

FULL PROSPECTUS

Including General Management Regulations and

Special Regulations of

HQ FUND

A mutual investment fund under Luxembourg Law

A Luxembourg Mutual Investment Fund investing mainly in transferable securities

Issued with a view to permanent public issuing of registered units of joint ownership.

Subscriptions can only be received on the basis of the full prospectus and of the simplified prospectus (hereafter “the Prospectuses”) accompanied by the latest annual report as well as by the latest semi-annual report, if published after the latest annual report. These reports form part of the Prospectuses.

Units of HQ Fund may neither be bought nor held directly or indirectly, by investors, who are residents or citizens of the United States and its sovereign territories; nor is the transfer of units to those persons permitted.

August 2009

HQ FUND

A Luxembourg Mutual Investment Fund investing mainly in transferable securities

FULL PROSPECTUS (August 2009)

Issued with a view to permanent public issuing of registered units of joint ownership

The units of the Fund will not be listed on any Stock Exchange.

The Fund is sponsored by:

HQ FONDER SVERIGE AB
Norrandsgatan, 15
SE-103 71 Stockholm

The Management Company of the Fund is:

SEB Fund Services S.A.
R.C.S. Luxembourg Nr- B 44.726
6a, Circuit de la Foire Internationale
L-1347 Luxembourg

The Board of Directors of the Management Company is:

Mikael Björknert (chairman)
Global Head of Securities Services of SEB Merchant Banking, Sweden

William Paus (vice-chairman)
Head of
SEB Merchant Banking, Norway

Ralf Ence
Senior Consultant to Head of SEB Merchant Banking, Sweden
Jan Hedman
Global Head of SEB Fund Services, Sweden

Rudolf Kömen (managing director)
SEB Fund Services S.A., Luxembourg

Ann-Charlotte Lawyer (managing director)
Head of SEB Fund Services S.A., Luxembourg

The Central Administration (hereafter the "Administrative Agent") is:

SEB Fund Services S.A.
6a, Circuit de la Foire Internationale
L-1347 Luxembourg

The Sub-Administrative Agent, including Registrar and Transfer Agent (hereinafter "the Sub-Administrative Agent") is:

European Fund Administration S.A.
2, rue d'Alsace
L-1122 Luxembourg

The Investment Manager is:

HQ Fonder Sverige AB
Norrandsgatan, 15
SE-103 71 Stockholm

**The independent authorized auditor
of the Fund is:**

**PricewaterhouseCoopers S.à r.l.
400, route d'Esch
L-1471 Luxembourg**

**The independent authorized auditor of the
Management Company is:**

**PricewaterhouseCoopers S.à r.l.
400, route d'Esch
L-1471 Luxembourg**

The Custodian Bank is:

**Skandinaviska Enskilda Banken S.A.
6a, Circuit de la Foire Internationale
L-1347 Luxembourg**

**Distributors and Paying Agents of
the Fund are:**

**In Luxembourg:
Skandinaviska Enskilda Banken S.A.
6a, Circuit de la Foire Internationale
L-1347 Luxembourg**

**In Sweden:
HQ Fonder Sverige AB
Norrandsgatan 15
SE-103 71 Stockholm**

It is not permissible to supply information or explanation that differs from the Prospectuses or the Management Regulations. SEB Fund Services S.A. is not liable if and to the extent that such divergent information or explanations are supplied.

The distribution of this Prospectus and supplementary documentation and the offering of units may be restricted in certain countries. Investors wishing to apply for units should inform themselves as to the requirements within their own country for transactions in units, any applicable exchange control regulations and the tax consequences of any transaction in units.

This Prospectus does not constitute an offer or solicitation by anyone in any country in which such offer or solicitation is not lawful or authorized, or to any person to whom it is unlawful to make such offer or solicitation.

Investors should note that not all the protections provided under their relevant regulatory regime may apply and there may be no right to compensation under such regulatory regime, if such scheme exists.

No one may refer to information other than that appearing in this Prospectus and in the documents referred to herein.

STRUCTURE OF THE DOCUMENT

Attached to this Full Prospectus are the Management Regulations for HQ Fund (hereafter "the Fund"). The Full Prospectus and the Management Regulations form a unit, providing information on and explanations of one and the same subject, and therefore supplement one another.

The Management Regulations following this Full Prospectus are subdivided into a General Section and a Special Section.

The General Section defines general legal principles and covers all the mutual investment funds governed by Part I of the Luxembourg law of December 20, 2002 (hereafter "the Law of 2002") and managed by SEB Fund Services S.A. and the Special Section defines fund specific information.

The Full Prospectus, the Simplified Prospectus, as well as the annual and semi-annual reports may be obtained, free of charge, from the Management Company, the Custodian Bank and the Paying Agents. Other important information will be communicated to unitholders in a suitable form by the Management Company.

Undertakings for collective investment managed by SEB Fund Services S.A.

The Management Company currently also acts as management company of other investment funds. The names of these investment funds are available on request of the Management Company's registered office.

FORMATION - LEGAL STATUS

HQ FUND is a mutual investment fund governed by Part I of the Luxembourg Law of 2002 relating to undertakings for collective investment and investing in marketable transferable securities. The Fund was set up for an undetermined duration. The current General Management Regulations have been deposited with the *Registre de Commerce et des Sociétés* of Luxembourg and the relating notices have been published in the *Mémorial C, Recueil des Sociétés et Associations* (hereafter "Mémorial C") on August 3, 2006; the Special Management Regulations have been deposited with the *Registre de Commerce et des Sociétés* of Luxembourg and the relating notices have been published in the *Mémorial C* on July 2, 2007.

HQ FUND as a mutual investment Fund does not have a legal personality. Its assets are the undivided joint property of the unitholders and are separate from the assets of the Management Company SEB Fund Services S.A. There is no restriction on the amount of the Fund's assets, nor to the number of its units.

HQ FUND has been established as an umbrella fund. The Management Company may on behalf of the Fund issue units (the "units") related to specific pools of assets (each a "Sub-Fund"). HQ FUND may be divided into several Sub-Funds, for various geographical areas or industrial sectors in which investments can be made.

MANAGEMENT REGULATIONS

The rights and duties of the unitholders of each Sub-Fund, the Management Company and the Custodian Bank are determined by the Management Regulations. Copies of the Management Regulations are available free of charge from the offices of the Custodian Bank, Skandinaviska Enskilda Banken S.A., 6a, Circuit de la Foire Internationale, L-1347 Luxembourg, as well as of SEB Fund Services S.A., same address.

The Management Company may, by mutual agreement with the Custodian Bank, make any amendment to the Management Regulations, which will then be published and enter into force upon its signature.

INVESTORS' PROFILE

The Sub-Funds are intended for investors who seek capital appreciation over the long-term and do not seek current income for their investment. Investors must be able to accept substantial year-to-year volatility and increased temporary losses. Investors should consider their long-term investment goals and financial needs when making an investment decision about an investment in one of the Sub-Funds. As a consequence an investment in one of the Sub-Funds is suitable to investors who can afford to set aside the capital invested for at least five years.

INVESTMENT OBJECTIVES AND POLICY OF THE FUND

The main objective of the Fund is the realisation of long-term capital growth coupled with security of the underlying assets. The Fund has long-term investment horizons and therefore the purchase of units in the Fund should be regarded as long-term investment.

The Fund has been formed to provide investors with a convenient means of participating in a professionally-managed portfolio of transferable securities, principally shares and bonds. The Fund may, however, acquire investments other than shares or bonds, and details of such investments and the related restrictions which apply to amounts of such investments, which may be required, are described below.

In order to achieve its main objective, the Fund's portfolio will include shares and bonds traded on a recognised Stock Exchange or another regulated market. The portfolio of the respective Sub-Fund will be actively managed, and investments centred on those companies, which have been identified as offering prospects for capital growth.

Options issued on transferable securities, subscription rights of shares and warrants issued on transferable securities traded on a recognised Stock Exchange or another regulated market may also be held on an ancillary basis.

The Fund may use derivatives. Their use need not be limited to hedging the Fund's assets; they may also be used for efficient portfolio management. Trading in derivatives is conducted within the confines of the investment limits and provides for the efficient management of the Fund's assets, while also regulating maturities and risks. Where the financial derivative instrument is cash-settled automatically or at the Management Company's discretion, the Fund will be allowed not to hold the specific underlying instrument as cover. As acceptable cover are considered:

- a) cash
- b) liquid debt instruments with appropriate safeguards
- c) other highly liquid assets which are recognised by the competent authorities considering their correlation with the underlying of the financial derivative instruments, subject to appropriate safeguards.

