

# **HANDELSBANKEN ALTERNATIVES FUND LIMITED**

**Interim Report and Unaudited Condensed Financial Statements  
For the six month period ended 30 June 2022**

# HANDELSBANKEN ALTERNATIVES FUND LIMITED

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# HANDELSBANKEN ALTERNATIVES FUND LIMITED

## Company Information

### Non-executive Directors

William Simpson (Independent)  
Peter Griffin (Independent)  
Marc Wood

### Registered Office

Sarnia House  
Le Truchot  
St Peter Port  
Guernsey, GY1 1GR

### Investment Manager

Handelsbanken Asset Management, a trading name of  
Handelsbanken Wealth & Asset Management Limited  
No.1 Kingsway  
London, WC2B 6AN  
United Kingdom

### Administrator and Secretary

Sanne Fund Services (Guernsey) Limited  
Sarnia House  
Le Truchot  
St Peter Port  
Guernsey, GY1 1GR

### Custodian

Butterfield Bank (Guernsey) Limited  
Regency Court  
Gategny Esplanade  
St Peter Port  
Guernsey, GY1 3AP

### Listing Sponsor

Sanne Fund Services (Guernsey) Limited  
Sarnia House  
Le Truchot  
St Peter Port  
Guernsey, GY1 1GR

### Independent Auditor

BDO Limited  
PO Box 180  
Place Du Pre  
St Peter Port  
Guernsey, GY1 3LL

### Legal Advisers to the Fund (as to Guernsey law)

Ogier  
Redwood House  
St Julian's Avenue  
St Peter Port  
Guernsey, GY1 1WA

### Legal Advisers to the Fund (as to English law)

Schulte Roth & Zabel International LLP  
One Eagle Place  
London, SW1Y 6AF  
United Kingdom

# HANDELSBANKEN ALTERNATIVES FUND LIMITED

## Investment Manager's Report

For the six month period ended 30 June 2022

The Handelsbanken Alternatives Fund Limited (the "HAF" or the "Company") generated positive returns of +1.07% for the six months ending 30<sup>th</sup> June 2022 (share class A), against a highly volatile market backdrop. The first half of 2022 has been characterised by significant falls in both bond and equity markets, as investors attempted to accommodate the prospect of slowing economic growth, rising inflation and higher interest rates. The first quarter of 2022 was an eventful one, for financial markets as well as the wider world. Most major regional stock markets fell sharply in January and February, and market uncertainty was further exacerbated by the start of the Russian-Ukrainian conflict, which led to sharp moves in some regional markets, as well as in the commodity complex where oil, for example, spiked to record levels. Meanwhile, bond markets (both government and corporate) struggled throughout the opening months of the year as well, with bond prices falling/bond yields rising. Much of this volatility continued through the second quarter of the year, with investment sentiment dampened by the potential impact on economic growth from factors such as the war in Ukraine and lockdowns in China. Ongoing supply chain issues uncomfortably heightened inflation, and rising interest rates have all turned up the heat on investor sentiment. To provide some context for the scale of the market falls this year, it is worth noting, for example, that the S&P500 index was down just over 20% for H1 2022, the stock market's worst first half of a year since the 1970s. Similarly, government bonds – which are generally considered safe haven assets for investors during periods of stress – also suffered extreme value destruction in the face of tighter monetary policy with some bond markets, such as the US and Europe, posting the worst six monthly performance on record during H1 2022.

Against this highly volatile and risk-off environment, we are pleased to report that the HAF was able to maintain its uncorrelated, low-beta profile and generate positive returns for investors, delivering a total return of +1.07% for the first half of the year (share class A). Performance was driven by positions across different strategy buckets within the portfolio. One of the largest positive drivers for the year was our position in a short-term trend following systematic strategy, which benefitted from the sharp moves in equity, fixed income and commodity markets and was able to capture many of these trends, both long and short. Another key contributor was our "special situations" bucket, where we look to exploit value opportunities within the listed investment companies market by investing in companies trading at deep discounts to NAV and where we can identify a catalyst for re-rating or monetisation. Late last year, we introduced a couple of new names into this bucket, including Riverstone Energy Ltd, a listed private equity fund investing in both the mid-market energy space and into earlier stage, decarbonisation investments. Our thesis was that the deep discount to NAV at which the company was trading presented an attractive entry point, with a catalyst for re-rating as the market recognised Riverstone's move into the green energy space and that this would command some premium over the legacy energy assets in the portfolio which were being punished by negative investor sentiment towards the sector. Over the course of 2022, given the sharp rise in energy prices, RSE's share price has risen significantly as its underlying portfolio value has increased. We have tactically trimmed the position, but continue to hold the position given that the scale of the discount still remains attractive.

On the negative side of the ledger, some of our private asset investments contributed negatively to overall portfolio performance over the first six months of the year. In one case, we are in the process of exiting a strategy focused on secondary market life settlements due the underlying fund structure being closed down. As the manager monetises the underlying portfolio, investors had to take a haircut to carrying valuation due to the prevailing risk-off market environment into which assets were being sold. This was well flagged by the manager, but is disappointing nonetheless. Despite the final negative performance of the position at exit, it is worth noting that it has still been a positive return driver for the portfolio when overall performance since inception is taken into account. Similarly, some of our trade finance managers suffered some valuation haircuts in some underlying loans which are in the process of being restructured, with legacy issues from the COVID-19 pandemic continuing to negatively impact the operating performance of some emerging market suppliers and producers.

