

ANNUAL REPORT 2021

Öhman Sweden Micro Cap

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.

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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.

SWEDEN MICRO CAP

Investment strategy

The fund is an equity fund whose objective is to achieve the highest capital growth possible while adhering to the investment strategy. The fund invests in small cap companies, with emphasis on Sweden. The fund invests in companies whose market capitalisation does not exceed 0.5 percent of the total market capitalisation on Nasdaq Stockholm. The fund is permitted to invest up to 10 percent of its net asset value in other Nordic equity markets. The fund complies with our Responsible Investment Standard, which means that the fund does not invest in companies that profit by business activities that the fund management company deems unethical.

Fund facts

Inception date	1997-05-29
Price quotation	Daily
Manager	Stefan Kopperud
Deputy manager	Viktor Elmsjö
Benchmark index	Carnegie Small Cap Total Return Net
Number with Swedish Pension Agency	416867
Registration number	504400-5741

FEES

Ongoing charge	1.50%
Entry fee	None
Exit fee	None

Risk/reward profile

Low risk							High risk
<----->							
Typically lower reward			Typically higher reward				
1	2	3	4	5	6	7	

The risk and return indicator shows the relationship between risk and possible return on an investment in the fund. The indicator is based on how the fund's value has changed over the past five years.

The fund belongs to risk category 6, which means high risk for both ups and downs in the share value. Category 1 does not mean that the fund is risk-free. Over time, the fund can move both to the right and to the left of the scale. This is because the indicator is based on historical data that is not a guarantee of future risk / return.

The fund is an actively managed equity fund and thus the fund is exposed to price fluctuations in the form of stock market risk. The fund invests in smaller companies listed on the Stockholm Stock Exchange, whose share prices are generally characterized by greater price fluctuations than for large companies. The fund invests in securities that may have a higher liquidity risk at times, such as when the market is worried. The fund can invest up to 10 percent of the fund's value in other Nordic stock markets.

The fund may hold a certain portion of the fund's assets in liquid funds, for example, in order to be able to handle unit holders' demands for redemption of fund units without delay.

The fund may invest in derivative instruments as part of its investment policy, which means that the fund can create leverage.

The Fund may use other techniques and instruments, in addition to derivative instruments, to reduce costs and risks in the management as well as to increase the return and create leverage in the Fund. This can be done through, for example that the fund lends securities, which may entail an increased risk linked to the counterparty suspending payments or otherwise not fulfilling its obligations.

The management endeavors to be exposed to the markets equivalent to 100 per cent of the fund's value, but taking into account the strategies stated above, the fund's exposure may both exceed or below this level, where an increased exposure entails an increased market risk. The fund does not normally use derivative instruments, or other techniques and instruments, to create leverage.

Accounting principles

SECURITIES FUNDS

The funds' operations are regulated by the Securities Funds Act (2004:46) and their fund regulations. The funds' accounts comply with the Swedish Financial Supervisory Authority's statutory collection (FFFS 2013:9) regarding securities funds.

GENERAL ACCOUNTING PRINCIPLES

Furthermore, the funds apply essentially the accounting recommendations established by the Fund Companies Association. Otherwise, the provisions of the Accounting Act are followed where applicable. The fund's share value as of 2021-12-31 refers to the fund's NAV rate as of 2021-12-30, which was the fund's last trading day of the year. In the funds' balance sheet, the holdings of the funds have been valued at market value as of 2021-12-31. The market value refers to the latest payment price. If not, the holdings are valued at the latest purchase price, or if it is not representative, at the value determined by the Fund Company on objective grounds.

Assets in foreign currency are reported in SEK. Translation has been made at an exchange rate as of 2021-12-31. Currency forwards are valued on the basis of exchange rates on the balance sheet date.

Management report

FUND PERFORMANCE

The fund rose by 39.2 percent in 2021, while its benchmark index rose 37.1 percent. Fund assets increased during the year from SEK 3,586 million to SEK 4,920 million and the fund had a net inflow of SEK 63 million in 2021.

THE PAST YEAR

The global Covid pandemic once again shaped the world economy and the stock market in 2021. Major vaccination programmes sparked hope that we could return to a more normal situation in society, but new virus variants led to reinstated lockdowns at the end of the year. The large economic stimulus packages continued to affect the economic recovery and stock market performance. The longer it has continued, the more the pandemic has exacerbated the problems in global production and supply chains, which have in turn led to higher costs and price increases. Rising inflation towards the end of the year sharpened the focus on limiting economic stimulus packages through, as the first step, reducing bond purchases.

