EXPENSES		
Management costs:		
- Remuneration to the Management Company	2,836	1,502
Interest expense	7	37
Other expenses	18	22
Total expenses	2,862	1,561
Net income	-3,895	12,654

* Details of changes in value

Capital gains	14,672	9,688
Capital losses	-15,679	-7,634
Sum	-1,007	2,054

** Details of changes in value

Capital gains	4,781	2,039
Capital losses	-1,493	-105
Unrealised gains/losses	-6,257	7,786
Sum	-2,969	9,720

Balance Sheet, tNOK

	31 dec 2018	% of fund capital	31 dec 2017	% of fund capital
ASSETS				
OTC derivative instruments with positive market value	446	0.1	32	0.0
Fund units	319,690	97.9	267,368	96.0
Total financial instruments with positive market value (Note 2)	320,136	98.0	267,400	96.0
Bank assets and other liquid assets	8,009	2.5	11,171	4.0
Prepaid expenses and accrued income	147	0.1	64	0.0
Other assets	151	0.0	257	0.1
Total assets	328,443	100.6	278,892	100.1
LIABILITIES				
OTC derivative instruments with negative market value	261	0.1	81	0.0
Total financial instruments with negative market value (Note 2)	261	0.1	81	0.0
Accrued expenses and prepaid income	250	0.1	121	0.0
Other liabilities	1,141	0.4	24	0.1
Total liabilities	1,652	0.6	226	0.1
Fund capital (Note 1)	326,791	100.0	278,666	100.0
Other derivative instruments with negative market value	654	0.2	898	0.3

Note 1) for Balance Sheet

Changes in fund capital, tNOK

	2018	2017
Fund capital at beginning of year	278,666	109,550
Units issued	159,892	177,978
Units redeemed	-107,872	-21,516
Profit according to Income Statement	-3,895	12,654
Dividends to unit holders	-	-
Fund capital at the close of the period	326,791	278,666

Note 2) for Balance Sheet

Fund holdings in financial instruments

EXCHANGE-TRADED DERIVATIVES**

	Number/Nominal amount in 1000's	Market value tNOK	% of fund capital
STOCK INDEX FUTURES			
E-mini S&P MARS 2019	3	0	0.0
EURO STOXX 50 Mar18	-11	0	0.0
Total stock index futures		0	0.0

	Number/Nominal amount in 1000's	Market value tNOK	% of fund capital
INTEREST RATE FUTURES			
RXH9	-10	0	0.0
Total interest rate futures		0	0.0
Total exchange-traded derivatives		0	0.0

OTHER FINANCIAL INSTRUMENTS***

	Number/Nominal amount in 1000's	Market value tNOK	% of fund capital
FUND UNITS			
EQUITY FUNDS			
Fidelity First ESG AC World-NOK (Europe)	142,531	1,448	0.4
Handelsbanken Amerika Småbolag Tema (A1 SEK) (Nordic countries)	4,236	3,007	0.9
Handelsbanken Amerika Tema (A1 NOK) (USA)	10,480	8,334	2.6
Handelsbanken Asien Tema (A1 NOK) (Asia)	18,143	10,258	3.1
Handelsbanken Europa Tema (A1 NOK) (Europe)	14,544	4,956	1.5
Handelsbanken Europafond Index (A1 NOK) (Nordic countries)	20,252	2,035	0.6
Handelsbanken Hållbar Energi (A1 NOK) (Rest of the world)	17,405	2,425	0.7
Handelsbanken Japan Tema (A1 NOK) (Asia)	49,245	3,410	1.0
Handelsbanken Norden Selektiv (A1 NOK) (Nordic countries)	5,482	1,797	0.5
Handelsbanken Nordenfond (A1 NOK) (Nordic countries)	8,188	8,375	2.6
Handelsbanken Nordiska Småbolag (A1 NOK) (Nordic countries)	3,531	3,335	1.0
Handelsbanken Norge (A1 NOK) (Nordic countries)	16,158	17,091	5.2
Handelsbanken Norge Index (A1 NOK) (Nordic countries)	66,790	5,879	1.8
Handelsbanken USA Index (A1 NOK) (USA)	13,351	4,131	1.3
JPM Europe Small Cap I Acc EUR (Europe)	883	1,744	0.5
JPM Global Macro Fund NOK (Europe)	3,845	4,054	1.2
UBS Equity Sicav USA Growth (USA)	16,517	4,740	1.5
		87,019	26.6

Handelsbanken Aktiv 30, cont.

	Number/Nominal amount in 1000's	Market value TNOK	% of fund capital
LISTED EQUITY FUNDS**			
XACT Norden 30 (Nordic countries)	22,832	2,356	0.7
XACT OBX (Nordic countries)	81,691	5,802	1.8
		8,158	2.5
FIXED INCOME FUNDS			
Alfred Berg Obligasjon (Nordic countries)	214,230	25,718	7.9
BlackRock Strategic Funds - Global Absolute Return Bond Fund I2 EUR (Europe)	3,204	3,180	1.0
BlueOrchard Ucits EM Sdg Impact Bd Fd S (Nordic countries)	40,118	3,892	1.2
Handelsbanken Høyrente (A1 NOK) (Nordic countries)	570,564	63,440	19.4
Handelsbanken Likviditet (A1 NOK) (Nordic countries)	585,143	58,388	17.9
Handelsbanken Obligasjon (A1 NOK) (Nordic countries)	345,737	43,967	13.5
Handelsbanken Råntestrategi Plus Criteria (A 7 SEK) (Nordic countries)	50,389	4,889	1.5
UI - Aktia EM Local Currency Bond+ - s1 (Nordic countries)	221,253	21,039	6.4
		224,513	68.8
Total fund units		319,690	97.9
	Number/Nominal amount in 1000's	Market value TNOK	% of fund capital
OTC DERIVATIVE INSTRUMENTS			
CURRENCY FUTURES			
NOK/EUR		-63	0.0
NOK/SEK		-198	-0.1
SEK/EUR		446	0.1
		185	0.0
Total OTC derivative instruments		185	0.0
Total other financial instruments		185	97.9
Total holdings in financial instruments		319,875	97.9
Net, other assets and liabilities		6,916	2.1
Total fund capital		326,791	100.0

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

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

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

*** Refers to other financial instruments.

Compilation, Company and Group exposure*

Company/Group	% of fund capital
JPMorgan Chase	1.7

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

Handelsbanken Aktiv 30

Sustainability dimensions that are taken into consideration in the management of the fund

The fund takes ESG factors into consideration in its selection of investments, i.e., in the selection of the underlying funds. This means that the fund is focusing more of its investments to be in line with the UN's Sustainable Development Goals (SDG). We also encourage the fund managers of the underlying funds to increase investments in green bonds, for example. The fund has also invested in underlying funds with explicit impact goals. Impact investments are currently a smaller category but are expected to increase.

Methods used in sustainability efforts

Inclusion

In the evaluation of underlying funds and investments, sustainability is an individual area of assessment. When striking a balance between comparable returns and risk, we make the choice that is most sustainable. A critical evaluation factors is how well sustainability is integrated into the underlying fund. We also work actively to increase the quantitative measurability in our assessment to clarify the sustainability dimensions in the portfolio.

BlueOrchard Emerging Markets Impact Bond Fund is an interesting example. Over time, the fund will be investing in bonds from issuing bodies with a demonstrated history of performance within impact investing. This is accomplished in the investment process by assessing the issuers' "social performance". The fund also invests to some extent in green bonds. The fund contributes to several of the UN's SDGs in its investment process: No Poverty, Affordable and Clean Energy, Decent Work and Economic Growth, Reduced Inequalities, as well as Industry, Innovation and Infrastructure.

Exclusion

In accordance with the Management Company's overall policy for responsible investment, all of the Management Company's funds exclude:

- companies involved in the production or distribution of banned weapons, such as cluster bombs, anti-personnel mines, biological and chemical weapons, in accordance with international legislation. Companies involved in the production or distribution of nuclear weapons are also excluded.
- companies with substantial business operations within coal mining or in power companies that have coal as a major source of energy.

Management Company's engagement activities

We make demands in the fund that providers use their ownership influence in the underlying companies. In addition, we work actively to influence providers to make more sustainable changes to their policies, both generally and in specific funds, e.g., by excluding certain types of sectors or specific companies. The activities in 2018 have resulted in changes to a number of funds. The engagement activities also focus on contributing to the development of new products that have a higher sustainability standard.

The fund is a fund of funds, which means that we are unable to impact the underlying companies directly and work with influencing the fund providers. During 2018 we worked within this area to make it clear that we will be excluding more companies and expect providers to meet our demands by offering funds that meet our expectations. Within this work we have influenced funds as well as fund management companies to change and develop new products.



Handelsbanken Aktiv 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 benchmark index. The fund is a mixed fund that invests globally without being limited to a specific branch or geographic region. The fund invests in fixed income funds, equity funds, alternative assets as well as in other financial instruments. Alternative assets refer to funds or other financial instruments that provide exposure to commodities, real estate and other permitted exposures, in addition to equities or fixed income, for the purpose of increasing the diversification of the fund. The fund may invest partly in funds within Handelsbanken and partly in funds managed by other fund management companies. The starting point for investments is to create excess returns in NOK over the long term. Thirty to seventy percent of the fund's value shall be invested in equity funds or other equity-related financial instruments, 20 – 60% in fixed income funds or other fixed income related financial instruments and 0 – 20% in funds and other financial instruments with alternative exposure.

Portfolio

The fund fell 2.7% during 2018*. Concerns in the financial markets increased during the autumn. High expectations, together with concerns about the affect that a weaker global economy, rising interest rates, and a trade war would have on corporate earnings ahead explain much of the market uncertainty. The World Index fell 4.10% in NOK. A weaker NOK benefited returns on foreign holdings. Regionally, the U.S. stock market fared best, while performance was weaker in Japan and emerging markets. Market rates in Norway fell during the year, which meant that bonds outperformed fixed income investments with a shorter duration. Holdings in Aktia Emerging Bond Fund contributed to returns. We had an underweight in equities relative to the benchmark index throughout most

of the year. Regionally, we decreased holdings in the U.S. during the autumn and instead increased holdings in Asia. During the year we continued to increase our exposure to emerging market bonds. We also sold our entire position in the JPM Systematic Alpha hedge fund and instead increased holdings in JPM Global Macro. During the autumn we purchased holdings in Blue Orchard Emerging Markets Impact Bond Fund, which invests in sustainable economic, social and environmental development in emerging markets. We had a short duration in our fixed income holdings during the year.

*) Refer to fund statistics for comparable index.

Significant risks

As of the balance sheet date or any other time during the year, fund holdings did not have exposure to any other significant risks than those stated in the fact sheet and information brochure.

Trading with derivatives

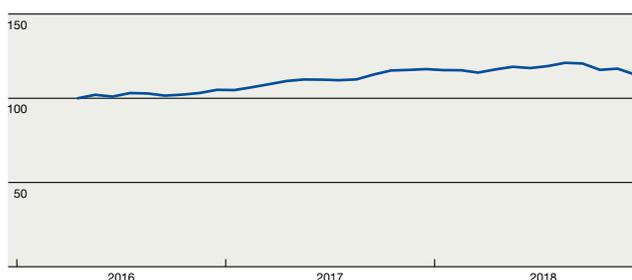
According to the fund rules, the fund may trade with derivatives as part of its investment focus. The fund used this option extensively during 2018. The fund has the option of lending securities. The fund did not use this option during 2018. The fund may use other techniques and instruments. The fund did not use this option during 2018.

Information

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

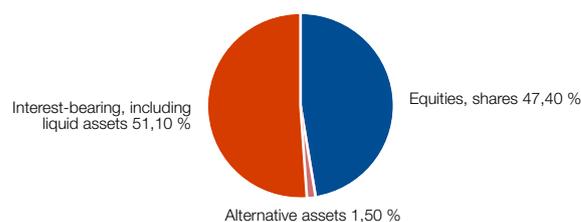
Information about employee remuneration can be found in the Appendix Remuneration policy, see the fund company website in connection with the fund as well as at the end of the overall fundreport.

Fund Performance*



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

Market Exposure*



* The fund's allocation of investments within the markets as of 31/12/2018, relative to the fund's total assets on this date.

Fund Facts - History

	2018	2017	13/4-31/12 2016	2015	2014	2013	2012	2011	2010	2009
Net asset value, NOK	113.70	116.88	104.62	-	-	-	-	-	-	-
The fund's total net flow, mNOK	194	459	157	-	-	-	-	-	-	-
Fund capital, NOKm	825	658	163	-	-	-	-	-	-	-
Number of units, 1000's	7,260	5,626	1,559	-	-	-	-	-	-	-
Total returns in %, NOK	-2.7	+11.7	+4.6	-	-	-	-	-	-	-
Index including dividends in %, NOK	-1.5	+9.5	+5.2	-	-	-	-	-	-	-
Average yearly return, 2 yrs. % in NOK	+4.3	-	-	-	-	-	-	-	-	-
Comparison to index including dividends, % in NOK	+3.9	-	-	-	-	-	-	-	-	-
Exchange rate NOK/SEK	1.02	1.00	1.06	-	-	-	-	-	-	-

Benchmark: MSCI All Country World Index Net 25.00%, VINX Benchmark Cap Net Index SEK 10.0%, Oslo Stock Exchange Mutual Fund Index 15.0%, Oslo Stock Exchange State Bonds 5Y Index 28.0% and Oslo Stock Exchange State Bonds 0.25Y Index 22.0%.

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

Handelsbanken Aktiv 50, cont.

Fund Facts - Costs

Max. allowed mgmt. costs in % according to fund rules	1.10
Collected mgmt. costs in % of average fund capital	1.10
Annual fees in %	1.20
Transaction costs, tNOK	43
Transaction costs in % of turnover	0.00
Costs in NOK for a one-time subscription, 10 000 NOK	11.02
Costs in NOK for monthly savings, 100 NOK	0.72

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

Fund Facts - Other Key Figures

Turnover rate	0.3
Share of turnover conducted via closely-related securities companies in %	3.2

Risk and Return Measurements*

Total risk %	5.0	Information ratio	0.4
Total risk in index %	4.7	Sharpe ratio	0.8
Tracking error %	1.0	Sharpe ratio in index	0.7
Benchmark	MSCI All Country World Index Net 25,00%, VINX Benchmark Cap Net Index SEK 10,0%, Oslo Stock Exchange Mutual Fund Index 15,0%, Oslo Stock Exchange State Bonds 5Y Index 28,0% och Oslo Stock Exchange State Bonds 0.25Y Index 22,0%.		
Active return %	0.4		

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

Income Statement, tNOK

	2018	2017
INCOME AND CHANGES IN VALUE		
Changes in value for other derivative instruments *	-2,376	4,019
Changes in value for fund units **	-23,861	29,875
Interest income	-8	-1
Dividends	360	1,789
Currency exchange profits and losses, net	2,736	324
Other financial income	5,715	2,577
Other income	0	1
Total income and changes in value	-17,434	38,584
EXPENSES		
Management costs:		
- Remuneration to the Management Company	8,292	3,523
Interest expense	13	14
Other expenses	43	40
Total expenses	8,348	3,577
Net income	-25,782	35,007

* Details of changes in value

Capital gains	34,142	18,299
Capital losses	-36,518	-14,280
Unrealised gains/losses	0	-
Sum	-2,376	4,019

** Details of changes in value

Capital gains	11,279	3,981
Capital losses	-3,942	-177
Unrealised gains/losses	-31,197	26,071
Sum	-23,861	29,875

Balance Sheet, tNOK

	31 dec 2018	% of fund capital	31 dec 2017	% of fund capital
ASSETS				
OTC derivative instruments with positive market value	1,195	0.1	76	0.0
Fund units	805,005	97.5	634,061	96.4
Total financial instruments with positive market value (Note 2)	806,200	97.6	634,137	96.4
Bank assets and other liquid assets	23,528	2.9	23,076	3.5
Prepaid expenses and accrued income	512	0.1	209	0.0
Other assets	690	0.0	847	0.2
Total assets	830,930	100.6	658,269	100.1
LIABILITIES				
OTC derivative instruments with negative market value	684	0.1	238	0.0
Total financial instruments with negative market value (Note 2)	684	0.1	238	0.0
Accrued expenses and prepaid income	779	0.1	353	0.1
Other liabilities	4,043	0.4	66	0.0
Total liabilities	5,506	0.6	657	0.1
Fund capital (Note 1)	825,424	100.0	657,612	100.0
Other derivative instruments with negative market value	1,616	0.2	2,132	0.3

Note 1) for Balance Sheet

Changes in fund capital, tNOK

	2018	2017
Fund capital at beginning of year	657,612	163,110
Units issued	305,595	509,233
Units redeemed	-112,001	-49,738
Profit according to Income Statement	-25,782	35,007
Dividends to unit holders	-	-
Fund capital at the close of the period	825,424	657,612

Note 2) for Balance Sheet

Fund holdings in financial instruments

EXCHANGE-TRADED DERIVATIVES**

	Number/Nominal amount in 1000's	Market value tNOK	% of fund capital
STOCK INDEX FUTURES			
E-mini S&P MARS 2019	7	0	0.0
EURO STOXX 50 Mar18	-28	0	0.0
Total stock index futures		0	0.0

	Number/Nominal amount in 1000's	Market value tNOK	% of fund capital
INTEREST RATE FUTURES			
RXH9	-25	0	0.0
Total interest rate futures		0	0.0
Total exchange-traded derivatives		0	0.0

OTHER FINANCIAL INSTRUMENTS***

	Number/Nominal amount in 1000's	Market value tNOK	% of fund capital
FUND UNITS			
EQUITY FUNDS			
Fidelity First ESG AC World-NOK (Europe)	638,071	6,483	0.8
Handelsbanken Amerika Småbolag Tema (A1 SEK) (Nordic countries)	38,797	27,535	3.3
Handelsbanken Amerika Tema (A1 NOK) (USA)	44,466	35,360	4.3
Handelsbanken Asien Tema (A1 NOK) (Asia)	57,125	32,300	3.9
Handelsbanken Europa Tema (A1 NOK) (Europe)	61,773	21,048	2.5
Handelsbanken Europafond Index (A1 NOK) (Nordic countries)	90,973	9,142	1.1
Handelsbanken Hållbar Energi (A1 NOK) (Rest of the world)	71,793	10,005	1.2
Handelsbanken Japan Tema (A1 NOK) (Asia)	209,818	14,529	1.8
Handelsbanken Norden Selektiv (A1 NOK) (Nordic countries)	25,325	8,301	1.0
Handelsbanken Nordenfond (A1 NOK) (Nordic countries)	39,949	40,861	5.0
Handelsbanken Nordiska Småbolag (A1 NOK) (Nordic countries)	14,831	14,008	1.7
Handelsbanken Norge (A1 NOK) (Nordic countries)	65,491	69,269	8.4
Handelsbanken Norge Index (A1 NOK) (Nordic countries)	276,880	24,372	3.0
Handelsbanken Tillväxtmarknad Tema (A1 NOK) (Rest of the world)	22,393	6,311	0.8
Handelsbanken USA Index (A1 NOK) (USA)	59,060	18,274	2.2
JPM Europe Small Cap I Acc EUR (Europe)	4,051	8,004	1.0
JPM Global Macro Fund NOK (Europe)	11,712	12,350	1.5
UBS Equity Sicav USA Growth (USA)	42,732	12,262	1.5
		370,414	44.9

Handelsbanken Aktiv 50, cont.

	Number/Nominal amount in 1000's	Market value TNOK	% of fund capital
LISTED EQUITY FUNDS**			
XACT Norden 30 (Nordic countries)	100,923	10,415	1.3
XACT OBX (Nordic countries)	329,031	23,371	2.8
		33,785	4.1
FIXED INCOME FUNDS			
Alfred Berg Obligasjon (Nordic countries)	916	110	0.0
BlackRock Strategic Funds - Global Absolute Return Bond Fund I2 EUR (Europe)	8,584	8,518	1.0
BlueOrchard Ucits EM Sdg Impact Bd Fd S (Nordic countries)	69,882	6,780	0.8
Handelsbanken Høyrente (A1 NOK) (Nordic countries)	1,464,574	162,843	19.7
Handelsbanken Likviditet (A1 NOK) (Nordic countries)	700,240	69,873	8.5
Handelsbanken Obligasjon (A1 NOK) (Nordic countries)	674,017	85,715	10.4
Handelsbanken Råntestrategi Plus Criteria (A 7 SEK) (Nordic countries)	141,419	13,721	1.7
UI - Aktia EM Local Currency Bond+ - s1 (Nordic countries)	559,951	53,246	6.5
		400,806	48.5
Total fund units		805,005	97.5
	Number/Nominal amount in 1000's	Market value TNOK	% of fund capital
OTC DERIVATIVE INSTRUMENTS			
CURRENCY FUTURES			
NOK/EUR		-173	0.0
NOK/SEK		-511	-0.1
SEK/EUR		1,195	0.1
		511	0.0
Total OTC derivative instruments		511	0.0
Total other financial instruments		511	97.5
Total holdings in financial instruments		805,516	97.5
Net, other assets and liabilities		19,908	2.5
Total fund capital		825,424	100.0

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

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

** 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
JPMorgan Chase	2.5

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

Handelsbanken Aktiv 50

Sustainability dimensions that are taken into consideration in the management of the fund

The fund takes ESG factors into consideration in its selection of investments, i.e., in the selection of the underlying funds. This means that the fund is focusing more of its investments to be in line with the UN's Sustainable Development Goals (SDG). We also encourage the fund managers of the underlying funds to increase investments in green bonds, for example. The fund has also invested in underlying funds with explicit impact goals. Impact investments are currently a smaller category but are expected to increase.

Methods used in sustainability efforts

Inclusion

In the evaluation of underlying funds and investments, sustainability is an individual area of assessment. When striking a balance between comparable returns and risk, we make the choice that is most sustainable. A critical evaluation factors is how well sustainability is integrated into the underlying fund. We also work actively to increase the quantitative measurability in our assessment to clarify the sustainability dimensions in the portfolio.

BlueOrchard Emerging Markets Impact Bond Fund is an interesting example. Over time, the fund will be investing in bonds from issuing bodies with a demonstrated history of performance within impact investing. This is accomplished in the investment process by assessing the issuers' "social performance". The fund also invests to some extent in green bonds. The fund contributes to several of the UN's SDGs in its investment process: No Poverty, Affordable and Clean Energy, Decent Work and Economic Growth, Reduced Inequalities, as well as Industry, Innovation and Infrastructure.

Exclusion

In accordance with the Management Company's overall policy for responsible investment, all of the Management Company's funds exclude:

- companies involved in the production or distribution of banned weapons, such as cluster bombs, anti-personnel mines, biological and chemical weapons, in accordance with international legislation. Companies involved in the production or distribution of nuclear weapons are also excluded.
- companies with substantial business operations within coal mining or in power companies that have coal as a major source of energy.

Management Company's engagement activities

We make demands in the fund that providers use their ownership influence in the underlying companies. In addition, we work actively to influence providers to make more sustainable changes to their policies, both generally and in specific funds, e.g., by excluding certain types of sectors or specific companies. The activities in 2018 have resulted in changes to a number of funds. The engagement activities also focus on contributing to the development of new products that have a higher sustainability standard.

The fund is a fund of funds, which means that we are unable to impact the underlying companies directly and work with influencing the fund providers. During 2018 we worked within this area to make it clear that we will be excluding more companies and expect providers to meet our demands by offering funds that meet our expectations. Within this work we have influenced funds as well as fund management companies to change and develop new products.



Handelsbanken Aktiv 70

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 benchmark index. The fund is a mixed fund that invests globally without being limited to a specific branch or geographic region. The fund invests in fixed income funds, equity funds, alternative assets as well as in other financial instruments. Alternative assets refer to funds or other financial instruments that provide exposure to commodities, real estate and other permitted exposures, in addition to equities or fixed income, for the purpose of increasing the diversification of the fund. The fund may invest partly in funds within Handelsbanken and partly in funds managed by other fund management companies. The starting point for investments is to create excess returns in NOK over the long term. Fifty to ninety percent of the fund's value shall be invested in equity funds or other equity-related financial instruments, 0 – 40% in fixed income funds or other fixed income related financial instruments and 0 – 20% in funds and other financial instruments with alternative exposure.

Portfolio

The fund fell 4.3% during 2018*. Concerns in the financial markets increased during the autumn. High expectations, together with concerns about the affect that a weaker global economy, rising interest rates, and a trade war would have on corporate earnings ahead explain much of the market uncertainty. The World Index fell 4.10% in NOK. A weaker NOK benefited returns on foreign holdings. Regionally, the U.S. stock market fared best, while performance was weaker in Japan and emerging markets. Market rates in Norway fell during the year, which meant that bonds outperformed fixed income investments with a shorter duration. Holdings in Aktia Emerging Bond Fund contributed to returns. We had an underweight in equities relative to the benchmark index throughout most

of the year. Regionally, we decreased holdings in the U.S. during the autumn and instead increased holdings in Asia. During the year we continued to increase our exposure to emerging market bonds. We also sold our entire position in the JPM Systematic Alpha hedge fund and instead increased holdings in JPM Global Macro. During the autumn we purchased holdings in Blue Orchard Emerging Markets Impact Bond Fund, which invests in sustainable economic, social and environmental development in emerging markets. We had a short duration in our fixed income holdings during the year.

*) Refer to fund statistics for comparable index.

Significant risks

As of the balance sheet date or any other time during the year, fund holdings did not have exposure to any other significant risks than those stated in the fact sheet and information brochure.

Trading with derivatives

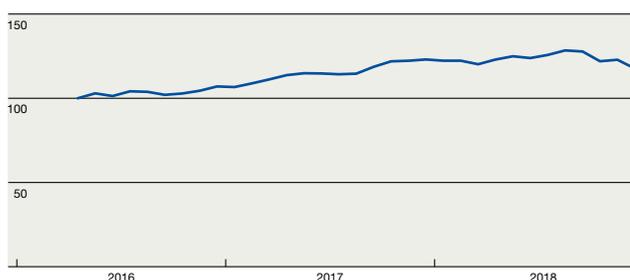
According to the fund rules, the fund may trade with derivatives as part of its investment focus. The fund used this option extensively during 2018. The fund has the option of lending securities. The fund did not use this option during 2018. The fund may use other techniques and instruments. The fund did not use this option during 2018.

Information

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

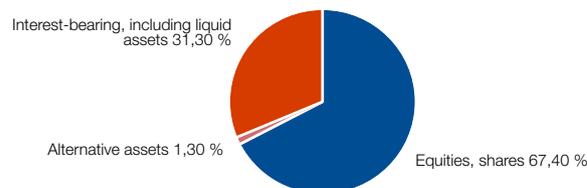
Information about employee remuneration can be found in the Appendix Remuneration policy, see the fund company website in connection with the fund as well as at the end of the overall fundreport.

Fund Performance*



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

Market Exposure*



* The fund's allocation of investments within the markets as of 31/12/2018, relative to the fund's total assets on this date.

Fund Facts - History

	2018	2017	13/4-31/12 2016	2015	2014	2013	2012	2011	2010	2009
Net asset value, NOK	117.18	122.50	106.55	-	-	-	-	-	-	-
The fund's total net flow, mNOK	111	1,013	239	-	-	-	-	-	-	-
Fund capital, NOKm	1,393	1,343	252	-	-	-	-	-	-	-
Number of units, 1000's	11,886	10,961	2,362	-	-	-	-	-	-	-
Total returns in %, NOK	-4.3	+15.0	+6.5	-	-	-	-	-	-	-
Index including dividends in %, NOK	-2.4	+12.8	+7.6	-	-	-	-	-	-	-
Average yearly return, 2 yrs. % in NOK	+4.9	-	-	-	-	-	-	-	-	-
Comparison to index including dividends, % in NOK	+5.0	-	-	-	-	-	-	-	-	-
Exchange rate NOK/SEK	1.02	1.00	1.06	-	-	-	-	-	-	-

Benchmark: MSCI All Country World Index Net 35.00%, VINX Benchmark Cap Net Index SEK 14.0%, Oslo Stock Exchange Mutual Fund Index 21.0%, Oslo Stock Exchange State Bonds 5Y Index 14.0% and Oslo Stock Exchange State Bonds 0.25Y Index 16.0%.

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

Handelsbanken Aktiv 70, cont.

Fund Facts - Costs

Max. allowed mgmt. costs in % according to fund rules	1.30
Collected mgmt. costs in % of average fund capital	1.30
Annual fees in %	1.40
Transaction costs, tNOK	84
Transaction costs in % of turnover	0.00
Costs in NOK for a one-time subscription, 10 000 NOK	13.02
Costs in NOK for monthly savings, 100 NOK	0.85

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

Fund Facts - Other Key Figures

Turnover rate	0.4
Share of turnover conducted via closely-related securities companies in %	3.3

Risk and Return Measurements*

Total risk %	6.9	Information ratio	Negative
Total risk in index %	6.5	Sharpe ratio	0.6
Tracking error %	1.3	Sharpe ratio in index	0.7
Benchmark	MSCI All Country World Index Net 35,00%, VINX Benchmark Cap Net Index SEK 14,0%, Oslo Stock Exchange Mutual Fund Index 21,0%, Oslo Stock Exchange State Bonds 5Y Index 14,0% och Oslo Stock Exchange State Bonds 0.25Y Index 16,0%.		
Active return %	-0.1		

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

Income Statement, tNOK

	2018	2017
INCOME AND CHANGES IN VALUE		
Changes in value for other derivative instruments *	-4,799	6,558
Changes in value for fund units **	-56,734	71,774
Interest income	-38	-7
Dividends	793	2,112
Currency exchange profits and losses, net	5,615	172
Other financial income	13,011	5,363
Other income	0	0
Total income and changes in value	-42,152	85,972
EXPENSES		
Management costs:		
- Remuneration to the Management Company	18,624	7,273
Interest expense	18	61
Other expenses	85	73
Total expenses	18,727	7,407
Net income	-60,879	78,565

* Details of changes in value

Capital gains	66,457	31,209
Capital losses	-71,256	-24,651
Sum	-4,799	6,558

** Details of changes in value

Capital gains	29,330	7,737
Capital losses	-8,644	-584
Unrealised gains/losses	-77,420	64,621
Sum	-56,734	71,774

Balance Sheet, tNOK

	31 dec 2018	% of fund capital	31 dec 2017	% of fund capital
ASSETS				
OTC derivative instruments with positive market value	2,067	0.1	178	0.0
Fund units	1,368,871	98.3	1,305,362	97.2
Total financial instruments with positive market value (Note 2)	1,370,938	98.4	1,305,540	97.2
Bank assets and other liquid assets	24,976	1.8	35,361	2.7
Prepaid expenses and accrued income	1,024	0.1	511	0.0
Other assets	506	0.0	2,631	0.2
Total assets	1,397,444	100.3	1,344,042	100.1
LIABILITIES				
OTC derivative instruments with negative market value	1,148	0.1	454	0.0
Total financial instruments with negative market value (Note 2)	1,148	0.1	454	0.0
Accrued expenses and prepaid income	1,548	0.1	857	0.1
Other liabilities	1,891	0.1	1	0.0
Total liabilities	4,587	0.3	1,312	0.1
Fund capital (Note 1)	1,392,857	100.0	1,342,730	100.0
Other derivative instruments with negative market value	2,728	0.2	4,464	0.3

Note 1) for Balance Sheet

Changes in fund capital, tNOK

	2018	2017
Fund capital at beginning of year	1,342,730	251,626
Units issued	353,126	1,092,822
Units redeemed	-242,120	-80,283
Profit according to Income Statement	-60,879	78,565
Dividends to unit holders	-	-
Fund capital at the close of the period	1,392,857	1,342,730

Note 2) for Balance Sheet

Fund holdings in financial instruments

EXCHANGE-TRADED DERIVATIVES**

	Number/Nominal amount in 1000's	Market value tNOK	% of fund capital
STOCK INDEX FUTURES			
E-mini S&P MARS 2019	12	0	0.0
EURO STOXX 50 Mar18	-47	0	0.0
Total stock index futures		0	0.0

	Number/Nominal amount in 1000's	Market value tNOK	% of fund capital
INTEREST RATE FUTURES			
RXH9	-42	0	0.0
Total interest rate futures		0	0.0
Total exchange-traded derivatives		0	0.0

OTHER FINANCIAL INSTRUMENTS***

	Number/Nominal amount in 1000's	Market value tNOK	% of fund capital
FUND UNITS			
EQUITY FUNDS			
Fidelity First ESG AC World-NOK (Europe)	1,427,721	14,506	1.0
Handelsbanken Amerika Småbolag Tema (A1 SEK) (Nordic countries)	89,420	63,462	4.6
Handelsbanken Amerika Tema (A1 NOK) (USA)	103,930	82,647	5.9
Handelsbanken Asien Tema (A1 NOK) (Asia)	105,089	59,420	4.3
Handelsbanken Europa Tema (A1 NOK) (Europe)	147,426	50,233	3.6
Handelsbanken Europafond Index (A1 NOK) (Nordic countries)	220,504	22,159	1.6
Handelsbanken Hållbar Energi (A1 NOK) (Rest of the world)	163,579	22,795	1.6
Handelsbanken Japan Tema (A1 NOK) (Asia)	499,938	34,618	2.5
Handelsbanken Norden Selektiv (A1 NOK) (Nordic countries)	61,263	20,081	1.4
Handelsbanken Nordenfond (A1 NOK) (Nordic countries)	101,954	104,282	7.5
Handelsbanken Nordiska Småbolag (A1 NOK) (Nordic countries)	36,516	34,488	2.5
Handelsbanken Norge (A1 NOK) (Nordic countries)	161,293	170,598	12.2
Handelsbanken Norge Index (A1 NOK) (Nordic countries)	646,045	56,867	4.1
Handelsbanken Tillväxtmarknad Tema (A1 NOK) (Rest of the world)	91,266	25,719	1.8
Handelsbanken USA Index (A1 NOK) (USA)	170,405	52,727	3.8
JPM Europe Small Cap I Acc EUR (Europe)	10,536	20,818	1.5
JPM Global Macro Fund NOK (Europe)	16,853	17,770	1.3
UBS Equity Sicav USA Growth (USA)	72,637	20,844	1.5
		874,035	62.8

Handelsbanken Aktiv 70, cont.

	Number/Nominal amount in 1000's	Market value tNOK	% of fund capital
LISTED EQUITY FUNDS**			
XACT Norden 30 (Nordic countries)	238,492	24,611	1.8
XACT OBX (Nordic countries)	809,700	57,512	4.1
		82,123	5.9
FIXED INCOME FUNDS			
Alfred Berg Obligasjon (Nordic countries)	195	23	0.0
BlackRock Strategic Funds - Global Absolute Return Bond Fund I2 EUR (Europe)	14,895	14,781	1.1
BlueOrchard Ucits EM Sdg Impact Bd Fd S (Nordic countries)	58,654	5,690	0.4
Handelsbanken Høyrente (A1 NOK) (Nordic countries)	1,653,540	183,854	13.2
Handelsbanken Likviditet (A1 NOK) (Nordic countries)	896,701	89,477	6.4
Handelsbanken Råntestrategi Plus Criteria (A7 SEK) (Nordic countries)	244,535	23,725	1.7
UI - Aktia EM Local Currency Bond+ - s1 (Nordic countries)	1,000,759	95,162	6.8
		412,713	29.6
Total fund units		1,368,871	98.3
	Number/Nominal amount in 1000's	Market value tNOK	% of fund capital
OTC DERIVATIVE INSTRUMENTS			
CURRENCY FUTURES			
EUR/NOK		24	0.0
NOK/EUR		-288	0.0
NOK/SEK		-860	-0.1
SEK/EUR		2,043	0.1
		919	0.0
Total OTC derivative instruments		919	0.0
Total other financial instruments		1,369,790	98.3
Total holdings in financial instruments		1,369,790	98.3
Net, other assets and liabilities		23,067	1.7
Total fund capital		1,392,857	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
JPMorgan Chase	2.8

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

Handelsbanken Aktiv 70

Sustainability dimensions that are taken into consideration in the management of the fund

The fund takes ESG factors into consideration in its selection of investments, i.e., in the selection of the underlying funds. This means that the fund is focusing more of its investments to be in line with the UN's Sustainable Development Goals (SDG). We also encourage the fund managers of the underlying funds to increase investments in green bonds, for example. The fund has also invested in underlying funds with explicit impact goals. Impact investments are currently a smaller category but are expected to increase.

Methods used in sustainability efforts

Inclusion

In the evaluation of underlying funds and investments, sustainability is an individual area of assessment. When striking a balance between comparable returns and risk, we make the choice that is most sustainable. A critical evaluation factors is how well sustainability is integrated into the underlying fund. We also work actively to increase the quantitative measurability in our assessment to clarify the sustainability dimensions in the portfolio.

BlueOrchard Emerging Markets Impact Bond Fund is an interesting example. Over time, the fund will be investing in bonds from issuing bodies with a demonstrated history of performance within impact investing. This is accomplished in the investment process by assessing the issuers' "social performance". The fund also invests to some extent in green bonds. The fund contributes to several of the UN's SDGs in its investment process: No Poverty, Affordable and Clean Energy, Decent Work and Economic Growth, Reduced Inequalities, as well as Industry, Innovation and Infrastructure.

Exclusion

In accordance with the Management Company's overall policy for responsible investment, all of the Management Company's funds exclude:

- companies involved in the production or distribution of banned weapons, such as cluster bombs, anti-personnel mines, biological and chemical weapons, in accordance with international legislation. Companies involved in the production or distribution of nuclear weapons are also excluded.
- companies with substantial business operations within coal mining or in power companies that have coal as a major source of energy.

Management Company's engagement activities

We make demands in the fund that providers use their ownership influence in the underlying companies. In addition, we work actively to influence providers to make more sustainable changes to their policies, both generally and in specific funds, e.g., by excluding certain types of sectors or specific companies. The activities in 2018 have resulted in changes to a number of funds. The engagement activities also focus on contributing to the development of new products that have a higher sustainability standard.

The fund is a fund of funds, which means that we are unable to impact the underlying companies directly and work with influencing the fund providers. During 2018 we worked within this area to make it clear that we will be excluding more companies and expect providers to meet our demands by offering funds that meet our expectations. Within this work we have influenced funds as well as fund management companies to change and develop new products.



Handelsbanken Aktiv 100

Management Report

Investment Focus

The fund is actively managed, which means that the portfolio manager takes active, independent investment decisions. The objective of the fund is to attain returns over the long term that exceed the returns of the underlying market, which is defined as the benchmark index benchmark index. The fund is a mixed fund that invests globally without being limited to a specific branch or geographic region. The fund invests in fixed income funds, equity funds, alternative assets as well as in other financial instruments. Alternative assets refer to funds or other financial instruments that provide exposure to commodities, real estate and other permitted exposures, in addition to equities or fixed income, for the purpose of increasing the diversification of the fund. The fund may invest partly in funds within Handelsbanken and partly in funds managed by other fund management companies. The starting point for investments is to create excess returns in NOK over the long term. A minimum of 95% of the fund's value shall be invested in equity funds or other equity-related financial instruments.

Portfolio

The fund fell 6.4% during 2018*. Concerns in the financial markets increased during the autumn. High expectations, together with concerns about the affect that a weaker global economy, rising interest rates, and a trade war would have on corporate earnings ahead explain much of the market uncertainty. The World Index fell 4.10% in NOK. A weaker NOK benefited returns on foreign holdings. Regionally, the U.S. stock market fared best, while performance was weaker in Japan and emerging markets. Market rates in Norway fell during the year, which meant that

bonds outperformed fixed income investments with a shorter duration. We had an underweight in equities relative to the benchmark index throughout most of the year. Regionally, we decreased holdings in the U.S. during the autumn and instead increased holdings in Asia.

*) Refer to fund statistics for comparable index.

Significant risks

As of the balance sheet date or any other time during the year, fund holdings did not have exposure to any other significant risks than those stated in the fact sheet and information brochure.

Trading with derivatives

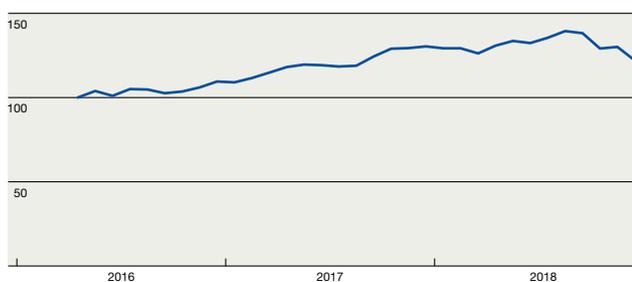
According to the fund rules, the fund may trade with derivatives as part of its investment focus. The fund used this option extensively during 2018. The fund has the option of lending securities. The fund did not use this option during 2018. The fund may use other techniques and instruments. The fund did not use this option during 2018.

Information

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

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

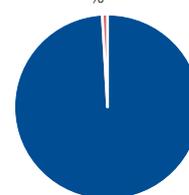
Fund Performance*



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

Market Exposure*

Interest-bearing, including liquid assets 0,90 %



Equities, shares 99,10 %

* The fund's allocation of investments within the markets as of 31/12/2018, relative to the fund's total assets on this date.

