
SHB SICAV

Société d'investissement à capital variable

Audited Annual Report
for the period from 1 June 2010 (date of incorporation)
to 31 December 2010

15, rue Bender, L-1229 Luxembourg
Grand-Duchy of Luxembourg
R.C.S. Luxembourg B 153460

SHB SICAV

(Société d'investissement à capital variable)

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Shareholders' Information

Information to Shareholders of SHB SICAV (Société d'investissement à capital variable) hereafter called "SHB SICAV" or the "Fund".

Audited annual and unaudited semi-annual reports are available at the registered office of the Fund and the Custodian during ordinary office hours.

The certified Articles of Incorporation were lodged at the office of the Registrar "*Registre de Commerce et des Sociétés*" of Luxembourg where they are available for inspection and where copies may be obtained upon request.

The sale and purchase prices of the shares may be obtained at the Registered Office of the Fund.

Copies of portfolio changes are available from the Registered Office of the Fund.

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Administration and Service Providers

Registered Address of the Fund

SHB SICAV

Société d'investissement à capital variable
15, rue Bender
L-1229 Luxembourg

Henrik Beck-Norén
Managing Director
Xact Fonder AB
Blasieholmstorg 12
SE-106 70 Stockholm
Sweden

Board of Directors

Chairman

Per Beckman
Executive Vice President
Svenska Handelsbanken AB (publ)
Kungsträdgårdsgatan 2
SE-106 70 Stockholm
Sweden

Investment Manager

Handelsbanken Fonder AB
Blasieholmstorg 12
SE-106 70 Stockholm
Sweden

Directors

Jacques Elvinger
Maitre en Droit and Partner
Elvinger, Hoss & Prussen
2, Place Winston Churchill
L-2014 Luxembourg

Custodian

Brown Brothers Harriman (Luxembourg) S.C.A.
2-8 Avenue Charles de Gaulle, B.P. 403
L-1653 Luxembourg

Julie Krentz

Head of Investment Funds
Svenska Handelsbanken AB (publ)
Luxembourg Branch
15, rue Bender
L-1229 Luxembourg

Corporate and Domiciliary Agent

Svenska Handelsbanken AB (publ)
Luxembourg branch
15, rue Bender
L-1229 Luxembourg

Pär Nürnberg (appointed 3 February 2011)

Head of Business Development
Svenska Handelsbanken AB
Luxembourg Branch
15, rue Bender
L-1229 Luxembourg

Administrative Agent, Paying Agent

Registrar and Transfer Agent

Brown Brothers Harriman (Luxembourg) S.C.A.
2-8 Avenue Charles de Gaulle, B.P. 403
L-1653 Luxembourg

Conducting Officers (*dirigeants*)

Julie Krentz
Head of Investment Funds
Svenska Handelsbanken AB
Luxembourg Branch
15, rue Bender
L-1229 Luxembourg

Cabinet de révision agréé

KPMG Audit S.à r.l.
9, Allée Scheffer
L-2520 Luxembourg

Legal Advisors

Elvinger, Hoss & Prussen
2, Place Winston Churchill
L-2014 Luxembourg

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Investment Manager's Report

SHB SICAV – XACT HANG SENG CHINA**General note**

The sub-fund has not been launched publicly and the promoter of the fund (Svenska Handelsbanken AB (publ)) has been, and still is, the only shareholder. Therefore, only a brief report concerning the sub-fund is provided below.

NAV

First NAV: EUR 10.00.

31 December 2010: EUR 9.98.

Performance of the sub-fund

-0.17%.

Likely future development

The intention is to change the name and investment objective of the sub-fund to broaden the investment scope. There are no plans to launch the sub-fund publicly.

Please note:

The figures stated in this report are historical and not necessarily indicative of future performance.

31 March 2011

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Investment Manager's Report (Continued)

SHB SICAV – XACT NORDIC 120

Fund's environment

The investment objective of the sub-fund is to generate a return corresponding to a long exposure to the NASDAQ OMX Nordic 120 index (net version).

International activities

The sub-fund is exposed to an index tracking international, particularly Nordic, equities. The exposure is obtained by way of total return swaps (derivatives) entered into with Svenska Handelsbanken AB (publ), a bank based in Sweden.

Changes in the financial situation

No significant changes to be reported. The substantial part of the sub-fund's assets has consisted of a claim under the total return swaps (referred to above) against Svenska Handelsbanken AB (publ). The sub-fund has received collateral from the bank as security for the claim.

NAV

First NAV: EUR 10.00.

31 December 2010: EUR 10.99.

Changes in revenue

Not applicable as the sub-fund is a swap-based index fund.

Significant investments and disinvestments

The sub-fund invests and disinvests by increasing or decreasing its swaps as required by creations and redemption in the sub-fund.

Justification of positions involving a value judgment

Not applicable as the sub-fund is a swap-based index fund.

Performance of the sub-fund

+9.94%.

Important events that have occurred since the end of the financial period

No significant events after the end of the financial period to be reported.

Likely future development

As the sub-fund tracks an equity index, it is not feasible to give any indication of the future development except that the sub-fund will continue to seek exposure to the index in the foreseeable future.

