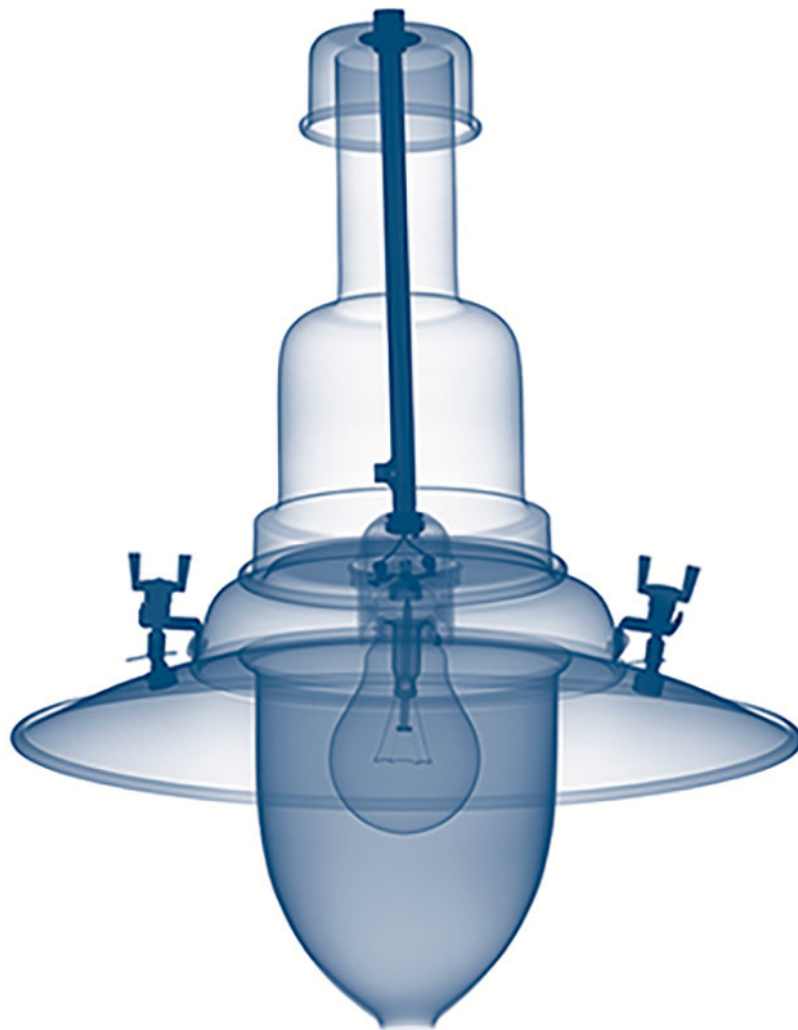


Investment Report

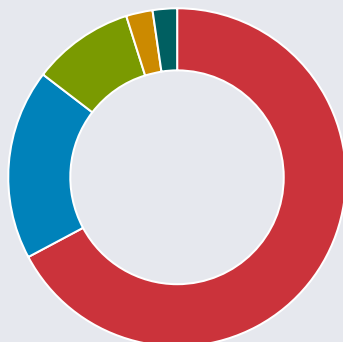


Balanced Sustainable Portfolio
Report period 01 October 2021 - 31 December 2021

Portfolio positioning as at 31 December 2021

Asset allocation

Equity	67.2%
Bonds	18.2%
Property	9.7%
Hedge Funds	2.5%
Cash	2.3%



Tactical deviation

Equity 6.3% Overweight	Bonds -6.7% Underweight	Property 2.4% Overweight
Commodities 0.0% Neutral	Hedge Funds -2.6% Underweight	Cash 0.5% Overweight

Equity breakdown

United Kingdom	22.9%
North America	22.6%
Japan	4.1%
Europe Ex-Uk	6.5%
Pacific Ex-Japan	1.1%
Emerging Markets	10.0%

Bond breakdown

UK Government Conventional	3.0%
UK Government Inflation Linked	3.9%
Corporate Investment Grade [^]	3.2%
Corporate Sub Investment Grade	1.9%
Emerging Markets [^]	4.3%
Govt Developed Markets (ex-UK)	2.0%

