

PORTFOLIO REPORT

EQUITY PERFORMANCE

HCM
HANDELS CAPITAL MANAGEMENT

December 2025

Report December 2025

CEO Comments

In December, our portfolio delivered 0.67% while our benchmark did 0.81%. The equity portfolio delivered 0.81% versus the index at 2.27%. YTD our portfolio has delivered 7.41%, the equity portfolio 11.90% versus the index at 5.01% and 12.79x% respectively.

Top contributors included Netcompany, Catella and Kalmar. Whereas Careium, Asmodee and Fractal were the primary detractors.

Operations

During December we had a much appreciated visit from Erik Eikeland, alumnus and co-founder of the fund. Erik shared his story, pitched some high-conviction cases, reflected on the market, past successful investments and overall tips on how to develop as an investor. We are thankful to have a great alumni network, showing engagement and a willingness to share ideas, time and guidance.

As the annual Stockholm trip where we visit renowned investors is coming up, we started to outline a light plan. As always, we will invite former members to an alumni dinner, setting a forum for past and current members to get together.

What's amazing about HCM is the low churn on members. Once in, we tend to stick to it. Once a year though, there is a natural churn due to graduation. Therefore, we have now opened a recruitment process, welcoming applications for the next generation of analysts.

Sincerely,
Isac Svensson

Asset Manager's Comments

December rounded off a volatile but ultimately successful year for the portfolio. 2025 began strongly and also ended strongly, but the path in between was anything but smooth. Markets were shaped by sharp swings in global economic policy, shifting narratives around AI, and recurring tariff headlines that repeatedly pushed investors between risk-on and risk-off positioning. At the same time, inflation worries gradually faded, central banks moved into rate-cutting mode, and the macro debate transitioned from “how high for how long?” to “how fast and how far down?”. This mix created a year with pronounced rotations, short-lived regimes, and a wide gap between winners and losers where diversification and risk control mattered as much as stock selection.

Large caps held up relatively well, while small caps continued to have a tough year, weighed down by weaker end-markets, cautious corporate spending and still tight financial conditions for smaller businesses. At the same time, defence and security-related names delivered very strong performance, supported by structurally higher spending commitments and a continued repricing of geopolitical risk. Banks and parts of industrials were also among the stronger areas, while more cyclical, domestically exposed segments, including select consumer and construction-linked names, struggled for longer than many initially expected.

Against that backdrop, the portfolio returned 0,67% in December compared to the benchmark's 0,88%. For the full year, we close at 7,41% versus the benchmark's 5,01%, and that with significantly better risk-adjusted returns, reflected in a Sharpe ratio of 1,07 (benchmark 0,41).

During December, our equity portfolio returned 0,81% while the equity benchmark gained 2,27%. The relative drag in equities was offset by strong diversification benefits where alternative investments, corporate bonds, global bonds and money markets all outperformed their respective indices, helping the portfolio end the year on a firm footing. The main positive contributors during the month were Netcompany, followed by Catella and Kalmar, while Careium, Asmodee and Fractal Gaming were the main detractors.

Activity in the portfolio was limited. We did not initiate or exit any positions during the month, but we reduced bond exposure somewhat to increase allocations to alternative investments.

As we head into 2026, our focus remains on protecting the relative outperformance achieved this year while selectively adding to high-quality opportunities where we see mispriced growth and resilient cash flows. With AI, interest rates and economic policy likely to remain the key drivers, we enter the new year disciplined, flexible and committed to compounding capital through a high-conviction approach.

Sincerely,
William Balksten

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Top Ten Equity Holdings

Company Name	% Portfolio	Value
Top ten holdings	60,1%	4 587 351
Investor AB A	12,5%	957 499
Microsoft	7,1%	539 948
MedCap	6,2%	474 885
Ambea	6,1%	463 464
Loomis	5,3%	402 112
Asmodee Group	4,8%	365 811
Coor	4,7%	361 324
Securitas	4,5%	344 448
Catella	4,5%	343 200
Netcompany	4,4%	334 660

Gainers and Losers

Five Largest Portfolio % Gainers	% Portfolio	% Gain
Microsoft	7,1%	2299,3%
MedCap	6,2%	433,8%
Ambea	6,1%	160,0%
Investor AB A	12,5%	80,1%
Electrolux Professional	3,8%	54,5%

Five Largest Portfolio % Losers	% Portfolio	% Loss
Fractal Gaming	2,5%	-25,9%
Careium	3,0%	-17,2%
Swedencare	3,3%	-6,4%
Essity	3,9%	-4,8%
CAG	3,7%	-1,5%

