

# **HANDELSBANKEN ALTERNATIVES FUND LIMITED**

**Interim Report and Unaudited Condensed Financial Statements  
For the six month period ended 30 June 2024**

# 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

1 Royal Plaza  
Royal Avenue  
St Peter Port  
Guernsey, GY1 2HL

### Investment Manager

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

### Administrator, Secretary and Listing Sponsor

Sanne Fund Services (Guernsey) Limited  
1 Royal Plaza  
Royal Avenue  
St Peter Port  
Guernsey, GY1 2HL

### Custodian

Butterfield Bank (Guernsey) Limited  
P.O. Box 25  
Regency Court  
Glatigny Esplanade  
St Peter Port  
Guernsey, GY1 3AP

### Listing Sponsor

Sanne Fund Services (Guernsey) Limited  
1 Royal Plaza  
Royal Avenue  
St Peter Port  
Guernsey, GY1 2HL

### Independent Auditor

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

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

Ogier (Guernsey) LLP  
Redwood House  
St Julian's Avenue  
St Peter Port

### 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 2024

The Handelsbanken Alternatives Fund Limited ("the HAF") generated a total return of -0.9% for the year to date, ending 30 June 2024 (share class A).

The first half of the year saw strong performance from risk assets, led by the S&P 500 and mega cap stocks in particular. Managed futures strategies generally benefitted from profitable momentum trades in major markets and subdued volatility, as the VIX index (known as the market's "fear gauge") remained below 20 through the period. We also saw central banks taking action this year, as the ECB became the first of the major central banks to normalise policy by cutting interest rates in June. As the current economic cycle plays out, we expect to see more divergence between central banks, creating lucrative opportunities for active managers to perform well.

In this context, the HAF declined -0.9% in the first six months of the year, with losses driven by private credit and a commodity hedge fund. The biggest single detractor was the Arion Commodity Trading Fund. The fund trades the difference in copper prices across stock exchanges, however Q2 saw extreme price volatility driven by a sharp rally in the metal due to supply shortages in the face of booming demand from renewable technology. This rally reversed from peaks in May, and large trading volumes created a difficult environment for the manager, as price ranges widened well beyond historic levels. While the drawdown has been disappointing, this volatility should create profitable opportunities for the remainder of the year, and we hope to see some recovery over the next six months.

The losses from our private credit allocation came mainly from our side pocket positions in Quintar Kimura, Ancile and TransAsia. Quintar Kimura was the largest detractor here, mainly due to a decline in the Rhodium position as legal costs relating to the recovery process increased, reducing the expected final recovery value. For TranAsia, the underlying loans have deteriorated and the manager is now prioritising speed of recovery over recovery value in order to return money to investors. Our side pocket in Ancile UDI suffered a sharp decline as the accounting value of its Ukrainian assets was revised downwards on account of the uncertainties in the region. While these positions remain illiquid, we continue to look at possible options to reduce our side pockets through third party sales.

On the positive side, we have been encouraged by the performance of our relative value and directional managers so far this year. Blue Diamond continues to trade options profitably through active management of listed options in Europe and the US across the term structure. The increase in liquidity of short dated options should create a benign trading environment for the manager going forward. Elsewhere, we have also been encouraged by the performance of our new investment in the Voleon Composition Fund. The statistical arbitrage manager takes a quantitative approach to equity and credit investing, identifying idiosyncratic drivers of return outside of widely recognised academic factors. Finally, our directional manager AlphaQuest benefitted from the favourable environment for trend managers, generating profits from big moves in equities, metals and FX markets.

We have continued to make changes to the portfolio, improving liquidity to counteract the lack of liquidity available in private credit. We introduced a new holding in International Public Partnerships (INPP). INPP is an LSE listed Investment Trust investing in Core Infrastructure projects with long-term inflation linked contracts. The trust has significant scale at £2.5 billion market cap and is trading at levels which historically have generated good returns for shareholders. We also initiated a new position in Marshall Wace Alpha Plus. The hedge fund offers a multi-strategy approach with exposure across multiple asset classes and instruments including listed Equity, Rates, FX, Volatility and Commodities. The strategy is heavily data driven, leveraging the managers expertise in data collection and analysis.