Fund Facts - History

	2018	2017	13/4-31/12 2016	2015	2014	2013	2012	2011	2010	2009
Net asset value, NOK	121.42	129.69	108.96	-	-	-	-	-	-	-
The fund's total net flow, mNOK	250	475	437	-	-	-	-	-	-	-
Fund capital, NOKm	1,223	1,062	472	-	-	-	-	-	-	-
Number of units, 1000's	10,075	8,189	4,334	-	-	-	-	-	-	-
Total returns in %, NOK	-6.4	+19.0	+9.0	-	-	-	-	-	-	-
Index including dividends in %, NOK	-3.7	+18.1	+11.1	-	-	-	-	-	-	-
Average yearly return, 2 yrs. % in NOK	+5.6	-	-	-	-	-	-	-	-	-
Comparison to index including dividends, % in NOK	+6.6	-	-	-	-	-	-	-	-	-
Exchange rate NOK/SEK	1.02	1.00	1.06	-	-	-	-	-	-	-

Benchmark: MSCI All Country World Index Net 50,0%, VINX Benchmark Cap Net Index SEK 20,0%, Oslo Stock Exchange Mutual Fund Index 30,0%.

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

Fund Facts - Costs

Max. allowed mgmt. costs in % according to fund rules	1.50
Collected mgmt. costs in % of average fund capital	1.50
Annual fees in %	1.56
Transaction costs, tNOK	75
Transaction costs in % of turnover	0.00
Costs in NOK for a one-time subscription, 10 000 NOK	15.08
Costs in NOK for monthly savings, 100 NOK	0.98

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

Fund Facts - Other Key Figures

Turnover rate	0.3
Share of turnover conducted via closely-related securities companies in %	8.6

Handelsbanken Aktiv 100, cont.

Risk and Return Measurements*

Total risk %	9.7	Information ratio	Negative
Total risk in index %	9.2	Sharpe ratio	0.5
Tracking error %	1.7	Sharpe ratio in index	0.7
Benchmark	MSCI All Country World Index Net 50,0%, VINX Benchmark Cap Net Index SEK 20,0%, Oslo Stock Exchange Mutual Fund Index 30,0%.		
Active return %	-1.1		

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

Income Statement, tNOK

	2018	2017
INCOME AND CHANGES IN VALUE		
Changes in value for other derivative instruments [*]	-1,566	1,604
Changes in value for fund units ^{**}	-87,103	115,534
Interest income	-8	0
Dividends	0	-
Currency exchange profits and losses, net	4,297	336
Other financial income	13,017	7,877
Other income	0	1
Total income and changes in value	-71,362	125,352
EXPENSES		
Management costs:		
- Remuneration to the Management Company	17,658	10,094
Interest expense	13	33
Other expenses	75	99
Total expenses	17,746	10,227
Net income	-89,109	115,125
* Details of changes in value		
Capital gains	40,025	23,799
Capital losses	-41,590	-22,195
Unrealised gains/losses	0	0
Sum	-1,566	1,604
** Details of changes in value		
Capital gains	43,824	17,505
Capital losses	-4,302	-487
Unrealised gains/losses	-126,624	98,516
Sum	-87,103	115,534

Balance Sheet, tNOK

	31 dec 2018	% of fund capital	31 dec 2017	% of fund capital
ASSETS				
OTC derivative instruments with positive market value	1,839	0.1	148	0.0
Fund units	1,204,671	98.5	1,035,931	97.5
Total financial instruments with positive market value (Note 2)	1,206,510	98.6	1,036,079	97.5
Bank assets and other liquid assets	20,601	1.7	22,828	2.2
Prepaid expenses and accrued income	1,189	0.1	473	0.0
Other assets	841	0.1	4,310	0.4
Total assets	1,229,141	105.5	1,063,690	100.1
LIABILITIES				
OTC derivative instruments with negative market value	-	-	7	0.0
Total financial instruments with negative market value (Note 2)	-	-	7	0.0
Accrued expenses and prepaid income	1,589	0.1	773	0.0
Other liabilities	4,279	0.4	853	0.1
Total liabilities	-5,868	0.5	1,633	0.1
Fund capital (Note 1)	1,223,273	100.0	1,062,057	100.0
Other derivative instruments with negative market value	683	0.1	4,068	0.4

Note 1) for Balance Sheet

Changes in fund capital, tNOK

	2018	2017
Fund capital at beginning of year	1,062,057	472,178
Units issued	506,976	549,683
Units redeemed	-256,651	-74,929
Profit according to Income Statement	-89,109	115,125
Dividends to unit holders	-	-
Fund capital at the close of the period	1,223,273	1,062,057

Note 2) for Balance Sheet

Fund holdings in financial instruments

EXCHANGE-TRADED DERIVATIVES**

	Number/Nominal amount in 1000's	Market value tNOK	% of fund capital
STOCK INDEX FUTURES			
OBXF	151	0	0.0
Total stock index futures		0	0.0
Total exchange-traded derivatives		0	0.0

OTHER FINANCIAL INSTRUMENTS***

	Number/Nominal amount in 1000's	Market value tNOK	% of fund capital
FUND UNITS			
EQUITY FUNDS			
Fidelity First ESG AC World-NOK (Europe)	1,833,747	18,631	1.5
Handelsbanken Amerika Småbolag Tema (A1 SEK) (Nordic countries)	114,392	81,185	6.6
Handelsbanken Amerika Tema (A1 NOK) (USA)	134,714	107,127	8.8
Handelsbanken Asien Tema (A1 NOK) (Asia)	106,986	60,492	4.9
Handelsbanken Europa Tema (A1 NOK) (Europe)	189,021	64,406	5.3
Handelsbanken Europafond Index (A1 NOK) (Nordic countries)	267,971	26,929	2.2
Handelsbanken Hållbar Energi (A1 NOK) (Rest of the world)	222,524	31,010	2.5
Handelsbanken Japan Tema (A1 NOK) (Asia)	621,953	43,066	3.5
Handelsbanken Norden Selektiv (A1 NOK) (Nordic countries)	75,150	24,633	2.0
Handelsbanken Nordenfond (A1 NOK) (Nordic countries)	147,935	151,313	12.4
Handelsbanken Nordiska Småbolag (A1 NOK) (Nordic countries)	47,184	44,564	3.6
Handelsbanken Norge (A1 NOK) (Nordic countries)	206,378	218,284	17.8
Handelsbanken Norge Index (A1 NOK) (Nordic countries)	820,375	72,212	5.9
Handelsbanken Tillväxtmarknad Tema (A1 NOK) (Rest of the world)	164,292	46,298	3.8
Handelsbanken USA Index (A1 NOK) (USA)	251,522	77,826	6.4
JPM Europe Small Cap I Acc EUR (Europe)	13,144	25,970	2.1
UBS Equity Sicav USA Growth (USA)	62,502	17,936	1.5
		1,111,883	90.9
LISTED EQUITY FUNDS**			
XACT Norden 30 (Nordic countries)	311,610	32,156	2.6
XACT OBX (Nordic countries)	853,628	60,632	5.0
		92,788	7.6
Total fund units		1,204,671	98.5

	Number/Nominal amount in 1000's	Market value tNOK	% of fund capital
OTC DERIVATIVE INSTRUMENTS			
CURRENCY FUTURES			
EUR/NOK		32	0.0
SEK/EUR		1,807	0.1
		1,839	0.1
Total OTC derivative instruments		1,839	0.1
Total other financial instruments		1,206,510	98.6
Total holdings in financial instruments		1,206,510	98.6
Net, other assets and liabilities		16,763	1.4
Total fund capital		1,223,273	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.

7.6

91.0

Handelsbanken Aktiv 100

Sustainability dimensions that are taken into consideration in the management of the fund

The fund takes ESG factors into consideration in its selection of investments, i.e., in the selection of the underlying funds. This means that the fund is focusing more of its investments to be in line with the UN's Sustainable Development Goals (SDG). We also encourage the fund managers of the underlying funds to increase investments in green bonds, for example. The fund has also invested in underlying funds with explicit impact goals. Impact investments are currently a smaller category but are expected to increase.

Methods used in sustainability efforts

Inclusion

In the evaluation of underlying funds and investments, sustainability is an individual area of assessment. When striking a balance between comparable returns and risk, we make the choice that is most sustainable. A critical evaluation factors is how well sustainability is integrated into the underlying fund. We also work actively to increase the quantitative measurability in our assessment to clarify the sustainability dimensions in the portfolio.

BlueOrchard Emerging Markets Impact Bond Fund is an interesting example. Over time, the fund will be investing in bonds from issuing bodies with a demonstrated history of performance within impact investing. This is accomplished in the investment process by assessing the issuers' "social performance". The fund also invests to some extent in green bonds. The fund contributes to several of the UN's SDGs in its investment process: No Poverty, Affordable and Clean Energy, Decent Work and Economic Growth, Reduced Inequalities, as well as Industry, Innovation and Infrastructure.

Exclusion

In accordance with the Management Company's overall policy for responsible investment, all of the Management Company's funds exclude:

- companies involved in the production or distribution of banned weapons, such as cluster bombs, anti-personnel mines, biological and chemical weapons, in accordance with international legislation. Companies involved in the production or distribution of nuclear weapons are also excluded.
- companies with substantial business operations within coal mining or in power companies that have coal as a major source of energy.

Management Company's engagement activities

We make demands in the fund that providers use their ownership influence in the underlying companies. In addition, we work actively to influence providers to make more sustainable changes to their policies, both generally and in specific funds, e.g., by excluding certain types of sectors or specific companies. The activities in 2018 have resulted in changes to a number of funds. The engagement activities also focus on contributing to the development of new products that have a higher sustainability standard.

The fund is a fund of funds, which means that we are unable to impact the underlying companies directly and work with influencing the fund providers. During 2018 we worked within this area to make it clear that we will be excluding more companies and expect providers to meet our demands by offering funds that meet our expectations. Within this work we have influenced funds as well as fund management companies to change and develop new products.



Handelsbanken Kapitalförvaltning 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 benchmark index. The fund is a mixed fund that invests globally without being limited to a specific branch or geographic region. The fund invests in fixed income funds, equity funds, alternative assets as well as in other financial instruments. Alternative assets refer to funds or other financial instruments that provide exposure to commodities, real estate and other permitted exposures, in addition to equities or fixed income, for the purpose of increasing the diversification of the fund. The fund may invest partly in funds within Handelsbanken and partly in funds managed by other fund management companies. The starting point for investments is to create excess returns in EUR over the long term. Five to forty-five percent of the fund's value shall be invested in equity funds or other equity-related financial instruments, 45 – 85% in fixed income funds or other fixed income related financial instruments and 0 – 20% in funds and other financial instruments with alternative exposure.

Portfolio

The fund fell 2.3% during 2018*. Concerns in the financial markets increased during the autumn. High expectations, together with a concern about the effect a weaker global economy, rising rates and the trade war would have on corporate earnings ahead explain much of the market uncertainty. The World Index fell 4.85% in EUR. A weaker EUR benefitted returns in foreign holdings. Regionally, the U.S. stock market fared best, while Japan and emerging markets posted weaker performance. Market rates in Europe fell during the year, which meant that bonds outperformed fixed income investments with a shorter duration. Holdings in the Aktia Emerging Bond Fund contributed to returns. Throughout most of the year we have had an underweight in equities relative to the benchmark index.

Regionally, we decreased our holdings in the U.S. during the autumn and instead increased holdings in Asia. During the year we continued to increase our exposure to emerging market bonds. We also sold our entire position in the hedge fund JPM Systematic Alpha and instead increased holdings in JPM Global Macro. In the autumn we took a position in Blue Orchard Emerging Markets Impact Bond Fund, which invests in sustainable economic, social and environmental development in emerging markets. We had a short duration in our fixed income holdings during the year.

* Refer to fund statistics for comparable index.

Significant risks

As of the balance sheet date or any other time during the year, fund holdings did not have exposure to any other significant risks than those stated in the fact sheet and information brochure.

Trading with derivatives

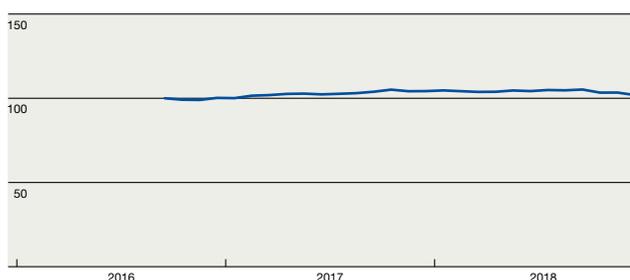
According to the fund rules, the fund may trade with derivatives as part of its investment focus. The fund used this option extensively during 2018. The fund has the option of lending securities. The fund did not use this option during 2018. The fund may use other techniques and instruments. The fund did not use this option during 2018.

Information

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

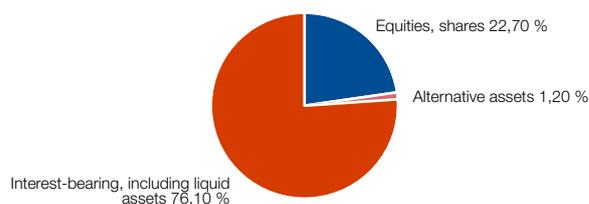
Information about employee remuneration can be found in the Appendix Remuneration policy, see the fund company website in connection with the fund as well as at the end of the overall fundreport.

Fund Performance*



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

Market Exposure*



* The fund's allocation of investments within the markets as of 31/12/2018, relative to the fund's total assets on this date.

Fund Facts - History

	2018	2017	28/9-31/12 2016	2015	2014	2013	2012	2011	2010	2009
Net asset value, EUR	10.19	10.42	10.02	-	-	-	-	-	-	-
The fund's total net flow, mEUR	12	10	15	-	-	-	-	-	-	-
Fund capital, mEUR	37	26	15	-	-	-	-	-	-	-
Number of units, 1000's	3,626	2,473	1,526	-	-	-	-	-	-	-
Total returns in %, EUR	-2.3	+4.0	+0.2	-	-	-	-	-	-	-
Index including dividends in %, EUR	-1.0	+2.3	+0.1	-	-	-	-	-	-	-
Average yearly return, 2 yrs. % in EUR	+0.8	-	-	-	-	-	-	-	-	-
Comparison to index including dividends, % in EUR	+0.7	-	-	-	-	-	-	-	-	-
Exchange rate EUR/SEK	10.13	9.83	9.58	-	-	-	-	-	-	-

Up to 31/05/2018: EUR Libor 3 Month Index 35%, VINX Benchmark Cap SEK_NI 12.5%, Barclays Euro Government Bond Index 40%, MSCI All Country World Index Net 12.5%

Up to 31/05/2018: Bloomberg Barclays Euro Treasury 0-12 Months 35%, VINX Benchmark Cap SEK_NI 12.5%, Barclays Euro Government Bond Index 40%, MSCI All Country World Index Net 12.5%

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

Handelsbanken Kapitalförvaltning 25, cont.

Fund Facts - Costs

Max. allowed mgmt. costs in % according to fund rules	0.90
Collected mgmt. costs in % of average fund capital	0.90
Annual fees in %	1.08
Transaction costs, tEUR	2
Transaction costs in % of turnover	0.00
Costs in EUR for a one-time subscription, 1 000 EUR	8.99
Costs in EUR for monthly savings, 10 EUR	0.58

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

Fund Facts - Other Key Figures

Turnover rate	0.6
Share of turnover conducted via closely-related securities companies in %	1.9

Risk and Return Measurements*

Total risk %	2.6	Information ratio	0.2
Total risk in index %	2.2	Sharpe ratio	0.5
Tracking error %	1.0	Sharpe ratio in index	0.5
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.

Income Statement, tEUR

	2018	2017
INCOME AND CHANGES IN VALUE		
Changes in value for other derivative instruments	-99	257
Changes in value for fund units **	-851	527
Interest income	-1	0
Dividends	16	30
Currency exchange profits and losses, net	117	11
Other financial income	198	132
Other income	0	0
Total income and changes in value	-620	957
EXPENSES		
Management costs:		
- Remuneration to the Management Company	307	187
Interest expense	1	1
Other expenses	2	3
Total expenses	310	191
Net income	-930	766
* Details of changes in value		
Capital gains	1,578	1,220
Capital losses	-1,677	-963
Unrealised gains/losses	0	-
Sum	-99	257
** Details of changes in value		
Capital gains	499	155
Capital losses	-310	-24
Unrealised gains/losses	-1,041	396
Sum	-851	527

Balance Sheet, tEUR

	31 dec 2018	% of fund capital	31 dec 2017	% of fund capital
ASSETS				
OTC derivative instruments with positive market value	66	0.1	15	0.1
Fund units	36,380	98.5	25,093	97.4
Total financial instruments with positive market value ^{Note 2)}	36,445	98.6	25,108	97.5
Bank assets and other liquid assets	644	1.8	665	2.6
Prepaid expenses and accrued income	17	0.1	7	0.0
Other assets	-	-	3	0.0
Total assets	37,107	100.5	25,783	100.1
LIABILITIES				
OTC derivative instruments with negative market value	11	0.0	4	0.0
Total financial instruments with negative market value ^{Note 2)}	11	0.0	4	0.0
Accrued expenses and prepaid income	28	0.1	11	0.0
Other liabilities	138	0.4	1	0.1
Total liabilities	177	0.5	16	0.1
Fund capital ^{Note 1)}	36,930	100.0	25,767	100.0
Other derivative instruments with negative market value	716	1.9	80	0.3

Note 1) for Balance Sheet

Changes in fund capital, tEUR

	2018	2017
Fund capital at beginning of year	25,767	15,284
Units issued	36,253	14,454
Units redeemed	-24,160	-4,737
Profit according to Income Statement	-930	766
Dividends to unit holders	-	-
Fund capital at the close of the period	36,930	25,767

Note 2) for Balance Sheet

Fund holdings in financial instruments

EXCHANGE-TRADED DERIVATIVES**

	Number/Nominal amount in 1000's	Market value tEUR	% of fund capital
STOCK INDEX FUTURES			
E-mini S&P MARS 2019	3	0	0.0
EURO STOXX 50 Mar18	-12	0	0.0
Total stock index futures		0	0.0

	Number/Nominal amount in 1000's	Market value tEUR	% of fund capital
INTEREST RATE FUTURES			
RXH9	-11	0	0.0
Total interest rate futures		0	0.0
Total exchange-traded derivatives		0	0.0

OTHER FINANCIAL INSTRUMENTS***

	Number/Nominal amount in 1000's	Market value tEUR	% of fund capital
FUND UNITS			
EQUITY FUNDS			
Fidelity First ESG AC World-EUR (Europe)	12,243	119	0.3
Handelsbanken Amerika Småbolag Tema (A1 SEK) (Nordic countries)	4,257	305	0.8
Handelsbanken Amerika Tema (A1 EUR) (Nordic countries)	9,564	768	2.1
Handelsbanken Asien Tema (A1 EUR) (Asia)	17,831	1,019	2.8
Handelsbanken Europa Tema (A1 EUR) (Europe)	13,350	460	1.2
Handelsbanken Europafond Index (A1 EUR) (Nordic countries)	19,781	201	0.5
Handelsbanken Hållbar Energi (A1 EUR) (Rest of the world)	15,495	218	0.6
Handelsbanken Japan Tema (A1 EUR) (Asia)	43,768	306	0.8
Handelsbanken Norden Selektiv (A1 EUR) (Nordic countries)	13,278	440	1.2
Handelsbanken Nordenfond (A1 EUR) (Nordic countries)	22,729	2,349	6.4
Handelsbanken USA Index (A1 EUR) (USA)	11,353	355	1.0
JPM Europe Small Cap I Acc EUR (Europe)	918	183	0.5
JPM Global Macro Acc EUR Hgd (Europe)	4,484	459	1.2
JPM Global Macro Fund I (Nordic countries)	0	0	0.0
Nordiska Småbolag A1 EUR (Nordic countries)	8,248	787	2.1
UBS Bond Fund EUR (Europe)	15,243	2,016	5.5
UBS Equity Sicav USA Growth (USA)	13,050	378	1.0
		10,363	28.1
LISTED EQUITY FUNDS**			
XACT Norden 30 (Nordic countries)	52,969	552	1.5
		552	1.5
FIXED INCOME FUNDS			
BGF Euro Short Duration Bond A2 EUR (Europe)	296,924	4,674	12.7
BlackRock Strategic Funds - Global Absolut e Return Bond Fund I2 EUR (Europe)	3,626	363	1.0
BlueOrchard Ucits EM Sdg Impact Bd Fd S (Nordic countries)	48,090	471	1.3
Handelsbanken Euro Corporate Bond Fund (A7 EUR) (Nordic countries)	56,631	5,850	15.8
Handelsbanken Euro Obligation (A1 EUR) (Europe)	15,911	6,205	16.8
Handelsbanken Euro Ranta (A1 EUR) (Europe)	21,861	4,261	11.5
Handelsbanken Høyrente (A1 NOK) (Nordic countries)	76,163	856	2.3
Handelsbanken Råntestategi Plus Criteria (A7 SEK) (Nordic countries)	57,008	559	1.5
Ul - Aktia EM Local Currency Bond+ - sh (Europe)	23,128	2,227	6.0
		25,465	69.0
Total fund units		36,380	98.5

	Number/Nominal amount in 1000's	Market value tEUR	% of fund capital
OTC DERIVATIVE INSTRUMENTS			
CURRENCY FUTURES			
EUR/NOK		16	0.0
EUR/SEK		-11	0.0
SEK/EUR		50	0.1
		55	0.1
Total OTC derivative instruments		55	0.1
Total other financial instruments		36,435	98.6

Handelsbanken Kapitalförvaltning 25, cont.

	Number/Nominal amount in 1000's	Market value tEUR	% of fund capital
Total holdings in financial instruments		36,435	98.6
Net, other assets and liabilities		495	1.4
Total fund capital		36,930	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
UBS	6.5	JPMorgan Chase	0.5

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

Handelsbanken Kapitalförvaltning 25

Sustainability dimensions that are taken into consideration in the management of the fund

The fund takes ESG factors into consideration in its selection of investments, i.e., in the selection of the underlying funds. This means that the fund is focusing more of its investments to be in line with the UN's Sustainable Development Goals (SDG). We also encourage the fund managers of the underlying funds to increase investments in green bonds, for example. The fund has also invested in underlying funds with explicit impact goals. Impact investments are currently a smaller category but are expected to increase.

Methods used in sustainability efforts

Inclusion

In the evaluation of underlying funds and investments, sustainability is an individual area of assessment. When striking a balance between comparable returns and risk, we make the choice that is most sustainable. A critical evaluation factors is how well sustainability is integrated into the underlying fund. We also work actively to increase the quantitative measurability in our assessment to clarify the sustainability dimensions in the portfolio.

BlueOrchard Emerging Markets Impact Bond Fund is an interesting example. Over time, the fund will be investing in bonds from issuing bodies with a demonstrated history of performance within impact investing. This is accomplished in the investment process by assessing the issuers' "social performance". The fund also invests to some extent in green bonds. The fund contributes to several of the UN's SDGs in its investment process: No Poverty, Affordable and Clean Energy, Decent Work and Economic Growth, Reduced Inequalities, as well as Industry, Innovation and Infrastructure.

Exclusion

In accordance with the Management Company's overall policy for responsible investment, all of the Management Company's funds exclude:

- companies involved in the production or distribution of banned weapons, such as cluster bombs, anti-personnel mines, biological and chemical weapons, in accordance with international legislation. Companies involved in the production or distribution of nuclear weapons are also excluded.
- companies with substantial business operations within coal mining or in power companies that have coal as a major source of energy.

Management Company's engagement activities

We make demands in the fund that providers use their ownership influence in the underlying companies. In addition, we work actively to influence providers to make more sustainable changes to their policies, both generally and in specific funds, e.g., by excluding certain types of sectors or specific companies. The activities in 2018 have resulted in changes to a number of funds. The engagement activities also focus on contributing to the development of new products that have a higher sustainability standard.

The fund is a fund of funds, which means that we are unable to impact the underlying companies directly and work with influencing the fund providers. During 2018 we worked within this area to make it clear that we will be excluding more companies and expect providers to meet our demands by offering funds that meet our expectations. Within this work we have influenced funds as well as fund management companies to change and develop new products.



Handelsbanken Kapitalförvaltning 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 benchmark index. The fund is a mixed fund that invests globally without being limited to a specific branch or geographic region. The fund invests in fixed income funds, equity funds, alternative assets as well as in other financial instruments. Alternative assets refer to funds or other financial instruments that provide exposure to commodities, real estate and other permitted exposures, in addition to equities or fixed income, for the purpose of increasing the diversification of the fund. The fund may invest partly in funds within Handelsbanken and partly in funds managed by other fund management companies. The starting point for investments is to create excess returns in EUR over the long term. Thirty to seventy percent of the fund's value shall be invested in equity funds or other equity-related financial instruments, 20 – 60% in fixed income funds or other fixed income related financial instruments and 0 – 20% in funds and other financial instruments with alternative exposure.

Portfolio

The fund fell 4.3% during 2018*. Concerns in the financial markets increased during the autumn. High expectations, together with a concern about the effect a weaker global economy, rising rates and the trade war would have on corporate earnings ahead explain much of the market uncertainty. The World Index fell 4.85% in EUR. A weaker EUR benefitted returns in foreign holdings. Regionally, the U.S. stock market fared best, while Japan and emerging markets posted weaker performance. Market rates in Europe fell during the year, which meant that bonds outperformed fixed income investments with a shorter duration. Holdings in Aktia Emerging Bond Fund contributed to returns. Throughout most of the year we have had an underweight in equities relative to the benchmark index.

Regionally, we decreased our holdings in the U.S. during the autumn and instead increased holdings in Asia. During the year we continued to increase our exposure to emerging market bonds. We also sold our entire position in the hedge fund JPM Systematic Alpha and instead increased holdings in JPM Global Macro. In the autumn we took a position in Blue Orchard Emerging Markets Impact Bond Fund, which invests in sustainable economic, social and environmental development in emerging markets. We had a short duration in our fixed income holdings during the year.

* Refer to fund statistics for comparable index.

Significant risks

As of the balance sheet date or any other time during the year, fund holdings did not have exposure to any other significant risks than those stated in the fact sheet and information brochure.

Trading with derivatives

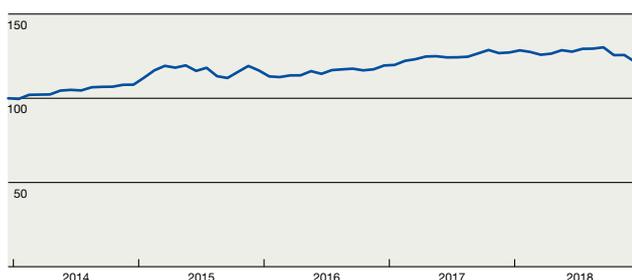
According to the fund rules, the fund may trade with derivatives as part of its investment focus. The fund used this option extensively during 2018. The fund has the option of lending securities. The fund did not use this option during 2018. The fund may use other techniques and instruments. The fund did not use this option during 2018.

Information

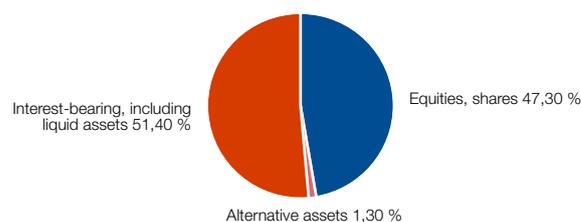
Since the changes in tax regulations for Swedish funds (2012) and due to developments within the area of taxation, it is unclear how foreign distributions will be taxed. Refer to the general pages at the end of the composite fund report for additional information.

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

Fund Performance*



Market Exposure*



Fund Facts - History

	2018	2017	2016	2015	26/9-31/12 2014	2013	2012	2011	2010	2009
Net asset value, EUR	18.23	19.05	17.89	17.45	16.19	-	-	-	-	-
The fund's total net flow, mEUR	-17	7	62	5	4	-	-	-	-	-
Fund capital, mEUR	92	114	101	37	30	-	-	-	-	-
Number of units, 1000's	5,055	5,976	5,629	2,116	1,823	-	-	-	-	-
Total returns in %, EUR	-4.3	+6.5	+2.5	+7.8	+8.1	+10.7	+11.4	-8.2	+16.2	+25.8
Index including dividends in %, EUR	-2.5	+4.8	+4.3	+6.6	+10.2	+10.3	+13.9	-4.0	+15.2	+23.6
Average yearly return, 2 yrs. % in EUR	+0.9	+4.5	+5.1	+7.9	+9.4	+11.1	+1.1	+3.3	+20.9	-4.4
Comparison to index including dividends, % in EUR	+1.1	+4.5	+5.5	+8.4	+10.3	+12.1	+4.6	+5.2	+19.3	-2.9
Average yearly return, 5 yrs. % in EUR	+4.0	+7.1	+8.1	+5.7	+7.3	+10.6	+1.7	-0.2	+3.2	-
Comparison to index including dividends, % in EUR	+4.6	+7.2	+9.1	+7.3	+8.9	+11.4	+3.5	+1.2	+3.7	-
Average yearly return, 10 yrs. % in EUR	+7.3	+4.3	+3.8	+4.5	-	-	-	-	-	-
Comparison to index including dividends, % in EUR	+8.0	+5.4	+5.1	+5.5	-	-	-	-	-	-
Exchange rate EUR/SEK	10.13	9.83	9.58	9.16	9.47	-	-	-	-	-

Benchmark: Bloomberg Barclays Euro Treasury 0-12 Months 25%, VINX Benchmark Cap SEK_NI 25%, Barclays Euro Government Bond Index 25%, MSCI All Country World Index Net 25%

Up to 31/05/2018: EUR Libor 3 Month Index 25%, VINX Benchmark Cap SEK_NI 25%, Barclays Euro Government Bond Index 25%, MSCI All Country World Index Net 25%

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.

Handelsbanken Kapitalförvaltning 50, cont.

Fund Facts - Costs

Max. allowed mgmt. costs in % according to fund rules	1.40
Collected mgmt. costs in % of average fund capital	1.40
Annual fees in %	1.60
Transaction costs, tEUR	6
Transaction costs in % of turnover	0.00
Costs in EUR for a one-time subscription, 1 000 EUR	14.01
Costs in EUR for monthly savings, 10 EUR	0.91

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

Fund Facts - Other Key Figures

Turnover rate	0.4
Share of turnover conducted via closely-related securities companies in %	2.0

Risk and Return Measurements*

Total risk %	4.9	Information ratio	Negative
Total risk in index %	4.3	Sharpe ratio	0.3
Tracking error %	1.1	Sharpe ratio in index	0.4
Benchmark	Bloomberg Barclays Euro Treasury 0-12 Months 25%, VINX Benchmark Cap SEK_NI 25%, Barclays Euro Government Bond Index 25%, MSCI All Country World Index Net 25%		
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.

Income Statement, tEUR

	2018	2017
INCOME AND CHANGES IN VALUE		
Changes in value for other derivative instruments *	-380	1,428
Changes in value for fund units **	-4,058	5,632
Interest income	-4	4
Dividends	70	147
Currency exchange profits and losses, net	387	17
Other financial income	820	897
Other income	0	0
Total income and changes in value	-3,165	8,117
EXPENSES		
Management costs:		
- Remuneration to the Management Company	1,432	1,510
Interest expense	2	1
Other expenses	6	16
Total expenses	1,440	1,527
Net income	-4,605	6,590

* Details of changes in value

Capital gains	5,013	6,407
Capital losses	-5,392	-4,979
Sum	-380	1,428

** Details of changes in value

Capital gains	3,713	5,182
Capital losses	-1,130	-436
Unrealised gains/losses	-6,640	886
Sum	-4,058	5,632

Balance Sheet, tEUR

	31 dec 2018	% of fund capital	31 dec 2017	% of fund capital
ASSETS				
OTC derivative instruments with positive market value	158	0.1	38	0.0
Fund units	91,881	99.7	112,689	99.0
Total financial instruments with positive market value (Note 2)	92,039	99.8	112,727	99.0
Bank assets and other liquid assets	872	1.1	1,171	1.0
Prepaid expenses and accrued income	64	0.1	39	0.0
Other assets	56	0.0	25	0.1
Total assets	93,031	101.0	113,962	100.1
LIABILITIES				
OTC derivative instruments with negative market value	29	0.0	26	0.0
Total financial instruments with negative market value (Note 2)	29	0.0	26	0.0
Accrued expenses and prepaid income	112	0.1	79	0.1
Other liabilities	752	0.9	2	0.0
Total liabilities	893	1.0	107	0.1
Fund capital (Note 1)	92,138	100.0	113,855	100.0
Other derivative instruments with negative market value	1,809	2.0	382	0.3

Note 1) for Balance Sheet

Changes in fund capital, tEUR

	2018	2017
Fund capital at beginning of year	113,855	100,735
Units issued	29,934	20,490
Units redeemed	-47,046	-13,960
Profit according to Income Statement	-4,605	6,590
Dividends to unit holders	-	-
Fund capital at the close of the period	92,138	113,855

Note 2) for Balance Sheet

Fund holdings in financial instruments

EXCHANGE-TRADED DERIVATIVES**

	Number/Nominal amount in 1000's	Market value tEUR	% of fund capital
STOCK INDEX FUTURES			
E-mini S&P MARS 2019	8	0	0.0
EURO STOXX 50 Mar18	-30	0	0.0
Total stock index futures		0	0.0

	Number/Nominal amount in 1000's	Market value tEUR	% of fund capital
INTEREST RATE FUTURES			
RXH9	-27	0	0.0
Total interest rate futures		0	0.0
Total exchange-traded derivatives		0	0.0

OTHER FINANCIAL INSTRUMENTS***

	Number/Nominal amount in 1000's	Market value tEUR	% of fund capital
FUND UNITS			
EQUITY FUNDS			
Fidelity First ESG AC World-EUR (Europe)	67,639	657	0.7
Handelsbanken Amerika Småbolag Tema (A1 SEK) (Nordic countries)	39,673	2,844	3.1
Handelsbanken Amerika Tema (A1 EUR) (Nordic countries)	48,750	3,916	4.3
Handelsbanken Asien Tema (A1 EUR) (Asia)	62,771	3,586	3.9
Handelsbanken Europa Tema (A1 EUR) (Europe)	67,619	2,328	2.5
Handelsbanken Europafond Index (A1 EUR) (Nordic countries)	99,276	1,008	1.1
Handelsbanken Hållbar Energi (A1 EUR) (Rest of the world)	76,841	1,082	1.2
Handelsbanken Japan Tema (A1 EUR) (Asia)	230,002	1,609	1.7
Handelsbanken Norden Selektiv (A1 EUR) (Nordic countries)	68,896	2,281	2.5
Handelsbanken Nordenfond (A1 EUR) (Nordic countries)	124,508	12,865	14.0
Handelsbanken Tillväxtmarknad Tema (A1 EUR) (Rest of the world)	25,152	716	0.8
Handelsbanken USA Index (A1 EUR) (USA)	65,374	2,043	2.2
Handelsbanken USA Index (A1 SEK) (USA)	48	1	0.0
JPM Europe Small Cap I Acc EUR (Europe)	4,257	850	0.9
JPM Global Macro Acc EUR Hgd (Europe)	11,657	1,193	1.3
Nordiska Småbolag A1 EUR (Nordic countries)	40,712	3,884	4.2
UBS Bond Fund EUR (Europe)	37,958	5,022	5.5
UBS Equity Sicav USA Growth (USA)	46,639	1,352	1.5
		47,238	51.3

Handelsbanken Kapitalförvaltning 50, cont.

	Number/Nominal amount in 1000's	Market value tEUR	% of fund capital
LISTED EQUITY FUNDS**			
XACT Norden 30 (Nordic countries)	275,085	2,868	3.1
		2,868	3.1
FIXED INCOME FUNDS			
BGF Euro Short Duration Bond A2 EUR (Europe)	859,487	13,528	14.7
BlackRock Strategic Funds - Global Absolute Return Bond Fund I2 EUR (Europe)	9,789	981	1.1
BlueOrchard Ucits EM Sdg Impact Bd Fd S (Nordic countries)	75,844	743	0.8
Handelsbanken Euro Corporate Bond Fund (A1 EUR) (Nordic countries)	48,592	5,020	5.4
Handelsbanken Euro Obligation (A1 EUR) (Europe)	28,415	11,081	12.0
Handelsbanken Euro Ränta (A1 EUR) (Europe)	8,620	1,680	1.8
Handelsbanken Høyrente (A1 NOK) (Nordic countries)	125,760	1,413	1.5
Handelsbanken Räntestrategi Plus Criteria (A1 SEK) (Nordic countries)	153,222	1,502	1.6
UI - Aktia EM Local Currency Bond+ - sh (Europe)	60,522	5,828	6.3
		41,775	45.3
Total fund units		91,881	99.7

	Number/Nominal amount in 1000's	Market value tEUR	% of fund capital
OTC DERIVATIVE INSTRUMENTS			
CURRENCY FUTURES			
EUR/NOK		25	0.0
EUR/SEK		-29	0.0
SEK/EUR		133	0.1
		129	0.1
Total OTC derivative instruments		129	0.1
Total other financial instruments		92,010	99.8
Total holdings in financial instruments		92,010	99.8
Net, other assets and liabilities		128	0.2
Total fund capital		92,138	100.0

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

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

*** Refers to other financial instruments.

Compilation, Company and Group exposure*

Company/Group	% of fund capital
UBS	7.0

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

Handelsbanken Kapitalförvaltning 50

Sustainability dimensions that are taken into consideration in the management of the fund

The fund takes ESG factors into consideration in its selection of investments, i.e., in the selection of the underlying funds. This means that the fund is focusing more of its investments to be in line with the UN's Sustainable Development Goals (SDG). We also encourage the fund managers of the underlying funds to increase investments in green bonds, for example. The fund has also invested in underlying funds with explicit impact goals. Impact investments are currently a smaller category but are expected to increase.

Methods used in sustainability efforts

Inclusion

In the evaluation of underlying funds and investments, sustainability is an individual area of assessment. When striking a balance between comparable returns and risk, we make the choice that is most sustainable. A critical evaluation factors is how well sustainability is integrated into the underlying fund. We also work actively to increase the quantitative measurability in our assessment to clarify the sustainability dimensions in the portfolio.

BlueOrchard Emerging Markets Impact Bond Fund is an interesting example. Over time, the fund will be investing in bonds from issuing bodies with a demonstrated history of performance within impact investing. This is accomplished in the investment process by assessing the issuers' "social performance". The fund also invests to some extent in green bonds. The fund contributes to several of the UN's SDGs in its investment process: No Poverty, Affordable and Clean Energy, Decent Work and Economic Growth, Reduced Inequalities, as well as Industry, Innovation and Infrastructure.

Exclusion

In accordance with the Management Company's overall policy for responsible investment, all of the Management Company's funds exclude:

- companies involved in the production or distribution of banned weapons, such as cluster bombs, anti-personnel mines, biological and chemical weapons, in accordance with international legislation. Companies involved in the production or distribution of nuclear weapons are also excluded.
- companies with substantial business operations within coal mining or in power companies that have coal as a major source of energy.

Management Company's engagement activities

We make demands in the fund that providers use their ownership influence in the underlying companies. In addition, we work actively to influence providers to make more sustainable changes to their policies, both generally and in specific funds, e.g., by excluding certain types of sectors or specific companies. The activities in 2018 have resulted in changes to a number of funds. The engagement activities also focus on contributing to the development of new products that have a higher sustainability standard.

The fund is a fund of funds, which means that we are unable to impact the underlying companies directly and work with influencing the fund providers. During 2018 we worked within this area to make it clear that we will be excluding more companies and expect providers to meet our demands by offering funds that meet our expectations. Within this work we have influenced funds as well as fund management companies to change and develop new products.



Handelsbanken Kapitalförvaltning 75

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 benchmark index. The fund is a mixed fund that invests globally without being limited to a specific branch or geographic region. The fund invests in fixed income funds, equity funds, alternative assets as well as in other financial instruments. Alternative assets refer to funds or other financial instruments that provide exposure to commodities, real estate and other permitted exposures, in addition to equities or fixed income, for the purpose of increasing the diversification of the fund. The fund may invest partly in funds within Handelsbanken and partly in funds managed by other fund management companies. The starting point for investments is to create excess returns in EUR over the long term. Fifty-five to ninety-five percent of the fund's value shall be invested in equity funds or other equity-related financial instruments, 0 – 35% in fixed income funds or other fixed income related financial instruments and 0 – 20% in funds and other financial instruments with alternative exposure.

Portfolio

The fund fell 5.9% during 2018*. Concerns in the financial markets increased during the autumn. High expectations, together with a concern about the effect a weaker global economy, rising rates and the trade war would have on corporate earnings ahead explain much of the market uncertainty. The World Index fell 4.85% in EUR. A weaker EUR benefitted returns in foreign holdings. Regionally, the U.S. stock market fared best, while Japan and emerging markets posted weaker performance. Market rates in Europe fell during the year, which meant that bonds outperformed fixed income investments with a shorter duration. Holdings in Aktia Emerging Bond Fund contributed to returns. Throughout most of the year we have had an underweight in equities relative to the benchmark index.

Regionally, we decreased our holdings in the U.S. during the autumn and instead increased holdings in Asia. During the year we continued to increase our exposure to emerging market bonds. We also sold our entire position in the hedge fund JPM Systematic Alpha and instead increased holdings in JPM Global Macro. In the autumn we took a position in Blue Orchard Emerging Markets Impact Bond Fund, which invests in sustainable economic, social and environmental development in emerging markets. We had a short duration in our fixed income holdings during the year.

* Refer to fund statistics for comparable index.

Significant risks

As of the balance sheet date or any other time during the year, fund holdings did not have exposure to any other significant risks than those stated in the fact sheet and information brochure.