Overall, we are pleased with the portfolio's performance, particularly in the context of the broader market backdrop. Whilst the run rate of annualised performance currently falls below the HAF's general return target, we believe the prevailing volatility in markets is creating an attractive trading opportunity set for many of our underlying managers and this should manifest itself in positive returns going forward.

## Investment Manager

Handelsbanken Wealth & Asset Management

13 September 2022

# HANDELSBANKEN ALTERNATIVES FUND LIMITED

## Statement of Comprehensive Income

For the six month period ended 30 June 2022

	Notes	For the period 1 January 2022 to 30 June 2022 (unaudited) £	For the period 1 January 2021 to 30 June 2021 (unaudited) £
Net gains on investments at fair value through profit or loss	7	5,611,076	2,538,718
Net foreign exchange (losses)/gains on derivatives through profit or loss		(4,475,984)	445,164
Net foreign exchange gains/(losses)		154,048	(56,198)
		<u>1,289,140</u>	<u>2,927,684</u>
<b>Other Income</b>			
Management fee rebates		11,576	16,889
Bank interest income		6,629	4
		<u>18,205</u>	<u>16,893</u>
<b>Expenses</b>			
Bank interest paid		(132)	(321)
Management fees	5 & 13	(28,682)	(24,684)
Administration fees	5	(47,745)	(45,991)
Directors' fees	5 & 13	(25,000)	(25,000)
Custodian fees	5	(2,579)	(2,578)
Secretarial fees	5	(20,848)	(20,500)
Legal fees		-	(4,042)
Audit fees		(11,405)	(11,405)
Investment services management fee	5	(22,078)	(23,976)
Investment services administration fee	5	(10,000)	(9,918)
Other expenses	6	(19,800)	(19,959)
<b>Total operational expenses</b>		<u>(188,269)</u>	<u>(188,374)</u>
<b>Profit before taxation</b>			<b>2,756,203</b>
Withholding taxes	4	-	(7,874)
<b>Profit for the financial period and total comprehensive income for the period</b>		<u><b>1,119,076</b></u>	<u><b>2,748,329</b></u>
Earnings per Class A Share (basic and diluted)	14	<b>£0.0128</b>	<b>£0.0271</b>
Earnings per Class C Share (basic and diluted)	14	<b>£0.0088</b>	<b>£0.0219</b>
Earnings per Class D Share (basic and diluted)	14	<b>£0.0101</b>	<b>£0.0234</b>
Total earnings per share		<b>£0.0125</b>	<b>£0.0268</b>

All items in the above statement are derived from continuing operations.

The accompanying notes on pages 9 to 20 form an integral part of these Financial Statements.

# HANDELSBANKEN ALTERNATIVES FUND LIMITED

## Statement of Changes in Equity

For the six month period ended 30 June 2022

	Notes	Share Capital (unaudited) £	Share Premium (unaudited) £	Retained Earnings (unaudited) £	Total Equity (unaudited) £
<b>For the six month period ended 30 June 2022</b>					
<b>Balance as at 1 January 2022</b>		-	96,877,104	12,956,101	109,833,205
<b>Transactions with Shareholders:</b>					
Shares issued	10	-	-	-	-
Shares redeemed	10	-	(10,859,993)	-	(10,859,993)
Total transactions with Shareholders			(10,859,993)	-	(10,859,993)
Total comprehensive income for the period		-	-	1,119,876	1,119,876
<b>Balance as at 30 June 2022</b>		<b>-</b>	<b>86,017,111</b>	<b>14,075,177</b>	<b>100,092,288</b>

	Notes	Share Capital (unaudited) £	Share Premium (unaudited) £	Retained Earnings (unaudited) £	Total Equity (unaudited) £
<b>For the six month period ended 30 June 2021</b>					
<b>Balance as at 1 January 2021</b>		-	102,253,673	9,777,755	112,031,428
<b>Transactions with Shareholders:</b>					
Shares issued	10	-	5,448,001	-	5,448,001
Shares redeemed	10	-	(7,453,391)	-	(7,453,391)
Total transactions with Shareholders			(2,005,390)	-	(2,005,390)
Total comprehensive income for the period		-	-	2,748,328	2,748,328
<b>Balance as at 30 June 2021</b>		<b>-</b>	<b>100,248,283</b>	<b>12,526,083</b>	<b>112,774,366</b>

The accompanying notes on pages 9 to 20 form an integral part of these Financial Statements.

# HANDELSBANKEN ALTERNATIVES FUND LIMITED

## Statement of Financial Position

As at 30 June 2022

	Notes	30 June 2022 (unaudited) £	31 December 2021 (audited) £
<b>Assets</b>			
Investments as at fair value through profit or loss	7	93,357,797	104,454,701
Derivative collateral paid in advance		3,870,000	1,720,000
Investment sale proceeds receivable		4,287,047	2,009,375
Other receivables and prepayments		96,532	74,520
Cash and cash equivalents		9,436,409	4,370,760
<b>Total current assets</b>		<b>111,047,785</b>	<b>112,629,356</b>
<b>Liabilities</b>			
Redemptions payable		8,105,835	2,590,464
Derivatives at fair value through profit or loss		2,773,234	130,128
Other payables	9	76,428	75,559
<b>Total liabilities</b>		<b>10,955,497</b>	<b>2,796,151</b>
<b>Net assets</b>		<b>100,092,288</b>	<b>109,833,205</b>
<b>Equity</b>			
Share capital	11	-	-
Share premium	11	86,017,111	96,877,104
Retained earnings		14,075,177	12,956,101
<b>Total equity</b>		<b>100,092,288</b>	<b>109,833,205</b>
Number of Class A Shares in issue	10	79,808,044	89,220,076
Net Asset Value per Class A Share	11	£1.16	£1.14
Number of Class C Shares in issue	10	6,918,890	6,918,890
Net Asset Value per Class C Share	11	£1.09	£1.08
Number of Class D Shares in issue	10	250,000	250,000
Net Asset Value per Class D Share	11	£1.10	£1.09

The Financial Statements on pages 5 to 20 were approved by the Board of Directors and authorised for issue on 13 September 2022 and signed on its behalf by:-

Peter Griffin  
Director

The accompanying notes on pages 9 to 20 form an integral part of these Financial Statements.