Looking forward, we expect these new and existing positions to deliver materially for the fund and expect to see improved returns for the remainder of the year.

### Investment Manager

Handelsbanken Wealth & Asset Management  
08 October 2024

# HANDELSBANKEN ALTERNATIVES FUND LIMITED

## Statement of Comprehensive Income

For the six month period ended 30 June 2024

	Notes	For the period 1 January 2024 to 30 June 2024 (unaudited) £	For the period 1 January 2023 to 30 June 2023 (unaudited) £
Net gains on investments at fair value through profit or loss	7	2,828	(1,767,496)
Net foreign exchange (losses)/gains on derivatives through profit or loss		(3,375,464)	1,518,896
Net foreign exchange gains		3,291,623	4,185
		<u>(81,013)</u>	<u>(244,415)</u>
<b>Other Income</b>			
Management fee rebates		-	12,300
Bank interest income		58,852	46,590
Collateral interest on funds received in advance		9,961	-
		<u>68,813</u>	<u>58,890</u>
<b>Expenses</b>			
Bank interest paid		(11,555)	-
Collateral interest paid on funds received in advance		-	(20,555)
Management fees	5 & 12	(4,053)	(22,282)
Administration fees	5	(42,058)	(49,310)
Directors' fees	5 & 12	(25,000)	(25,000)
Custodian fees	5	(2,932)	(2,493)
Secretarial fees	5	(30,261)	(22,078)
Audit fees		(18,688)	(18,921)
Investment services management fee	5	(13,394)	(22,200)
Investment services administration fee	5	(14,784)	(10,000)
Expected credit losses		(298,049)	-
Other expenses	6	(16,015)	(29,980)
<b>Total operational expenses</b>		<u>(476,789)</u>	<u>(222,819)</u>
<b>Loss before taxation</b>		<b>(488,989)</b>	<b>(408,344)</b>
Withholding taxes	4	-	-
<b>Loss for the financial period and total comprehensive loss for the period</b>		<u><b>(488,989)</b></u>	<u><b>(408,344)</b></u>
Loss per Class A Share (basic and diluted)	13	<b>£(0.0089)</b>	<b>(£0.0049)</b>
Loss per Class C Share (basic and diluted)	13	<b>£(0.0456)</b>	<b>(£0.0088)</b>
Loss per Class D Share (basic and diluted)	13	<b>£-</b>	<b>(£0.0075)</b>
Total loss per share		<b>£(0.0089)</b>	<b>(£0.0051)</b>

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

The accompanying notes on pages 9 to 19 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 2024

	Notes	Share Capital (unaudited) £	Share Premium (unaudited) £	Retained Earnings (unaudited) £	Total Equity (unaudited) £
<b>For the six month period ended 30 June 2024</b>					
<b>Balance as at 1 January 2024</b>		-	58,799,678	10,348,648	69,148,326
<b>Transactions with Shareholders:</b>					
Shares redeemed	10	-	(15,839,374)	-	(15,839,374)
Total transactions with Shareholders		-	(15,839,374)	-	(15,839,374)
Total comprehensive loss for the period		-	-	(488,989)	(488,989)
<b>Balance as at 30 June 2024</b>		-	42,960,304	9,859,659	52,819,963

	Notes	Share Capital (unaudited) £	Share Premium (unaudited) £	Retained Earnings (unaudited) £	Total Equity (unaudited) £
<b>For the six month period ended 30 June 2023</b>					
<b>Balance as at 1 January 2023</b>		-	79,113,509	12,534,819	91,648,328
<b>Transactions with Shareholders:</b>					
Shares redeemed	10	-	(3,140,126)	-	(3,140,126)
Total transactions with Shareholders		-	(3,140,126)	-	(3,140,126)
Total comprehensive loss for the period		-	-	(408,344)	(408,344)
<b>Balance as at 30 June 2023</b>		-	75,973,383	12,126,475	88,099,858

The accompanying notes on pages 9 to 19 form an integral part of these Financial Statements.