In Sub-Funds investing in a specific geographical area or industrial sector, emphasis will be given to the investments and currencies related to the specific objective of that Sub-Fund.

Furthermore, with a view to maintaining adequate liquidity, the Fund may, on an ancillary basis hold liquid assets. These can be kept in short-term bank deposits or call accounts or in money market instruments regularly negotiated, having a maturity of less than 12 months and issued or guaranteed by issuers or guarantors with a minimum rating of "Good".

When using certain techniques and instruments relating to transferable securities and money market instruments, such as securities lending and repurchase or reverse repurchase agreements, the Fund will at any time comply with the provisions of the CSSF Circular 08/356, as amended from time to time. The Management Company will employ a risk management, which enables it to measure at any time the risk related to these transactions.

The counterparties to such transactions must be subject to prudential supervision rules which are considered by the CSSF as equivalent to Community Law.

The Fund will not deviate from its investment policy and objective when using such techniques and instruments. The collateral received must not lead to a breach of the Fund's investment policy.

Collateral provided in cash will be held on blocked accounts in favour of the Fund.

In addition, the Fund's assets may be invested in all other eligible assets within the scope of legal possibilities and the provisions laid down in the General Section of the Management Regulations.

The investments of each Sub-Fund shall at any time comply with the investment rules set out hereafter, and the investors should, prior to any investment being made, take due account of the risks of investments set out hereafter.

The specific investment objective and policy of each Sub-Fund is described in the Sub-Funds' Particulars.

The general guidelines for the investment policy with regard to eligible assets and investment restrictions are laid down in Article 4 of the General Management Regulations.

UMBRELLA STRUCTURE

The Management Company has established segregated opposable accounts each constituting a Sub-Fund, the assets of which are invested in accordance with the particular investment features applicable to that Sub-Fund. The rights of the unitholders and creditors regarding a Sub-Fund are limited to the assets of the Sub-Fund. The assets of a Sub-Fund will be answerable exclusively for the rights of the unitholders relating to this Sub-Fund. In relation between unitholders, each Sub-Fund will be deemed to be a separate entity.

SUB-FUNDS

All Sub-Funds will comply with the objective described above and the investment restrictions laid down in the General Section of the Management Regulations.

At present, the following three Sub-Funds are at the unitholders' disposal:

HQ Fund – Swedish Equity Fund
HQ Fund – Total
HQ Fund – Gorilla

Details relating to their investment policy are laid down in the Sub-Funds' Particulars hereafter.

It is intended to create other Sub-Funds depending on the market opportunities and the needs of the investors. These other Sub-Funds will in principle be invested in one specific geographical area or industrial sector. In the event of the creation of new Sub-Funds, the Prospectuses will be amended accordingly.

As investment in the various Sub-Funds is subject to normal market risks, realisation of the main objective cannot be guaranteed.

INFORMATION ON RISK

General information

Investing in the Fund units involves financial risks. These can involve risk associated with equity markets, bond markets and foreign exchange markets such as changes in prices, interest rates and credit

worthiness. Any of these risks may also occur along with other risks. Some of these risk factors are detailed hereafter.

The Funds' investments normally consist of investments in or have exposure towards the asset classes, equities and / or bonds. Equities are generally inherent with a higher risk than bonds. This implies that the price of equity normally varies more than the price of a bond. The higher risk associated with equities offers at the same time a higher possibility of better return than bonds can offer. A combination of both asset classes can often give the individual investor the most suitable level of risk. If investments are made in securities traded in other currencies than the base currency a foreign exchange factor that can change the value of the investment must also be taken into account.

Investors should have a clear picture of the Fund, of the risks involved in investing in units of a Sub-Fund and they should not make a decision to invest until they have obtained financial and tax expert advice.

Investors assume the risk of receiving a lesser amount than they originally invested.

Risk factors

Market risk

This risk is of general nature and exists in all forms of investment. The principal factor affecting the price performance of securities is the performance of capital markets and the economic performance of individual issuers, which in turn are influenced by the general situation of the world economy, as well as the basic economic and political conditions in the particular countries or sectors.

Interest Rates

To the extent that the Fund respectively the Sub-Funds invest in interest bearing securities, they are exposed to risk of interest rate changes. These risks may be incurred in the event of interest rate fluctuations in the denomination currency of the securities or the Fund respectively the Sub-Funds.

If the market interest rate increases, the price of the interest bearing securities included in the Sub-Funds may drop. This applies to a greater degree, if the Sub-Funds should also hold interest bearing securities with a longer time to maturity and a lower nominal interest return.

Credit Risk

The creditworthiness (solvency and willingness to pay) of an issuer of a security held by the Fund may fall. Bonds or debt instruments involve a credit risk with regard to the issuers, for which the issuers' credit rating can be used as a benchmark. Bonds or debt instruments floated by issuers with a lower rating are generally viewed as securities with a higher credit risk and greater risk of default on the part of the issuers than those instruments that are floated by issuers with a better rating. If an issuer of bonds or debt instruments gets into financial or economic difficulties, this can affect the value of the bonds or debt instruments (this value could drop to zero) and the payments made on the basis of these bonds or debt instruments (these payments could drop to zero).

Risk of Default

In addition to the general trends on capital markets the particular performance of each individual issuer also affects the price of an investment. The risk of a decline in the assets of issuers, for example, cannot be entirely eliminated even by the most careful selection of securities.

Liquidity Risk

Liquidity risks arise when a particular security is difficult to dispose of. In principle, acquisitions for the Fund must only consist of securities that can be sold again at any time. Nevertheless, it may be difficult to sell particular securities at the required time during certain phases or in particular exchange segments. There is also the risk that securities traded in a rather tight market segment may be subject to significant price volatility.

Counterparty and Settlement Risk

When the Fund conducts over-the-counter (OTC) transactions, it may be exposed to risks relating to the credit standing of its counterparties and to their ability to fulfil the conditions of the contracts it enters into with them. Therefore, while entering into futures, options and swap transactions or using other derivative

techniques, the Fund will be subject to the risk of a counterparty which might not fulfil its obligations under a particular contract.

Settlement risk is the risk that a settlement in a transfer system may not take place as expected.

Derivatives

"Derivatives" is a generic name for instruments getting their return from underlying assets. The instruments are agreements on the purchase or sale of the underlying assets on a future date at a pre-set price. The return of the agreement depends on the return of the underlying asset. Common derivatives are futures, options and swaps.

Specific risks associated with derivatives

a) Derivatives are time limited and will expire.

b) The low payment normally required to establish a position permits a high degree of leverage. As a result, a relatively small movement in the price of a futures contract or a swap may result in a profit or a loss which is high in proportion to the amount of assets actually placed as payment and may result in further loss exceeding any payment deposited.

Currency Risk

If the Fund holds assets denominated in foreign currencies, it is subject to currency risk. Any devaluation of the foreign currency against the base currency of the Fund respectively the Sub-Fund would cause the value of the assets denominated in the foreign currency to fall.

Country Risk / Geographical Risk

Investments in a limited geographical market may be subject to a higher than average risk due to a higher degree of concentration, less market liquidity, or greater sensitivity to changes in market conditions.

Risk management process

The Management Company employs a risk management process, which enables it to monitor and measure at any time the risk of the positions and their contribution to the overall risk profile of the portfolio.

The risk profile of the Fund is monitored taking into account the current value of the underlying assets, the counterparty risk and the time available to liquidate the positions.

When a transferable security or money market instrument embeds a derivative, the latter must be taken into account when complying with the requirements of the risk measurement of the risk management process.

As investment in the Fund is subject to the above mentioned risks, realisation of the main objective cannot be guaranteed. Particular risk factors for the respective Sub-Funds are laid down in the Sub-Funds' particulars.

ACCUMULATION UNITS AND DIVIDEND UNITS

In accordance with Article 5 of the General Management Regulations, the Management Company may decide to issue, for each Sub-Fund, accumulation and distribution units. In the present context, the accumulation units will be named "A" units, whereas the dividend units will be named "B" units.

The "B" units will pay a dividend to its holders, whereas the "A" units will capitalise income with the result that their value will constantly be greater than that of the "B" units, in the proportion of the dividends paid to "B" units.

Dividends are paid annually, except for those Sub-Funds where the Management Company decided a monthly, quarterly or semi-annual dividend payment.

Unitholders have the right to convert their units of one class into units of another class pursuant to the principles described in the "Conversion" paragraph.

RIGHTS OF THE UNITHOLDERS

The Fund is open-ended, that is to say, new unitholders may join the Fund and existing unitholders may leave it at any time.

By acquiring units, the unitholder accepts all the terms and conditions of the Management Regulations.

