

# PORTFOLIO REPORT

EQUITY PERFORMANCE

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HCM  
HANDELS CAPITAL MANAGEMENT

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February 2026

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Report February 2026

## CEO Comments

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In February, our portfolio returned 0.55% compared to 2.99% for our benchmark. The equity portfolio returned 1.52% while the benchmark delivered 4.48%.

Top contributors included **Loomis**, **Kalmar** and **Beijer Ref**. While **Fractal Gaming**, **Catella** and **Careium** were the primary detractors.

### Operations

We are happy to report that we had yet another successful recruitment period and can welcome three new analysts; Erik Löfgren, Nils Lindh and Hampus Sundberg. All of them demonstrate a keen interest in stock picking and a strong ambition to deepen their knowledge through the peer-learning approach in HCM. As before, the applicant pool was strong and we are grateful for the great interest shown in HCM.

*We encourage all students interested in investments and equities to (re)apply.*

While writing this letter, the team is in Stockholm for our annual trip, meeting some of the top-players in capital management from sell-side and buy-side. As every year we leave with inspiration, deeper industry insight, new connections and not least new case-ideas to the fund. A big thank you to all of you investing time in (hopefully) a new crowd of industry-peers.

Sincerely,  
Isac Svensson

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## Asset Manager's Comments

Dear readers,

February proved to be yet another month of significant divergence across equity markets. The portfolio returned +0.55% compared to the benchmark's +2.99%, bringing year-to-date performance to -1.72% versus the benchmark's +4.07%. The equity portfolio returned +1.52% against its benchmark's +4.48%, with Loomis (+23.9%), Kalmar (+13.9%) and Beijer Ref (+12.8%) contributing positively, while Fractal Gaming (-33.1%), Catella (-18.0%) and Careium (-17.7%) detracted. Outside of equities, the portfolio's non-equity components, alternative investments, corporate bonds, global bonds and money market, continued to provide ballast.

The month was characterised by continued large cap dominance. European indices extended their rally to eight consecutive months of gains, the longest streak since 2013, while the Stockholm exchange marked its tenth straight positive month with OMXS30 advancing roughly 6%. Small caps, however, continued to underperform, driven by persistent outflows from the segment. This dynamic remains the principal headwind for our portfolio given our deliberate overweight in smaller, less liquid companies.

During the month, we initiated two new positions: Beijer Ref and Eastnine.

Beijer Ref is a global distributor of cooling and HVAC products, operating as a disciplined roll-up within its niche. The company benefits from strong regulatory tailwinds as European grocery retailers transition away from high-emission refrigerants, a process where only an estimated 30% of the installed base has made the switch. Its 2022 acquisition of Heritage Distribution provided entry into the North American HVAC market, which now accounts for roughly 23% of group sales and is showing improving margins. The stock has been weighed down by EQT's gradual exit from its ownership position, creating what we believe is an attractive entry point for a high-quality compounder with a long runway of organic and acquired growth.

Eastnine is a real estate company focused on high-yielding office properties in the Baltics and Poland. The investment case rests on a compelling spread between rental levels and property yields in Eastnine's markets relative to comparable Western European cities, a gap we expect to narrow over time. The portfolio consists of modern, A-class properties with a 94% surplus ratio and 76% FCF conversion, and is led by a management team with exceptional skin in the game - insiders have made 31 purchase transactions totaling SEK 136 million since December 2024. Trading at a roughly 10% discount to NAV and 13.6x property income on 2026 estimates, we see Eastnine as an attractive way to gain exposure to a structurally undervalued region with strong macroeconomic tailwinds.

We remain conviction-driven and long-term oriented. The persistent underperformance of small caps relative to large caps, now stretching across several months, is uncomfortable but not unprecedented. History suggests these periods of dislocation tend to resolve in favour of patient capital.

