



## Aims and investment strategy

The HQ Fastighet ETF is an index fund pursuant to Chapter 5, 7§ of the Swedish Act on Investment Funds (2004:46) and is classified as a securities fund (UCITS). The aim of the fund is to generate a return in line with the HQ OMX Fastighet index™, before management fees and overheads. The fund company does not guarantee that this target will be met. The underlying companies in the index are liquid companies in the real estate sector traded on NASDAQ OMX Stockholm AB (the Stockholm stock exchange). At fund inception in June 2010, the HQ OMX Fastighet Index contained the following companies; Lundbergföretagen, Castellum, Hufvudstaden, Wallenstam, Fabege, Kungsleden and Wihlborgs. The index is market capitalisation weighted. At the half-yearly re-weighting of the index, the weighting of each company is capped at a maximum of 15%. The index is calculated and published by NASDAQ OMX.

The investment aims shall be achieved by the fund investing its assets in transferable securities, money-market instruments, derivative instruments and fund units as well as accounts with credit institutions. Investments in fund units in investment funds may amount to a maximum of 10 percent of the fund's value. The fund may invest in derivative instruments as part of its investment strategy.

The issuers or guarantors in accordance with Chapter 5 §8 of the Swedish Act on Investment Funds (2004:46) of debt instruments in which it is intended that more than 35 percent of the fund's assets will be invested may be one or more of the following: The Swedish government, a Swedish county council, a Swedish municipality or district, Kommuninvest i Sverige AB, the Norwegian government, a member state of the G20 group and a member state of the EU.

## Risk

**Risk category:** 5 (1 = low, 6 = high)

Investing in equities is associated with a risk of large price fluctuations (market risk).

The fund's investments are concentrated to a small number of holdings, which means this fund should not be the only holding in a securities portfolio.

The fund company contracts at least one market guarantor to assure liquidity of fund units in stock market trade.

The fund may both increase or decrease in value and there is no guarantee that you will be repaid all of your invested capital. For additional information regarding risk please refer to the fund's information sheet and the fund web page at [www.carnegie.se/etf](http://www.carnegie.se/etf)

## Historical returns

The fund has no history as it is newly created. The return on the HQ OMX Fastighet Index has been:

**2007: -18% 2008: -22% 2009: +32% 2010 until May 11: -2%, 2007 until May 11, 2010: -18%**

## Who is the fund suitable for?

- Investors wanting exposure to the Swedish real estate sector
- Those wishing to diversify the risk in their portfolio by allocating a portion to real estate
- Those wishing to speculate on an increase in value of the underlying companies and wanting to be able to trade several times daily

## Dividends

The fund pays dividends in March during each year provided that the fund has generated taxable earnings and if the fund company so decides. Any dividends are paid in cash via the registrar.

## Fees

### Fees paid directly by the investor

#### For stock market trade:

Entry fee:	0 %
Exit fee:	0 %

Brokerage fees are payable to the broker

#### For trade with the fund company – does not apply to stock market trade:

Entry fee:	3.0 %
Exit fee:	3.0 %
Minimum fee:	15,000 SEK

#### Fees deducted from the fund (as a percentage of the unit value)

Annual management fee:	0.40 %
Other fees:	0 %

**Total expense ratio (TER) 2009: Cannot be calculated for new fund**

The above fees are applicable. For additional information please refer to the 11§ of the fund statutes or the fund company.

**Costs for 2009 in addition to TER: Cannot be calculated for new fund**

Costs that may vary between years are such items as brokerage fees for purchases and sales of securities in the fund

**Churn 2009: Cannot be calculated for new fund**

Information about brokerage fees and churn is made available in the fund's annual report



## Tax Rules

**Taxation of the fund:** The fund is taxed on its income. However, the fund may make deductions for dividends to the unit holders. In order to avoid double taxation the fund pays dividends. Tax is therefore not normally paid by the fund.

**Taxation of fund unit holders (natural persons):** Preliminary tax/coupon tax is deducted from dividends by the fund manager or by Euroclear Sweden AB. Capital gains/losses are reported on a statement of earnings and tax deductions submitted to the Swedish National Tax Board, but no tax deductions are made. Taxation may depend on individual circumstances. If you are uncertain about any taxation implications you should talk to the advisors at Carnegie Investment Bank.

## Price Information

The unit value (NAV) is normally calculated every bank day and is published on our website [www.carnegie.se/etf](http://www.carnegie.se/etf) on the next day. Since the fund is quoted on a market, prices are published in certain daily newspapers

## Buying/selling fund units

### Secondary market transactions – Applies to most investors

Most investors are expected to buy and sell fund units via the Stockholm stock exchange or other relevant marketplace, called secondary market transactions. Trade in fund units takes place principally on the stock market in the same way as with stocks, which means that units can therefore be bought and sold several times per day at the current market price, independently of the fund company. These secondary market transactions take place between counterparties at a price agreed between the counterparties through the stock market. The fund company is never a party in such trade and therefore no fees are payable to the fund company for the trade. The fund company does not conduct real time trade in fund units and consequently accepts no responsibility for transactions or pricing that take place on the stock market.

### Primary market transactions – Directly with the fund company by mainly market guarantors and professional investors

Primary market transactions are the procedure for creating new fund units or redeeming existing fund units. These transactions commonly involve large amounts and utilise special closure procedures. This trade is expected to take place between professional parties, primarily market guarantors, and the fund company. The fund company has an agreement with at least one market guarantor to continuously set buy and sell prices in order to facilitate market trade in the fund units.

Information about trading directly with the fund company is available in the fund statutes and from the fund company.

## Fees

Fund company:	Carnegie Fonder AB
Registered office:	Stockholm
Custodian institution:	Skandinaviska Enskilda Banken AB (publ)
Complaints officer:	Head of Fund Administration
Auditor:	PWC
Supervisory authority:	Swedish Financial Supervisory Authority (Finansinspektionen)
First day of trade:	May 26, 2010
Legal form of the fund	Securities fund
Fund company authorised to conduct fund activities:	November 25, 1991

The fund company also conducts discretionary portfolio management

### For further information about the fund please contact:

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E-mail: [etf@carnegie.se](mailto:etf@carnegie.se)  
[www.carnegie.se/etf](http://www.carnegie.se/etf)

This simplified prospectus contains general information about the fund. If you wish to view the fund's information sheet, the annual report or half-year report please contact the fund company at [www.carnegie.se/etf](http://www.carnegie.se/etf).



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