# HANDELSBANKEN ALTERNATIVES FUND LIMITED

## Statement of Financial Position

As at 30 June 2024

	Notes	30 June 2024 (unaudited) £	31 December 2023 (audited) £
<b>Assets</b>			
Investments as at fair value through profit or loss	7	51,248,877	53,641,736
Derivatives at fair value through profit or loss		-	235,851
Investment sale proceeds receivable		4,856,129	10,069,451
Other receivables and prepayments		124,574	123,249
Cash and cash equivalents		11,868,256	14,549,682
<b>Total current assets</b>		<b>68,097,836</b>	<b>78,619,969</b>
<b>Liabilities</b>			
Derivatives at fair value through profit or loss		175,166	-
Redemptions payable		14,922,624	9,049,114
Derivative collateral received in advance		-	330,000
Investment purchase payable		79,152	11,336
Other payables	9	100,931	81,193
<b>Total liabilities</b>		<b>15,277,873</b>	<b>9,471,643</b>
<b>Net assets</b>		<b>52,819,963</b>	<b>69,148,326</b>
<b>Equity</b>			
Share capital	10	-	-
Share premium	10	42,960,304	58,799,678
Retained earnings		9,859,659	10,348,648
<b>Total equity</b>		<b>52,819,963</b>	<b>69,148,326</b>
Number of Class A Shares in issue	10	48,204,398	61,565,427
Net Asset Value per Class A Share	11	£1.10	£1.11
Number of Class C Shares in issue	10	100,000	1,035,683
Net Asset Value per Class C Share	11	£1.01	£1.03
Number of Class D Shares in issue	10	-	-
Net Asset Value per Class D Share	11	-	-

The Financial Statements on pages 5 to 19 were approved by the Board of Directors and authorised for issue on 08 October 2024 and signed on its behalf by:

Peter Griffin  
Director

The accompanying notes on pages 9 to 19 form an integral part of these Financial Statements.

# HANDELSBANKEN ALTERNATIVES FUND LIMITED

## Statement of Cash Flows

For the six month period ended 30 June 2024

Notes	For the period 1 January 2024 to 30 June 2024 (unaudited) £	For the period 1 January 2023 to 30 June 2023 (unaudited) £
<b>Cash inflows from operating activities</b>		
Operating loss for the period	(488,989)	(408,344)
Adjustment for:		
Increase in other receivables and prepayments	(1,325)	(3,066)
Foreign exchange loss/(gain) on derivatives at fair value through profit or loss	411,017	(398,658)
Net (increase)/decrease in derivative collateral received in advance	(330,000)	1,680,000
Net decrease in derivative collateral paid in advance	-	550,000
Increase/(decrease) in other payables	19,738	(10,585)
Purchase of financial instruments	(31,634,463)	(14,446,031)
Proceeds from sale of financial instruments	39,280,444	15,509,108
Net losses on financial instruments at fair value through profit or loss	28,016	1,888,448
7	<u>7,284,438</u>	<u>4,360,872</u>
<b>Net cash inflows from operating activities</b>		
<b>Cash outflows from financing activities</b>		
Payments on redemption of Shares	(9,965,864)	(6,900,672)
7	<u>(9,965,864)</u>	<u>(6,900,672)</u>
<b>Net cash outflows from financing activities</b>		
<b>Net decrease in cash and cash equivalents</b>	<b>(2,681,426)</b>	<b>(2,539,800)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>14,549,682</b>	<b>7,233,929</b>
<b>Cash and cash equivalents at end of period</b>	<b><u>11,868,256</u></b>	<b><u>4,694,129</u></b>
<b>Net cash from operating activities include:</b>		
Interest received on cash balances	58,852	46,590
Interest paid on cash balances	11,555	-

The accompanying notes on pages 9 to 19 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 2024

### 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 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. Class C Shares were listed on 2 July 2018. Class D Shares were listed on 3 April 2018 and following redemption of all Class D Shares on 2 October 2023 they were cancelled from the Official List of TISE with effect from 14 March 2024.

