PORTFOLIO REPORT

EQUITY PERFORMANCE

HCM

HANDELS CAPITAL MANAGEMENT

October 2025

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THE STUDENT UNION

CEO Comments

In October, our portfolio advanced 0.78%, our benchmark delivered 2.54%. The equity portfolio delivered 1.14% versus index on 4.11%. YTD our portfolio has delivered 7.62%, the equity portfolio 12.48% versus index on 4.47% and 10.26% respectively.

Top contributors included **Exsitec**, **Careium** and **Swedencare**. While **Fractal Gaming**, **CTT** and **Ambea** were the primary detractors.

Operations
During October we visited one of our portfolio companies, where we met with management to gain deeper understanding into the business, from how the current tariffs effect them to their approach with human capital and preserving culture in a growing organization. We also attended two networking events, connecting with both institutions as well as like minded stock-pickers. In addition, we had a great meeting with a professional in equities at one of the major banks, sharing insights on the market and advice for the younger gen. Looking ahead, we have a couple events planned with members in our alumni network and their current employers.

Holding in focus
As you can read in Asset Manager's comment, we have expanded our large cap exposure. One of the new holdings is **Kalmar**, after five months of getting to know the company we made the decision to initiate a position. Kalmar is a global leader in the material handling market with a #1 position across a variety of its equipment offerings. We recognize the companies quality, offering high returns on capital as well as growth in their service business with untapped potential, being able to utilize a large installed base as well as a modest spare-part capture rate. Kalmar has a solid balance sheet, offering both downside protection and optionality. With short-term fears and uncertainties, mispriced due to spin-off and lack of data we see a clear value gap to peers and justified intrinsic value.

Sincerely,
Isac Svensson

Asset Manager's Comments

October means earnings season and therefore volatility, and this time was no different. We saw large swings in the portfolio, both on the upside and downside, which opened new opportunities to exit and enter positions. After soft Q2s that didn't deliver on expectations, the Q3s told a different story. According to Finwire's results barometer, 61% of Swedish reporters beat consensus estimates while only 18% missed, in Q2 these shares were roughly equal. We have also seen early signs of the overall economy turning as the economic tendency barometer rose to 100,8, the highest reading since 2022. Together, these factors have driven notable moves across the market and set up a strong finish to the year.

During October our best performers were Exsitec, Careium and Swedencare, while Fractal, CTT and Ambea detracted. Overall, the portfolio returned 0,64% versus the benchmark's 2,53%. Equities were up 1,14% compared to the benchmark's 4,11%. Alternative investments continued to underperform, while global bonds and money markets continued to outperform their respective benchmarks.

It has been an eventful month not only in markets but also in the portfolio. We began by exiting Bredband2 with a net gain of roughly 130% in under two years. Our original investment thesis has played out, better than expected, and given the uncertainty around Telia's bid, we judged this a good time to crystallize gains. During the month we also exited our position in SmartEye.

On the buy side, we expanded our exposure to large caps by initiating Kalmar and New Wave, two high-quality names that we believe warrant higher multiples given their attractive multi-year trajectories. We also initiated a position in Fractal Gaming, where we view short-term uncertainties such as tariffs, freight costs and FX as transitory. In our view, these have weighed on the share price rather than the underlying quality of the business.

As November begins, our focus remains on selectively increasing large-cap exposure and strengthening the portfolio. Despite remaining Q3 results and the potential for slightly more cautious guidance, we expect cost discipline and mix to sustain earnings resilience and enable a strong close to the year.

Sincerely,
William Balksten

Holding in focus

Following exits in **Fenix Outdoor** and other previous large-cap holdings the fund lacked large cap exposure, consequentially leading us on the lookout for new large caps. One that caught our attention was **New Wave,** a new holding as of October 2025.

