



Adopted by the board of directors April 8, 2010. Approved by the Swedish Financial Supervisory Authority May 27, 2010, register entry 10-3457

§ 1 The investment fund's legal position

The name of the fund is HQ Fastighet ETF, hereinafter referred to as the fund.

The fund is a securities fund pursuant to the Swedish Act on Investment Funds (2004:46). The assets of the fund are owned jointly by the fund unit holders and each fund unit confers equal right to the assets that make up the fund. The fund company (see §2) represents the holders of units in the fund in all matters regarding the investment fund, decides over property included in the fund and exercises the rights pertaining to such property.

The fund is not a legal entity and may therefore neither acquire rights nor assume obligations. The fund unit holders are not responsible for the fund's obligations.

The fund is intended for the general public.

§ 2 The fund manager

The fund is managed by HQ Fonder Sverige AB, corporate registration number 556266-6049, hereinafter referred to as the fund company.

§ 3 Custodian institution and its function

The custodian institution for the assets of the fund is Skandinaviska Enskilda Banken AB (publ), corporate registration number 502032-9081.

The custodian institution implements the fund company's decisions with regard to the fund and receives and retains the fund's assets. In addition the custodian institution ensures that sales and redemptions of fund units, the valuation of fund units and other use of the fund's assets are not in contravention of the regulations of the Swedish Act on Investment Funds or the fund statutes.

§ 4 Characteristics of the fund

The fund is an index fund with an investment goal to generate a return in line with the HQ OMX Fastighet (real estate) index before management fees and overheads. The HQ OMX Fastighet index comprises companies active in the real estate sector that are quoted on NASDAQ OMX Stockholm AB (the Stockholm stock exchange). The index is market capitalisation weighted. At the half-yearly re-weighting of the index, the weighting of each company in the index is capped to a maximum of 15 percent. During the period between two re-weightings of the index, the weighting of an individual company may amount to a maximum of 20 percent. The index is calculated and published by NASDAQ OMX.

The fund company does not guarantee that the fund's investment goals will be achieved.

It is intended that the fund units will be subject to trade on at least one market place.

The fund is denominated in Swedish kronor (SEK).

More information about the characteristics and risks associated with the fund is available on the fund company's website, www.hq.se/ETF.

The register of fund unit holders is maintained by Euroclear Sweden AB, corporate registration number 556112-8074, hereinafter referred to as Euroclear, in pursuance of the Swedish Act on Registration of Financial Instruments (1998:1479).

§ 5 Investment strategy of the fund

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 Swedish Financial Supervisory Authority (Finansinspektionen) has in accordance with Chapter 5 §8 of the Swedish Act on Investment Funds (2004:46) given permission that the fund's assets may be 100% invested in bonds and other debt instruments issued by or guaranteed by a government, a local authority or a governmental or local authority body in a country within the EEA or by any intergovernmental body in which one or more EEA states are members.

The fund may enter into agreements regarding securities loans and derivative positions secured against a total of 100 percent of the net asset value of the fund.

The fund may utilise derivative instruments as part of its investment strategy.

Derivative instruments may relate to underlying assets that comprise or relate to any of the assets in which the fund may invest as above, financial indexes or interest rates.

§ 6 Market places etc

Purchases and sales of transferable securities and money market instruments may take place on a regulated market or an equivalent market outside the EEA or another market that is regulated and open to the public. The fund is therefore not limited to the market place of a particular country.

§ 7 Special investment strategy

The fund's assets may also be invested in such transferable securities and money market instruments as referred to in Chapter 5, §5 of the Swedish Act on Investment Funds, but to a maximum of 10 percent of the fund's value.

The Swedish Financial Supervisory Authority (Finansinspektionen) has in accordance with Chapter 5 §8 of the Swedish Act on Investment Funds (2004:46) given permission that the fund's assets may be 100% invested in bonds and other debt instruments issued by or guaranteed by a government, a local authority or a governmental or local authority body in a country within the EEA or by any intergovernmental body in which one or more EEA states are members. 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.