As usual, market volatility was substantial during the year. The financial stimulus packages and the reopening of society during the spring produced high economic growth and strong corporate profit trends and drove the stock market upturn. As we sum up 2021, we once again have a very strong stock market year behind us. As a group, small caps have outperformed the large caps, but larger small caps in particular have performed well. The trend was negative for many of the smallest and more growth-oriented small cap companies. The market upturn was 32.7 percent for the full year for the 30 largest companies traded on Nasdaq Stockholm (OMXS30). Small caps (CSX Return Sweden) rose by 37.1 percent for the full year.

Veoneer, which develops active safety products for the automotive industry, has become the fund's primary investment after double bids, first from Magna and then from Qualcomm. Two other companies that had positive impact on fund performance were HMS Networks and Getinge. Getinge has now left the majority its previous profitability problems in the past and can begin focusing on increasing the organic and acquired growth rate. HMS Networks makes products for industrial communications. The industrial shutdown in 2020 and the rapid recovery in 2021 resulted in powerful sales growth, which, combined with implemented cost savings, delivered strong profit growth.

Two property companies, Samhällsbyggnadsbolaget (SBB) and Sagax, had the largest adverse impact on fund return compared to the benchmark. Both companies have undergone powerful expansion through acquisitions and have been rewarded with price upturns. The fund also lost on Lundin Energy, which extracts oil and gas, areas of business in which the fund has chosen not to invest.

The fund management company has not engaged voting advisers in relation to engagement with companies that have issued the shares included in the fund, and no known conflicts of interest have arisen in connection with the fund's investments.

EVENTS AFTER THE REPORTING DATE

2022 has begun with downtrending markets and anxiety. The Russian invasion of Ukraine had negative impact on the market trend. The fund has no Russian holdings.

DERIVATIVES AND SECURITIES LOANS

In accordance with the fund rules, the fund had the option to trade in derivatives, but did not exercise that option in 2021.

The fund opted not to use securities loans in 2021.

MATERIAL RISKS

The following are a number of risks that are particularly prominent for the Fund:

MARKET RISK

The risk that the value of securities holdings may fall, affecting the Fund's net worth.

CURRENCY RISK

The risk that exchange fluctuations will affect the net asset value of the fund expressed in the base currency of the fund, if the fund has securities holdings denominated in other currency.

LIQUIDITY RISK

The risk that securities holdings cannot be traded at the intended time without major price reductions or large costs.

CONCENTRATION RISK

The risk that the Fund's investment policy entails a concentrated exposure to a certain type of investment policy.

OPERATIONAL RISK

The risk of loss due to improper or unsuccessful processes, human error, faulty systems or external events.

COUNTER PARTY RISK

The risk associated with a counterparty suspending the payments or otherwise not fulfilling its obligations, for example in the event that the fund receives collateral for derivative holdings or for lending of securities.

LEVERAGE

The fund may use derivatives as part of its investment policy in order to create leverage/to increase returns. An increased leverage can, all else being equal, increase the fund's exposure to counterparty risk, liquidity risk and other risk factors, which are not necessarily fully included in the risk indicator.

The fund's level of active management

The fund's benchmark index is Carnegie Small Cap Total Return Net, which the fund management company has deemed relevant because the index most closely reflects the fund's investment strategy. The fund's objective is to outperform its benchmark index.

The fund engages in active management in relation to the benchmark index. This means that through its investment process, the fund selects the equities considered as having the greatest potential to outperform their benchmark. Management of the fund is selective, meaning that the fund owns a limited number of equities compared to its benchmark, normally 50-70. The fund management company believes that long-term stock market performance is controlled by corporate capacity to generate profits and cash flow and our strategy is to own a combination of stable, cash flow-generating companies and high-growth companies. In connection with an investment, growth is evaluated in relation to market pricing based on a GARP analysis (Growth at a Reasonable Price) and the fundamental premise is that companies should aim for growth while maintaining cost control. The fund management company also puts strong emphasis on assessing the capacity of company management to deliver results.

