

Handelsbanken Wealth and Asset Management Limited

MIFIDPRU 8 Disclosures

Reporting period to 31 December 2025

wealthandasset.handelsbanken.co.uk

25 Basinghall Street, London EC2V 5HA
77 Mount Ephraim, Tunbridge Wells, Kent TN4 8BS

Handelsbanken Wealth is a trading name of Handelsbanken Wealth & Asset Management Limited which is authorised and regulated by the Financial Conduct Authority (FCA) in the conduct of investment business, and is a wholly-owned subsidiary of Handelsbanken plc. Tax advice which does not contain any investment element is not regulated by the FCA.

Registered Head Office: London address above | Registered in England No: 4132340

Table of Contents

1.	Introduction	3
2.	Overview and corporate background	3
3.	Risk Management	4
4.	Governance Arrangements	5
5.	Own Funds	6
6.	Compliance with overall financial adequacy rule	7
7.	Remuneration policies & practices	8
8.	Appendix	12

1. Introduction

As a MIFIDPRU investment firm, Handelsbanken Wealth and Asset Management Ltd (“HWAM Ltd”, the “Company” or the “Firm”) follows the rules and expectations set out by the Financial Conduct Authority (“FCA”) in chapter 8 of the Prudential Sourcebook for MiFID Investment Firms (“MIFIDPRU”) and is required to disclose information that is appropriate to the size, nature and complexity of the business.

This disclosure statement has been prepared by the Company to fulfil the MIFIDPRU 8 regulatory disclosure requirements and is publicly available on the Company’s website: <http://www.wealthandasset.handelsbanken.co.uk>

The content of this statement is based on the position as at 31 December 2025, unless stated otherwise.

2. Overview and corporate background

2.1 Overview and corporate background

Handelsbanken Wealth & Asset Management Limited is a UK-based provider of asset management and wealth management and provides the following services:

- Wealth management advice and solutions to UK based clients
- Asset management, primarily in relation to the Handelsbanken Multi Asset Funds (MAFs), which are directly available to charities, institutions and to individuals who are customers of Handelsbanken Wealth & Asset Management Limited or of Handelsbanken plc.

Handelsbanken Wealth & Asset Management Limited is a wholly owned subsidiary of Handelsbanken plc, which is a wholly owned subsidiary of Svenska Handelsbanken AB (publ).

Handelsbanken ACD Limited is a wholly owned subsidiary of Handelsbanken Wealth & Asset Management Limited. Handelsbanken ACD Limited is the Authorised Corporate Director for the MAFs and is responsible for ensuring that they are operated, managed and administered in accordance with the applicable rules and regulations.

This statement has been prepared on an individual firm basis for Handelsbanken Wealth & Asset Management Limited, which is classified as a non-SNI MIFIDPRU investment firm.

2.2 Business Strategy

Handelsbanken Wealth & Asset Management Limited is the wealth and asset management arm of Handelsbanken plc in the UK, serving clients with care, diligence and expertise. The Company aims to be a responsible contributor to the communities that it serves, and to work to make a positive difference wherever possible for its customers, its employees, and the environment.

The Company’s wealth and asset management teams work closely together to provide comprehensive financial planning and investment management. By considering all aspects of a customer’s wealth and taking an integrated long-term perspective, supported by global multi asset class investment solutions, the Company helps customers achieve their long-term financial goals and services are delivered with transparency, value for money and the investment experience that customers expect.

Working together with the Handelsbanken plc network of branches in the UK and independently with non-branch customers, the Company’s objective is to be the partner of choice for customers who seek a quality, collaborative long-term wealth and asset management relationship.

3. Risk Management

Handelsbanken Wealth & Asset Management Limited has a low risk tolerance which is embedded in the corporate culture and supported by the Risk Management Framework (RMF).

The RMF sets out the structure underpinning risk management in the company, including risk tolerance, governance, and the approach to identifying, assessing, managing and reporting relevant risks. A few risk policies are in place, together with instructions (procedures), which cover the operational elements of risk management. As part of the Handelsbanken Group, the Company believes that strong risk management and control is a key part of being a sustainable business and delivering value for stakeholders.