New Wave offers a one stop shop solution for primarily profile and teamwear, by owning distribution, design and end products customers can get a highly personalized offering such as IFK Göteborg teamwear, glasses and merchandise. Additionally utilizing that value chain for distribution of fully owned brands Craft and Cutter & Buck etc, allowing New Wave to operate at higher margins then similar companies such as H&M. One of New Waves most attractive qualities is the amount of semi-recuring sales in contracts to clubs, national teams and corporate customers providing very strong resilience in the current uncertain market and allowing for larger operational accelerations from acquisitions and brand investments, signum of CEO Torsten Jansson. Our thesis is that New Wave can better utilize this downturn than competitors and keep taking market share as seen in Q2, leading to long-term value creation even in the case of a prolonged weak market.

New Wave released their Q2 report which had an initial sharp market reaction due to especially weak margins and weak forward guidance due to general consumer uncertainty combined with strong FX headwinds, however this report also gave valuable insights into the operational improvements and core qualities that New Wave offers. During the quarter the largest ever acquisition for NEWA was finalized at a P/S 0,6 and weaker margins than the group average, however when integrated Cotton Classics is projected to operate at group average margins and further strengthen the position in the central European market. Structural acquisitions combined with internal investments into IT and automatizing of inventory management are going to positively affect margins going forward and allow New Wave to continue operating as a semi roll-up creating shareholder value by bolt on acquisitions and provide possibilities for turn-rounds in mismanaged companies (such as Tenson and Craft).

Ultimately we see New Wave as a mean reversion case that should play out given that the market gradually recovers, however there is a also the optionality of a appreciation in the valuation where the group has historically been valued at EV/EBIT 11,5. Since New Wave has historically operated at lower margins then what is projected, combined with the impressive M&A record and a business model that is more resilient then peers, there is a scenario where the valuation also appreciates. We feel confident in New Wave and Torstens ability to continue deliver shareholder value even though there might be some bumps on the road in the close future.

Sincerely,
Emil Ekman, Equity Analyst

Top Ten Equity Holdings

Company Name	% Portfolio	Value
Top ten holdings	60,6%	4 697 674
Investor AB A	11,7%	908 668
Microsoft	7,7%	595 261
MedCap	6,8%	525 920
Asmodee Group	5,5%	423 614
Ambea	5,4%	422 136
Loomis	5,1%	395 520
Take-Two Interactive	4,9%	377 529
Catella	4,8%	372 600
Coor	4,4%	342 825
Exsitec	4,3%	333 600

Gainers and Losers

Five Largest Portfolio % Gainers	% Portfolio	% Gain
Microsoft	7,7%	2545,1%
MedCap	6,8%	491,2%
Ambea	5,4%	136,8%
Take-Two Interactive	4,9%	80,8%
Investor AB A	11,7%	70,9%

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

Total Portfolio Statistics

Return & Risk	Portfolio	Benchmark
Last Month	0,78%	2,54%
Year To Date	7,62%	4,47%
Last Twelve Months	8,59%	4,31%
Since Start (Nov 11)	119,83%	146,33%
Average Yearly Return	5,82%	6,69%
Months Active	167	167
Number of Positive Months	113	116
Number of Negative Months	54	51
Annualized Std. Dev. Last 12m	5,09%	8,04%
Sharpe Ratio Last 12m	1,33	0,31
Benchmark Correlation Last 12m	0,00	0,00

Allocation	Weight
Alternative Investments	13,0%
Corporate Bonds	18,0%
Global Bonds	12,9%
Money Market	8,6%
Equities	47,5%