	2021	2020	2019	2018	2017
Active Risk*	5.84	5.29	5.52	5.76	4.25
	2016	2015	2014	2013	2012
Active Risk	4.08	4.33	5.39	6.19	5.60

* The fund applies a stock-picking approach, which governs portfolio structure. Depending on the size of the selected companies and the nature of the individual companies, the fund has a varied outcome in active risk. When the active management measurement goes up, this may be due to overweight or underweight compared to the benchmark index in an individual security; it may also be due to changes in the market. The fund's active management measurement for the past ten years is within the range of the level of active management that the fund is expected to have. The annual variations are explained mainly by market conditions in individual years, application of sustainability criteria and variations in the fund's active risk-taking consequent upon the fund's prevailing market outlook.

Financial instruments, SEK thousand

Transferable securities admitted to trading on a regulated market or equivalent market outside EEA	Quantity	Market value, SEKk	Share of fundassets	Issuer of fundassets
Equities				
RETAILING				
ITAB Shop Concept B	3 233 812	43 398	0,88%	0,88%
Nobia	1 593 231	86 831	1,76%	1,76%
Puuilo	96 800	9 319	0,19%	0,19%
		139 548	2,84%	
POWER, WATER				
Micro Systemation B	843 313	32 383	0,66%	0,66%
		32 383	0,66%	
REAL ESTATE				
Bonava B	288 416	22 569	0,46%	0,46%
Castellum A	84 014	20 483	0,42%	0,42%
Corem Property Group	811 931	26 510	0,54%	0,54%
Fabege	911 776	138 180	2,81%	2,81%
Fastighets Balder B	62 625	40 819	0,83%	0,83%
Hufvudstaden A	295 748	39 985	0,81%	0,81%
Nivika Fastigheter	502 631	44 734	0,91%	0,91%
Nyfosä AB	462 753	72 189	1,47%	1,47%
Platzer Fastigheter Holding B	313 462	42 505	0,86%	0,86%
Wastbygg Gruppen	321 000	33 962	0,69%	0,69%
Wihlborgs Fastigheter	376 699	77 374	1,57%	1,57%
		559 309	11,37%	
FINANCE COMPANY				
Nordnet	701 932	121 855	2,48%	2,48%
		121 855	2,48%	
AUTOMOTIVE				
Veoneer	752 970	241 703	4,91%	4,91%
		241 703	4,91%	
TECH HARDWARE & PERIPHERALS				
Mycronic	380 517	80 289	1,63%	1,63%
Nolato B	735 210	79 329	1,61%	1,61%
Tobii	1 699 949	62 422	1,27%	1,27%
Tobii Dynavox	1 699 949	54 755	1,11%	1,11%
		276 796	5,63%	
HEALTH				
Arjo B	807 346	89 454	1,82%	1,82%
Elekta B	239 820	27 471	0,56%	0,56%
Getinge B	364 801	144 133	2,93%	2,93%
Integrum	85 000	6 120	0,12%	0,12%
Medicover B	272 508	100 828	2,05%	2,05%
Sectra B	680 405	136 217	2,77%	2,77%
		504 223	10,25%	
CONSUMER STAPLES & APPAREL				
Desenio Group	224 208	5 439	0,11%	0,11%
JM Fastigheter IPO	94 847	18 912	0,38%	0,38%
		24 352	0,49%	
CONSUMER SERVICES				
Addtech B	50 926	11 000	0,22%	0,22%
Know IT	148 321	55 695	1,13%	1,13%
		66 695	1,36%	
FOOD SALES				
AAK AB	170 934	33 383	0,68%	0,68%
		33 383	0,68%	
FOOD PRODUCTION				
Bakkafrost	28 136	16 859	0,34%	0,34%
Midsona AB	311 473	16 851	0,34%	0,34%
		33 709	0,69%	
PHARMACEUTICALS				
Alligator Bioscience	2 672 177	6 867	0,14%	0,14%
Bavarian Nordic	105 379	39 212	0,80%	0,80%
BioArctic	251 915	30 028	0,61%	0,61%
Biolinvent International	271 099	12 525	0,25%	0,25%
Calliditas Therapeutics AB	224 337	25 305	0,51%	0,51%
Camurus	149 586	22 558	0,46%	0,46%
Cantargia	150 034	2 770	0,06%	0,06%
Photocure	437 749	46 158	0,94%	0,94%
Sedana Medical	1 608 320	157 696	3,21%	3,21%
Swedish Orphan Biovitrum	188 825	34 952	0,71%	0,71%
Vitrolife	286 877	160 651	3,27%	3,27%
Zealand Pharma	164 754	33 093	0,67%	0,67%
		571 815	11,62%	
MEDIA				
Nordic Entertainment Group B	174 627	81 935	1,67%	1,67%
		81 935	1,67%	
SOFTWARE & SERVICES				
Aiforia Technologies	379 881	20 417	0,41%	0,41%
Cint Group	347 832	50 210	1,02%	1,02%
HMS Networks	393 576	219 615	4,46%	4,46%
Nordic Semiconductor ASA	526 589	160 899	3,27%	3,27%
PROACT IT GROUP	507 381	44 142	0,90%	0,90%
Smartcraft	314 600	6 589	0,13%	0,13%
Stillfront Group	963 850	46 554	0,95%	0,95%
		548 426	11,15%	