The Company's Board of Directors is ultimately responsible for adequate risk management and establishing risk culture. The Board has delegated the oversight of risks and risk management to the Executive Committee and its management-level sub committees.

Risk tolerances are set by the Board and are used to guide decision-making and risk management. Risk tolerance statements are supplemented by quantitative metrics where possible.

Risk identification is carried out through:

- A top-down risk assessment starting from the company's principal risks, as defined in the risk taxonomy, and from there identifying specific risk events relevant to the company
- A bottom-up assessment identifying key inherent risks in the business that affect the ability to meet the company's objectives
- An assessment of emerging risks or existing risks which are changing.

Risk assessment is undertaken by considering the impact and probability (likelihood) for each risk at an inherent level, and then at a residual level, i.e. after taking the existing controls and risk mitigating measures into account.

Risks are managed through preventative, detective and corrective controls. Business areas own their risks and are responsible for day-to-day monitoring of these. The Compliance function undertakes independent monitoring, using a risk-based approach, and the Risk function supports the business areas in working with their risks.

Risk reporting is undertaken within the governance structure, which enables assessment of the risk landscape, and of the effectiveness of risk management processes and procedures. This structure supports the escalation of risks through established committees. Dialogue is maintained with Handelsbanken plc, and escalation to Handelsbanken plc takes place on a materiality basis.

The Company's subsidiary, Handelsbanken ACD Limited, has its own Board with responsibility for the high-level supervision of the regulatory activities of the ACD.

3.1 Risk Tolerance Statements

Risk Tolerance Statements (RTS) articulate the level of risk the Company is willing to accept in pursuit of its strategic objectives. Associated qualitative and quantitative metrics are in place and designed to monitor risk exposure against defined tolerance thresholds and to provide early warning if risk levels approach tolerance. Reporting against RTS metrics is provided to the Board.

The RTS are reviewed at least annually, or more often as deemed appropriate, and approved by the Company's Board.

The RMF defines and adopts an overall Risk Taxonomy to ensure a consistent approach to articulating risks and to enable the Company to set and define risk tolerances.

3.2 High Level Risk Categories

Operational risk

Operational risk refers to the risk of loss due to inadequate or failed internal processes, people, systems or external events. This category includes, but is not limited to, information technology risk, information and cyber security risk, business resilience risk, third party management risk and legal risk.

The Company has a low tolerance for operational risk. Risk-mitigating measures must be taken for all residual risks assessed 9 or greater, to bring the risk rating back within tolerance level. Overall, operational risk must be managed so that losses remain low and proportionate to net profit.

Compliance risk

Compliance risk is the risk of sanctions, material financial loss, or loss to reputation because of failure to comply with laws, regulations, rules, codes of conduct or guidance applicable to the Company's operations that are subject to authorisation and its regulatory permissions. This category includes financial crime risk.

The Company has a low tolerance of compliance, conduct and financial crime risks and, as far as possible, must prevent such risks.

Investment & market risk

Included in this category are the risk of losses due to adverse movements in market prices, indices or rates, or changes in the anticipated or calculated volatility of these movements. Included is investment breaches and investment performance risk, and liquidity risk and the risk that funds are assessed not to provide value to customers. The Company does not engage in proprietary trading and therefore exposure to investment and market risk concerns the implications for investment performance, customer satisfaction and customer outcomes, and the implications for the Company's assets under management and income. Liquidity risk in this context relates to enabling clients to redeem their investments or access their portfolio cash within reasonable time periods and in accordance with fund terms and regulations.

HWAM has a low risk tolerance which is maintained by means of a robust and sustainable approach to investment management and to the provision of investment advice. The Company does not take proprietary positions.

Other risks

Other risks include capital adequacy risk, model risk, sustainability risk and group risk. The Company shall hold enough liquidity, of sufficient quality, to meet liabilities as they fall due throughout severe, yet plausible, liquidity stress scenarios. The Company shall maintain a strong capital position in relation to its risk exposures with a buffer to minimum regulatory requirements.

The Company has a low risk tolerance for business strategies that are not achievable, understandable, resilient to normal business cycles, and adaptable to external events and changes. This supports the Company's low risk business model and Handelsbanken culture that focusses on long term profit stability and through-the-cycle financial resilience.