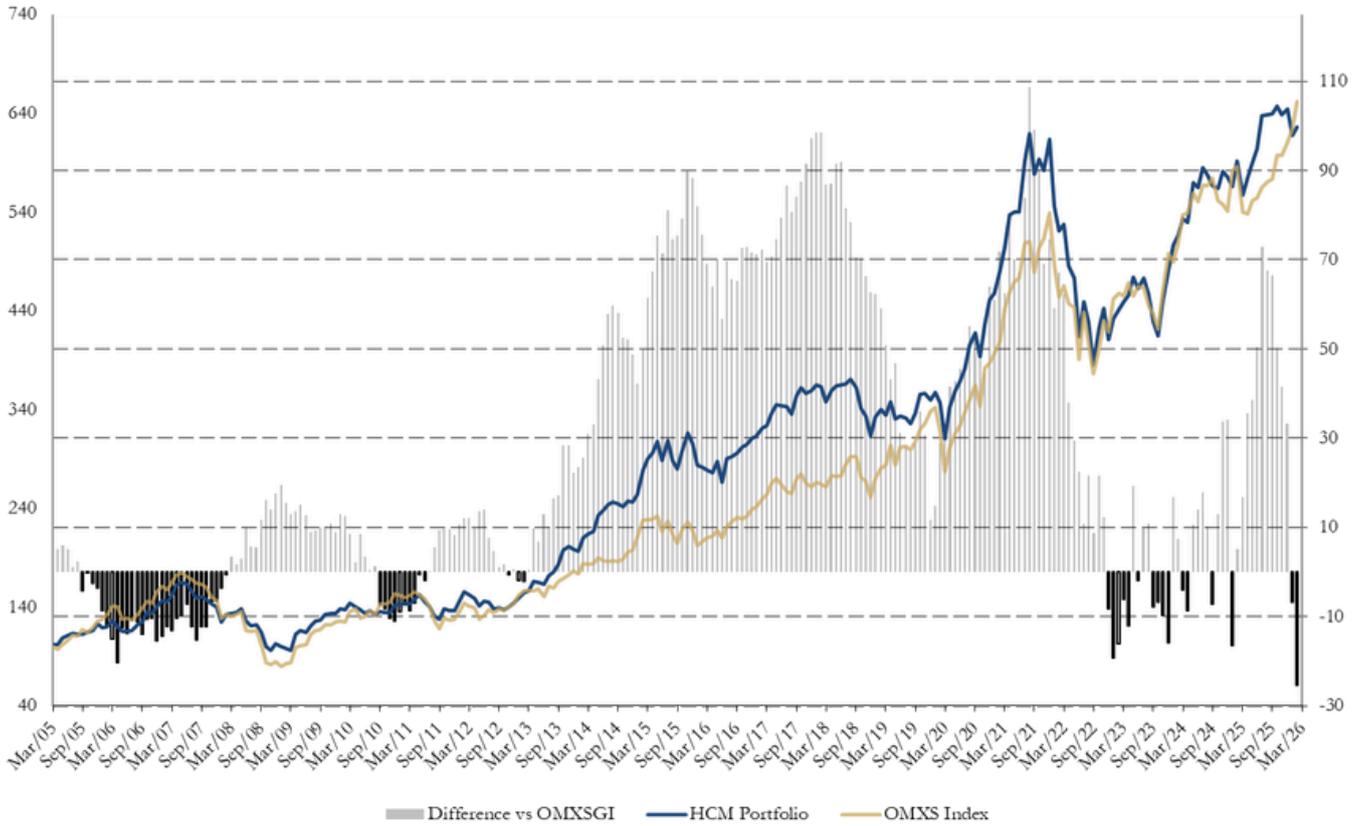
Sincerely,  
William Balksten

Top Ten Equity Holdings			Gainers and Losers		
Company Name	% Portfolio	Value	Five Largest Portfolio % Gainers	% Portfolio	% Gain
<u>Top ten holdings</u>	59,5%	4 817 155	Microsoft	5,3%	1805,7%
Investor AB A	13,5%	1 094 720	MedCap	5,2%	375,9%
Loomis	6,6%	533 337	Ambea	5,3%	139,2%
Coor	5,4%	435 321	Investor AB A	13,5%	105,9%
Microsoft	5,3%	428 872	Loomis	6,6%	69,6%
Ambea	5,3%	426 400			
MedCap	5,2%	423 418	Five Largest Portfolio % Losers	% Portfolio	% Loss
Asmo dee Group	4,7%	381 695	Fractal Gaming	1,2%	-63,1%
Securitas	4,6%	376 038	Swedencare	2,0%	-38,8%
Kalmar	4,5%	363 230	CTT	1,9%	-31,3%
Beijer Ref	4,4%	354 125	Careium	2,4%	-28,7%
			Catella	3,3%	-13,2%

Total Portfolio Statistics					
Return & Risk	Portfolio	Benchmark	Allocation	Weight	
Last Month	0,55%	2,99%	Alternative Investments	21,1%	
Year To Date	-1,72%	4,07%	Corporate Bonds	10,2%	
Last Twelve Months	3,46%	5,16%	Global Bonds	11,0%	
Since Start (Nov 11)	115,65%	157,68%	Money Market	8,3%	
Average Yearly Return	5,54%	6,87%	Equities	49,4%	
			Currency Exposure	Weight	
Months Active	171	171	SEK	80,8%	
Number of Positive Months	115	119	USD	2,6%	
Number of Negative Months	56	52	EUR	4,3%	
Annualized Std. Dev. Last 12m	5,76%	7,30%	NOK	0,0%	
Sharpe Ratio Last 12m	0,29	0,46	DKK	0,0%	
Benchmark Correlation Last 12m	0,00	0,00			

Equity Portfolio Statistics					
Return & Risk	Portfolio	Benchmark	Best Performers	1 Month	
Last Month	1,52%	4,48%	Loomis	23,9%	
Year To Date	-2,69%	6,77%	Kalmar	13,9%	
Last Twelve Months	5,97%	11,23%	Beijer Ref	12,8%	
Since Start (March 2005)	526,40%	551,81%	Worst Performers	1 Month	
Average Yearly Return	9,13%	9,34%	Fractal Gaming	-33,1%	
			Catella	-18,0%	
Months Active	252	252	Careium	-17,7%	
Number of Positive Months	150	160	Currency Exposure	Weight	
Number of Negative Months	102	92	SEK	66,0%	
Annualized Std. Dev. Last 12m	11,06%	10,43%	USD	5,2%	
Sharpe Ratio Last 12m	0,38	0,90	EUR	0,0%	
Benchmark Correlation Last 12m	0,53	0,00	NOK	0,0%	
			DKK	0,0%	

## Equity Performance



## Portfolio Performance