The assets of each Sub-Fund constitute the joint and undivided property of the unitholders of that Sub-Fund. The money in the Fund is invested by the Management Company acting in its own name on behalf of the joint account of the unitholders in securities, money market instruments and other eligible assets, based on the principle of risk-spreading. The money invested in the Fund and the assets purchased with the money constitute the Fund's assets, which are kept separate from the Management Company's own assets.

Each unitholder has in the portion of assets relating to a Sub-Fund, an undivided interest in proportion to the units he owns in that Sub-Fund. All Fund units have the same right.

As stated in the "Redemption" Section, and in accordance with the Management Regulations, the unitholder has the right to obtain repayment of his units at the redemption price on each Valuation Day.

The Management Regulations do not provide for the holding of general meetings of unitholders.

MANAGEMENT - ORGANIZATION

HQ FUND is managed on behalf of the unitholders by SEB Fund Services S.A.

SEB Fund Services S.A. was incorporated for an unlimited period in the form of a "Société Anonyme" on August 2, 1993 under Luxembourg Law with subsequent publication in the Mémorial C, taking place on October 18, 1993. The articles were amended several times and for the last time on June 24, 2008 and published on July 11, 2008. The Management Company has its registered office in Luxembourg at 6a, Circuit de la Foire Internationale.

The Management Company has been transformed into a management company governed by chapter 13 of the Law of 2002 with effect as of October 25, 2004. Its subscribed and paid-in capital amounts to EUR 7,200,000.

The exclusive object of the Management Company is the creation, the administration, the management and the distribution of undertakings for collective investment, venture capital investment companies (SICAR) and pension funds.

The Board of Directors of the Management Company has the broadest powers to act in the company's name and to carry out all acts of administration and management relating to the company's objective, without prejudice to the limitations imposed by law, the Articles of Association of the Management Company and the Management Regulations.

The Board of Directors of the Management Company may be assisted by an investment committee, an investment advisor or an investment manager.

Additionally, the Management Company may, under its own responsibility, control and coordination, transfer some or all of its tasks to third parties for the purpose of efficient management.

The Management Company acts also as Central Administration, responsible for the administrative, registrar and transfer agent function (hereinafter "the Administrative Agent").

The duties relating to administration, registrar and transfer agent functions may only be sub-delegated by the Management Company to entities domiciled in Luxembourg.

The Management Company has delegated, at its own expense, the duties relating to the administration of the Fund as well as the transfer and registrar agent function to European Fund Administration S.A. (the "Sub-Administrative Agent"). The Sub-Administrative Agent will carry out all administrative duties related to the administration of the Fund, including the calculation of the Net Asset Value of the Units and the provision of accounting services to the Fund. Furthermore, it will process all subscriptions, redemptions and transfers of Units and will register these transactions in the register of the Fund.

INVESTMENT MANAGER

By the terms of an Investment Management Agreement, the Management Company has appointed HQ Fonder Sverige AB as Investment Manager.

HQ Fonder Sverige AB is a UCITS III compliant management company with registered office in Stockholm, Norrlandsgatan 15.

Under the responsibility and the supervision of the Management Company, the investment managers implement the investment policy, make investment decisions and continuously adapt them to market developments as appropriate, taking into account the interests of the Company.

In consideration for its services HQ Fonder Sverige AB shall be entitled to a fee paid out of the Management Company's fee. A twelfth of this rate is being payable at the end of each month by the Management Company and based on the average net assets of each Sub-Fund calculated on a daily basis during the relevant month.

CUSTODIAN BANK

Skandinaviska Enskilda Banken S.A., the Fund's Custodian Bank is a Société Anonyme under Luxembourg law.

It carries out its activities mainly in the field of private banking, financial advice, management of marketable assets, and stock exchange transactions.

Under the Custodian Agreement, Skandinaviska Enskilda Banken S.A. will provide the Management Company on the Fund's behalf with such paying agency and securities custody services as may be required by the Management Company from time to time. The Fund's assets will be on deposit with Skandinaviska Enskilda Banken S.A. or on its order, acting as Custodian Bank.

Skandinaviska Enskilda Banken S.A. was incorporated in Luxembourg on March 30, 1973 for an unlimited period. Its registered office is at 6a, Circuit de la Foire Internationale, L-1347 Luxembourg. The shareholders' equity amounts to EUR 117,985,000 as at the date of the present prospectus.

According to Article 18 of the Law of 2002, the Custodian Bank shall carry out all operations concerning the day-to-day administration of the assets of the Fund.

The Custodian Bank must moreover:

- a) ensure that the sale, issue, repurchase and cancellation of units effected on behalf of the Fund or by the Management Company are carried out in accordance with the law and the management regulations,
- b) ensure that the value of the units is calculated in accordance with the law and the management regulations,
- c) carry out the instructions of the Management Company, unless they conflict with the law or the management regulations,
- d) ensure that in transactions involving the assets of the Fund, the consideration is remitted to it within the customary time limits,
- e) ensure that the income of the Fund is applied in accordance with the management regulations.

In the interest of proper safekeeping of the Fund's assets, the Custodian Bank may entrust the safekeeping of all or part of the assets to other banks or financial institutions without this affecting its responsibility.

The Custodian Bank is authorised, together with the banks or bodies designated by it to issue unit certificates against payment of the issue price, to honour requests for redemption according to the Management Regulations, and to cancel redeemed unit certificates.

Skandinaviska Enskilda Banken S.A. shall receive a fee calculated in accordance with general banking practice in this matter. This fee shall be payable out of the Management Fee monthly in arrears at each month's end. In accordance with the Custodian Agreement, correspondent bank fees, in non-matured markets, will be charged to the Sub-Funds.

The Custodian Bank may only resign or be revoked in accordance with the provisions of the law.

SEGREGATED ACCOUNTS AND MARGIN ACCOUNTS

The Management Company may, with the approval and under the supervision of the Custodian Bank, open segregated accounts and margin accounts in the name of the respective Sub-Fund with Skandinaviska Enskilda Banken London in order to deal future contracts on stock indices, interest rate instruments and currencies, as well as options on the same instruments and any other eligible instruments within the limits set in the investment restrictions. All transactions of the above instruments dealt for the account of any of the Sub-Funds of the Fund will be recorded on these segregated accounts. Margin deposits and margin payments will also be booked over these accounts as well as any fees and expenses related to the transactions. Margin payments must be made in cash. Margin deposits will be pledged once the margin transaction or transactions in respect of which it was accepted are undertaken with or for the Fund.

Skandinaviska Enskilda London is a branch of Skandinaviska Enskilda Banken Stockholm. Its activity as a futures broker is regulated by the SFA (Securities and Futures Association). The SFA is the lead regulator for all derivative instruments in the UK and acts to ensure that the industry operates in a prudent and responsible manner. All staff members of Skandinaviska Enskilda Banken (futures department) London (including all clearing personnel) have studied and passed the relevant SFA examination. Skandinaviska Enskilda Banken London can provide an execution and clearing service on virtually any futures exchange world-wide.

Skandinaviska Enskilda Banken London shall report all cash positions, cash movements, open contract positions, contract movements and account evaluations on a daily basis to the Central Administration for follow-up and accounting.

COSTS TO BE BORNE BY THE FUND

The initial incorporation costs were estimated at EUR 20,000.- and were amortised over the first 5 financial years. The initial incorporation costs were shared by the Sub-Funds in proportion to their net assets.

The costs and expenses incurred in connection with the formation of additional sub-funds and the initial issue of their units, the cost of legal advice and printing costs etc, will be amortised over the first five years of the new Sub-Funds in proportion to their net assets.

The Fund will bear the following costs:

- 1 A fee at a percentage of the total net assets of each Sub-Fund payable to the Management Company (cf. Management - Organization above); the Management Fee comprises the custodian fee, the investment manager fee, as well as the fees payable to the Administrative Agent;
2. A performance fee due to the Investment Manager, as indicated here below;
3. All taxes owed on the Fund's assets and income;
4. Bank and brokerage fees for transactions in securities making up the Fund's portfolio, as well as fees on transfers referring to redemptions of units as well as charges of correspondent banks in non-matured markets;
5. Operating expenses (i.e. listing agent fees if applicable, auditor's fee, printing and distribution of the annual and semi-annual reports and so on).

On the other hand, advertising costs and other expenses directly connected with the offering or distribution of units, including the cost of printing and copying of the documents mentioned above or reports used by distributors of units in their commercial activity, are not to be borne by the Fund.

The specific fees and expenses of each Sub-Fund are payable by that Sub-Fund. All other fees and expenses shall be shared by the Sub-Funds in proportion to their net assets at that time. Any commitments, whichever Sub-Fund they relate to, will involve the Fund in its entirety.