Trading with derivatives

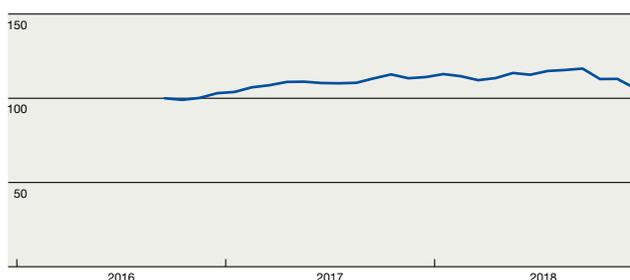
According to the fund rules, the fund may trade with derivatives as part of its investment focus. The fund used this option extensively during 2018. The fund has the option of lending securities. The fund did not use this option during 2018. The fund may use other techniques and instruments. The fund did not use this option during 2018.

Information

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

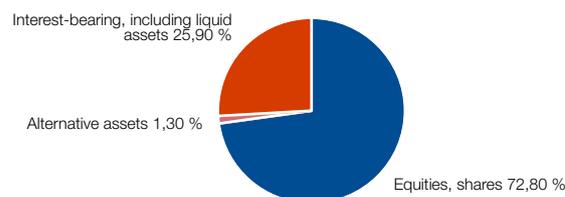
Information about employee remuneration can be found in the Appendix Remuneration policy, see the fund company website in connection with the fund as well as at the end of the overall fundreport.

Fund Performance*



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

Market Exposure*



* The fund's allocation of investments within the markets as of 31/12/2018, relative to the fund's total assets on this date.

Fund Facts - History

	2018	2017	28/9-31/12 2016	2015	2014	2013	2012	2011	2010	2009
Net asset value, EUR	10.59	11.25	10.29	-	-	-	-	-	-	-
The fund's total net flow, mEUR	-4	4	18	-	-	-	-	-	-	-
Fund capital, mEUR	19	24	19	-	-	-	-	-	-	-
Number of units, 1000's	1,798	2,168	1,826	-	-	-	-	-	-	-
Total returns in %, EUR	-5.9	+9.3	+2.9	-	-	-	-	-	-	-
Index including dividends in %, EUR	-4.0	+7.2	+3.8	-	-	-	-	-	-	-
Average yearly return, 2 yrs. % in EUR	+1.4	-	-	-	-	-	-	-	-	-
Comparison to index including dividends, % in EUR	+1.4	-	-	-	-	-	-	-	-	-
Exchange rate EUR/SEK	10.13	9.83	9.58	-	-	-	-	-	-	-

Benchmark: Bloomberg Barclays Euro Treasury 0-12 Months 15%, VINX Benchmark Cap SEK_Ni 37.5%, Barclays Euro Government Bond Index 10%, MSCI All Country World Index Net 37.5%

Up to 31/05/2018: EUR Libor 3 Month Index 15%, VINX Benchmark Cap SEK_Ni 37.5%, Barclays Euro Government Bond Index 10%, MSCI All Country World Index Net 37.5%

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.

Handelsbanken Kapitalförvaltning 75, cont.

Fund Facts - Costs

Max. allowed mgmt. costs in % according to fund rules	1.50
Collected mgmt. costs in % of average fund capital	1.50
Annual fees in %	1.64
Transaction costs, tEUR	2
Transaction costs in % of turnover	0.00
Costs in EUR for a one-time subscription, 1 000 EUR	15.09
Costs in EUR for monthly savings, 10 EUR	0.97

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

Fund Facts - Other Key Figures

Turnover rate	0.4
Share of turnover conducted via closely-related securities companies in %	2.3

Risk and Return Measurements*

Total risk %	7.4	Information ratio	0.0
Total risk in index %	6.7	Sharpe ratio	0.3
Tracking error %	1.3	Sharpe ratio in index	0.3
Benchmark	Bloomberg Barclays Euro Treasury 0-12 Months 15%, VINX Benchmark Cap SEK_NI 37,5%, Barclays Euro Government Bond Index 10%, MSCI All Country World Index Net 37,5%		
Active return %	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, tEUR

	2018	2017
INCOME AND CHANGES IN VALUE		
Changes in value for other derivative instruments *	-98	295
Changes in value for fund units **	-1,166	1,651
Interest income	-1	0
Dividends	14	27
Currency exchange profits and losses, net	79	2
Other financial income	218	229
Other income	0	0
Total income and changes in value	-954	2,204
EXPENSES		
Management costs:		
- Remuneration to the Management Company	329	332
Interest expense	1	0
Other expenses	1	3
Total expenses	331	335
Net income	-1,285	1,869

* Details of changes in value

Capital gains	1,135	1,323
Capital losses	-1,233	-1,028
Sum	-98	295

** Details of changes in value

Capital gains	1,065	315
Capital losses	-306	-44
Unrealised gains/losses	-1,925	1,380
Sum	-1,166	1,651

Balance Sheet, tEUR

	31 dec 2018	% of fund capital	31 dec 2017	% of fund capital
ASSETS				
OTC derivative instruments with positive market value	30	0.1	5	0.0
Fund units	18,793	98.7	23,890	98.0
Total financial instruments with positive market value (Note 2)	18,823	98.8	23,895	98.0
Bank assets and other liquid assets	254	1.4	194	0.8
Prepaid expenses and accrued income	16	0.1	10	0.0
Other assets	5	0.0	314	1.3
Total assets	19,098	100.3	24,413	100.1
LIABILITIES				
OTC derivative instruments with negative market value	6	0.0	4	0.0
Total financial instruments with negative market value (Note 2)	6	0.0	4	0.0
Accrued expenses and prepaid income	25	0.1	19	0.1
Other liabilities	27	0.2	0	0.0
Total liabilities	58	0.3	23	0.1
Fund capital (Note 1)	19,040	100.0	24,390	100.0
Other derivative instruments with negative market value	401	2.1	80	0.3

Note 1) for Balance Sheet

Changes in fund capital, tEUR

	2018	2017
Fund capital at beginning of year	24,390	18,797
Units issued	8,333	7,885
Units redeemed	-12,398	-4,161
Profit according to Income Statement	-1,285	1,869
Dividends to unit holders	-	-
Fund capital at the close of the period	19,040	24,390

Note 2) for Balance Sheet

Fund holdings in financial instruments

EXCHANGE-TRADED DERIVATIVES**

	Number/Nominal amount in 1000's	Market value tEUR	% of fund capital
STOCK INDEX FUTURES			
E-mini S&P MARS 2019	2	0	0.0
EURO STOXX 50 Mar18	-6	0	0.0
Total stock index futures		0	0.0

	Number/Nominal amount in 1000's	Market value tEUR	% of fund capital
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INTEREST RATE FUTURES

RXH9	-6	0	0.0
Total interest rate futures		0	0.0
Total exchange-traded derivatives		0	0.0

OTHER FINANCIAL INSTRUMENTS***

	Number/Nominal amount in 1000's	Market value tEUR	% of fund capital
FUND UNITS			
EQUITY FUNDS			
Fidelity First ESG AC World-EUR (Europe)	21,994	214	1.1
Handelsbanken Amerika Småbolag Tema (A1 SEK) (Nordic countries)	13,037	935	4.9
Handelsbanken Amerika Tema (A1 EUR) (Nordic countries)	14,952	1,201	6.3
Handelsbanken Asien Tema (A1 EUR) (Asia)	14,632	836	4.4
Handelsbanken Europa Tema (A1 EUR) (Europe)	21,419	737	3.9
Handelsbanken Europafond Index (A1 EUR) (Nordic countries)	30,906	314	1.6
Handelsbanken Hållbar Energi (A1 EUR) (Rest of the world)	24,411	344	1.8
Handelsbanken Japan Tema (A1 EUR) (Asia)	71,658	501	2.6
Handelsbanken Norden Selektiv (A1 EUR) (Nordic countries)	26,974	893	4.7
Handelsbanken Nordenfond (A1 EUR) (Nordic countries)	33,149	3,425	18.0
Handelsbanken Tillväxtmarknad Tema (A1 EUR) (Rest of the world)	14,485	412	2.2
Handelsbanken USA Index (A1 EUR) (USA)	26,304	822	4.3
JPM Europe Small Cap I Acc EUR (Europe)	1,413	282	1.5
JPM Global Macro Acc EUR Hgd (Europe)	2,449	251	1.3
Nordiska Småbolag A1 EUR (Nordic countries)	15,855	1,513	7.9
UBS Bond Fund EUR (Europe)	1,990	263	1.4
UBS Equity Sicav USA Growth (USA)	9,650	280	1.5
		13,223	69.5

Handelsbanken Kapitalförvaltning 75, cont.

	Number/Nominal amount in 1000's	Market value tEUR	% of fund capital
LISTED EQUITY FUNDS**			
XACT Norden 30 (Nordic countries)	108,005	1,126	5.9
		1,126	5.9
FIXED INCOME FUNDS			
BGF Euro Short Duration Bond A2 EUR (Europe)	56,745	893	4.7
BlackRock Strategic Funds - Global Absolute Return Bond Fund I2 EUR (Europe)	2,048	205	1.1
BlueOrchard Ucits EM Sdg Impact Bd Fd S (Nordic countries)	5,559	54	0.3
Handelsbanken Euro Corporate Bond Fund (A7 EUR) (Nordic countries)	2,916	301	1.6
Handelsbanken Euro Obligation (A1 EUR) (Europe)	1,966	767	4.0
Handelsbanken Euro Ränta (A1 EUR) (Europe)	3,083	601	3.2
Handelsbanken Høyrente (A1 NOK) (Nordic countries)	9,540	107	0.6
Handelsbanken Räntestrategi Plus Criteria (A7 SEK) (Nordic countries)	30,654	300	1.6
UI - Aktia EM Local Currency Bond+ - sh (Europe)	12,620	1,215	6.4
		4,444	23.3
Total fund units		18,793	98.7

	Number/Nominal amount in 1000's	Market value tEUR	% of fund capital
OTC DERIVATIVE INSTRUMENTS			
CURRENCY FUTURES			
EUR/NOK		2	0.0
EUR/SEK		-6	0.0
SEK/EUR		28	0.1
		24	0.1
Total OTC derivative instruments		24	0.1
Total other financial instruments		18,817	98.8
Total holdings in financial instruments		18,817	98.8
Net, other assets and liabilities		223	1.2
Total fund capital		19,040	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
UBS	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.

Handelsbanken Kapitalförvaltning 75

Sustainability dimensions that are taken into consideration in the management of the fund

The fund takes ESG factors into consideration in its selection of investments, i.e., in the selection of the underlying funds. This means that the fund is focusing more of its investments to be in line with the UN's Sustainable Development Goals (SDG). We also encourage the fund managers of the underlying funds to increase investments in green bonds, for example. The fund has also invested in underlying funds with explicit impact goals. Impact investments are currently a smaller category but are expected to increase.

Methods used in sustainability efforts

Inclusion

In the evaluation of underlying funds and investments, sustainability is an individual area of assessment. When striking a balance between comparable returns and risk, we make the choice that is most sustainable. A critical evaluation factor is how well sustainability is integrated into the underlying fund. We also work actively to increase the quantitative measurability in our assessment to clarify the sustainability dimensions in the portfolio.

BlueOrchard Emerging Markets Impact Bond Fund is an interesting example. Over time, the fund will be investing in bonds from issuing bodies with a demonstrated history of performance within impact investing. This is accomplished in the investment process by assessing the issuers' "social performance". The fund also invests to some extent in green bonds. The fund contributes to several of the UN's SDGs in its investment process: No Poverty, Affordable and Clean Energy, Decent Work and Economic Growth, Reduced Inequalities, as well as Industry, Innovation and Infrastructure.

Exclusion

In accordance with the Management Company's overall policy for responsible investment, all of the Management Company's funds exclude:

- companies involved in the production or distribution of banned weapons, such as cluster bombs, anti-personnel mines, biological and chemical weapons, in accordance with international legislation. Companies involved in the production or distribution of nuclear weapons are also excluded.
- companies with substantial business operations within coal mining or in power companies that have coal as a major source of energy.

Management Company's engagement activities

We make demands in the fund that providers use their ownership influence in the underlying companies. In addition, we work actively to influence providers to make more sustainable changes to their policies, both generally and in specific funds, e.g., by excluding certain types of sectors or specific companies. The activities in 2018 have resulted in changes to a number of funds. The engagement activities also focus on contributing to the development of new products that have a higher sustainability standard.

The fund is a fund of funds, which means that we are unable to impact the underlying companies directly and work with influencing the fund providers. During 2018 we worked within this area to make it clear that we will be excluding more companies and expect providers to meet our demands by offering funds that meet our expectations. Within this work we have influenced funds as well as fund management companies to change and develop new products.



Handelsbanken Multi Asset 15

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 benchmark index. The fund invests in fixed income funds, equity funds, alternative assets and other financial instruments. Alternative assets refer to funds or other financial instruments that give exposure to commodities, real estate and other permitted exposures, in addition to equities or fixed income, with the intent of increasing the fund's diversification. The fund can invest partly in funds within Handelsbanken and partly in funds managed by other fund management companies. Depending on the market climate, 0 – 25% of the fund's assets shall be invested in equity funds or other equity-related financial instruments, 60 – 100% in fixed income funds or other interest-related financial instruments and 0 – 20% in funds and other financial instruments with alternative exposure. The fund management is adjusted within each interval based on the prevailing market conditions.

Portfolio

The fund fell 0.8% during 2018*. Concerns in the financial markets increased during the autumn. High expectations, together with a concern about the effect a weaker global economy, rising rates and the trade war would have on corporate earnings ahead explain much of the market uncertainty. The World Index fell 1.91% in SEK. A weaker SEK benefitted returns in foreign holdings. Regionally, the U.S. stock market fared best, while Japan and emerging markets posted weaker performance. Market rates in Sweden and Europe fell during the year, which led bonds to outperform fixed income investments with a shorter duration. The holdings in Aktia Emerging Bond Fund contributed positive to returns. Absolute yield fixed income funds posted slightly weak performance during the year. Throughout most of the year we have had an

underweight in equities relative to the benchmark index. Regionally, we decreased our holdings in the U.S. during the autumn and instead increased holdings in Asia. During the year we continued to increase exposure to emerging market bonds. We also sold the entire holdings in the JPM Systematic Alpha hedge fund and instead increased holdings in JPM Global Macro. In the autumn we took a position in Blue Orchard Emerging Markets Impact Bond Fund, which invests in sustainable economic, social and environmental development in emerging markets. We had a short duration in our fixed income holdings during the year.

*) Refer to fund statistics for comparable index.

Significant risks

As of the balance sheet date or any other time during the year, fund holdings did not have exposure to any other significant risks than those stated in the fact sheet and information brochure.

Trading with derivatives

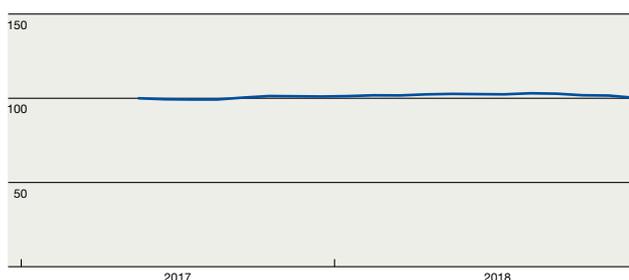
According to the fund rules, the fund may trade with derivatives as part of its investment focus. The fund used this option extensively during 2018. The fund has the option of lending securities. The fund did not use this option during 2018. The fund may use other techniques and instruments. The fund did not use this option during 2018.

Information

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

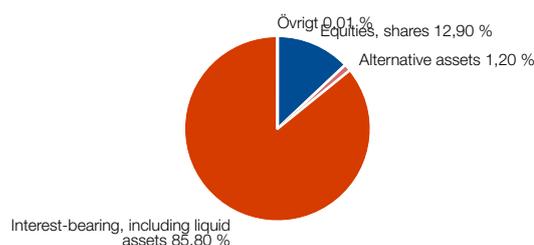
Information about employee remuneration can be found in the Appendix Remuneration policy, see the fund company website in connection with the fund as well as at the end of the overall fundreport.

Fund Performance*



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

Market Exposure*



* The fund's allocation of investments within the markets as of 31/12/2018, relative to the fund's total assets on this date.

Fund Facts - History

	2018	10/5-31/12 2017	2016	2015	2014	2013	2012	2011	2010	2009
Net asset value, SEK	100.23	101.03	-	-	-	-	-	-	-	-
The fund's total net flow, mSEK	874	1,167	-	-	-	-	-	-	-	-
Fund capital, mSEK	2,023	1,172	-	-	-	-	-	-	-	-
Number of units, 1000's	20,181	11,606	-	-	-	-	-	-	-	-
Total returns in %, SEK	-0.8	+1.0	-	-	-	-	-	-	-	-
Index including dividends in %, SEK	-0.3	+0.3	-	-	-	-	-	-	-	-

Benchmark: HMNI Swe All Government Dur Const 6Y (HMSD6) 26,25%, HMNI Swe All Mortgage Dur Const 2.5Y (HMSMD25) 11,25%, VINX Benchmark Cap SEK_NI 7,5%, OMRXTBILL 47,5%, MSCI All Country World Index Net 7,5%

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

Fund Facts - Costs

Max. allowed mgmt. costs in % according to fund rules	0.75
Collected mgmt. costs in % of average fund capital	0.75
Annual fees in %	0.83
Transaction costs, tSEK	93
Transaction costs in % of turnover	0.00
Costs in SEK for a one-time subscription, 10 000 SEK	75.65
Costs in SEK for monthly savings, 100 SEK	4.88

Fund Facts - Other Key Figures

Turnover rate	0.3
Share of turnover conducted via closely-related securities companies in %	1.7

Handelsbanken Multi Asset 15, cont.

Risk and Return Measurements*

Forecasted total risk	1.9
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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.

Income Statement, tSEK

	2018	10/5-31/12 2017
INCOME AND CHANGES IN VALUE		
Changes in value for other derivative instruments *	-4,261	3,266
Changes in value for fund units **	-20,829	1,727
Interest income	-143	-3
Dividends	669	331
Currency exchange profits and losses, net	5,722	1,145
Other financial income	8,225	1,421
Other income	0	0
Total income and changes in value	-10,617	7,887
EXPENSES		
Management costs:		
- Remuneration to the Management Company	12,856	2,232
Interest expense	67	61
Other expenses	94	28
Total expenses	13,017	2,321
Net income	-23,634	5,566
* Details of changes in value		
Capital gains	72,910	15,583
Capital losses	-77,171	-12,317
Unrealised gains/losses	-	0
Sum	-4,261	3,266
** Details of changes in value		
Capital gains	6,661	329
Capital losses	-3,922	-38
Unrealised gains/losses	-23,568	1,436
Sum	-20,829	1,727

Balance Sheet, tSEK

	31 dec 2018	% of fund capital	31 dec 2017	% of fund capital
ASSETS				
OTC derivative instruments with positive market value	5,329	0.2	813	0.0
Fund units	1,980,542	98.0	1,110,941	94.8
Total financial instruments with positive market value ^{Note 2)}	1,985,871	98.2	1,111,754	94.8
Bank assets and other liquid assets	42,326	2.1	53,078	4.5
Prepaid expenses and accrued income	772	0.0	233	0.0
Other assets	4,614	0.2	8,147	0.7
Total assets	2,033,583	100.5	1,173,212	100.0
LIABILITIES				
OTC derivative instruments with negative market value	-	-	7	0.0
Total financial instruments with negative market value ^{Note 2)}	-	-	7	0.0
Accrued expenses and prepaid income	1,293	0.1	422	0.0
Other liabilities	9,495	0.4	303	0.0
Total liabilities	10,788	0.5	732	0.0
Fund capital ^{Note 1)}	2,022,795	100.0	1,172,480	100.0
Other derivative instruments with negative market value	3,756	0.2	3,529	0.3

Note 1) for Balance Sheet

Changes in fund capital, tSEK

	2018	2017
Fund capital at beginning of year	1,172,480	-
Units issued	1,327,032	1,244,718
Units redeemed	-453,083	-77,804
Profit according to Income Statement	-23,634	5,566
Dividends to unit holders	-	-
Fund capital at the close of the period	2,022,795	1,172,480

Note 2) for Balance Sheet

Fund holdings in financial instruments

EXCHANGE-TRADED DERIVATIVES**

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
STOCK INDEX FUTURES			
E-mini S&P MARS 2019	16	0	0.0
EURO STOXX 50 Mar18	-63	0	0.0
Total stock index futures		0	0.0

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
INTEREST RATE FUTURES			
RXH9	-57	0	0.0
Total interest rate futures		0	0.0
Total exchange-traded derivatives		0	0.0

OTHER FINANCIAL INSTRUMENTS***

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
FUND UNITS			
EQUITY FUNDS			
BlackRock Strategic Funds Global Absolute Return A2 (Nordic countries)	20,098	19,756	1.0
Fidelity First ESG AC World-SEK (Europe)	368,334	3,728	0.2
Handelsbanken Amerika Tema (A1 SEK) (USA)	29,198	23,773	1.2
Handelsbanken Asien Tema (A1 SEK) (Asia)	69,797	40,407	2.0
Handelsbanken Europa Tema (A1 SEK) (Europe)	40,478	14,121	0.7
Handelsbanken Europafond Index (A1 SEK) (Europe)	58,010	5,969	0.3
Handelsbanken Hållbar Energi (A1 SEK) (Rest of the world)	50,981	7,274	0.4
Handelsbanken Japan Tema (A1 SEK) (Asia)	137,737	9,765	0.5
Handelsbanken Norden Selektiv (A1 SEK) (Nordic countries)	41,283	13,855	0.7
Handelsbanken Nordenfond (A1 SEK) (Nordic countries)	64,412	67,456	3.3
Handelsbanken Nordiska Småbolag (A1 SEK) (Nordic countries)	26,336	25,468	1.3
Handelsbanken USA Index (A1 SEK) (USA)	28,242	8,947	0.4
JPM Europe Small Cap I Acc EUR (Europe)	2,663	5,388	0.3
JPM Global Macro Fund I (Nordic countries)	28,861	24,942	1.2
UBS Equity Sicav USA Growth (USA)	59,122	17,371	0.9
		288,219	14.3

		Market value tSEK	% of fund capital
LISTED EQUITY FUNDS**			
XACT Norden 30 (Nordic countries)	165,333	17,468	0.9
		17,468	0.9

		Market value tSEK	% of fund capital
FIXED INCOME FUNDS			
BlueOrchard Ucits EM Sdg Impact Bd Fd S (Nordic countries)	287,577	28,565	1.4
Handelsbanken Företagsobligation (A1 SEK) (Nordic countries)	1,301,800	167,519	8.3
Handelsbanken Företagsobligation IG Criteria a (A1 SEK) (Nordic countries)	2,665,651	268,262	13.3
Handelsbanken Høyrente (A1 NOK) (Nordic countries)	607,661	69,178	3.4
Handelsbanken Institutionell Kortränta Criteria a (A1 SEK) (Nordic countries)	3,142,263	314,164	15.5
Handelsbanken Kortränta (A1 SEK) (Nordic countries)	67,729	9,768	0.5
Handelsbanken Kortränta Criteria (A1 SEK) (Nordic countries)	2,671	278	0.0
Handelsbanken Långränta Criteria (A1 SEK) (Nordic countries)	559,403	65,276	3.2
Handelsbanken Ränteavkastning Criteria (A1 SEK) (Nordic countries)	105,228	200,194	9.9
Handelsbanken Räntestrategi Criteria (A1 SEK) (Nordic countries)	3,937,655	402,534	19.9
Handelsbanken Räntestrategi Plus Criteria (A1 SEK) (Nordic countries)	292,914	29,097	1.4
Ul - Aktia EM Local Currency Bond+ - s1 (Nordic countries)	1,232,746	120,020	5.9
		1,674,855	82.8
Total fund units		1,980,542	98.0

OTC DERIVATIVE INSTRUMENTS

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
CURRENCY FUTURES			
SEK/EUR		2,561	0.1
SEK/NOK		2,511	0.1
USD/SEK		256	0.0
		5,329	0.2
Total OTC derivative instruments		5,329	0.2
Total other financial instruments		1,985,871	98.2
Total holdings in financial instruments		1,985,871	98.2
Net, other assets and liabilities		36,924	1.8
Total fund capital		2,022,795	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.

0.9

97.3

Handelsbanken Multi Asset 15, cont.

Compilation, Company and Group exposure*

<u>Company/Group</u>	<u>% of fund capital</u>
JPMorgan Chase	1.5

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

Handelsbanken Multi Asset 15

Sustainability dimensions that are taken into consideration in the management of the fund

The fund takes ESG factors into consideration in its selection of investments, i.e., in the selection of the underlying funds. This means that the fund is focusing more of its investments to be in line with the UN's Sustainable Development Goals (SDG). We also encourage the fund managers of the underlying funds to increase investments in green bonds, for example. The fund has also invested in underlying funds with explicit impact goals. Impact investments are currently a smaller category but are expected to increase.

Methods used in sustainability efforts

Inclusion

In the evaluation of underlying funds and investments, sustainability is an individual area of assessment. When striking a balance between comparable returns and risk, we make the choice that is most sustainable. A critical evaluation factors is how well sustainability is integrated into the underlying fund. We also work actively to increase the quantitative measurability in our assessment to clarify the sustainability dimensions in the portfolio.

BlueOrchard Emerging Markets Impact Bond Fund is an interesting example. Over time, the fund will be investing in bonds from issuing bodies with a demonstrated history of performance within impact investing. This is accomplished in the investment process by assessing the issuers' "social performance". The fund also invests to some extent in green bonds. The fund contributes to several of the UN's SDGs in its investment process: No Poverty, Affordable and Clean Energy, Decent Work and Economic Growth, Reduced Inequalities, as well as Industry, Innovation and Infrastructure.

Exclusion

In accordance with the Management Company's overall policy for responsible investment, all of the Management Company's funds exclude:

- companies involved in the production or distribution of banned weapons, such as cluster bombs, anti-personnel mines, biological and chemical weapons, in accordance with international legislation. Companies involved in the production or distribution of nuclear weapons are also excluded.
- companies with substantial business operations within coal mining or in power companies that have coal as a major source of energy.

Management Company's engagement activities

We make demands in the fund that providers use their ownership influence in the underlying companies. In addition, we work actively to influence providers to make more sustainable changes to their policies, both generally and in specific funds, e.g., by excluding certain types of sectors or specific companies. The activities in 2018 have resulted in changes to a number of funds. The engagement activities also focus on contributing to the development of new products that have a higher sustainability standard.

The fund is a fund of funds, which means that we are unable to impact the underlying companies directly and work with influencing the fund providers. During 2018 we worked within this area to make it clear that we will be excluding more companies and expect providers to meet our demands by offering funds that meet our expectations. Within this work we have influenced funds as well as fund management companies to change and develop new products.

Handelsbanken Multi Asset 25, cont.

	2018	2017	2016	2015	12/9-31/12 2014	2013	2012	2011	2010	2009
Total returns in %, SEK										
Multi Asset 25 A1	-1.4	+5.2	+2.5	+2.5	+7.7	+6.6	+6.4	-0.9	+4.1	+8.5
Multi Asset 25 B1	-1.4	-	-	-	-	-	-	-	-	-
Multi Asset 25 B8	-1.2	-0.2	-	-	-	-	-	-	-	-
Index including dividends in %, SEK										
Multi Asset 25 A1	-0.6	+2.8	+3.9	+2.3	+8.9	+5.5	+4.6	+1.8	+4.3	+8.2
Multi Asset 25 B1	-0.6	-	-	-	-	-	-	-	-	-
Multi Asset 25 B8	-0.6	-0.1	-	-	-	-	-	-	-	-
Average yearly return, 2 yrs. %										
Multi Asset 25 A1	+1.8	+3.8	+2.5	+5.0	+7.1	+6.5	+2.7	+1.6	+6.3	+0.8
Multi Asset 25 B1	+1.8	-	-	-	-	-	-	-	-	-
Comparison to index including dividends, %	+1.1	+3.3	+3.1	+5.6	+7.2	+5.1	+3.2	+3.0	+6.2	+2.9
Average yearly return, 5 yrs. %										
Multi Asset 25 A1	+3.2	+4.9	+5.1	+4.4	+4.7	+4.9	+2.2	+1.4	+2.1	-
Multi Asset 25 B1	+3.2	-	-	-	-	-	-	-	-	-
Comparison to index including dividends, %	+3.4	+4.6	+5.0	+4.6	+5.0	+4.9	+3.3	+3.1	+3.4	-
Average yearly return, 10 yrs. %										
Multi Asset 25 A1	+4.1	+3.5	+3.2	+3.3	-	-	-	-	-	-
Multi Asset 25 B1	+4.1	-	-	-	-	-	-	-	-	-
Comparison to index including dividends, %	+4.1	+4.0	+4.0	+4.0	-	-	-	-	-	-
Dividends per unit, SEK										
Multi Asset 25 B1	3.99	-	-	-	-	-	-	-	-	-
Multi Asset 25 B8	3.99	-	-	-	-	-	-	-	-	-

Benchmark: HMNI Swe All Government Dur Const 6Y (HMSD6) 19,25%, HMNI Swe All Mortgage Dur Const 2.5Y (HMSMD25) 8,25%, VINX Benchmark Cap SEK_NI 12,5%, OMRXTBILL 47,5%, MSCI All Country World Index Net 12,5%

Up to 26/04/2017: HMNI Swe All Government Dur Const 6Y (HMSD6) 26,25%, HMNI Swe All Mortgage Dur Const 2.5Y (HMSMD25) 11,25%, VINX Benchmark Cap SEK_NI 12,5%, OMRXTBILL 37,5%, MSCI All Country World Index Net 12,5%.

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

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

Refer to the last page for definitions.

Fund Facts - Costs

Max. allowed mgmt. costs in % according to fund rules	
Multi Asset 25 A1	0.85
Multi Asset 25 B1	0.85
Multi Asset 25 B8	0.65
Collected mgmt. costs in % of average fund capital	
Multi Asset 25 A1	0.85
Multi Asset 25 B1	0.85
Multi Asset 25 B8	0.65
Annual fees in %	
Multi Asset 25 A1	0.96
Multi Asset 25 B1	0.96
Multi Asset 25 B8	0.76
Transaction costs, tSEK	1,682
Transaction costs in % of turnover	0.00
Costs in SEK for a one-time subscription, 10 000 SEK	
Multi Asset 25 A1	86.09
Multi Asset 25 B1	-
Multi Asset 25 B8	65.91
Costs in SEK for monthly savings, 100 SEK	
Multi Asset 25 A1	5.53
Multi Asset 25 B1	-
Multi Asset 25 B8	4.23

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

Fund Facts - Other Key Figures

Turnover rate	0.3
Share of turnover conducted via closely-related securities companies in %	1.7

Risk and Return Measurements*

Total risk % - A1 SEK	3.2	Active return % - B1 SEK	0.8
Total risk % - B1 SEK	3.2	Information ratio - A1 SEK	0.9
Total risk in index % - A1 SEK	2.9	Information ratio - B1 SEK	0.9
Total risk in index % - B1 SEK	2.9	Sharpe ratio - A1 SEK	0.8
Tracking error % - A1 SEK	0.9	Sharpe ratio - B1 SEK	0.8
Tracking error % - B1 SEK	0.9	Sharpe ratio in index - A1 SEK	0.6
Benchmark	HMNI Swe All Government Dur Const 6Y (HMSD6) 19,25%, HMNI Swe All Mortgage Dur Const 2.5Y (HMSMD25) 8,25%, VINX Benchmark Cap SEK_NI 12,5%, OMRXTBILL 47,5%, MSCI All Country World Index Net 12,5%	Sharpe ratio in index - B1 SEK	0.6
Active return % - A1 SEK	0.8		

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

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

Income Statement, tSEK

	2018	2017
INCOME AND CHANGES IN VALUE		
Changes in value for other derivative instruments *	-95,696	167,181
Changes in value for fund units **	-355,443	352,160
Interest income	-2,334	-643
Dividends	16,868	19,229
Currency exchange profits and losses, net	84,616	23,324
Other financial income	157,665	75,583
Other income	0	1
Total income and changes in value	-194,324	636,835
EXPENSES		
Management costs:		
- Remuneration to the Management Company	247,837	113,162
Interest expense	142	136
Other expenses	1,683	1,675
Total expenses	249,662	114,973
Net income	-443,986	521,862
* Details of changes in value		
Capital gains	1,375,652	728,214
Capital losses	-1,471,348	-561,033
Unrealised gains/losses	-	0
Sum	-95,696	167,181
** Details of changes in value		
Capital gains	660,777	281,684
Capital losses	-112,716	-2,073
Unrealised gains/losses	-903,504	72,549
Sum	-355,443	352,160

Handelsbanken Multi Asset 25, cont.

Balance Sheet, tSEK

	31 dec 2018	% of fund capital	31 dec 2017	% of fund capital
ASSETS				
OTC derivative instruments with positive market value	66,545	0.2	13,678	0.0
Fund units	28,752,123	99.0	27,582,735	99.2
Total financial instruments with positive market value (Note 2)	28,818,668	99.2	27,596,413	99.2
Bank assets and other liquid assets	306,292	1.1	217,338	0.8
Prepaid expenses and accrued income	12,610	0.0	6,488	0.0
Other assets	66,138	0.3	46,516	0.2
Total assets	29,203,708	100.6	27,866,755	100.2
LIABILITIES				
OTC derivative instruments with negative market value	-	-	183	0.0
Total financial instruments with negative market value (Note 2)	-	-	183	0.0
Accrued expenses and prepaid income	21,143	0.1	11,669	0.0
Other liabilities	142,854	0.5	38,962	0.2
Total liabilities	163,997	0.6	50,814	0.2
Fund capital (Note 1)	29,039,711	100.0	27,815,941	100.0
Collateral received for OTC derivative instruments	5,869	0.0	-	-
Secured collateral for OTC derivative instruments	43,791	0.2	-	-
Other derivative instruments with negative market value	54,888	0.2	93,559	0.3

Note 1) for Balance Sheet

Changes in fund capital, tSEK

	2018	2017
Fund capital at beginning of year	27,815,941	10,523,490
Units issued	6,514,500	19,053,842
Units redeemed	-4,839,953	-2,283,253
Profit according to Income Statement	-443,986	521,862
Dividends to unit holders	-6,791	-
Fund capital at the close of the period	29,039,711	27,815,941

Note 2) for Balance Sheet

Fund holdings in financial instruments

EXCHANGE-TRADED DERIVATIVES**

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
STOCK INDEX FUTURES			
E-mini S&P MARS 2019	236	0	0.0
EURO STOXX 50 Mar18	-915	0	0.0
Total stock index futures		0	0.0

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
INTEREST RATE FUTURES			
RXH9	-830	0	0.0
Total interest rate futures		0	0.0
Total exchange-traded derivatives		0	0.0

OTHER FINANCIAL INSTRUMENTS***

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
FUND UNITS			
EQUITY FUNDS			
BlackRock Strategic Funds Global Absolute Return A2 (Nordic countries)	605,439	595,146	2.0
Fidelity First ESG AC World-SEK (Europe)	9,545,209	96,598	0.3
Handelsbanken Amerika Småbolag Tema (A1 SEK) (Nordic countries)	179,714	130,589	0.4
Handelsbanken Amerika Tema (A1 SEK) (USA)	734,167	597,758	2.1
Handelsbanken Asien Tema (A1 SEK) (Asia)	1,365,343	790,423	2.7
Handelsbanken Europa Tema (A1 SEK) (Europe)	1,008,008	351,661	1.2
Handelsbanken Europafond Index (A1 SEK) (Europe)	1,504,959	154,847	0.5
Handelsbanken Hållbar Energi (A1 SEK) (Rest of the world)	1,219,532	174,004	0.6
Handelsbanken Japan Tema (A1 SEK) (Asia)	3,422,033	242,611	0.8
Handelsbanken Norden Selektiv (A1 SEK) (Nordic countries)	1,025,904	344,306	1.2
Handelsbanken Nordenfond (A1 SEK) (Nordic countries)	1,736,066	1,818,098	6.3
Handelsbanken Nordiska Småbolag (A1 SEK) (Nordic countries)	606,659	586,651	2.0
Handelsbanken USA Index (A1 SEK) (USA)	896,920	284,151	1.0
JPM Europe Small Cap I Acc EUR (Europe)	66,227	133,979	0.5
JPM Global Macro Fund I (Nordic countries)	857,820	741,337	2.6
UBS Equity Sicav USA Growth (USA)	1,395,196	409,929	1.4
		7,452,088	25.7

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
LISTED EQUITY FUNDS**			
XACT Norden 30 (Nordic countries)	4,121,958	435,509	1.5
		435,509	1.5
FIXED INCOME FUNDS			
BlueOrchard Ucits EM Sdg Impact Bd Fd S (Nordic countries)	3,093,567	307,284	1.1
Handelsbanken Företagsobligation (A1 SEK) (Nordic countries)	10,688,956	1,375,482	4.7
Handelsbanken Företagsobligation IG Criteria (A1 SEK) (Nordic countries)	37,938,100	3,817,965	13.1
Handelsbanken Høyrente (A1 NOK) (Nordic countries)	6,803,189	774,491	2.7
Handelsbanken Institutionell Kortränta Criteria (A1 SEK) (Nordic countries)	28,227,236	2,822,161	9.7
Handelsbanken Kortränta (A1 SEK) (Nordic countries)	10,893,232	1,571,035	5.4
Handelsbanken Kortränta Criteria (A1 SEK) (Nordic countries)	3,948	411	0.0
Handelsbanken Långränta Criteria (A1 SEK) (Nordic countries)	591,617	69,035	0.2
Handelsbanken Ränkteavkastning Criteria (A1 SEK) (Nordic countries)	1,057,407	2,011,700	6.9
Handelsbanken Räntestrategi Criteria (A1 SEK) (Nordic countries)	56,309,418	5,756,332	19.8
Handelsbanken Räntestrategi Plus Criteria (A1 SEK) (Nordic countries)	5,742,622	570,458	2.0
UI - Aktia EM Local Currency Bond+ - s1 (Nordic countries)	18,366,614	1,788,174	6.2
		20,864,526	71.8
Total fund units		28,752,123	99.0

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
OTC DERIVATIVE INSTRUMENTS			
CURRENCY FUTURES			
SEK/EUR		39,222	0.1
SEK/NOK		27,323	0.1
		66,545	0.2
Total OTC derivative instruments		66,545	0.2
Total other financial instruments		28,818,668	99.2
Total holdings in financial instruments		28,818,668	99.2
Net, other assets and liabilities		221,043	0.8
Total fund capital		29,039,711	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.

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*** Refers to other financial instruments.

1.5

97.7

Compilation, Company and Group exposure*

Company/Group	% of fund capital
JPMorgan Chase	3.1

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

Handelsbanken Multi Asset 25

Sustainability dimensions that are taken into consideration in the management of the fund

The fund takes ESG factors into consideration in its selection of investments, i.e., in the selection of the underlying funds. This means that the fund is focusing more of its investments to be in line with the UN's Sustainable Development Goals (SDG). We also encourage the fund managers of the underlying funds to increase investments in green bonds, for example. The fund has also invested in underlying funds with explicit impact goals. Impact investments are currently a smaller category but are expected to increase.

Methods used in sustainability efforts

Inclusion

In the evaluation of underlying funds and investments, sustainability is an individual area of assessment. When striking a balance between comparable returns and risk, we make the choice that is most sustainable. A critical evaluation factors is how well sustainability is integrated into the underlying fund. We also work actively to increase the quantitative measurability in our assessment to clarify the sustainability dimensions in the portfolio.

BlueOrchard Emerging Markets Impact Bond Fund is an interesting example. Over time, the fund will be investing in bonds from issuing bodies with a demonstrated history of performance within impact investing. This is accomplished in the investment process by assessing the issuers' "social performance". The fund also invests to some extent in green bonds. The fund contributes to several of the UN's SDGs in its investment process: No Poverty, Affordable and Clean Energy, Decent Work and Economic Growth, Reduced Inequalities, as well as Industry, Innovation and Infrastructure.

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In accordance with the Management Company's overall policy for responsible investment, all of the Management Company's funds exclude:

- companies involved in the production or distribution of banned weapons, such as cluster bombs, anti-personnel mines, biological and chemical weapons, in accordance with international legislation. Companies involved in the production or distribution of nuclear weapons are also excluded.
- companies with substantial business operations within coal mining or in power companies that have coal as a major source of energy.

Management Company's engagement activities

We make demands in the fund that providers use their ownership influence in the underlying companies. In addition, we work actively to influence providers to make more sustainable changes to their policies, both generally and in specific funds, e.g., by excluding certain types of sectors or specific companies. The activities in 2018 have resulted in changes to a number of funds. The engagement activities also focus on contributing to the development of new products that have a higher sustainability standard.

The fund is a fund of funds, which means that we are unable to impact the underlying companies directly and work with influencing the fund providers. During 2018 we worked within this area to make it clear that we will be excluding more companies and expect providers to meet our demands by offering funds that meet our expectations. Within this work we have influenced funds as well as fund management companies to change and develop new products.



Handelsbanken Multi Asset 40

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 benchmark index. The fund invests in fixed income funds, equity funds, alternative assets and other financial instruments. Alternative assets refer to funds or other financial instruments that give exposure to commodities, real estate and other permitted exposures, in addition to equities or fixed income, with the intent of increasing the fund's diversification. The fund can invest partly in funds within Handelsbanken and partly in funds managed by other fund management companies. Depending on the market climate, 25 – 55% of the fund's assets shall be invested in equity funds or other equity-related financial instruments, 25 – 65% in fixed income funds or other interest-related financial instruments and 0 – 30% in funds and other financial instruments with alternative exposure. The fund management is adjusted within each interval based on the prevailing market conditions.