Please note:

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Investment Manager's Report (Continued)

SHB SICAV – XACT NORDIC BANK & INSURANCE

Fund's environment

The investment objective of the sub-fund is to generate a return corresponding to a long exposure to the NASDAQ OMX Nordic Bank & Insurance index (net version).

International activities

The sub-fund is exposed to an index tracking international, particularly Nordic, equities. The exposure is obtained by way of total return swaps (derivatives) entered into with Svenska Handelsbanken AB (publ), a bank based in Sweden.

Changes in the financial situation

No significant changes to be reported. The substantial part of the sub-fund's assets has consisted of a claim under the total return swaps (referred to above) against Svenska Handelsbanken AB (publ). The sub-fund has received collateral from the bank as security for the claim.

NAV

First NAV: EUR 10.00.

31 December 2010: EUR 10.51.

Changes in revenue

Not applicable as the sub-fund is a swap-based index fund.

Significant investments and disinvestments

The sub-fund invests and disinvests by increasing or decreasing its swaps as required by creations and redemption in the sub-fund.

Justification of positions involving a value judgment

Not applicable as the sub-fund is a swap-based index fund.

Performance of the sub-fund

+5.14%.

Important events that have occurred since the end of the financial period

No significant events after the end of the financial period to be reported.

Likely future development

As the sub-fund tracks an equity index, it is not feasible to give any indication of the future development except that the sub-fund will continue to seek exposure to the index in the foreseeable future.

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The figures stated in this report are historical and not necessarily indicative of future performance.

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Investment Manager's Report (Continued)

SHB SICAV – XACT NORDIC CONSTRUCTION & REAL ESTATE

Fund's environment

The investment objective of the sub-fund is to generate a return corresponding to a long exposure to the NASDAQ OMX Nordic Construction & Real Estate index (net version).

International activities

The sub-fund is exposed to an index tracking international, particularly Nordic, equities. The exposure is obtained by way of total return swaps (derivatives) entered into with Svenska Handelsbanken AB (publ), a bank based in Sweden.

Changes in the financial situation

No significant changes to be reported. The substantial part of the sub-fund's assets has consisted of a claim under the total return swaps (referred to above) against Svenska Handelsbanken AB (publ). The sub-fund has received collateral from the bank as security for the claim.

NAV

First NAV: EUR 10.00.

31 December 2010: EUR 11.71.

Changes in revenue

Not applicable as the sub-fund is a swap-based index fund.

Significant investments and disinvestments

The sub-fund invests and disinvests by increasing or decreasing its swaps as required by creations and redemption in the sub-fund.

Justification of positions involving a value judgment

Not applicable as the sub-fund is a swap-based index fund.

Performance of the sub-fund

+17.12%.

Important events that have occurred since the end of the financial period

No significant events after the end of the financial period to be reported.

Likely future development

As the sub-fund tracks an equity index, it is not feasible to give any indication of the future development except that the sub-fund will continue to seek exposure to the index in the foreseeable future.

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Investment Manager's Report (Continued)

SHB SICAV – XACT NORDIC CONSUMER

Fund's environment

The investment objective of the sub-fund is to generate a return corresponding to a long exposure to the NASDAQ OMX Nordic Consumer index (net version).

International activities

The sub-fund is exposed to an index tracking international, particularly Nordic, equities. The exposure is obtained by way of total return swaps (derivatives) entered into with Svenska Handelsbanken AB (publ), a bank based in Sweden.

Changes in the financial situation

No significant changes to be reported. The substantial part of the sub-fund's assets has consisted of a claim under the total return swaps (referred to above) against Svenska Handelsbanken AB (publ). The sub-fund has received collateral from the bank as security for the claim.

NAV

First NAV: EUR 10.00.

31 December 2010: EUR 10.22.

Changes in revenue

Not applicable as the sub-fund is a swap-based index fund.

Significant investments and disinvestments

The sub-fund invests and disinvests by increasing or decreasing its swaps as required by creations and redemption in the sub-fund.

Justification of positions involving a value judgment

Not applicable as the sub-fund is a swap-based index fund.

Performance of the sub-fund

+2.22%.

Important events that have occurred since the end of the financial period

No significant events after the end of the financial period to be reported.

Likely future development

As the sub-fund tracks an equity index, it is not feasible to give any indication of the future development except that the sub-fund will continue to seek exposure to the index in the foreseeable future.

Please note:

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Investment Manager's Report (Continued)

SHB SICAV – XACT NORDIC ENERGY

Fund's environment

The investment objective of the sub-fund is to generate a return corresponding to a long exposure to the NASDAQ OMX Nordic Energy index (net version).

International activities

The sub-fund is exposed to an index tracking international, particularly Nordic, equities. The exposure is obtained by way of total return swaps (derivatives) entered into with Svenska Handelsbanken AB (publ), a bank based in Sweden.

Changes in the financial situation

No significant changes to be reported. The substantial part of the sub-fund's assets has consisted of a claim under the total return swaps (referred to above) against Svenska Handelsbanken AB (publ). The sub-fund has received collateral from the bank as security for the claim.

NAV

First NAV: EUR 10.00.