Currency Exposure	Weight
SEK	83,7%
USD	5,7%
EUR	4,1%
NOK	0,0%
DKK	0,0%

Equity Portfolio Statistics

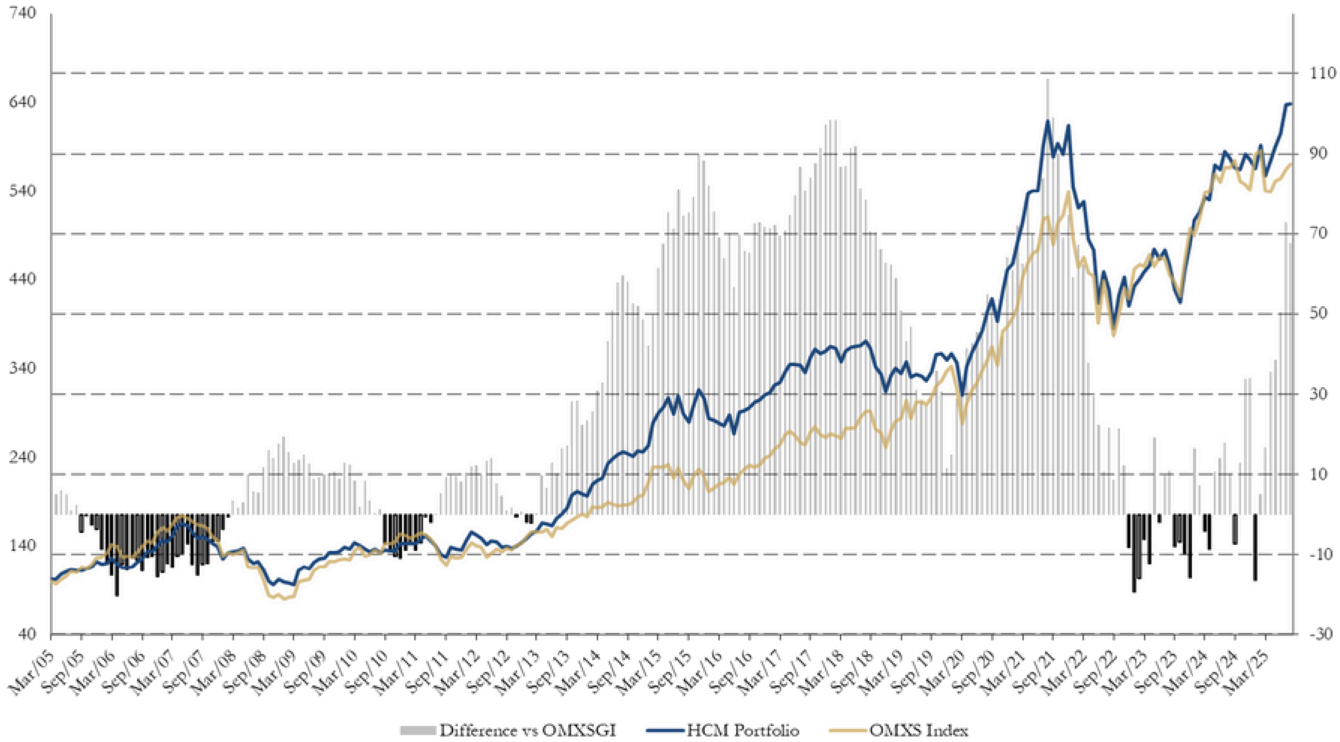
Return & Risk	Portfolio	Benchmark
Last Month	1,14%	4,11%
Year To Date	12,48%	10,26%
Last Twelve Months	14,74%	8,30%
Since Start (March 2005)	547,06%	496,83%
Average Yearly Return	9,46%	9,03%
Months Active	248	248
Number of Positive Months	148	156
Number of Negative Months	100	92
Annualized Std. Dev. Last 12m	10,42%	12,72%
Sharpe Ratio Last 12m	1,24	0,51
Benchmark Correlation Last 12m	0,41	0,00

Best Performers	1 Month
Exsitec	16,9%
Careium	16,5%
Swedencare	13,1%

Worst Performers	1 Month
Fractal Gaming	-17,9%
CTT	-14,5%
Ambea	-5,3%

Currency Exposure	Weight
SEK	68,5%
USD	12,0%
EUR	0,0%
NOK	0,0%
DKK	0,0%

Equity Performance



Portfolio Performance