COMMUNITIES & MATERIALS

Beijer Ref B	1 253 058	247 980	5,04%	5,04%
Lundin Mining Corp SEK	859 253	60 577	1,23%	1,23%
SSAB A	1 285 544	67 414	1,37%	1,37%
		375 971	7,64%	

SERVICE

Loomis B	207 627	49 976	1,02%	1,02%
Sweco B	144 306	24 561	0,50%	0,50%
		74 537	1,51%	

FACTORY

Beijer Alma B	436 231	119 745	2,43%	2,43%
Cary Group Holding	447 970	48 022	0,98%	0,98%
Concentric	240 529	67 589	1,37%	1,37%
Ctek	208 395	42 117	0,86%	0,86%
Gränges	532 433	56 491	1,15%	1,15%
Hexpol B	645 373	78 284	1,59%	1,59%
Lindab International A	642 911	206 632	4,20%	4,20%
Nibe Industrier B	927 407	126 823	2,58%	2,58%
OEM International B	478 221	88 662	1,80%	1,80%
Systemair	1 244 272	126 791	2,58%	2,58%
Thule Group	142 357	78 012	1,59%	1,59%
Trelleborg B	296 595	70 530	1,43%	1,43%
		1 109 698	22,55%	

Total shares	4 796 339	97,49%
Total transferable securities	4 796 339	97,49%

Financial instruments with positive and negative market value

With positive market value	4 796 339	97,49%
With negative market value	-	-
Total Financial Instruments	4 796 339	97,49%

Other assets and liabilities	123 628	2,51%
Of which cash and cash equivalents	130 629	2,66%
Fund assets	4 919 967	100,00%

The fund had no derivative positions with underlying exposure during the year.

Balance sheet per 31 Dec, SEK thousand

ASSETS	2021	2020
Transferable securities	4 796 339	3 465 542
Money market instruments	-	-
OTC derivatives	-	-
Other derivative instruments	-	-
Fund units	-	-
Total financial instruments with positive market value	4 796 339	3 465 542
Deposits in accounts with credit institutions	-	-
Total investments with positive market value	4 796 339	3 465 542
Bank balances and other cash and cash equivalents	130 629	147 501
Prepaid expenses and accrued income	347	400
Other assets (Note 2)	-	1 402
TOTAL ASSETS	4 927 315	3 614 845
LIABILITIES		
OTC derivatives	-	-
Other derivative instruments	-	-
Other financial instruments	-	-
Total financial instruments with negative market value	-	-
Tax liabilities	-	-
Accrued expenses and prepaid income	6 502	4 691
Other liabilities (Note 2)	846	24 183
TOTAL LIABILITIES	7 348	28 874
FUND ASSETS (Note 1)	4 919 967	3 585 971

MEMORANDUM ITEMS

Financial instruments lent	-	-
Portion of transferable securities lent out	-	-
Collateral received for lent financial instruments	-	-
Collateral received for OTC derivative instruments	-	-
Collateral received for other derivative instruments	-	-
Other collateral received	-	-
Collateral pledged for borrowed financial instruments	-	-
Collateral pledged for OTC derivatives	-	-
Collateral pledged for other derivative instruments	-	-
Other pledged assets	-	-