4. Governance Arrangements

Strong corporate governance and prudent risk management are at the centre of the Company's philosophy and a robust governance framework overseen by the Handelsbanken Wealth & Asset Management Limited Board is in place. The responsibilities of the Board are detailed in a Terms of Reference document and can be summarised as follows:

- The Board is collectively responsible to the shareholder (Handelsbanken plc) for the long-term success of Handelsbanken Wealth & Asset Management Limited, exercising all the powers of the firm, subject to any relevant laws and regulations and in accordance with the Articles of Association.
- The Board's primary role is to provide leadership and to ensure that the Company is appropriately managed within a framework of prudent and effective controls and that it delivers long-term shareholder value.
- The Board is responsible for the Company's strategy, corporate culture, governance framework, risk management and internal controls, risk tolerance, and its compliance obligations under the regulatory system.
- The Board and its committees have the appropriate balance of skills, experience, independence and knowledge of the Company to enable them to discharge their respective duties and responsibilities effectively.

The table below indicates the number of Directorships each member of the Handelsbanken Wealth & Asset Management Limited Board held at 31 December 2025 either within Handelsbanken Group firms or external bodies. For further information about changes to the Handelsbanken Wealth & Asset Management Limited Board membership since 31 December 2025, please see Appendix.

Board Member	Role	Group Directorships	Other Executive Directorships	Other Non-Executive Directorships
Richard Charnock	Chair	1	0	0
John Ellacott	NED	2	0	0
Chris Teasdale	NED	1	0	0
Matthew Handley	CEO	1	0	0
Peter McCree	COO	3	0	0

Board appointments are made following the approval of the Shareholder (Handelsbanken plc) adopting a thorough process, including consideration of the overall diversity of the Board when recruiting for additional or replacement Board directors. Handelsbanken plc, and therefore Handelsbanken Wealth & Asset Management Limited, has chosen not to set any targets relating to diversity.

The Company is not required by MIFIDPRU to operate a risk committee, however, the Executive Committee assists the HWAM Board in its duty to implement and maintain effective risk management, regulatory compliance and capital adequacy systems and controls. The Executive Committee should identify any matters in respect of which it considers that action or improvement is needed to bring risks within tolerance.

The Executive Committee maintains oversight and evaluation of risk, compliance and audit (internal & external) activities undertaken in respect of the Company.

The Committee works closely with other Handelsbanken Wealth & Asset Management Limited & Handelsbanken ACD Limited committees to monitor and assess whether any agreed risk tolerance levels across their respective Risk Management Frameworks have been breached or are likely to breach and to escalate these to the Management Group and the Boards, as necessary.

Further information about the Boards of Handelsbanken Wealth & Asset Management Limited and Handelsbanken ACD Limited can be found on the Company's website: <http://www.wealthandasset.handelsbanken.co.uk>

5. Own Funds

5.1 Capital Resources

As a non-SNI MIFIDPRU investment firm, Handelsbanken Wealth & Asset Management Limited's own funds requirement is calculated as the total of:

- i) Common Equity Tier 1 (less specific deductions),
- ii) Additional Tier 1 Equity and
- iii) Tier 2 Equity.

The Company is funded solely by Common Equity Tier 1 capital which is made up of share capital, share premium and retained earnings.

In accordance with MIFIDPRU 8.4.2, the composition of regulatory Own Funds is summarised below:

#	Item	Amount (GBP thousands)	Reference numbers in audited financial statements
1	Own Funds	15,839	18
2	Tier 1 Capital	15,839	18
3	Common Equity Tier 1 Capital	15,839	18
4	Fully paid up capital instruments	131	18
5	Share premium	2,091	18
6	Retained Earnings	12,632	18
7	Accumulated other comprehensive income	0	-
8	Other reserves	985	18
9	Adjustments to CET1 due to prudential filters	0	-
10	Other funds	0	-
11	(-) Total deductions from Common Equity Tier 1	0	-
19	CET1: Other capital elements, deductions and adjustments	0	-
20	Additional Tier 1 Capital	N/A	N/A
25	Tier 2 Capital	N/A	N/A

5.2 Capital in the Balance Sheet

The table below details the capital position in the Balance Sheet in the 2025 audited financial statements:

As at 31 December 2025:

Item	Amount (GBP thousands)
Share Capital	131
Share Premium	2,091
Other Reserves	985
Retained Earnings	16,569
Net Profit, attributable to shareholders	-3,937
TOTAL EQUITY	15,839

6. Compliance with overall financial adequacy rule

The Overall Financial Adequacy Rule (OFAR) (MIFIDPRU 7.4.7R) requires firms to hold adequate own funds to ensure that:

1. They can remain viable throughout the economic cycle and address any material harm that may result from ongoing activities: and,
2. Their business can be wound down in an orderly manner, minimising harm to their customers and the markets.

The Own Funds Threshold Requirement (OFTR) is the level of own funds that is required to meet the OFAR and the basis for calculation is set out in the sections below.

6.1 Own Funds Threshold Requirement

As a non-SNI investment firm, Handelsbanken Wealth & Asset Management Limited is required to maintain an amount of own funds that is the higher of the following:

- i. Permanent minimum capital requirement (PMR) – minimum levels set by FCA. The Company's PMR as at 31 December 2025 amounted to £300k

- ii. Fixed overhead requirement (FOR) – calculated as 1/4 of annual fixed overheads. The Company’s FOR as at 31 December 2025 amounted to £8.7m
- iii. Amount required to mitigate risks of harm (including the sum of K-Factor requirements). As at 31 December 2025, this amounted to £2,926 and consisted of the following:

Requirement	Amount (GBP thousands)
K-AUM	877
K-COH	348
K-CMH	5
K-ASA	1,696
TOTAL	2,926

The OFTR is increased if amounts need to be retained to meet costs related to an orderly wind down. The Company has assessed that an orderly wind down of the business would incur costs of £7.6m, which is less than the fixed overhead requirement (FOR) of £8.7m.

A calculation is undertaken at the end of each month to compare the actual level of own funds against the OFTR. The results are reported monthly to the Executive Committee and quarterly to the HWAM Board.

A Board Risk Tolerance metric has been set at 125% of OFTR together with a divergence limit of 150% of OFTR. In the event the divergence limit was breached or close to breaching, this would trigger management review and appropriate recovery actions to be undertaken. The regulator requires firms to set an Early Warning Indicator at 110% of OFTR which, if breached, would trigger a regulatory notification.

6.2 K-Factor requirements

The following K-Factor requirements currently apply to Handelsbanken Wealth & Asset Management Limited:

- **K-AUM**, assets under management
- **K-CMH**, client money held
- **K-ASA**, assets safeguarded and administered
- **K-COH**, client orders handled

As the Company does not deal on its own account and does not carry out transactions in its own name on behalf of clients, the remaining K-Factor requirements are not applicable:

- **K-NPR**, net position risk
- **K-CMG**, clearing member risk
- **K-TCD** trading counterparty default risk
- **K-DTF**, daily trading flow
- **K-CON**, concentration risk

7. Remuneration policies & practices

7.1 Approach to Remuneration and Objectives

The objective of the remuneration policy is to attract, retain and motivate high quality employees, and it aims to deliver a competitive and regulatory compliant reward offering, which is gender-equal and gender-neutral, contributing to the achievement of the Handelsbanken Group’s corporate goal and culture and its low tolerance of risk. Handelsbanken Wealth and Asset Management Limited’s main performance objectives are to grow its income faster than its costs, to have the most satisfied customers; to deliver strong risk adjusted investment performance and to maintain its low risk tolerance.

The remuneration policy and practices of Handelsbanken Wealth and Asset Management Limited are adopted by Handelsbanken ACD Limited as various staff who perform functions for Handelsbanken ACD Limited are employees and are also remunerated by Handelsbanken Wealth and Asset Management Limited; the remuneration policy is approved by the Boards of both entities.

The management body is the Handelsbanken Wealth and Asset Management Limited Board which consists of the Independent Chair of the Board, the CEO and Non-Executive and Independent Non-Executive Directors.

The Company considers the main risks of the policy to be that it:

- incentivises behaviour that could lead to poor customer outcomes; and,
- is insufficient to attract, retain and develop suitably qualified employees.