Currency exposure

£ GBP	47.7%
\$ USD	25.9%
€ EUR	5.7%
¥ JPY	6.1%
\$ AUD	0.9%
RMB/HKD	3.9%
Other	9.6%

Holding type

Active [^]	Passive [^]
58.9%	30.3%
Direct [^]	Cash
8.4%	2.3%

Liquidity[^] exposure

<1 Wk	90.0%
2-3 Wk	0.0%
Mnth	0.0%
Qrt	10.0%
>1 Yr	0.0%

Clear thinking on positioning

We are optimistic about the outlook for sustainable investing. Nevertheless, we are not complacent - not all of the helpful tailwinds pushing sustainable investing forward in recent history are likely to be perpetual, and market preferences are changeable by nature. As such, we continue to focus on our robust investment process and long-term goals.

- We do not invest in businesses focused on tobacco, alcohol or weapons, or engaged in pornography or gambling. Investments are excluded if more than 5% or \$500m of revenue is generated from these sectors (although our approach has zero tolerance for producers of tobacco and a 15% limit for revenue from tobacco sales).
- We actively seek out investment products that try to invest in companies that have positive environmental, societal and governance (ESG) factors, and/or in companies and governments that can evidence commitment to improving their ESG scores.
- We also have holdings in 'impact sectors'. The goal is to make money by solving a specific problem, such as building social housing or renewable energy generation, or researching biotech solutions for hard-to-treat diseases or conditions.

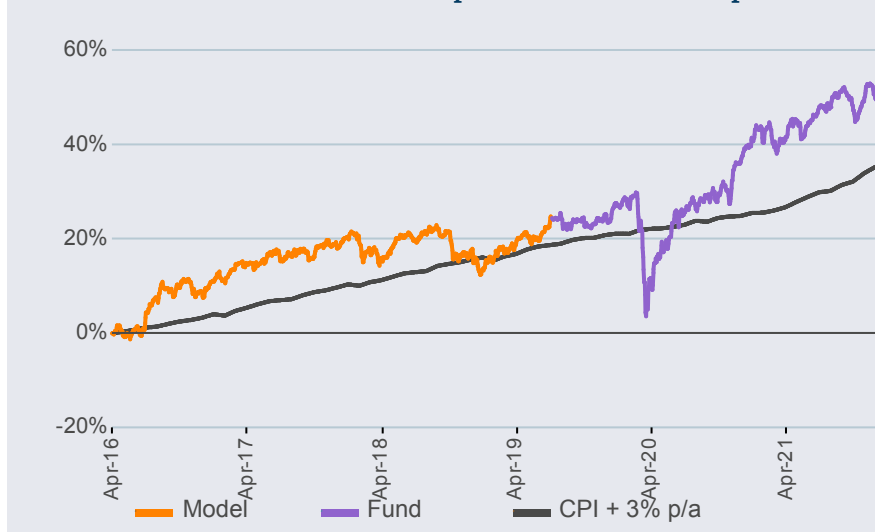
Last updated: 10 January 2022

If you would like to read more please visit our website www.wealthandasset.handelsbanken.co.uk where there is a comprehensive Bi-Monthly Strategy Review and other literature.

Source: Handelsbanken

Performance to 31 December 2021

Balanced Sustainable vs CPI + 3% per annum since inception*



Understanding your returns

Financial markets ended 2021 on a quiet note, having faced unexpectedly high inflation and ongoing challenges presented by the COVID-19 pandemic at key points during the year.

The year played host to some noteworthy reversals of fortune - some of 2020's weakest assets were among the best performers in 2021 (and vice versa), emphasising the importance of long-term context when it comes to assessing performance. Global stock markets were a prominent exception, delivering attractive returns in both 2020 and 2021, though with significant performance variation from region to region. The tech-heavy US market led the way higher, while share prices in most (though not all) emerging markets lagged behind. Government bonds struggled in 2021, having enjoyed a buoyant 2020.

Portfolio returns to 31 Dec 2021 (%)

	1 Month	3 Month	6 Month	1 Year	3 Years	5 Years	Since Inception*
Balanced Sustainable	0.5	1.5	1.9	6.9	-	-	50.3
CPI + 3% p/a	0.3	2.6	4.4	8.0	-	-	35.5
UK Equity	4.8	5.1	7.4	19.6	-	-	46.3
UK Bonds	-2.8	2.5	0.5	-5.3	-	-	19.1

Performance in 2021

- In 2021, the Balanced Sustainable strategy delivered positive performance of around 7%, as at 31 December.
- Within the strategy's allocation to shares, a number of impact strategies continued to perform well following a very strong 2020.
- Bonds, including green bonds and social bonds, saw losses over the year, with price falling and yields moving higher.
- Alternative asset types offered broadly flat performance in aggregate, with gains from renewables and care homes roughly offsetting losses in social housing.