31 December 2010: EUR 12.29.

Changes in revenue

Not applicable as the sub-fund is a swap-based index fund.

Significant investments and disinvestments

The sub-fund invests and disinvests by increasing or decreasing its swaps as required by creations and redemption in the sub-fund.

Justification of positions involving a value judgment

Not applicable as the sub-fund is a swap-based index fund.

Performance of the sub-fund

+22.88%.

Important events that have occurred since the end of the financial period

No significant events after the end of the financial period to be reported.

Likely future development

As the sub-fund tracks an equity index, it is not feasible to give any indication of the future development except that the sub-fund will continue to seek exposure to the index in the foreseeable future.

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Investment Manager's Report (Continued)

SHB SICAV – XACT NORDIC HEALTH CARE

Fund's environment

The investment objective of the sub-fund is to generate a return corresponding to a long exposure to the NASDAQ OMX Nordic Health Care index (net version).

International activities

The sub-fund is exposed to an index tracking international, particularly Nordic, equities. The exposure is obtained by way of total return swaps (derivatives) entered into with Svenska Handelsbanken AB (publ), a bank based in Sweden.

Changes in the financial situation

No significant changes to be reported. The substantial part of the sub-fund's assets has consisted of a claim under the total return swaps (referred to above) against Svenska Handelsbanken AB (publ). The sub-fund has received collateral from the bank as security for the claim.

NAV

First NAV: EUR 10.00.

31 December 2010: EUR 10.51.

Changes in revenue

Not applicable as the sub-fund is a swap-based index fund.

Significant investments and disinvestments

The sub-fund invests and disinvests by increasing or decreasing its swaps as required by creations and redemption in the sub-fund.

Justification of positions involving a value judgment

Not applicable as the sub-fund is a swap-based index fund.

Performance of the sub-fund

+5.10%.

Important events that have occurred since the end of the financial period

No significant events after the end of the financial period to be reported.

Likely future development

As the sub-fund tracks an equity index, it is not feasible to give any indication of the future development except that the sub-fund will continue to seek exposure to the index in the foreseeable future.

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Investment Manager's Report (Continued)

SHB SICAV – XACT NORDIC INDUSTRIALS

Fund's environment

The investment objective of the sub-fund is to generate a return corresponding to a long exposure to the NASDAQ OMX Nordic Industrials index (net version).

International activities

The sub-fund is exposed to an index tracking international, particularly Nordic, equities. The exposure is obtained by way of total return swaps (derivatives) entered into with Svenska Handelsbanken AB (publ), a bank based in Sweden.

Changes in the financial situation

No significant changes to be reported. The substantial part of the sub-fund's assets has consisted of a claim under the total return swaps (referred to above) against Svenska Handelsbanken AB (publ). The sub-fund has received collateral from the bank as security for the claim.

NAV

First NAV: EUR 10.00.

31 December 2010: EUR 12.15.

Changes in revenue

Not applicable as the sub-fund is a swap-based index fund.

Significant investments and disinvestments

The sub-fund invests and disinvests by increasing or decreasing its swaps as required by creations and redemption in the sub-fund.

Justification of positions involving a value judgment

Not applicable as the sub-fund is a swap-based index fund.

Performance of the sub-fund

+21.54%.

Important events that have occurred since the end of the financial period

No significant events after the end of the financial period to be reported.

Likely future development

As the sub-fund tracks an equity index, it is not feasible to give any indication of the future development except that the sub-fund will continue to seek exposure to the index in the foreseeable future.

Please note:

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Investment Manager's Report (Continued)

SHB SICAV – XACT NORDIC MATERIALS

Fund's environment

The investment objective of the sub-fund is to generate a return corresponding to a long exposure to the NASDAQ OMX Nordic Materials index (net version).

International activities

The sub-fund is exposed to an index tracking international, particularly Nordic, equities. The exposure is obtained by way of total return swaps (derivatives) entered into with Svenska Handelsbanken AB (publ), a bank based in Sweden.

Changes in the financial situation

No significant changes to be reported. The substantial part of the sub-fund's assets has consisted of a claim under the total return swaps (referred to above) against Svenska Handelsbanken AB (publ). The sub-fund has received collateral from the bank as security for the claim.

NAV

First NAV: EUR 10.00.

31 December 2010: EUR 11.33.

Changes in revenue

Not applicable as the sub-fund is a swap-based index fund.

Significant investments and disinvestments

The sub-fund invests and disinvests by increasing or decreasing its swaps as required by creations and redemption in the sub-fund.

Justification of positions involving a value judgment

Not applicable as the sub-fund is a swap-based index fund.

Performance of the sub-fund

+13.34%.

Important events that have occurred since the end of the financial period

No significant events after the end of the financial period to be reported.

Likely future development

As the sub-fund tracks an equity index, it is not feasible to give any indication of the future development except that the sub-fund will continue to seek exposure to the index in the foreseeable future.

Please note:

The figures stated in this report are historical and not necessarily indicative of future performance.

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Investment Manager's Report (Continued)

SHB SICAV – XACT COMMODITY

Fund's environment

The investment objective of the sub-fund is to generate a return corresponding to a long exposure to the SHB Commodity Index Excess Return.