The practice of paying predominantly fixed pay and the process and criteria involved in agreeing remuneration helps to manage the risk of inappropriate behaviour and risk taking amongst its employees.

Whilst any element of performance-based bonus increases the risk of incentivising inappropriate behaviour, several provisions have been adopted within the remuneration policy to manage the risk appropriately:

- Variable remuneration is limited to 100% of fixed remuneration;
- It is linked to wider salary setting factors and adherence to good order;
- Deferral of a minimum of 50% of any bonus for at least 3 years;
- Evaluation of variable remuneration taken over a longer term view, over one, three and five years;
- Malus and clawback provisions are applied, where appropriate; and,
- All variable awards require approval by the Handelsbanken Wealth and Asset Management Limited Remuneration Committee and ratification by the Handelsbanken plc Remuneration Committees.

7.2 Remuneration Committee and Governance

Remuneration Committee and Governance

The Handelsbanken Wealth and Asset Management Limited Remuneration Committee is chaired by the Independent Chair of the Handelsbanken Wealth and Asset Management Board. The Heads of Risk and Compliance attend Remuneration Committee meetings and report any concerns in relation to individuals eligible for variable remuneration into the Committee.

Its responsibilities include an annual review of remuneration policy and practice in line with risk tolerance and regulatory and legal requirements, the consideration and approval of any individual performance based variable pay proposals, including on deferral requirements and vesting deferred pay, the application of malus and clawback (including making recommendations to the Handelsbanken UK Plc Remuneration Committee for the Oktogonen SIP scheme).

The Handelsbanken UK Plc Remuneration Committee ratifies the individual performance based variable remuneration awards and provides a final recommendation to the shareholder;

No individual performance-related variable pay is provided to internal control functions. To ensure that they are truly independent of their responsibilities and to avoid any conflicts of interest, remuneration for the heads of control functions within Handelsbanken Wealth and Asset Management Limited and Handelsbanken ACD Limited are ratified by the Handelsbanken UK Plc Remuneration Committee.

External Consultants

Advice is sought from a third party, Mercer, with a specific focus on remuneration trends and regulatory changes in addition to peer group data from AoN McLagan.

7.3 Material Risk Takers

An annual review identifies Material Risk Takers both on an individual and consolidated basis for Handelsbanken Wealth and Asset Management Limited and Handelsbanken ACD Limited and they represent:

- members of both entities' supervisory bodies;
- the management body of both entities;
- senior management within both entities;
- heads of, and Senior Management Function holders within their control functions;
- voting members of a Handelsbanken ACD Limited committees whose decisions may have a material impact on the risk profiles of the funds or fund manager they oversee.

No MRT receives individual performance based variable remuneration in the performance year when they were identified as an MRT; there may however, be instances when deferred individual performance based variable remuneration is paid out for

a prior performance year, as approved by the Handelsbanken Wealth and Asset Management Limited Remuneration Committee.

The Oktogonen profit sharing scheme is de-minimis, however, our Material Risk Takers are subject to malus and clawback. They undertake not to use personal hedging strategies or remuneration or liability-related contracts of insurance to undermine the risk alignment effects embedded in their remuneration.

7.4 Fixed and Variable Remuneration

Fixed Remuneration

Fixed remuneration is made up of various component parts, including: cash salary, car allowance and customary employee benefits including pension and right to salary during a period of notice. Fixed pay may also, in some circumstances, include salary supplements, used whilst an employee is undertaking a more senior role on a temporary basis which are not pensionable income.

Variable Remuneration: Oktogonen Profit-sharing Scheme

The profit-sharing scheme, Oktogonen is classified as variable remuneration. The SYSC 19D.3 Remuneration principles in the FCA Handbook have been applied to design and implementation of the scheme.

Assessments made by the Group Board that form the basis for the allocation to Oktogonen are based on a profitability metrics linked to Group's corporate goal. The performance assessment is risk adjusted and based on a perspective over several years, to consider the underlying business cycle and any business risks, and on long-term sustainable profits. The assessment also considers the cost of capital and liquidity.

The Handelsbanken Wealth and Asset Management Limited Remuneration Committee decides if any individual adjustments to Oktogonen allocations in terms of malus and/or clawback shall be applied to relevant employees and/or leavers.