SUBSCRIPTION

Units are issued in registered form only. At the time of subscription of units in a Sub-Fund, a unitholder account is opened in the investor's name in the books of that Sub-Fund. This account is credited for units purchased by the investor. Whenever a transaction is registered the unitholder will receive a statement of his account.

Subscription orders are issued on the basis of an unknown net asset value per unit. Units are issued on each Bank Business Day in Luxembourg and in Sweden or "Valuation Day" (cf. "Net Asset Value" below). If a subscription order is to be carried out on a Valuation Day, written instructions together with the requested papers must have reached the Administrative Agent before 16.30 hrs (Luxembourg time) on the Valuation Day; otherwise the order will be executed on the next Valuation Day, after everything has been duly received.

Payment for subscriptions must be received not later than three (3) bank business days following the relevant Valuation Day, otherwise subscriptions may be cancelled without prejudice to the Management Company's right to recover any changes due to losses incurred. Payment for subscriptions will be made in the base currency of the relevant Sub-Fund, in Euro or in Swedish Kronas; however the Management Company may also accept payments in other major currencies. The value of these payments in the base currency of the Sub-Fund will then be determined on the basis of the exchange rates used for the net asset value calculation of that same Valuation Day. The relating costs will have to be borne by the unitholder.

The Management Company is authorized to issue new units continuously. Nevertheless, the Management Company reserves the right to reject, at its discretion and in the Fund's and the unitholders' interest, any subscription application; any payments already made shall in such instances be immediately refunded.

In case of a merger with another collective investment undertaking, the subscription price may be paid by contribution in kind of all assets and liabilities of the absorbed Fund, valued pursuant to the rules described in the section on "Net Asset Value" below. Units of the respective classes will be issued at their respective net asset value against the contribution in kind valued this way.

Subscriptions are accepted by the Management Company, as well as by the distributors and paying agents mentioned before, which will transmit the orders to the Administrative Agent for execution, provided that the required subscription form has been completed and signed in duplicate by the investor. Confirmation of execution of a subscription is provided by an advice specifying the number and class of units subscribed for and the name of the relevant Sub-Fund.

In order to avoid the repayment to subscribers of small surplus amounts, the Management Company will round up at its own expense each subscription to the next immediately higher whole number of units or issue fractions to the nearest 10000th of a unit.

By purchasing a unit, the unitholder accepts the Management Regulations and all approved changes to them.

Restrictions on issue

Units of the Fund may not be offered, sold or otherwise distributed to Prohibited Persons.

Prohibited Persons means any person, firm or corporate entity, determined in the sole discretion of the Fund's Management Company, as not being entitled to subscribe for or hold units of the Fund or, as the case may be, in the Sub-Fund,

- (i) if in the opinion of the Fund's Management Company such holding may be detrimental to the Fund,
- (ii) if it may result in a breach of any law or regulation, whether Luxembourg or foreign,
- (iii) if as a result thereof the Fund or the Fund's Management Company may become exposed to disadvantages of a tax, legal or financial nature that it would not have otherwise incurred or
- (iv) if such person would not comply with the eligibility criteria for units (e.g. in relation to "U.S. persons" as described below).

The units of the Fund are not registered under the United States Securities Act of 1933 (the “1933 Act”) or the Investment Company Act of 1940 (the “1940 Act”) or any other applicable legislation in the United States.

Accordingly, units of the Fund may not be offered, sold, resold, transferred or delivered directly or indirectly, in the United States, its territories or possessions or any area subject to its jurisdiction (collectively the “United States” or the “US”) or to, or for the account of, or benefit of, any “US Person” as defined in the 1933 Act or any applicable United States regulation except to certain qualified purchasers under exemptions from registration requirements of the 1940 Act.

Applicants for the purchase of units of the Fund will be required to certify that they are not US Persons and might be requested to prove that they are not Prohibited Persons.

Holders of units are required to notify the Fund’s Management Company of any change in their domiciliation status.

Prospective investors are advised to consult their legal counsel prior to investing in units of the Fund in order to ascertain their status as non US Persons and as non-prohibited Persons.

The Fund’s Management Company may refuse to issue units to Prohibited Persons or to register any transfer of units to any Prohibited Person.

Moreover the Fund’s Management Company may at any time forcibly redeem / repurchase the units held by a Prohibited Person.

The Management Company can furthermore reject an application for subscription at any time at its discretion, or temporarily limit, suspend or completely discontinue the issue of units, in as far as this is deemed to be necessary in the interests of the unitholders as an entirety, to protect the Management Company, to protect the Fund, in the interests of the investment policy or in the case of endangering specific investment objectives of the Fund.

Late Trading and Market Timing

The Management Company does not permit late trading, market timing or related excessive, short-term trading practices. In order to protect the best interests of the unitholders, the Management Company reserves the right to reject any application to subscribe for units from any investor engaging in such practices or suspected of engaging in such practices and to take such further action as it, in its discretion, may deem appropriate or necessary, such as the charge of higher redemption fee, as laid down hereafter.

Anti-Money Laundering Procedures

The applicants wanting to subscribe units of the Fund must provide the Administrative Agent with all necessary information, which the Administrative Agent may reasonably require to verify the identity of the applicant. Failure to do so may result in the Management Company refusing to accept the subscription for units in the Fund. Applicants must indicate whether they invest on their own account or on behalf of a third party. Except for applicants applying through companies who are regulated professionals of the financial sector, bound in their country by rules on the prevention of money laundering equivalent to those applicable in Luxembourg, any applicant applying in its own name or applying through companies established in non GAFI countries, is obliged to submit to the Administrative Agent in Luxembourg all necessary information, which the Administrative Agent may reasonably require to verify. The Administrative Agent must verify the identity of the applicant. In the case of an applicant on behalf of a third party, the Administrative Agent must also verify the identity of the beneficial owner(s). Furthermore, any such applicant hereby undertakes that it will notify the prior to the occurrence of any change in the identity of any such beneficial owner.

REDEMPTION

Owners of units may request redemption of their units at any time. To do so, they must send an irrevocable request in writing for redemption to the Management Company, one of the distributors and paying agents mentioned here before, which will transmit the order to the Administrative Agent for execution.

If a redemption order is to be executed at the redemption price ruling on a Valuation Day, the application for the redemption of units must reach the Administrative Agent before 16.30 hrs (Luxembourg time) on the corresponding Valuation Day (cf. "Net Asset Value" below).

All orders reaching the Administrative Agent after that deadline will be held over until the next following Valuation Day for execution at the redemption price then ruling.

The Management Company reserves the right to reduce proportionally all requests for redemption in a Sub-Fund to be executed on one Valuation Day whenever the total proceeds to be paid for the units so tendered for redemption exceeds 5% of the total net assets of that specific Sub-Fund. The portion of the redemptions not executed on that Valuation Day will then be executed by priority on the next Valuation Day.

Confirmation of the execution of redemption will be made by the dispatch to the unitholder of an advice. Payment will be made by bank transfer in Euro, in Swedish Kronas or in the base currency of the relevant Sub-Fund according to the choice of the unitholder, with a value date within three bank business days following the corresponding Valuation Day.

The Custodian Bank is only obliged to make payments for redemptions where legal provisions, particularly exchange control regulations or other cases of force majeure do not prohibit it from transferring or paying the redemption proceeds in the country where the redemption is requested.

Furthermore, in relation to suspected market timing practices, the Principal Distributor may charge an additional redemption fee of up to 2% of the net asset value of the units redeemed within 6 months of their issue. Such redemption fee will be payable to the relevant Sub-Fund or unit class. The same redemption fee for every redemption request executed on the same valuation day will be applicable if the redemption is based on market timing in order to ensure the equal treatment of investors.

In the event of large-scale applications for redemption, the Management Company reserves the right to redeem units at the applicable net asset value, only after it has sold the corresponding assets promptly, yet always acting in the best interests of the unitholders.

The redemption of any Sub-Fund's units shall be suspended on any occasion when the calculation of the Net Asset Value thereof is suspended.

CONVERSION

Unless otherwise provided for in the Sub-Funds' Particulars, a unitholder may convert all or part of the units he holds in a Sub-Fund into units in another Sub-Fund or units of one class into units of another class, against delivery of the unit certificate(s) if any. A conversion fee of maximum 1% of the Net Asset Value may be payable to the Principal Distributor.