Investments in derivative instruments may take place as part of the fund's investment strategy. The same applies to investments in derivatives referred to in Chapter 5 §12 second paragraph of the Swedish Act on Investment Funds (2004:46).

The fund is an index fund with an investment goal to generate a return in line with the HQ OMX Fastighet index before management fees and overheads. The HQ OMX Fastighet index comprises companies active in the real estate sector and traded on the Stockholm stock exchange. The index is market capitalisation weighted. At the half-yearly re-weighting of the index, the weighting of each company in the index is capped at a maximum of 15 percent. The index is calculated and published by NASDAQ OMX.

§ 8 Valuation

The value of one fund unit is the value of the fund divided by the total number of outstanding fund units. The value of the fund is calculated by deducting from the assets those liabilities related to the fund. The value of fund units is calculated each bank day. The fund company, however, does not calculate the unit value if the fund is closed for sales or redemptions.

The fund's assets are calculated as follows:

- Transferable securities, fund units and money market instruments are valued at the current market value (last price paid or, if this is not available, last bid price). If such prices are not available or are misleading in the assessment of the fund company, they may be included at a value determined by the fund company on an objective basis.
- Cash and cash equivalents, including deposits in bank accounts, short-term investments on the money market and special deposits with banks.
- Accrued interest
- Accrued dividends
- Transactions not settled
- Other receivables related to the fund

For all assets, all associated rights are considered in the form of interest, dividends, issue rights and similar.

The fund's liabilities are calculated as follows:

- Accrued management fees to the fund company

- Payments to the custodian institution
- Acquisitions not settled
- Tax liabilities
- Other liabilities related to the fund

For transferable securities and money market instruments as referred to in Chapter 5, §5 of the Swedish Act on Investment Funds and for derivative instruments referred to in Chapter 5 §2 of the same Act, a market value is established using a special valuation. The basis for this special valuation includes:

- Market prices from unapproved stock markets or market makers
- Other financial instruments or indexes, adjusted for differences in, for example, credit risk and liquidity (reference valuation)
- Discounted cash flows (net present value)
- Share of net asset value (financial statement valuation)
- Initially the transferable securities and money-market instruments may also be valued at cost

§ 9 Sales and redemptions of fund units

Secondary market transactions

Most investors are expected to buy and sell fund units via the Stockholm stock exchange or other relevant marketplace, called secondary market transactions. These secondary market transactions take place between counterparties at a price agreed between the counterparties through the marketplace. 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 is expected to be traded in local currency on the secondary market.

Primary market transactions directly with the fund company

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 settlement procedures. This trade is expected to take place between professional parties, primarily market guarantors, and the fund company.

Fund units are issued by the fund company, at which time the fund company has the right to charge payment for issues and redemptions, see § 11. The fund is normally open for sales and redemptions of fund units on every bank day and this takes place through the fund company or its intermediary. However the fund is not open for sales and redemptions on bank days when a valuation of the fund's assets cannot be conducted in a manner that assures the equal rights of fund unit holders as a consequence of one or several of the market places on which the fund's trade takes place being partly or entirely closed.

The fund company will specify the deadline that applies for a request to buy or redeem fund units to be regarded as having been received during the current bank day. For information regarding this deadline please refer to the fund's information sheet.

Requests for sales and redemptions of fund units take place at the fund unit value established for the current bank day. Sales and redemptions of fund units take place at a price unknown to the unit holder at the time the sale or redemption is requested. Requests for sales and redemptions of fund units must be made in writing or, by special agreement, via electronic media. Settlement for units purchased can be credited to the fund through cash payment or through the fund being credited with financial instruments, possibly combined with cash payment, in accordance with instructions that will in these cases be received from the fund company.

Requests for sales and redemptions that are received later than the deadline indicated by the fund company will be regarded as having been received on the subsequent bank day. Requests for sales or redemptions of fund units may only be rescinded at the discretion of the fund company.