Portfolio

The fund fell 2.3% during 2018*. Concerns in the financial markets increased during the autumn. High expectations, together with a concern about the effect a weaker global economy, rising rates and the trade war would have on corporate earnings ahead explain much of the market uncertainty. The World Index fell 1.91% in SEK. A weaker SEK benefitted returns in foreign holdings. Regionally, the U.S. stock market fared best, while Japan and emerging markets posted weaker performance. Market rates in Sweden and Europe fell during the year, which led bonds to outperform fixed income investments with a shorter duration. The holdings in Aktia Emerging Bond Fund contributed positive to returns. Absolute yield fixed income funds posted slightly weak performance during the year. Throughout most of the year we have had an

underweight in equities relative to the benchmark index. Regionally, we decreased our holdings in the U.S. during the autumn and instead increased holdings in Asia. During the year we continued to increase exposure to emerging market bonds. We also sold the entire holdings in the JPM Systematic Alpha hedge fund and instead increased holdings in JPM Global Macro. In the autumn we took a position in Blue Orchard Emerging Markets Impact Bond Fund, which invests in sustainable economic, social and environmental development in emerging markets. We had a short duration in our fixed income holdings during the year.

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

Significant risks

As of the balance sheet date or any other time during the year, fund holdings did not have exposure to any other significant risks than those stated in the fact sheet and information brochure.

Trading with derivatives

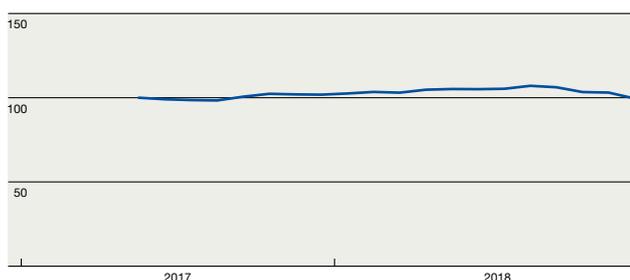
According to the fund rules, the fund may trade with derivatives as part of its investment focus. The fund used this option extensively during 2018. The fund has the option of lending securities. The fund did not use this option during 2018. The fund may use other techniques and instruments. The fund did not use this option during 2018.

Information

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

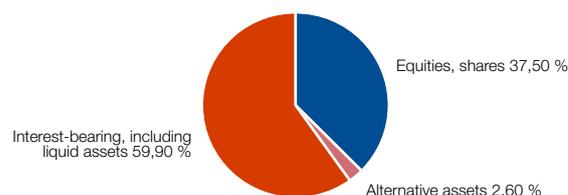
Information about employee remuneration can be found in the Appendix Remuneration policy, see the fund company website in connection with the fund as well as at the end of the overall fundreport.

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 31/12/2018, relative to the fund's total assets on this date.

Fund Facts - History

	2018	10/5-31/12 2017	2016	2015	2014	2013	2012	2011	2010	2009
Net asset value, SEK										
Multi Asset 40 A1	99.15	101.46	-	-	-	-	-	-	-	-
Multi Asset 40 B8	93.85	99.70	-	-	-	-	-	-	-	-
The fund's total net flow, mSEK	-833	3,762	-	-	-	-	-	-	-	-
Fund capital total, mSEK	13,136	14,266	-	-	-	-	-	-	-	-
Multi Asset 40 A1	13,097	14,245	-	-	-	-	-	-	-	-
Multi Asset 40 B8	39	21	-	-	-	-	-	-	-	-
Number of units, 1000's	132,509	140,619	-	-	-	-	-	-	-	-
Multi Asset 40 A1	132,092	140,412	-	-	-	-	-	-	-	-
Multi Asset 40 B8	417	207	-	-	-	-	-	-	-	-
Total returns in %, SEK										
Multi Asset 40 A1	-2.3	+1.5	-	-	-	-	-	-	-	-
Multi Asset 40 B8	-2.0	-0.2	-	-	-	-	-	-	-	-
Index including dividends in %, SEK										
Multi Asset 40 A1	-1.0	+0.8	-	-	-	-	-	-	-	-
Multi Asset 40 B8	-1.0	0.0	-	-	-	-	-	-	-	-
Dividends per unit, SEK	3.99	-	-	-	-	-	-	-	-	-

Benchmark: HMNI Sve All Government Dur Const 6Y (HMSD6) 14%, HMNI Sve All Mortgage Dur Const 2.5Y (HMSMD25) 6%, VINX Benchmark Cap SEK_NI 20%, OMRXTBILL 40%, MSCI All Country World Index Net 20%

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

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

Refer to the last page for definitions.

Handelsbanken Multi Asset 40, cont.

Fund Facts - Costs

Max. allowed mgmt. costs in % according to fund rules	
Multi Asset 40 A1	1.25
Multi Asset 40 B8	0.95
Collected mgmt. costs in % of average fund capital	
Multi Asset 40 A1	1.25
Multi Asset 40 B8	0.95
Annual fees in %	
Multi Asset 40 A1	1.38
Multi Asset 40 B8	1.08
Transaction costs, tSEK	833
Transaction costs in % of turnover	0.00
Costs in SEK for a one-time subscription, 10 000 SEK	
Multi Asset 40 A1	127.52
Multi Asset 40 B8	97.07
Costs in SEK for monthly savings, 100 SEK	
Multi Asset 40 A1	8.14
Multi Asset 40 B8	6.20

Fund Facts - Other Key Figures

Turnover rate	0.4
Share of turnover conducted via closely-related securities companies in %	1.5

Risk and Return Measurements*

Forecasted total risk	4.4
* 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, tSEK

	2018	10/5-31/12 2017
INCOME AND CHANGES IN VALUE		
Changes in value for other derivative instruments [†]	-49,319	15,481
Changes in value for fund units ^{**}	-217,374	-41,047
Interest income	-747	-35
Dividends	8,732	139
Currency exchange profits and losses, net	44,681	5,450
Other financial income	95,827	11,037
Other income	4	0
Total income and changes in value	-118,196	-8,975
EXPENSES		
Management costs:		
- Remuneration to the Management Company	177,654	21,614
Interest expense	194	78
Other expenses	834	121
Total expenses	178,682	21,813
Net income	-296,878	-30,788
* Details of changes in value		
Capital gains	680,659	65,934
Capital losses	-729,978	-50,453
Unrealised gains/losses	-	0
Sum	-49,319	15,481
** Details of changes in value		
Capital gains	526,592	17,105
Capital losses	-37,866	-400
Unrealised gains/losses	-706,100	-57,752
Sum	-217,374	-41,047

Balance Sheet, tSEK

	31 dec 2018	% of fund capital	31 dec 2017	% of fund capital
ASSETS				
OTC derivative instruments with positive market value	33,041	0.3	5,118	0.0
Fund units	13,074,181	99.5	14,160,610	99.3
Total financial instruments with positive market value (Note 2)	13,107,222	99.8	14,165,728	99.3
Bank assets and other liquid assets	64,009	0.5	97,638	0.7
Prepaid expenses and accrued income	7,364	0.1	4,074	0.0
Other assets	15,506	0.0	22,221	0.2
Total assets	13,194,101	100.4	14,289,661	100.2
LIABILITIES				
OTC derivative instruments with negative market value	-	-	97	0.0
Total financial instruments with negative market value (Note 2)	-	-	97	0.0
Accrued expenses and prepaid income	14,211	0.1	8,828	0.1
Other liabilities	43,680	0.3	14,569	0.1
Total liabilities	57,891	0.4	23,494	0.2
Fund capital (Note 1)	13,136,210	100.0	14,266,167	100.0
Secured collateral for OTC derivative instruments	12,365	0.1	-	-
Other derivative instruments with negative market value	25,290	0.2	47,980	0.3

Note 1) for Balance Sheet

Changes in fund capital, tSEK

	2018	2017
Fund capital at beginning of year	14,266,167	-
Units issued	1,850,324	14,689,867
Units redeemed	-2,682,578	-392,912
Profit according to Income Statement	-296,878	-30,788
Dividends to unit holders	-825	-
Fund capital at the close of the period	13,136,210	14,266,167

Note 2) for Balance Sheet

Fund holdings in financial instruments

EXCHANGE-TRADED DERIVATIVES**

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
STOCK INDEX FUTURES			
E-mini S&P MARS 2019	109	0	0.0
EURO STOXX 50 Mar18	-422	0	0.0
Total stock index futures		0	0.0

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
INTEREST RATE FUTURES			
RXH9	-382	0	0.0
Total interest rate futures		0	0.0
Total exchange-traded derivatives		0	0.0

OTHER FINANCIAL INSTRUMENTS***

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
FUND UNITS			
EQUITY FUNDS			
BlackRock Strategic Funds Global Absolute Return A2 (Nordic countries)	286,493	281,622	2.1
Fidelity First ESG AC World-SEK (Europe)	7,758,796	78,519	0.6
Handelsbanken Amerika Småbolag Tema (A1 SEK) (Nordic countries)	363,221	263,935	2.0
Handelsbanken Amerika Tema (A1 SEK) (USA)	543,241	442,306	3.4
Handelsbanken Asien Tema (A1 SEK) (Asia)	826,549	478,505	3.6
Handelsbanken Europa Tema (A1 SEK) (Europe)	753,358	262,822	2.0
Handelsbanken Europafond Index (A1 SEK) (Europe)	1,081,800	111,308	0.8
Handelsbanken Hållbar Energi (A1 SEK) (Rest of the world)	853,061	121,716	0.9
Handelsbanken Japan Tema (A1 SEK) (Asia)	2,552,821	180,986	1.4
Handelsbanken Norden Selektiv (A1 SEK) (Nordic countries)	767,117	257,454	2.0
Handelsbanken Nordenfond (A1 SEK) (Nordic countries)	1,335,182	1,398,272	10.6
Handelsbanken Nordiska Småbolag (A1 SEK) (Nordic countries)	453,222	438,275	3.3
Handelsbanken Tillväxtmarknad Tema (A1 SEK) (Rest of the world)	92,036	26,555	0.2
Handelsbanken USA Index (A1 SEK) (USA)	713,734	226,116	1.7
JPM Europe Small Cap I Acc EUR (Europe)	49,394	99,926	0.8
JPM Global Macro Fund I (Nordic countries)	398,856	344,696	2.6
UBS Equity Sicav USA Growth (USA)	652,447	191,698	1.5
		5,204,712	39.6

Handelsbanken Multi Asset 40, cont.

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
LISTED EQUITY FUNDS**			
XACT Norden 30 (Nordic countries)	3,075,722	324,968	2.5
		324,968	2.5
FIXED INCOME FUNDS			
BlueOrchard Ucits EM Sdg Impact Bd Fd S (Nordic countries)	1,037,176	103,023	0.8
Handelsbanken Företagsobligation (A1 SEK) (Nordic countries)	1,890,346	243,255	1.9
Handelsbanken Företagsobligation IG Criteri a (A1 SEK) (Nordic countries)	15,017,656	1,511,327	11.5
Handelsbanken Höyrente (A1 NOK) (Nordic countries)	2,288,729	260,554	2.0
Handelsbanken Institutionell Kortränta Criteri a (A1 SEK) (Nordic countries)	10,555,301	1,055,320	8.0
Handelsbanken Kortränta (A1 SEK) (Nordic countries)	949,304	136,910	1.0
Handelsbanken Ränteavkastning Criteria (A1 SEK) (Nordic countries)	329,588	627,036	4.8
Handelsbanken Räntestrategi Criteria (A1 SE K) (Nordic countries)	23,142,800	2,365,814	18.0
Handelsbanken Räntestrategi Plus Criteria (A 7 SEK) (Nordic countries)	4,088,349	406,126	3.1
UI - Aktia EM Local Currency Bond+ - s1 (Nordic countries)	8,577,826	835,137	6.4
		7,544,501	57.4
Total fund units		13,074,181	99.5
	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
OTC DERIVATIVE INSTRUMENTS			
CURRENCY FUTURES			
NOK/SEK		5	0.0
SEK/EUR		18,664	0.1
SEK/NOK		14,249	0.1
USD/SEK		123	0.0
		33,041	0.3
Total OTC derivative instruments		33,041	0.3
Total other financial instruments		13,107,222	99.8
Total holdings in financial instruments		13,107,222	99.8
Net, other assets and liabilities		28,988	0.2
Total fund capital		13,136,210	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
JPMorgan Chase	3.4

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

Handelsbanken Multi Asset 40

Sustainability dimensions that are taken into consideration in the management of the fund

The fund takes ESG factors into consideration in its selection of investments, i.e., in the selection of the underlying funds. This means that the fund is focusing more of its investments to be in line with the UN's Sustainable Development Goals (SDG). We also encourage the fund managers of the underlying funds to increase investments in green bonds, for example. The fund has also invested in underlying funds with explicit impact goals. Impact investments are currently a smaller category but are expected to increase.

Methods used in sustainability efforts

Inclusion

In the evaluation of underlying funds and investments, sustainability is an individual area of assessment. When striking a balance between comparable returns and risk, we make the choice that is most sustainable. A critical evaluation factors is how well sustainability is integrated into the underlying fund. We also work actively to increase the quantitative measurability in our assessment to clarify the sustainability dimensions in the portfolio.

BlueOrchard Emerging Markets Impact Bond Fund is an interesting example. Over time, the fund will be investing in bonds from issuing bodies with a demonstrated history of performance within impact investing. This is accomplished in the investment process by assessing the issuers' "social performance". The fund also invests to some extent in green bonds. The fund contributes to several of the UN's SDGs in its investment process: No Poverty, Affordable and Clean Energy, Decent Work and Economic Growth, Reduced Inequalities, as well as Industry, Innovation and Infrastructure.

Exclusion

In accordance with the Management Company's overall policy for responsible investment, all of the Management Company's funds exclude:

- companies involved in the production or distribution of banned weapons, such as cluster bombs, anti-personnel mines, biological and chemical weapons, in accordance with international legislation. Companies involved in the production or distribution of nuclear weapons are also excluded.
- companies with substantial business operations within coal mining or in power companies that have coal as a major source of energy.

Management Company's engagement activities

We make demands in the fund that providers use their ownership influence in the underlying companies. In addition, we work actively to influence providers to make more sustainable changes to their policies, both generally and in specific funds, e.g., by excluding certain types of sectors or specific companies. The activities in 2018 have resulted in changes to a number of funds. The engagement activities also focus on contributing to the development of new products that have a higher sustainability standard.

The fund is a fund of funds, which means that we are unable to impact the underlying companies directly and work with influencing the fund providers. During 2018 we worked within this area to make it clear that we will be excluding more companies and expect providers to meet our demands by offering funds that meet our expectations. Within this work we have influenced funds as well as fund management companies to change and develop new products.



Handelsbanken Multi Asset 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 benchmark index. The fund invests in equity funds, fixed income funds, alternative assets and other financial instruments. Alternative assets refer to funds or other financial instruments that give exposure to commodities, real estate and other permitted exposures, in addition to equities or fixed income, with the intent of increasing the fund's diversification. The fund can invest partly in funds within Handelsbanken and partly in funds managed by other fund management companies. Depending on the market climate, 35 – 65% of the fund's assets shall be invested in equity funds or other equity-related financial instruments, 15 – 55% in fixed income funds or other interest-related financial instruments and 0 – 30% in funds and other financial instruments with alternative exposure. The fund management is adjusted within each interval based on the prevailing market conditions.

Portfolio

The fund fell 2.6% during 2018*. Concerns in the financial markets increased during the autumn. High expectations, together with a concern about the effect a weaker global economy, rising rates and the trade war would have on corporate earnings ahead explain much of the market uncertainty. The World Index fell 1.91% in SEK. A weaker SEK benefitted returns in foreign holdings. Regionally, the U.S. stock market fared best, while Japan and emerging markets posted weaker performance. Market rates in Sweden and Europe fell during the year, which led bonds to outperform fixed income investments with a shorter duration. The holdings in Aktia Emerging Bond Fund contributed positive to returns. Absolute yield fixed income funds posted slightly weak performance during the year. Throughout most of the year we have had an

underweight in equities relative to the benchmark index. Regionally, we decreased our holdings in the U.S. during the autumn and instead increased holdings in Asia. During the year we continued to increase exposure to emerging market bonds. We also sold the entire holdings in the JPM Systematic Alpha hedge fund and instead increased holdings in JPM Global Macro. In the autumn we took a position in Blue Orchard Emerging Markets Impact Bond Fund, which invests in sustainable economic, social and environmental development in emerging markets. We had a short duration in our fixed income holdings during the year.

*) Refer to fund statistics for comparable index.

Significant risks

As of the balance sheet date or any other time during the year, fund holdings did not have exposure to any other significant risks than those stated in the fact sheet and information brochure.

Trading with derivatives

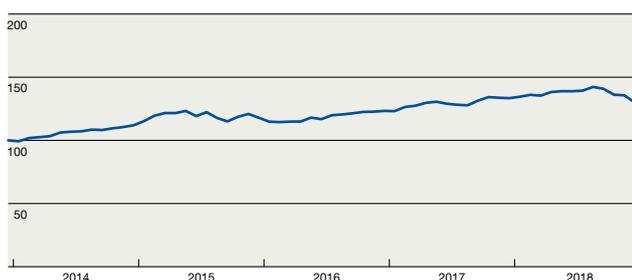
According to the fund rules, the fund may trade with derivatives as part of its investment focus. The fund used this option extensively during 2018. The fund has the option of lending securities. The fund did not use this option during 2018. The fund may use other techniques and instruments. The fund did not use this option during 2018.

Information

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

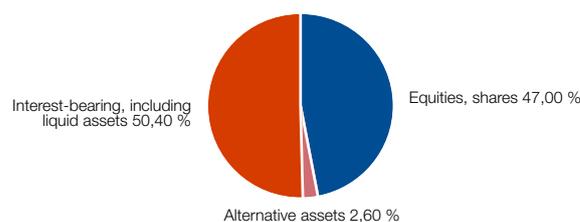
Information about employee remuneration can be found in the Appendix Remuneration policy, see the fund company website in connection with the fund as well as at the end of the overall fundreport.

Fund Performance*



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

Market Exposure*



* The fund's allocation of investments within the markets as of 31/12/2018, relative to the fund's total assets on this date.

Fund Facts - History

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Net asset value, SEK	183.99	188.89	174.58	166.91	158.46	141.57	125.24	118.44	129.55	122.98
The fund's total net flow, mSEK	2,680	1,251	376	3,040	722	450	-20	-	-	-
Fund capital, mSEK	19,330	17,250	14,761	13,746	6,537	5,161	4,145	3,856	3,965	2,698
Number of units, 1000's	105,062	91,320	84,550	82,356	41,254	36,458	33,099	32,557	30,607	21,937
Total returns in %, SEK	-2.6	+8.2	+4.6	+5.3	+11.9	+13.0	+8.5	-7.1	+7.9	+18.3
Index including dividends in %, SEK	-1.3	+5.9	+6.6	+4.4	+13.2	+11.3	+7.5	-2.6	+7.2	+14.8
Average yearly return, 2 yrs. %	+2.7	+6.4	+5.0	+8.6	+12.5	+10.8	+0.4	+0.1	+12.9	-2.1
Comparison to index including dividends, %	+2.3	+6.3	+5.5	+8.7	+12.2	+9.4	+2.3	+2.2	+10.9	-0.9
Average yearly return, 5 yrs. %	+5.4	+8.6	+8.6	+6.1	+6.6	+7.8	+0.8	0.0	+2.9	+5.1
Comparison to index including dividends, %	+5.7	+8.2	+8.6	+6.6	+7.2	+7.5	+2.0	+1.4	+3.3	+5.6
Average yearly return, 10 yrs. %	+6.6	+4.6	+4.2	+4.5	+5.9	-	-	-	-	-
Comparison to index including dividends, %	+6.6	+5.1	+4.9	+5.0	+6.4	-	-	-	-	-
Dividends per unit, SEK	-	-	-	-	-	-	3.20	2.07	2.82	3.32

Benchmark: HMNI Sve All Government Dur Const 6Y (HMSD6) 10.5%, HMNI Sve All Mortgage Dur Const 2.5Y (HMSMD25) 4.5%, VINX Benchmark Cap SEK_Ni 25%, OMRXTBILL35%, MSCI All Country World Index Net 25%

Up to 26/04/2017: HMNI Sve All Government Dur Const 6Y (HMSD6) 17.5%, VINX Benchmark Cap SEK_Ni 25%, HMNI Sve All Mortgage Dur Const 2.5Y (HMSMD25) 7.5%, OMRXTBILL 25%, MSCI All Country World Index Net 25%

Up to 02/01/2014: HMNI Sve All Government Dur Const 6Y (HMSD6) 17.5%, SHB NORDIX Port Nordic Net (NHXPOR) 25%, HMNI Sve All Mortgage Dur Const 2.5Y (HMSMD25) 7.5%, OMRXTBILL 25%, MSCI All Country World Index Net 25%

Up to 30/10/2009: HMSD5 Sve All Gov 5y 25%, MSCI World 25%, NHXPOR SHB NORDIX 25%, HMSMD25 Sve All Mort 2.5y 15%, HMT27 Sve All Gov 1Y 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. Refer to the last page for definitions.

Handelsbanken Multi Asset 50, cont.

Fund Facts - Costs

Max. allowed mgmt. costs in % according to fund rules	1.35
Collected mgmt. costs in % of average fund capital	1.35
Annual fees in %	1.47
Transaction costs, tSEK	1,111
Transaction costs in % of turnover	0.00
Costs in SEK for a one-time subscription, 10 000 SEK	138.54
Costs in SEK for monthly savings, 100 SEK	8.81

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

Fund Facts - Other Key Figures

Turnover rate	0.3
Share of turnover conducted via closely-related securities companies in %	1.8

Risk and Return Measurements*

Total risk %	5.9	Information ratio	0.4
Total risk in index %	5.5	Sharpe ratio	0.6
Tracking error %	1.0	Sharpe ratio in index	0.6

Benchmark HMNI Swe All Government Dur Const 6Y (HMSD6) 10,5%, HMNI Swe All Mortgage Dur Const 2.5Y (HMSMD25) 4,5%, VINX Benchmark Cap SEK_NI 25%, OMRXTBILL35%, MSCI All Country World Index Net 25%

Active return % 0.4

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

Income Statement, tSEK

	2018	2017
INCOME AND CHANGES IN VALUE		
Changes in value for other derivative instruments *	-59,718	208,250
Changes in value for fund units **	-507,756	1,083,670
Interest income	-1,587	-818
Dividends	10,968	21,561
Currency exchange profits and losses, net	74,184	17,976
Other financial income	144,578	128,237
Other income	1	0
Total income and changes in value	-339,330	1,458,876
EXPENSES		
Management costs:		
- Remuneration to the Management Company	259,092	218,915
Interest expense	99	294
Other expenses	1,111	2,274
Total expenses	260,302	221,483
Net income	-599,632	1,237,393
* Details of changes in value		
Capital gains	889,096	949,958
Capital losses	-948,814	-741,708
Sum	-59,718	208,250
** Details of changes in value		
Capital gains	660,276	395,758
Capital losses	-102,724	-4,638
Unrealised gains/losses	-1,065,308	692,550
Sum	-507,756	1,083,670

Balance Sheet, tSEK

	31 dec 2018	% of fund capital	31 dec 2017	% of fund capital
ASSETS				
OTC derivative instruments with positive market value	36,624	0.2	6,631	0.0
Fund units	18,952,339	98.0	17,012,903	98.6
Total financial instruments with positive market value (Note 2)	18,988,963	98.2	17,019,534	98.6
Bank assets and other liquid assets	378,051	2.0	233,954	1.4
Prepaid expenses and accrued income	12,365	0.1	5,502	0.0
Other assets	47,643	0.2	24,754	0.1
Total assets	19,427,022	100.5	17,283,744	100.1
LIABILITIES				
OTC derivative instruments with negative market value	-	-	114	0.0
Total financial instruments with negative market value (Note 2)	-	-	114	0.0
Accrued expenses and prepaid income	22,534	0.1	11,506	0.0
Other liabilities	74,226	0.4	22,529	0.1
Total liabilities	96,760	0.5	34,149	0.1
Fund capital (Note 1)	19,330,262	100.0	17,249,595	100.0
Secured collateral for OTC derivative instruments	23,896	0.1	-	-
Other derivative instruments with negative market value	37,149	0.2	57,627	0.3

Note 1) for Balance Sheet

Changes in fund capital, tSEK

	2018	2017
Fund capital at beginning of year	17,249,595	14,761,191
Units issued	5,258,606	3,010,361
Units redeemed	-2,578,307	-1,759,350
Profit according to Income Statement	-599,632	1,237,393
Dividends to unit holders	-	-
Fund capital at the close of the period	19,330,262	17,249,595

Note 2) for Balance Sheet

Fund holdings in financial instruments

EXCHANGE-TRADED DERIVATIVES**

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
STOCK INDEX FUTURES			
E-mini S&P MARS 2019	160	0	0.0
EURO STOXX 50 Mar18	-620	0	0.0
Total stock index futures		0	0.0

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
INTEREST RATE FUTURES			
RXH9	-561	0	0.0
Total interest rate futures		0	0.0
Total exchange-traded derivatives		0	0.0

OTHER FINANCIAL INSTRUMENTS***

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
FUND UNITS			
EQUITY FUNDS			
BlackRock Strategic Funds Global Absolute Return A2 (Nordic countries)	413,316	406,290	2.1
Fidelity First ESG AC World-SEK (Europe)	13,663,561	138,275	0.7
Handelsbanken Amerika Småbolag Tema (A1 SEK) (Nordic countries)	815,240	592,394	3.1
Handelsbanken Amerika Tema (A1 SEK) (USA)	989,274	805,466	4.2
Handelsbanken Asien Tema (A1 SEK) (Asia)	1,274,203	737,660	3.8
Handelsbanken Europa Tema (A1 SEK) (Europe)	1,359,390	474,247	2.5
Handelsbanken Europafond Index (A1 SEK) (Europe)	2,006,419	206,443	1.1
Handelsbanken Hållbar Energi (A1 SEK) (Rest of the world)	1,629,906	232,557	1.2
Handelsbanken Japan Tema (A1 SEK) (Asia)	4,598,437	326,014	1.7
Handelsbanken Norden Selektiv (A1 SEK) (Nordic countries)	1,382,806	464,087	2.4
Handelsbanken Nordenfond (A1 SEK) (Nordic countries)	2,526,592	2,645,979	13.7
Handelsbanken Nordiska Småbolag (A1 SEK) (Nordic countries)	849,270	821,260	4.2
Handelsbanken Tillväxtmarknad Tema (A1 SEK) (Rest of the world)	517,159	149,217	0.8
Handelsbanken USA Index (A1 SEK) (USA)	1,310,594	415,206	2.1
JPM Europe Small Cap I Acc EUR (Europe)	89,111	180,276	0.9
JPM Global Macro Fund I (Nordic countries)	578,812	500,215	2.6
UBS Equity Sicav USA Growth (USA)	939,183	275,945	1.4
		9,371,532	48.5

Handelsbanken Multi Asset 50, cont.

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
LISTED EQUITY FUNDS**			
XACT Norden 30 (Nordic countries)	5,541,999	585,545	3.0
		585,545	3.0
FIXED INCOME FUNDS			
BlueOrchard Ucits EM Sdg Impact Bd Fd S (Nordic countries)	1,140,574	113,293	0.6
Handelsbanken Företagsobligation (A1 SEK) (Nordic countries)	1,815,912	233,676	1.2
Handelsbanken Företagsobligation IG Criteri a (A1 SEK) (Nordic countries)	19,336,574	1,945,969	10.1
Handelsbanken Höyrente (A1 NOK) (Nordic countries)	2,483,095	282,681	1.5
Handelsbanken Institutionell Kortränta Criteri a (A1 SEK) (Nordic countries)	9,390,592	938,872	4.9
Handelsbanken Kortränta (A1 SEK) (Nordic countries)	1,350,153	194,721	1.0
Handelsbanken Kortränta Criteria (A1 SEK) (Nordic countries)	4,840	504	0.0
Handelsbanken Räntheavkastning Criteria (A1 SEK) (Nordic countries)	316,744	602,601	3.1
Handelsbanken Ränthestrategi Criteria (A1 SE K) (Nordic countries)	28,432,851	2,906,599	15.0
Handelsbanken Ränthestrategi Criteria (B1 SE K) (Nordic countries)	9,953	992	0.0
Handelsbanken Ränthestrategi Plus Criteria (A 7 SEK) (Nordic countries)	5,758,854	572,070	3.0
UI - Aktia EM Local Currency Bond+ - s1 (Nordic countries)	12,359,115	1,203,283	6.2
		8,995,262	46.5
Total fund units		18,952,339	98.0
	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
OTC DERIVATIVE INSTRUMENTS			
CURRENCY FUTURES			
SEK/EUR		26,610	0.1
SEK/NOK		10,014	0.1
		36,624	0.2
Total OTC derivative instruments		36,624	0.2
Total other financial instruments		18,988,963	98.2
Total holdings in financial instruments		18,988,963	98.2
Net, other assets and liabilities		341,299	1.8
Total fund capital		19,330,262	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
JPMorgan Chase	3.5

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

Handelsbanken Multi Asset 50

Sustainability dimensions that are taken into consideration in the management of the fund

The fund takes ESG factors into consideration in its selection of investments, i.e., in the selection of the underlying funds. This means that the fund is focusing more of its investments to be in line with the UN's Sustainable Development Goals (SDG). We also encourage the fund managers of the underlying funds to increase investments in green bonds, for example. The fund has also invested in underlying funds with explicit impact goals. Impact investments are currently a smaller category but are expected to increase.

Methods used in sustainability efforts

Inclusion

In the evaluation of underlying funds and investments, sustainability is an individual area of assessment. When striking a balance between comparable returns and risk, we make the choice that is most sustainable. A critical evaluation factors is how well sustainability is integrated into the underlying fund. We also work actively to increase the quantitative measurability in our assessment to clarify the sustainability dimensions in the portfolio.

BlueOrchard Emerging Markets Impact Bond Fund is an interesting example. Over time, the fund will be investing in bonds from issuing bodies with a demonstrated history of performance within impact investing. This is accomplished in the investment process by assessing the issuers' "social performance". The fund also invests to some extent in green bonds. The fund contributes to several of the UN's SDGs in its investment process: No Poverty, Affordable and Clean Energy, Decent Work and Economic Growth, Reduced Inequalities, as well as Industry, Innovation and Infrastructure.

Exclusion

In accordance with the Management Company's overall policy for responsible investment, all of the Management Company's funds exclude:

- companies involved in the production or distribution of banned weapons, such as cluster bombs, anti-personnel mines, biological and chemical weapons, in accordance with international legislation. Companies involved in the production or distribution of nuclear weapons are also excluded.
- companies with substantial business operations within coal mining or in power companies that have coal as a major source of energy.

Management Company's engagement activities

We make demands in the fund that providers use their ownership influence in the underlying companies. In addition, we work actively to influence providers to make more sustainable changes to their policies, both generally and in specific funds, e.g., by excluding certain types of sectors or specific companies. The activities in 2018 have resulted in changes to a number of funds. The engagement activities also focus on contributing to the development of new products that have a higher sustainability standard.

The fund is a fund of funds, which means that we are unable to impact the underlying companies directly and work with influencing the fund providers. During 2018 we worked within this area to make it clear that we will be excluding more companies and expect providers to meet our demands by offering funds that meet our expectations. Within this work we have influenced funds as well as fund management companies to change and develop new products.



Handelsbanken Multi Asset 60

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 benchmark index. The fund invests in equity funds, fixed income funds, alternative assets and other financial instruments. Alternative assets refer to funds or other financial instruments that give exposure to commodities, real estate and other permitted exposures, in addition to equities or fixed income, with the intent of increasing the fund's diversification. The fund can invest partly in funds within Handelsbanken and partly in funds managed by other fund management companies. Depending on the market climate, 45 – 75% of the fund's assets shall be invested in equity funds or other equity-related financial instruments, 5 – 45% in fixed income funds or other interest-related financial instruments and 0 – 30% in funds and other financial instruments with alternative exposure. The fund management is adjusted within each interval based on the prevailing market conditions.

Portfolio

The fund fell 3.1% during 2018*. Concerns in the financial markets increased during the autumn. High expectations, together with a concern about the effect a weaker global economy, rising rates and the trade war would have on corporate earnings ahead explain much of the market uncertainty. The World Index fell 1.91% in SEK. A weaker SEK benefitted returns in foreign holdings. Regionally, the U.S. stock market fared best, while Japan and emerging markets posted weaker performance. Market rates in Sweden and Europe fell during the year, which led bonds to outperform fixed income investments with a shorter duration. The holdings in Aktia Emerging Bond Fund contributed positive to returns. Absolute yield fixed income funds posted slightly weak performance during the year. Throughout most of the year we have had an

underweight in equities relative to the benchmark index. Regionally, we decreased our holdings in the U.S. during the autumn and instead increased holdings in Asia. During the year we continued to increase exposure to emerging market bonds. We also sold the entire holdings in the JPM Systematic Alpha hedge fund and instead increased holdings in JPM Global Macro. In the autumn we took a position in Blue Orchard Emerging Markets Impact Bond Fund, which invests in sustainable economic, social and environmental development in emerging markets. We had a short duration in our fixed income holdings during the year.

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

Significant risks

As of the balance sheet date or any other time during the year, fund holdings did not have exposure to any other significant risks than those stated in the fact sheet and information brochure.

Trading with derivatives

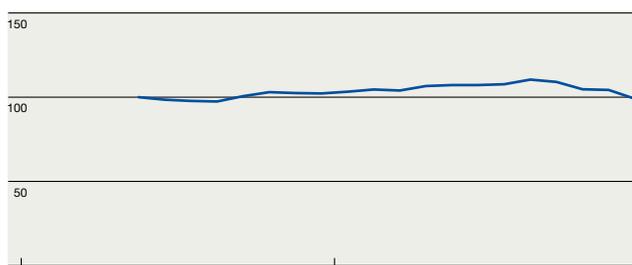
According to the fund rules, the fund may trade with derivatives as part of its investment focus. The fund used this option extensively during 2018. The fund has the option of lending securities. The fund did not use this option during 2018. The fund may use other techniques and instruments. The fund did not use this option during 2018.

Information

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

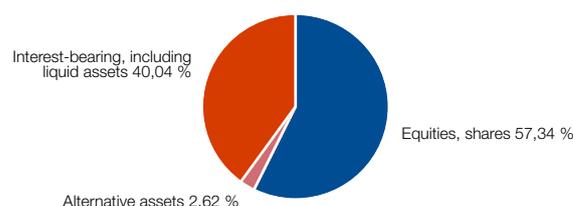
Information about employee remuneration can be found in the Appendix Remuneration policy, see the fund company website in connection with the fund as well as at the end of the overall fundreport.

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 31/12/2018, relative to the fund's total assets on this date.

Fund Facts - History

	2018	10/5-31/12 2017	2016	2015	2014	2013	2012	2011	2010	2009
Net asset value, SEK										
Multi Asset 60 A1	98.45	101.57	-	-	-	-	-	-	-	-
Multi Asset 60 B8	93.06	99.61	-	-	-	-	-	-	-	-
The fund's total net flow, mSEK	1,553	3,136	-	-	-	-	-	-	-	-
Fund capital total, mSEK	8,486	7,264	-	-	-	-	-	-	-	-
Multi Asset 60 A1	8,473	7,256	-	-	-	-	-	-	-	-
Multi Asset 60 B8	13	8	-	-	-	-	-	-	-	-
Number of units, 1000's	86,206	71,513	-	-	-	-	-	-	-	-
Multi Asset 60 A1	86,063	71,437	-	-	-	-	-	-	-	-
Multi Asset 60 B8	143	76	-	-	-	-	-	-	-	-
Total returns in %, SEK										
Multi Asset 60 A1	-3.1	+1.6	-	-	-	-	-	-	-	-
Multi Asset 60 B8	-2.7	-0.2	-	-	-	-	-	-	-	-
Index including dividends in %, SEK										
Multi Asset 60 A1	-1.6	+1.2	-	-	-	-	-	-	-	-
Multi Asset 60 B8	-1.6	+0.1	-	-	-	-	-	-	-	-
Dividends per unit, SEK	3.98	-	-	-	-	-	-	-	-	-

Benchmark: HMNI Sve All Government Dur Const 6Y (HMSD6) 7%, HMNI Sve All Mortgage Dur Const 2.5Y (HMSMD25) 3%, VINX Benchmark Cap SEK_NI 30%, OMRXTBILL 30%, MSCI All Country World Index Net 30%

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

Refer to the last page for definitions.

Handelsbanken Multi Asset 60, cont.

Fund Facts - Costs

Max. allowed mgmt. costs in % according to fund rules	
Multi Asset 60 A1	1.40
Multi Asset 60 B8	1.05
Collected mgmt. costs in % of average fund capital	
Multi Asset 60 A1	1.40
Multi Asset 60 B8	1.05
Annual fees in %	
Multi Asset 60 A1	1.53
Multi Asset 60 B8	1.18
Transaction costs, tSEK	479
Transaction costs in % of turnover	0.00
Costs in SEK for a one-time subscription, 10 000 SEK	
Multi Asset 60 A1	144.38
Multi Asset 60 B8	108.49
Costs in SEK for monthly savings, 100 SEK	
Multi Asset 60 A1	9.14
Multi Asset 60 B8	6.87

Fund Facts - Other Key Figures

Turnover rate	0.3
Share of turnover conducted via closely-related securities companies in %	1.8

Risk and Return Measurements*

Forecasted total risk	6.5
* 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, tSEK

	2018	10/5-31/12 2017
INCOME AND CHANGES IN VALUE		
Changes in value for other derivative instruments [†]	-25,091	8,438
Changes in value for fund units ^{**}	-292,857	-14,623
Interest income	-637	-11
Dividends	4,400	148
Currency exchange profits and losses, net	31,218	1,722
Other financial income	70,715	7,724
Other income	2	0
Total income and changes in value	-212,250	3,398
EXPENSES		
Management costs:		
- Remuneration to the Management Company	117,405	13,439
Interest expense	102	46
Other expenses	480	82
Total expenses	117,987	13,567
Net income	-330,237	-10,169
* Details of changes in value		
Capital gains	380,929	40,018
Capital losses	-406,020	-31,580
Unrealised gains/losses	-	0
Sum	-25,091	8,438
** Details of changes in value		
Capital gains	211,394	7,658
Capital losses	-25,936	-620
Unrealised gains/losses	-478,315	-21,861
Sum	-292,857	-14,623

Balance Sheet, tSEK

	31 dec 2018	% of fund capital	31 dec 2017	% of fund capital
ASSETS				
OTC derivative instruments with positive market value	15,693	0.2	1,807	0.0
Fund units	8,392,341	98.9	7,183,647	98.9
Total financial instruments with positive market value (Note 2)	8,408,034	99.1	7,185,454	98.9
Bank assets and other liquid assets	79,802	0.9	70,413	1.0
Prepaid expenses and accrued income	6,210	0.1	2,587	0.0
Other assets	23,140	0.3	16,527	0.3
Total assets	8,517,186	100.4	7,274,981	100.2
LIABILITIES				
OTC derivative instruments with negative market value	-	-	50	0.0
Total financial instruments with negative market value (Note 2)	-	-	50	0.0
Accrued expenses and prepaid income	10,311	0.1	5,026	0.1
Other liabilities	20,891	0.3	6,216	0.1
Total liabilities	31,202	0.4	11,292	0.2
Fund capital (Note 1)	8,485,984	100.0	7,263,689	100.0
Secured collateral for OTC derivative instruments	5,980	0.1	-	-
Other derivative instruments with negative market value	16,477	0.2	21,145	0.3

Note 1) for Balance Sheet

Changes in fund capital, tSEK

	2018	2017
Fund capital at beginning of year	7,263,689	-
Units issued	2,963,901	7,461,363
Units redeemed	-1,411,068	-187,505
Profit according to Income Statement	-330,237	-10,169
Dividends to unit holders	-301	-
Fund capital at the close of the period	8,485,984	7,263,689

Note 2) for Balance Sheet

Fund holdings in financial instruments

EXCHANGE-TRADED DERIVATIVES**

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
STOCK INDEX FUTURES			
E-mini S&P MARS 2019	71	0	0.0
EURO STOXX 50 Mar18	-275	0	0.0
Total stock index futures		0	0.0

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
INTEREST RATE FUTURES			
RXH9	-249	0	0.0
Total interest rate futures		0	0.0
Total exchange-traded derivatives		0	0.0

OTHER FINANCIAL INSTRUMENTS***

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
FUND UNITS			
EQUITY FUNDS			
BlackRock Strategic Funds Global Absolute Return A2 (Nordic countries)	185,726	182,568	2.2
Fidelity First ESG AC World-SEK (Europe)	6,957,652	70,411	0.8
Handelsbanken Amerika Småbolag Tema (A1 SEK) (Nordic countries)	466,936	339,299	4.0
Handelsbanken Amerika Tema (A1 SEK) (USA)	528,446	430,260	5.1
Handelsbanken Asien Tema (A1 SEK) (Asia)	592,996	343,297	4.0
Handelsbanken Europa Tema (A1 SEK) (Europe)	724,176	252,642	3.0
Handelsbanken Europafond Index (A1 SEK) (Europe)	1,068,003	109,888	1.3
Handelsbanken Hållbar Energi (A1 SEK) (Rest of the world)	868,265	123,885	1.5
Handelsbanken Japan Tema (A1 SEK) (Asia)	2,450,008	173,697	2.0
Handelsbanken Norden Selektiv (A1 SEK) (Nordic countries)	736,297	247,111	2.9
Handelsbanken Nordenfond (A1 SEK) (Nordic countries)	1,366,622	1,431,198	16.9
Handelsbanken Nordiska Småbolag (A1 SEK) (Nordic countries)	454,931	439,927	5.2
Handelsbanken Tillväxtmarknad Tema (A1 SEK) (Rest of the world)	398,585	115,004	1.4
Handelsbanken USA Index (A1 SEK) (USA)	754,296	238,967	2.8
JPM Europe Small Cap I Acc EUR (Europe)	47,634	96,366	1.1
JPM Global Macro Fund I (Nordic countries)	257,820	222,811	2.6
UBS Equity Sicav USA Growth (USA)	419,092	123,135	1.5
		4,940,466	58.2

Handelsbanken Multi Asset 60, cont.

