

# ANNUAL REPORT 2023

## Öhman Företagsobligationsfond

The English version of the Annual Report is a translation. In case of any discrepancy between the Swedish version and the English version, the Swedish version shall prevail.

Öhman

FAIR VALUES SINCE 1906

## Fair values since 1906

How do you build a company of enduring stability? You start by laying a solid foundation: a philosophy. Öhman is a family-owned company in business for more than a century. A company that builds its business on long-term relationships. The family traditions live on and today, the third generation of the Dinkelspiel family is engaged in board governance within the Öhman Group. As our client, we are always nearby.

### Contents

Investment strategy and fund facts	3
Risk indicator and risk profile	3
Risk assessment method	3
Accounting policies	3
Management report	4
The fund's level of active management	5
Financial instruments	6
Balance sheet and income statement	8
Notes	8
Performance	8
Key ratios	8
Sustainability report	9
Remuneration and payments	19
CEO and Board assurance	20
Auditor's report	20
The fund company	21

### Important information

All indices used in this report include dividends, as in previous reports from Öhman Fonder.

The Swedish Investment Fund Association has adopted a Swedish Code of Conduct for Fund Management Companies. The aim of the Code is to promote a sound investment fund sector in order to instil and maintain public trust. Öhman Fonder is a member of the Investment Fund Association and intends to comply with the Code of Conduct for Fund Management Companies.

There are no guarantees that an investment in funds will generate good returns regardless of positive performance in the financial markets. There are no guarantees that an investment in funds will not lead to loss. Historical returns are not a guarantee of future returns. The money invested in funds may increase or decrease in value and there is no guarantee that you will recover your entire investment. An investment in funds should be regarded as a long-term investment. We recommend that you read the fund's Key Investor Information Document (KIID) and the complete prospectus before you buy units in a fund. KIIDs and prospectuses are available on our website, [www.ohman.se/fonder](http://www.ohman.se/fonder).

# FÖRETAGSOBLIGATIONSFOND

## Investment strategy

Öhman Företagsobligationsfond is an actively managed fixed income fund that mainly invests in investment grade corporate bonds issued by Nordic companies. The long-term objective of the fund is to generate attractive returns in relation to the Swedish corporate bonds market. The fund takes advantage of opportunities to invest in various parts of corporate capital structures, i.e., subordinated debt. The average remaining duration in the fund is normally two to four years and all currency risk is hedged against SEK.

Our funds exclude investments in companies whose operations we have assessed as unethical. The fund promotes ESG aspects such as environmental sustainability, social sustainability and governance. Sustainability aspects are an explicit component of the investment process, are continuously analysed and affect fund investments. The fund promotes environmental and social characteristics in accordance with Article 8 of the Disclosure Regulation.

## Fund facts

Inception date	11 Nov 2003
Price quotation	Daily
Manager	Tobias Kaminsky
Depute manager	Lars Kristian Feste
Benchmark index	Solactive SEK NCR Fix Short IG Corporate*
Number with the Swedish Pensions Agency	104786
Registration number	515601-9498

## FEES

Management fee A + B	1.00%
Management fee C	0.50%
Entry fee	None
Exit fee	None

\*Index calculated by Solactive AG.

## Risk indicator

The risk indicator assumes that you keep the product for 3 years.

Low risk								High risk
<----->								
1	2	3	4	5	6	7		

The summary risk indicator provides an indication of the level of risk for this product compared to other products. It shows how likely it is that the product will decrease in value due to market developments. We have classified this product as 2 out of 7, which is a low risk class. This means the fund has low risk for upturns and downturns in unit value. Examples of risks and other factors that are not necessarily captured by the risk indicator are: operational risk, counterparty risk, liquidity risk, gearing risk and information risk, in that the return history may not adequately capture the fund's entire risk. This product holds no capital protection against future market performance. You may therefore lose all or part of your investment.

## Risk profile

The fund is an actively managed fixed income fund and is thus exposed to exchange rate fluctuations in the form of interest rate risk and credit risk. Savings in fixed income securities often involve a lower risk than savings in equities. An interest rate duration of 2-4 years means that the fund is exposed to some interest rate risk. Credit risk is limited by the fact that the fund manager seeks exposure to companies with higher credit ratings. The fund invests in securities that may have higher liquidity risk at times, such as when the market is unsettled. Currency risk is hedged back to SEK, which is the fund's base currency.

The fund may hold a certain portion of the fund's assets in liquid funds, for example, in order to process unitholders' instructions to redeem fund units without delay. The fund may invest in derivative instruments as part of its investment strategy, which means that the fund can create leverage. Management aims to be exposed to the markets corresponding to 100 percent of the net asset value of the fund, but taking into account the strategies set out above, the fund's exposure may either exceed or fall below this level, where increased exposure involves higher market risk.

## Risk assessment

The fund invests in derivative instruments. The commitment method is used to calculate the global exposure of the fund. The commitment method means that derivative positions are converted to an equivalent position in the underlying assets.

## Accounting policies

### UCITS FUNDS

Fund operations are regulated by the Swedish UCITS Act (2004:46) and by the fund rules. The fund's accounts comply with Finansinspektionen's Regulations regarding Swedish UCITS (FFFS 2013:9).

### GENERAL ACCOUNTING POLICIES

Furthermore, the fund applies, in all material respects, the accounting recommendations established by the Swedish Investment Fund Association. The fund otherwise complies with applicable provisions of the Swedish Bookkeeping Act. The fund's unit value as of 31 December 2023 refers to the fund's NAV price as of 29 December 2023, which was the fund's last trading day of the year. The fund's holdings have been valued at market value as of 31 December 2023 on the balance sheet. "Market value" refers to last price paid. If such is not available, the holdings are valued at the last bid price or, if this is not representative, at the value established by the fund company on objective grounds.

Assets denominated in foreign currency are reported in SEK. Amounts were converted at the exchange rate prevailing on 31 December 2023. Currency forward contracts are valued based on the closing rate.

## Management report

### FUND PERFORMANCE

The fund rose by 4.8 percent during the first half of 2023, while its benchmark index rose by 6.9 percent. Fund assets decreased during the period from SEK 1,403 million to SEK 1,360 million and the fund had a net outflow of SEK 103 million.

### THE PAST YEAR

The first half was characterised by persistently high inflation and rising interest rates. Inflation seemed, however, to have reached its peak during the year in several places around the world and began to turn downward. The downturn in inflation was driven mainly by base effects and energy prices, which made it difficult to assess the actual strength of underlying inflationary pressure. A base effect arises when a change is compared to a larger or smaller reference point. Because inflation describes price changes on an annual basis, the base effect can make changes in the inflation rate seem more persistent than they actually are. Consequently, it is important to take the base effect into account.

We began to see signs in the second half of a weakened economy and weaker underlying inflationary pressure, which slowly but surely persuaded the market to begin speculating about when the central banks would reverse their rate increase cycle to a potential rate lowering cycle. It became increasingly clear in the autumn that the central banks had reached the peak of the increase cycle at the December meeting of the US Federal Reserve Board, when the Fed communicated that such was the case and that rate cuts are likely in 2024. Market interest rates fell sharply in response and the market was swift to price in an aggressive pace of rate cuts for the American and European central banks, as well as the Swedish Riksbank.

The credit market recovered during the year and global and Swedish credit premiums (the difference between the risk-free rate of return (the government bond rate) and corporate bond rates are currently lower than they were when the year began. But the period has been volatile and characterised by banking anxiety and uncertainty related to the US debt ceiling. The latter, however, had virtually no impact on the market as a whole after the two political parties, the Democrats and the Republicans, reached an agreement. Conversely, the problems within the banking sector intensified after, for example, US-based Silicon Valley Bank and Switzerland-based Credit Suisse suffered liquidity problems, which led to widespread investor anxiety. The anxiety drove up credit premiums for companies generally but the banking sector was hit the hardest, primarily within subordinated bank capital (bonds with lower repayment priority).