To apply for conversion, the unitholder must send an irrevocable request in writing, accompanied by the unit certificate, if any, to the Management Company, one of the distributors and paying agents mentioned before, which will transmit the orders to the Administrative Agent. If received before 16.30 hrs on a Valuation Day, requests for conversion are executed on the basis of the net asset value per unit of the relevant Sub-Funds and the relevant class, ruling on that same Valuation Day. Requests for conversion received after that deadline will be held over to the next Valuation Day to be executed at the prices ruling on that day.

Conversions may not be executed if the calculation of the net asset value, or subscriptions or redemptions is suspended in one of the concerned Sub-Funds.

The number of units allotted in the new Sub-Fund or in the new class is determined by means of the following formula:

$$\frac{(A \times B \times C) - \text{fee}}{D} = N$$

where:

- A is the number of units presented for conversion,
- B is the net asset value of one unit in that Sub-Fund and/or of that class of which the units are presented for conversion, on the day the conversion is executed,

- C is the conversion factor between the base currencies of the two Sub-Funds on the day of execution. If the Sub-Funds or the two classes of units have the same base currency, this factor is one,
- D is the net asset value per unit of the new Sub-Fund and /or class on the day of execution,
- N is the number of units allotted in the new Sub-Fund and/or class.

NET ASSET VALUE

The net asset value of units in a Sub-Fund, expressed in the base currency of that Sub-Fund, is calculated by the Sub-Administrative Agent.. The Management Company will publish the issue and redemption price in Euro and Swedish Kronas for all Sub-Funds. Such calculation will be done under the guidelines established by and under the responsibility of the Management Company. This calculation is done on each day which is a Bank Business Day in Luxembourg and in Sweden; this day is called the Valuation Day. All references to "Bank Business Day" correspond to any day on which banks are open for business in Luxembourg ("Business Day").

For a Sub-Fund which has issued only one class of units, the net asset value of a unit is determined by dividing the net assets of the relevant Sub-Fund by the total number of units in that Sub-Fund outstanding at that time.

For a Sub-Fund which has issued the two classes of units, the net asset value of one unit for each class of units will be determined by dividing the net assets of the Sub-Fund attributed to this class of units by the total number of units of that same class outstanding at that time. From the date of creation of a Sub-Fund to the date of the payment of the first dividend, the percentage of the total net assets of the Sub-Fund to be attributed to each class of units will be equal to the percentage of the total number of units of each class. As a consequence of each dividend payment to the "B" units, the total of the net assets corresponding to the "B" units will be reduced by an amount equivalent to the dividend payment (thus entailing a reduction of the percentage of the total net assets of the Sub-Fund to be attributed to the "B" units) and the total net assets corresponding to the "A"-units will remain the same (thus entailing an increase of the percentage of the total net assets of the Sub-Fund to be attributed to the "A"-units).

Equalisation of income may be carried out for the respective Sub-Fund.

The Sub-Fund's assets include the securities in the portfolio, eventual time deposits and other liquid assets and coupons already cashed, interest and coupons that have fallen due and have not yet been cashed and interest accrued, and, if there are two classes of units, the dividend regularisation account.

For the valuation of each Sub-Fund's assets, the principles as set out under Article 11 of the General Management Regulations are observed.

The liabilities of the Fund shall be deemed to include:

- a) all loans, bills and accounts payable;
- b) all known liabilities, due or not yet due including all matured contractual obligations for payments of money or property, including the amount of all dividends declared by the Management Company on the Fund's behalf for which no coupons have been presented and which therefore remain unpaid until the day these dividends revert to the Fund by prescription;
- c) all reserves authorized and approved by the Board of Directors, especially those set aside to face a potential depreciation of the Fund's investments;
- d) any other liabilities of the Fund of whatever kind towards third parties.

The property, commitments, fees and expenses, that are not attributed to a certain Sub-Fund, will be ascribed equally to the different Sub-Funds, or if the amounts and cause justify doing so, will be prorated according to the Net Asset Value of each Sub-Fund.

Units to be redeemed are considered as issued and existing units until the closing of the relevant Valuation Day. The redemption price will be considered from the closing of the Valuation Day and until final payment as one of the Fund's liabilities. Each unit to be issued by the Management Company will be considered as an issued unit from the closing of the relevant Valuation Day. Its price will be considered as owed to the Fund until its final payment.

For extensive redemption requests, which cannot be met by the liquid assets and allowable borrowing of a respective Sub-Fund, the Management Company can determine the net asset value on the basis of the Valuation Day, on which it intends to sell the necessary transferable securities for the respective Sub-Fund; this is also valid for any subscription requests submitted at the same time.

SUSPENSION OF CALCULATION OF A NET ASSET VALUE, SUBSCRIPTIONS, REDEMPTIONS AND CONVERSIONS

The Management Company is authorised to suspend temporarily the calculation of the net asset value and the issue, redemption and conversion of units in one or several Sub-Funds in such cases that are described in Article 12 of the General Management Regulations..

In addition, the Management Company is entitled:

- to refuse, at its discretion, a request for acquisition of units,
- to redeem, at any time, units that might have been acquired in violation of an exclusion measure adopted in virtue of this section.

ISSUE PRICE

The issue price of units in a Sub-Fund is equal to the net asset value of a unit in that Sub-Fund, increased by a maximum 5% subscription fee, calculated on the net asset value per unit of the relevant Sub-Fund and reverting to the Principal Distributor. The Management Company will also quote the issue price in Euro and in Swedish Kronas.

To this issue price are added all taxes, fees and stamp duties that might be payable in the various countries of purchase or subscription.

REDEMPTION PRICE

The redemption price of units in a Sub-Fund is equal to their net asset value, decreased by a maximum 0.50% redemption fee on the net asset value per unit to the Principal Distributor. The Management Company will also quote the redemption price in Euro and in Swedish Kronas.

PUBLICATIONS

The net asset value and issue and redemption prices of each Sub Fund and of each class of units are made public daily in Luxembourg at the offices of the Custodian Bank and the Management Company.

All amendments to the Management Regulations will be deposited with the *Registre de Commerce et des Sociétés* of Luxembourg and a relating notice will be published in the *Mémorial C*. Registered unitholders will be informed in writing. At the same time, a notice to unitholders may be published in at least one international newspaper, and the text of the amendments will be available for the inspection of unitholders at the offices of the Custodian Bank and the Management Company.

Amendments and notices to unitholders may also be published in newspapers in the countries where the Fund's units are publicly sold.

QUOTATION

The units of the Fund will not be listed on any Stock Exchange.

DIVIDEND POLICY

The Management Company will decide from time to time if and to what extent dividends should be paid to holders of "B"-units of a Sub-Fund out of the net results of the operations attributable to the "B"-units of

that specific Sub-Fund, plus the equalisation account on the net issues of such units. Such dividends will be paid to holders of "B"-units as soon as practicable after the decision.

Results of operations of the Sub-Fund include all cost and other income such as dividends and interest contributing proceeds of the assets of the Sub-Fund, net realised and unrealised capital gains proceeds of sales of subscription rights and any other proceeds not to be defined as income. Distributions can only be made to the extent that the net assets of the Fund after such distribution, will not be less than the minimum required by Luxembourg Law.

Dividends not claimed within five years from their due date will elapse and revert to the relevant Sub-Fund.

The equalisation account is operated in relation with subscriptions and redemptions in all Sub-Funds where dividend units are in existence.

The "A"-units are not entitled to the dividend payments.

TAX STATUS

The Fund is subject to Luxembourg legislation. Buyers of the Fund's units should inform themselves about the legislation and rules applicable to mergers, the purchase, holding and possible sale of units with regard to their residence or nationality.

In accordance with current legislation in Luxembourg, neither the Fund nor the unitholders, except those whose domicile, residence or permanent establishment is Luxembourg, are subject to any tax on income or capital gains. The Fund's income may however be subject to withholding tax in the countries where the Fund's assets are invested. In such cases neither the Custodian Bank nor the Management Company are required to obtain tax certificates.

The net assets of the Fund are subject to a Luxembourg "taxe d'abonnement" at an annual rate of 0.05% payable at the end of each quarter and calculated on the amount of the net assets of each Sub-Fund at the end of that quarter.

The value of the assets represented by the units held in other Luxembourg undertakings for collective investment already subject to a taxe d'abonnement is exempt from the payment of such tax.

European Union Tax Considerations

Under the European Savings Directive, Member States of the European Union are required to provide the tax authorities of another Member State with details of payments of interest or other similar income paid by a Paying Agent within its jurisdiction in that other Member State, subject to the right of certain Member States. (Austria, Belgium and Luxembourg) to opt, during a transitional period, for a withholding tax system instead of providing such information. From July 2008 until June 2011 the applicable withholding tax rate will be 20%, rising to 35% from 1 July 2011. The Management Company assesses whether the Sub-Funds are in or out of the scope of the Directive. Dividends distributed by a Sub-Fund will be in the scope if more than 15% of such Sub-Funds' assets are invested in debt claims. Proceeds realised by unitholders on redemption or sale of units in a Sub-Fund will be in scope if more than 40% of such Sub-Funds' assets are invested in debt claims.