# HANDELSBANKEN ALTERNATIVES FUND LIMITED

## Statement of Cash Flows

For the six month period ended 30 June 2022

		For the period 1 January 2022 to 30 June 2022 (unaudited) £	For the period 1 January 2021 to 30 June 2021 (unaudited) £
	Notes		
<b>Cash inflows/(outflows) from operating activities</b>			
Operating profit for the period		1,119,076	2,748,328
Adjustment for:			
Increase in other receivables and prepayments		(22,012)	(26,081)
Foreign exchange loss/(gain) on derivatives at fair value through profit or loss		2,643,107	(1,440,000)
Net (increase)/decrease in derivative collateral received in advance		(2,150,000)	1,866,804
Increase/(decrease) in other payables		869	(2,340)
Purchase of financial instruments		(3,297,058)	(9,862,076)
Proceeds from sale of financial instruments		17,556,868	15,404,073
Net gain on financial instruments at fair value through profit or loss	7	(5,440,578)	(2,344,858)
<b>Net cash inflows from operating activities</b>		<b>10,410,272</b>	<b>6,343,850</b>
<b>Cash inflows/(outflows) from financing activities</b>			
Proceeds from issue of Shares	11	-	2,500,000
Payments on redemption of Shares		(5,344,623)	(888,392)
<b>Net cash (outflows)/inflows from financing activities</b>		<b>(5,344,623)</b>	<b>1,611,608</b>
<b>Net increase in cash and cash equivalents</b>		<b>5,065,649</b>	<b>7,955,458</b>
<b>Cash and cash equivalents at beginning of period</b>		<b>4,370,760</b>	<b>7,504,778</b>
<b>Cash and cash equivalents at end of period</b>		<b>9,436,409</b>	<b>15,460,236</b>
<b>Net cash used in operating activities include:</b>			
Interest received on cash balances		6,629	4
Interest paid on cash balances		132	321

The accompanying notes on pages 9 to 20 form an integral part of these Financial Statements.

# HANDELSBANKEN ALTERNATIVES FUND LIMITED

## Notes to the Financial Statements

For the six month period ended 30 June 2022

### 1. General Information

Handelsbanken Alternatives Fund Limited ("HAF" or the "Company") is a closed-ended investment company registered with limited liability in Guernsey on 1 July 2016 and is authorised under Section 8 of The Protection of Investors (Bailiwick of Guernsey) Law, 2020, as amended. On 22 July 2016, the Company was admitted to The International Stock Exchange ("TISE").

The Company initially issued Sterling Shares, designated as Class A Shares, Class B Shares, Class C Shares and Class D Shares. Class A Shares have been active from inception to date and are only available for issue to the Investment Manager and certain accounts, funds or other vehicles controlled or managed by the Investment Manager, and such other persons as the Directors may determine in their absolute discretion. Class C Shares were listed on 2 July 2018 and Class D Shares were listed on 3 April 2018. Class B Shares were listed on 2 January 2018 and following redemption of all Class B Shares on 4 January 2021 they were cancelled from the Official List of TISE with effect from 26 March 2021.

On 27 June 2022, TISE approved an extension of the Extended Offer Facility for the period from 21 July 2022 to 20 July 2023 in respect of Class A Shares and for the period from 1 July 2022 to 1 July 2023 in respect of Class C Shares. On 6 April 2022, TISE approved an extension of the Extended Offer Facility in respect of Class D Shares for the period to 14 April 2023.

The Company aims to provide long-term growth through a diversified, global, multi-strategy portfolio which, amongst other things, provides access to specialist and/or alternative funds and vehicles.

The Company's portfolio is expected to be mainly comprised of investments that are deemed to be specialist and/or alternative strategies, and which are considered to have an attractive medium to long-term return potential through capital return and/or income. These specialist and/or alternative investments may target specific sectors, themes or geographies and may include private equity, hedge funds, property, alternative credit and infrastructure linked investments.

### 2. Significant Accounting Policies

#### Statement of compliance and basis of preparation

These Unaudited Financial Statements ("Financial Statements") have been prepared in accordance with International Accounting Standard (IAS) 34 'Interim Financial Reporting' and with applicable legal and regulatory requirements. They do not include all the information and disclosures required in Annual Financial Statements and should be read in conjunction with the Company's last Annual Audited Financial Statements for the year ended 31 December 2021.

There have been no changes to the significant accounting judgements, estimates and assumptions from those applied in the Company's Audited Annual Financial Statements for the year ended 31 December 2020, which were prepared in accordance with International Financial Reporting Standards ("IFRS"). Having reassessed the principal risks, the Directors considered it appropriate to adopt the going concern basis of accounting in preparing these Financial Statements.