Activity in the Swedish primary market was higher during the period than it was in late 2022. Although many companies have been welcomed to the primary market, there is still some reluctance to lend capital to certain types of companies. This is most apparent in the real estate sector, where the credit ratings of most real estate companies were lowered during the period. Samhällsbyggnadsbolaget is one example, which was downgraded from Investment Grade (bonds issued by companies with high credit ratings) to High Yield (bonds with low credit ratings). This had severe impact on the company and on the sector as a whole. The effect of this was a steep price drop for quite a few bonds in the sector to reflect the increased refinancing risk. The fund has had exposure to some of these companies in the real estate sector, which had adverse impact on return.

But risk appetite increased when the central banks turned around in the final months of the year, which benefited risk assets in general and Nordic property credits in particular, which performed well in December. We also saw inflation begin to subside in the autumn and a change in messaging from the central banks. With falling inflation expectations, market rates have come down and credit premiums along with them. In the fourth quarter, the fund recouped some of the price loss that hit High Yield real estate assets earlier in the year as a result.

In spite of these challenging macro conditions, the fund navigated the market relatively well during the year. The fund's index has a more cautious risk profile (it is limited to Investment Grade bonds) while the fund has a higher risk profile, wherein 50 percent of holdings can be classified as High Yield (bonds with lower credit ratings). The underperformance compared to index is explained by the higher risk profile, where the market trend for bonds, primarily in the real estate sector, was detrimental, although the fund's current yield during the year compensated for this to some extent.

Notwithstanding the more favourable risk sentiment in the fourth quarter, however, we still see certain weaknesses for risk assets in 2024. This is driven primarily by the risk of a weak economy, which could put pressure on corporate cash flows and financial strength. The fund has therefore taken a somewhat more conservative approach during the year by reducing investments in High Yield and increasing investments in companies that we believe are better equipped to manage a poorer macro situation. In addition, the fund is underweight in the real estate sector compared to the benchmark index. At the same time, Nordic credits look very attractive from an investment perspective compared to other asset classes and the shortage of corporate bonds in the Nordic market should keep credit premiums at lower levels.

The fund is thus further positioned to manage an economy that could benefit from declining inflation forecasts and more dovish central banks, even though there is some uncertainty attached to the macro outlooks. With an overweight in duration (average remaining fixed interest term) along with a shorter credit duration (average remaining time to maturity) and focus on being selectively active in the primary market and concentrating on companies with good credit quality and stable cash flows, the fund should be able to generate good risk-adjusted return in 2024. The fund is, however, working dynamically with its strategy and is changing its positioning according to prevailing market conditions. The fund's current expected rolling return is 12.5 percent.

### EVENTS AFTER THE REPORTING DATE

The Öhman Group closed an agreement in November 2023 to acquire Lannebo Holding AB, which owns 100 percent of Lannebo Fonder AB. The transaction was executed on 9 February 2024 and has not affected fund management to date.

### DERIVATIVES AND SECURITIES LOANS

According to the fund rules, the fund has the option to trade in derivatives and took advantage of that opportunity in 2023, trading in standardised forward contracts in transferable securities and OTC forwards in foreign currency. The fund chose not to use securities loans in 2023.

### MATERIAL RISKS

The following are a number of risks that are particularly relevant to the fund:

#### Market risk:

The risk that the value of securities holdings may fall, affecting the net asset value of the fund.

**Interest rate risk:** The risk that the value of interest-bearing securities holdings will fall due to changes in the general interest rate situation. Falling interest rates increase the value of a fund's holdings of interest-bearing instruments and, conversely, rising interest rates will decrease the value of the holdings. Fixed income funds that invest in interest-bearing instruments with longer maturities are exposed to higher risk.

**Credit risk:** The risk that the actual or perceived creditworthiness of issuers of interest-bearing securities, including those with high credit ratings, will deteriorate, which may cause the value of holdings of interest-bearing securities to fall.

**Liquidity risk** The risk that it will be difficult or impossible to sell fund assets at a particular point in time because the price of the assets is not considered favourable or cannot readily be valued. Transparency is lower in the corporate bond market and pricing is based to a great extent on supply and demand, where in rare cases supply can be considerably greater than demand. Consequently, it can be difficult or impossible to sell corporate bonds in the market, which may make it difficult to value the fund's assets. The fund thus has a higher liquidity risk, which can in extreme cases mean that requests to redeem (i.e., withdraw) fund units cannot be immediately executed.

**Concentration risk:** The risk that the fund's investment strategy will result in concentrated exposure to a particular type of investment strategy.

**Operational risk:** The risk of loss due to unsuitable or unsuccessful procedures, human error, systems failure, or external events.

**Counterparty risk:** The risk associated with a counterparty suspending payments or otherwise failing to perform its obligations, for example when the fund has accepted collateral for derivatives holdings or securities loans.

**Leverage:** The fund may use derivatives as part of its investment strategy in order to create leverage/increase return. All else being equal, increased leverage may increase the fund's exposure to counterparty risk, liquidity risk and other risk factors that may not necessarily be fully included in the risk indicator.

### The fund's level of active management

The fund's benchmark index is Solactive SEK NCR Fix Short IG Corporate. There is a clear Nordic orientation to the fund's investments, where the bonds are not required to have a credit rating from a rating institution. This is clearly reflected in the index. The fund's objective is to outperform its benchmark index, before ongoing charges. The fund company strives to meet this objective through investment processes based on active decisions in relation to interest duration and interest curve exposure, allocation among credit risks, industry sectors, corporate bonds and geographical regions, as well as the application of ESG criteria.

	2023	2022	2021	2020	2019
Active Risk*	2.59	2.25	2.25	2.15	0.55
	2018	2017	2016	2015	2014
Active Risk	N/A	N/A	N/A	N/A	N/A

\*The fund started in 2003 and had no benchmark index until January 2018, and as active risk is calculated on the basis of 24 months' historical data, this measurement was not reported until 2019. The fund is an actively managed fixed income fund, which leads to deviations from the index. The active management measurement depends on how the fund co-varies with the market and the characteristics of the Fund's exposure. When the active management measurement rises, this may be due to overweight or underweight compared to the benchmark index related to interest duration and/or individual securities; it may also be due to changes in the market. The fund does not have a ten-year history of active management measurements, but is within the range of the level of active management that can be expected in a comparison of similar active fixed income funds.



Other financial instruments	Quantity	Market value, SEKk	Share of fund assets	Issuer of fund assets
<b>OTC derivatives</b>				
<b>EXCHANGE CONTRACTS</b>				
EUR/SEK 240314-SEB	-30,030,000	4,150	0.31%	
EUR/SEK 240314-JPM	-180,000	18	0.00%	0.00%
NOK/SEK 240314-SEB	-105,100,000	-3,519	-0.26%	
USD/SEK 240314-SEB	-6,190,000	2,397	0.18%	0.84%
		<b>3,045</b>	<b>0.22%</b>	
<b>Total OTC derivatives</b>		<b>3,045</b>	<b>0.22%</b>	
<b>Total other financial instruments</b>		<b>3,045</b>	<b>0.22%</b>	
<b>Financial instruments with positive and negative market value</b>				
With positive market value		1,286,218	94.59%	
With negative market value		-3,519	-0.26%	
<b>Total financial instruments</b>		<b>1,282,699</b>	<b>94.34%</b>	
Other assets and liabilities		77,019	5.66%	
Of which cash and cash equivalents		50,732	3.73%	
<b>Fund assets</b>		<b>1,359,718</b>	<b>100.00%</b>	

\*Underlying total derivative exposure in 2023 was on average: 56.22% - Min: 48.26% - Max: 59.64% of fund assets.