FINANCIAL YEAR

The accounts of the Fund are closed on December 31st of each year.

REGULAR REPORTS

The Fund will publish an annual report drawn up as per December 31st and a semi-annual report as per June 30th.

The annual report includes the accounts of the fund audited by an auditor. The semi-annual report includes the accounts of the Fund, unaudited. Both these reports will be sent free of charge to unitholders

making a request in writing and are available to unitholders at the offices of the Management Company and establishments responsible for financial servicing.

The annual and semi-annual financial reports of the Fund will include a consolidation of all the Sub-Funds. These consolidated figures will be expressed in Euro. For this purpose, all figures expressed in another currency than the Euro will be converted into Euro on basis of the average rate of the last known bid and offer rates.

DURATION AND LIQUIDATION OF THE FUND

The Fund has been set up for an unlimited term, and the Management Company may at any time, with the agreement of the Custodian Bank, decide upon the liquidation of one or more Sub-Funds.

The Fund will also be liquidated when the Custodian Bank or the Management Company cease their functions without having been replaced within two months, in case of failure of the Management Regulations, and when the total net asset value of the Fund has become inferior to one fourth of the minimum required by Luxembourg Law for a period of more than six months.

The events leading to a dissolution and liquidation are set out in the Management Regulations.

MERGER OF THE FUND

The Fund may be merged with another fund, following a decision to this effect by the Management Company as set out under Article 14 of the General Management Regulations.

DISSOLUTION / MERGER OF THE SUB-FUNDS

In case the net assets of a Sub-Fund drop down to zero due to redemptions, the Management Company may decide that this Sub-Fund is closed.

If the net assets of a Sub-Fund fall below under a certain amount which the Management Company considers as insufficient to allow an efficient and rational management, or if a change in the economic, political or monetary situation relating to the Sub-Fund concerned would justify the liquidation, or if required in the interest of the unitholders of the relevant Sub-Fund, the Management Company may decide on a forced redemption of the remaining units in the Sub-Fund. Unitholders will be notified by mail of the decision to liquidate, prior to the effective date of the liquidation. The mail will indicate the reasons for, and the procedures of the liquidation operations. Unless the Board Management Company otherwise decides in the interests of, or to keep equal treatment between the unitholders, the unitholders of the Sub-Fund concerned may continue to request redemption or conversion of their units, free of charge, but the redemption or conversion prices will take into account liquidation expenses.

Registered unitholders will be informed in writing. At the same time, a notice to unitholders may be published in at least one international newspaper, if so decided by the Management Company.

The amounts not claimed by the unitholders at the time of closure of the liquidation will be deposited with the Custodian Bank for a period of six months and thereafter with the Caisse de Consignation in Luxembourg where they will be available to them for the period established by law. At the end of such period unclaimed amounts will be reversed to the Luxembourg State.

Under the same circumstances as provided above in relation to the liquidation of Sub-Funds, the Management Company may decide to close down any Sub-Fund by merger into another Sub-Fund of the Fund, the new Sub-Fund. In addition, such merger may be decided by the Management Company if required in the interests of the unitholders of any of the Sub-Funds concerned. Unitholders will be informed of such decision in the same manner as for a liquidation and, in addition, the notice will contain information in relation to the new Sub-Fund. Such notice will be made at least one month before the date on which the merger becomes effective in order to enable unitholders to request redemption of their units, free of charge, before the operation involving contribution into the new Sub-Fund becomes effective.

Under the same circumstances, the Management Company may decide to merge one or more Sub-Funds with another undertaking for collective investment governed by part I of the Law of 2002 Law, in exchange for the distribution to unitholders of units in this undertaking for collective investment. Publication of the decision will be made in accordance with legal requirements. The notice shall contain

information on the undertaking for collective investment and on the new Sub-Fund, if any, and shall be released one month before the merger so as to give unitholders the time to request redemption without charge, prior to the effective transaction date. The decision to merge or liquidate a Sub-Fund may also be made at a meeting of unitholders of the particular Sub-Fund concerned.

In the case of a merger with another open-ended undertaking for collective investment of the contractual form (mutual investment fund) governed by part I of the Law of 2002 or a foreign undertaking for collective investment, the decisions of the unitholders' meeting only bind those unitholders who voted in favour of this merger.

Under the same circumstances as described above, the Management Company may also decide upon the reorganisation of any Sub-Fund by means of a division into two or more separate Sub-Funds. Such decision will be published in the same manner as described above and, in addition, the publication will contain information in relation to the two or more separate Sub-Funds resulting from the reorganisation. Such publication will be made at least one month before the date on which the reorganisation becomes effective in order to enable unitholders to request redemption or switch of their units, free of charge, before the reorganisation becomes effective.

DOCUMENTS AVAILABLE FOR INSPECTION

The following documents can be inspected by the unitholders at the offices of the Custodian Bank and the Management Company:

- Management Regulations
- Agreement with the Custodian Bank
- Agreement with the Investment Manager
- Agreement with the Distributor

HQ Fund – Swedish Equity Fund

Investment Policy

For this Sub-Fund investments will be made through a diversified portfolio of equities, issued by companies in different sectors as well as market places, in Sweden. The Sub-Fund shall also have the possibility to invest in fixed income securities issued by issuers established in Sweden and with a minimum rating of “Good”. These securities are admitted to official listing on a stock exchange or are traded on another regulated market, which operates regularly and is recognised and open to the public.

The Sub-Fund may invest up to 100% of its assets in different transferable securities and money market instruments issued or guaranteed by any Member State of the EU, its local authorities, or public international bodies of which one or more of such Member States are members, or by any other State of the OECD. The Sub-Fund can only make use of this provision if it holds securities and money market instruments from at least six different issues, and if securities and money market instruments from any one issue may not account for more than 30% of the Sub-Fund’s total net assets.

The Sub-Fund will not invest more than 10% of its net assets in units / shares of other UCITS or UCIs.

The above mentioned investment policies and objectives do not constitute a guarantee of performance.

Risk profile

This Sub-Fund faces the same risks as those normally associated with investment in shares.

In accordance with the investment policy the Sub-Fund's assets are risk exposed mainly to the Swedish equity markets and thus to a limited part of the world. This normally results in a higher risk than for an equity fund with global exposure.

For further descriptions of the other risks involved in the investment in the Sub-Fund, please refer to section “Information on Risk” above.

Typical Investor

The Sub-Fund is intended for investors who seek capital appreciation over the long-term and do not seek current income for their investment. Investors must be able to accept substantial year-to-year volatility and increased temporary losses. Investors should consider their long-term investment goals and financial needs when making an investment decision about an investment in the Sub-Fund. As a consequence an investment in the Sub-Fund is suitable to investors who can afford to set aside the capital invested for at least five years.

Investment Manager

HQ Fonder Sverige AB

Management Company

Out of the Sub-Fund’s assets an administration fee of maximum 0.30 % p.a. is payable to the Management Company monthly in arrears based on the Sub-Fund’s average net assets calculated daily. This fee includes the fee due to the custodian bank. Nonetheless, a minimum fee of EUR 2,500 is due per month for this service and payable monthly in arrears to the Management Company.

In addition the Management Company is entitled to receive out of the Sub-Fund’s assets a management fee of maximum 1.45 % p.a. including the fee due to the investment manager. This fee is payable monthly in arrears based on the Sub-Fund’s average net assets calculated daily.

Furthermore, the Investment Manager is entitled to a performance fee of 20%, payable out of the Sub-Fund’s assets, if the appreciation of the GNAV (Gross Net Asset Value) exceeds the appreciation of the benchmark, which is the SIXPRX (Six Portfolio Return Index) index, for the same calculation period.

The performance fee is calculated using the so called HWM (High Watermark) Principle, meaning that a performance fee is only calculated and accrued for any appreciation of the GNAV exceeding the highest GNAV for which a performance fee was paid out. The HWM will be re-set on 1st of January each year so negative performance is only carried forward over a period of one year at the most.

The performance fee is calculated and accrued daily and payable monthly in arrears.

Net Asset Value

The net asset value per unit is expressed in Euro (EUR).

Issue of classes

Capitalisation units ("A") and distribution units ("B") are issued.

Sub-Fund's performance

The Sub-Fund's performance is disclosed in the Simplified Prospectus which is updated at an annual frequency.