On 4 August 2023, TISE approved an extension of the Extended Offer Facility for the period from 21 July 2023 to 21 July 2024 in respect of Class A Shares and for the period from 2 July 2023 to 2 July 2024 in respect of Class C Shares. On 10 July 2024 the Company applied to TISE for an extension to 21 July 2025.

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. Material 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 2023.

There have been no changes to the material accounting judgements, estimates and assumptions from those applied in the Company’s Audited Annual Financial Statements for the year ended 31 December 2023, which were prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). 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 2024 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 Director’s approval.

# HANDELSBANKEN ALTERNATIVES FUND LIMITED

## Notes to the Financial Statements (continued)

For the six month period ended 30 June 2024

### 2. Material 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 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 continued to adopt 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 £1,600 (31 December 2023: £1,200) for each year in which the exemption is claimed.

The taxation charge of £Nil (30 June 2023: £Nil) included in the Statement of Comprehensive Income represents irrecoverable withholding taxes incurred on investment income received in the period.

### 5. Material Agreements

The Company is responsible for the continuing fees of 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 annum of the net asset value of the Company subject to a minimum of £72,149 (30 June 2023: £63,805) plus disbursements;
- a Risk Management Reporting fee at a rate of £29,805 (30 June 2023: £15,908) per annum, and;
- a secretarial fee of £47,689 (30 June 2023: £22,078) per annum for provision of company secretarial services

During the period, the Administrator earned a fee of £42,058 (30 June 2023: £49,310) for administration services. Included in this amount was £16,964 (30 June 2023: £4,600) in respect of the Risk Management Reporting fee.

During the period, the Administrator also earned a fee of £30,261 (30 June 2023: £22,078) in secretarial fees.

# HANDELSBANKEN ALTERNATIVES FUND LIMITED

## Notes to the Financial Statements (continued)

For the six month period ended 30 June 2024

### 5. Material Agreements (continued)

#### Management fees

The Investment Manager is paid by the Company an investment management fee of (i) 0.75 per cent. per annum in respect of Class C Shares; and (ii) 0.5 per cent. per annum 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). The investment management fee shall be calculated and accrued as at the last Business Day of each month and be paid monthly in arrears. The Investment Manager is not entitled to receive an investment management fee in respect of the Class A Shares.

During the period ended 30 June 2024, the Investment Manager earned a fee of £4,053 (30 June 2023: £22,282) of which £4,670 were payable at period end (31 December 2023: £752).

#### 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.

During the period ended 30 June 2024, the Custodian earned a fee of £2,932 (30 June 2023: £2,493) of which £2,479 were payable at period end (31 December 2023: £808).

#### 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, Record earned management fees of £13,394 (30 June 2023: £22,200) and administration fees of £14,784 (30 June 2023: £10,000).

#### 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 2024

## 5. Material Agreements (continued)

	Charge for the period 1 January 2024 to 30 June 2024 (unaudited) £	Amounts outstanding at 30 June 2024 (unaudited) £
Directors' fees	25,000	-
Management fees	4,053	4,670
Administration, Secretarial and Risk Management fees	72,319	36,345
Custodian fees	2,932	2,479
Investment services management fee	13,394	13,394
Investment services administration fee	14,784	4,863
	<b>132,482</b>	<b>61,751</b>

	Charge for the period 1 January 2023 to 30 June 2023 (unaudited) £	Amounts outstanding at 31 December 2023 (unaudited) £
Directors' fees	25,000	-
Management fees	22,282	752
Administration, Secretarial and Risk Management fees	71,388	8,853
Custodian fees	2,493	808
Investment services management fee	22,200	17,820
Investment services administration fee	10,000	4,890
	<b>153,363</b>	<b>33,123</b>

## 6. Other Expenses

	For the period 1 January 2024 to 30 June 2024 (unaudited) £	For the period 1 January 2023 to 30 June 2023 (unaudited) £
Listing agent fee	4,926	6,298
Annual and regulatory fees	10,112	22,619
Commission & other charges	592	254
Other expenses	385	809
	<b>16,015</b>	<b>29,980</b>