Discrete annual performance (%)

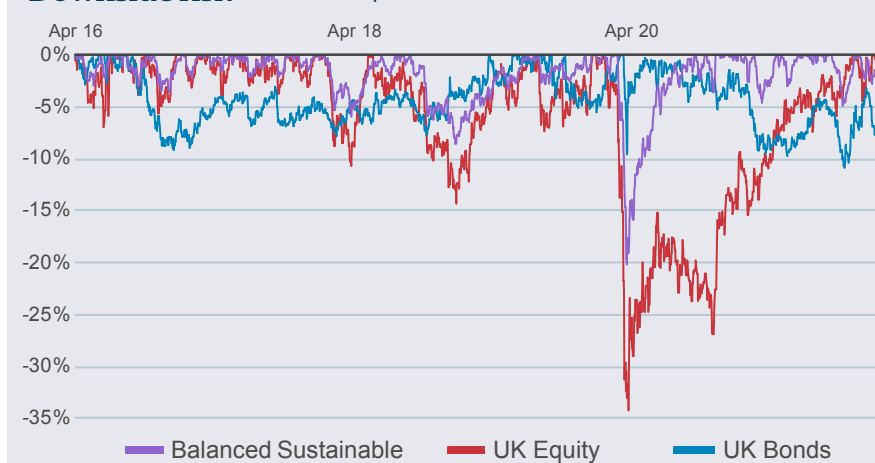
Report period

Last updated: 10 January 2022

	12 Months to					01 Oct 21 - 31 Dec 21
	31 Dec 21	31 Dec 20	31 Dec 19	31 Dec 18	31 Dec 17	
Balanced Sustainable	6.9	10.8	-	-	-	1.5
CPI + 3% p/a	8.0	3.6	-	-	-	2.6
UK Equity	19.6	-13.2	-	-	-	5.1
UK Bonds	-5.3	8.8	-	-	-	2.5

*The Handelsbanken Balanced Sustainable Multi Asset Fund B share class was launched on 08 July 2019. Performance data prior to that date is based on the Handelsbanken Balanced Sustainable model and performance data after that date is based on the Handelsbanken Balanced Sustainable Multi Asset Fund. The inception date of the Balanced Sustainable model was 31 March 2016.

Downside risk since inception*



Past performance is not a reliable indicator of future results.

The CPI (Consumer Price Index) row in the tables shows the performance of the fund's target return benchmark. The UK Equity (represented by MSCI United Kingdom Index (£, net total return)), and UK Bonds (represented by BoA Merrill Lynch UK Gilts Index (£)) rows show the performance of the fund's comparator benchmarks.

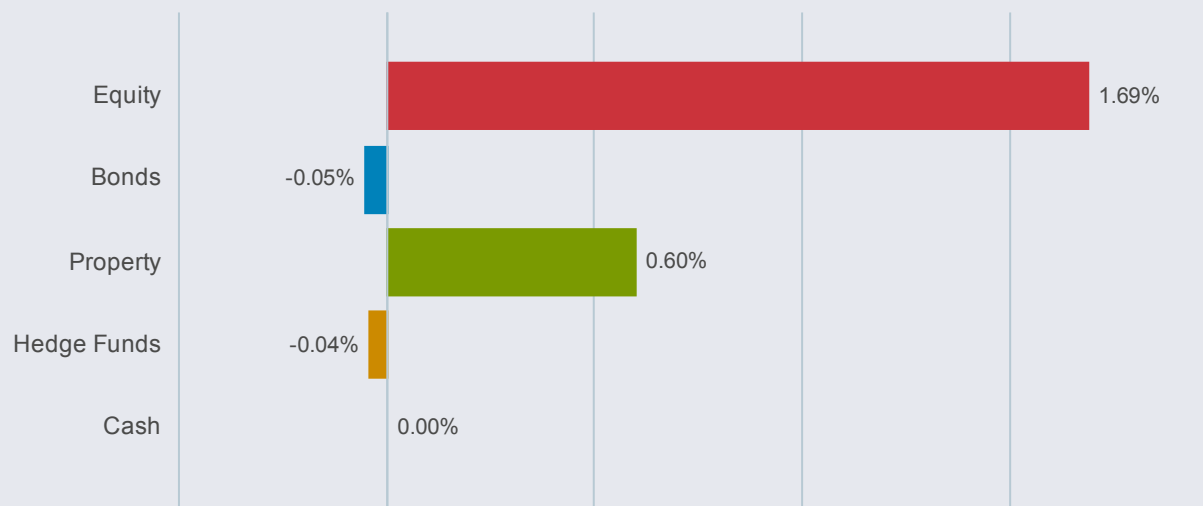
Fund performance shows investment returns after all costs and charges have been taken. Model performance shows investment returns after the 1.25% annual management charge and third party manager fees have been taken, but does not reflect transaction costs which may also impact investment returns.