Income statement 1 Jan - 31 Dec, SEK thousand

INCOME	2021	2020
Change in value of transferable securities	1 428 196	582 681
Change in value of money market instruments	-	-
Change in value of OTC derivatives	-	-
Change in value of other derivative instruments	-	-
Change in value of fund units	-	-
Interest income	-	1
Dividends	48 406	18 065
Net exchange rate gains and losses	275	109
Other financial income (Note 3)	-	-
Other income (Note 4)	0	0
TOTAL INCOME	1 476 877	600 856
EXPENSES		
Management costs	-65 394	-44 496
Payments to the company operating the fund business	-65 394	-44 496
of which performance based compensation	-	-
Payments to depositary	-	0
Payments to supervisory authority	-	0
Payments to auditors	-	0
Interest expenses	-233	-135
Other financial expenses	-	-
Other expenses (Note 5)	-2 327	-2 329
TOTAL EXPENSES	-67 954	-46 961
Tax	-	-
NET PROFIT FOR THE YEAR	1 408 922	553 895

Notes per 31 Dec, SEK thousand

NOTE 1. CHANGE IN THE FUND ASSETS	2021	2020
Fund assets at 1 January	3 585 971	3 988 493
Unit issues	823 497	739 010
Unit redemptions	-886 243	-1 688 885
Net profit for the year	1 408 922	553 895
Dividends paid	-12 180	-6 543
TOTAL Fund assets	4 919 967	3 585 971

NOTE 2. OTHER ASSETS AND LIABILITIES

Other assets include unsettled trades	-	1 402
Other liabilities include unsettled trades	-846	-24 183

NOTE 3. OTHER FINANCIAL INCOME

Premium income securities loan	-	-
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NOTE 4. OTHER INCOME

Discounts on fees	-	-
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NOTE 5. OTHER EXPENSES

Analysis costs	-1 414	-1 304
Transaction cost	-913	-1 025

Performance

	2021	2020	2019	2018	2017
Fund assets, SEK thousand	4 919 967	3 585 971	3 988 493	2 868 192	2 792 877
Total return, %	39.2	23.7	36.7	-5.0	16.6
Benchmark index, %	37.1	23.0	43.2	-0.2	8.8
Share class A					
Units value, SEK	2 171.09	1 560.04	1 260.97	922.67	970.93
Units outstanding	2 036 211	2 092 803	3 046 148	3 108 583	2 876 484
Dividend SEK/unit	-	-	-	-	-
Share class B					
Units value, SEK	1 801.10	1 334.21	1 111.87	-	-
Units outstanding	277 145	240 675	132 563	-	-
Dividend SEK/unit	46.18	28.83	-	-	-

	2016	2015	2014	2013	2012
Fund assets, SEK thousand	2 306 043	2 708 086	1 273 108	1 052 161	541 325
Total return, %	5.1	41.4	22.9	43.8	13.3
Benchmark index, %	12.2	30.1	21.6	36.6	12.7
Share class A					
Units value, SEK	832.87	792.52	560.44	455.93	317.01
Units outstanding	2 768 898	3 416 935	2 271 544	2 307 631	1 707 550
Dividend SEK/unit	-	-	-	-	9.02
Share class B					
Units value, SEK	-	-	-	-	-
Units outstanding	-	-	-	-	-
Dividend SEK/unit	-	-	-	-	-

Key ratios

Risk measurement at 31 Dec	
Average annual return (2 years)	31.2%
Average annual return (5 years)	21.1%
Average total risk, fund (2 years)	24.0%
Average total risk, index (2 years)	24.1%
Active risk (2 years)	5.8%

Expenses 1 Jan - 31 Dec

Ongoing charge	1.53%
Transactions costs, share of turnover	0.04%
Turnover rate in the fund	0.23 times/year
Percentage of turnover traded with related institutions	-
Percentage of turnover via internal trading between own funds or fund companies managed by the company	-
Example of ongoing charges taken out during the year for a one-time investment of SEK 10,000	SEK 180

Follow-up of sustainability work

New regulations on the disclosure of sustainability information under “SFDR”, the Sustainable Finance Disclosure Regulation (EU 2019/2088), took effect on 10 March 2021.

The fund’s sustainability review, which shows the fund’s aspects and methods used in the sustainability programme is provided below, followed by an ESG report on activities carried out in the sustainability programme.