# HANDELSBANKEN ALTERNATIVES FUND LIMITED

## Notes to the Financial Statements (continued)

For the six month period ended 30 June 2024

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

	30 June 2024 (unaudited) £	31 December 2023 (audited) £
<b>Opening fair value as at beginning of period/year</b>	<b>53,641,736</b>	<b>88,879,665</b>
Purchases at cost	31,702,279	31,203,911
Sales proceeds	(34,067,122)	(62,500,684)
Net losses on financial instruments at fair value through profit or loss	(28,016)	(3,941,156)
<b>Closing fair value at end of period/year</b>	<b>51,248,877</b>	<b>53,641,736</b>
<b>Represented by</b>		
Closing book cost	53,949,435	53,295,778
Closing revaluation of investments	(2,700,558)	345,958
	<b>51,248,877</b>	<b>53,641,736</b>
Realised gains on sales	4,041,729	3,636,496
Movement in unrealised losses on investments	(4,069,745)	(7,577,652)
	<b>(28,016)</b>	<b>(3,941,156)</b>
Investment income	61,341	227,212
Foreign exchange losses	(30,497)	-
<b>Net losses on investments at fair value through profit or loss</b>	<b>2,828</b>	<b>(3,713,944)</b>

As at 30 June 2024, £4,856,129 investment sales proceeds were receivable (31 December 2023: £10,069,451) and £79,152 (31 December 2023: £11,336) 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 2024 and 31 December 2023:

# HANDELSBANKEN ALTERNATIVES FUND LIMITED

## Notes to the Financial Statements (continued)

For the six month period ended 30 June 2024

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

30 June 2024	Level 1	Level 2	Level 3	Total
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
	£	£	£	£
<b>Assets</b>				
<b>Investments at fair value</b>				
Listed funds	2,702,628	3,945,903	-	6,648,531
Unlisted funds	-	41,504,379	3,095,967	44,600,346
<b>Liabilities</b>				
<b>Derivative financial instruments</b>				
Forward foreign exchange contracts	-	(175,166)	-	(175,166)
	<b>2,702,628</b>	<b>45,275,116</b>	<b>3,095,967</b>	<b>51,073,711</b>
<hr/>				
31 December 2023	Level 1	Level 2	Level 3	Total
	(audited)	(audited)	(audited)	(audited)
	£	£	£	£
<b>Assets</b>				
<b>Investments at fair value</b>				
Listed funds	1,166,730	1,718,626	-	2,885,356
Unlisted funds	-	49,078,702	1,677,678	50,756,380
<b>Derivative financial instruments</b>				
Forward foreign exchange contracts	-	235,851	-	235,851
	<b>1,166,730</b>	<b>51,033,179</b>	<b>1,677,678</b>	<b>53,877,587</b>

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 that trade in non-active markets 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. Underlying investments (side pocket assets) are valued based on valuations of managers and or administrators of the underlying investments and are included in level 3.

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.

During the period ended 30 June 2024, an amount of £1,899,312 was transferred from Level 2 to level 3 (31 December 2023: Transfers between levels 2 and 3 totalled £1,677,678 ).

# HANDELSBANKEN ALTERNATIVES FUND LIMITED

## Notes to the Financial Statements (continued)

For the six month period ended 30 June 2024

### 9. Other Payables

	30 June 2024 (unaudited)	31 December 2023 (audited)
	£	£
Management fee (Note 5)	4,670	752
Administration fees, Secretarial and Risk Management fees (Note 5)	36,345	8,853
Custodian fees (Note 5)	2,479	808
Audit fee	18,075	33,392
Reporting fund status fees	11,744	5,843
Other payables	27,618	31,545
<b>Total</b>	<b>100,931</b>	<b>81,193</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 initially issued Sterling Shares, designated as Class A Shares, Class B Shares, Class C Shares and Class D Shares. Class B Shares were fully redeemed on 4 January 2021 and cancelled from the Official List of TISE with effect from 26 March 2021. Class D Shares were fully redeemed on 2 October 2023 and cancelled from the Official List of TISE with effect from 14 March 2024.

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. The Company has no performance fee agreements in place with the Investment Manager.