Source for all charts: Handelsbanken, Factset.

Contribution to performance

Contribution to performance by asset class

report period 30 September 21 to 31 December 21



Top 5 contributors

UBS ETF MSCI USA Sri UCITS ETF

iShares Sustainable MSCI USA Sri ETF

UBS ETF (Ie) MSCI UK IMI Soc Res UCITS

Natixis Thematics Water Fund N1/A (GBP)

Civitas Social Housing Ord



Bottom 5 contributors

Baillie Gifford Positive Change Fund - B Acc

Arix Bioscience Plc

Artemis Positive Future Fund GBP Acc

UBS ETF (Lu) MSCI Japan Soc Res UCITS ETF

Japan Government Bond 0.10% 2022

Chart shows performance as at close of business each day. Performance is shown after third party manager fees have been taken, but does not reflect the annual management charge, other fund charges and transaction costs which will impact investment returns. Source: FactSet and Handelsbanken. Fund performance analysis is calculated by FactSet, based on valuation data from Handelsbanken's internal accounting system. The information above does not constitute any recommendation to buy, sell or otherwise trade in any of the investments mentioned.

Risk analysis since inception to 31 December 2021

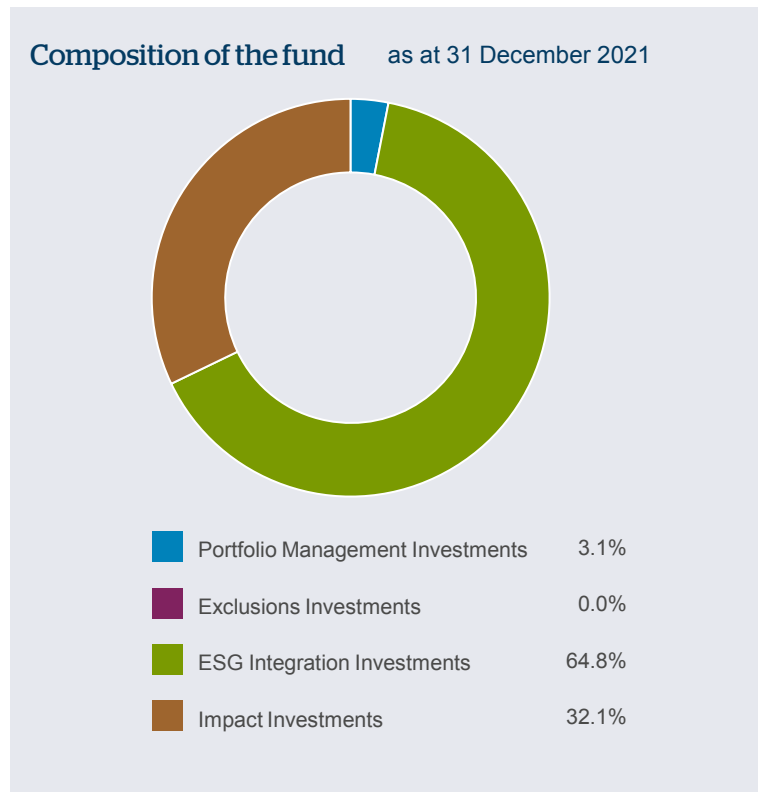
	Maximum drawdown	Worst month	Annualised volatility	Sharpe ratio	% positive months
Balanced Sustainable	-20.2%	-8.2%	10.0%	0.75	62.1%
UK Equity	-34.2%	-13.4%	13.0%	0.50	63.8%
UK Bonds	-10.9%	-5.8%	7.4%	0.37	60.9%

Past performance is not a reliable indicator of future results.