## Balance sheet at 31 Dec, SEK thousands

ASSETS	2023	2022
Transferable securities	1,279,653	1,269,360
Money market instruments	-	-
OTC derivatives	6,564	0
Other derivatives	-	-
Fund units	-	-
<b>Total financial instruments with positive market value</b>	<b>1,286,218</b>	<b>1,269,360</b>
Deposits in accounts with credit institutions	11,522	26,367
<b>Total investments with positive market value</b>	<b>1,297,739</b>	<b>1,295,727</b>
Bank balances and other cash equivalents	50,732	106,669
Prepaid expenses and accrued income	16,015	12,432
Other assets (Note 2)	1,406	0
<b>TOTAL ASSETS</b>	<b>1,365,893</b>	<b>1,414,829</b>
<b>LIABILITIES</b>		
OTC derivatives with negative market value	3,519	10,718
Other derivatives with negative market value	-	-
Other financial instruments with negative market value	-	-
<b>Total financial instruments with negative market value</b>	<b>3,519</b>	<b>10,718</b>
Tax liabilities	-	-
Accrued expenses and prepaid income	1,117	1,131
Other liabilities (Note 2)	1,539	102
<b>TOTAL LIABILITIES</b>	<b>6,174</b>	<b>11,951</b>
<b>FUND ASSETS (Note 1)</b>	<b>1,359,718</b>	<b>1,402,877</b>
<b>MEMORANDUM ITEMS</b>		
Financial instruments lent	-	-
Portion of transferable securities lent out	-	-
Collateral received for lent financial instruments	-	-
Collateral received for OTC derivatives	-2,500	-
Collateral received for other derivatives	-	-
Other collateral received	-	-
Collateral pledged for borrowed financial instruments	-	-
Collateral pledged for OTC derivatives	-	16,625
Collateral pledged for other derivatives	11,522	9,742
Other collateral pledged	-	-

## Income statement 1 Jan–31 Dec, SEK thousands

INCOME	2023	2022
Change in value of transferable securities	-26,762	-78,143
Change in value of money market instruments	-	-
Change in value of OTC derivatives	-	-
Change in value of other derivatives	9,673	-43,071
Change in value of fund units	-	-
Interest income	89,137	70,123
Dividends	-	-
Net exchange rate gains and losses	6,842	-56,489
Other financial income	-	-
Other income (Note 3)	0	1
<b>TOTAL INCOME</b>	<b>78,891</b>	<b>-107,578</b>
<b>EXPENSES</b>		
Management costs	-13,092	-14,868
Payments to the company operating the fund business	-12,938	-14,716
Of which performance-based compensation	-	-
Payments to depository	-98	-117
Payments to supervisory authority	-20	-7
Payments to auditors	-36	-29
Interest expenses	-110	-103
Other financial expenses	-	-
Other expenses (Note 4)	-276	-217
<b>TOTAL EXPENSES</b>	<b>-13,478</b>	<b>-15,189</b>
Tax	-	-
<b>NET PROFIT (-LOSS) FOR THE YEAR</b>	<b>65,413</b>	<b>-122,767</b>

## NOTES as of 31 Dec, SEK thousands

NOTE 1 CHANGE IN FUND ASSETS	2023	2022
Fund assets on 1 January	1,402,877	1,871,513
Unit issues	228,588	538,437
Unit redemptions	-331,754	-880,631
Net profit (-loss) for the year	65,413	-122,767
Dividends paid	-5,406	-3,675
<b>TOTAL fund assets</b>	<b>1,359,718</b>	<b>1,402,877</b>

## NOTE 2 OTHER ASSETS AND LIABILITIES

Other assets include unsettled trades	1,409	0
Other liabilities include unsettled trades	-1,539	-102

## NOTE 3 OTHER REVENUE

Discounts on fees	0	0
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## NOTE 4 OTHER EXPENSES

Research costs	-86	-63
Transaction costs	-189	-154

## Performance

	2023	2022	2021	2020	2019
Fund assets, SEK thousands	1,359,718	1,402,877	1,871,513	2,537,581	3,604,072
<b>Unit Class A</b>					
Total return, %	4.8	-7.1	2.6	0.6	2.4
Benchmark index, %	6.9	-6.1	-0.1	2.4	1.4
Unit value, SEK	121.27	115.68	124.51	121.32	120.61
Units outstanding	8,925,261	9,500,252	11,662,390	16,591,733	23,677,845
<b>Unit Class B</b>					
Total return, %	4.8	-7.1	2.6	0.6	2.4
Benchmark index, %	6.9	-6.1	-0.1	2.4	1.4
Unit value, SEK	76.76	75.93	84.47	84.05	85.09
Units outstanding	1,885,378	1,418,530	1,369,464	1,912,689	1,935,665
Dividends SEK/unit	2.76	2.68	1.83	1.53	1.85
<b>Unit Class C</b>					
Total return, %	5.4	-6.6	3.2	1.1	2.9
Benchmark index, %	6.9	-6.1	-0.1	2.4	1.4
Unit value, SEK	105.40	100.02	107.08	103.76	102.59
Units outstanding	1,258,669	1,961,472	2,837,249	3,507,801	5,687,214
	2018	2017	2016	2015	2014
Fund assets, SEK thousands	3,150,228	4,338,989	4,324,543	4,160,877	3,819,517
<b>Unit Class A</b>					
Total return, %	-0.7	2.7	2.8	-0.2	4.6
Benchmark index, %	0.0	-	-	-	-
Unit value, SEK	117.76	118.64	115.49	112.34	112.60
Units outstanding	19,973,628	28,667,837	35,439,157	35,470,634	33,218,217
<b>Unit Class B</b>					
Total return, %	-0.7	2.7	2.8	-0.2	4.6
Benchmark index, %	0.0	-	-	-	-
Unit value, SEK	84.85	87.64	87.93	89.92	94.73
Units outstanding	1,905,406	2,580,894	2,633,089	1,952,804	832,691
Dividends SEK/unit	2.17	2.65	4.76	4.71	4.88
<b>Unit Class C</b>					
Total return, %	-0.2	-0.1	-	-	-
Benchmark index, %	0.0	-	-	-	-
Unit value, SEK	99.7	99.90	-	-	-
Units outstanding	6,383,334	7,122,649	-	-	-

## Key ratios

Risk measurement at 31 Dec	A+B	C
Average annual return (2 years)	-1.3%	-0.8%
Average annual return (5 years)	0.6%	1.1%
Average total risk, fund (2 years)	4.4%	4.4%
Average total risk, index (2 years)	3.5%	3.5%
Active Risk (2 years)	2.6%	2.6%
Spread exposure	12.3%	
Duration	2.7 years	

Management fees and other administrative or operating costs	A+B	C
<i>Non-recurring costs related to subscription and redemption</i>	-	-

Ongoing costs and performance-related fees	A+B	C
<b>Management fee, %</b>	<b>1.00%</b>	<b>0.50%</b>
Performance-based compensation, %	-	-
Other administrative or operating costs, %	0.02%	0.02%
Transaction costs incl. spread, %	0.13%	0.13%
<b>Total costs</b>	<b>1.15%</b>	<b>0.65%</b>

Example of management cost charged during the year for a investment of SEK 10,000	SEK 96	SEK 49
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## Disclosure of other charges

Entry fee	None
Exit fee	None

## Fund turnover 1 Jan - 31 Dec

Turnover rate in the fund	0.45 times/year
Transaction costs, share of turnover	0.01%
Percentage of turnover traded with related institutions	-
Percentage of turnover via internal trading between own funds or fund companies managed by the company	-



**Sustainable investment:**

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

**The EU Taxonomy**

is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

**Sustainability report**

Sustainability-related disclosures referred to in Article 8 of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

**Product name:** Öhman Företagsobligationsfond

**Legal entity identifier:** 549300JO3ORIOZB1P870

**Environmental and/or social characteristics****Did this financial product have a sustainable investment objective?**

**Yes**

**No**

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

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

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

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

It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a minimum proportion of 40.00% of sustainable investments

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

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

with a social objective

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



**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

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

The fund's promotion of environmental and/or social characteristics included:

**Sustainable investments:** The fund made sustainable investments whereby the investments contributed to promoting environmental, climate and/or social factors.