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
LISTED EQUITY FUNDS**			
XACT Norden 30 (Nordic countries)	2,954,518	312,162	3.7
		312,162	3.7
FIXED INCOME FUNDS			
BlueOrchard Ucits EM Sdg Impact Bd Fd S (Nordic countries)	338,467	33,620	0.4
Handelsbanken Företagsobligation IG Criteri a (A1 SEK) (Nordic countries)	7,514,194	756,204	8.9
Handelsbanken Høyrente (A1 NOK) (Nordic countries)	733,564	83,511	1.0
Handelsbanken Institutionell Kortränta Criteri a (A1 SEK) (Nordic countries)	2,217,912	221,747	2.6
Handelsbanken Kortränta (A1 SEK) (Nordic countries)	633,129	91,311	1.1
Handelsbanken Kortränta Criteria (A1 SEK) (Nordic countries)	8,595	895	0.0
Handelsbanken Långränta Criteria (A1 SEK) (Nordic countries)	5,091	594	0.0
Handelsbanken Ränteavkastning Criteria (A1 SEK) (Nordic countries)	71,813	136,622	1.6
Handelsbanken Räntestrategi Criteria (A1 SE K) (Nordic countries)	9,967,229	1,018,918	12.0
Handelsbanken Räntestrategi Plus Criteria (A 7 SEK) (Nordic countries)	2,636,924	261,945	3.1
UI - Aktia EM Local Currency Bond+ - s1 (Nordic countries)	5,488,358	534,347	6.3
		3,139,713	37.0
Total fund units		8,392,341	98.9
	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
OTC DERIVATIVE INSTRUMENTS			
CURRENCY FUTURES			
NOK/SEK		6	0.0
SEK/EUR		11,883	0.1
SEK/NOK		3,600	0.0
USD/SEK		205	0.0
		15,693	0.2
Total OTC derivative instruments		15,693	0.2
Total other financial instruments		8,408,034	99.1
Total holdings in financial instruments		8,408,034	99.1
Net, other assets and liabilities		77,950	0.9
Total fund capital		8,485,984	100.0

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

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Compilation, Company and Group exposure*

Company/Group	% of fund capital
JPMorgan Chase	3.7

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

Handelsbanken Multi Asset 60

Sustainability dimensions that are taken into consideration in the management of the fund

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Handelsbanken Multi Asset 75

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 benchmark index. The fund invests in equity funds, fixed income funds, alternative assets and other financial instruments. Alternative assets refer to funds or other financial instruments that give exposure to commodities, real estate and other permitted exposures, in addition to equities or fixed income, with the intent of increasing the fund's diversification. The fund can invest partly in funds within Handelsbanken and partly in funds managed by other fund management companies. Depending on the market climate, 60 – 90% of the fund's assets shall be invested in equity funds or other equity-related financial instruments, 0 – 30% in fixed income funds or other interest-related financial instruments and 0 – 30% in funds and other financial instruments with alternative exposure. The fund management is adjusted within each interval based on the prevailing market conditions.

Portfolio

The fund fell 3.5% during 2018*. Concerns in the financial markets increased during the autumn. High expectations, together with a concern about the effect a weaker global economy, rising rates and the trade war would have on corporate earnings ahead explain much of the market uncertainty. The World Index fell 1.91% in SEK. A weaker SEK benefitted returns in foreign holdings. Regionally, the U.S. stock market fared best, while Japan and emerging markets posted weaker performance. Market rates in Sweden and Europe fell during the year, which led bonds to outperform fixed income investments with a shorter duration. The holdings in Aktia Emerging Bond Fund contributed positive to returns. Absolute yield fixed income funds posted slightly weak performance during the year. Throughout most of the year we have had an

underweight in equities relative to the benchmark index. Regionally, we decreased our holdings in the U.S. during the autumn and instead increased holdings in Asia. During the year we continued to increase exposure to emerging market bonds. We also sold the entire holdings in the JPM Systematic Alpha hedge fund and instead increased holdings in JPM Global Macro. In the autumn we took a position in Blue Orchard Emerging Markets Impact Bond Fund, which invests in sustainable economic, social and environmental development in emerging markets. We had a short duration in our fixed income holdings during the year.

*) Refer to fund statistics for comparable index.

Significant risks

As of the balance sheet date or any other time during the year, fund holdings did not have exposure to any other significant risks than those stated in the fact sheet and information brochure.

Trading with derivatives

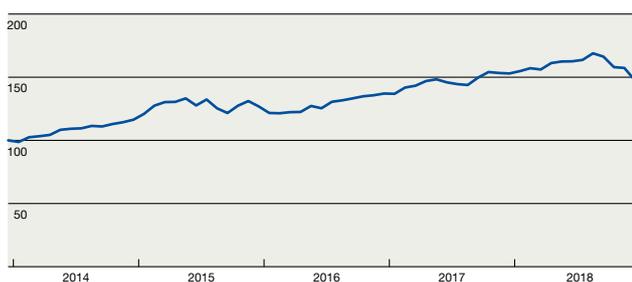
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Information

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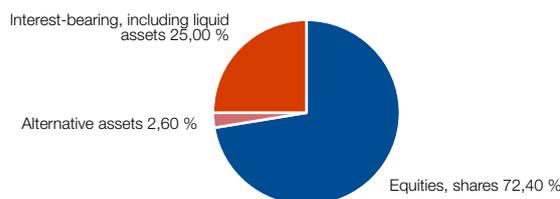
Information about employee remuneration can be found in the Appendix Remuneration policy, see the fund company website in connection with the fund as well as at the end of the overall fundreport.

Fund Performance*



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

Market Exposure*



* The fund's allocation of investments within the markets as of 31/12/2018, relative to the fund's total assets on this date.

Fund Facts - History

	2018	2017	2016	2015	2014	2013	2012	2011	2010	14/9-31/12 2009
Net asset value, SEK	190.47	197.31	176.84	163.61	150.12	129.01	108.43	100.58	115.67	104.75
The fund's total net flow, mSEK	1,908	1,178	328	415	141	42	-47	-	-	-
Fund capital, mSEK	5,034	3,397	1,955	1,487	985	721	569	555	719	649
Number of units, 1000's	26,429	17,217	11,053	9,087	6,562	5,586	5,249	5,520	6,213	6,196
Total returns in %, SEK	-3.5	+11.6	+8.1	+9.0	+16.4	+19.0	+11.4	-11.0	+10.9	+4.8
Index including dividends in %, SEK	-2.0	+9.2	+9.3	+6.5	+17.5	+17.4	+10.3	-7.0	+10.0	+4.5
Average yearly return, 2 yrs. %	+3.8	+9.8	+8.5	+12.6	+17.7	+15.1	-0.5	-0.7	-	-
Comparison to index including dividends, %	+3.4	+9.2	+7.9	+11.9	+17.5	+13.8	+1.3	+1.2	-	-
Average yearly return, 5 yrs. %	+8.1	+12.7	+12.7	+8.4	+8.8	-	-	-	-	-
Comparison to index including dividends, %	+7.9	+11.9	+12.1	+8.6	+9.3	-	-	-	-	-
Dividends per unit, SEK	-	-	-	-	-	-	3.49	2.55	0.47	-

Benchmark: HMNI Sve All Government Dur Const 6Y (HMSD6) 1,75%, VINX Benchmark Cap SEK_NI 37,5%, HMNI Sve All Mortgage Dur Const 2.5Y (HMSMD25) 0,75%, OMRXTBILL 22,5%, MSCI All Country World Index Net 37,5%

Up to 26/04/2017: HMNI Sve All Government Dur Const 6Y (HMSD6) 8,75%, VINX Benchmark Cap SEK_NI (VINXCAPSEKNI) 37,5%, HMNI Sve All Mortgage Dur Const 2.5Y (HMSMD25) 3,75%, OMRXTBILL 12,5%, MSCI All Country World Index Net 37,5%

Up to 02/01/2014: HMNI Sve All Government Dur Const 6Y (HMSD6) 8,75%, SHB NORDIX Port Nordic Net (NHXPOR) 37,5%, HMNI Sve All Mortgage Dur Const 2.5Y (HMSMD25) 3,75%, OMRXTBILL 12,5%, MSCI All Country World Index Net 37,5%

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

Handelsbanken Multi Asset 75, cont.

Fund Facts - Costs

Max. allowed mgmt. costs in % according to fund rules	1.45
Collected mgmt. costs in % of average fund capital	1.45
Annual fees in %	1.58
Transaction costs, tSEK	262
Transaction costs in % of turnover	0.00
Costs in SEK for a one-time subscription, 10 000 SEK	150.92
Costs in SEK for monthly savings, 100 SEK	9.50

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

Fund Facts - Other Key Figures

Turnover rate	0.3
Share of turnover conducted via closely-related securities companies in %	2.7

Risk and Return Measurements*

Total risk %	8.6	Information ratio	0.3
Total risk in index %	8.2	Sharpe ratio	0.5
Tracking error %	1.2	Sharpe ratio in index	0.5
Benchmark	HMNI Swe All Government Dur Const 6Y (HMSD6) 1,75%, VINX Benchmark Cap SEK_NI 37,5%, HMNI Swe All Mortgage Dur Const 2.5Y (HMSMD25) 0,75%, OMRXTBILL 22,5%, MSCI All Country World Index Net 37,5%		
Active return %	0.4		

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

Income Statement, tSEK

	2018	2017
INCOME AND CHANGES IN VALUE		
Changes in value for other derivative instruments *	-11,180	33,532
Changes in value for fund units **	-255,389	240,849
Interest income	-329	-115
Dividends	1,404	2,046
Currency exchange profits and losses, net	17,706	1,063
Other financial income	44,178	25,949
Other income	1	0
Total income and changes in value	-203,609	303,324
EXPENSES		
Management costs:		
- Remuneration to the Management Company	66,977	38,070
Interest expense	61	70
Other expenses	261	356
Total expenses	67,299	38,496
Net income	-270,908	264,828
* Details of changes in value		
Capital gains	199,861	154,241
Capital losses	-211,041	-120,709
Unrealised gains/losses	0	0
Sum	-11,180	33,532
** Details of changes in value		
Capital gains	109,597	43,069
Capital losses	-19,797	-1,094
Unrealised gains/losses	-345,189	198,874
Sum	-255,389	240,849

Balance Sheet, tSEK

	31 dec 2018	% of fund capital	31 dec 2017	% of fund capital
ASSETS				
OTC derivative instruments with positive market value	7,464	0.1	676	0.0
Fund units	4,918,368	97.7	3,330,076	98.0
Total financial instruments with positive market value (Note 2)	4,925,832	97.8	3,330,752	98.0
Bank assets and other liquid assets	100,120	2.0	62,115	1.8
Prepaid expenses and accrued income	4,243	0.1	1,362	0.1
Other assets	21,819	0.4	11,450	0.4
Total assets	5,052,014	100.3	3,405,679	100.3
LIABILITIES				
OTC derivative instruments with negative market value	-	-	22	0.0
Total financial instruments with negative market value (Note 2)	-	-	22	0.0
Accrued expenses and prepaid income	6,349	0.1	2,417	0.1
Other liabilities	11,610	0.3	6,157	0.2
Total liabilities	17,959	0.3	8,596	0.3
Fund capital (Note 1)	5,034,056	100.0	3,397,083	100.0
Secured collateral for OTC derivative instruments	5,305	0.1	-	-
Other derivative instruments with negative market value	9,838	0.2	10,957	0.3

Note 1) for Balance Sheet

Changes in fund capital, tSEK

	2018	2017
Fund capital at beginning of year	3,397,083	1,954,590
Units issued	2,753,170	1,495,391
Units redeemed	-845,289	-317,726
Profit according to Income Statement	-270,908	264,828
Dividends to unit holders	-	-
Fund capital at the close of the period	5,034,056	3,397,083

Note 2) for Balance Sheet

Fund holdings in financial instruments

EXCHANGE-TRADED DERIVATIVES**

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
STOCK INDEX FUTURES			
E-mini S&P MARS 2019	42	0	0.0
EURO STOXX 50 Mar18	-165	0	0.0
Total stock index futures		0	0.0

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
INTEREST RATE FUTURES			
RXH9	-149	0	0.0
Total interest rate futures		0	0.0
Total exchange-traded derivatives		0	0.0

OTHER FINANCIAL INSTRUMENTS***

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
FUND UNITS			
EQUITY FUNDS			
BlackRock Strategic Funds Global Absolute Return A2 (Nordic countries)	109,050	107,196	2.1
Fidelity First ESG AC World-SEK (Europe)	5,334,958	53,990	1.1
Handelsbanken Amerika Småbolag Tema (A1 SEK) (Nordic countries)	338,586	246,034	4.9
Handelsbanken Amerika Tema (A1 SEK) (USA)	392,581	319,639	6.3
Handelsbanken Asien Tema (A1 SEK) (Asia)	376,604	218,023	4.3
Handelsbanken Europa Tema (A1 SEK) (Europe)	542,926	189,409	3.8
Handelsbanken Europafond Index (A1 SEK) (Europe)	795,296	81,829	1.6
Handelsbanken Hållbar Energi (A1 SEK) (Rest of the world)	650,508	92,815	1.8
Handelsbanken Japan Tema (A1 SEK) (Asia)	1,837,932	130,303	2.6
Handelsbanken Norden Selektiv (A1 SEK) (Nordic countries)	693,744	232,829	4.6
Handelsbanken Nordenfond (A1 SEK) (Nordic countries)	865,099	905,977	18.0
Handelsbanken Nordiska Småbolag (A1 SEK) (Nordic countries)	419,289	405,461	8.1
Handelsbanken Tillväxtmarknad Tema (A1 SEK) (Rest of the world)	383,204	110,567	2.2
Handelsbanken USA Index (A1 SEK) (USA)	675,804	214,100	4.3
JPM Europe Small Cap I Acc EUR (Europe)	35,732	72,287	1.4
JPM Global Macro Fund I (Nordic countries)	152,627	131,902	2.6
UBS Equity Sicav Small Caps Europe (Europe)	0	0	0.0

Handelsbanken Multi Asset 75, cont.

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
UBS Equity Sicav USA Growth (USA)	245,353	72,088	1.4
		3,584,449	71.2
LISTED EQUITY FUNDS**			
XACT Norden 30 (Nordic countries)	2,717,497	287,120	5.7
		287,120	5.7
FIXED INCOME FUNDS			
BlueOrchard Ucits EM Sdg Impact Bd Fd S (Nordic countries)	51,296	5,095	0.1
Handelsbanken Företagsobligation IG Criteri a (A1 SEK) (Nordic countries)	989,664	99,596	2.0
Handelsbanken Höyrente (A1 NOK) (Nordic countries)	102,113	11,625	0.2
Handelsbanken Institutionell Kortränta Criteri a (A1 SEK) (Nordic countries)	272,480	27,243	0.5
Handelsbanken Kortränta (A1 SEK) (Nordic countries)	374,568	54,021	1.1
Handelsbanken Ränteavkastning Criteria (A1 SEK) (Nordic countries)	19,114	36,363	0.7
Handelsbanken Räntestrategi Criteria (A1 SE K) (Nordic countries)	3,363,936	343,884	6.8
Handelsbanken Räntestrategi Plus Criteria (A 7 SEK) (Nordic countries)	1,553,935	154,364	3.1
UI - Aktia EM Local Currency Bond+ - s1 (Nordic countries)	3,231,383	314,607	6.2
		1,046,799	20.8
Total fund units		4,918,368	97.7
	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
OTC DERIVATIVE INSTRUMENTS			
CURRENCY FUTURES			
SEK/EUR		7,026	0.1
SEK/NOK		438	0.0
		7,464	0.1
Total OTC derivative instruments		7,464	0.1
Total other financial instruments		4,925,832	97.8
Total holdings in financial instruments		4,925,832	97.8
Net, other assets and liabilities		108,223	2.2
Total fund capital		5,034,055	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
JPMorgan Chase	4.0	UBS	1.4

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

Handelsbanken Multi Asset 75

Sustainability dimensions that are taken into consideration in the management of the fund

The fund takes ESG factors into consideration in its selection of investments, i.e., in the selection of the underlying funds. This means that the fund is focusing more of its investments to be in line with the UN's Sustainable Development Goals (SDG). We also encourage the fund managers of the underlying funds to increase investments in green bonds, for example. The fund has also invested in underlying funds with explicit impact goals. Impact investments are currently a smaller category but are expected to increase.

Methods used in sustainability efforts

Inclusion

In the evaluation of underlying funds and investments, sustainability is an individual area of assessment. When striking a balance between comparable returns and risk, we make the choice that is most sustainable. A critical evaluation factors is how well sustainability is integrated into the underlying fund. We also work actively to increase the quantitative measurability in our assessment to clarify the sustainability dimensions in the portfolio.

BlueOrchard Emerging Markets Impact Bond Fund is an interesting example. Over time, the fund will be investing in bonds from issuing bodies with a demonstrated history of performance within impact investing. This is accomplished in the investment process by assessing the issuers' "social performance". The fund also invests to some extent in green bonds. The fund contributes to several of the UN's SDGs in its investment process: No Poverty, Affordable and Clean Energy, Decent Work and Economic Growth, Reduced Inequalities, as well as Industry, Innovation and Infrastructure.

Exclusion

In accordance with the Management Company's overall policy for responsible investment, all of the Management Company's funds exclude:

- companies involved in the production or distribution of banned weapons, such as cluster bombs, anti-personnel mines, biological and chemical weapons, in accordance with international legislation. Companies involved in the production or distribution of nuclear weapons are also excluded.
- companies with substantial business operations within coal mining or in power companies that have coal as a major source of energy.

Management Company's engagement activities

We make demands in the fund that providers use their ownership influence in the underlying companies. In addition, we work actively to influence providers to make more sustainable changes to their policies, both generally and in specific funds, e.g., by excluding certain types of sectors or specific companies. The activities in 2018 have resulted in changes to a number of funds. The engagement activities also focus on contributing to the development of new products that have a higher sustainability standard.

The fund is a fund of funds, which means that we are unable to impact the underlying companies directly and work with influencing the fund providers. During 2018 we worked within this area to make it clear that we will be excluding more companies and expect providers to meet our demands by offering funds that meet our expectations. Within this work we have influenced funds as well as fund management companies to change and develop new products.



Handelsbanken Multi Asset 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 benchmark index. The fund invests in equity funds, fixed income funds, alternative assets and other financial instruments. Alternative assets refer to funds or other financial instruments that give exposure to commodities, real estate and other permitted exposures, in addition to equities or fixed income, with the intent of increasing the fund's diversification. The fund can invest partly in funds within Handelsbanken and partly in funds managed by other fund management companies. Depending on the market climate, 85 – 115% of the fund's assets shall be invested in equity funds or other equity-related financial instruments, 0 – 20% in fixed income funds or other interest-related financial instruments and 0 – 30% in funds and other financial instruments with alternative exposure. The fund management is adjusted within each interval based on the prevailing market conditions.

Portfolio

The fund fell 3.9% during 2018*. Concerns in the financial markets increased during the autumn. High expectations, together with a concern about the effect a weaker global economy, rising rates and the trade war would have on corporate earnings ahead explain much of the market uncertainty. The World Index fell 1.91% in SEK. A weaker SEK benefitted returns in foreign holdings. Regionally, the U.S. stock market fared best, while Japan and emerging markets posted weaker performance. Market rates in Sweden and Europe fell during the year, which led bonds to outperform fixed income investments with a shorter duration. The

holdings in Aktia Emerging Bond Fund contributed positive to returns. Throughout most of the year we have had an underweight in equities relative to the benchmark index. Regionally, we decreased our holdings in the U.S. during the autumn and instead increased holdings in Asia. During the year we continued to increase our exposure to emerging market bonds. We had a short duration in our fixed income holdings throughout the year.

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

Significant risks

As of the balance sheet date or any other time during the year, fund holdings did not have exposure to any other significant risks than those stated in the fact sheet and information brochure.

Trading with derivatives

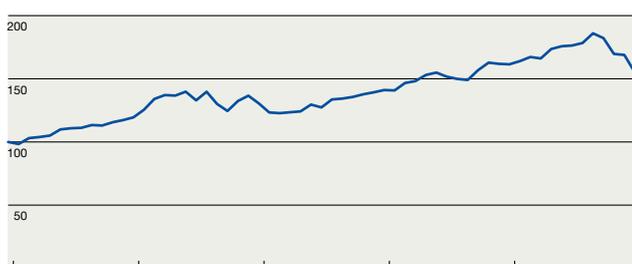
According to the fund rules, the fund may trade with derivatives as part of its investment focus. The fund used this option extensively during 2018. The fund has the option of lending securities. The fund did not use this option during 2018. The fund may use other techniques and instruments. The fund did not use this option during 2018.

Information

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

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

Fund Performance*



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

Market Exposure*

Interest-bearing, including liquid assets 0,80 %



Equities, shares 99,20 %

* The fund's allocation of investments within the markets as of 31/12/2018, relative to the fund's total assets on this date.

Fund Facts - History

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Net asset value										
Multi Asset 100 A1 - SEK	261.97	272.66	238.26	220.41	201.74	168.87	136.62	122.83	146.32	132.56
Multi Asset 100 A1 - EUR	25.85	27.73	24.87	24.07	21.30	-	-	-	-	-
Multi Asset 100 A1 - NOK	255.86	272.39	225.75	231.41	193.22	-	-	-	-	-
The fund's total net flow, mSEK	1,055	1,037	667	907	320	75	-45	-	-	-
Fund capital total, mSEK										
Multi Asset 100 A1 - SEK	11,343	10,822	8,499	7,181	5,759	-	-	-	-	-
Multi Asset 100 A1 - EUR	11,114	10,601	8,318	7,010	5,601	4,409	3,501	3,112	3,709	2,957
Multi Asset 100 A1 - SEK	16	14	11	11	10	-	-	-	-	-
Multi Asset 100 A1 - EUR	61	80	70	78	56	-	-	-	-	-
Multi Asset 100 A1 - NOK	61	80	70	78	56	-	-	-	-	-
Number of units, 1000's										
Multi Asset 100 A1 - SEK	43,298	39,692	35,672	32,581	28,546	-	-	-	-	-
Multi Asset 100 A1 - EUR	42,425	38,879	34,909	31,807	27,762	26,109	25,628	25,335	25,346	22,307
Multi Asset 100 A1 - SEK	635	520	452	437	492	-	-	-	-	-
Multi Asset 100 A1 - EUR	238	293	311	337	292	-	-	-	-	-
Multi Asset 100 A1 - NOK	238	293	311	337	292	-	-	-	-	-
Total returns in %, SEK										
Multi Asset 100 A1 - SEK	-3.9	+14.4	+8.1	+9.3	+19.5	+23.6	+14.4	-14.3	+13.6	+33.7
Multi Asset 100 A1 - EUR	-6.8	+11.5	+3.3	+13.0	+11.6	-	-	-	-	-
Multi Asset 100 A1 - NOK	-6.1	+20.7	-2.4	+19.8	+21.1	+36.5	+12.4	-13.8	+21.4	+22.2
Index including dividends in %, SEK										
Multi Asset 100 A1 - SEK	-2.7	+12.6	+11.9	+8.4	+22.0	+23.8	+13.2	-11.2	+12.8	+28.8
Multi Asset 100 A1 - EUR	-5.6	+9.7	+7.0	+12.1	+14.0	-	-	-	-	-
Multi Asset 100 A1 - NOK	-4.9	+18.7	+1.0	+18.8	+23.7	+36.7	+11.2	-10.6	+20.5	+17.6

Handelsbanken Multi Asset 100, cont.

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Average yearly return, 2 yrs. %										
Multi Asset 100 A1 - SEK	+4.9	+11.2	+8.7	+14.2	+21.5	+18.9	-1.0	-1.4	+23.2	-9.2
Multi Asset 100 A1 - EUR	+2.0	+7.3	+8.1	+12.3	+15.6	+19.3	+1.5	+5.8	+36.1	-12.8
Multi Asset 100 A1 - NOK	+6.5	+8.5	+8.1	+20.4	+28.6	+23.9	-1.5	+2.3	+21.8	-10.9
Comparison to index including dividends, %										
SEK	+4.7	+12.3	+10.1	+15.0	+22.9	+18.4	+0.3	+0.1	+20.5	-9.0
EUR	+1.8	+8.3	+9.5	+13.1	+17.0	+18.7	+2.8	+7.4	+33.1	-12.6
NOK	+6.3	+9.5	+9.5	+21.3	+30.1	+23.3	-0.3	+3.8	+19.1	-10.7
Average yearly return, 5 yrs. %										
Multi Asset 100 A1 - SEK	+9.2	+14.8	+14.8	+9.6	+10.5	+13.0	-1.7	-3.1	+2.2	+6.2
Multi Asset 100 A1 - EUR	+6.3	+11.7	+13.1	+9.3	+12.2	+18.0	+0.2	-2.8	+3.0	+3.5
Multi Asset 100 A1 - NOK	+9.9	+18.4	+16.8	+13.9	+14.2	+14.4	-1.4	-3.9	+2.5	+3.7
Comparison to index including dividends, %										
SEK	+10.2	+15.6	+15.7	+10.5	+11.4	+12.6	-1.3	-2.3	+2.4	+6.3
EUR	+7.2	+12.5	+14.0	+10.1	+13.1	+17.6	+0.7	-2.0	+3.2	+3.7
NOK	+10.9	+19.2	+17.7	+14.9	+15.2	+14.0	-0.9	-3.2	+2.7	+3.8
Average yearly return, 10 yrs. %										
Multi Asset 100 A1 - SEK	+11.1	+6.2	+5.5	+5.8	+8.3	-	-	-	-	-
Multi Asset 100 A1 - EUR	+12.0	+5.8	+4.9	+6.1	+7.8	-	-	-	-	-
Multi Asset 100 A1 - NOK	+12.2	+8.1	+5.9	+8.1	+8.8	-	-	-	-	-
Comparison to index including dividends, %										
SEK	+11.4	+6.8	+6.3	+6.3	+8.8	-	-	-	-	-
EUR	+12.3	+6.4	+5.7	+6.6	+8.3	-	-	-	-	-
NOK	+12.5	+8.7	+6.8	+8.6	+9.3	-	-	-	-	-
Dividends per unit, SEK	-	-	-	-	-	-	3.82	2.87	3.64	4.06
Exchange rate EUR/SEK	10.13	9.83	9.58	9.16	9.47	-	-	-	-	-
Exchange rate NOK/SEK	1.02	1.00	1.06	0.95	1.04	-	-	-	-	-

Benchmark: MSCI AC World Net 50%, VINX Benchmark Cap SEK NI 50%

Up to 01/02/2014: SHB NORDIX Port Nordic Net (NHXPORT) 50%, MSCI All Country World Index Net 50%

Up to 30/10/2009: MSCI World Net 50%, NHXPORT 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	1.55
Collected mgmt. costs in % of average fund capital	1.55
Annual fees in %	1.62
Transaction costs, tSEK	568
Transaction costs in % of turnover	0.00
Costs in SEK for a one-time subscription, 10 000 SEK	164.37
Costs in SEK for monthly savings, 100 SEK	10.22

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

Fund Facts - Other Key Figures

Turnover rate	0.2
Share of turnover conducted via closely-related securities companies in %	2.5

Risk and Return Measurements*

Total risk % - A1 SEK	11.3	Active return % - A1 NOK	0.2
Total risk % - A1 EUR	9.7	Information ratio - A1 SEK	0.1
Total risk % - A1 NOK	10.3	Information ratio - A1 EUR	0.1
Total risk in index % - A1 SEK	10.8	Information ratio - A1 NOK	0.1
Total risk in index % - A1 EUR	9.0	Sharpe ratio - A1 SEK	0.5
Total risk in index % - A1 NOK	9.9	Sharpe ratio - A1 EUR	0.3
Tracking error % - A1 SEK	1.5	Sharpe ratio - A1 NOK	0.6
Tracking error % - A1 EUR	1.5	Sharpe ratio in index - A1 SEK	0.5
Tracking error % - A1 NOK	1.5	Sharpe ratio in index - A1 EUR	0.2
Benchmark	MSCI AC World Net 50%, VINX Benchmark Cap SEK NI 50%	Sharpe ratio in index - A1 NOK	0.6
Active return % - A1 SEK	0.2		
Active return % - A1 EUR	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.

Income Statement, tSEK

	2018	2017
INCOME AND CHANGES IN VALUE		
Changes in value for other derivative instruments *	-72,740	69,226
Changes in value for fund units **	-474,253	1,250,673
Interest income	-758	-299
Dividends	12,705	-
Currency exchange profits and losses, net	44,666	1,153
Other financial income	145,287	119,279
Other income	0	0
Total income and changes in value	-345,093	1,440,032
EXPENSES		
Management costs:		
- Remuneration to the Management Company	189,238	152,844
Interest expense	100	101
Other expenses	568	1,403
Total expenses	189,906	154,348
Net income	-534,999	1,285,684

* Details of changes in value

Capital gains	538,454	487,078
Capital losses	-611,194	-417,852
Unrealised gains/losses	-	0
Sum	-72,740	69,226

** Details of changes in value

Capital gains	527,214	258,121
Capital losses	-7,863	-1,365
Unrealised gains/losses	-993,604	993,917
Sum	-474,253	1,250,673

Handelsbanken Multi Asset 100, cont.

Balance Sheet, tSEK

	31 dec 2018	% of fund capital	31 dec 2017	% of fund capital
ASSETS				
OTC derivative instruments with positive market value	17,029	0.2	1,279	0.0
Fund units	11,251,400	99.2	10,721,219	99.1
Total financial instruments with positive market value (Note 2)	11,268,429	99.4	10,722,498	99.1
Bank assets and other liquid assets	68,301	0.6	102,976	1.0
Prepaid expenses and accrued income	12,210	0.1	5,442	0.1
Other assets	30,121	0.2	12,731	0.0
Total assets	11,379,061	100.3	10,843,647	100.2
LIABILITIES				
OTC derivative instruments with negative market value	3,273	0.0	72	0.0
Total financial instruments with negative market value (Note 2)	3,273	0.0	72	0.0
Accrued expenses and prepaid income	15,529	0.1	8,338	0.1
Other liabilities	17,527	0.2	12,784	0.1
Total liabilities	36,329	0.3	21,194	0.2
Fund capital (Note 1)	11,342,732	100.0	10,822,453	100.0
Secured collateral for OTC derivative instruments	11,250	0.1	-	-
Other derivative instruments with negative market value	28,992	0.3	21,288	0.2

Note 1) for Balance Sheet

Changes in fund capital, tSEK

	2018	2017
Fund capital at beginning of year	10,822,453	8,499,289
Units issued	2,423,295	1,884,910
Units redeemed	-1,368,017	-847,430
Profit according to Income Statement	-534,999	1,285,684
Dividends to unit holders	-	-
Fund capital at the close of the period	11,342,732	10,822,453

Note 2) for Balance Sheet

Fund holdings in financial instruments

EXCHANGE-TRADED DERIVATIVES**

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
STOCK INDEX FUTURES			
E-mini S&P MARS 2019	98	0	0.0
EURO STOXX 50 Mar18	-382	0	0.0
FXXP	1,358	0	0.0
OMXESG9A	1,224	0	0.0
Total stock index futures		0	0.0
Total exchange-traded derivatives		0	0.0

OTHER FINANCIAL INSTRUMENTS***

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
FUND UNITS			
EQUITY FUNDS			
Fidelity First ESG AC World-SEK (Europe)	16,666,235	168,662	1.5
Handelsbanken Amerika Småbolag Tema (A1 SEK) (Nordic countries)	1,029,193	747,864	6.6
Handelsbanken Amerika Tema (A1 SEK) (USA)	1,212,176	986,952	8.7
Handelsbanken Asien Tema (A1 SEK) (Asia)	965,539	558,969	4.9
Handelsbanken Europa Tema (A1 SEK) (Europe)	1,680,704	586,343	5.2
Handelsbanken Europafond Index (A1 SEK) (Europe)	261,658	26,922	0.2
Handelsbanken Hållbar Energi (A1 SEK) (Rest of the world)	1,894,315	270,283	2.4
Handelsbanken Japan Tema (A1 SEK) (Asia)	5,460,904	387,160	3.4
Handelsbanken Norden Selektiv (A1 SEK) (Nordic countries)	2,670,619	896,294	7.9
Handelsbanken Nordenfond (A1 SEK) (Nordic countries)	1,967,822	2,060,806	18.2
Handelsbanken Nordiska Småbolag (A1 SEK) (Nordic countries)	1,620,929	1,567,470	13.8
Handelsbanken Tillväxtmarknad Tema (A1 SEK) (Rest of the world)	1,474,080	425,319	3.7
Handelsbanken USA Index (A1 SEK) (USA)	2,448,581	775,729	6.8
Handelsinvest Danmark Engros AK (Nordic countries)	995,362	103,145	0.9
JPM Europe Small Cap I Acc EUR (Europe)	108,935	220,380	1.9
UBS Equity Sicav USA Growth (USA)	580,979	170,700	1.5
		9,952,997	87.8

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
LISTED EQUITY FUNDS**			
XACT Norden 30 (Nordic countries)	8,496,865	897,744	7.9
		897,744	7.9
FIXED INCOME FUNDS			
Handelsbanken Råntestrategi Criteria (A1 SE K) (Nordic countries)	1,244,654	127,237	1.1
UI - Aktia EM Local Currency Bond+ - s1 (Nordic countries)	2,808,361	273,422	2.4
		400,659	3.5
Total fund units		11,251,400	99.2
OTC DERIVATIVE INSTRUMENTS			
CURRENCY FUTURES			
EUR/SEK		-3,273	0.0
SEK/EUR		17,029	0.2
		13,756	0.2
Total OTC derivative instruments		13,756	0.2
Total other financial instruments		11,265,156	99.4
Total holdings in financial instruments		11,265,156	99.4
Net, other assets and liabilities		77,576	0.6
Total fund capital		11,342,732	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.

7.9

91.5

Handelsbanken Multi Asset 100

Sustainability dimensions that are taken into consideration in the management of the fund

The fund takes ESG factors into consideration in its selection of investments, i.e., in the selection of the underlying funds. This means that the fund is focusing more of its investments to be in line with the UN's Sustainable Development Goals (SDG). We also encourage the fund managers of the underlying funds to increase investments in green bonds, for example. The fund has also invested in underlying funds with explicit impact goals. Impact investments are currently a smaller category but are expected to increase.

Methods used in sustainability efforts

Inclusion

In the evaluation of underlying funds and investments, sustainability is an individual area of assessment. When striking a balance between comparable returns and risk, we make the choice that is most sustainable. A critical evaluation factors is how well sustainability is integrated into the underlying fund. We also work actively to increase the quantitative measurability in our assessment to clarify the sustainability dimensions in the portfolio.

BlueOrchard Emerging Markets Impact Bond Fund is an interesting example. Over time, the fund will be investing in bonds from issuing bodies with a demonstrated history of performance within impact investing. This is accomplished in the investment process by assessing the issuers' "social performance". The fund also invests to some extent in green bonds. The fund contributes to several of the UN's SDGs in its investment process: No Poverty, Affordable and Clean Energy, Decent Work and Economic Growth, Reduced Inequalities, as well as Industry, Innovation and Infrastructure.

Exclusion

In accordance with the Management Company's overall policy for responsible investment, all of the Management Company's funds exclude:

- companies involved in the production or distribution of banned weapons, such as cluster bombs, anti-personnel mines, biological and chemical weapons, in accordance with international legislation. Companies involved in the production or distribution of nuclear weapons are also excluded.
- companies with substantial business operations within coal mining or in power companies that have coal as a major source of energy.

Management Company's engagement activities

We make demands in the fund that providers use their ownership influence in the underlying companies. In addition, we work actively to influence providers to make more sustainable changes to their policies, both generally and in specific funds, e.g., by excluding certain types of sectors or specific companies. The activities in 2018 have resulted in changes to a number of funds. The engagement activities also focus on contributing to the development of new products that have a higher sustainability standard.

The fund is a fund of funds, which means that we are unable to impact the underlying companies directly and work with influencing the fund providers. During 2018 we worked within this area to make it clear that we will be excluding more companies and expect providers to meet our demands by offering funds that meet our expectations. Within this work we have influenced funds as well as fund management companies to change and develop new products.



Handelsbanken Multi Asset 120

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 benchmark index. The fund invests in equity funds, fixed income funds, alternative assets and other financial instruments. Alternative assets refer to funds or other financial instruments that give exposure to commodities, real estate and other permitted exposures, in addition to equities or fixed income, with the intent of increasing the fund's diversification. The fund can invest partly in funds within Handelsbanken and partly in funds managed by other fund management companies. Depending on the market climate, 100 – 140% of the fund's assets shall be invested in equity funds or other equity-related financial instruments, 0 – 20% in fixed income funds or other interest-related financial instruments and 0 – 30% in funds and other financial instruments with alternative exposure. The fund management is adjusted within each interval based on the prevailing market conditions.

Portfolio

The fund fell 4.8% during 2018*. Concerns in the financial markets increased during the autumn. High expectations, together with a concern about the effect a weaker global economy, rising rates and the trade war would have on corporate earnings ahead explain much of the market uncertainty. The World Index fell 1.91% in SEK. A weaker SEK benefitted returns in foreign holdings. Regionally, the U.S. stock market fared best, while Japan and emerging markets posted weaker performance. Market rates in Sweden and Europe fell during the year, which led bonds to outperform fixed income investments with a shorter duration. The holdings in Aktia Emerging Bond Fund contributed positive to returns. Throughout most of the year we have had an underweight in equities relative to the benchmark index. Regionally, we decreased our holdings in

the U.S. during the autumn and instead increased holdings in Asia. During the year we continued to increase our exposure to emerging market bonds. We had a short duration in our fixed income holdings throughout the year.

*) Refer to fund statistics for comparable index.

Significant risks

As of the balance sheet date or any other time during the year, fund holdings did not have exposure to any other significant risks 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 2018. The fund has the option of lending securities. The fund did not use this option during 2018. The fund may use other techniques and instruments. The fund did not use this option during 2018.

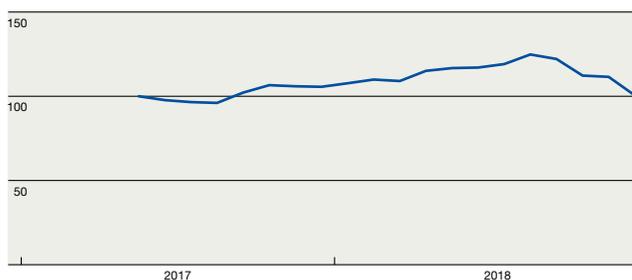
- Highest leverage during the financial year 30.6%
- Lowest leverage during the financial year 21.3%
- Average leverage during the financial year 25.3%

Information

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

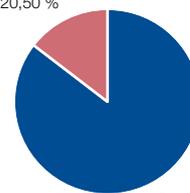
Information about employee remuneration can be found in the Appendix Remuneration policy, see the fund company website in connection with the fund as well as at the end of the overall fundreport.

Fund Performance*



Market Exposure*

Interest-bearing, including liquid assets -20,50 %



Equities, shares 120,50 %

* The fund's allocation of investments within the markets as of 31/12/2018, relative to the fund's total assets on this date.

Fund Facts - History

	2018	10/5-31/12 2017	2016	2015	2014	2013	2012	2011	2010	2009
Net asset value, SEK	100.03	105.09	-	-	-	-	-	-	-	-
The fund's total net flow, mSEK	308	151	-	-	-	-	-	-	-	-
Fund capital, mSEK	412	154	-	-	-	-	-	-	-	-
Number of units, 1000's	4,119	1,461	-	-	-	-	-	-	-	-
Total returns in %, SEK	-4.8	+5.1	-	-	-	-	-	-	-	-
Index including dividends in %, SEK	-3.2	+2.5	-	-	-	-	-	-	-	-

Benchmark: VINX Benchmark Cap SEK_NI 60%, OMRXTBILL -20%, MSCI All Country World Index Net 60%

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

Fund Facts - Costs

Max. allowed mgmt. costs in % according to fund rules	1.60
Collected mgmt. costs in % of average fund capital	1.60
Annual fees in %	1.68
Transaction costs, tSEK	65
Transaction costs in % of turnover	0.00
Costs in SEK for a one-time subscription, 10 000 SEK	171.74
Costs in SEK for monthly savings, 100 SEK	10.60

Fund Facts - Other Key Figures

Turnover rate	0.3
Share of turnover conducted via closely-related securities companies in %	2.4

Handelsbanken Multi Asset 120, cont.