*The Handelsbanken Balanced Sustainable Multi Asset Fund B share class was launched on 08 July 2019. Performance data prior to that date is based on the Handelsbanken Balanced Sustainable model and performance data after that date is based on the Balanced Sustainable Multi Asset Fund. The inception date of the Balanced Sustainable model was 31 March 2016. Fund performance shows investment returns after all costs and charges have been taken. Model performance shows investment returns after the 1.25% annual management charge and third party manager fees have been taken, but does not reflect transaction costs which may also impact investment returns. Source: FactSet, MorningStar and Handelsbanken. UK Equity represented by MSCI United Kingdom Index (£, net total return), UK Government Bonds represented by BoA Merrill Lynch UK Gilts (£).

Sustainable investing

The fund's investments are selected in accordance with Handelsbanken's Sustainable Investment Policy, which is available on Handelsbanken's website. The Sustainable Investment Policy outlines Handelsbanken's definition of sustainable investing and details on what basis underlying instruments held in the fund are assessed and selected.



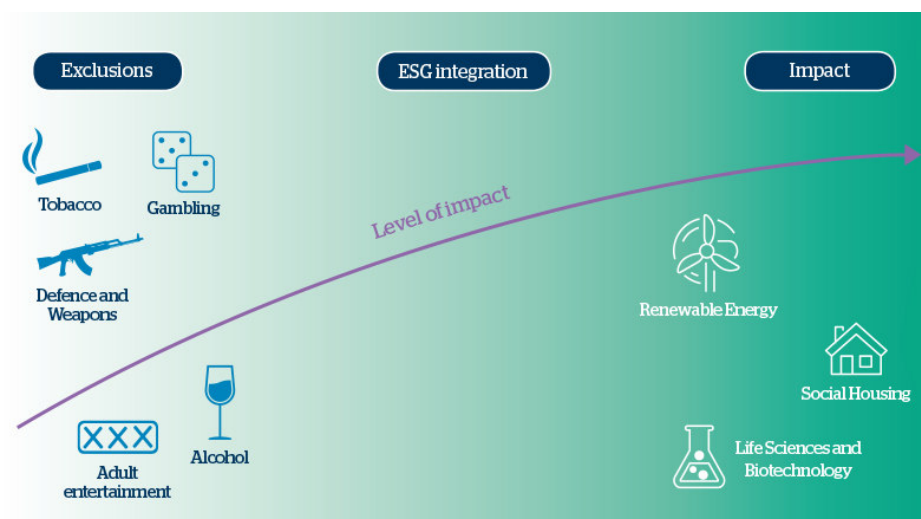
There are three pillars to the fund's sustainable investment selection process: exclusions, Environmental, Social and Governance (ESG) integration and impact investing.

Exclusions: The fund will not invest in investments that focus on tobacco, alcohol or weapons or that engage in pornography or gambling.

ESG integration: The fund will invest in companies, governments and other funds that have positive ESG factors, such as those that are involved in activities that benefit society and the environment.

Impact investing: The fund will invest in theme-based investments which offer solutions to and/or relate to specific themes linked to sustainability.

The fund may also invest in cash, deposits, money market instruments and some derivatives, which are utilised as portfolio management investments. Whilst these investments are not classed as sustainable investments they help to manage the risk of the fund.



Recent portfolio changes

October 2021



Introducing a position in smaller European companies

- We have begun a new position in the shares of smaller European companies. This helps to add diversity to our European stock market holdings, which had previously been largely focused on larger businesses.
- Our chosen investment vehicle has a sustainable/impact approach rather than an ethical one. This signals a focus on finding solutions to problems and investing in companies aligned with the UN Sustainable Development Goals, rather than simply screening out the shares of less sustainable companies.

September 2021



Topping up our social housing and healthcare positions

- We added to our social housing position, taking advantage of a weakness in pricing which had been caused by factors which we do not believe meaningfully disrupt our investment rationale.
- We also topped up our exposure to the healthcare sector. We believe that our position here offers an attractive, sustainable level of yield supported by strong supply and demand dynamics.