International activities

The sub-fund is exposed to an index tracking internationally traded commodities. The exposure is obtained by way of total return swaps (derivatives) entered into with Svenska Handelsbanken AB (publ), a bank based in Sweden.

Changes in the financial situation

No significant changes to be reported. The substantial part of the sub-fund's assets has consisted of a claim under the total return swaps (referred to above) against Svenska Handelsbanken AB (publ). The sub-fund has received collateral from the bank as security for the claim.

NAV

First NAV: USD 10.00.

31 December 2010: USD 11.74.

Changes in revenue

Not applicable as the sub-fund is a swap-based index fund.

Significant investments and disinvestments

The sub-fund invests and disinvests by increasing or decreasing its swaps as required by creations and redemption in the sub-fund.

Justification of positions involving a value judgment

Not applicable as the sub-fund is a swap-based index fund.

Performance of the sub-fund

+17.42%.

Important events that have occurred since the end of the financial period

No significant events after the end of the financial period to be reported.

Likely future development

As the sub-fund tracks a commodity index, it is not feasible to give any indication of the future development except that the sub-fund will continue to seek exposure to the index in the foreseeable future.

Please note:

The figures stated in this report are historical and not necessarily indicative of future performance.

31 March 2011

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Report of the Réviseur d'Entreprises agréé

To the Shareholders of SHB SICAV
15, rue Bender
L-1229 Luxembourg

We have audited the accompanying financial statements of SHB SICAV (the "SICAV") and each of its sub-funds, which comprise the Statement of Net Assets as at 31 December 2010, the Statement of Operations and the Statement of Changes in Net Assets for the period from 1 June 2010 (date of incorporation) to 31 December 2010, and a summary of significant accounting policies and other explanatory information.

Board of Directors of the SICAV responsibility for the financial statements

The Board of Directors of the SICAV is responsible for the preparation and fair presentation of these financial statements in accordance with Luxembourg legal and regulatory requirements relating to the preparation of the financial statements, and for such internal control as the Board of Directors of the SICAV determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Responsibility of the Réviseur d'Entreprises agréé

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing as adopted for Luxembourg by the Commission de Surveillance du Secteur Financier. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the judgement of the Réviseur d'Entreprises agréé, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the Réviseur d'Entreprises agréé considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors of the SICAV, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

SHB SICAV

(Société d'investissement à capital variable)

Report of the Réviseur d'Entreprises agréé (Continued)

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of SHB SICAV and each of its sub-funds as of 31 December 2010, and of the results of their operations and changes in their net assets for the period from 1 June 2010 (date of incorporation) to 31 December 2010 in accordance with Luxembourg legal and regulatory requirements relating to the preparation of the financial statements.

Other matter

Supplementary information included in the annual report has been reviewed in the context of our mandate but has not been subject to specific audit procedures carried out in accordance with the standards described above. Consequently, we express no opinion on such information. However, we have no observation to make concerning such information in the context of the financial statements taken as a whole.

Luxembourg, 1 April 2011

KPMG Audit S.à r.l.
Cabinet de révision agréé



Pascale Leroy

SHB SICAV

(Société d'investissement à capital variable)

Statement of Net Assets

As at 31 December 2010 (expressed in)	Note	XACT Hang Seng China EUR	XACT Nordic 120 EUR	XACT Nordic Bank & Insurance EUR	XACT Nordic Construction & Real Estate EUR	XACT Nordic Consumer EUR
Assets						
Cost of swaps		–	32,907,718	2,496,454	1,797,518	1,198,226
Unrealised net gain on swaps	5	–	2,269,338	131,263	309,995	27,924
Market value of swaps		–	35,177,056	2,627,717	2,107,513	1,226,150
Cash at Bank		100,534	25,258	4,210	4,192	3,739
Total Assets		100,534	35,202,314	2,631,927	2,111,705	1,229,889
Liabilities						
All-in fees		696	20,569	3,317	3,452	3,259
Taxe d'abonnement payable		6	884	65	53	31
Total Liabilities		702	21,453	3,382	3,505	3,290
Total Net Assets		99,832	35,180,861	2,628,545	2,108,200	1,226,599

The accompanying notes form an integral part of these financial statements.

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Statement of Net Assets (Continued)

As at 31 December 2010 (expressed in)	Note	XACT Nordic Energy EUR	XACT Nordic Health Care EUR	XACT Nordic Industrials EUR	XACT Nordic Materials EUR	XACT Commodity USD
Assets						
Cost of swaps		1,797,572	2,999,501	2,097,159	1,697,649	9,187,334
Unrealised net gain on swaps	5	413,489	156,546	454,336	228,436	901,141
Market value of swaps		2,211,061	3,156,047	2,551,495	1,926,085	10,088,475
Cash at Bank		4,289	425	4,369	4,007	19,984
Total Assets		2,215,350	3,156,472	2,555,864	1,930,092	10,108,459
Liabilities						
All-in fees		3,513	3,326	3,489	3,326	10,158
Taxe d'abonnement payable		55	80	64	48	250
Total Liabilities		3,568	3,406	3,553	3,374	10,408
Total Net Assets		2,211,782	3,153,066	2,552,311	1,926,718	10,098,051

The accompanying notes form an integral part of these financial statements.