Sustainability review

Transparency regarding the integration of sustainability risks, promotion of environmental or social characteristics and sustainable investment.

- The fund promotes, among other characteristics, environmental or social characteristics.

Fund management company's comments:

A sustainability analysis is a logical component of the research performed before investing in a new company and on an ongoing basis after a security is acquired. Within the framework of the sustainability analysis, the fund management company evaluates how the companies are working with their most significant sustainability risks and opportunities. Within the framework of this analysis, the fund management company also searches for innovative companies that are, through products or services, seeking solutions to long-term sustainability challenges.

The analysis promotes the composition of a portfolio of companies whose sustainability programmes will be strengthened over time or companies that are already leaders within such programmes. In so doing, the fund avoids companies with high sustainability risks that can have adverse impact on return and invests in companies that can make a positive contribution to return and to sustainable development.

Sustainability-related characteristics promoted in fund management

- Environmental characteristics (e.g. the companies’ environmental and climate impact)
- Social characteristics, (e.g. human rights, employee rights and equal opportunity)
- Good governance practices (e.g. shareholders’ rights, issues relating to remuneration for senior executives and anti-corruption work)

Fund management company's comments:

Öhman believes that an economic system in which companies and investors think and act long-term, i.e., seek to minimise adverse impact and maximise positive impact on people and the environment, is optimal for sustainable growth.

Öhman’s definition of “sustainability” is based on the corporate activities that maintain or improve a company’s capacity to generate long-term financial and social value.

Sustainability risks may encompass numerous factors and the fund management company must, in its sustainability analysis, identify and focus on a limited number of “material criteria” that could actually have impact on the individual company’s financial performance.

The characteristics that Öhman promotes are.

The Environment component of ESG refers to environmental criteria. *This includes factors such as use of resources, carbon emissions and waste and their impact on the environment and climate. Every company has impact on and is impacted by the environment, but to varying extents based on the individual company and its sector.*

The Social component of ESG refers to social criteria and addresses the relationships and interactions between a company and the people in the communities where they operate their business. Social criteria also include relationships with employees, diversity and fundamental human rights. Every company operates in and is dependent upon a fair and functional society.

The Governance component of ESG refers to corporate governance criteria. *Corporate governance encompasses the internal governance systems, procedures and controls that a company implements to make effective decisions, comply with the law and live up to the expectations of external stakeholders. Every company needs an efficient and effective governance system for sustainable and profitable development.*

The fund considers the environmental objectives of the EU taxonomy: Climate change mitigation and Climate change adaptation. Refer to the section “Methods used to promote environmental or social characteristics” for a description of how social characteristics are promoted.

Reference benchmarks

- The fund has not designated an index as a reference benchmark.

Fund management company's comments:

The fund does not use an index to compare the fund’s integration of sustainability risks against a reference benchmark.

Information on the EU taxonomy for environmentally sustainable activities

The EU taxonomy is a classification system that aims to establish common criteria for environmentally sustainable economic activities. According to legislation, disclosure of the proportion of a fund’s investments that are taxonomy aligned is required.

The taxonomy is under development and the criteria for all environmental objectives are not yet complete. Also, there is no established methodology for the calculation of the proportion of a fund’s investments that are taxonomy aligned. The companies in which the fund invests have not yet started reporting the extent to which their activities are aligned with the EU taxonomy. For these reasons, it is the assessment of the fund management company that it is presently not possible to disclose reliable information on the proportion of the fund’s investments that are aligned with the taxonomy.

The legislation includes a “do no significant harm” principle which requires that investments that contribute to a sustainable objective, do not simultaneously significantly harm any of the other sustainable objectives. The “do no significant harm” principle is only applicable to the proportion of the fund that consists of investments that are deemed sustainable either according to the regulation on sustainability-related disclosures or the EU taxonomy. The remaining proportion of this fund has underlying investments that do not take into account the EU criteria for environmentally sustainable economic activities.

Methods used to promote environmental or social characteristics

Positive screening

Fund management company's comments:

A sustainability analysis is performed before investing in a new company and on an ongoing basis after a security is acquired.

Supported by an integrated sustainability analysis, Öhman identifies companies it believes are sustainable investments:

- The company operates in accordance with international norms and conventions.
- The company develops and offers innovative products and services.
- The company acts to minimise adverse impacts on people and the environment.
- The company has good business ethics.
- The company sets clear and measurable sustainability-related targets.