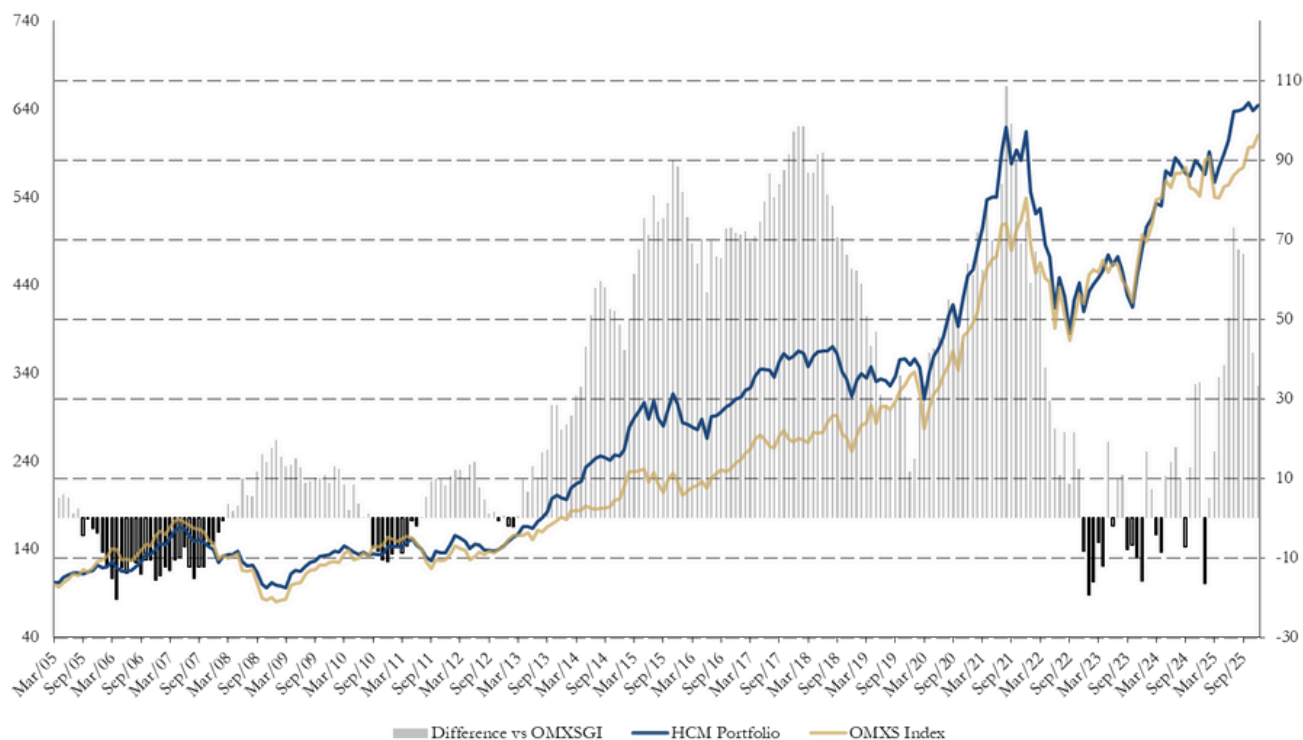
Total Portfolio Statistics

Return & Risk	Portfolio	Benchmark	Allocation	Weight
Last Month	0,67%	0,88%	Alternative Investments	13,0%
Year To Date	7,41%	5,01%	Corporate Bonds	9,9%
Last Twelve Months	7,41%	5,01%	Global Bonds	10,6%
Since Start (Nov 11)	119,41%	147,50%	Money Market	8,7%
Average Yearly Return	5,74%	6,65%	Equities	57,7%
Months Active	169	169	Currency Exposure	Weight
Number of Positive Months	114	117	SEK	83,9%
Number of Negative Months	55	52	USD	3,2%
			EUR	4,1%
Annualized Std. Dev. Last 12m	5,22%	7,86%	NOK	0,0%
Sharpe Ratio Last 12m	1,07	0,41	DKK	0,0%
Benchmark Correlation Last 12m	0,00	0,00		

Equity Portfolio Statistics

Return & Risk	Portfolio	Benchmark	Best Performers	1 Month
Last Month	0,81%	2,27%	Netcompany	9,5%
Year To Date	11,90%	12,79%	Catella	9,0%
Last Twelve Months	11,90%	12,79%	Kalmar	7,7%
Since Start (March 2005)	543,73%	510,51%	Worst Performers	1 Month
Average Yearly Return	9,35%	9,07%	Careium	-11,5%
			Asmodee Group	-9,0%
Months Active	250	250	Fractal Gaming	-6,9%
Number of Positive Months	149	158	Currency Exposure	Weight
Number of Negative Months	101	92	SEK	74,3%
			USD	5,5%
Annualized Std. Dev. Last 12m	10,35%	11,91%	EUR	0,0%
Sharpe Ratio Last 12m	0,98	0,92	NOK	0,0%
Benchmark Correlation Last 12m	0,42	0,00	DKK	0,0%

Equity Performance



Portfolio Performance