SHB SICAV

(Société d'investissement à capital variable)

Statement of Net Assets (Continued)

As at 31 December 2010 (expressed in)	Note	Combined EUR
Assets		
Cost of swaps		53,856,573
Unrealised net gain on swaps		4,664,660
Market value of swaps		58,521,233
Cash at Bank		165,955
Total Assets		58,687,188
Liabilities		
All-in fees		52,537
Taxe d'abonnement payable		1,473
Total Liabilities		54,010
Total Net Assets		58,633,178

The accompanying notes form an integral part of these financial statements.

SHB SICAV

(Société d'investissement à capital variable)

Statement of Operations

For the period from 1 June 2010 (date of incorporation) to 31 December 2010 (expressed in)	Note	XACT Hang Seng China EUR	XACT Nordic 120 EUR	XACT Nordic Bank & Insurance EUR	XACT Nordic Construction & Real Estate EUR	XACT Nordic Consumer EUR
Expenses						
All-in fees	3	695	20,569	3,317	3,452	3,259
Taxe d'abonnement	4	16	1,058	140	130	104
Total Expenses		711	21,627	3,457	3,582	3,363
Net (loss) from investments		(711)	(21,627)	(3,457)	(3,582)	(3,363)
Net realised gain on swaps		492	–	28,069	197,879	52,201
Net realised gain/(loss) for the period		(219)	(21,627)	24,612	194,297	48,838
Change in unrealised appreciation on swaps		–	2,269,338	131,263	309,995	27,924
Net increase/(decrease) in Net Assets as a result of operations		(219)	2,247,711	155,875	504,292	76,762

The accompanying notes form an integral part of these financial statements.

SHB SICAV

(Société d'investissement à capital variable)

Statement of Operations (Continued)

For the period from 1 June 2010 (date of incorporation) to 31 December 2010 (expressed in)	Note	XACT Nordic Energy EUR	XACT Nordic Health Care EUR	XACT Nordic Industrials EUR	XACT Nordic Materials EUR	XACT Commodity USD
Expenses						
All-in fees	3	3,513	3,328	3,489	3,326	10,158
Taxe d'abonnement	4	130	152	140	123	250
Total Expenses		3,643	3,480	3,629	3,449	10,408
Net (loss) from investments		(3,643)	(3,480)	(3,629)	(3,449)	(10,408)
Net realised gain on swaps		272,044	–	194,015	161,735	179,228
Net realised gain/(loss) for the period		268,401	(3,480)	190,386	158,286	168,820
Change in unrealised appreciation on swaps		413,489	156,546	454,336	228,436	901,141
Net increase/(decrease) in Net Assets as a result of operations		681,890	153,066	644,722	386,722	1,069,961

The accompanying notes form an integral part of these financial statements.

SHB SICAV

(Société d'investissement à capital variable)

Statement of Operations (Continued)

For the period from 1 June 2010 (date of incorporation) to 31 December 2010 (expressed in)	Note	Combined EUR
Expenses		
All-in fees	3	52,538
Taxe d'abonnement	4	2,180
Total Expenses		54,718
Net (loss) from investments		(54,718)
Net realised gain on swaps		1,040,354
Net realised gain/(loss) for the period		985,636
Change in unrealised appreciation on swaps		4,664,660
Net increase/(decrease) in Net Assets as a result of operations		5,650,296

The accompanying notes form an integral part of these financial statements.

SHB SICAV

(Société d'investissement à capital variable)

Statement of Changes in Net Assets

For the period from 1 June 2010 (date of incorporation) to 31 December 2010 (expressed in)	XACT Hang Seng China EUR	XACT Nordic 120 EUR	XACT Nordic Bank & Insurance EUR	XACT Nordic Construction & Real Estate EUR	XACT Nordic Consumer EUR
Net Assets at the beginning of the period	–	–	–	–	–
Net increase/(decrease) in Net Assets as a result of operations	(219)	2,247,711	155,875	504,292	76,762
Proceeds from shares issued	329,970	32,933,150	3,000,000	3,000,000	3,299,691
Payments for shares redeemed	(229,919)	–	(527,330)	(1,396,092)	(2,149,854)
Net Assets at the end of the period	99,832	35,180,861	2,628,545	2,108,200	1,226,599

The accompanying notes form an integral part of these financial statements.

SHB SICAV

(Société d'investissement à capital variable)

Statement of Changes in Net Assets (Continued)

For the period from 1 June 2010 (date of incorporation) to 31 December 2010 (expressed in)	XACT Nordic Energy EUR	XACT Nordic Health Care EUR	XACT Nordic Industrials EUR	XACT Nordic Materials EUR	XACT Commodity USD
Net Assets at the beginning of the period	–	–	–	–	–
Net increase/(decrease) in Net Assets as a result of operations	681,890	153,066	644,722	386,722	1,069,961
Proceeds from shares issued	3,000,000	3,000,000	3,000,000	3,000,000	10,743,940
Payments for shares redeemed	(1,470,108)	–	(1,092,411)	(1,460,004)	(1,715,850)
Net Assets at the end of the period	2,211,782	3,153,066	2,552,311	1,926,718	10,098,051

The accompanying notes form an integral part of these financial statements.