#### Going concern

The Company's Directors have made an assessment of the Company's financial position as at 30 June 2022 and of its ability to continue as a going concern for a period of at least 12 months following the approval of these Financial Statements. The Directors are satisfied that the Company has considerable financial resources, combined with a relatively low level of expenses, which are able to be covered for the foreseeable future, no external debt and the fact that shareholder redemptions are restricted to quarterly redemptions and only with Company approval.

# HANDELSBANKEN ALTERNATIVES FUND LIMITED

## Notes to the Financial Statements (continued)

For the six month period ended 30 June 2022

### 2. Significant Accounting Policies (continued)

#### Going concern (continued)

The Directors also note that overall, due to the nature of the Company's portfolio, which – as discussed in more detail in the Investment Manager's report – comprises a diversified mix of defensive strategies generally with low correlations to broader financial markets and asset classes, it has not been affected significantly in terms of value or cashflows by the factors that may impact its performance (including the potential impact on markets and supply chains of geo-political risks such as the current crisis in Ukraine, the risk of further COVID-19 uncertainty and continuing macro-economic factors and inflation). Furthermore, the Directors are not aware of any other material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern and accordingly, the Directors have adopted the going concern basis in preparing these Financial Statements.

### 3. Segmental Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, which is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of the Company.

For management purposes, the Company is organised into one main operating segment, which focuses on long term growth from investments. All of the Company's activities are interrelated, and each activity is dependent on the others. Accordingly, all significant operating decisions are based upon analysis of the Company as one segment. The financial results from this segment are equivalent to the Financial Statements of the Company as a whole.

### 4. Taxation

The Income Tax Authority of Guernsey has granted the Company exemption from Guernsey income tax under the Income Tax (Exempt Bodies) (Guernsey) Ordinance, 1989, as amended and the income of the Company may be distributed or accumulated without deduction of Guernsey income tax. Exemption under the above mentioned Ordinance entails payment by the Company of an annual fee of £1,200 (31 December 2021: £1,200) for each year in which the exemption is claimed.

The taxation charge of £Nil (30 June 2021: £7,874) included in the Statement of Comprehensive Income represents irrecoverable withholding taxes incurred on investment income received in the period.

### 5. Material Agreements

The Administrator, the Investment Manager, the Custodian, the Secretary, the Investment Services provider and the Directors in accordance with the Administration Agreement dated 30 November 2018, the Investment Management Agreement dated 12 July 2016, the Custodian Agreement dated 30 November 2018 and the Investment Services Agreement dated 13 December 2018.

#### Administration, Secretarial and Risk Management Reporting fees

Sanne Fund Services (Guernsey) Limited (the "Administrator" and "Secretary") was appointed pursuant to an Administration and Secretarial Agreement dated 30 November 2018 (the "Administration Agreement").

Under the terms of the Administration Agreement, the Administrator is entitled to receive:

- an annual administration fee of 0.06 per cent per annum of the net asset value of the Company subject to a minimum of £66,805 plus disbursements;
- a Risk Management Reporting fee at a rate of £27,598 (30 June 2021: £26,060) per annum, and;
- a secretarial fee of £44,157 (30 June 2021: £41,697) per annum for provision of company secretarial services

The above fees were increased by inflation with effect from 1 May 2022.

During the period, an amount of £47,745 (30 June 2021: £45,991) was payable in administration fees to Sanne Fund Services (Guernsey) Limited. Included in this amount was £15,128 in respect of the Risk Management Reporting fee.

During the period, the Administrator was also due a fee of £20,848 in secretarial fees.

# HANDELSBANKEN ALTERNATIVES FUND LIMITED

## Notes to the Financial Statements (continued)

For the six month period ended 30 June 2022

### 5. Material Agreements (continued)

#### Management fees

The Investment Manager was paid a monthly management fee by the Company of (i) 1/12 of 1% in respect of Class B Shares; (ii) 1/12 of 0.75% in respect of Class C Shares; and (iii) 1/12 of 0.5% in respect of Class D Shares, in each case, of the month-end Net Asset Value of such Class of Shares (before deducting the amount of that month's investment management fee). There are no management fees payable in respect of Class A Shares.

#### Performance fees

The Company will not be subject to any performance fee.

#### Custodian fees

Butterfield Bank (Guernsey) Limited (the "Custodian") was appointed to act as Custodian pursuant to an agreement dated 30 November 2018 (the "Custodian Agreement") to provide custody services to the listed section of the Company portfolio only.

Butterfield Bank (Guernsey) Limited, as Custodian, will be paid a custody fee of up to 0.06% of the Company's Net Asset Value subject to a minimum of £5,000 per annum or such other amount as may be agreed between the Company and the Custodian in accordance with the Custodian Agreement. The custodian fee shall accrue and be calculated as at the last Business Day of each month and be paid monthly in arrears.

The Custodian will also be paid transaction fees by the Company as agreed in writing from time to time between the Company and the Custodian. The Custodian will also be reimbursed by the Company for reasonable out-of-pocket expenses.

#### Investment Services Agreement

On 13 December 2018, Record Currency Management Limited ("Record") was appointed, pursuant to an Investment Services Agreement dated 13 December 2018, to provide Investment Services in advising and managing part or all of the Company's foreign currency exposures using Record's currency hedging program.

For the services described above, Record is entitled to receive a management fee based on the fee mandate size of 0.10% of mandates of less than €100 million, 0.05% of mandates from €100 million to €1 billion and 0.03% of mandates over €1 billion. A minimum fee of £7,500 is payable per quarter.