July 2021



Slightly reducing risk levels within the strategy

- We have taken risk levels down to a more neutral position versus the strategy's long-term average.
- This reflects the current balance of risks in play for financial markets, and the potentially easing of some of the factors driving our very risk-positive position over recent months.
- The vaccination rollout is progressing well, though new variants are a challenge; support from central banks and governments remains in situ, but is likely to be tapered. Meanwhile, businesses and household savings are high, and we do believe that global economic momentum should persist for some time, while near-term inflationary pressures should begin to fade. Meanwhile, share prices already reflect much of the positivity around economic recovery. We therefore believe that a relatively neutral stance is prudent at this point in time.

April 2021



Introducing a new 'impact' position

- We have begun a position in a new 'impact' fund, centred on the shares of smaller and mid-sized companies. The fund aims to identify innovative businesses creating disruptive positive change at the intersection of the most critical sustainability challenges.
- This new holding adds diversity to our thematic positions, and enhances our tilt towards growth-focused areas of the market.
- The position has been funded by slight reductions in some of our other thematic holdings.

March 2021



Taking some profits in a biotech position

- Following an excellent run of performance, we have taken some profits in one of our biotech positions.
- We further reduced our holding here by taking advantage of a share buyback programme.

Past performance is not a reliable indicator of future results.

Source: Handelsbanken. The information above does not constitute any recommendation to buy, sell or otherwise trade in any of the investments mentioned.

Holdings as at 31 December 2021

Holding type			Weight
Active [*]	Passive [*]	Direct [*]	Cash
58.9%	30.3%	8.4%	2.3%
			Weight
Equity			67.2%
United Kingdom			
UBS ETF (Ie) MSCI UK IMI Soc Res UCITS			6.9%
Liontrust UK Ethical Fund Class 2 Net Acc			4.7%
Bmo Responsible UK Income 2 Acc			4.2%
91 UK Sustainable Equity Fund K Acc			4.1%
Global			
Robecosam Smart Materials Fund I GBP			5.0%
Baillie Gifford Positive Change Fund - B Acc			4.1%
Natixis Thematics Water Fund S1/A (GBP)			4.0%
Guinness Sustainable Energy Fund - Y Acc			3.6%
Artemis Positive Future Fund GBP Acc			2.6%
Arix Bioscience Plc			0.8%
North America			
UBS ETF MSCI USA Sri UCITS ETF			9.3%
iShares Sustainable MSCI USA Sri ETF			3.2%
Japan			
UBS ETF (Lu) MSCI Japan Soc Res UCITS ETF			2.6%
Europe Ex-UK			
Dpam Invest B Equities Europe Small Caps Sustain			2.0%
UBS ETF MSCI Emu Sri UCITS			1.7%
Emerging Markets[^]			
Alquity Asia Fund I Acc			3.3%
iShares Sustainable MSCI Emerging Markets Sri Et			2.9%
F&C Bmo Responsible Gbl Emerg Mkts Equity R Acc			2.2%
Bonds			18.2%
Corporate Sub Investment Grade			
M&G Global High Yield Esg Bond Fund - Acc			1.9%
Corporate Investment Grade[^]			
Allianz Green Bond			1.6%
Muzinich Sustainable Credit GBP Hedged Inc			1.5%
Emerging Markets[^]			
Dpam L Bonds Emerging Markets Sustainable W			2.4%
Amundi Em Green Bond - GBP Hedged			1.9%
UK Government Conventional			
Japan Government Bond 0.10% 2022			2.0%
1.75% UK Treasury 2037			1.4%
UBS Sustainable Development Bank Bond ETF Inc			1.3%
1.5% UK Treasury Stock 22/07/2026			0.3%
UK Government Inflation Linked			
0.125% Treasury I-L Stock 22/11/2036			2.1%
0.125% Treasury I-L Stock 22/03/2029			1.8%
Property			9.7%
United Kingdom			
Civitas Social Housing Ord			2.6%
Nextenergy Solar Fund			2.2%
Target Healthcare Reit Plc			1.9%
Harmony Energy Income Trust			1.5%
Renewables Infrastructure Group			1.5%

	Weight
Hedge Funds	2.5%
Credit	
Biopharma Credit Plc	2.0%
Global Macro	
Universa Bspp Fund Series 14 Oct19	0.5%
Cash	2.3%
United Kingdom	
GBP Cash	2.3%
USD Cash	0.0%
Total	100%

Source: Handelsbanken. The information above does not constitute any recommendation to buy, sell or otherwise trade in any of the investments mentioned.