Risk and Return Measurements*

Forecasted total risk	13.0
* 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, tSEK

	2018	10/5-31/12 2017
INCOME AND CHANGES IN VALUE		
Changes in value for other derivative instruments *	-11,591	1,124
Changes in value for fund units **	-40,504	2,289
Interest income	31	2
Currency exchange profits and losses, net	3,609	-350
Other financial income	4,307	474
Other income	0	0
Total income and changes in value	-44,148	3,539
EXPENSES		
Management costs:		
- Remuneration to the Management Company	5,202	584
Interest expense	16	3
Other expenses	65	11
Total expenses	5,283	598
Net income	-49,431	2,941
* Details of changes in value		
Capital gains	71,298	6,179
Capital losses	-82,889	-5,055
Unrealised gains/losses	0	-
Sum	-11,591	1,124
** Details of changes in value		
Capital gains	3,051	195
Capital losses	-2,633	-15
Unrealised gains/losses	-40,922	2,109
Sum	-40,504	2,289

Balance Sheet, tSEK

	31 dec 2018	% of fund capital	31 dec 2017	% of fund capital
ASSETS				
OTC derivative instruments with positive market value	606	0.2	16	0.0
Fund units	392,699	95.3	139,670	90.9
Total financial instruments with positive market value ^{Note 2)}	393,305	95.5	139,686	90.9
Bank assets and other liquid assets	17,937	4.4	8,687	5.7
Prepaid expenses and accrued income	493	0.1	83	0.1
Other assets	3,904	0.9	5,724	3.7
Total assets	415,639	100.9	154,180	100.4
LIABILITIES				
OTC derivative instruments with negative market value	1,592	0.4	348	0.2
Total financial instruments with negative market value ^{Note 2)}	1,592	0.4	348	0.2
Accrued expenses and prepaid income	581	0.1	114	0.1
Other liabilities	1,464	0.4	136	0.1
Total liabilities	3,637	0.9	598	0.4
Fund capital ^{Note 1)}	412,002	100.0	153,582	100.0
Other derivative instruments with negative market value	8,031	1.9	1,660	1.1

Note 1) for Balance Sheet

Changes in fund capital, tSEK

	2018	2017
Fund capital at beginning of year	153,582	-
Units issued	471,960	172,497
Units redeemed	-164,109	-21,856
Profit according to Income Statement	-49,431	2,941
Dividends to unit holders	-	-
Fund capital at the close of the period	412,002	153,582

Note 2) for Balance Sheet

Fund holdings in financial instruments

EXCHANGE-TRADED DERIVATIVES**

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
STOCK INDEX FUTURES			
E-mini S&P MARS 2019	54	0	0.0
EURO STOXX 50 Mar18	15	0	0.0
FXXP	48	0	0.0
OBXF	101	0	0.0
OMXESG9A	269	0	0.0
Total stock index futures		0	0.0
Total exchange-traded derivatives		0	0.0

OTHER FINANCIAL INSTRUMENTS***

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
FUND UNITS			
EQUITY FUNDS			
Fidelity First ESG AC World-SEK (Europe)	751,030	7,600	1.8
Handelsbanken Amerika Småbolag Tema (A1 SEK) (Nordic countries)	28,034	20,371	4.9
Handelsbanken Amerika Tema (A1 SEK) (USA)	48,193	39,239	9.5
Handelsbanken Asien Tema (A1 SEK) (Asia)	38,141	22,080	5.4
Handelsbanken Europa Tema (A1 SEK) (Europe)	50,215	17,518	4.3
Handelsbanken Europafond Index (A1 SEK) (Europe)	26,969	2,775	0.7
Handelsbanken Hållbar Energi (A1 SEK) (Rest of the world)	84,231	12,018	2.9
Handelsbanken Japan Tema (A1 SEK) (Asia)	255,608	18,122	4.4
Handelsbanken Norden Selektiv (A1 SEK) (Nordic countries)	121,569	40,800	9.9
Handelsbanken Nordenfond (A1 SEK) (Nordic countries)	72,347	75,766	18.4
Handelsbanken Nordiska Småbolag (A1 SEK) (Nordic countries)	77,649	75,088	18.2
Handelsbanken Tillväxtmarknad Tema (A1 SEK) (Rest of the world)	66,990	19,329	4.7
Handelsbanken USA Index (A1 SEK) (USA)	360	114	0.0
JPM Europe Small Cap I Acc EUR (Europe)	4,701	9,511	2.3
UBS Equity Sicav USA Growth (USA)	20,498	6,023	1.5
		366,354	88.9
LISTED EQUITY FUNDS**			
XACT Norden 30 (Nordic countries)	111,420	11,772	2.9
		11,772	2.9
FIXED INCOME FUNDS			
Handelsbanken Råntestategi Criteria (A1 SEK) (Nordic countries)	45,505	4,652	1.1
Ul - Aktia EM Local Currency Bond+ - s1 (Nordic countries)	101,898	9,921	2.4
		14,573	3.5
Total fund units		392,699	95.3

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
OTC DERIVATIVE INSTRUMENTS			
CURRENCY FUTURES			
EUR/SEK		-307	-0.1
SEK/EUR		606	0.1
USD/SEK		-1,286	-0.3
		-986	-0.2
Total OTC derivative instruments		-986	-0.2
Total other financial instruments		391,713	95.1
Total holdings in financial instruments		391,713	95.1
Net, other assets and liabilities		20,289	4.9
Total fund capital		412,002	100.0

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

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*** Refers to other financial instruments.

Handelsbanken Multi Asset 120

Sustainability dimensions that are taken into consideration in the management of the fund

The fund takes ESG factors into consideration in its selection of investments, i.e., in the selection of the underlying funds. This means that the fund is focusing more of its investments to be in line with the UN's Sustainable Development Goals (SDG). We also encourage the fund managers of the underlying funds to increase investments in green bonds, for example. The fund has also invested in underlying funds with explicit impact goals. Impact investments are currently a smaller category but are expected to increase.

Methods used in sustainability efforts

Inclusion

In the evaluation of underlying funds and investments, sustainability is an individual area of assessment. When striking a balance between comparable returns and risk, we make the choice that is most sustainable. A critical evaluation factors is how well sustainability is integrated into the underlying fund. We also work actively to increase the quantitative measurability in our assessment to clarify the sustainability dimensions in the portfolio.

BlueOrchard Emerging Markets Impact Bond Fund is an interesting example. Over time, the fund will be investing in bonds from issuing bodies with a demonstrated history of performance within impact investing. This is accomplished in the investment process by assessing the issuers' "social performance". The fund also invests to some extent in green bonds. The fund contributes to several of the UN's SDGs in its investment process: No Poverty, Affordable and Clean Energy, Decent Work and Economic Growth, Reduced Inequalities, as well as Industry, Innovation and Infrastructure.

Exclusion

In accordance with the Management Company's overall policy for responsible investment, all of the Management Company's funds exclude:

- companies involved in the production or distribution of banned weapons, such as cluster bombs, anti-personnel mines, biological and chemical weapons, in accordance with international legislation. Companies involved in the production or distribution of nuclear weapons are also excluded.
- companies with substantial business operations within coal mining or in power companies that have coal as a major source of energy.

Management Company's engagement activities

We make demands in the fund that providers use their ownership influence in the underlying companies. In addition, we work actively to influence providers to make more sustainable changes to their policies, both generally and in specific funds, e.g., by excluding certain types of sectors or specific companies. The activities in 2018 have resulted in changes to a number of funds. The engagement activities also focus on contributing to the development of new products that have a higher sustainability standard.

The fund is a fund of funds, which means that we are unable to impact the underlying companies directly and work with influencing the fund providers. During 2018 we worked within this area to make it clear that we will be excluding more companies and expect providers to meet our demands by offering funds that meet our expectations. Within this work we have influenced funds as well as fund management companies to change and develop new products.



The fund's base currency

Handelsbanken Pension 50 Aktiv

Management Report

Investment Focus

The fund is primarily tailored for pension savings for investors born in the 1950s. The objective of the fund is to achieve good returns, while gradually lowering risk up to the time of retirement. We gradually decrease the proportion of equities and increase the proportion of interest-bearing securities until retirement age. 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 benchmark index. The fund invests in Swedish fixed income funds as well as in Nordic and global equity funds without being limited by branch or geographic segments. The fund invests in funds within Handelsbanken, as well as in fund's that are managed by other fund management companies.

Portfolio

The fund fell 1.9% during 2018*. Concerns in the financial markets increased during the autumn. High expectations, together with a concern about the effect a weaker global economy, rising rates and the trade war would have on corporate earnings ahead explain much of the market uncertainty. The World Index fell 1.91% in SEK. A weaker SEK benefitted returns in foreign holdings. Regionally, the U.S. stock market fared best, while Japan and emerging markets posted weaker performance. Market rates in Sweden and Europe fell during the year, which led bonds to outperform fixed income investments with a shorter duration. The holdings in Aktia Emerging Bond Fund contributed positive to returns. Absolute yielding fixed income funds posted slightly weak performance during the year. Throughout most of the year we have had an underweight in equities relative to the benchmark index. Regionally, we decreased our holdings in the U.S. during the autumn and instead increased holdings in Asia. We continued to increase our exposure to emerging market bonds and under during the autumn we purchased

holdings in the Blue Orchard Emerging Markets Impact Bond Fund, which invests in sustainable economic, social and environmental development in emerging markets. We had a short duration in our fixed income holdings during the year.

*) Refer to fund statistics for comparable index.

Significant risks

As of the balance sheet date or any other time during the year, fund holdings did not have exposure to any other significant risks 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 2018. The fund has the option of lending securities. The fund did not use this option during 2018. The fund may use other techniques and instruments. The fund did not use this option during 2018.

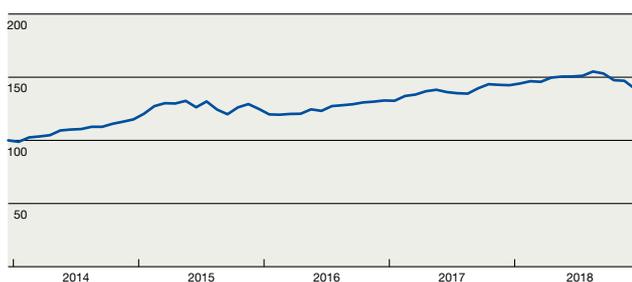
Information

The fund's historical performance prior to the launch date is attributed to the merger between Placeringsfonden Handelsbanken Pension 50 Aktiv (Finland) and Handelsbanken Pension 50 Aktiv (Sweden) that occurred on September 12, 2014.

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

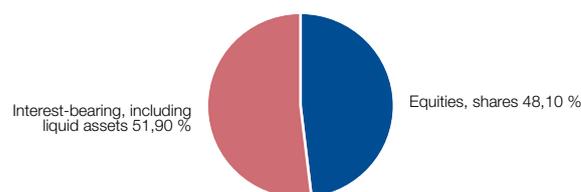
Information about employee remuneration can be found in the Appendix Remuneration policy, see the fund company website in connection with the fund as well as at the end of the overall fundreport.

Fund Performance*



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

Market Exposure*



* The fund's allocation of investments within the markets as of 31/12/2018, relative to the fund's total assets on this date.

Fund Facts - History

	2018	2017	2016	2015	12/9-31/12 2014	2013	2012	2011	2010	2009
Net asset value, SEK	186.70	190.38	174.35	165.52	154.53	-	-	-	-	-
The fund's total net flow, mSEK	392	186	115	199	42	-	-	-	-	-
Fund capital, mSEK	2,217	1,883	1,549	1,355	1,081	-	-	-	-	-
Number of units, 1000's	11,873	9,890	8,886	8,189	6,995	-	-	-	-	-
Total returns in %, SEK	-1.9	+9.2	+5.3	+7.1	+16.6	+17.6	+11.6	-10.6	+10.7	+25.6
Index including dividends in %, SEK	-1.1	+6.7	+7.5	+5.5	+16.7	+16.2	+9.8	-6.8	+10.0	+21.7
Average yearly return, 2 yrs. %	+3.5	+7.2	+6.2	+11.8	+17.1	+14.5	-0.2	-0.6	+17.9	-5.8
Comparison to index including dividends, %	+2.7	+7.1	+6.5	+11.0	+16.4	+12.9	+1.2	+1.3	+15.7	-4.9
Average yearly return, 5 yrs. %	+7.1	+11.1	+11.5	+7.9	+8.6	+10.3	-0.4	-1.6	+2.2	-
Comparison to index including dividends, %	+6.9	+10.4	+11.0	+7.9	+8.8	+9.7	+0.4	-0.3	+2.6	-
Average yearly return, 10 yrs. %	+8.7	+5.2	+4.8	+5.0	-	-	-	-	-	-
Comparison to index including dividends, %	+8.3	+5.3	+5.2	+5.2	-	-	-	-	-	-

Benchmark: HMNI Sve All Government Dur Const 6Y (HMSD6) 15.75%, HMNI Sve All Mortgage Dur Const 2.5Y (HMSMD25) 6.75%, VINX Benchmark Cap SEK_NI 27.5%, OMRXTBILL 22.5%, MSCI All Country World Index Net 27.5%

Up to 31/12/2016: HMNI Sve All Government Dur Const 6Y (HMSD6) 13.1%, HMNI Sve All Mortgage Dur Const 2.5Y (HMSMD25) 5.6%, VINX Benchmark Cap SEK_NI 31.3%, OMRXTBILL 18.7%, MSCI All Country World Index Net 31.3%

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.

Handelsbanken Pension 50 Aktiv, cont.

Fund Facts - Costs

Max. allowed mgmt. costs in % according to fund rules	1.25
Collected mgmt. costs in % of average fund capital	1.25
Annual fees in %	1.29
Transaction costs, tSEK	122
Transaction costs in % of turnover	0.00
Costs in SEK for a one-time subscription, 10 000 SEK	128.98
Costs in SEK for monthly savings, 100 SEK	8.18

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

Fund Facts - Other Key Figures

Turnover rate	0.3
Share of turnover conducted via closely-related securities companies in %	2.0

Risk and Return Measurements*

Total risk %	6.2	Information ratio	0.8
Total risk in index %	5.8	Sharpe ratio	0.7
Tracking error %	1.0	Sharpe ratio in index	0.6

Benchmark	HMNI Swe All Government Dur Const 6Y (HMSD6) 15,75%, HMNI Swe All Mortgage Dur Const 2.5Y (HMSMD25) 6,75%, VINX Benchmark Cap SEK_NI 27,5%, OMRXTBILL 22,5%, MSCI All Country World Index Net 27,5%
Active return %	0.8

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

Income Statement, tSEK

	2018	2017
INCOME AND CHANGES IN VALUE		
Changes in value for other derivative instruments *	-6,377	22,327
Changes in value for fund units **	-52,413	126,289
Interest income	-199	-110
Dividends	2,159	4,786
Currency exchange profits and losses, net	8,207	1,170
Other financial income	17,587	15,151
Other income	0	0
Total income and changes in value	-31,036	169,613
EXPENSES		
Management costs:		
- Remuneration to the Management Company	26,572	21,434
Interest expense	6	23
Other expenses	122	246
Total expenses	26,700	21,703
Net income	-57,736	147,910

* Details of changes in value

Capital gains	98,538	100,817
Capital losses	-104,915	-78,490
Unrealised gains/losses	-	0
Sum	-6,377	22,327

** Details of changes in value

Capital gains	108,028	95,238
Capital losses	-2,066	-1,368
Unrealised gains/losses	-158,375	32,419
Sum	-52,413	126,289

Balance Sheet, tSEK

	31 dec 2018	% of fund capital	31 dec 2017	% of fund capital
ASSETS				
OTC derivative instruments with positive market value	4,914	0.2	1,301	0.1
Fund units	2,170,401	97.9	1,853,513	98.4
Total financial instruments with positive market value (Note 2)	2,175,315	98.1	1,854,814	98.5
Bank assets and other liquid assets	52,014	2.4	29,742	1.6
Prepaid expenses and accrued income	1,559	0.1	698	0.0
Other assets	3,081	0.0	1,722	0.2
Total assets	2,231,969	100.7	1,886,976	100.3
LIABILITIES				
OTC derivative instruments with negative market value	-	-	12	0.0
Total financial instruments with negative market value (Note 2)	-	-	12	0.0
Accrued expenses and prepaid income	2,395	0.1	1,164	0.1
Other liabilities	12,836	0.6	2,834	0.2
Total liabilities	15,231	0.7	4,010	0.3
Fund capital (Note 1)	2,216,738	100.0	1,882,966	100.0
Other derivative instruments with negative market value	4,226	0.2	6,292	0.3

Note 1) for Balance Sheet

Changes in fund capital, tSEK

	2018	2017
Fund capital at beginning of year	1,882,966	1,549,282
Units issued	570,307	306,878
Units redeemed	-178,799	-121,104
Profit according to Income Statement	-57,736	147,910
Dividends to unit holders	-	-
Fund capital at the close of the period	2,216,738	1,882,966

Note 2) for Balance Sheet

Fund holdings in financial instruments

EXCHANGE-TRADED DERIVATIVES**

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
STOCK INDEX FUTURES			
E-mini S&P MARS 2019	18	0	0.0
EURO STOXX 50 Mar18	-71	0	0.0
Total stock index futures		0	0.0

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
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INTEREST RATE FUTURES

RXH9	-64	0	0.0
Total interest rate futures		0	0.0
Total exchange-traded derivatives		0	0.0

OTHER FINANCIAL INSTRUMENTS***

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
FUND UNITS			
EQUITY FUNDS			
Fidelity First ESG AC World-SEK (Europe)	1,580,221	15,992	0.7
Handelsbanken Amerika Småbolag Tema (A1 SEK) (Nordic countries)	97,173	70,611	3.2
Handelsbanken Amerika Tema (A1 SEK) (USA)	116,328	94,714	4.3
Handelsbanken Asien Tema (A1 SEK) (Asia)	147,293	85,270	3.8
Handelsbanken Europa Tema (A1 SEK) (Europe)	160,199	55,888	2.5
Handelsbanken Europafond Index (A1 SEK) (Europe)	229,847	23,649	1.1
Handelsbanken Hållbar Energi (A1 SEK) (Rest of the world)	188,226	26,856	1.2
Handelsbanken Japan Tema (A1 SEK) (Asia)	531,857	37,707	1.7
Handelsbanken Norden Selektiv (A1 SEK) (Nordic countries)	166,084	55,740	2.5
Handelsbanken Nordenfond (A1 SEK) (Nordic countries)	290,514	304,241	13.7
Handelsbanken Nordiska Småbolag (A1 SEK) (Nordic countries)	100,215	96,910	4.4
Handelsbanken Norge (A1 SEK) (Nordic countries)	4,565	4,944	0.2
Handelsbanken Tillväxtmarknad Tema (A1 SEK) (Rest of the world)	64,668	18,659	0.8
Handelsbanken USA Index (A1 SEK) (USA)	154,719	49,016	2.2
Handelsinvest Danmark Engros AK (Nordic countries)	69,500	7,202	0.3
JPM Europe Small Cap I Acc EUR (Europe)	10,648	21,541	1.0
UBS Equity Sicav USA Growth (USA)	105,854	31,102	1.4
		1,000,042	45.1

Handelsbanken Pension 50 Aktiv, cont.

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
LISTED EQUITY FUNDS**			
XACT Norden 30 (Nordic countries)	609,100	64,355	2.9
		64,355	2.9
FIXED INCOME FUNDS			
BlueOrchard Ucits EM Sdg Impact Bd Fd S (Nordic countries)	212,505	21,108	1.0
Handelsbanken Företagsobligation (A1 SEK) (Nordic countries)	603,583	77,671	3.5
Handelsbanken Företagsobligation (B5 SEK) (Nordic countries)	1,129	123	0.0
Handelsbanken Företagsobligation IG Criteri a (A1 SEK) (Nordic countries)	1,696,842	170,765	7.7
Handelsbanken Høyrente (A1 NOK) (Nordic countries)	462,163	52,614	2.4
Handelsbanken Institutionell Kortränta Criteri a (A1 SEK) (Nordic countries)	1,548,515	154,821	7.0
Handelsbanken Långränta Criteria (A1 SEK) (Nordic countries)	115,489	13,476	0.6
Handelsbanken Ränteavkastning Criteria (A1 SEK) (Nordic countries)	70,084	133,334	6.0
Handelsbanken Räntestrategi Criteria (A1 SE K) (Nordic countries)	3,347,605	342,215	15.4
Handelsbanken Räntestrategi Plus Criteria (A 7 SEK) (Nordic countries)	12,296	1,221	0.1
UI - Aktia EM Local Currency Bond+ - s1 (Nordic countries)	1,424,169	138,657	6.3
		1,106,004	49.9
Total fund units		2,170,401	97.9
	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
OTC DERIVATIVE INSTRUMENTS			
CURRENCY FUTURES			
SEK/EUR		2,960	0.1
SEK/NOK		1,852	0.1
USD/SEK		102	0.0
		4,914	0.2
Total OTC derivative instruments		4,914	0.2
Total other financial instruments		2,175,315	98.1
Total holdings in financial instruments		2,175,315	98.1
Net, other assets and liabilities		41,423	1.9
Total fund capital		2,216,738	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.

2.9
95.2

Handelsbanken Pension 50 Aktiv

Sustainability dimensions that are taken into consideration in the management of the fund

The fund takes ESG factors into consideration in its selection of investments, i.e., in the selection of the underlying funds. This means that the fund is focusing more of its investments to be in line with the UN's Sustainable Development Goals (SDG). We also encourage the fund managers of the underlying funds to increase investments in green bonds, for example. The fund has also invested in underlying funds with explicit impact goals. Impact investments are currently a smaller category but are expected to increase.

Methods used in sustainability efforts

Inclusion

In the evaluation of underlying funds and investments, sustainability is an individual area of assessment. When striking a balance between comparable returns and risk, we make the choice that is most sustainable. A critical evaluation factors is how well sustainability is integrated into the underlying fund. We also work actively to increase the quantitative measurability in our assessment to clarify the sustainability dimensions in the portfolio.

BlueOrchard Emerging Markets Impact Bond Fund is an interesting example. Over time, the fund will be investing in bonds from issuing bodies with a demonstrated history of performance within impact investing. This is accomplished in the investment process by assessing the issuers' "social performance". The fund also invests to some extent in green bonds. The fund contributes to several of the UN's SDGs in its investment process: No Poverty, Affordable and Clean Energy, Decent Work and Economic Growth, Reduced Inequalities, as well as Industry, Innovation and Infrastructure.

Exclusion

In accordance with the Management Company's overall policy for responsible investment, all of the Management Company's funds exclude:

- companies involved in the production or distribution of banned weapons, such as cluster bombs, anti-personnel mines, biological and chemical weapons, in accordance with international legislation. Companies involved in the production or distribution of nuclear weapons are also excluded.
- companies with substantial business operations within coal mining or in power companies that have coal as a major source of energy.

Management Company's engagement activities

We make demands in the fund that providers use their ownership influence in the underlying companies. In addition, we work actively to influence providers to make more sustainable changes to their policies, both generally and in specific funds, e.g., by excluding certain types of sectors or specific companies. The activities in 2018 have resulted in changes to a number of funds. The engagement activities also focus on contributing to the development of new products that have a higher sustainability standard.

The fund is a fund of funds, which means that we are unable to impact the underlying companies directly and work with influencing the fund providers. During 2018 we worked within this area to make it clear that we will be excluding more companies and expect providers to meet our demands by offering funds that meet our expectations. Within this work we have influenced funds as well as fund management companies to change and develop new products.



Handelsbanken Pension 60 Aktiv

Management Report

Investment Focus

The fund is primarily tailored for pension savings for investors born in the 1960s. The objective of the fund is to achieve good returns, while gradually lowering risk up to the time of retirement. We gradually decrease the proportion of equities and increase the proportion of interest-bearing securities until retirement age. 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 benchmark index. The fund invests in Swedish fixed income funds as well as in Nordic and global equity funds without being limited by branch or geographic segments. The fund invests in funds within Handelsbanken, as well as in funds that are managed by other fund management companies.

Portfolio

The fund fell 3.0% during 2018*. Concerns in the financial markets increased during the autumn. High expectations, together with a concern about the effect a weaker global economy, rising rates and the trade war would have on corporate earnings ahead explain much of the market uncertainty. The World Index fell 1.91% in SEK. A weaker SEK benefitted returns in foreign holdings. Regionally, the U.S. stock market fared best, while Japan and emerging markets posted weaker performance. Market rates in Sweden and Europe fell during the year, which led bonds to outperform fixed income investments with a shorter duration. The holdings in Aktia Emerging Bond Fund contributed positive to returns. Absolute yielding fixed income funds posted slightly weak performance during the year. Throughout most of the year we have had an underweight in equities relative to the benchmark index. Regionally, we decreased our holdings in the U.S. during the autumn and instead increased holdings in Asia. We continued to increase our exposure to emerging market bonds and under during the autumn we purchased

holdings in the Blue Orchard Emerging Markets Impact Bond Fund, which invests in sustainable economic, social and environmental development in emerging markets. We had a short duration in our fixed income holdings during the year.

*) Refer to fund statistics for comparable index.

Significant risks

As of the balance sheet date or any other time during the year, fund holdings did not have exposure to any other significant risks 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 2018. The fund has the option of lending securities. The fund did not use this option during 2018. The fund may use other techniques and instruments. The fund did not use this option during 2018.

Information

The fund's historical performance prior to the launch date is attributed to the merger between Placeringsfonden Handelsbanken Pension 60 Aktiv (Finland) and Handelsbanken Pension 60 Aktiv (Sweden) that occurred on September 12, 2014.

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

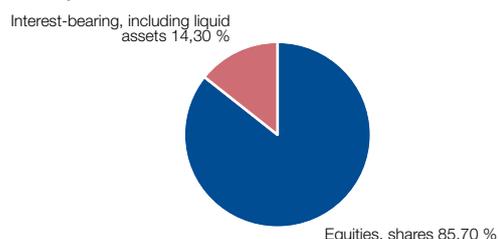
Information about employee remuneration can be found in the Appendix Remuneration policy, see the fund company website in connection with the fund as well as at the end of the overall fundreport.

Fund Performance*



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

Market Exposure*



* The fund's allocation of investments within the markets as of 31/12/2018, relative to the fund's total assets on this date.

Fund Facts - History

	2018	2017	2016	2015	12/9-31/12 2014	2013	2012	2011	2010	2009
Net asset value, SEK	222.05	228.86	200.64	184.22	165.80	-	-	-	-	-
The fund's total net flow, mSEK	824	455	309	348	73	-	-	-	-	-
Fund capital, mSEK	4,803	4,176	3,241	2,666	2,088	-	-	-	-	-
Number of units, 1000's	21,629	18,247	16,155	14,472	12,593	-	-	-	-	-
Total returns in %, SEK	-3.0	+14.1	+8.9	+11.1	+20.8	+23.7	+14.8	-14.2	+13.7	+33.5
Index including dividends in %, SEK	-2.3	+11.6	+11.5	+8.4	+22.0	+23.8	+13.2	-11.2	+12.8	+28.8
Average yearly return, 2 yrs. %	+5.2	+11.5	+10.0	+15.8	+22.2	+19.2	-0.8	-1.2	+23.2	-9.2
Comparison to index including dividends, %	+4.4	+11.6	+9.9	+15.0	+22.9	+18.4	+0.3	+0.1	+20.5	-9.0
Average yearly return, 5 yrs. %	+10.1	+15.6	+15.7	+10.3	+10.8	+13.1	-1.6	-3.0	+2.0	-
Comparison to index including dividends, %	+10.0	+15.3	+15.6	+10.5	+11.4	+12.6	-1.3	-2.3	+2.4	-
Average yearly return, 10 yrs. %	+11.6	+6.7	+5.9	+6.1	-	-	-	-	-	-
Comparison to index including dividends, %	+11.3	+6.7	+6.3	+6.3	-	-	-	-	-	-

Benchmark: HMNI Sve All Government Dur Const 6Y (HMSD6) 15,75%, HMNI Sve All Mortgage Dur Const 2.5Y (HMSMD25) 6,75%, VINX Benchmark Cap SEK_NI 27,5%, OMRXTBILL 22,5%, MSCI All Country World Index Net 27,5%

Up to 31/12/2016: VINX Benchmark Cap SEK_NI 50%, MSCI All Country World Index Net 50%.

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

Handelsbanken Pension 60 Aktiv, cont.

Fund Facts - Costs

Max. allowed mgmt. costs in % according to fund rules	1.25
Collected mgmt. costs in % of average fund capital	1.25
Annual fees in %	1.29
Transaction costs, tSEK	271
Transaction costs in % of turnover	0.00
Costs in SEK for a one-time subscription, 10 000 SEK	132.04
Costs in SEK for monthly savings, 100 SEK	8.24

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

Fund Facts - Other Key Figures

Turnover rate	0.2
Share of turnover conducted via closely-related securities companies in %	2.8

Risk and Return Measurements*

Total risk %	10.2	Information ratio	0.6
Total risk in index %	9.8	Sharpe ratio	0.6
Tracking error %	1.2	Sharpe ratio in index	0.5
Benchmark	HMNI Swe All Government Dur Const 6Y (HMSD6) 15,75%, HMNI Swe All Mortgage Dur Const 2.5Y (HMSMD25) 6,75%, VINX Benchmark Cap SEK_NI 27,5%, OMRXTBILL 22,5%, MSCI All Country World Index Net 27,5%		
Active return %	0.8		

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

Income Statement, tSEK

	2018	2017
INCOME AND CHANGES IN VALUE		
Changes in value for other derivative instruments *	-14,997	32,580
Changes in value for fund units **	-200,891	452,386
Interest income	-479	-124
Dividends	3,612	175
Currency exchange profits and losses, net	21,726	-2,441
Other financial income	54,658	44,553
Other income	0	0
Total income and changes in value	-136,371	527,129
EXPENSES		
Management costs:		
- Remuneration to the Management Company	60,131	46,767
Interest expense	59	151
Other expenses	271	501
Total expenses	60,461	47,419
Net income	-196,832	479,710

* Details of changes in value

Capital gains	215,552	183,671
Capital losses	-230,549	-151,091
Unrealised gains/losses	-	0
Sum	-14,997	32,580

** Details of changes in value

Capital gains	260,817	157,784
Capital losses	-924	-1,057
Unrealised gains/losses	-460,784	295,659
Sum	-200,891	452,386

Balance Sheet, tSEK

	31 dec 2018	% of fund capital	31 dec 2017	% of fund capital
ASSETS				
OTC derivative instruments with positive market value	7,959	0.2	730	0.0
Fund units	4,694,320	97.7	4,106,996	98.4
Total financial instruments with positive market value (Note 2)	4,702,279	97.9	4,107,726	98.4
Bank assets and other liquid assets	99,497	2.1	66,496	1.6
Prepaid expenses and accrued income	4,809	0.1	2,069	0.1
Other assets	9,183	0.2	2,898	0.0
Total assets	4,815,768	100.3	4,179,189	100.1
LIABILITIES				
OTC derivative instruments with negative market value	-	-	28	0.0
Total financial instruments with negative market value (Note 2)	-	-	28	0.0
Accrued expenses and prepaid income	5,245	0.1	2,589	0.1
Other liabilities	7,737	0.2	559	0.0
Total liabilities	12,982	0.3	3,176	0.1
Fund capital (Note 1)	4,802,786	100.0	4,176,013	100.0
Secured collateral for OTC derivative instruments	5,492	0.1	-	-
Other derivative instruments with negative market value	6,968	0.1	13,895	0.3

Note 1) for Balance Sheet

Changes in fund capital, tSEK

	2018	2017
Fund capital at beginning of year	4,176,013	3,241,292
Units issued	1,095,789	585,771
Units redeemed	-272,184	-130,760
Profit according to Income Statement	-196,832	479,710
Dividends to unit holders	-	-
Fund capital at the close of the period	4,802,786	4,176,013

Note 2) for Balance Sheet

Fund holdings in financial instruments

EXCHANGE-TRADED DERIVATIVES**

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
STOCK INDEX FUTURES			
EURO STOXX 50 Mar18	-159	0	0.0
Total stock index futures		0	0.0

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
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INTEREST RATE FUTURES

RXH9	-143	0	0.0
Total interest rate futures		0	0.0
Total exchange-traded derivatives		0	0.0

OTHER FINANCIAL INSTRUMENTS***

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
FUND UNITS			
EQUITY FUNDS			
Fidelity First ESG AC World-SEK (Europe)	6,085,780	61,588	1.3
Handelsbanken Amerika Småbolag Tema (A1 SEK) (Nordic countries)	376,163	273,339	5.7
Handelsbanken Amerika Tema (A1 SEK) (USA)	447,331	364,216	7.6
Handelsbanken Asien Tema (A1 SEK) (Asia)	383,173	221,826	4.6
Handelsbanken Europa Tema (A1 SEK) (Europe)	626,196	218,459	4.5
Handelsbanken Europafond Index (A1 SEK) (Europe)	904,910	93,107	1.9
Handelsbanken Hållbar Energi (A1 SEK) (Rest of the world)	705,982	100,730	2.1
Handelsbanken Japan Tema (A1 SEK) (Asia)	2,088,661	148,079	3.1
Handelsbanken Norden Selektiv (A1 SEK) (Nordic countries)	919,898	308,730	6.4
Handelsbanken Nordenfond (A1 SEK) (Nordic countries)	822,712	861,587	17.9
Handelsbanken Nordiska Småbolag (A1 SEK) (Nordic countries)	543,088	525,177	10.9
Handelsbanken Norge (A1 SEK) (Nordic countries)	12,005	13,001	0.3
Handelsbanken Tillväxtmarknad Tema (A1 SEK) (Rest of the world)	480,630	138,677	2.9
Handelsbanken USA Index (A1 SEK) (USA)	852,407	270,049	5.6
Handelsinvest Danmark Engros AK (Nordic countries)	203,828	21,122	0.4
JPM Europe Small Cap I Acc EUR (Europe)	43,352	87,703	1.8
SHB Forobl Inv Grade Cri Utd Reinvs SEK (Nordic countries)	652	65	0.0

Handelsbanken Pension 60 Aktiv, cont.

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
UBS Equity Sicav USA Growth (USA)	241,034	70,819	1.5
		3,778,274	78.7
LISTED EQUITY FUNDS**			
XACT Norden 30 (Nordic countries)	3,561,548	376,299	7.8
		376,299	7.8
FIXED INCOME FUNDS			
BlueOrchard Ucits EM Sdg Impact Bd Fd S (Nordic countries)	108,795	10,807	0.2
Handelsbanken Företagsobligation IG Criteri a (A1 SEK) (Nordic countries)	2,726	274	0.0
Handelsbanken Høyrente (A1 NOK) (Nordic countries)	235,175	26,773	0.6
Handelsbanken Kortränta (A1 SEK) (Nordic countries)	46	7	0.0
Handelsbanken Kortränta Criteria (A1 SEK) (Nordic countries)	9,331	972	0.0
Handelsbanken Långränta Criteria (A1 SEK) (Nordic countries)	253,878	29,625	0.6
Handelsbanken Ränteavkastning Criteria (A1 SEK) (Nordic countries)	44,634	84,916	1.8
Handelsbanken Räntestrategi Criteria (A1 SE K) (Nordic countries)	1,103,027	112,759	2.3
UI - Aktia EM Local Currency Bond+ - s1 (Nordic countries)	2,810,351	273,616	5.7
		539,747	11.2
Total fund units		4,694,320	97.7
	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
OTC DERIVATIVE INSTRUMENTS			
CURRENCY FUTURES			
SEK/EUR		6,812	0.1
SEK/NOK		942	0.0
USD/SEK		205	0.0
		7,959	0.2
Total OTC derivative instruments		7,959	0.2
Total other financial instruments		4,702,279	97.9
Total holdings in financial instruments		4,702,279	97.9
Net, other assets and liabilities		100,507	2.1
Total fund capital		4,802,786	100.0

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

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

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

*** Refers to other financial instruments.

Handelsbanken Pension 60 Aktiv

Sustainability dimensions that are taken into consideration in the management of the fund

The fund takes ESG factors into consideration in its selection of investments, i.e., in the selection of the underlying funds. This means that the fund is focusing more of its investments to be in line with the UN's Sustainable Development Goals (SDG). We also encourage the fund managers of the underlying funds to increase investments in green bonds, for example. The fund has also invested in underlying funds with explicit impact goals. Impact investments are currently a smaller category but are expected to increase.

Methods used in sustainability efforts

Inclusion

In the evaluation of underlying funds and investments, sustainability is an individual area of assessment. When striking a balance between comparable returns and risk, we make the choice that is most sustainable. A critical evaluation factors is how well sustainability is integrated into the underlying fund. We also work actively to increase the quantitative measurability in our assessment to clarify the sustainability dimensions in the portfolio.

BlueOrchard Emerging Markets Impact Bond Fund is an interesting example. Over time, the fund will be investing in bonds from issuing bodies with a demonstrated history of performance within impact investing. This is accomplished in the investment process by assessing the issuers' "social performance". The fund also invests to some extent in green bonds. The fund contributes to several of the UN's SDGs in its investment process: No Poverty, Affordable and Clean Energy, Decent Work and Economic Growth, Reduced Inequalities, as well as Industry, Innovation and Infrastructure.

Exclusion

In accordance with the Management Company's overall policy for responsible investment, all of the Management Company's funds exclude:

- companies involved in the production or distribution of banned weapons, such as cluster bombs, anti-personnel mines, biological and chemical weapons, in accordance with international legislation. Companies involved in the production or distribution of nuclear weapons are also excluded.
- companies with substantial business operations within coal mining or in power companies that have coal as a major source of energy.

Management Company's engagement activities

We make demands in the fund that providers use their ownership influence in the underlying companies. In addition, we work actively to influence providers to make more sustainable changes to their policies, both generally and in specific funds, e.g., by excluding certain types of sectors or specific companies. The activities in 2018 have resulted in changes to a number of funds. The engagement activities also focus on contributing to the development of new products that have a higher sustainability standard.

The fund is a fund of funds, which means that we are unable to impact the underlying companies directly and work with influencing the fund providers. During 2018 we worked within this area to make it clear that we will be excluding more companies and expect providers to meet our demands by offering funds that meet our expectations. Within this work we have influenced funds as well as fund management companies to change and develop new products.



Handelsbanken Pension 70 Aktiv

Management Report

Investment Focus

The fund is primarily tailored for pension savings for investors born in the 1970s. The objective of the fund is to achieve good returns, while gradually lowering risk up to the time of retirement. We gradually decrease the proportion of equities and increase the proportion of interest-bearing securities until retirement age. 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 benchmark index. The fund invests in Swedish fixed income funds as well as in Nordic and global equity funds without being limited by branch or geographic segments. The fund invests in funds within Handelsbanken, as well as in funds that are managed by other fund management companies.

Portfolio

The fund fell 3.4% during 2018*. Concerns in the financial markets increased during the autumn. High expectations, together with a concern about the effect a weaker global economy, rising rates and the trade war would have on corporate earnings ahead explain much of the market uncertainty. The World Index fell 1.91% in SEK. A weaker SEK benefitted returns in foreign holdings. Regionally, the U.S. stock market fared best, while Japan and emerging markets posted weaker performance. Market rates in Sweden and Europe fell during the year, which led bonds to outperform fixed income investments with a shorter duration. The holdings in Aktia Emerging Bond Fund contributed positive to returns. Absolute yielding fixed income funds posted slightly weak performance during the year. Throughout most of the year we have had an underweight in equities relative to the benchmark index. Regionally, we decreased our holdings in the U.S. during the autumn and instead increased holdings in Asia. We continued to increase our exposure to emerging market bonds and under during the autumn we purchased

holdings in the Blue Orchard Emerging Markets Impact Bond Fund, which invests in sustainable economic, social and environmental development in emerging markets. We had a short duration in our fixed income holdings during the year.

*) Refer to fund statistics for comparable index.

Significant risks

As of the balance sheet date or any other time during the year, fund holdings did not have exposure to any other significant risks 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 2018. The fund has the option of lending securities. The fund did not use this option during 2018. The fund may use other techniques and instruments. The fund did not use this option during 2018.

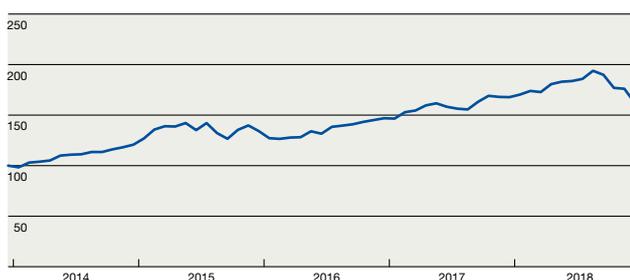
Information

The fund's historical performance prior to the launch date is attributed to the merger between Placeringsfonden Handelsbanken Pension 70 Aktiv (Finland) and Handelsbanken Pension 70 Aktiv (Sweden) that occurred on September 12, 2014.

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

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

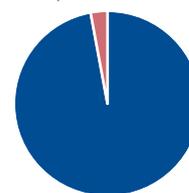
Fund Performance*



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

Market Exposure*

Interest-bearing, including liquid assets
2,90 %



Equities, shares 97,10 %

* The fund's allocation of investments within the markets as of 31/12/2018, relative to the fund's total assets on this date.