In addition, Record established a panel of banks with which to trade as agent for the Company to provide its Investment Services. Record selects and maintains the banks on the panel in accordance with its credit risk policy as determined from time to time and as a result, Record is entitled to receive a Collateral Administration service fee of £10,000 per annum per bank on the panel.

During the period, management fees of £22,078 (30 June 2021: £23,976) and administration fees of £10,000 (30 June 2021: £9,918) were payable to Record.

#### Directors' fees

The Company, as a self-managed Alternative Investment Fund ("AIF"), is subject to a remuneration policy which is consistent with the principles defined in the European Securities and Markets Authority guidelines on sound remuneration policies under the AIFM Directive as per the remuneration policy. The remuneration policies are designed to ensure that any relevant conflicts of interest can be managed appropriately at all times and that the remuneration of the Company's directors and senior management is in line with the risk policies and objectives of the Company.

William Simpson and Peter Griffin are entitled to an annual fee of £25,000 each. Marc Wood, who is an employee of the Investment Manager, has waived his entitlement to an annual fee of £25,000.

# HANDELSBANKEN ALTERNATIVES FUND LIMITED

## Notes to the Financial Statements (continued)

For the six month period ended 30 June 2022

### 5. Material Agreements (continued)

	Charge for the period 1 January 2022 to 30 June 2022 (unaudited) £	Amounts outstanding at 30 June 2022 (unaudited) £
Directors' fees	25,000	-
Management fees	28,682	9,829
Administration, Secretarial and Risk Management fees	68,593	21,806
Custodian fees	2,579	1,247
Investment services management fee	22,078	22,078
Investment services administration fee	10,000	9,918
	<b>156,932</b>	<b>64,878</b>

	Charge for the period 1 January 2021 to 30 June 2021 (unaudited) £	Amounts outstanding at 31 December 2021 (unaudited) £
Directors' fees	25,000	-
Management fees	24,684	9,925
Administration, Secretarial and Risk Management fees	66,491	21,806
Custodian fees	2,578	1,261
Investment services management fee	23,976	11,130
Investment services administration fee	9,918	5,000
	<b>152,647</b>	<b>49,122</b>

### 6. Other Expenses

	For the period 1 January 2022 to 30 June 2022 (unaudited) £	For the period 1 January 2021 to 30 June 2021 (unaudited) £
Listing agent fee	7,868	7,247
Annual and regulatory fees	9,906	8,695
Commission & other charges	1,240	3,512
Other expenses	786	505
	<b>19,800</b>	<b>19,959</b>

# HANDELSBANKEN ALTERNATIVES FUND LIMITED

## Notes to the Financial Statements (continued)

For the six month period ended 30 June 2022

### 7. Investments at Fair Value Through Profit or Loss

	30 June 2022 (unaudited) £	31 December 2021 (audited) £
<b>Opening fair value as at beginning of period/year</b>	<b>104,454,701</b>	<b>109,115,909</b>
Purchases at cost	14,293,269	47,856,934
Sales proceeds	(30,830,751)	(56,249,076)
Net gains on financial instruments at fair value through profit or loss	5,440,578	3,730,934
<b>Closing fair value at end of period/year</b>	<b>93,357,797</b>	<b>104,454,701</b>
<b>Represented by</b>		
Closing book cost	84,875,176	97,491,151
Closing revaluation of investments	8,482,621	6,963,550
	<b>93,357,797</b>	<b>104,454,701</b>
Realised gains on sales	3,921,507	3,849,852
Movement in unrealised gains on investments	1,519,071	(118,918)
	<b>5,440,578</b>	<b>3,730,934</b>
Investment income	170,498	392,781
<b>Net gains on investments at fair value through profit or loss</b>	<b>5,611,076</b>	<b>4,123,715</b>

As at 30 June 2022, £4,287,047 investment sales proceeds were receivable (31 December 2021: £2,009,375) and £nil investment costs were payable (31 December 2021: £nil) and £nil (31 December 2021: £nil) investment purchases were paid in advance.

### 8. Fair Value of Financial Instruments

IFRS has a hierarchical disclosure framework which prioritises and ranks the level of market price observability used in measuring investments at fair value.

The level in the fair value hierarchy within which the fair value measurement is categorised is determined on the basis of the lowest level input that is significant to the fair value measurement as a whole. For this purpose, the significance of an input is assessed against the fair value measurement. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

The determination of what constitutes 'observable' requires significant judgement by the Company. The Company considers observable data to be market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources actively involved in the relevant market.

The following table analyses within the fair value hierarchy the Company's significant financial assets and liabilities measured at fair value at 30 June 2022 and 31 December 2021:

# HANDELSBANKEN ALTERNATIVES FUND LIMITED

## Notes to the Financial Statements (continued)

For the six month period ended 30 June 2022

### 8. Fair Value of Financial Instruments (continued)

30 June 2022	Level 1	Level 2	Level 3	Total
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
	£	£	£	£
<b>Investments at fair value</b>				
Listed funds	4,522,351	-	-	4,522,351
Unlisted funds	-	88,835,446	-	88,835,446
<b>Derivative financial instruments</b>				
Forward foreign exchange contracts	-	(2,773,234)	-	(2,773,234)
	4,522,351	86,962,212	-	90,584,563
<b>31 December 2021</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	£	£	£	£
<b>Investments at fair value</b>				
Listed funds	7,295,346	-	-	7,295,346
Unlisted funds	-	97,159,355	-	97,159,355
<b>Derivative financial instruments</b>				
Forward foreign exchange contracts	-	(130,128)	-	(130,128)
	7,295,346	97,029,227	-	104,324,573

When fair values of listed equities and collectibles at the reporting date are based on quoted market prices or binding dealer price quotations and are actively traded, the instruments are included within level 1 of the hierarchy. An active market is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. These include traded listed equities.