**Exclusion criteria:** The fund promoted environmental characteristics by excluding or severely restricting its investments in economic activities that we assess as harmful to the environment and biodiversity by imposing strict limits on investments in extraction of fossil fuels, coal-based energy production, oil and gas-related products and services, transport or distribution and oil and gas storage.

Environmental characteristics were also promoted by investing in sovereign bonds issued by states that have an ambitious climate agenda. An ambitious climate agenda is reflected, for example, in the Swedish climate agenda where the target is to achieve net zero emissions before 2045, five years before the date specified in the Paris Agreement.

To further promote social characteristics, the fund excluded or severely restricted investments in the production and distribution of alcohol and tobacco, weapons production and controversial weapons, production and distribution of gambling products and services and of pornographic materials in accordance with the E. Öhman J:or Fonder AB ("Öhman Fonder" or "the fund company") Responsible Investment Policy.

The fund promoted social characteristics by not investing in sovereign bonds issued by countries covered by sanctions imposed by the UN Security Council, in accordance with the Öhman Fonder Responsible Investment Policy. Moreover, the fund did not invest in sovereign bonds issued by belligerent countries, countries that do not promote democracy and countries that do not support the Paris Agreement.

**Carbon footprint:** The fund promoted investments that lead to lower carbon footprint with a view to limiting global heating. A company's carbon footprint is its Scope 1+2+3 divided by its enterprise value (EV) in EUR. The carbon footprint is reported below under "How did the sustainability indicators perform?" excluding Scope 3 because Scope 3 is based largely on estimates and the comparison, which prevents fair comparison between corporate carbon footprints.

Carbon emissions data include:

Scope 1: Companies' direct emissions

Scope 2: Companies' indirect emissions from the company's consumption of e.g. electricity, heat or steam

Scope 3: Companies' remaining indirect emissions from the use of the company's products, both upstream and downstream, e.g., emissions from purchased materials (upstream) or from the use of the products or services (downstream).

**SBT:** The fund also invested in companies that have set science-based climate targets (Science Based Targets, SBT). The SBT initiative (SBTi) is an initiative that supports companies in their efforts to set climate targets in alignment with scientific models in order to achieve the objectives of the Paris Agreement. The Paris Agreement is a global climate agreement aimed at limiting global heating by reducing emissions of greenhouse gases.

**Implicit Temperature Rise (ITR):** The fund also promoted environmental characteristics by measuring the implicit temperature rise for the fund. ITR is measured in degrees Celsius and refers to that required to limit global heating to a maximum of 1.5 degrees by 2100. For all underlying companies, the method considers current emissions and emissions targets in relation to the emission reduction required according to the science in order to project the temperature rise. The calculation method expresses an "undershoot" or "overshoot" of each portfolio holding's carbon emissions "budget". The cumulative carbon emissions of all holdings comprise the fund's total carbon emissions, which is restated as a degree of temperature (ITR) using a science-based ratio method (the Transient Climate Response to Cumulative Carbon Emissions, TCRE). ITR is not calculated for sovereign bonds.

**Good governance practices:** All of the fund's investments followed good governance practices in that none of the fund's assets have been verified to be in breach of internationally accepted conventions or guidelines pertaining to the environment, human rights, working conditions and business ethics.

**Engagement dialogues:** Öhman Fonder promoted both environmental and social characteristics through its active ownership. The fund company's shareholder engagement is aimed at promoting corporate capacity to achieve positive impact on the environment, climate and social characteristics. Öhman Fonder encouraged companies to integrate both risks and opportunities in their operations and decision-making. Shareholder engagement also helps improve Öhman Fonder's management of sustainability risks (environmental and social risks, as well as risks associated with governance).

**Principle adverse impacts:** The fund also promoted environmental and/or social characteristics by taking into account Principal Adverse Impacts (PAI), which address how operations in a company have adverse impact on external conditions including the environment, working conditions and social conditions. The fund considered relevant adverse impacts in connection with all investment decisions. See "How did this financial product consider principal adverse impacts on sustainability factors?".

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

Sustainability indicators	Performance 31 Dec 2023	Performance 31 Dec 2022	Coverage 31 Dec 2023
The fund's share of sustainable investments	40.00%	40.38%	58.29%
Carbon footprint (tonnes Scope 1+2 per EUR million)	69.62	49.6	39.22%
The fund's total market value of shares in companies with approved Science Based Targets (SBT)	12.75%	7.86%	Not applicable
Implicit Temperature Rise (ITR) shows alignment of fund holdings with the Paris Agreement goal. The Paris Agreement goal is to limit the global temperature increase to 1.5 degrees Celsius	1.9	2.0	Not applicable
<b>Engagement dialogues – Holdings in the fund that were the object of shareholder engagement during the year</b>	<b>11</b>	<b>8</b>	<b>Not applicable</b>
Of these engagement dialogues, the percentages related to environmental and climate issues were:	71%	67%	Not applicable
Of these engagement dialogues, the percentages related to social issues were:	18%	8%	Not applicable
Of these engagement dialogues, the percentages related to governance issues were:	12%	25%	Not applicable

**Good governance practices:** The fund's holdings have satisfied Öhman Fonder's established criteria for good governance. This means that the fund has not invested in companies or states that have been verified as in breach of internationally accepted conventions or guidelines pertaining to the environment, human rights, working conditions and business ethics.

**Exclusion criteria:** The fund has not invested in companies that are in verified breach of the fund's established exclusion criteria as set out below. The figures in brackets refer to the highest acceptable share of the company's turnover generated from each exclusion area.

- 1) Investments in coal, oil and gas extraction (0%)
- 2) Coal-based energy production (10%)
- 3) Oil and gas-related products and services, transport, distribution and storage of oil and gas (10%)
- 4) Investments in production and distribution of alcohol (5%)
- 5) Investments in production and distribution of tobacco (0% production, 5% distribution)
- 6) Weapons production (0%)
- 7) Weapons-related products and services (5%)
- 8) Controversial weapons (0%)
- 9) Production and distribution of gambling products and services (5%)
- 10) Investments in production and distribution of pornographic materials (0% production, 5% distribution)
- 11) Businesses verified as having violated international conventions (0%)
- 12) With regard to sovereign bonds, the company checks daily that no investments are made in sanctioned, non-democratic, or belligerent countries or countries that do not support the Paris Agreement.