SHB SICAV

(Société d'investissement à capital variable)

Statement of Changes in Net Assets (Continued)

For the period from 1 June 2010 (date of incorporation) to 31 December 2010 (expressed in)	Combined EUR
Net Assets at the beginning of the period	–
Net increase/(decrease) in Net Assets as a result of operations	5,650,296
Proceeds from shares issued	62,590,683
Payments for shares redeemed	(9,607,801)
Net Assets at the end of the period	<u>58,633,178</u>

The accompanying notes form an integral part of these financial statements.

SHB SICAV

(Société d'investissement à capital variable)

Statement of Changes in Number of Shares Outstanding

For the period from 1 June 2010 (date of incorporation) to 31 December 2010	XACT Hang Seng China	XACT Nordic 120	XACT Nordic Bank & Insurance	XACT Nordic Construction & Real Estate	XACT Nordic Consumer
Changes in shares outstanding					
Number of shares outstanding at the beginning of the period	–	–	–	–	–
Number of shares issued	33,000	3,200,000	300,000	300,000	330,000
Number of shares redeemed	(23,000)	–	(50,000)	(120,000)	(210,000)
Number of shares outstanding at the end of the period	10,000	3,200,000	250,000	180,000	120,000

The accompanying notes form an integral part of these financial statements.

SHB SICAV

(Société d'investissement à capital variable)

Statement of Changes in Number of Shares Outstanding (Continued)

For the period from 1 June 2010 (date of incorporation) to 31 December 2010	XACT Nordic Energy	XACT Nordic Health Care	XACT Nordic Industrials	XACT Nordic Materials	XACT Commodity
Changes in shares outstanding					
Number of shares outstanding at the beginning of the period	–	–	–	–	–
Number of shares issued	300,000	300,000	300,000	300,000	1,010,000
Number of shares redeemed	(120,000)	–	(90,000)	(130,000)	(150,000)
Number of shares outstanding at the end of the period	180,000	300,000	210,000	170,000	860,000

The accompanying notes form an integral part of these financial statements.

SHB SICAV

(Société d'investissement à capital variable)

Statistical Information

Sub-Fund	Total Net Assets and Net Asset Value per Share (in base currency) 31 December 2010		Number of shares outstanding 31 December 2010
XACT Hang Seng China Class ETF	EUR	99,832 9.98	10,000
XACT Nordic 120 Class ETF	EUR	35,180,861 10.99	3,200,000
XACT Nordic Bank & Insurance Class ETF	EUR	2,628,545 10.51	250,000
XACT Nordic Construction & Real Estate Class ETF	EUR	2,108,200 11.71	180,000
XACT Nordic Consumer Class ETF	EUR	1,226,599 10.22	120,000

The accompanying notes form an integral part of these financial statements.

SHB SICAV

(Société d'investissement à capital variable)

Statistical Information (Continued)

Sub-Fund	Total Net Assets and Net Asset Value per Share (in base currency) 31 December 2010		Number of shares outstanding 31 December 2010
XACT Nordic Energy Class ETF	EUR	2,211,782 12.29	180,000
XACT Nordic Health Care Class ETF	EUR	3,153,066 10.51	300,000
XACT Nordic Industrials Class ETF	EUR	2,552,311 12.15	210,000
XACT Nordic Materials Class ETF	EUR	1,926,718 11.33	170,000
XACT Commodity Class ETF	USD	10,098,051 11.74	860,000

The accompanying notes form an integral part of these financial statements.

SHB SICAV

(Société d'investissement à capital variable)

Notes to the Financial Statements

1. General Information

SHB SICAV (the “Fund”), an open-ended collective investment company (société d'investissement à capital variable) was incorporated in Luxembourg on 1 June 2010. The Fund was established under Part 1 of the Law of 20 December 2002 relating to undertakings for collective investments, with an umbrella structure comprising different Sub-Funds and Classes.

As at 31 December 2010 there are ten Sub-Funds:

XACT Hang Seng China

The shares are offered at offering price expressed in Euro (EUR).

XACT Nordic 120

The shares are offered at offering price expressed in EUR.

XACT Nordic Bank & Insurance

The shares are offered at offering price expressed in EUR.

XACT Nordic Construction & Real Estate

The shares are offered at offering price expressed in EUR.

XACT Nordic Consumer

The shares are offered at offering price expressed in EUR.

XACT Nordic Energy

The shares are offered at offering price expressed in EUR.

XACT Nordic Health Care

The shares are offered at offering price expressed in EUR.

XACT Nordic Industrials

The shares are offered at offering price expressed in EUR.

XACT Nordic Materials

The shares are offered at offering price expressed in EUR.

XACT Commodity

The shares are offered at offering price expressed in United States Dollar (USD).

2. Summary of Significant Accounting Policies

Presentation of Financial Statements

The financial statements are prepared in accordance with Luxembourg legal and regulatory requirements relating to undertakings for collective investments.

a) Combined Financial Statements

The combined Statement of Net Assets, the combined Statement of Operations and the combined Statement of Changes in Net Assets have been prepared in Euro. For the purpose of preparing these combined statements, the assets, liabilities, income and expenses of the Sub-Fund XACT Commodity have been translated into Euro at the applicable exchange rate at 31 December 2010.