Portfolio details as at 31 December 2021

The fund aims to deliver a total return (the combination of income and capital growth) that at the end of any five year period is the equivalent of achieving a total return of the Consumer Price Index plus 3% each year over that period, after all costs and charges have been taken. There is no guarantee that the objective will be met or that a positive return will be delivered over any time period and capital is at risk.

Strategy Manager	Benjamin Matthews
Fund Size	£197.7m
Legal Structure	Non-UCITS Retail Scheme
Historic Yield[^]	0.06%
Fund Charges (annualised)	Ongoing charges figure: 1.79% (Annual management charge: 1.25%*; third party fees and charges: 0.54%)
Fund codes: (SEDOL)	B accumulation*: BJXS5C0



*Charges / SEDOL variable by share class

^Glossary of terms

^Active investments

Where the fund manager uses their expertise to pick investments to achieve the fund's objectives rather than copying the investments in a market index.

Alternatives

Any investment that does not fall in the traditional asset classes of stocks, bonds or cash. Alternative investments include private equity, hedge funds, commodities, real estate and infrastructure, but also less usual choices such as art.

Annual Management Charge (AMC)

An ongoing fee paid to the management company for managing the fund, usually charged as a percentage of the investment.

Annualised volatility

A common statistical measure used to assess the risk levels of different investments. It is an annualised figure measuring the dispersion of monthly returns around the average monthly return of that security. If a portfolio has a high volatility, this suggests a greater variation of returns.

Asset class

A category of assets, such as cash, company shares, bonds, property and commodities (such as gold).

Asset allocation

Dividing the money invested in the fund across different investments ('assets'), e.g. in different geographic areas or by industry sectors such as oil and gas or financial companies.

The asset allocation pie chart shows how the portfolio is currently invested between various asset classes (equities, bonds, private equity, hedge funds, commodities, property and cash) as a percentage. The tactical deviation boxes illustrate the percentage deviation of our current positioning away from the long term strategic asset allocation.

Bond

An investment in the debt of a government or corporation, where investors receive a fixed rate of interest over a specified time period, at the end of which the initial amount is repaid.

Bond breakdown

Portfolio's allocation to different bond types, shown as a percentage of the overall bond weighting.

CPI and target return benchmark

CPI is the Consumer Price Index which is used to measure the rate of UK inflation.

The Handelsbanken Multi Asset fund's target return benchmarks are CPI + 1%, 2%, 3% or 4%. The CPI + X% target return benchmarks have been selected as each of the fund's aim to achieve a return (the money made or lost on an investment) that is either 1%, 2%, 3% or 4% above the rate of inflation.

^Direct investments

Financial instruments issued by companies and governments themselves.

Downside risk

A general term for the risk of a loss in an investment the probability that an asset will fall in price.

Drawdown

A measure of the downside risk of a portfolio. It is the percentage drop from any peak in a portfolio value to any bottom. It can be applied directly to the size of the portfolio giving an 'estimate' of how much money you could lose at some intermediate point during the life of the investment strategy. Maximum drawdown is the maximum loss from a peak to a trough of a portfolio.

Duration

A measure of the sensitivity of a bond (or bond fund) to changes in interest rates.

^Emerging Markets

Countries that are progressing toward becoming advanced, usually shown by some development in financial markets, the existence of some form of stock exchange and a regulatory body.

Equities

Also known as shares equal portions representing part ownership of a company. The term can also apply to a stake in a fund.

Equity breakdown

A portfolio's allocation to equity by geographic region, shown as a percentage of the overall equity weighting.

^Historic yield

Reflects distributions declared over the past twelve months as a percentage of the fund's unit price, as at the date shown. Investors may be subject to tax on their distributions.

^Glossary of terms

^Investment Grade

Bonds issued by a company with a medium or high credit rating from a recognised credit rating agency. They are considered to be at lower risk from default than sub-investment grade bonds issued by companies with lower credit ratings.