Exceptions from points 2 and 3 above: Öhman Fonder has determined that many companies with exposure to fossil fuels could play a vital role in the transition from a fossil-based economy to an economy based on renewable energy. We believe these companies are potentially on the brink of a significant, positive journey that Öhman Fonder wants to be part of. We therefore have the option to invest in "fossil companies" when the following three criteria are met:

- The company has set science-based climate targets in accordance with the Paris Agreement, through SBTi for example, or has committed to reducing climate emissions in line with that required under the Paris Agreement
- The company's investments support a transition to a fossil-free economy
- The company's operations are not primarily related to fossil fuels, in which case a maximum of 50% of turnover from fossil-related business is permitted.

**Principal adverse impacts on sustainable development factors (PAI):** The fund has considered selected PAI indicators in connection with all investment decisions. See "How did this financial product consider principal adverse impacts on sustainability factors?" for the results of the sustainability indicators.

- **...and compared with earlier periods?**

Performance for the earlier period (2022) is shown on the table for the preceding question. Performance for the sustainability indicators outside the table - good governance practices and exclusion criteria - were the same for 2022. There were no changes to these indicators in 2023. Concerning the outcomes for PAI in 2022, see "How did this financial product consider principal adverse impacts on sustainability factors?"

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

A sustainable investment must contribute at least 20% to on or more of the 17 UN Sustainable Development Goals (SDG) and/or the EU Taxonomy. Sustainable investments can contribute to these goals either from a company's products or services (turnover) or operationally through the business, such as that a company has committed to a science-based climate target (SBTi). The environmental objectives stated in the EU Taxonomy that the fund's investments may have contributed to are those objectives that have taken effect and only where there is reported data available: Objective 1 Climate change mitigation and Objective 2, Climate change adaptation.

Examples of **environmental SDGs** that the fund's sustainable investments may have contributed to during the period (the fund's sustainable investments may not necessarily have contributed to all of the following environmental goals at all times):

- **Water** *SDG 6: Clean Water and Sanitation.*
- **Renewable energy** *SDG 7: Affordable and Clean Energy.*
- **Green buildings** *SDG 11: Sustainable Cities and Communities.*
- **Circular economy**: *SDG 12: Responsible Consumption and Production.*
- **Science-based climate targets (operational goals)**, in line with the Paris Agreement *SDG 13: Climate Action*

Examples of **social SDGs** that the fund's sustainable investments may have contributed to during the period (the fund's sustainable investments may not necessarily have contributed to all of the following social goals at all times):

- **Treatment of serious illnesses** *SDG 3: Good Health and Well-being*
- **Education** *SDG 4: Quality Education*
- **Increased gender equality (operational goal, at least 40% women on the board)** *SDG 5: Gender Equality*
- **Remediation** *SDG 6: Clean Water and Sanitation*

**Labeled Bonds:** The fund invested in labeled bonds, such as green bonds, social bonds, sustainability (green and social) bonds and sustainability-linked bonds. Labeled bonds differ from other unlabeled sustainable bonds in that they undergo a third-party assessment and comply with the principles established by the International Capital Markets Association (ICMA). A description of the labeled bonds follows:

- **19.31% of the fund invested in green bonds:** *These are bonds whose proceeds are earmarked for environmental purposes, such as renewable energy (SDG 7 Affordable and Clean Energy) + EU Taxonomy environmental objective 1 (climate change mitigation), energy-efficient real estate assets (SDG 11: Sustainable Cities and Communities) and EU Taxonomy environmental objective 1 (Climate change mitigation), resource efficiency and circularity (SDG 12: Responsible Consumption and Production), EU Taxonomy environmental objective 1 (Climate change mitigation). Green bonds must adhere to the Green Bond Principles issued by the ICMA and must be assessed by a third party that adheres to specific guidelines.*
- **1.09% of the fund invested in social bonds:** *These are bonds whose proceeds are earmarked for social purposes, such as fundamental infrastructure (SDG 9 Industry, Innovation and Infrastructure) including clean drinking water, sewer systems, sanitation (SDG 6: Clean Water and Sanitation), transport or affordable energy. The purpose may also constitute access to fundamental services such as healthcare (SDG 3: Good Health and Well-being), education and financing (SDG 4: Quality Education). Social bonds must adhere to the Social Bond Principles issued by the ICMA and must be assessed by a third party that adheres to specific guidelines.*
- **4.21% of the fund invested in sustainability-linked bonds:** *These are bonds linked to attaining one or more sustainability goals, such as lower emissions (SDG 13: Climate Action), increased recycling and reduced energy consumption (SDG 12: Responsible Consumption and Production), EU Taxonomy environmental objective 1 (Climate change mitigation). Sustainability-linked bonds must adhere to the Sustainability-Linked Bond Principles issued by the ICMA and must be assessed by a third party that adheres to specific guidelines.*

**Other sustainable corporate bonds:** 15.39% of the fund invested in other (unlabeled) sustainable corporate bonds.

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

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

The sustainable investments in the fund did not cause significant harm in that they:

- Were not involved in thermal coal production (max 1% of turnover)
- Did not produce substantial carbon emissions to the atmosphere (see exception below)
- Were not involved in the production of controversial weapons or have an activity linked to controversial weapons
- Were not involved in serious ongoing or recently ongoing controversies that can lead to violation of the UN Global Compact
- Did not conflict with Öhman Fonder's exclusion criteria

Companies with high carbon emissions could play a vital role in the transition from a fossil-based economy to an economy based on renewable energy. For these reasons, Öhman Fonder has determined during the period that companies with high carbon emissions can nevertheless be considered a sustainable investment if any of the following criteria are met:

- The company has adopted science-based climate targets (SBT) that have been independently reviewed by SBTi or a comparable organisation, or have committed to setting science-based climate targets. In these cases, the company was exempted from the carbon emissions limit according to the DNSH assessment above.
- If the company's climate target fulfilled an annual reduction in carbon emissions of 7%, as required under the Paris Agreement. In these cases, the company was exempted from the carbon emissions limit according to the DNSH assessment above.

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

The following indicators are used to assess whether an economic activity caused significant harm. An economic activity was assessed as causing significant harm if any of the following criteria were met:

- GHG emissions (according to a predetermined threshold)
- Exposure to companies active in the fossil fuel sector (see points 2-3 of the fund's exclusion criteria under: *How did the sustainability indicators perform?*)
- Violation of any of the UN Global Compact or the OECD Guidelines for Multinational Enterprises
- Exposure to controversial weapons (anti-personnel mines, cluster ammunition, chemical and biological weapons)

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

Yes. The fund has not invested in companies or states that have been verified as having violated the OECD Guidelines for Multinational Enterprises or the UN Guiding Principles on Business and Human Rights in a systematic and critical way. The OECD Guidelines and the UN Guiding Principles govern how multinational enterprises should conduct themselves as regards employment, work environment, human rights, union organisation, taxation and culture, intended to combat, among else, violations of human rights, corruption and bribery. To evaluate and analyse this aspect, Öhman Fonder collects data from the fund company's external data providers, who assess whether a company has verifiably violated these guidelines or principles. The assessment is based on various metrics, such as the seriousness and scope of any controversies and the credibility of the accusations.

*The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific Union criteria.*

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

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



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

**Principal adverse impacts on sustainable development factors (PAI):** The fund has considered selected PAI indicators in connection with all investment decisions by means of requiring justification of the investment decision. How the indicators were considered and performance are described below:

- GHG emissions were considered through the fund manager's justification of the decision if GHG emissions exceeded a set threshold.
- Exposure to companies active in the fossil fuel sector was considered by limiting investments in fossil fuels (see points 2-3 of the fund's exclusion criteria under: "How did the sustainability indicators perform?")
- Violations of the UN Global Compact or the OECD Guidelines for Multinational Enterprises were considered by excluding investments in companies that have verifiably violated the guidelines.
- Board gender diversity was considered by requiring justification of the investment decision if all members of the board of directors were of the same gender.
- Processes to monitor compliance with the UN Global Compact principles or the OECD Guidelines, such as handling complaints of violations of the Compact or the Guidelines were considered by requiring specific justification of decisions to invest where such processes are lacking.
- Controversial weapons (anti-personnel mines, cluster ammunition, chemical and biological weapons) were considered by excluding investments in companies with such operations.
- Companies that do not have carbon emissions targets were considered in connection with investments in companies without carbon emission reduction initiatives by requiring specific justification of such investment decisions.
- Companies that do not have human rights policies were considered by requiring specific justification in connection with investments in companies that do not have human rights policies.