The scheme uses a Share Incentive Plan (SIP) model allowing for a significant proportion of any allocation to be used for the purchase of Handelsbanken Group shares by employees. These shares are required to be held in Trust for a prescribed period, and any dividends earned from the shares shall be reinvested in the purchase of further shares. Any excess amount above the SIP limit shall be disbursed as cash (subject to statutory deductions), or can be used to buy further shares in Handelsbanken via the SIP in a tax efficient manner (again up to certain limits) or to make an additional pension contribution. Material Risk Takers are subject to malus and clawback provisions.

The scheme supports Group-wide principles that promote employee ownership, good risk management and a strong appreciation of how long-term performance is valued.

Individual Performance-based Variable Remuneration

A small number of employees in the investment management team are eligible to receive individual performance based variable remuneration. Those eligible are required to invest 100% of the deferred variable remuneration into its fund range, i.e. within one or more Multi Asset Funds. The balance between fixed and variable pay is no higher than 100% of the basic salary (including any allocation under the Oktogonen SIP scheme).

The assessment of performance which forms the basis for the allocation is primarily based on risk-adjusted profit metrics. Both current and future risks are to be taken into consideration. The performance assessment is based on a perspective of several years, to consider the underlying business cycle and any business risks, and on long-term sustainable profits.

The assessment also considers the operation's cost of capital and liquidity and considers the employee and the Company's contribution to the UK Group's total business operations, even if these cannot be quantified. These are based on results achieved without incurring credit, market or liquidity risk for Handelsbanken Group.

Non-financial performance metrics form a significant part of the performance assessment process and include conduct and adherence to effective risk management and compliance with the regulatory system. Quantitative criteria are; investment performance against internal and external benchmarks; performance of research responsibilities over the measurement period both across team and individual performance.

The below salary setting factors are also applied:

- the nature and degree of difficulty of the job;
- competence and skills including performance against both technical and behavioural competencies;
- work performance and results achieved;

- leadership (for managers who are responsible for the career development of employees);
- the market and economic conditions; and
- being a cultural ambassador.

At least 50% of allocated variable remuneration is deferred by three years, regardless of the position held or the financial year that the variable remuneration relates to. For variable remuneration of more than 3,000,000 SEK circa (£250,000) 60% of the remuneration is to be deferred for four years.

Where a longer evaluation period is deemed necessary, 60% of the amount is deferred for a maximum of five years. Deferred amounts of variable remuneration will not vest for a minimum of three years after the award and vest no faster than on a pro-rata basis.

A malus and clawback system is in operation, while also having the option to exercise in-year adjustments. Any variable remuneration already awarded under the scheme may require repayment by any eligible employee over the period of five years post allocation date in addition to any in-year deduction or withholding of any future disbursement over the combined period of the deferral.

Guaranteed variable remuneration is not permitted according to the remuneration policy.

Severance Pay

Payments in relation to early termination of a contract of employment reflect performance achieved over time and do not reward failure or misconduct. Such payments are subject to approval, and generally do not exceed 12 months' salary.

7.5 Quantitative Disclosures

	All Staff	Senior Management	Other Material Risk Takers*	All Other
Number of Staff	201	14	6	181
Total Fixed Remuneration	£21,010,879	£3,432,113	£278,110	£17,300,656
Total Variable Remuneration	£273,590	£7,551	£0	£266,039
Guaranteed Variable Remuneration	£0	£0	£0	£0
Severance Payments	£9,560	£0	£0	£9,560
Highest Severance Payment to MRT	N/A	N/A	N/A	N/A

*Non-Executive Directors

8. Appendix

Changes to governance arrangements

The following changes have taken place in relation to the Handelsbanken Wealth & Asset Management Limited Board:

- On 11 March 2026, Peter McCree resigned from the role of Independent Non-Executive Director.

As of 11 March 2026, the membership of the Handelsbanken Wealth & Asset Management Limited Board was as follows:

Board Member	Role	Group Directorships	Other Executive Directorships	Other Non-Executive Directorships
Richard Charnock	Chair	1	0	0
John Ellacott	NED	2	0	0
Chris Teasdale	NED	1	0	0
Matthew Handley	CEO	3	0	0