HQ Fund – Total

Investment Policy

For this Sub-Fund investments will be made without geographical limitation into equities and / or debt instruments, and each of these two types may represent up to 100% of the portfolio. This means that the portfolio of the Sub-Fund could exist of equities only, at other moments of debt instruments only, and at other moments again of a mixture in any proportion of debt instruments and equities.

The Sub-Fund may invest up to 100% of its assets in different transferable securities and money market instruments issued or guaranteed by any Member State of the EU, its local authorities, or public international bodies of which one or more of such Member States are members, or by any other State of the OECD. The Sub-Fund can only make use of this provision if it holds securities and money market instruments from at least six different issues, and if securities and money market instruments from any one issue may not account for more than 30% of the Sub-Fund's total net assets.

The Sub-Fund will not invest more than 10% of its net assets in units / shares of other UCITS or UCIs.

The above mentioned investment policies and objectives do not constitute a guarantee of performance.

Risk profile

The Sub-Fund's investment consists of or has exposure towards the asset-classes equities and / or bonds. Equities are generally inherent with a higher risk than bonds. This implies that the price of an equity normally varies more than the price of a bond. The higher risk associated with equities offers at the same time a higher possibility of a better return than bonds can offer. If investments are made in securities traded in other currencies than the base currency, a foreign exchange factor, which can change the value of the investment, must also be taken into account.

For further descriptions of the other risks involved in the investment in the Sub-Fund, please refer to section "Information on Risk" above.

Typical Investor

The Sub-Fund is intended for investors who seek capital appreciation over the long-term and do not seek current income for their investment. Investors must be able to accept substantial year-to-year volatility and increased temporary losses. Investors should consider their long-term investment goals and financial needs when making an investment decision about an investment in the Sub-Fund. As a consequence an investment in the Sub-Fund is suitable to investors who can afford to set aside the capital invested for at least five years.

Investment Manager

HQ Fonder Sverige AB

Management Company

Out of the Sub-Fund's assets an administration fee of maximum 0.30 % p.a. is payable to the Management Company monthly in arrears based on the Sub-Fund's average net assets calculated daily. This fee includes the fee due to the custodian bank. Nonetheless, a minimum fee of EUR 2,500 is due per month for this service and payable monthly in arrears to the Management Company.

In addition the Management Company is entitled to receive out of the Sub-Fund's assets a management fee of maximum 1.45 % p.a. including the fee due to the investment manager. This fee is payable monthly in arrears based on the Sub-Fund's average net assets calculated daily.

Net Asset Value

The net asset value per unit is expressed in Euro (EUR).

Issue of classes

Capitalisation units ("A") and distribution units ("B") are issued.

Sub-Fund's performance

The Sub-Fund's performance is disclosed in the Simplified Prospectus which is updated at an annual frequency.

HQ Fund – Gorilla

Investment Policy

For this Sub-Fund, emphasis will be put on industrial sectors that provide Internet solutions or Internet services and other industrial sectors that benefit from the development of the Internet. However, it is not restricted to a specific industrial sector. Further it is not restricted to a specific geographical area. Its portfolio may comprise principally equities of any part of the world, and may comprise a certain portion of fixed interest securities as well.

The Sub-Fund may invest up to 100% of its assets in different transferable securities and money market instruments issued or guaranteed by any Member State of the EU, its local authorities, or public international bodies of which one or more of such Member States are members, or by any other State of the OECD. The Sub-Fund can only make use of this provision if it holds securities and money market instruments from at least six different issues, and if securities and money market instruments from any one issue may not account for more than 30% of the Sub-Fund's total net assets.

The Sub-Fund will not invest more than 10% of its net assets in units / shares of other UCITS or UCIs.

The above mentioned investment policies and objectives do not constitute a guarantee of performance.

Risk profile

In this Sub-Fund, a high risk profile will be adopted through emphasis on industrial sectors that provide Internet solutions or Internet services. Potential investors should consider, before investing in the Sub-Fund, that investments in internet related companies contain both chances and risks.

Chances are that there might be average potential for growth in these mainly dynamic sectors, which will then translate in a good potential for increasing net asset values. However, there is also an increased risk resulting often from a rather small market capitalization which might make share prices very volatile or illiquid.

Investments in the Sub-Fund should therefore only be done by investors who understand what they are engaging in and who are willing and can afford to take such risks.

For further descriptions of the other risks involved in the investment in the Sub-Fund, please refer to section "Information on Risk" above.

Typical Investor

The Sub-Fund is intended for investors who seek capital appreciation over the long-term and do not seek current income for their investment. Investors must be able to accept substantial year-to-year volatility and increased temporary losses. Investors should consider their long-term investment goals and financial needs when making an investment decision about an investment in the Sub-Fund. As a consequence an investment in the Sub-Fund is suitable to investors who can afford to set aside the capital invested for at least five years.

Investment Manager

HQ Fonder Sverige AB

Management Company

Out of the Sub-Fund's assets an administration fee of maximum 0.30 % p.a. is payable to the Management Company monthly in arrears based on the Sub-Fund's average net assets calculated daily. This fee includes the fee due to the custodian bank. Nonetheless, a minimum fee of EUR 2,500 is due per month for this service and payable monthly in arrears to the Management Company.

In addition the Management Company is entitled to receive out of the Sub-Fund's assets a management fee of maximum 1.45 % p.a. including the fee due to the investment manager. This fee is payable monthly in arrears based on the Sub-Fund's average net assets calculated daily.

Net Asset Value

The net asset value per unit is expressed in Euro (EUR).

Issue of classes

Capitalisation units ("A") and distribution units ("B") are issued.

Sub-Fund's performance

The Sub-Fund's performance is disclosed in the Simplified Prospectus which is updated at an annual frequency.

General Management Regulations

Preamble

These General Management Regulations, whose notice of deposit is published in the Mémorial C, Recueil des Sociétés et Associations (the "Mémorial") on August 3, 2006 stipulate the general principles for funds established and managed as "fonds communs de placement" by SEB Fund Services S.A. in accordance with Part I of the law of December 20, 2002 (the "Law") relating to undertakings for collective investment to the extent that the Special Regulations of the respective funds declare that these General Management Regulations are an integral part of them.

The specific characteristics of the funds are described in the Special Regulations of the respective fund; these Special Regulations may contain additional provisions as well as provisions that depart from specific provisions of the General Management Regulations.

In the case of an umbrella structure, which means a fund consisting of different sub-funds (each a "Sub-Fund") within the meaning of Article 133 of the Law, the "fund" will have to be read – where appropriate – as sub-fund; the Special Regulations will provide for adequate supplementary information.

The General Management Regulations and the relevant Special Regulations are interdependent and together stipulate the valid terms and conditions for the corresponding fund. Together they may be referred to as the Management Regulations if appropriate.

Article 1 THE FUNDS

Each fund is a legally unincorporated mutual investment fund ("fonds commun de placement") consisting of securities and other assets (fund assets) permitted by the Law managed in accordance with the principle of risk diversification. Fund assets less fund liabilities (fund net assets) must have a countervalue of at least 1,250,000 EUR within 6 months of the approval of the corresponding fund. All funds are managed by the Management Company. The assets held by the relevant fund are held in safe custody by the Custodian Bank.

The contractual rights and obligations of the holders of units (unitholders), the Management Company and the Custodian Bank are governed by the General Management Regulations and the Special Regulations of the respective fund, both are drawn up by the Management Company with the approval of the Custodian Bank.

Through the purchase of units, each unitholder accepts the General Management Regulations, the Special Regulations of the respective fund and all amendments thereto.

The assets of each fund are the undivided joint property of the unitholders and are separate from the assets of the Management Company.

Article 2 THE MANAGEMENT COMPANY

The Management Company is SEB Fund Services S.A..

The Management Company manages the funds in its own name, but exclusively in the interests of and for the joint account of the unitholders. The management powers extend to the exercise of all rights which relate directly or indirectly to the assets of the respective fund.

The Management Company determines the investment strategy of the respective fund while giving due consideration to the legal and contractual investment restrictions. The Board of Directors of the Management Company may entrust one or more of its members as well as other natural or juristic persons with the day to day management of the investment strategy.

The Management Company may appoint other companies as investment managers. The Management Company may also, on its own responsibility, seek the advice of investment consultants and in particular the advice of an investment committee. The incurred costs will be borne by the Management Company provided that no provision to the contrary is stipulated in the Special Regulations.

The Management Company draws up a full and a simplified prospectus for each fund containing updated information on the respective fund, in particular on unit prices, fees and management of the fund.