The table shows the performance of PAI indicators for 2023. The data points are a weighted average of the four quarters during the year. Data coverage for 2022 is not available. Data and coverage for 2023 exclude cash and cash equivalents.

Indicators	Performance 2023	Performance 2022	Coverage 2023
Scope 1 - GHG emissions, (tCO <sub>2</sub> e)	4,271	Not applicable	41.88%
Scope 2 - GHG emissions, (tCO <sub>2</sub> e)	1,118	Not applicable	41.88%
Scope 3 - GHG emissions, (tCO <sub>2</sub> e)	29,511	Not applicable	41.88%
<b>Total GHG emissions, (tCO<sub>2</sub>e)</b>	<b>34,901</b>	<b>Not applicable</b>	<b>41.88%</b>
Carbon footprint (tonnes Scope 1+2 per EUR million)	380	325	41.88%
GHG intensity of investee companies (Scope 1+2+3 GHG emissions/ EURm revenue).	564	Not applicable	53.15%
Exposure to companies active in the fossil fuel sector.	0.65%	0.00%	46.64%
Violations of the UN Global Compact principles and OECD Guidelines for Multinational Enterprises.	0.00%	0.00%	50.27%
No processes and compliance mechanisms to monitor compliance with the UNGC principles and OECD Guidelines for Multinational Enterprises.	10.19%	9.90%	46.64%
Average ratio of female to male board members in investee companies, expressed as a percentage of all board members.	38.43%	37.66%	46.18%
Exposure to investee companies involved in the manufacture or selling of controversial weapons.	0.00%	0.00%	46.64%
Investments in companies without carbon emission reduction initiatives.	11.59%	8.50%	44.38%
Share of investments in entities without a human rights policy.	2.31%	4.60%	46.64%

\*The figure and calculation for 2022 have been adjusted in relation to the sustainability report (annual report) for 2022 with the use of a new method for calculating the value.



The following principal adverse impacts on sustainable development factors (PAI) have been considered in connection with investments in sovereign bonds.

Indicators	Performance 2023	Performance 2022	Coverage 2023
Environment: GHG intensity	114.12	134.29*	100%
Social aspects: investments in countries subject to social violations as referred to in UN guiding principles or OECD Guidelines for Multinational Enterprises.	0	0	100%

\*The figure and calculation per 2022 have been adjusted in relation to the sustainability report (annual report) for 2022 with the use of a new method for calculating the value.

### What were the top investments of this financial product?



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

Largest investments	Sector	% Assets	Country
LANSBK 518	Finance	5.00%	Sweden
CATESS 0 06/16/25	Property	2.33%	Sweden
SOLISB 0 01/06/24	Utilities	2.17%	Ireland
TVOYFH 2.37 02/15/24	Utilities	2.17%	Finland
POHJOL 1.25 01/20/25	Utilities	2.17%	Finland
COMFAS 0 09/15/24	Property	2.16%	Sweden
OPNINF 0 11/11/25	Information Technology	2.14%	Sweden
NDAFH 5535	Finance	2.13%	Sweden
HEIBOS 3.248 PERP	Property	1.98%	Sweden
DNBNO 4.875 PERP	Finance	1.96%	Norway
CAFSTG 0 07/01/24	Property	1.95%	Sweden
SWEDAV 5.573 PERP C	Finance	1.73%	Sweden
TVOYFH 2.12 02/04/25	Utilities	1.64%	Finland
EPNENG 0 09/16/25	Utilities	1.56%	Denmark
IKANO 0 01/20/25	Finance	1.48%	Sweden





**Asset allocation** describes the share of investments in specific assets.

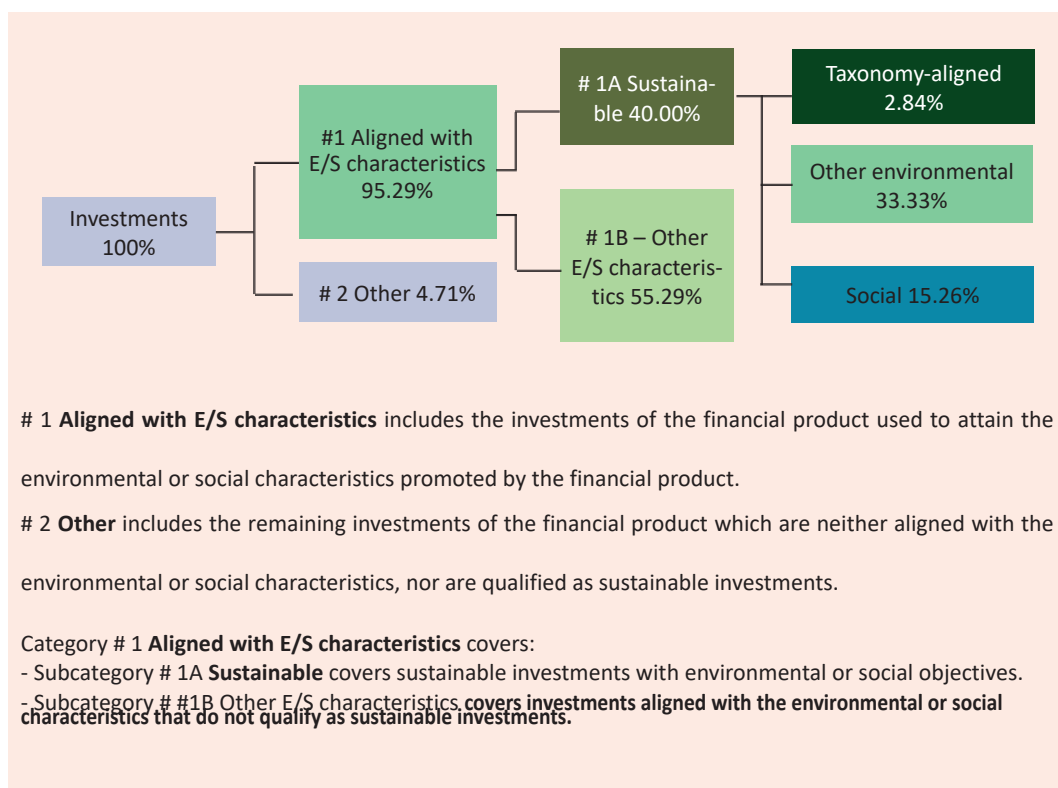
To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

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

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

## What was the proportion of sustainability-related investments?

### • What was the asset allocation?



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

- Utilities
- Consumer Staples
- Energy
- Real estate
- Finance
- Healthcare
- Industrials
- Materials
- Consumer Discretionary
- Information Technology

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

The fund's share of sustainable investments aligned with the EU Taxonomy was 2.84% as of 31 December 2023. Development of the EU Taxonomy remains in progress. Companies began reporting data in 2023, but for only two of the EU Taxonomy's six objectives (Climate change mitigation and Climate change adaptation). The remaining four environmental objectives have not yet taken effect. The fund also invests in companies outside the EU where the EU Taxonomy is not applicable.



Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies.
- **capital expenditure (CapEx)** showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure (OpEx)** reflecting green operational activities of investee companies.

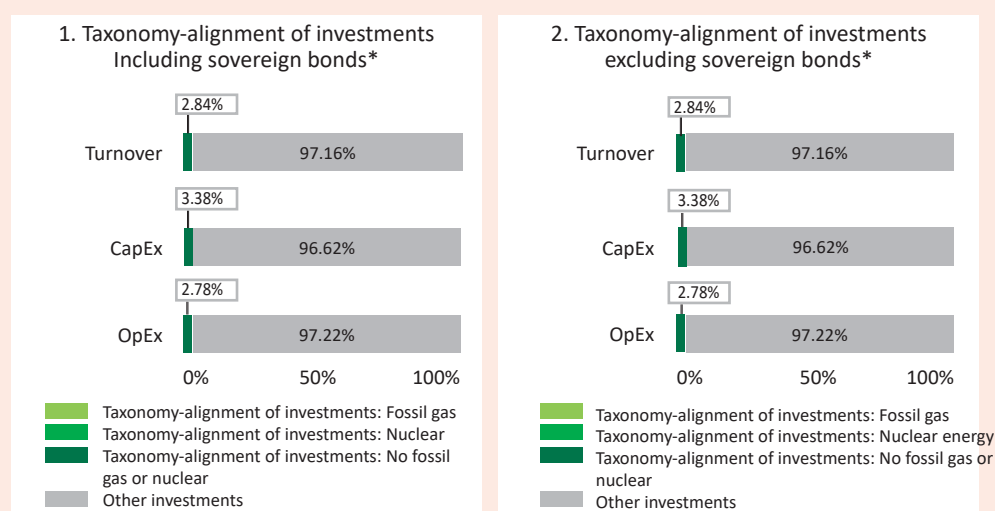
• **Does the financial product invest in fossil gas and/or nuclear energy-related activities that comply with the EU Taxonomy?**<sup>1</sup>

Yes  In fossil gas  In Nuclear

No

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

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



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

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

The fund's share of investments made in transitional and enabling activities as defined by the EU Taxonomy was: Turnover 0.39%, CapEx 0.45%, OpEx 0.40%.

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

The percentage of investments that were aligned with the EU Taxonomy in 2022 was 0%.

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

As of 31 December 2023, the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy was 33.33%. A sustainable investment can contribute both to the UN SDGs (both environmental and social goals) and environmental objectives according to the EU Taxonomy. In some cases, the share of environmental objectives that are aligned with the EU Taxonomy and not aligned with the EU Taxonomy and the respective social and environmental objectives therefore overlap. The sustainable investments that contribute to SDGs may contribute to these objectives through the company's products or services (turnover) or operationally within the framework of the investee company's activities. However, the total share of sustainable investments is shown in box 1A above.



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





### What was the share of socially sustainable investments?

As of 31 December 2023, the share of sustainable investments with a social objective was 15.26%. A sustainable investment can contribute both to an environmental objective and social objectives and the share of sustainable investments with an environmental objective and those with a social objective may consequently overlap. However, the total share of sustainable investments is shown in box 1A above.



### What investments were included under “other”, what was their purpose and were there any minimum environmental or social safeguards?

The “other” category includes the fund’s liquid assets required to manage unitholders’ daily purchases and sales of fund units. The share that refers to liquid assets held by institutions complies with Öhman Fonder’s standards of good governance practices. The category also included derivatives used as an aspect of the investment strategy and to improve management efficiency.



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

Öhman Fonder has practiced an active ownership role regarding the capital managed on behalf of fund unitholders. This has been accomplished in such a way that unitholders’ interests have been considered with a view to achieving optimal long-term and sustainable return. So that Öhman Fonder can identify investee companies in need of engagement dialogue at an early stage, the fund company has continuously monitored the fund’s investee companies with regard to global sustainability risks and opportunities.

#### *Examples of reasons for initiating engagement dialogue:*

- The company was the object of any of Öhman Fonder’s focus areas (see below)
- The company was the object of an initiative that Öhman Fonder has chosen to initiate, participate in, or sign
- The company was involved in an incident or controversy during the fund’s ownership period
- The company issued sub-standard sustainability reports that impeded the analysis of risks and opportunities

**Focus areas:** We identify focus areas so that we can act effectively in our shareholder engagement processes. This gives the fund company better conditions for achieving results, measuring progress and ultimately attaining our engagement objectives. Öhman Fonder’s focus areas are aimed at phenomena that we assess as systemic risks rather than company-specific risks. The focus areas with which we worked in 2023 were: Climate (Science Based Targets), Biodiversity and Human Rights.

**Engagement dialogues:** The fund carried out a total of 15 engagement dialogues in 2023 (regarding a total of 11 holdings). Of all dialogues, 8 were own dialogues or carried out jointly with other investors and 7 were external dialogues via initiatives. Examples of 3 dialogues carried out in 2023 follow.

- **SSAB:** Climate Action 100+ is a global network of investors working to reduce emissions from the world’s largest polluters. SSAB is one of the corporations included in the network and one of those with which Öhman Fonder engages in dialogue. In May, Öhman Fonder discussed the results of the new review of KPIs that SSAB has or has not met. Topics discussed included SSAB’s climate action plan, climate lobbying, TCFD and Just Transition. SSAB also introduced a new product, “Zero Steel”, which is a steel that produces zero carbon emissions in manufacturing.
- **Wallenius Wilhelmsen Logistics:** Öhman Fonder engaged in a new dialogue with Swedish-Norwegian shipping company Wallenius Wilhelmsen Logistics (WWL) in 2023, focused on science-based climate targets. Topics discussed included why the company has not managed to submit climate targets to SBTi within two years, which led to the removal of the company from SBTi’s list. WWL argues that this was due to SBTi having raised the requirements for the shipping industry (from 2 degrees to 1.5 degrees). The company will be reviewing what is necessary to meet the new requirements. Also discussed were the challenges the sector is facing, such as switching fuel and in many cases also engines in connection with how they will meet the short-term climate targets.
- **AAK:** Following the media investigation in the Swedish Society for Nature Conservation’s magazine *Sveriges Natur*, where it was alleged that AAK had purchased palm oil from mills that press fruit from palm trees illegally grown in nature reserves, Öhman Fonder and other investors jointly contacted AAK. The company claims that it is not presently deforestation-free but is aiming to be in 2025. The company takes the issue very seriously and will be evaluating its suppliers and, depending on what the evaluation shows, might sever the relationship. Öhman Fonder has been clear that the company needs to ensure that deforestation does not occur and that the company needs to continue working towards its 2025 target of becoming 100% verified deforestation-free with traceability to plantation.

## Remuneration and payments

### Background

Disclosures of remuneration and payments comply with the Swedish UCITS Act (2004:46), ch 4 s18 p3. The E. Öhman J:or Fonder AB Remuneration Policy was prepared in accordance with Finansinspektionen's regulations regarding Swedish UCITS (FFFS 2013:9) and may be read in its entirety on the website:

<https://www.ohman.se/legalt/ohmanfonder/hallbarhetsrelaterade-upplysningar/>

There were no material amendments to the policy during the financial year and the control functions have examined compliance with the fund company's remuneration policy with no observations.

### Performance criteria

Calculation of total bonus is based on profit or loss for the year less the owners' return requirement. Allocation of variable remuneration at the individual level is a discretionary decision based on evaluation of the employee's performance during the past financial year. Among other aspects, the evaluation refers to how well the employee met set objectives, contributed to the relevant group company's profitability and complied with applicable internal and external rules.