Investment Performance and comparator benchmarks

The chart and tables show the performance of the portfolio versus the fund's target return benchmark. The table also shows the performance of the fund and the fund's comparator benchmarks over discrete time periods. The fund's comparator benchmarks are the UK stock market represented by MSCI United Kingdom Index (£, net total return) and UK government bonds represented by BoA Merrill Lynch UK Gilts Index (£). These have been selected as they assist in evaluating the fund's performance against the two principle asset classes that the fund may have exposure to.

^Liquidity

The degree to which an investment can be quickly bought or sold on a market without affecting its price.

Ongoing charges figure (OCF)

The OCF figure may vary from year to year. The ongoing charges are taken from the income of the fund. They exclude portfolio transaction costs, except in the case of an entry/exit charge paid by the fund when buying or selling units in another collective investment undertaking.

^Passive investments

Where the fund manager invests according to the stock or sector weightings of an index. Passive management is also referred to as 'indexing' or 'tracking'.

Sharpe ratio

The Sharpe ratio is a risk-adjusted measure of return that is used to evaluate the performance of a portfolio. The ratio helps to make the performance of one portfolio comparable to that of another by making an adjustment for the level of risk associated with the underlying assets held within the portfolio.

Volatility

The degree to which the price of a given asset rapidly changes. The higher the volatility, the riskier the asset tends to be.

Important information

Past performance is not a reliable indicator of future results. The value of any investment and the income from it is not guaranteed and can fall as well as rise, so that you may not realise the amount originally invested. Where an investment is denominated in a currency other than sterling, changes in exchange rates between currencies may cause investment values or income to rise or fall. The portfolios may invest in funds which have limited liquidity, or which individually have a relatively high risk profile and/or be unregulated by the Financial Conduct Authority (FCA).

The Balanced Sustainable Portfolio information and data represents a combination of the Handelsbanken Balanced Sustainable Multi Asset Fund B share class, and the Handelsbanken Balanced Sustainable Model, with a 1.25% annual management charge. The share class of the fund was launched on 08 July 2019 and the model was launched on 31 March 2016, performance figures do not exist before that time. Performance is as at the publication date of the document, fund performance is shown after all costs and charges have been taken, model performance is shown after the annual management charge and third party manager fees have been taken, but does not reflect transaction costs which may also impact investment returns. The fund's target return benchmark is CPI (The Consumer Price Index) + 3%. CPI + 3% has been selected as the fund's target return benchmark as the fund aims to achieve a return (the money made or lost on an investment) that is 3% above the rate of inflation. The Consumer Price Index is used to measure the rate of inflation. Please refer to the fund's Investment Objective for details regarding how achievement of the target return benchmark is measured, and over what time period. The fund's performance may also be compared against UK Equities represented by MSCI United Kingdom Index (£, net total return) and UK Government Bonds represented by BoA Merrill Lynch UK Gilts Index (£). These comparator benchmarks have been selected as they assist in evaluating the fund's performance against the two principle asset classes that the fund may have exposure to. This document is not investment research. Opinions expressed (whether in general or both on the performance of individual securities and in a wider economic context) represent the views of Handelsbanken Asset Management at the time of publication. They should not be interpreted as investment advice. This material is directed only at persons in the UK and is not an offer or invitation to buy or sell securities. Nothing in it constitutes advice to undertake a transaction, and professional advice should be taken before investing. The data source is FactSet and Handelsbanken. This document has been issued by Handelsbanken Asset Management. For Handelsbanken Multi Asset Funds, the Authorised Corporate Director is Handelsbanken ACD Limited, which is authorised and regulated by the Financial Conduct Authority (FCA). The Registrar and Depositary is The Bank of New York Mellon (International) Limited, which is authorised by the Prudential Regulation Authority and regulated by the FCA. The Investment Manager is Handelsbanken Wealth & Asset Management Limited, which is authorised and regulated by the FCA. Before investing you should read the Key Investor Information Document (KIID) as it contains important information regarding the fund including charges and specific risk warnings. The Prospectus, Key Investor Information Document, current prices and latest report and accounts are available from Handelsbanken Wealth & Asset Management Limited, or Handelsbanken ACD Limited: 77 Mount Ephraim, Tunbridge Wells, Kent, TN4 8BS or by telephone on +44 01892 701803.

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