Fund Facts - History

	2018	2017	2016	2015	12/9-31/12 2014	2013	2012	2011	2010	2009
Net asset value, SEK	222.40	230.33	201.72	184.21	165.84	-	-	-	-	-
The fund's total net flow, mSEK	477	328	258	303	73	-	-	-	-	-
Fund capital, mSEK	4,422	4,135	3,318	2,771	2,223	-	-	-	-	-
Number of units, 1000's	19,882	17,954	16,448	15,040	13,403	-	-	-	-	-
Total returns in %, SEK	-3.4	+14.2	+9.5	+11.1	+20.8	+23.8	+14.7	-14.2	+13.7	+33.6
Index including dividends in %, SEK	-2.7	+12.6	+11.9	+8.4	+22.0	+23.8	+13.2	-11.2	+12.8	+28.8
Average yearly return, 2 yrs. %	+5.0	+11.8	+10.3	+15.8	+22.3	+19.1	-0.8	-1.2	+23.2	-9.2
Comparison to index including dividends, %	+4.7	+12.3	+10.1	+15.0	+22.9	+18.4	+0.3	+0.1	+20.5	-9.0
Average yearly return, 5 yrs. %	+10.1	+15.7	+15.8	+10.3	+10.8	+13.1	-1.6	-3.0	+2.0	-
Comparison to index including dividends, %	+10.2	+15.6	+15.7	+10.5	+11.4	+12.6	-1.3	-2.3	+2.4	-
Average yearly return, 10 yrs. %	+11.6	+6.7	+6.0	+6.1	-	-	-	-	-	-
Comparison to index including dividends, %	+11.4	+6.8	+6.3	+6.3	-	-	-	-	-	-

Benchmark: VINX Benchmark Cap SEK_NI 50%, MSCI All Country World Index Net 50%.

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

Refer to the last page for definitions.

Handelsbanken Pension 70 Aktiv, cont.

Fund Facts - Costs

Max. allowed mgmt. costs in % according to fund rules	1.25
Collected mgmt. costs in % of average fund capital	1.25
Annual fees in %	1.28
Transaction costs, tSEK	197
Transaction costs in % of turnover	0.00
Costs in SEK for a one-time subscription, 10 000 SEK	132.88
Costs in SEK for monthly savings, 100 SEK	8.26

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

Fund Facts - Other Key Figures

Turnover rate	0.2
Share of turnover conducted via closely-related securities companies in %	3.9

Risk and Return Measurements*

Total risk %	11.2	Information ratio	0.2
Total risk in index %	10.8	Sharpe ratio	0.5
Tracking error %	1.4	Sharpe ratio in index	0.5
Benchmark	VINX Benchmark Cap SEK_NI 50%, MSCI All Country World Index Net 50%.		
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, tSEK

	2018	2017
INCOME AND CHANGES IN VALUE		
Changes in value for other derivative instruments	-23,562	3,107
Changes in value for fund units **	-188,110	488,120
Interest income	-277	-54
Dividends	2,888	-
Currency exchange profits and losses, net	18,698	-999
Other financial income	57,062	47,164
Other income	1	0
Total income and changes in value	-133,300	537,338
EXPENSES		
Management costs:		
- Remuneration to the Management Company	57,661	47,140
Interest expense	27	40
Other expenses	197	469
Total expenses	57,885	47,649
Net income	-191,185	489,689

* Details of changes in value

Capital gains	189,463	118,174
Capital losses	-213,025	-115,067
Unrealised gains/losses	-	0
Sum	-23,562	3,107

** Details of changes in value

Capital gains	223,221	184,724
Capital losses	-2,599	-779
Unrealised gains/losses	-408,732	304,175
Sum	-188,110	488,120

Balance Sheet, tSEK

	31 dec 2018	% of fund capital	31 dec 2017	% of fund capital
ASSETS				
OTC derivative instruments with positive market value	6,731	0.1	587	0.0
Fund units	4,343,909	98.2	4,055,485	98.1
Total financial instruments with positive market value (Note 2)	4,350,640	98.3	4,056,072	98.1
Bank assets and other liquid assets	65,134	1.6	78,559	1.9
Prepaid expenses and accrued income	4,888	0.1	2,154	0.0
Other assets	10,300	0.2	2,358	0.1
Total assets	4,430,962	100.2	4,139,143	100.1
LIABILITIES				
OTC derivative instruments with negative market value	1,271	0.0	28	0.0
Total financial instruments with negative market value (Note 2)	1,271	0.0	28	0.0
Accrued expenses and prepaid income	4,857	0.1	2,568	0.1
Other liabilities	3,175	0.1	1,140	0.0
Total liabilities	9,303	0.2	3,736	0.1
Fund capital (Note 1)	4,421,659	100.0	4,135,407	100.0
Other derivative instruments with negative market value	10,066	0.2	9,994	0.2

Note 1) for Balance Sheet

Changes in fund capital, tSEK

	2018	2017
Fund capital at beginning of year	4,135,407	3,317,815
Units issued	693,865	445,958
Units redeemed	-216,428	-118,055
Profit according to Income Statement	-191,185	489,689
Dividends to unit holders	-	-
Fund capital at the close of the period	4,421,659	4,135,407

Note 2) for Balance Sheet

Fund holdings in financial instruments

EXCHANGE-TRADED DERIVATIVES**

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
STOCK INDEX FUTURES			
EURO STOXX 50 Mar18	-148	0	0.0
FXXP	523	0	0.0
OMXESG9A	309	0	0.0
Total stock index futures		0	0.0

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
INTEREST RATE FUTURES			
RXH9	-134	0	0.0
Total interest rate futures		0	0.0
Total exchange-traded derivatives		0	0.0

OTHER FINANCIAL INSTRUMENTS***

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
FUND UNITS			
EQUITY FUNDS			
Fidelity First ESG AC World-SEK (Europe)	6,497,977	65,760	1.5
Handelsbanken Amerika Småbolag Tema (A1 SEK) (Nordic countries)	394,076	286,356	6.5
Handelsbanken Amerika Tema (A1 SEK) (USA)	467,668	380,775	8.6
Handelsbanken Asien Tema (A1 SEK) (Asia)	372,858	215,855	4.9
Handelsbanken Europa Tema (A1 SEK) (Europe)	657,817	229,491	5.2
Handelsbanken Europafond Index (A1 SEK) (Europe)	98,640	10,149	0.2
Handelsbanken Hållbar Energi (A1 SEK) (Rest of the world)	742,858	105,992	2.4
Handelsbanken Japan Tema (A1 SEK) (Asia)	2,189,261	155,211	3.5
Handelsbanken Norden Selektiv (A1 SEK) (Nordic countries)	1,009,418	338,773	7.7
Handelsbanken Nordenfond (A1 SEK) (Nordic countries)	762,429	798,456	18.1
Handelsbanken Nordiska Småbolag (A1 SEK) (Nordic countries)	619,245	598,822	13.5
Handelsbanken Norge (A1 SEK) (Nordic countries)	13,441	14,556	0.3
Handelsbanken Tillväxtmarknad Tema (A1 SEK) (Rest of the world)	547,317	157,918	3.6
Handelsbanken USA Index (A1 SEK) (USA)	877,136	277,883	6.3
Handelsinvest Danmark Engros AK (Nordic countries)	226,241	23,444	0.5
JPM Europe Small Cap I Acc EUR (Europe)	45,289	91,622	2.1
UBS Equity Sicav USA Growth (USA)	224,184	65,868	1.5
		3,816,931	86.3

Handelsbanken Pension 70 Aktiv, cont.

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
LISTED EQUITY FUNDS**			
XACT Norden 30 (Nordic countries)	3,636,284	384,195	8.7
		384,195	8.7
FIXED INCOME FUNDS			
Handelsbanken Räntestrategi Criteria (A1 SE K) (Nordic countries)	467,205	47,761	1.1
UI - Aktia EM Local Currency Bond+ - s1 (Nordic countries)	975,990	95,022	2.1
		142,783	3.2
Total fund units		4,343,909	98.2
	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
OTC DERIVATIVE INSTRUMENTS			
CURRENCY FUTURES			
EUR/SEK		-1,271	0.0
SEK/EUR		6,423	0.1
USD/SEK		307	0.0
		5,460	0.1
Total OTC derivative instruments		5,460	0.1
Total other financial instruments		4,349,369	98.3
Total holdings in financial instruments		4,349,369	98.3
Net, other assets and liabilities		72,290	1.7
Total fund capital		4,421,659	100.0

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

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

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

*** Refers to other financial instruments.

Handelsbanken Pension 70 Aktiv

Sustainability dimensions that are taken into consideration in the management of the fund

The fund takes ESG factors into consideration in its selection of investments, i.e., in the selection of the underlying funds. This means that the fund is focusing more of its investments to be in line with the UN's Sustainable Development Goals (SDG). We also encourage the fund managers of the underlying funds to increase investments in green bonds, for example. The fund has also invested in underlying funds with explicit impact goals. Impact investments are currently a smaller category but are expected to increase.

Methods used in sustainability efforts

Inclusion

In the evaluation of underlying funds and investments, sustainability is an individual area of assessment. When striking a balance between comparable returns and risk, we make the choice that is most sustainable. A critical evaluation factors is how well sustainability is integrated into the underlying fund. We also work actively to increase the quantitative measurability in our assessment to clarify the sustainability dimensions in the portfolio.

BlueOrchard Emerging Markets Impact Bond Fund is an interesting example. Over time, the fund will be investing in bonds from issuing bodies with a demonstrated history of performance within impact investing. This is accomplished in the investment process by assessing the issuers' "social performance". The fund also invests to some extent in green bonds. The fund contributes to several of the UN's SDGs in its investment process: No Poverty, Affordable and Clean Energy, Decent Work and Economic Growth, Reduced Inequalities, as well as Industry, Innovation and Infrastructure.

Exclusion

In accordance with the Management Company's overall policy for responsible investment, all of the Management Company's funds exclude:

- companies involved in the production or distribution of banned weapons, such as cluster bombs, anti-personnel mines, biological and chemical weapons, in accordance with international legislation. Companies involved in the production or distribution of nuclear weapons are also excluded.
- companies with substantial business operations within coal mining or in power companies that have coal as a major source of energy.

Management Company's engagement activities

We make demands in the fund that providers use their ownership influence in the underlying companies. In addition, we work actively to influence providers to make more sustainable changes to their policies, both generally and in specific funds, e.g., by excluding certain types of sectors or specific companies. The activities in 2018 have resulted in changes to a number of funds. The engagement activities also focus on contributing to the development of new products that have a higher sustainability standard.

The fund is a fund of funds, which means that we are unable to impact the underlying companies directly and work with influencing the fund providers. During 2018 we worked within this area to make it clear that we will be excluding more companies and expect providers to meet our demands by offering funds that meet our expectations. Within this work we have influenced funds as well as fund management companies to change and develop new products.



Handelsbanken Pension 80 Aktiv

Management Report

Investment Focus

The fund is primarily tailored for pension savings for investors born in the 1980s. The objective of the fund is to achieve good returns, while gradually lowering risk up to the time of retirement. We gradually decrease the proportion of equities and increase the proportion of interest-bearing securities until retirement age. 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 benchmark index. The fund invests in Swedish fixed income funds as well as in Nordic and global equity funds without being limited by branch or geographic segments. The fund invests in funds within Handelsbanken, as well as in funds that are managed by other fund management companies.

Portfolio

The fund fell 3.5% during 2018*. Concerns in the financial markets increased during the autumn. High expectations, together with a concern about the effect a weaker global economy, rising rates and the trade war would have on corporate earnings ahead explain much of the market uncertainty. The World Index fell 1.91% in SEK. A weaker SEK benefitted returns in foreign holdings. Regionally, the U.S. stock market fared best, while Japan and emerging markets posted weaker performance. Market rates in Sweden and Europe fell during the year, which led bonds to outperform fixed income investments with a shorter duration. The holdings in Aktia Emerging Bond Fund contributed positive to returns. Absolute yielding fixed income funds posted slightly weak performance during the year. Throughout most of the year we have had an underweight in equities relative to the benchmark index. Regionally, we decreased our holdings in the U.S. during the autumn and instead increased holdings in Asia. We continued to increase our exposure to emerging market bonds and under during the autumn we purchased

holdings in the Blue Orchard Emerging Markets Impact Bond Fund, which invests in sustainable economic, social and environmental development in emerging markets. We had a short duration in our fixed income holdings during the year.

*) Refer to fund statistics for comparable index.

Significant risks

As of the balance sheet date or any other time during the year, fund holdings did not have exposure to any other significant risks 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 2018. The fund has the option of lending securities. The fund did not use this option during 2018. The fund may use other techniques and instruments. The fund did not use this option during 2018.

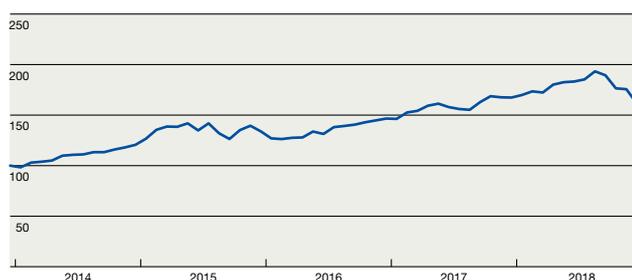
Information

The fund's historical performance prior to the launch date is attributed to the merger between Placeringsfonden Handelsbanken Pension 80 Aktiv (Finland) and Handelsbanken Pension 80 Aktiv (Sweden) that occurred on September 12, 2014.

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

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

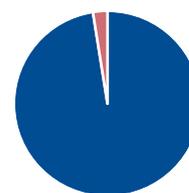
Fund Performance*



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

Market Exposure*

Interest-bearing, including liquid assets 2,50 %



Equities, shares 97,50 %

* The fund's allocation of investments within the markets as of 31/12/2018, relative to the fund's total assets on this date.

Fund Facts - History

	2018	2017	2016	2015	12/9-31/12 2014	2013	2012	2011	2010	2009
Net asset value, SEK	223.76	231.80	203.04	185.48	167.04	-	-	-	-	-
The fund's total net flow, mSEK	173	129	92	123	35	-	-	-	-	-
Fund capital, mSEK	1,610	1,507	1,201	1,006	796	-	-	-	-	-
Number of units, 1000's	7,197	6,501	5,917	5,425	4,766	-	-	-	-	-
Total returns in %, SEK	-3.5	+14.2	+9.5	+11.0	+20.6	+23.7	+14.6	-14.2	+13.7	+34.0
Index including dividends in %, SEK	-2.7	+12.6	+11.9	+8.4	+22.0	+23.8	+13.2	-11.2	+12.8	+28.8
Average yearly return, 2 yrs. %	+5.0	+11.8	+10.3	+15.7	+22.1	+19.1	-0.8	-1.3	+23.4	-9.2
Comparison to index including dividends, %	+4.7	+12.3	+10.1	+15.0	+22.9	+18.4	+0.3	+0.1	+20.5	-9.0
Average yearly return, 5 yrs. %	+10.1	+15.7	+15.8	+10.2	+10.8	+13.1	-1.6	-3.0	+2.2	-
Comparison to index including dividends, %	+10.2	+15.6	+15.7	+10.5	+11.4	+12.6	-1.3	-2.3	+2.4	-
Average yearly return, 10 yrs. %	+11.6	+6.7	+6.0	+6.2	-	-	-	-	-	-
Comparison to index including dividends, %	+11.4	+6.8	+6.3	+6.3	-	-	-	-	-	-

Benchmark: VINX Benchmark Cap SEK_NI 50%, MSCI All Country World Index Net 50%.

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

Refer to the last page for definitions.

Handelsbanken Pension 80 Aktiv, cont.

Fund Facts - Costs

Max. allowed mgmt. costs in % according to fund rules	1.25
Collected mgmt. costs in % of average fund capital	1.25
Annual fees in %	1.28
Transaction costs, tSEK	73
Transaction costs in % of turnover	0.00
Costs in SEK for a one-time subscription, 10 000 SEK	132.85
Costs in SEK for monthly savings, 100 SEK	8.26

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

Fund Facts - Other Key Figures

Turnover rate	0.2
Share of turnover conducted via closely-related securities companies in %	4.0

Risk and Return Measurements*

Total risk %	11.2	Information ratio	0.2
Total risk in index %	10.8	Sharpe ratio	0.5
Tracking error %	1.4	Sharpe ratio in index	0.5
Benchmark	VINX Benchmark Cap SEK_NI 50%, MSCI All Country World Index Net 50%.		
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, tSEK

	2018	2017
INCOME AND CHANGES IN VALUE		
Changes in value for other derivative instruments	-8,835	1,077
Changes in value for fund units **	-68,382	176,426
Interest income	-124	-17
Dividends	1,023	-
Currency exchange profits and losses, net	6,626	-480
Other financial income	20,796	17,075
Other income	0	0
Total income and changes in value	-48,896	194,081
EXPENSES		
Management costs:		
- Remuneration to the Management Company	21,002	17,050
Interest expense	7	17
Other expenses	72	170
Total expenses	21,081	17,237
Net income	-69,977	176,844

* Details of changes in value

Capital gains	69,387	42,057
Capital losses	-78,222	-40,980
Sum	-8,835	1,077

** Details of changes in value

Capital gains	80,208	66,336
Capital losses	-946	-398
Unrealised gains/losses	-147,644	110,488
Sum	-68,382	176,426

Balance Sheet, tSEK

	31 dec 2018	% of fund capital	31 dec 2017	% of fund capital
ASSETS				
OTC derivative instruments with positive market value	2,501	0.1	228	0.0
Fund units	1,586,503	98.5	1,475,919	98.0
Total financial instruments with positive market value (Note 2)	1,589,004	98.6	1,476,147	98.0
Bank assets and other liquid assets	17,133	1.2	29,752	2.0
Prepaid expenses and accrued income	1,777	0.1	784	0.0
Other assets	6,024	0.3	1,553	0.1
Total assets	1,613,938	100.2	1,508,236	100.1
LIABILITIES				
OTC derivative instruments with negative market value	462	0.0	10	0.0
Total financial instruments with negative market value (Note 2)	462	0.0	10	0.0
Accrued expenses and prepaid income	1,766	0.1	934	0.1
Other liabilities	1,281	0.1	342	0.0
Total liabilities	3,509	0.2	1,286	0.1
Fund capital (Note 1)	1,610,429	100.0	1,506,950	100.0
Other derivative instruments with negative market value	3,619	0.2	3,640	0.2

Note 1) for Balance Sheet

Changes in fund capital, tSEK

	2018	2017
Fund capital at beginning of year	1,506,950	1,201,437
Units issued	289,815	201,898
Units redeemed	-116,359	-73,229
Profit according to Income Statement	-69,977	176,844
Dividends to unit holders	-	-
Fund capital at the close of the period	1,610,429	1,506,950

Note 2) for Balance Sheet

Fund holdings in financial instruments

EXCHANGE-TRADED DERIVATIVES**

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
STOCK INDEX FUTURES			
EURO STOXX 50 Mar18	-53	0	0.0
FXXP	185	0	0.0
OMXESG9A	112	0	0.0
Total stock index futures		0	0.0

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
INTEREST RATE FUTURES			
RXH9	-49	0	0.0
Total interest rate futures		0	0.0
Total exchange-traded derivatives		0	0.0

OTHER FINANCIAL INSTRUMENTS***

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
FUND UNITS			
EQUITY FUNDS			
Fidelity First ESG AC World-SEK (Europe)	2,365,796	23,942	1.5
Handelsbanken Amerika Småbolag Tema (A1 SEK) (Nordic countries)	143,847	104,527	6.5
Handelsbanken Amerika Tema (A1 SEK) (USA)	170,926	139,168	8.6
Handelsbanken Asien Tema (A1 SEK) (Asia)	135,330	78,345	4.9
Handelsbanken Europa Tema (A1 SEK) (Europe)	236,668	82,566	5.1
Handelsbanken Europafond Index (A1 SEK) (Europe)	35,699	3,673	0.2
Handelsbanken Hållbar Energi (A1 SEK) (Rest of the world)	271,064	38,676	2.4
Handelsbanken Japan Tema (A1 SEK) (Asia)	797,262	56,523	3.5
Handelsbanken Norden Selektiv (A1 SEK) (Nordic countries)	379,708	127,435	7.9
Handelsbanken Nordenfond (A1 SEK) (Nordic countries)	279,723	292,941	18.2
Handelsbanken Nordiska Småbolag (A1 SEK) (Nordic countries)	224,315	216,917	13.5
Handelsbanken Norge (A1 SEK) (Nordic countries)	4,689	5,078	0.3
Handelsbanken Tillväxtmarknad Tema (A1 SEK) (Rest of the world)	196,960	56,829	3.5
Handelsbanken USA Index (A1 SEK) (USA)	319,470	101,210	6.3
Handelsinvest Danmark Engros AK (Nordic countries)	80,173	8,308	0.5
JPM Europe Small Cap I Acc EUR (Europe)	16,509	33,398	2.1
UBS Equity Sicav USA Growth (USA)	81,508	23,948	1.5
		1,393,482	86.5

Handelsbanken Pension 80 Aktiv, cont.

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
LISTED EQUITY FUNDS**			
XACT Norden 30 (Nordic countries)	1,334,598	141,008	8.8
		141,008	8.8
FIXED INCOME FUNDS			
Handelsbanken Räntestrategi Criteria (A1 SE K) (Nordic countries)	170,389	17,418	1.1
UI - Aktia EM Local Currency Bond+ - s1 (Nordic countries)	355,330	34,595	2.1
		52,013	3.2
Total fund units		1,586,503	98.5
	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
OTC DERIVATIVE INSTRUMENTS			
CURRENCY FUTURES			
EUR/SEK		-462	0.0
SEK/EUR		2,347	0.1
USD/SEK		154	0.0
		2,039	0.1
Total OTC derivative instruments		2,039	0.1
Total other financial instruments		1,588,542	98.6
Total holdings in financial instruments		1,588,542	98.6
Net, other assets and liabilities		21,887	1.4
Total fund capital		1,610,429	100.0

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

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

*** Refers to other financial instruments.

Handelsbanken Pension 80 Aktiv

Sustainability dimensions that are taken into consideration in the management of the fund

The fund takes ESG factors into consideration in its selection of investments, i.e., in the selection of the underlying funds. This means that the fund is focusing more of its investments to be in line with the UN's Sustainable Development Goals (SDG). We also encourage the fund managers of the underlying funds to increase investments in green bonds, for example. The fund has also invested in underlying funds with explicit impact goals. Impact investments are currently a smaller category but are expected to increase.

Methods used in sustainability efforts

Inclusion

In the evaluation of underlying funds and investments, sustainability is an individual area of assessment. When striking a balance between comparable returns and risk, we make the choice that is most sustainable. A critical evaluation factors is how well sustainability is integrated into the underlying fund. We also work actively to increase the quantitative measurability in our assessment to clarify the sustainability dimensions in the portfolio.

BlueOrchard Emerging Markets Impact Bond Fund is an interesting example. Over time, the fund will be investing in bonds from issuing bodies with a demonstrated history of performance within impact investing. This is accomplished in the investment process by assessing the issuers' "social performance". The fund also invests to some extent in green bonds. The fund contributes to several of the UN's SDGs in its investment process: No Poverty, Affordable and Clean Energy, Decent Work and Economic Growth, Reduced Inequalities, as well as Industry, Innovation and Infrastructure.

Exclusion

In accordance with the Management Company's overall policy for responsible investment, all of the Management Company's funds exclude:

- companies involved in the production or distribution of banned weapons, such as cluster bombs, anti-personnel mines, biological and chemical weapons, in accordance with international legislation. Companies involved in the production or distribution of nuclear weapons are also excluded.
- companies with substantial business operations within coal mining or in power companies that have coal as a major source of energy.

Management Company's engagement activities

We make demands in the fund that providers use their ownership influence in the underlying companies. In addition, we work actively to influence providers to make more sustainable changes to their policies, both generally and in specific funds, e.g., by excluding certain types of sectors or specific companies. The activities in 2018 have resulted in changes to a number of funds. The engagement activities also focus on contributing to the development of new products that have a higher sustainability standard.

The fund is a fund of funds, which means that we are unable to impact the underlying companies directly and work with influencing the fund providers. During 2018 we worked within this area to make it clear that we will be excluding more companies and expect providers to meet our demands by offering funds that meet our expectations. Within this work we have influenced funds as well as fund management companies to change and develop new products.



Handelsbanken Pension 90 Aktiv

Management Report

Investment Focus

The fund is primarily tailored for pension savings for investors born in the 1990s. The objective of the fund is to achieve good returns, while gradually lowering risk up to the time of retirement. We gradually decrease the proportion of equities and increase the proportion of interest-bearing securities until retirement age. 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 benchmark index. The fund invests in Swedish fixed income funds as well as in Nordic and global equity funds without being limited by branch or geographic segments. The fund invests in funds within Handelsbanken, as well as in funds managed by other fund management companies.

Portfolio

The fund fell 3.7% during 2018*. Concerns in the financial markets increased during the autumn. High expectations, together with a concern about the effect of a weaker global economy, rising rates and the trade war would have on corporate earnings ahead explain much of the market uncertainty. The World Index fell 1.91% in SEK. A weaker SEK benefitted returns in foreign holdings. Regionally, the U.S. stock market fared best, while Japan and emerging markets posted weaker performance. Market rates in Sweden and Europe fell during the year, which led bonds to outperform fixed income investments with a shorter duration. The holdings in Aktia Emerging Bond Fund contributed positive to returns. Absolute yielding fixed income funds posted slightly weak performance during the year. Throughout most of the year we have had an underweight in equities relative to the benchmark index. Regionally, we

decreased our holdings in the U.S. during the autumn and instead increased holdings in Asia. We continued to increase our exposure to emerging market bonds and under during the autumn we purchased holdings in the Blue Orchard Emerging Markets Impact Bond Fund, which invests in sustainable economic, social and environmental development in emerging markets. We had a short duration in our fixed income holdings during the year.

*) Refer to fund statistics for comparable index.

Significant risks

As of the balance sheet date or any other time during the year, fund holdings did not have exposure to any other significant risks than those stated in the fact sheet and information brochure.

Trading with derivatives

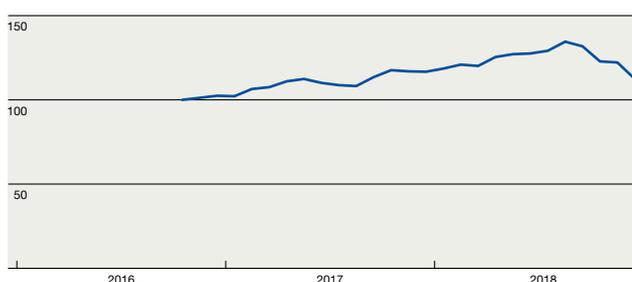
According to the fund rules, the fund may trade with derivatives as part of its investment focus. The fund used this option extensively during 2018. The fund has the option of lending securities. The fund did not use this option during 2018. The fund may use other techniques and instruments. The fund did not use this option during 2018.

Information

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

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

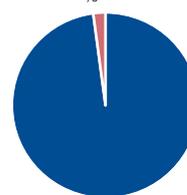
Fund Performance*



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

Market Exposure*

Interest-bearing, including liquid assets 2,10 %



Equities, shares 97,90 %

* The fund's allocation of investments within the markets as of 31/12/2018, relative to the fund's total assets on this date.

Fund Facts - History

	2018	2017	26/10-31/12 2016	2015	2014	2013	2012	2011	2010	2009
Net asset value, SEK	112.21	116.47	102.24	-	-	-	-	-	-	-
The fund's total net flow, mSEK	28	14	12	-	-	-	-	-	-	-
Fund capital, mSEK	53	29	13	-	-	-	-	-	-	-
Number of units, 1000's	473	248	123	-	-	-	-	-	-	-
Total returns in %, SEK	-3.7	+13.9	+2.2	-	-	-	-	-	-	-
Index including dividends in %, SEK	-2.7	+12.6	+3.3	-	-	-	-	-	-	-
Average yearly return, 2 yrs. %	+4.8	-	-	-	-	-	-	-	-	-
Comparison to index including dividends, %	+4.7	-	-	-	-	-	-	-	-	-

Benchmark: VINX Benchmark Cap SEK_NI 50%, MSCI All Country World Index Net 50%.

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

Fund Facts - Costs

Max. allowed mgmt. costs in % according to fund rules	1.25
Collected mgmt. costs in % of average fund capital	1.25
Annual fees in %	1.28
Transaction costs, tSEK	2
Transaction costs in % of turnover	0.00
Costs in SEK for a one-time subscription, 10 000 SEK	132.68
Costs in SEK for monthly savings, 100 SEK	8.25

Fund Facts - Other Key Figures

Turnover rate	0.6
Share of turnover conducted via closely-related securities companies in %	7.3

Handelsbanken Pension 90 Aktiv, cont.

Risk and Return Measurements*

Total risk %	11.1	Information ratio	0.1
Total risk in index %	10.8	Sharpe ratio	0.5
Tracking error %	1.4	Sharpe ratio in index	0.5
Benchmark	VINX Benchmark Cap SEK_NI 50%, MSCI All Country World Index Net 50%.		
Active return %	0.1		

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

Income Statement, tSEK

	2018	2017
INCOME AND CHANGES IN VALUE		
Changes in value for other derivative instruments *	-173	23
Changes in value for fund units **	-3,281	2,290
Interest income	-1	0
Currency exchange profits and losses, net	-23	26
Other financial income	533	255
Other income	0	0
Total income and changes in value	-2,945	2,594
EXPENSES		
Management costs:		
- Remuneration to the Management Company	539	251
Interest expense	1	2
Other expenses	2	4
Total expenses	542	257
Net income	-3,487	2,337
* Details of changes in value		
Capital gains	473	187
Capital losses	-646	-164
Sum	-173	23
** Details of changes in value		
Capital gains	2,311	309
Capital losses	-222	-11
Unrealised gains/losses	-5,370	1,992
Sum	-3,281	2,290

Balance Sheet, tSEK

	31 dec 2018	% of fund capital	31 dec 2017	% of fund capital
ASSETS				
OTC derivative instruments with positive market value	76	0.1	35	0.1
Fund units	51,916	97.8	28,468	98.8
Total financial instruments with positive market value ^{Note 2)}	51,992	97.9	28,503	98.9
Bank assets and other liquid assets	784	1.5	317	1.1
Prepaid expenses and accrued income	56	0.1	15	0.1
Other assets	749	1.4	72	0.2
Total assets	53,581	100.9	28,907	100.3
LIABILITIES				
OTC derivative instruments with negative market value	31	0.1	17	0.1
Total financial instruments with negative market value ^{Note 2)}	31	0.1	17	0.1
Accrued expenses and prepaid income	56	0.1	18	0.1
Other liabilities	383	0.7	37	0.1
Total liabilities	470	0.9	72	0.3
Fund capital ^{Note 1)}	53,111	100.0	28,835	100.0
Other derivative instruments with negative market value	114	0.2	-	-

Note 1) for Balance Sheet

Changes in fund capital, tSEK

	2018	2017
Fund capital at beginning of year	28,835	12,533
Units issued	52,683	18,323
Units redeemed	-24,920	-4,358
Profit according to Income Statement	-3,487	2,337
Dividends to unit holders	-	-
Fund capital at the close of the period	53,111	28,835

Note 2) for Balance Sheet

Fund holdings in financial instruments

EXCHANGE-TRADED DERIVATIVES**

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
STOCK INDEX FUTURES			
FXXP	6	0	0.0
OMXESG9A	4	0	0.0
Total stock index futures		0	0.0
Total exchange-traded derivatives		0	0.0

OTHER FINANCIAL INSTRUMENTS***

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
FUND UNITS			
EQUITY FUNDS			
Fidelity First ESG AC World-SEK (Europe)	70,107	709	1.3
Handelsbanken Amerika Småbolag Tema (A1 SEK) (Nordic countries)	4,763	3,461	6.5
Handelsbanken Amerika Tema (A1 SEK) (USA)	5,607	4,566	8.6
Handelsbanken Asien Tema (A1 SEK) (Asia)	4,427	2,563	4.8
Handelsbanken Europa Tema (A1 SEK) (Europe)	6,365	2,221	4.2
Handelsbanken Europafond Index (A1 SEK) (Europe)	957	98	0.2
Handelsbanken Hållbar Energi (A1 SEK) (Rest of the world)	8,913	1,272	2.4
Handelsbanken Japan Tema (A1 SEK) (Asia)	26,279	1,863	3.5
Handelsbanken Norden Selektiv (A1 SEK) (Nordic countries)	12,464	4,183	7.9
Handelsbanken Nordenfond (A1 SEK) (Nordic countries)	9,361	9,803	18.5
Handelsbanken Nordiska Småbolag (A1 SEK) (Nordic countries)	7,507	7,259	13.7
Handelsbanken Tillväxtmarknad Tema (A1 SEK) (Rest of the world)	6,516	1,880	3.5
Handelsbanken USA Index (A1 SEK) (USA)	10,537	3,338	6.3
JPM Europe Small Cap I Acc EUR (Europe)	519	1,050	2.0
UBS Equity Sicav USA Growth (USA)	2,506	736	1.4
		45,002	84.8
LISTED EQUITY FUNDS**			
XACT Norden 30 (Nordic countries)	44,917	4,746	8.9
		4,746	8.9

FIXED INCOME FUNDS

Handelsbanken Råntestrategi Criteria (A1 SEK) (Nordic countries)	10,574	1,081	2.0
UI - Aktia EM Local Currency Bond+ - s1 (Nordic countries)	11,163	1,087	2.0
		2,168	4.1
Total fund units		51,916	97.8

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
OTC DERIVATIVE INSTRUMENTS			
CURRENCY FUTURES			
EUR/SEK		-23	0.0
SEK/EUR		67	0.1
SEK/USD		9	0.0
USD/SEK		-9	0.0
		45	0.1
Total OTC derivative instruments		45	0.1
Total other financial instruments		51,961	97.9
Total holdings in financial instruments		51,961	97.9
Net, other assets and liabilities		1,150	2.1
Total fund capital		53,111	100.0

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

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*** Refers to other financial instruments.

8.9

89.0

Handelsbanken Pension 90 Aktiv

Sustainability dimensions that are taken into consideration in the management of the fund

The fund takes ESG factors into consideration in its selection of investments, i.e., in the selection of the underlying funds. This means that the fund is focusing more of its investments to be in line with the UN's Sustainable Development Goals (SDG). We also encourage the fund managers of the underlying funds to increase investments in green bonds, for example. The fund has also invested in underlying funds with explicit impact goals. Impact investments are currently a smaller category but are expected to increase.

Methods used in sustainability efforts

Inclusion

In the evaluation of underlying funds and investments, sustainability is an individual area of assessment. When striking a balance between comparable returns and risk, we make the choice that is most sustainable. A critical evaluation factors is how well sustainability is integrated into the underlying fund. We also work actively to increase the quantitative measurability in our assessment to clarify the sustainability dimensions in the portfolio.

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Exclusion

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- companies involved in the production or distribution of banned weapons, such as cluster bombs, anti-personnel mines, biological and chemical weapons, in accordance with international legislation. Companies involved in the production or distribution of nuclear weapons are also excluded.
- companies with substantial business operations within coal mining or in power companies that have coal as a major source of energy.

Management Company's engagement activities

We make demands in the fund that providers use their ownership influence in the underlying companies. In addition, we work actively to influence providers to make more sustainable changes to their policies, both generally and in specific funds, e.g., by excluding certain types of sectors or specific companies. The activities in 2018 have resulted in changes to a number of funds. The engagement activities also focus on contributing to the development of new products that have a higher sustainability standard.

The fund is a fund of funds, which means that we are unable to impact the underlying companies directly and work with influencing the fund providers. During 2018 we worked within this area to make it clear that we will be excluding more companies and expect providers to meet our demands by offering funds that meet our expectations. Within this work we have influenced funds as well as fund management companies to change and develop new products.

Handelsbanken Stiftelsefond Criteria, cont.

Fund Facts - History cont.

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Comparison to index including dividends, %	+2.9	+8.2	+6.7	+10.4	+15.9	+12.3	+3.4	+4.2	+16.6	-1.0
Average yearly return, 5 yrs. %										
Stiftelsefond Criteria A1	+6.0	+9.8	+10.0	+7.2	+8.4	+10.0	+1.9	+0.1	+2.6	+4.0
Stiftelsefond Criteria B10	+6.7	-	-	-	-	-	-	-	-	-
Comparison to index including dividends, %	+7.1	+10.4	+10.9	+8.4	+9.8	+10.8	+3.1	+1.4	+3.3	+4.7
Average yearly return, 10 yrs. %										
Stiftelsefond Criteria A1	+8.0	+5.8	+4.9	+4.9	+6.1	+5.3	+5.1	-	-	-
Stiftelsefond Criteria B10	+8.7	-	-	-	-	-	-	-	-	-
Comparison to index including dividends, %	+8.9	+6.7	+6.0	+5.8	+7.2	+6.4	+6.2	-	-	-
Dividends per unit, SEK										
Stiftelsefond Criteria A1	4.94	4.72	4.01	4.29	3.88	3.25	3.25	3.40	3.70	3.25
Stiftelsefond Criteria B10	4.94	-	-	-	-	-	-	-	-	-

Benchmark: SIX SRI Sweden Index GI 33.3%, MSCI ACWI Select Global Norms and Criteria Index 33.3%, HMNI Swe All Government Dur Const 6 Y (HMSD6) 23.28%, HMNI Swe All Mortgage Dur Const 2.5 Y (HMSMD2.5) 10.02%

Up to 01/03/2016: HMNI Swe All Government Dur Const 6Y (HMSD6) 23.4%, OMXSBGI 33.3%, HMNI Swe All Mortgage Dur Const 2.5Y (HMSMD2.5) 10%, MSCI All Country World Index Net 33.3%

Up to 30/10/2009: MSCI World Net 33.3%, OMXSB 33.3%, HMSMD25 Sweden All Mortgage Dur Const 2.5y 10%, HMT27 Swe Government Dur Const 1Y 6.7%, HMSD5 Sweden All Government Dur Const 5y 16.7%

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

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

Refer to the last page for definitions.

Fund Facts - Costs

Max. allowed mgmt. costs in % according to fund rules	
Stiftelsefond Criteria A1	0.90
Stiftelsefond Criteria B10	0.30
Collected mgmt. costs in % of average fund capital	
Stiftelsefond Criteria A1	0.90
Stiftelsefond Criteria B10	0.30
Annual fees in %	
Stiftelsefond Criteria A1	0.93
Stiftelsefond Criteria B10	0.33
Transaction costs, tSEK	5
Transaction costs in % of turnover	0.00
Costs in SEK for a one-time subscription, 10 000 SEK	
Stiftelsefond Criteria A1	92.94
Stiftelsefond Criteria B10	-
Costs in SEK for monthly savings, 100 SEK	
Stiftelsefond Criteria A1	5.89
Stiftelsefond Criteria B10	-

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

Fund Facts - Other Key Figures

Turnover rate	0.4
Share of turnover conducted via closely-related securities companies in %	1.8

Risk and Return Measurements*

Total risk % - A1 SEK	7.8	Active return % - B10 SEK	0.4
Total risk % - B10 SEK	7.8	Information ratio - A1 SEK	Negative
Total risk in index % - A1 SEK	7.3	Information ratio - B10 SEK	0.3
Total risk in index % - B10 SEK	7.3	Sharpe ratio - A1 SEK	0.4
Tracking error % - A1 SEK	1.4	Sharpe ratio - B10 SEK	0.5
Tracking error % - B10 SEK	1.4	Sharpe ratio in index - A1 SEK	0.5
Benchmark	SIX SRI Sweden Index GI 33.3%, MSCI ACWI Select Global Norms and Criteria Index 33.3%, HMNI Swe All Government Dur Const 6 Y (HMSD6) 23.28%, HMNI Swe All Mortgage Dur Const 2.5 Y (HMSMD2.5) 10.02%	Sharpe ratio in index - B10 SEK	0.5
Active return % - A1 SEK	-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.

Income Statement, tSEK

	2018	2017
INCOME AND CHANGES IN VALUE		
Changes in value for transferable securities	-	30,714
Changes in value for other derivative instruments**	-1,848	-
Changes in value for fund units***	-151,032	247,269
Interest income	-287	-52
Dividends	169	3,672
Currency exchange profits and losses, net	404	9,429
Other financial income	37,150	30,900
Other income	4	0
Total income and changes in value	-115,440	321,932
EXPENSES		
Management costs:		
- Remuneration to the Management Company	34,104	31,349
Interest expense	11	13
Other expenses	5	504
Total expenses	34,120	31,866
Net income	-149,560	290,066

* Details of changes in value

Capital gains	-	124,078
Capital losses	-	-13,138
Unrealised gains/losses	-	-80,226
Sum	-	30,714

** Details of changes in value

Capital gains	3,774	-
Capital losses	-5,622	-
Sum	-1,848	-

*** Details of changes in value

Capital gains	122,633	83,503
Capital losses	-4,784	-167
Unrealised gains/losses	-268,881	163,933
Sum	-151,032	247,269

Balance Sheet, tSEK

	31 dec 2018	% of fund capital	31 dec 2017	% of fund capital
ASSETS				
Transferable securities	0	0.0	0	0.0
OTC derivative instruments with positive market value	6,519	0.1	2,885	0.0
Fund units	4,124,741	98.8	3,743,629	97.2
Total financial instruments with positive market value ^{Note 2)}	4,131,260	98.9	3,746,514	97.2
Bank assets and other liquid assets	48,672	1.2	39,600	1.0
Prepaid expenses and accrued income	3,042	0.1	1,429	0.0
Other assets	4,282	0.1	68,614	1.8
Total assets	4,187,256	100.3	3,856,157	100.0
LIABILITIES				
OTC derivative instruments with negative market value	1,546	0.0	1,561	0.0
Total financial instruments with negative market value ^{Note 2)}	1,546	0.0	1,561	0.0
Accrued expenses and prepaid income	2,795	0.1	1,691	0.0
Other liabilities	8,940	0.2	907	0.0
Total liabilities	13,281	0.3	4,159	0.0
Fund capital ^{Note 1)}	4,173,975	100.0	3,851,998	100.0
Other derivative instruments with negative market value	3,029	0.1	-	-

Handelsbanken Stiftelsefond Criteria, cont.