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 2024

### 10. Share Capital (continued)

#### Issued Share capital

As at 30 June 2024, the Company has issued Class A Shares, Class C Shares, and 1 management share.

Issued and fully paid Shares	Class A Number of Shares £	Class C Number of Shares £	Total Number of Shares £
Opening balance at 1 January 2024	61,565,427	1,035,683	62,601,110
Shares redeemed	(13,361,029)	(935,683)	(14,296,712)
<b>At 30 June 2024</b>	<b>48,204,398</b>	<b>100,000</b>	<b>48,304,398</b>

Issued and fully paid Shares	Class A Share Premium £	Class C Share Premium £	Total Share Premium £
Opening balance at 1 January 2024	57,919,754	879,924	58,799,678
Shares redeemed	(14,879,136)	(960,238)	(15,839,374)
<b>At 30 June 2024</b>	<b>43,040,618</b>	<b>(80,314)</b>	<b>42,960,304</b>

# HANDELSBANKEN ALTERNATIVES FUND LIMITED

## Notes to the Financial Statements (continued)

For the six month period ended 30 June 2024

### 10. Share Capital (continued)

#### Issued Share capital (continued)

As at 31 December 2023, the Company has issued Class A Shares, Class C 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 2023	73,764,740	6,918,890	250,000	80,933,630
Shares issued	-	-	-	-
Shares redeemed	(12,199,313)	(5,883,207)	(250,000)	(18,332,520)
<b>Closing balance at 31 December 2023</b>	<b>61,565,427</b>	<b>1,035,683</b>	<b>-</b>	<b>62,601,110</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 2023	71,763,509	7,100,000	250,000	79,113,509
Shares issued	-	-	-	-
Shares redeemed	(13,843,755)	(6,220,076)	(270,695)	(20,334,526)
Transfer to retained earnings on closure of Class shares	-	-	20,695	20,695
<b>At 31 December 2023</b>	<b>57,919,754</b>	<b>879,924</b>	<b>-</b>	<b>58,799,678</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 2024

### 11. Net Asset Value per Ordinary Share

The net asset value per Class A, and Class C Shares are calculated based on the net assets attributable to Class A, and Class C Shareholders on the number of Class A, and Class C Shares in issue at 30 June 2024, as detailed below.

	30 June 2024	31 December 2023
<i>Financial Statements NAV:</i>		
Class A Shares	£52,821,200	£68,085,464
Class C Shares	£101,306	£1,062,862
No. of Class A Shares in issue	48,204,398	61,565,427
No. of Class C Shares in issue	100,000	1,035,683
NAV per Class A Share	£1.10	£1.11
NAV per Class C Share	£1.01	£1.03

### 12. 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 Shares which incur a management fee (as described in note 5).

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 2024 £
<b>Period from 1 January 2024 to 30 June 2024</b>		
Class A	-	-
Class C	4,053	4,670
<b>Total</b>	<b>4,053</b>	<b>4,670</b>

	Charge for the period £	Amounts Outstanding at 30 June 2023 £
<b>Period from 1 January 2023 to 30 June 2023</b>		
Class A	-	-
Class C	21,613	5,443
Class D	669	231
<b>Total</b>	<b>22,282</b>	<b>5,674</b>

During the period, Directors' fees of £25,000 (30 June 2023: £25,000) were incurred and as at 30 June 2024, £Nil was payable (31 December 2023: £Nil).

# HANDELSBANKEN ALTERNATIVES FUND LIMITED

## Notes to the Financial Statements (continued)

For the six month period ended 30 June 2024

### 13. 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 2024 to 30 June 2024	For the period 1 January 2023 to 30 June 2023
Loss attributable to Class A Shares	(£483,958)	(£358,189)
Weighted average number of shares in issue – Class A	54,567,845	73,746,874
Loss per share for Class A Shares – basic and diluted	<b>(£0.0089)</b>	(£0.00049)
Loss attributable to Class C Shares	(£5,031)	(£48,272)
Weighted average number of shares in issue – Class C	110,282	5,488,718
Loss per share for Class C Shares – basic and diluted	<b>(£0.0456)</b>	(£0.0088)
Loss attributable to Class D Shares	-	(£1,883)
Weighted average number of shares in issue – Class D	-	250,000
Loss per share for Class D Shares – basic and diluted	-	(£0.0075)

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

### 14. 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.

### 15. Commitments and Contingencies

There are no commitments or contingencies to report at the reporting date (31 December 2023: None).