SHB SICAV

(Société d'investissement à capital variable)

Notes to the Financial Statements (Continued)

2. Summary of Significant Accounting Policies (continued)

b) Swaps

The Fund may enter into swap contracts in which the Fund and the counterparty agree to exchange payments (periodically throughout the life of the contract) where one or both parties pay the returns generated by a security, index, commodities, or instruments on an agreed upon notional amount. The relevant indices include, but are not limited to, currencies, interest rates, prices and total return on interest rates indices, fixed income indices and stock indices. All swap transactions are valued based on a calculation of the net present value of their expected cash flows.

Unrealised gains or losses on swaps are recorded under unrealised net gain/(loss) on swaps in the Statement of Net Assets.

Realised gains and losses and change in unrealised gains or losses on swaps are recorded under net realised gain/(loss) on swaps, and under change in unrealised appreciation/(depreciation) on swaps in the Statement of Operations.

The change in the value of the swap is reported as change in unrealised appreciation/(depreciation) on swaps, until termination of the contract when it is realised. Periodic interest payments to be paid or received are accrued on a daily basis and included in interest income or interest expense.

c) Foreign Exchange Translation

The financial statements of each Sub-Fund are expressed in Euro (EUR) except for the following Sub-Fund:

Sub-Fund	Currency
XACT Commodity	United States Dollar (USD)

Bank accounts, other net assets or other net liabilities and the market value of the investments in currencies other than the Sub-Fund's currency are translated into the Sub-Fund's currency at the applicable exchange rates prevailing at 31 December 2010.

Transactions in foreign currencies are translated into the Sub-Fund's currency at exchange rates prevailing on payment date.

Resulting realised and unrealised foreign exchange gains or losses are included in the Statement of Operations. Foreign exchange rates used at 31 December 2010 are as follows:

USD 1 = EUR 0.7472

d) Cost of Swaps

The cost of swaps denominated in currencies other than the Sub-Fund's currency, are translated into the Sub-Fund's currency at the exchange rate prevailing at the date of purchase.

e) Allocation of Shared Expenses

Shared expenses include all fees other than those covered under notes 3, such as, audit fees, publication fees and legal fees. Audit fees and other expenses are allocated to each Sub-Fund based on their respective Net Asset Value.

SHB SICAV

(Société d'investissement à capital variable)

Notes to the Financial Statements (Continued)

2. Summary of Significant Accounting Policies (continued)

f) Dividends

The ETF class shares are capitalization shares and will hence not distribute any dividends.

3. Fees and Expenses

All-in Fee

The Fund pays out of the assets of each Sub-Fund a fee (the "All-in Fee") which covers the following fees:

- Investment Manager fee;
- Administrative and Paying Agent fee;
- Registrar and Transfer Agent fee;
- Corporate and Domiciliary Agent fee;
- Custodian fee;
- Audit fee and
- Other administrative expenses.

The Investment Manager distributes the relevant fee to each service provider to the Fund out of the proceeds received from the Fund as the All-in Fee. The All-in Fee is calculated on the Net Asset Value as determined on each Valuation Day and is payable monthly in arrears.

4. Taxe d'Abonnement

Under current law and practice, the Fund is not liable to any Luxembourg income tax, nor are dividends paid by the Fund liable to any Luxembourg withholding tax. However until 31 December 2010, the Fund is liable in Luxembourg to a subscription tax, "taxe d'abonnement", of 0.05% per annum of its Net Asset Value, such tax being payable quarterly on the basis of the value of the net assets of the Fund at the end of the relevant calendar quarter. In respect of any class of shares which comprise only institutional investors (within the meaning of article 174 of the law of 2010), the tax will be at the rate of 0.01% per annum. This tax is not applicable for the portion of the assets of the Fund invested in other Luxembourg collective investment undertakings. No stamp duty or other tax is payable in Luxembourg on the issue of shares in the Fund. No tax is payable in Luxembourg on realised or unrealised capital appreciation of the assets of the Fund.

Dividends, interest and capital gains on investments held by the Fund maybe subject to non-recoverable tax, and withholding and capital gains taxes in the countries of origin.

Investors should consult their professional advisers on the taxation applicable under the laws of their countries of citizenship, residence or domicile.

SHB SICAV

(Société d'investissement à capital variable)

Notes to the Financial Statements (Continued)

5. Swaps

Swaps were entered into between Svenska Handelsbanken AB (publ) ("**Handelsbanken**") and SHB SICAV (the "**SICAV**") acting separately for the account of its various sub-funds.

Each swap has three legs:

1. an equity leg paid by Handelsbanken to the SICAV (referred to as "**Equity Amounts**").
2. an interest leg paid by the SICAV to Handelsbanken (referred to as "**Floating Amount I**").
3. an interest leg paid by Handelsbanken to the SICAV (referred to as "**Floating Amount II**").

The reason there are two interest legs is that the swaps are "fully-funded", i.e. the notional amount (referred to as Cost of swaps in the Statement of Net Assets) is paid to Handelsbanken on inception of the swaps and to the SICAV upon termination.