Investments in quoted investment funds in a non-active market of unlisted investment funds are valued based on the reported net asset values per Share as provided by the investee fund's administrator or investment manager and are included in level 2.

Forward foreign exchange contracts are valued using the prevailing exchange rate at reporting date, which is then adjusted using forward points, sourced from Bloomberg, which are themselves based on the currency forward foreign exchange contract maturity date.

The valuation and classification of the investments are reviewed on a regular basis. The Directors determine whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period and, unless caused by a specific event, the Company recognises transfers between levels of fair value hierarchy as at the end of the reporting period during which the change has occurred.

There were no transfers between levels during the accounting period (31 December 2021: None).

# HANDELSBANKEN ALTERNATIVES FUND LIMITED

## Notes to the Financial Statements (continued)

For the six month period ended 30 June 2022

### 9. Other Payables

	30 June 2022 (unaudited)	31 December 2021 (audited)
	£	£
Management fee (Note 5)	9,829	9,925
Administration fees (Note 5)	14,857	14,857
Secretarial fees (Note 5)	6,949	6,949
Custodian fees (Note 5)	1,247	1,261
Audit fee	8,700	25,000
Reporting fund status fees	2,850	1,437
Other payables	31,996	16,130
<b>Total</b>	<b>76,428</b>	<b>75,559</b>

The Directors consider that the carrying amount of other payables approximates fair value.

### 10. Share Capital

#### Authorised share capital

The Company's authorised Share capital consists of an unlimited number of ordinary Shares of no par value and 1 management Share of no par value.

The Company will initially issue Sterling denominated Shares, designated as either Class A Shares, Class C Shares or Class D Shares.

Class A Shares are only available for issue to the Investment Manager and certain accounts, funds or other vehicles controlled or managed by the Investment Manager, and such other persons as the Directors may determine in their absolute discretion.

As per note 5, there are no management fees accrued on Class A Shares. However, there are annual management fees accrued of 0.75 per cent of Class C Shares and 0.5 per cent of Class D Shares respectively. No performance fees are due. Annual management fees of 1% of the net asset value of Class B Shares were accrued up until 4 January 2021 when the shares were fully redeemed.

In the event of the winding up of the Company, all Share classes are equally eligible to receive dividends and the repayment of capital remaining after the payment of creditors. Each Share represents one vote at the Shareholders' meeting.

# HANDELSBANKEN ALTERNATIVES FUND LIMITED

## Notes to the Financial Statements (continued)

For the six month period ended 30 June 2022

### 11. Share Capital (continued)

#### Issued Share capital

As at 30 June 2022, the Company has issued Class A Shares Class C Shares, Class D Shares and 1 management share.

Issued and fully paid Shares	Class A Number of Shares	Class C Number of Shares	Class D Number of Shares	Total Number of Shares
Opening balance at 1 January 2022	89,220,076	6,918,890	250,000	96,388,966
Shares issued		-	-	-
Shares redeemed	(9,412,032)	-	-	(9,412,032)
<b>At 30 June 2022</b>	<b>79,808,044</b>	<b>6,918,890</b>	<b>250,000</b>	<b>86,976,934</b>

Issued and fully paid Shares	Class A Share Premium £	Class C Share Premium £	Class D Share Premium £	Total Share Premium £
Opening balance at 1 January 2022	89,527,104	7,100,000	250,000	96,877,104
Shares issued	-	-	-	-
Shares redeemed	(10,859,993)	-	-	(10,859,993)
<b>At 30 June 2022</b>	<b>78,667,111</b>	<b>7,100,000</b>	<b>250,000</b>	<b>86,017,111</b>

# HANDELSBANKEN ALTERNATIVES FUND LIMITED

## Notes to the Financial Statements (continued)

For the six month period ended 30 June 2022

### 11. Share Capital (continued)

#### Issued Share capital (continued)

As at 31 December 2021, the Company had issued Class A Shares, Class C Shares, Class D Shares and 1 management share.

Issued and fully paid Shares	Class A Number of Shares	Class B Number of Shares	Class C Number of Shares	Class D Number of Shares	Total Number of Shares
Opening balance at 1 January 2021	94,602,329	243,466	5,983,207	250,000	101,079,002
Shares issued	7,093,054	-	935,683	-	8,028,737
Shares redeemed	(12,475,307)	(243,466)	-	-	(12,718,773)
<b>Closing balance at 31 December 2021</b>	<b>89,220,076</b>	<b>-</b>	<b>6,918,890</b>	<b>250,000</b>	<b>96,388,966</b>

Issued and fully paid Shares	Class A Share Premium £	Class B Share Premium £	Class C Share Premium £	Class D Share Premium £	Total Share Premium £
Opening balance at 1 January 2021	95,653,673	250,000	6,100,000	250,000	102,253,673
Shares issued	7,948,000	-	1,000,000	-	8,948,000
Shares redeemed	(14,074,569)	(262,011)	-	-	(14,336,580)
Transfer to retained earnings on closure of Class shares	-	12,011	-	-	12,011
<b>At 31 December 2021</b>	<b>89,527,104</b>	<b>-</b>	<b>7,100,000</b>	<b>250,000</b>	<b>96,877,104</b>

The Share premium account comprises all amounts received from the subscription of Shares.