Note 1) for Balance Sheet

Changes in fund capital, tSEK

	2018	2017
Fund capital at beginning of year	3,851,998	3,154,368
Units issued	1,405,536	678,951
Units redeemed	-775,580	-138,521
Profit according to Income Statement	-149,560	290,066
Dividends to unit holders	-158,419	-132,866
Fund capital at the close of the period	4,173,975	3,851,998

Note 2) for Balance Sheet

Fund holdings in financial instruments

EXCHANGE-TRADED DERIVATIVES**

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
INTEREST RATE FUTURES			
RXH9	-122	0	0.0
Total interest rate futures		0	0.0
Total exchange-traded derivatives		0	0.0

OTHER FINANCIAL INSTRUMENTS***

	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
FUND UNITS			
EQUITY FUNDS			
Handelsbanken Amerika Småbolag Tema (A1 SEK) (Nordic countries)	123,792	89,953	2.2
Handelsbanken Amerika Tema (A1 SEK) (USA)	482,228	392,629	9.4
Handelsbanken Europa Tema (A1 SEK) (Europe)	472,469	164,829	3.9
Handelsbanken Global Index Criteria (A1 SEK) (Nordic countries)	590,588	138,113	3.3
Handelsbanken Global Småbolag Index Criteria (A4 SEK) (Nordic countries)	359,065	34,371	0.8
Handelsbanken Global Tema (A1 SEK) (Nordic countries)	305,108	129,937	3.1
Handelsbanken Hållbar Energi (A1 SEK) (Rest of the world)	451,389	64,405	1.5
Handelsbanken Japan Tema (A1 SEK) (Asia)	1,041,676	73,851	1.8
Handelsbanken Sverige Index Criteria (A1 SEK) (Nordic countries)	2,735,979	650,497	15.6
Handelsbanken Sverigefond (A1 SEK) (Nordic countries)	399,544	682,072	16.3
Handelsbanken Tillväxtmarknad Tema (A1 SEK) (Rest of the world)	660,591	190,601	4.6
		2,611,258	62.5
FIXED INCOME FUNDS			
BlueOrchard Ucits EM Sdg Impact Bd Fd S (Nordic countries)	276,316	27,447	0.7
Handelsbanken Företagsobligation IG Criteria (A1 SEK) (Nordic countries)	4,116,173	414,238	9.9
Handelsbanken Långränta Criteria (A1 SEK) (Nordic countries)	2,494,293	291,055	7.0
Handelsbanken Räntevkastning Criteria (A1 SEK) (Nordic countries)	90,182	171,570	4.1
Handelsbanken Räntestrategi Criteria (A1 SEK) (Nordic countries)	3,387,673	346,311	8.3
UI - Aktia EM Local Currency Bond+ - s1 (Nordic countries)	2,699,891	262,861	6.3
		1,513,482	36.3
Total fund units		4,124,741	98.8
	Number/Nominal amount in 1000's	Market value tSEK	% of fund capital
OTC DERIVATIVE INSTRUMENTS			
CURRENCY FUTURES			
EUR/SEK		-625	0.0
SEK/EUR		5,535	0.1
SEK/USD		985	0.0
USD/SEK		-920	0.0
		4,973	0.1
Total OTC derivative instruments		4,973	0.1
Total other financial instruments		4,129,714	98.9
Total holdings in financial instruments		4,129,714	98.9
Net, other assets and liabilities		44,261	1.1
Total fund capital		4,173,975	100.0

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

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

** 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.

98.9

Handelsbanken Stiftelsefond Criteria

Sustainability dimensions that are taken into consideration in the management of the fund

The fund takes ESG factors into consideration in its selection of investments, i.e., in the selection of the underlying funds. This means that the fund is focusing more of its investments to be in line with the UN's Sustainable Development Goals (SDG). We also encourage the fund managers of the underlying funds to increase investments in green bonds, for example. The fund has also invested in underlying funds with explicit impact goals. Impact investments are currently a smaller category but are expected to increase.

Methods used in sustainability efforts

Inclusion

In the evaluation of underlying funds and investments, sustainability is an individual area of assessment. When striking a balance between comparable returns and risk, we make the choice that is most sustainable. A critical evaluation factors is how well sustainability is integrated into the underlying fund. We also work actively to increase the quantitative measurability in our assessment to clarify the sustainability dimensions in the portfolio.

BlueOrchard Emerging Markets Impact Bond Fund is an interesting example. Over time, the fund will be investing in bonds from issuing bodies with a demonstrated history of performance within impact investing. This is accomplished in the investment process by assessing the issuers' "social performance". The fund also invests to some extent in green bonds. The fund contributes to several of the UN's SDGs in its investment process: No Poverty, Affordable and Clean Energy, Decent Work and Economic Growth, Reduced Inequalities, as well as Industry, Innovation and Infrastructure.

Exclusion

In accordance with the Management Company's overall policy for responsible investment, all of the Management Company's funds exclude:

- companies involved in the production or distribution of banned weapons, such as cluster bombs, anti-personnel mines, biological and chemical weapons, in accordance with international legislation. Companies involved in the production or distribution of nuclear weapons are also excluded.
- companies with substantial business operations within coal mining or in power companies that have coal as a major source of energy.

The fund is managed based upon the Criteria exclusion strategy, which means an exclusion of companies/issuers in which the principle business operations are within controversial sectors such as alcohol, tobacco, commercial gaming, war materials, pornography, fossil fuels. The fund also excludes companies/issuers that are deemed to be violating international norms and conventions. This is followed-up by the Management Company's independent risk control function on a daily basis.

Management Company's engagement activities

We make demands in the fund that providers use their ownership influence in the underlying companies. In addition, we work actively to influence providers to make more sustainable changes to their policies, both generally and in specific funds, e.g., by excluding certain types of sectors or specific companies. The activities in 2018 have resulted in changes to a number of funds. The engagement activities also focus on contributing to the development of new products that have a higher sustainability standard.

The fund is a fund of funds, which means that we are unable to impact the underlying companies directly and work with influencing the fund providers. During 2018 we worked within this area to make it clear that we will be excluding more companies and expect providers to meet our demands by offering funds that meet our expectations. Within this work we have influenced funds as well as fund management companies to change and develop new products.

Information from Handelsbanken Fonder AB

Management Company's Board of Directors, CEO, Auditors and Personnel

Handelsbanken Fonder AB

Board of Directors

MICHAEL GREEN, Chairman
Executive Vice President, Svenska Handelsbanken AB (publ), Head of Handelsbanken Germany

MALIN BJÖRKMÖ, Consultancy specializing in corporate governance and financial regulations

HELEN FASTH GILLSTEDT, Managing Director and owner of a management consultancy firm

LARS SEIZ, Strategic advisor in asset management

GÖRAN STILLE, Chairman of the Board of Directors for the regional banks and the Board of Directors for the subsidiary in Svenska Handelsbanken AB (publ)

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

ERNST & YOUNG AB, DANIEL ERIKSSON

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

Compliance
PETER SANDER

Deputy Chief Executive Officer
MAGDALENA WAHLQVIST
ALVESKOG

Head of Risk Management
MARIA FORSSMAN

Head of Sustainability
KARIN ASKELÖF

Head of Asset Management
CHRISTOFER HALLDIN

Head of Legal
STAFFAN RINGVALL

Post address: 106 70 STOCKHOLM

Telephone: 08-701 10 10 Fax: 08-701 38 60

Corporate Governance

Handelsbanken Fonder exercises an active ownership role. The purpose is to participate so that the Company takes decisions that lead to a sustainable and positive value growth, which in turn benefit our unit holders. We view our ownership role from a long-term perspective, given that changes in companies often take time to implement. As a guideline for our actions, the Board of Directors of Handelsbanken Fonder has adopted a Corporate Governance Policy. Our work is also guided by those principles established in the Swedish Corporate Governance Code.

An essential channel is the regular contacts that our portfolio managers have with those companies in which we invest or intend to invest. This provides a very good opportunity to present our views on the performance demonstrated by the companies. We emphasize good corporate governance, sustainability and transparency at the companies in which we invest.

Handelsbanken Fonder AB participates in a number of nomination committees where we have a sufficiently large ownership to be able to influence the recommendations to the composition of the board of directors. The board shall have extensive and relevant competence and its composition shall be characterized by different perspectives. We work actively for a more equal distribution of genders in the boards. Our ambition is to vote at the annual general meetings where we have significant ownership and where our votes could impact the course of events, which is normally over approximately 0.5% of the votes.

We participate in a substantial number of annual meetings each year, primarily in the Nordics, but also in the rest of the world where we have a substantial ownership. In some cases, companies request a dialogue with shareholders prior to a proposal being presented at the annual meeting to gain support for the proposal by the major shareholders.

Handelsbanken Fonder AB participates in such discussions to the extent we have been invited and presents our views that aim at achieving a favourable result for unit holders.

The Management Company's Corporate Governance Policy is available on our website at: handelsbanken.se/funds.

Accounting and valuation principles

The Annual Report is drawn up in accordance with generally accepted accounting principles. The accounting principles for the securities funds are based on the Swedish Investment Funds Act (2004:46) and on the Alternative Investment Fund Managers Act (2013:561) for our non-UCITS funds. The principles are also based on the Swedish Investment Fund Association's Guidelines for Key Ratio Accounting of Swedish UCITS and non-UCITS funds as well as the Financial Supervisory Authority's regulations regarding Swedish UCITS funds (FFFS 2013:9) and the Financial Supervisory Authority's regulations regarding alternative investment fund managers (FFFS 2013:10) for our non-UCITS funds. Further, applicable provisions in the Swedish Accounting Act are also applied. Accounting is based on the transaction date.

Valuation principles

Equities and standardised derivatives are valued primarily at the latest closing price, followed by the average of that day's latest bid- and selling prices. Fixed income securities are valued primarily at the bid price. Interest-bearing securities that are not listed on the interbank market are valued in accordance with generally accepted models. Some of the funds include holdings in financial instruments that are not listed on a regulated market. In general, if these types of instruments are used regularly in trading organized in another manner, the price quotations that occur in this market will be used for the valuation. Price quotations are

normally obtained regularly from counterparties in the market for securities that are not maintained in a price follow-up system. These prices will be validated on a regular basis against a theoretically determined price. The purchase price is primarily used as the valuation price for securities purchased by the fund in connection with the issue of new shares where the current price information is unavailable prior to public trading. However, a new valuation will be made if the Management Company obtains information, e.g., at a new share issue, in reports from the company concerned or through other news in the market, that gives reason to believe that the valuation assigned to the instrument is no longer representative. Available information and established valuation methods will be utilized for this valuation, while taking into consideration the existing circumstances.

Foreign withholding taxes

Due to the changes in the tax regulations for Swedish funds on January 1, 2012, as well as the developments within EU taxation, there is significant uncertainty with regard to the application of withholding taxes on equity distributions. This can result in both higher revenues and increased expenses regarding withholding taxes in funds with foreign holdings. The revenues or expenses will be reported when received or paid, respectively. The distributions will be reported in the amount actually received, although it cannot be ruled out that the withholding taxes can be revised, which would result in an additional withholding tax on the previously received distributions made in the fund. A remittance (repayment of withholding tax paid) is reported when received.

Responsible Investment

Handelsbanken Fonder AB's Policy for Responsible Investment is based on international standards for the environment, human rights, working conditions, anti-corruption and controversial weapons. These norms are expressed in the UN's conventions and agreements and can be applied to the environmental and social responsibilities of the Company. Handelsbanken Fonder AB has, through Handelsbanken Asset Management, signed the UN's Principles of Responsible Investment (PRI) and Handelsbanken is also a signatory of the voluntary UN initiative, Global Compact. This means that we have made the commitment to incorporate environmental and social aspects into our investment decisions, to work for increased transparency within the industry and contribute to more responsible actions by conducting dialogues with companies in which invest.

The funds managed by Handelsbanken Fonder AB do not invest in securities issued by companies involved in the production or distribution of controversial weapons, e.g., cluster bombs, anti-personnel mines or nuclear weapons. Nor do the funds invest in securities issued by companies with significant business activities in coal mining or coal power generation. Fund of funds managed by Handelsbanken Fonder AB do not invest in securities issued by companies involved in the production or distribution of internationally banned weapons.

The Management Company's ownership policy is available at: www.handelsbanken.se/ansvarfullainvesteringar.

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. For further information on the subscription and redemption of fund units, please contact your local Handelsbanken branch office.

Employee remuneration at Handelsbanken Fonder AB

Handelsbanken Fonder AB's (the Management Company) principles for employee remuneration have remained unchanged for many years. The Management Company has a low risk tolerance, which is also reflected in the view on remuneration. The Management Company also views the employment of its staff from a long-term perspective. Salary growth and other remuneration varies over an employee's tenure with the Management Company. The total remuneration enables the Management Company to attract, retain and develop competent employees, and thereby is a contributing factor to the growth in the competitiveness and profitability of the Management Company as well as that it ensures that competence development and succession planning is well-functioning.

Remuneration includes a fixed cash salary, customary fringe benefits and pension contributions. Salary is determined on a local basis in accordance with Handelsbanken Group's (the Group) decentralised work practices and is based on the following pre-determined salary factors: the nature of the work and level of complexity, competence, performance capacity and work results achieved, leadership (for those who have responsibility for the development of staff), supply and demand for a specific type of competence on the regional market, as well as serving as the bearer of Handelsbanken's corporate culture.

Variable remuneration is applied within the Management Company where such remuneration is an established market practice and is deemed necessary to reach the Company's business targets. However, variable remuneration should be applied with caution to not impact the desired risk profile of the Management Company or result in the business being inconsistent with the risk profiles of the funds, fund rules, the discretionary mandate or the internal and external rules applicable to asset management. The Board of Directors for the Management Company determines the definitive amount of the variable remuneration after taking into consideration the decision made by the Central Board of Directors of Svenska Handelsbanken AB (PLC) for the total allocation of variable remuneration.

The reporting of remuneration for 2017 is based on the Management Company's Remuneration Policy for 2017 and is presented in the table below. Information about the Remuneration Policy and variable remuneration described in the sections above refer to the remuneration system and the Remuneration Policy that the Board agreed should apply for 2018, in accordance with the Financial Supervisory Authority's revised regulations pertaining thereto.

Remuneration Policy

The Management Company's principles for the remuneration system were established in a remuneration policy decided by the Board of Directors of the Management Company. This remuneration policy is based on the remuneration policy applicable to the Group, but has been adapted to the Management Company's specific business operations. Matters that concern the remuneration policy are prepared by a specially-appointed remuneration committee within the Board of Directors for a decision by the Board.

The Board's remuneration committee consists of the Board members Lars Seiz (committee chairman) and Helen Fasth Gillstedt. The composition and work of the committee is regulated in greater detail by the Board's rules of procedure, in addition to that which is stated in the remuneration policy. The remuneration committee has access to the information that can be necessary to carry out its tasks. The remuneration committee meets a minimum of three times per year.

The Management Company's remuneration policy is reviewed annually or as necessary. The low risk tolerance of the Management Company has dominated the work involved in the formulation of the remuneration policy throughout the year. The development of the proposal for the remuneration policy as well as the analysis of the risks associated with variable remuneration have followed the work within the Group and have involved Management Company representatives from the Executive management, Compliance and Risk Control as well as the Management Company's human resources function. The Management Company's current remuneration policy is based on the risk analysis prepared by the Management Company's Risk Control function. PWC has been retained as an external consultant to provide support for questions regarding remuneration.

The CEO and relevant Heads within the Management Company are responsible for identifying, evaluating and limiting remuneration risks as well as for proposing the format of the remuneration system in line with the Management Company's view on risks and the long term.

The Risk Control and Compliance functions are responsible for identifying, monitoring, analysing and reporting key risks with the remuneration system. The responsibilities of the control functions and the information about the remuneration risks are specified further in the Board of Director's instructions for each function.

The responsibility of the Internal Auditing function and information about the remuneration system are provided in what is stated in general in the Board of Director's instructions for the internal audit.

Variable remuneration

The Financial Supervisory Authority's regulations (FFFS 2013:9), Chapter 8a regarding remuneration systems is applicable as of November 1, 2016. The regulations include specific provisions for employees receiving variable remuneration and who can impact the risk level in a company. The regulations also include provisions for deferred remuneration, retention and downward adjustment/lapse in remuneration. As of July 22, 2013, the Alternative Investment Fund Managers Act (FFFS 2013:561) and the Financial Supervisory Authority's regulations (FFFS 2013:10) regarding alternative investment fund managers also apply and contain rules that in all material respects are equivalent to the Financial Supervisory Authority's regulations (FFFS 2013:9) regarding Swedish UCITS funds.

Variable remuneration within the Management Company is only applicable when such remuneration is an established market practice and is necessary to reach the Company's business objectives. Variable remuneration is not applicable for any member of the Management Company's Executive management group. Managers and staff within the Compliance and Risk Control function receive only fixed remuneration. This also applies to employees within the administration function and fund administration. The only personnel category eligible for variable remuneration is portfolio manager.

The principles for variable remuneration adopted by the Management Company are established to reflect the Management Company's risk tolerance, counteract excessive risk taking and be consistent with the current risk profiles of the funds (which are determined in the Management Company's risk management plan), fund rules, discretionary mandate as well as internal and external rules and regulations, without impacting the Management Company's ability to attract and retain competent personnel.

The Management Company's assessment with regard to provisions and allocations of variable remuneration to the established remuneration pool within the Management Company is based on risk-adjusted performance measures as well as current and future risks that are taken into consideration during this assessment. Results are charged with costs for capital. The risks in the business operations consist primarily of major market downturns, significant outflows from the funds and operational risks in the business operations.

In the preparation of the supporting documentation for decisions with regard to provisions and allocations of variable remuneration, the Management Company's results bear the relevant costs for the risks to which the Management Company is exposed, including the costs required by the Management Company to hold extra assets in accordance with the Alternative Investment Fund Managers Act (FFFS 2013:561) to cover potential liability risks due to error or negligence in the business operations carried out as supported by the aforementioned legislation.

Given that the results upon which the variable remuneration is based bear the actual costs for the capital required for the business operations, it is ensured that the remuneration levels are consistent with the overall objectives of the Management Company.

Variable remuneration within the Management Company is based on the Group's salary-setting model and salary factors. In addition to the salary factors, there are also factors specific to the business, with particular emphasis placed on sound risk-taking, observance of good order and compliance.

The assessment in the allocation of the variable remuneration is based on the results and performance of the Management Company and the individual during the assessment period. The individual assessment is based on financial and non-financial criteria. The individual's performance is taken into consideration relative to the benchmark and the products of comparable competitors. An allocation will be made if a provision for variable remuneration has been decided upon by the board of the Management Company and the Central Board of Directors.

The Personnel department compiles an annual analysis to identify those employees with work tasks that have a significant impact on the risk profile of the Management Company or a managed fund (risk-takers).

All employees subject to variable remuneration are included in the definition of "Risk-taker" and are subject to the rules regarding the deferral of remuneration.

Variable remuneration consists only of fund units. The individuals entitled to remuneration receive one-half of the variable remuneration in fund units in the funds managed by them (weighted equally if several funds are managed) and one-half in fund units in a number of funds that represent the total asset management in the Management Company.

The parameters that are the basis for the decision on the amount of the variable remuneration that will be deferred are based on the risks in the business operations and the size of the variable remuneration. The Management Company defers 40 - 60 percent of the variable remuneration over a minimum period of three years. In accordance with the Management Company's policy, the variable remuneration may not exceed 100 percent of the fixed remuneration. The established regulations for the deferral of variable remuneration apply to all affected staff and managers.

An assessment is conducted annually during the deferral period to determine whether the remuneration shall be adjusted downward or discontinued entirely. The remuneration will be discontinued or adjusted downward in the event that losses, as well as higher risks and expenses, arise during the deferral period, which includes taking into consideration the staff's compliance to external and internal rules. The discontinuation or downward adjustment shall also occur in the event that payment cannot be justified when taking into consideration the Management Company's financial situation or if the Central Board of Directors has made a recommendation for the discontinuation or downward adjustment.

Remuneration Policy – Handelsbanken Fonder

Total remuneration	2018			2017		
	Group executives ¹⁾	Risk-takers ²⁾	Other	Group executives ¹⁾	Risk-takers ²⁾	Other
Fixed remuneration earned, SEKmn	17.6	40.3	5.4	15.8	45.3	0.7
Provisions for pensions, SEKmn	2.8	14.4	0.8	2.7	13.0	-
Variable remuneration earned, SEKmn	-	14.5	-	-	16	-
Total	20.4	69.2	6	18.5	74.3	1
Number of employees only eligible for fixed remuneration	8	10.4	12	8	18.8	4
- of which the number of employees no longer eligible/on leave as of Dec. 31. 2018:	-2			-3		
Number of employees eligible for both fixed and variable remuneration	-	26	-	-	25	-
Total number of employees	6	36.4	12	5	43.8	4
Allocated variable remuneration, SEKmn	-	14.0	-	-	14.9	-
- of which was deferred	-	5.6	-	-	5.8	-
- of which was paid/retained over 1 year	-	8.4	-	-	9.1	-
Number of employees to which variable remuneration was allocated	-	19	-	-	28	-
Opening balance for deferred variable remuneration	-	35.4	-	-	41.2	-
Allocated and deferred variable remuneration for the year	-	5.6	-	-	5.8	-
Paid during the year	-	17.8	-	-	11.6	-
Adjusted during the year	-	-	-	-	-	-
Closing balance for deferred variable remuneration	-	23.2	-	-	35.4	-
Expensed severance pay for the year, SEKmn	-	1.4	-	-	0.5	-
Accrued severance pay, SEKmn	-	5.4	-	-	0.5	-
Expensed variable remuneration guaranteed for the year, SEKmn	-	-	-	-	-	-
Accrued variable remuneration guaranteed, SEKmn	-	-	-	-	-	-
Expensed variable remuneration guaranteed in conjunction with new staff recruitments, SEK 0 mn						
Accrued variable remuneration guaranteed in conjunction with new staff recruitments, SEK 0 mn						

Remuneration earned has been expenses in full. Variable remuneration earned is allocated on an individual level during the financial year subsequent to year it was earned. Allocated variable remuneration for the year was earned in full during 2017. Allocated variable remunerations is paid or deferred in accordance with the Bank's and the Management Company's policy for variable remuneration. Disposition rights to the deferred remuneration is transferred to the employee at the time of payment.

As of the 2017 financial year, variable remuneration is paid in the form of fund units and is subject to a retention period of one year.. Prior to this, variable remuneration was paid in cash. The amount is reported excluding social welfare contributions. **No guaranteed variable remuneration has been expensed during the year.** Refer to www.handelsbanken.se/funds for further information regarding the Management Company's Remuneration Policy and its application.

¹⁾ The Executive group is comprised of the Management Company's management group. Information regarding the number refers to individuals who were members of the management group during the year.

²⁾ Information regarding the number of individuals referred to as Group executives. Other and individuals with the potential to receive variable remuneration is the number of applicable individuals. Information regarding the number of risk-takers, as well as the "total number of employees", refers to employees recalculated to full-time employees (FTEs).

Definitions

Fund statistics

Share classes – A fund can have several share classes. Different share classes have different conditions, e.g., currency, with dividends or without, management fee or an initial minimum subscription amount. Fund capital is the same for the share classes and therefore information refers to the fund as a whole unless stated otherwise. Fund units within each individual share class are the same size and have the same rights to the assets included in the fund. The distribution in a distribution share class impacts the relationship between the value of units that are non-distribution and the value of the units that are distribution, with the value of the distribution fund units decreasing in relation to the size of the distribution.

Share of turnover conducted via closely-related securities companies – The proportion of fund purchases and sales of financial instruments conducted by Handelsbanken in terms of value. Expressed in percent of the fund's total turnover.

Share of turnover conducted between funds managed by the same fund management company – The proportion of fund purchases and sales of financial instruments conducted on behalf of the securities fund from another fund managed by the same fund management company. Expressed in percent of the fund's total turnover.

Net asset value – Net asset value expressed as the rate prevailing on the balance sheet date for the respective year.

Other techniques and instruments – Techniques and instruments used to improve the effectiveness of fund management refers to the following: techniques and instruments are attributable to transferable securities and money market instruments used in a cost-effective manner to lower risks and expenses or to increase returns in the fund with a risk level that is consistent with the fund's risk profile and applicable rules for the distribution of risk. Example of techniques and instruments include securities lending and agreements on the repurchase of securities sold, i.e., repos and reverse repo transactions.

Number of units – The number of outstanding units on the last banking day for the respective year. Reported in thousandths of units.

Duration – The duration of a fund is a measure of how sensitive the fund is to changes in interest rates. Simply stated, it is the weighted average of the residual maturity in the fund's investments. Measured in years or months.

Fund capital – The fund's net asset value on the closing date for the respective year.

Fund's total net flow – Subscriptions less redemptions in the fund, excluding reinvested dividends and any flows from mergers. This is new information that is being provided as of the full year 2012.

Average fund capital – Calculated as the mean value of the fund's net asset value during the year (or that portion of the year during which the fund existed). The fund's net asset value is calculated on a daily basis.

Average yearly return, 2, 5 and 10 years, respectively – The fund's average effective annual yield during the last 2, 5 or 10 years, respectively.

Index – The index used by the fund as its benchmark. AstraZeneca Allemansfond does not use a benchmark, as the indices available do not provide a fair comparison with fund management returns and, therefore, are not relevant.

Index incl. dividends – Performance of the fund's benchmark during the respective year. Performance is expressed in percent and is converted to the currency for each share class in those cases where the index is published in another currency. The table shows the index including dividends.

Costs for one-time subscription SEK 10 000 – Total costs charged to a unit holder who had SEK 10 000 invested in the fund at the beginning of the year and retained the investment throughout the year. Calculated for the full year only and for funds and share classes that have existed during the full year. The corresponding amount for funds with EUR as the base currency is EUR 1 000. The corresponding amount for funds with NOK as the base currency is NOK 10 000.

Costs for monthly savings SEK 100 – Total costs charged to a unit holder who had SEK 100 invested on the first banking day of each month during the year and retained the investment throughout the year. Calculated for the full year only and for funds and share classes that have existed during the full year. The corresponding amount for funds with EUR as the base currency is EUR 10. The corresponding amount for funds with NOK as the base currency is NOK 100.

Turnover rates (general principle) – The fund's turnover rate calculated, on the one hand, as the ratio between the lowest total amount for securities purchased or sold during the year and, on the other hand, as the average fund capital during the same period. With regard to equity funds, fixed income securities with a residual maturity of a maximum of 397 days at the time of acquisition are excluded from purchased or

sold securities. The turnover rate is reported as the number of times turned over per year and is calculated on a rolling 12-month basis.

Turnover rate (leveraged funds) – If a fund has traded with derivative instruments during the period and the turnover calculation conducted in accordance with the general principle makes the turnover information appear misleading, the fund's turnover rate is also calculated by decreasing the total of purchased and sold financial instruments during the period by the total of the subscribed and redeemed units in the fund. This amount is divided by the fund's average fund capital during the period. Negative turnover arises when the total amount for purchased and sold fund units exceeds the total amount for purchased and sold derivatives.

Risk – The calculation of the fund's risk is the same for all EU member states. 1 is for the lowest risk (small price fluctuations) and 7 is for the highest risk (risk for substantial price fluctuations). The classification is based on the standard deviation (volatility) for the fund, calculated using the unit values over a five-year period. If five years of performance is not available, the standard deviation for the relevant comparable index or other benchmark will be used. Risk describes primarily market risk and currency risk.

Total returns – Reports how the value of a unit has changed during the respective year. If the fund has paid dividends during the year 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 is measured in percent from the date of the previous year's closing date to the closing date for the respective year. Returns for the semi-annual review are reported for the first half of the current year.

Transaction costs – Expressed partly as an amount and partly as a percentage of the value of the financial instruments turned over. The value refers to the overall market value, but for futures and future-related instruments the value refers to the exposure value. Calculated on a rolling 12-month basis. Reported in the Income Statement under the heading "Other expenses".

Dividends per unit – The Management Company determines the amount of the dividend to be paid to fund unit holders of the distribution share class on an annual basis. Distributions are paid to those fund unit holders registered for distribution shares on the distribution date determined by the Management Company.

Collected management costs in % of average fund capital – Actual management fees collected. Expenses are calculated daily and represent costs for management, administration, marketing and distribution. Expressed in percent of the average fund capital and calculated on a rolling 12-month basis.

Ongoing charges – Ongoing charges are a cost measurement that includes the management fee and refers to the total expenses in the fund, excluding transaction costs for securities transactions, interest expenses, transaction-related tax expenses and any performance-based fees. Ongoing charges are based on the fees deducted from the fund during the period. The fee impacts the unit price and can vary from year to year. Expressed in percent of the average fund capital and calculated on a rolling 12-month basis.

A supplement for the underlying fund's most recently available ongoing fee, after deducting for discounts received, will be added for funds that invest in other funds.

Key figures for risk follow-up

In order to obtain relevant comparisons, dividends have been reinvested in the funds and their respective benchmarks. All key figures have also been calculated on the basis of the annual effective yields. The values for the past two years have been used for the majority of the funds. A risk forecast has been made for more recent funds, with fund holdings as of December 31 as the basis. In these cases, historical data for relevant reference portfolios is used for the calculation of the risk forecast.

Total risk/Total risk in index is stated as the standard deviation for variations in the monthly yields of the fund/index. The higher the number, the higher the risk.

Tracking error measures the standard deviation of the difference in the yields between the fund and its benchmark (the variation in the relative yields). The historical tracking error indicates how much the fund's yield has deviated from benchmark.

Active return states the annual over- or under effective return attained by the fund in comparison to its benchmark.

Sharpe ratio/Sharpe ratio in index is a measure of the fund/index's return, taking into consideration the risk of the fund/index. A high return attained at a lower risk is better than an

equivalent return attained at a high risk. Calculated, on the one hand, as the ratio between the return, less the risk-free interest (interest on government securities) and, on the other hand, as the total risk of the fund/index. The Sharpe ratio is the most relevant ratio for comparing 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%

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	Betalad tekningsaktie	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 Right
GDR	Global Depository Receipt		

(exact same distribution as the index) to 100% (none of the holdings are included in the index). The measurement is calculated as one-half of the sum of the absolute deviations between a securities' weighting in the fund and its weight in the index.

Index shows the average returns on the underlying market in which the fund invests.

VaR is a parametric in this case and is calculated in accordance with the covariance method. The covariance matrix is presented by the risk system and is updated on a monthly basis (half-life of 24 months for the fixed income module and 12 months for the equity module). The confidence level is 95% and the time horizon is one day.

Sustainability Definitions

Clarification of abbreviations and designations in the sustainability report.

CDP - formerly the Carbon Disclosure Project, is a non-profit organization that manages the global information system for investors, companies, cities, states and regions to measure their impact on the environment. CDP has developed the most comprehensive collection of self-reported environmental data in the world. CDP's network of investors and purchasers, which represent over USD 100 billion, together with policy decision-makers worldwide, use CDP's data and opinions to improve decision-making.

ESG - Environmental, Social & Governance. The environmental issues (for example, the company's influence on the environment and climate), Social issues (for example, human rights, employee rights issues, work environment and equal treatment), Corporate Governance issues (for example, shareholder rights, issues about remuneration to senior management and anti-corruption).

SDG - Sustainable Development Goals were adopted by the UN in 2015 and aim to achieve a long-term sustainable, economic, social and environmental development to eradicate poverty, decrease inequalities and injustices in the world, as well as combat climate change. The Sustainable Development Goals include 17 goals and 169 sub-goals. The goals are: No Poverty; Zero Hunger; Good Health and Well-being; Quality Education; Gender Equality; Clean Water and Sanitation; Affordable and Clean Energy; Decent Work and Economic Growth; Industry, Innovation and Infrastructure; Reduced Inequality; Sustainable Cities and Communities; Responsible Consumption and Production; Climate Action; Life Below Water; Life on Land; Peace, Justice and Strong Institutions, Partnerships to Achieve the Goals. Refer to www.globalmalen.se for a more comprehensive description.

UN PRI - The UN's initiative for responsible investments. The objective is to increase knowledge and understanding about the meaning of sustainable development within the investment industry. We are committed to following PRI's six principles by:

1. Incorporating ESG issues into our investment analysis and decision-making processes.
2. Being active owners and incorporating ESG issues into our ownership policies and practices.
3. Seeking appropriate disclosure on ESG issues at the companies in which we invest.
4. Promoting the implementation of these principles within the investment industry.
5. Collaborating to enhance the effectiveness in implementing the principles.
6. Reporting our activities and progress towards the implementation of the principles.

UN Global Compact - The UN's initiative in which member companies commit to pursue their business operations responsibly, in line with the Global Compact's ten principles for human rights, labour rights, the environment and anti-corruption.

Policy for responsible investments -

Handelsbanken Fonder's policy reports the focus of the Company's activities with responsible investments and our actions as investors and owners.

Based on the policy, the following business activities are excluded:

Area	Maximum turnover	
	production	distribution
Banned weapons	0%	0%
Nuclear weapons	0%	0%
Coal mining	5%	n/a
Coal power generation	30%	n/a

Criteria - Handelsbanken Fonder's designation of an exclusion strategy for business activities that are viewed as controversial and/or have higher sustainability risks. Based on the Criteria framework, the following business activities are excluded:

Area	Maximum turnover	
	production	distribution
Banned weapons	0%	0%
Nuclear weapons	0%	0%
Coal mining	5%	n/a
Coal power	30%	n/a
Weapons & war materials	5%	5%
Alcohol	5%	5%
Tobacco	0%	5%
Pornography	0%	5%
Commercial gaming	5%	5%
Fossil fuels	5%	5%
Tar sands	0%	n/a

Reporting principles

Number of nomination committees - Nomination committees where the Management Company has participated and presented proposals at the general meetings during 2018. Based on holdings in the fund during the year.

Number of votes at general meetings - Votes at general meetings during the year for fund holdings at the time of the general meeting. Refers to both ordinary annual general meetings and any extraordinary general meetings.

Number of direct dialogues - Based on the fund holdings during the year.

Pooled Engagements - Through an external party (ISS ESG) and together with other investors, we participate in dialogues with companies in so-called pooled engagements. The basis for these dialogues is a norm-based analysis and target primarily companies with suspected or confirmed violations regarding international norms and conventions within the environment, human rights, labour rights and anti-corruption.

Number of Pooled Engagements - Based on holdings in the fund as of December 31.

Initiatives - Initiatives are often thematic or focus on sustainability issues within a certain sector. Examples of initiatives we have participated in during the year include: Climate Action 100+, PRI Methane Engagement, PRI Sustainable Palm Oil, PRI Sustainable Soy, PRI Cyber Security and FAIRR Antibiotics Engagement. The number of holdings in each fund that are included in an initiative are not stated.

Description of initiatives, etc.

Climate Action 100+ - Climate Action 100+ is a five-year coordinated global initiative linked to the Paris Agreement. The purpose is to engage the largest greenhouse gas emitters to take responsibility and drive the transition to clean energy. Investors supporting the initiative encourage companies to combat climate change, reduce emissions and increase transparency.

PRI Methane Engagement - The aim of this initiative is to increase investors' understanding for methane exposure risks in global portfolios and to increase the understanding for best practices relating to the management of risks related to methane. The initiative also has the objective of sharing knowledge between companies about the risk of methane and to encourage companies within energy supply to improve their handling of methane and thereby reduce emissions. The objective has been to study how approximately 40 companies manage and follow-up their methane emissions.

PRI Sustainable Palm Oil - The production of palm oil is a sector with significant sustainability risks relating to both the environment and work conditions. Therefore, PRI is serving as the coordinator and has formed a working group to provide a unified voice in support of sustainable palm oil. The aim is to raise awareness of these issues among investors. The working group is also supporting the development of more sustainable practices and is engaged in influencing companies to purchase RSPO-certified palm oil. RSPO is a member organisation for various stakeholders (including other producers, consumers and non-government organisations) engaged in the production of sustainable palm oil.

PRI Sustainable Soy - The production of soy is a sector with a significant environmental impact, not least related to deforestation. PRI and CERES (a non-profit organization that collaborates with investors and companies to build leadership to create solutions for a sustainable future) have therefore coordinated a working group of investors to help investors understand how deforestation within the soybean value chain can pose material risks for companies and investors. The purpose is to also help investors engage in dialogues with companies about these risks, as well as to drive increased transparency, traceability, as well as a commitment from companies to eliminate deforestation and violations with regard to human rights within the entire value chain.

PRI Cyber Security - The initiative focuses on increasing the knowledge of investors with regard to cyber security in relation to how their portfolios are positioned and how risks related to this can be managed. Moreover, the initiative deals with the management of investors' expectations as to what companies can and should disclose with regard to monitoring and managing cyber risks. The initiative also aims to improve the amount and quality of company disclosure relative to cyber risk and governance.

FAIRR Antibiotics Engagement - The initiative aims to reduce the use of antibiotics in large food companies. Investors went together to ten of the largest restaurant and fast-food companies in the UK and US with a challenge to phase out the overuse of antibiotics. This was coordinated by the FAIRR Initiative and ShareAction. Investors' engagement is a response to the warnings from the World Health Organisation (WHO) regarding irresponsible antibiotic practices that can lead to resistance problems, which can make many infections untreatable. The initiative is currently supported by 71 institutional investors. Additional information is available at fairr.org.

FSC - Forest Stewardship Council, is an independent member-led organisation established to promote an environmental and socially responsible management and economically viable use of the world's forests through its certification system FSC.

PEFC - PEFC is a system for the certification of environmental and sustainable use of forests. PEFC is similar to the certification rules adopted by FSC, but is adapted to small-scale private forest owners. LRF and forest owners' associations endorse PEFC in Sweden.

Risk in seven levels

The risk categories are classified in a common industry standard across Europe. To make it easier for savers, the risk levels are also divided into three steps: low, medium and high.

What is risk?

Within this context, risk means that savings can both increase and decrease in value. Taking a certain level of risk is a prerequisite to be able to attain high returns over the long term. The higher the risk, the greater potential for returns.

Only an indication of the future

It is important to remember that the risk indicator only gives an indication of the future risk level in the fund, since the category is based on historical data. Thus, the level can change over time. The risk is calculated on a monthly basis.

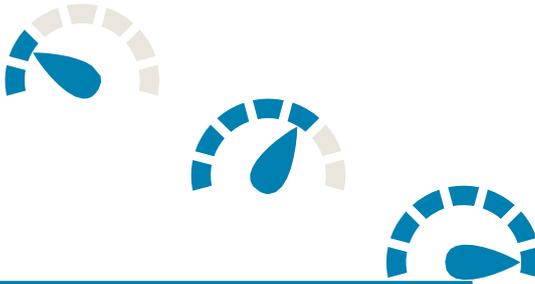
Calculation of risk

The risk (risk indicator) is calculated as the fund's standard deviation over the past five years. A higher standard deviation means that the fund has had higher price fluctuations.

The risk is calculated monthly and the calculation is based on weekly data. If the fund is new and there is no historical data available, the risk can be based on the fund's benchmark index instead. The benchmark index is the index that the fund's performance/returns can be evaluated against.

The risk indicator only reflects the fund's market risk, which can be described as a measure of the fluctuations (volatility) in the fund's price.

A fund's historical return is no guarantee of future returns. Investments made in a fund can rise or fall in value, and it is not certain that you will get back all the capital you have invested.



Risk indicator	Standard deviation, %	Risk level
1 	0 – 0.5	Low
2 	0.5 - 2	Low
3 	2 - 5	Low
4 	5 - 10	Medium
5 	10 - 15	Medium
6 	15 - 25	High
7 	> 25	High

Types of risks

- Market risk – that the entire market for an asset class rises or falls, which affects the prices and values of the assets.
- Credit- or counterparty risk – that an issuer or counterparty defaults on a payment.
- Liquidity risk – that a holding cannot be settled within a reasonable period at a reasonable price.
- Currency risk – that the value in the fund is affected by changes in exchange rates when the fund invests in securities listed in a currency that is different from the investor's (or fund's) currency.
- Operative risk – losses related to deficiencies in routines with regard to personnel and systems in the fund management company or external factors. Partly judicial and documentation-related risks, partly risks as a result of trading, settlement and valuation routines.

The specific risks are available in the fact sheet for each fund. The fact sheet as well as the information brochure with a complete description of risks are available in the price list at www.handelsbanken.se/funds.

Fact sheets, the complete information brochure and current share price performance for the funds are available at handelsbanken.se/fonder.

The following fund management companies are included in the Handelsbankens Group: Handelsbanken Fonder AB and Xact Kapitalförvaltning AB.

A fund's historical return are no guarantee of future returns. Investments made in the fund can rise or fall in value, and it is not certain that you will get back all the capital you have invested.