### Remuneration

Fixed remuneration in 2023 amounted to SEK 62,430 thousand (61,369).

Variable remuneration allocated in 2023 amounted to SEK 16,000 thousand (18,278) gross.

Allocation of fixed remuneration to defined identified staff:

- Employees in leading strategic positions: SEK 12,272 thousand (10,457).
- Employees responsible for control functions: (SEK 4,193 thousand (4,532).
- Risk-takers/Fund managers: SEK 20,590 thousand (19,236).
- Other employees: SEK 25,375 thousand (27,144)

Variable remuneration of SEK 16,000 thousand for 2023 has not yet been allocated. In 2023, variable remuneration from 2022 and previous years was dealt with as follows:

- SEK 6,798 thousand (8,105) was paid in cash or pension provisions
- SEK 5,009 thousand (6,284) was paid to an ISK (investment savings account) locked for at least one year
- SEK 2,553 thousand (3,516) was invested by the company and refers to retention in accordance with applicable rules for three + one years.

Allocation of variable remuneration paid in 2023:

- Employees in leading strategic positions: SEK 2,061 thousand (2,938)
- Employees responsible for control functions: (SEK 0 thousand (0)
- Risk-takers/Fund managers: SEK 3,337 thousand (5,345)
- Other employees: SEK 6,409 thousand (6,106)

No employee's remuneration equals or exceeds the total remuneration paid to any member of executive management.

No severance pay was recognised during the year.

### Number of employees

E. Öhman J:or Fonder AB had 75 employees (73) as of 31 December 2023. A total of 82 (84) people received fixed remuneration and 65 (61) people received variable remuneration during the year.

## Board of Directors, E. Öhman J:or Fonder AB

Stockholm, as per the date of digital signature

**Björn Fröling**

*Board Chair*

**Mats Andersson**

**Johan Lannebo**

**Catharina Versteegh**

**Ann Öberg**

**Jamal Abida Norling**

*CEO*

## Auditor's Report

To the unitholders of ÖHMAN FÖRETAGSOBLIGATIONSFOND, a UCITS fund, corporate registration number 515601-9498

### Report on the annual accounts

#### Opinion

In our capacity as auditors of E. Öhman J:or Fonder AB (the management company), corporate registration number 556050-3020, we have audited the annual accounts for ÖHMAN FÖRETAGSOBLIGATIONSFOND, a UCITS fund, for 2023 excluding the sustainability disclosures on pages 9-18 (the "Sustainability Report"). The annual accounts for the UCITS are included on pages 4-20 of this document.

In our opinion, the annual accounts have been prepared in accordance with the Swedish UCITS Act and Finansinspektionen's regulations regarding Swedish UCITS and present fairly, in all material respects, the financial position of FÖRETAGSOBLIGATIONSFOND, a UCITS fund, as of 31 December 2023 and its financial performance for the year in accordance with the UCITS Act and Finansinspektionen's regulations regarding Swedish UCITS. Our opinion does not cover the sustainability disclosures on pages 9-18.

#### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under these standards are further described in the Auditor's Responsibilities section of our report. We are independent of the management company in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

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

#### Information Other than the Annual Accounts

This document also contains other information than the annual accounts, which is found on pages 1-3 and 21-22 as well as the section on pages 9-18 ("Sustainability Report"). The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts does not cover the other information and we do not express any form of assurance or conclusion regarding this other information.

In connection with our audit of the annual accounts, our responsibility is to read the other information

identified above and consider whether the other information is materially inconsistent with the annual accounts. In this procedure, we also take into account our knowledge otherwise obtained in the audit and consider whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Management Company's Responsibilities

The management company is responsible for the preparation of the annual accounts and for that they provide a fair presentation in accordance with the UCITS Act and Finansinspektionen's regulations regarding Swedish UCITS. The management company is also responsible for such internal control they deem necessary to prepare an annual report that is free from material misstatement, whether due to fraud or error.

## Auditor's Responsibilities

Our objectives are to obtain reasonable assurance as to whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could be reasonably expected to influence the financial decisions of users taken on the basis of the annual report.

As part of an audit in accordance with ISA, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the annual accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the management company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of this internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management company.
- Evaluate the overall presentation, structure and content of the annual report, including the disclosures, and whether the annual report reflects the underlying transactions and events in a manner that achieves fair presentation.

We must inform the management company of matters including the planned scope, direction and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

## Auditor's Report on the Statutory Sustainability Report

It is the management company that is responsible for the statutory sustainability report on pages 9-18 and that it has been prepared in accordance with the Swedish UCITS Act.

Our examination of the sustainability report for the fund has been conducted in accordance with FAR's recommendation RevR 12 *The auditor's opinion regarding the statutory sustainability report*. This means that our examination of the statutory sustainability report is different and substantially less in scope than an audit conducted in accordance with the International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinion.

A sustainability report has been provided in the annual report.

Stockholm, as per the date of digital signature

**Ernst & Young AB**

**Mona Alfredsson**

*Authorised Public Accountant*

## The fund company

### Fund company

E. Öhman J:or Fonder AB  
 Box 7837  
 103 98 Stockholm, Sweden  
 Customer Service: +46 20 52 53 00 (9:00–17:00)  
 Email: fonder@ohman.se  
 Website: www.ohman.se  
 Registration number 556050-3020  
 Date registered 27 January 1994  
 Share capital SEK 4,200,000.

Authorisation to conduct fund business in accordance with the Swedish UCITS Act (2004:46) was granted to E. Öhman J:or Fonder AB by Finansinspektionen 28 March 1994 and reauthorisation was granted 4 May 2005. As of 8 January 2016, the company is also authorised to manage alternative investment funds in accordance with the Swedish Alternative Investment Fund Managers Act (2013:561). E. Öhman J:or Fonder AB is a wholly owned subsidiary of E. Öhman J:or Asset Management AB.

### Board of directors

*Board Chair:*  
 Björn Fröling

*Other directors:*  
 Mats Andersson  
 Johan Lannebo  
 Catharina Versteegh  
 Ann Öberg

### CEO

Jamal Abida Norling

### Depository

SEB, Securities Services  
 106 40 Stockholm, Sweden

### Auditor

Revisionsbolaget Ernst & Young AB  
 Box 7850  
 103 99 Stockholm, Sweden  
 Mona Alfredsson, auditor in charge

### Funds under management

#### UCITS funds

Öhman Emerging Markets  
 Öhman FRN  
 Öhman Företagsobligationsfond  
 Öhman Global  
 Öhman Global Growth  
 Öhman Global Investment Grade  
 Öhman Global Småbolag  
 Öhman Grön Obligationsfond  
 Öhman Hälsa och Ny Teknik  
 Öhman Investment Grade  
 Öhman Kort Ränta  
 Öhman Marknad Europa  
 Öhman Marknad Global  
 Öhman Marknad Japan  
 Öhman Marknad Pacific  
 Öhman Marknad Sverige  
 Öhman Marknad Sverige Bred  
 Öhman Marknad USA  
 Öhman Navigator  
 Öhman Obligationsfond  
 Öhman Realräntefond  
 Öhman Räntefond Kompass  
 Öhman Småbolagsfond  
 Öhman Sverige  
 Öhman Sweden Micro Cap  
 Lärfond Balanserad  
 Lärfond Försiktig  
 Lärfond Offensiv  
 Nordnet Pensionsfond

#### Special funds:

Öhman Sverige Fokus

Öhman Fonder

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103 98 Stockholm

Customer Service:

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fonder@ohman.se

[www.ohman.se/fonder](http://www.ohman.se/fonder)

Öhman

FAIR VALUES SINCE 1906