If a request for sale or redemption of fund units is received by the fund company when the fund is closed for sales and redemptions, the unit value is normally established on the subsequent bank day.

Information about the price for sales and redemptions is available from the fund company no later than the bank day following the bank day on which the unit value is established in accordance with the paragraph above.

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§ 10 Extraordinary circumstances

The fund may be closed for sales and redemptions in those cases where extraordinary circumstances have arisen whereby a valuation of the fund's assets cannot be conducted in a manner that assures the equal right of the fund unit holders.

§ 11 Commission and fees

The fund company's management fee shall be paid from the fund's assets. The management fee is charged at a fixed rate not exceeding 0.50 percent of the fund's value per year. The management fee is calculated daily and is paid to the fund company monthly in arrears. The management fee includes payments to the custodian institution for storage of the securities included in the fund including any statutory value-added tax, payment to the Swedish Financial Supervisory Authority for its supervisory activities in accordance with the Authority's current regulations as well as payment to the fund company's auditors. Brokerage fees and other expenses as well as tax consequent upon the fund's purchases and sales of financial instruments and statutory tax are charged to the fund.

Upon issuance and redemption of fund units on the primary market the fund company has the right to charge a fee that is calculated as the greater of (a) 3 percent of the fund unit value, and (b) SEK 15,000. This fee is payable to the fund company.

§ 12 Dividends

Dividends on fund units will be paid during the month of March following the end of the financial year to all unit holders that are registered as unit holders in the register maintained by Euroclear on a dividend date (record date) determined by the fund company. Unless otherwise decided by the fund company, the

fund's taxable profit for the latest completed financial year shall be used for dividends.

The basis for dividends may be increased or decreased in order to adjust the net asset value of the fund to the aim of the fund's investment strategy.

The basis for dividends may be increased by accrued dividends paid in upon the sale of units and reduced by accrued dividends paid out upon the redemption of units.

Deductions shall be made for tax chargeable to the dividend.

Dividends are paid out in cash.

§ 13 Financial year of the investment fund

The financial year for the fund is the calendar year.

§ 14 Annual and half-year reports, changes to the fund statutes

The half-year report and annual report for the fund shall be made available at the fund company within two and four months respectively of the end of the reporting period and shall be sent to those fund unit holders that have requested to receive this information.

Any decision by the board of directors of the fund company to amend these fund statutes must be submitted to the Financial Supervisory Authority for approval. Upon approval the fund statutes shall be made available at the fund company and custodian institution and shall be published in the manner determined by the Financial Supervisory Authority.

§ 15 Pledging

In conjunction with the pledge of fund units the pledging party's account-holding institution or custodian account manager must be informed.

§ 16 Limitation of liability

The fund company shall not be liable for damage arising as a consequence of Swedish or foreign legislation, acts of Swedish or foreign governmental authorities, acts of war, strikes, blockades, boycotts, lockouts, or other similar circumstances. The reservation with respect to strikes, blockades, boycotts, and lockouts shall apply notwithstanding that the fund company is the subject of, or executes, such measure. The fund company shall not be liable for damage under other circumstances where the fund company has exercised normal care. The fund company shall under no circumstances be liable for indirect damage.

The fund company does not conduct real-time trade in the fund units and therefore accepts no liability for transactions or pricing that take place on the stock market. However, 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.

Should the fund company be prevented from making payments or taking other measures on account of circumstances stated in the first paragraph above, the said measures may be postponed until the obstacle has been removed. In the event of the fund company, as a result of such circumstance, being prevented from effecting or receiving payment, the fund company shall not be liable to pay interest.

Nor shall the fund company be held liable for loss or damage caused by the unit holder breaking the law, rules, regulations or these fund statutes. The unit holder is hereby made aware that the unit holder is responsible for ensuring that documentation sent to the fund company is correct and has authorised signatures and that the fund company is informed of changes that take place in any information submitted.

In addition the liability of the fund company and custodian institution is regulated by Chapter 2, § 21 of the Swedish Act on Investment Funds

§17 Disclaimer

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