The fund makes every effort to invest in companies that:

- Have a comprehensive sustainability programme that addresses material risks, taking into consideration factors including the company's size and geographical presence, but where its sustainability programme is not yet reflected in the valuation of the security.
- Have only recently begun to develop a sustainability strategy but are showing clear signs of prioritisation and improvement in the area.
- Have interesting products and services with a clear sustainability link (links to the Sustainable Development Goals and/or the EU Taxonomy), for which clearly higher demand has been identified.

Negative screening

The fund does not invest in companies that are involved in the following products and services. A maximum of 5% of the turnover in the company in which the investment is made may entail operations attributable to the specified product or service.

Products and services

- Cluster bombs, land mines

Fund management company's comments: 0%

- Chemical and biological weapons

Fund management company's comments: 0%

- Nuclear weapons

Fund management company's comments: 0%

- Weapons and/or munitions

Fund management company's comments:

Weapons: Production 0%, Distribution 5%. Munitions: Production and Distribution 5%

- Alcohol

Fund management company's comments:

Production och Distribution 5%

- Tobacco

Fund management company's comments:

Production 0%, Distribution 5%

- Commercial gambling operations

Fund management company's comments:

Production och Distribution 5%

- Pornography

Fund management company's comments:

Production 0%, Distribution 5%

- Fossil fuels (oil, gas, coal)

Fund management company's comments:

The exclusion refers to companies that extract fossil fuels. 0%

- Other

Fund management company's comments:

Cannabis (production och distribution) 5%

International norms

"International norms" refers to international conventions, laws and agreements such as the UN Global Compact and OECD guidelines for multinational companies in relation to the environment, human rights, labour practices and business ethics.

- The fund does not invest in companies that violate international norms. The assessment is carried out either by the fund management company itself or by a subcontractor.

Other

- Other

Fund management company's comments:

The fund does not invest in companies involved in oil and gas service (max 25 percent of turnover) or coalbased energy production (max 25 percent of turnover).

The fund management company influences

The fund management company exercises its investor influence to influence companies on sustainability issues.

The fund management company engages with companies with a view to influencing them to adopt a more sustainable approach.

- In-house investor influence

Fund management company's comments:

Öhman initiates shareholder engagement when a company is assessed as being exposed to high sustainability risk that is not being managed to satisfaction or demonstrates shortcomings in its operations. By expressing Öhman's expectations, as an investor, related to corporate sustainability programmes, companies are influenced to adopt a more sustainable approach.

- Investor influence in cooperation with other investors.

Fund management company's comments:

Öhman works with other investors in several different forums and initiatives to achieve greater impact, including via PRI, IIGCC, Climate Action 100+ and others. For further information, please see <https://www.ohman.se/hallbarhet>.

- Voting at general meetings.

Fund management company's comments:

Öhman votes at general meetings of companies in which we have a significant interest and at general meetings where there is special reason related to ESG aspects.

ESG report

Methods used to promote environmental or social characteristics

THE FUND HAS SCREENED OUT

The fund excludes investments in munitions. That applies not only to simple production of weapons, but also to companies that provide services to customers operating in the military sector. Mildef Group and Invisio are examples of companies in which the fund refrains from investing.

THE FUND HAS SCREENED IN

Tobii Dynavox is a world leader in assistive communications technology for people with disabilities. The company's products make it possible for users to communicate with others.

THE FUND MANAGEMENT COMPANY HAS INFLUENCED

Twenty-four holdings in the fund were the object of shareholder engagement during the year. Twenty-three engagement processes were internal and one via initiative.

Öhman Fonder is engaging with the Beijer Ref trading group with the aim of encouraging the company to further develop its sustainability reporting and ESG strategy. At present, the company does not report key ESG metrics or ESG targets. The company recruited a Head of Sustainability in 2021, to whom we have addressed our expectations for Beijer Ref to implement a reporting standard, improve sustainability reporting and set emissions targets.

GENERAL COMMENTS ON THE ESG PROGRAMME

The fund worked according to the same ESG criteria throughout 2021.