The interest rate is generally EONIA (plus a spread of 0 basis points) for both interest legs. In other words, Floating Amount I equals Floating Amount II, so the net interest is 0 and therefore no interest amounts need to be exchanged between Handelsbanken and the SICAV. The only exceptions refer to swaps entered into in 2010 for the XACT Commodity sub-fund. In those swaps - instead of the foregoing interest rates - the XACT Commodity sub-fund pays 32 basis points to Handelsbanken, and Handelsbanken pays a USD T-bill rate to the XACT Commodity sub-fund.

As at 31 December 2010, the XACT Nordic 120 sub-fund had the following outstanding Fully Funded Swaps:

Currency	Commitment	Nominal Amount	Underlying Asset	Maturity Date	Unrealized Gain in EUR
EUR	2,999,498	(4,699)	NASDAQ OMX Nordic 120 index	21/09/2011	301,994
EUR	3,971,600	(6,264)	NASDAQ OMX Nordic 120 index	28/09/2011	429,513
EUR	4,938,252	(7,830)	NASDAQ OMX Nordic 120 index	03/10/2011	563,206
EUR	4,966,248	(7,829)	NASDAQ OMX Nordic 120 index	07/10/2011	534,824
EUR	16,032,120	(23,444)	NASDAQ OMX Nordic 120 index	14/12/2011	439,801
				Total	2,269,338

SHB SICAV

(Société d'investissement à capital variable)

Notes to the Financial Statements (Continued)**5. Swaps (continued)**

As at 31 December 2010, the XACT Nordic Bank & Insurance sub-fund had the following outstanding Fully Funded Swap:

Currency	Commitment	Nominal Amount	Underlying Asset	Maturity Date	Unrealized Gain in EUR
EUR	2,496,454	(4,018)	NASDAQ OMX Nordic Bank & Insurance index	21/09/2011	131,263
Total					131,263

As at 31 December 2010, the XACT Nordic Construction & Real Estate sub-fund had the following outstanding Fully Funded Swap:

Currency	Commitment	Nominal Amount	Underlying Asset	Maturity Date	Unrealized Gain in EUR
EUR	1,797,518	(2,766)	NASDAQ OMX Nordic Construction & Real Estate index	21/09/2011	309,995
Total					309,995

SHB SICAV

(Société d'investissement à capital variable)

Notes to the Financial Statements (Continued)**5. Swaps (continued)**

As at 31 December 2010, the XACT Nordic Consumer sub-fund had the following outstanding Fully Funded Swaps:

Currency	Commitment	Nominal Amount	Underlying Asset	Maturity Date	Unrealized Gain in EUR
EUR	898,533	(1,269)	NASDAQ OMX Nordic Consumer index	21/09/2011	20,888
EUR	299,693	(423)	NASDAQ OMX Nordic Consumer index	01/12/2011	7,036
Total					27,924

As at 31 December 2010, the XACT Nordic Energy sub-fund had the following outstanding Fully Funded Swap:

Currency	Commitment	Nominal Amount	Underlying Asset	Maturity Date	Unrealized Gain in EUR
EUR	1,797,572	(3,256)	NASDAQ OMX Nordic Energy index	21/09/2011	413,489
Total					413,489

SHB SICAV

(Société d'investissement à capital variable)

Notes to the Financial Statements (Continued)**5. Swaps (continued)**

As at 31 December 2010, the XACT Nordic Health Care sub-fund had the following outstanding Fully Funded Swap:

Currency	Commitment	Nominal Amount	Underlying Asset	Maturity Date	Unrealized Gain in EUR
EUR	2,999,501	(4,376)	NASDAQ OMX Nordic Health Care index	21/09/2011	156,546
Total					156,546

As at 31 December 2010, the XACT Nordic Industrials sub-fund had the following outstanding Fully Funded Swap:

Currency	Commitment	Nominal Amount	Underlying Asset	Maturity Date	Unrealized Gain in EUR
EUR	2,097,159	(3,082)	NASDAQ OMX Nordic Industrials index	21/09/2011	454,336
Total					454,336

As at 31 December 2010, the XACT Nordic Materials sub-fund had the following outstanding Fully Funded Swap:

Currency	Commitment	Nominal Amount	Underlying Asset	Maturity Date	Unrealized Gain in EUR
EUR	1,697,649	(2,691)	NASDAQ OMX Nordic Materials index	21/09/2011	228,436
Total					228,436

SHB SICAV

(Société d'investissement à capital variable)

Notes to the Financial Statements (Continued)**5. Swaps (continued)**

As at 31 December 2010, the XACT Commodity sub-fund had the following outstanding Fully Funded Swaps:

Currency	Commitment	Nominal Amount	Underlying Asset	Maturity Date	Unrealized Gain in USD
USD	2,665,670	(3,772)	SHB Commodity Index Excess Return	14/10/2011	384,200
USD	6,521,664	(8,706)	SHB Commodity Index Excess Return	02/12/2011	516,941
				Total	901,141

6. Changes in Investment Portfolio

The schedule of changes in the investment portfolio is available upon request to the Registered Office of the Fund.