The Company has not taken, and does not propose to take, authority to purchase in the market any of its own issued Shares.

The retained earnings account is any surplus/(deficit) arising from total comprehensive income.

# HANDELSBANKEN ALTERNATIVES FUND LIMITED

## Notes to the Financial Statements (continued)

For the six month period ended 30 June 2022

### 12. Net Asset Value per Ordinary Share

The net asset value per Class A, Class C and Class D Shares is calculated based on the net assets attributable to Class A, Class C and Class D Shareholders on the number of Class A, Class C and Class D Shares in issue at 30 June 2022, as detailed below.

For the purposes of calculating the Company's TISE dealing price, the Company's formation expenses are being written off on a monthly basis over a five year period, commencing on the launch of the Company. However, in compliance with IFRS set up expenses have been fully expensed in the Statement of Comprehensive Income, as incurred.

The table below shows the NAV per Share, by Share Class, and reconciles the difference between the accounting NAV per Share Class per these financial statements to the NAV per Share Class released on TISE.

	Class A	Class C	Class D
<b>NAV (£)</b>	92,307,997	7,510,083	274,208
Number of shares	79,808,044	6,918,890	250,000
Accounting NAV per share	<b>£1.156625</b>	<b>£1.085446</b>	<b>£1.096832</b>
Add back:			
Non-amortised formation expenses	£0.000000	£0.000000	£0.000002
<b>Dealing NAV per share</b>	<b>£1.156625</b>	<b>£1.085446</b>	<b>£1.096834</b>

	30 June 2022	31 December 2021
<i>Financial Statements NAV:</i>		
Class A Shares	£92,307,997	£102,102,866
Class C Shares	£7,510,083	£7,458,357
Class D Shares	£274,208	£271,982
No. of Class A Shares in issue	79,808,044	89,220,076
No. of Class C Shares in issue	6,918,890	6,918,890
No. of Class D Shares in issue	250,000	250,000
NAV per Class A Share	£1.16	£1.14
NAV per Class C Share	£1.09	£1.08
NAV per Class D Share	£1.10	£1.09

### 13. Related Party Transactions

The Investment Manager and the Directors are regarded as related parties as shown in note 5. The only material related party transactions are described below:

The Company was launched primarily as a means for the Investment Manager's discretionary multi asset investment portfolios to access a wider range of alternative assets, through the Investment Manager purchasing A Shares on behalf of these portfolios. No management fee is incurred on A Shares. The Company is monitored by the Investment Manager's Head of Fund Governance & Oversight with the Company, Marc Wood, and the remaining Directors. In addition, during the period investors may also invest in the Company on a standalone basis (i.e. outside of a discretionary multi-asset investment portfolio) via C and D Shares which incur a management fee (as described in note 5).

# HANDELSBANKEN ALTERNATIVES FUND LIMITED

## Notes to the Financial Statements (continued)

For the six month period ended 30 June 2022

### 13. Related Party Transactions (continued)

During the period, the investment management fees earned by the Investment Manager, for each share class were as follows:

	Charge for the period £	Amounts Outstanding at 30 June 2022 £
<b>Period from 1 January 2022 to 30 June 2022</b>		
Class A	-	-
Class C	28,001	9,595
Class D	681	234
<b>Total</b>	<b>28,682</b>	<b>9,829</b>

	Charge for the period £	Amounts Outstanding at 30 June 2021 £
<b>Period from 1 January 2021 to 30 June 2021</b>		
Class A	-	-
Class C	24,017	8,091
Class D	667	459
<b>Total</b>	<b>24,684</b>	<b>8,550</b>

During the period, Directors' fees of £25,000 (30 June 2021: £25,000) were incurred and as at 30 June 2022, £nil was payable (31 December 2021: £nil).

### 14. Earnings Per Share

Basic earnings per Share ("EPS") is calculated by dividing the profit or loss for the year by the weighted average number of ordinary Shares outstanding during the year.

	For the period 1 January 2022 to 30 June 2022	For the period 1 January 2021 to 30 June 2021
Profit attributable to Class A Shares	£1,055,716	£2,728,602
Weighted average number of shares in issue – Class A	82,226,482	96,191,497
Earnings per share for Class A Shares – basic and diluted	£0.0128	£0.0271
Profit attributable to Class C Shares	£60,831	£130,045
Weighted average number of shares in issue – Class C	6,918,890	5,983,207
Earnings per share for Class C Shares – basic and diluted	£0.0088	£0.0219
Profit attributable to Class D Shares	£2,529	£5,807
Weighted average number of shares in issue – Class D	250,000	250,000
Earnings per share for Class D Shares – basic and diluted	£0.0101	£0.0234

The Company's diluted EPS is the same as the basic EPS, since the Company has not issued any instruments with dilutive potential.

# HANDELSBANKEN ALTERNATIVES FUND LIMITED

## Notes to the Financial Statements (continued)

For the six month period ended 30 June 2022

**15. Ultimate Controlling Party**

The Directors consider that the Company has no ultimate controlling party as the Shares are held by a number of parties with none of them having a controlling interest.

**16. Commitments and Contingencies**

There are no commitments or contingencies to report at the reporting date (31 December 2021: None).

**17. Subsequent Events**

On 4 August 2022, the entire share capital of Sanne Group Plc, the ultimate parent company of Sanne Fund Services (Guernsey) Limited, the Administrator, was acquired by Apex Acquisition Company Limited, a wholly-owned subsidiary of Apex Group Limited.