Information on remuneration

Background

The information on remuneration below follows Law (2004: 46) on mutual funds, Chapter 4. 18 § 3 paragraph. The Öhman Group's remuneration policy has been prepared in accordance with Chapter 8 of the Swedish Financial Supervisory Authority's regulations (FFFS 2013: 9) on securities funds, and can be read in its entirety on the website: <https://www.ohman.se/legalt/ohmanfonder/hallbarhetsrelaterade-upplysningar/>

During the financial year, no material changes to the policy have been made and the control functions have reviewed compliance with the fund company's remuneration policy without remarks.

Bonus criteria

The calculation of the total bonus is based on the profit for the year, minus the owners' return requirements.

The distribution of variable remuneration at the individual level is decided at a discretionary basis based on an evaluation of the employee's performance during the past financial year. The evaluation relates, among other things, to how well the employee has met set goals, contributed to the profitability of the group company concerned and complied with applicable rules, both internal and external.

Remuneration

Fixed remuneration in 2021 amounts to SEK 56,938 thousand (53,982). Variable remuneration in 2021 is allocated SEK 25,000 thousand (16,046) gross.

Distribution of fixed remuneration to specially regulated staff:

- Employees in senior strategic positions SEK 10,127 thousand (8,945).
- Employees in charge of control functions SEK 3,204 thousand (2,653).
- Managers SEK 17,317 thousand (17,163).

Other employees: SEK 26,290 thousand (25,221).

2021 variable remuneration of SEK 25,000 thousand is not yet distributed. In total variable remuneration from 2020 and previous years:

- SEK 5,867 thousand (4,280) has been disbursed in cash or via pension payments.
- SEK 4,483 thousand (2,933) has been disbursed into a ISK-depo to hold for at least a year.
- SEK 2,398 thousand (1,988) has been invested by the company and intends to hold according to current regulations, three + one year.

Distribution of variable remuneration paid in 2021:

- Employees in senior strategic positions SEK 2,054 thousand (1,228).
- Employees in charge of control functions SEK 0 (0) kr.
- Managers SEK 3,909 thousand (2,745).

Other employees: SEK 4 387 thousand (3,240).

No employee's remuneration amounts to, or exceeds, the total remuneration of anyone in the executive management.

No severance pay was recorded during the year.

Number of employees

Employees of E. Öhman J: or Fonder AB as of 31 December 2021 were 72 (78) persons, of whom 79 (74) received variable remuneration during the respective year.

The fund company

Fund company

E. Öhman J:or Fonder AB
 Box 7837
 103 98 Stockholm
 Customer Service: +46 (0)20-52 53 00 (9.00-17.00)
 E-mail: fonder@ohman.se
 Website: www.ohman.se
 Registration number: 556050-3020
 Registered: 27 januari 1994
 Share capital: SEK 4,200,000

Authorisation to conduct fund business in accordance with the Swedish Investment Funds 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

Chairman of the board:
 Johan Malm, CEO of E. Öhman J:or AB

Other members:
 Mats Andersson
 Björn Fröling
 Håkan Gustavson
 Åsa Hedin
 Catharina Versteegh
 Ann Öberg

CEO

Jamal Abida Norling

Depository

SEB, Securities Services
 106 40 STOCKHOLM

Auditor

Revisionsbolaget Ernst & Young AB
 Box 7850
 103 99 Stockholm
 Auditor in charge is Mona Alfredsson

Funds under management

Securities funds:

Öhman Emerging Markets
 Öhman Etisk Index Sverige
 Öhman FRN
 Öhman Företagsobligationsfond
 Öhman Global
 Öhman Global Growth
 Öhman Global Småbolag
 Öhman Grön Obligationsfond
 Öhman Investment Grade
 Öhman Kort Ränta
 Öhman Marknad Europa
 Öhman Marknad Global
 Öhman Marknad Japan
 Öhman Marknad Pacific
 Öhman Marknad Sverige
 Öhman Marknad USA
 Öhman Navigator
 Öhman Obligationsfond
 Öhman Realräntefond
 Öhman Räntefond Kompass
 Öhman Småbolagsfond
 Öhman Sverige
 Öhman Sweden Micro Cap
 Lärarfond 21-44 år
 Lärarfond 45-58 år
 Lärarfond 59 +
 Nordnet Hållbar Pension
 Nordnet Indexfond Danmark
 Nordnet Indexfond Norge
 Nordnet Indeksirahasto Suomi
 Nordnet Indexfond Sverige

Special funds:

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Öhman
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