### 16. Subsequent Events

After 30 June 2024, the Board of Directors along with the Investment Manager, and with the assistance of third-party legal and tax advisers, have begun evaluating the potential closure of the HAF. As of the date of this account, the Directors have not yet made a formal decision regarding the closure.

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 2024

Security	Nominal	Market Value £	% of Net Assets	Listed/ Unlisted
<b>Funds – GBP</b>				
Blue Diamond Non Directional Fund SP GBP	34,326	6,408,714	12.13%	Unlisted
Fidelity Institutional Liquidity Fund Plc Sterling	124	2,836,534	5.37%	Unlisted
Goldman Sachs Sterling LR Fund	120	1,872,137	3.54%	Unlisted
International Public Partnerships Ltd	1,160,990	1,476,779	2.80%	Listed
Mint Tower Arbitrage Fund GBP G-Class	33,403	3,634,865	6.88%	Unlisted
MW Alpha Plus Fund Class A	35,660	4,039,857	7.65%	Unlisted
RV Capital Asia Opportunity UCITS Fund	31,615	3,945,903	7.47%	Listed
Twelve Capital UCITS ICAV Twelve Cat Bond Fund I	32,759	3,725,696	7.05%	Unlisted
Universa Black Swan Protection Protocol Offshore	32,511	172,198	0.33%	Unlisted
Victory Arcadia Fund Class B Series 1	1,028	2,752,517	5.21%	Unlisted
Victory Arcadia Fund Class B Series 2	449	1,201,452	2.27%	Unlisted
<b>Total Funds – GBP</b>		<b>32,066,652</b>	<b>60.70%</b>	
<b>Funds – USD</b>				
Alphaquest Original Ltd - Class E - Series 060115	2,773	2,815,286	5.33%	Unlisted
Ancile Cayman Fund Class UDIB	3,107	185,229	0.35%	Unlisted
Arion Copper Arbitrage Strategy SP 0722	41,689	2,825,832	5.35%	Unlisted
Asian Recovery SPV I SPV 2 - Series 054Oct21	16,649	343,457	0.65%	Unlisted
Asian Recovery SPV II SPV 3 - Series 054Oct21	33,258	787,569	1.49%	Unlisted
F1 Asian Direct Lending SPV 1 - 1C Series 054Oct21	1,761	52,636	0.10%	Unlisted
F1 Asian Direct Lending SPV 1 - 1D Series 054Oct21	3,984	119,065	0.23%	Unlisted
F2 Asian Direct Lending SPV 1 - 1C Series 054Oct21	4,220	126,104	0.24%	Unlisted
F2 Asian Direct Lending SPV 1 - 1D Series 054Oct21	9,545	285,252	0.54%	Unlisted
Kimura Kyen Side Pocket	341	46,775	0.09%	Unlisted
Kimura Rhodium Side Pocket	2,828	1,149,880	2.18%	Unlisted
Riverstone Credit Opportunities Income Plc	1,721,500	1,225,849	2.32%	Listed
Ski Time Square Limited Class B Series 00 1June13	39,274	4,013,456	7.60%	Unlisted
Ski Time Square Limited Class B Series 15 6Oct23	12,500	954,903	1.81%	Unlisted
Voleon Composition Fund Ltd Class - Series 11/2019	3,609	4,250,932	8.05%	Unlisted
<b>Total Funds – USD</b>		<b>19,182,225</b>	<b>36.33%</b>	
<b>Total investments at fair value through profit or loss</b>		<b>51,248,877</b>	<b>97.03%</b>	
Other net assets		1,571,086	2.97%	
<b>Total Net Assets</b>		<b>52,819,963</b>	<b>100.00%</b>	