There were no other post period end events that require disclosure in these Financial Statements.

# HANDELSBANKEN ALTERNATIVES FUND LIMITED

## Portfolio Statement (unaudited)

As at 30 June 2022

Security	Nominal	Market Value GBP	% of Net Assets	Listed/ Unlisted
<b>Funds – GBP</b>				
Advance Trade Growth Offshore Fund Ltd	4,421	5,027,879	5.02%	Unlisted
Blue Diamond Non Directional Fund SP GBP	38,037	5,240,696	5.24%	Unlisted
Fasanara SA SICAV-RAIF	3,855	4,567,517	4.56%	Unlisted
Hunting Hill & Index Arbitrage Offshore Fund SPC ETF Fund Series C1	4,086	3,993,859	3.99%	Unlisted
Hunting Hill & Index Arbitrage Offshore Fund SPC Series 3 Jan 21	900	697,817	0.70%	Unlisted
IAM True Partner Volatility UCITS Fund	2,256	1,872,432	1.87%	Unlisted
Lazard Rathmore Alternative Fund	19,765	2,370,268	2.37%	Unlisted
Lodbrok European Credit Opps Fund Ltd May 18	4,052	4,748,174	4.74%	Unlisted
Man GLG Uk Absolute Value Fund Prof Acc	3,814,782	4,989,735	4.99%	Unlisted
Mint Tower Arbitrage Fund GBP G-Class	56,587	5,751,620	5.75%	Unlisted
Mint Tower Arbitrage Fund GBP G-Class May 22	8,000	779,026	0.78%	Unlisted
Riverstone Energy Ltd	286,813	1,898,702	1.90%	Listed
RV Capital Asia Opportunity UCITS Fund GBP Hedged	44,249	4,958,647	4.95%	Unlisted
Universa Black Swan Protection Protocol Offshore	631	342,686	0.34%	Unlisted
Victory Arcadia Class B GBP Series 1	2,871	7,078,947	7.07%	Unlisted
<b>Total Funds – GBP</b>		<b>54,318,005</b>	<b>54.27%</b>	
<b>Funds – USD</b>				
Alphaquest Original Ltd - Class E - Series 060115	4,642	5,188,604	5.17%	Unlisted
Ancile Cayman Fund	15,759	3,740,663	3.74%	Unlisted
Ancile Cayman Fund Class UDIB	4,511	1,066,474	1.07%	Unlisted
TransAsia Asian Recovery SPV I SPV 2 - Series 054oct21	18,010	1,392,997	1.39%	Unlisted
TransAsia Asian Recovery SPV II SPV 3 - Series 054oct21	33,258	2,567,987	2.57%	Unlisted
Catco Reinsurance Opp Fund	32,987	32,505	0.03%	Listed
Catco Reinsurance Opp-New C	32,279	106,024	0.11%	Listed
TransAsia F1 Asian Direct Lending Spv 1 - 1a Series 054oct21	470	39,137	0.04%	Unlisted
TransAsia F1 Asian Direct Lending Spv 1 - 1b Series 054oct21	1,992	165,953	0.17%	Unlisted
TransAsia F1 Asian Direct Lending Spv 1 - 1c Series 054oct21	1,992	165,953	0.17%	Unlisted
TransAsia F1 Asian Direct Lending Spv 1 - 1d Series 054oct21	3,984	331,905	0.33%	Unlisted
TransAsia F2 Asian Direct Lending Spv 1 - 1a Series 054oct21	1,126	93,764	0.09%	Unlisted
TransAsia F2 Asian Direct Lending Spv 1 - 1b Series 054oct21	4,773	397,585	0.40%	Unlisted
TransAsia F2 Asian Direct Lending Spv 1 - 1c Series 054oct21	4,773	397,585	0.40%	Unlisted
TransAsia F2 Asian Direct Lending Spv 1 - 1d Series 054oct21	9,545	795,168	0.79%	Unlisted
Kimura Amc Side Pocket	863	312,878	0.31%	Unlisted
Kimura Kyen Side Pocket	553	228,390	0.23%	Unlisted
Kimura Rhodium Side Pocket	2,828	2,176,699	2.17%	Unlisted
Kimura Standard Accumulation Lead	1,458	1,581,477	1.58%	Unlisted
Leadenhall Val Ins Lnk - A USD	808	27,249	0.03%	Unlisted
Leadenhall Val Ins Lnk - A USD Side Pocket	238	26,484	0.03%	Unlisted
Lux Life Fund II FCP-RAIF - Class D1	51,821	3,267,218	3.26%	Unlisted
Polar Multi-Strategy Fund Series 1 2022 Class A2	3,280	1,771,645	1.77%	Unlisted
Polar Multi-Strategy Fund Series 4 2022 Class A2	41,600	3,342,582	3.34%	Unlisted
Ski Time Square Limited Class B Series 00 1june13	45,988	7,334,080	7.33%	Unlisted
Tufton Oceanic Assets	2,480,639	2,485,120	2.48%	Listed
Twelve Capital SICAV-SIF IIs FS 2019-1-USD Rec	41	3,666	-%	Unlisted
<b>Total Funds – USD</b>		<b>39,039,792</b>	<b>39.00%</b>	
<b>Total investments at fair value through profit or loss</b>		<b>93,357,797</b>	<b>93.27%</b>	
Other net assets		6,734,491	6.73%	
<b>Total Net Assets</b>		<b>100,092,288</b>	<b>100.00%</b>	