Article 3 THE CUSTODIAN BANK

Skandinaviska Enskilda Banken S.A., the fund's Custodian Bank is a société anonyme under Luxembourg law.

The Custodian Bank is responsible, as Custodian Bank, for the receipt, safekeeping and administration of the securities making up each fund's portfolio and liquid assets, as well as the collection of interests and dividends.

The Custodian Bank must moreover:

- a) ensure that the sale, issue, repurchase and cancellation of units effected on behalf of the fund or by the Management Company are carried out in accordance with the Law and the Management Regulations,
- b) ensure that the value of the units is calculated in accordance with the Law and the Management Regulations,
- c) carry out the instructions of the Management Company, unless they conflict with the Law or the Management Regulations,
- d) ensure that in transactions involving the assets of the fund, the consideration is remitted to it within the usual time limits,
- e) ensure that the income of the fund is applied in accordance with the Management Regulations.

In the interest of proper safekeeping of the funds' assets, the Custodian Bank may entrust the safekeeping of all or part of the assets to other banks or financial institutions without this affecting its responsibility.

The Custodian Bank may only resign or be revoked in accordance with the provisions of the Law.

Article 4 INVESTMENT OBJECTIVE AND INVESTMENT RESTRICTIONS

The investment objectives and the specific investment strategy of a fund are specified in the Special Regulations of the respective fund.

The following provisions shall apply to the investments made by a fund.

- (1) The investments of a fund must consist solely of:
 - a) transferable securities and money market instruments admitted to or dealt in on a regulated market;
 - b) transferable securities and money market instruments dealt in on another regulated market in a Member State of the European Union which operates regularly and is recognised and open to the public;
 - c) transferable securities and money market instruments admitted to official listing on a stock exchange or dealt in on another regulated market in a European, American, Asian, African or Australian country, which operates regularly and is recognised and open to the public
 - d) recently issued transferable securities and money market instruments, provided that:
 - the terms of issue include an undertaking that application will be made for admission to official listing on a stock exchange or to another regulated market which operates regularly and is recognised and open to the public mentioned under (1) b) and c);
 - such admission is secured within one year of issue;
 - e) units of undertakings for collective investment in transferable securities ("UCITS") authorised according to the Directive 85/611/EEC and/or other undertakings for collective investment ("UCI")

within the meaning of the first and second indent of article 1(2) of the Directive 85/611/EEC, should they be situated in a Member State of the European Union or not, provided that:

- such other UCIs are authorised under laws which provide that they are subject to supervision considered by the Luxembourg authority to be equivalent to that laid down in Community law, and that cooperation between authorities is sufficiently ensured;
 - the level of guaranteed protection for unitholders in such other UCIs is equivalent to that provided for unitholders in a UCITS, and in particular that the rules on assets segregation, borrowing, lending and uncovered sales of transferable securities and money market instruments are equivalent to the requirements of the Directive 85/611/EEC;
 - the business of such other UCIs is reported in half-yearly and annual reports to enable an assessment of the assets and liabilities, income and operations over the reporting period;
 - no more than 10% of the UCITS or the other UCI assets, whose acquisition is contemplated, can, according to their constitutional documents, in aggregate be invested in units of other UCITS or other UCIs;
- f) deposits with credit institutions which are repayable on demand or have the right to be withdrawn, and maturing in no more than twelve (12) months, provided that the credit institution has its registered office in a Member State of the European Union or, if the registered office of the credit institution is situated in a non-Member State, provided that it is subject to prudential rules considered by the Luxembourg Supervisory Authority as equivalent to those laid down in the Community law;
- g) financial derivative instruments, including equivalent cash-settled instruments, dealt in on one of the stock exchanges or regular markets listed in a), b) and c) above and/or financial derivative instruments dealt in over-the-counter (“OTC derivatives”), provided that:
- the underlying securities constitute instruments as defined by this paragraph (1) or are financial indices, interest rates, foreign exchange rates or currencies in which the fund’s investment policy allows it to invest,
 - the counterparties to OTC derivative transactions are institutions which are subject to prudential supervision and are belonging to the categories approved by the Luxembourg Supervisory Authority, and
 - the OTC derivatives are subject to reliable and verifiable valuation on a daily basis and can be sold, liquidated or closed by means an offsetting transaction at any time at their fair value at the funds’ initiative.
- h) money market instruments other than those dealt in on a regulated market and referred to in the Law, if the issue or the issuer of such instruments is itself regulated for the purpose of protecting investors and savings, and provided that they are:
- issued or guaranteed by a central, regional or local authority, a central bank of a Member State, the European Central Bank, the European Union or the European Investment Bank, a non-Member State or, in the case of a Federal State, by one of the members making up the federation, or by a public international body to which one or more Member States belong, or
 - issued by an undertaking any securities of which are dealt in on regulated markets referred to in subparagraphs a), b) or c) above or
 - issued or guaranteed by an establishment subject to prudential supervision, in accordance with criteria defined by Community law, or by an establishment which is subject to and complies with prudential rules considered by the Luxembourg Supervisory Authority to be at least as stringent as those laid down by Community law, or
 - issued by other bodies belonging to the categories approved by the Luxembourg Supervisory Authority provided that investments in such instruments are subject to investor protection equivalent to that laid down in the first, the second or the third indent and provided that the issuer is a company whose capital and reserves amount at least to ten million euro (EUR 10,000,000) and which presents and publishes its annual accounts in accordance with the fourth Directive 78/660/EEC, is an entity which, within a group of companies which includes one or several listed companies, is dedicated to the financing of the group or is an entity which is dedicated to the financing of securitisation vehicles which benefit from a banking liquidity line.

- (2) However:
- a) a fund may invest no more than 10% of its net assets in transferable securities and money market instruments other than those referred to in paragraph (1);
 - b) a fund may not acquire either precious metals or certificates representing them.
- (3) A fund may hold ancillary liquid assets.

Furthermore,

- (4) a fund may invest no more than 10% of its net assets in transferable securities or money market instruments issued by the same body. A fund may not invest more than 20% of its assets in deposits with the same body. The risk exposure to a counterparty of a fund in an OTC derivative transaction may not exceed 10% of its net assets when the counterparty is a credit institution referred to in paragraph (1) f), or 5% of its assets in other cases.
- (5) The total value of the transferable securities and money market instruments held by a fund in the issuing bodies in each of which it invests more than 5% of its net assets must not exceed 40% of the value of its net assets. This limitation does not apply to deposits and OTC derivative transactions made with financial institutions subject to prudential supervision.

Notwithstanding the individual limits laid down in paragraph (4), a fund may not combine:

- investments in transferable securities or money market instruments issued by,
 - deposits made with, and/or
 - exposures arising from OTC derivative transactions undertaken with a single body in excess of 20% of its net assets.
- (6) The limit laid down in paragraph (4), first sentence is raised to a maximum of 35% if the transferable securities or money market instruments are issued or guaranteed by a Member State of the European Union, by its local authorities, by a non-Member State or by public international bodies to which one or more Member States are members.
- (7) The limit laid down in paragraph (4), first sentence, is raised to a maximum of 25% for certain bonds if they are issued by a credit institution whose registered office is situated in a Member State of the European Union and which is subject by law to special public supervision designed to protect bondholders. In particular, sums deriving from the issue of these bonds must be invested pursuant to the law in assets which, during the whole period of validity of the bonds, are capable of covering claims attaching to the bonds and which, in the event of bankruptcy of the issuer, would be used on a priority basis for the reimbursement of the principal and payment of the accrued interest.

If a fund invests more than 5% of its net assets in such bonds as referred to in the first indent and issued by one issuer, the total value of such investments may not exceed 80% of the value of a fund's net assets.

- (8) The transferable securities and money market instruments referred to in paragraph (6) and (7) are not taken into account for the purpose of applying the limit of 40% referred to in paragraph (5).

The limits set out in paragraphs (4), (5), (6) and (7) may not be combined, and thus investments in transferable securities or money market instruments issued by the same body, in deposits or derivative instruments made with this body carried out in accordance with paragraphs (4), (5), (6) and (7) may not exceed a total of 35% of a fund's net assets.

Companies which are included in the same group for the purposes of consolidated accounts, as defined in accordance with the Directive 83/349/EEC or in accordance with recognised international accounting rules, are regarded as a single body for the purpose of calculating the limits contained in clauses (4) to (8).

A fund may cumulatively invest up to 20% of its net assets in transferable securities and money market instruments within the same group.

(9) Without prejudice to the limits set forth hereunder under (15) and (16) , the limits set forth in (4) (5), (6), (7) and (8) are raised to a maximum of 20% for investments in shares and/or debt securities issued by the same body when the aim of a fund's investment policy is to replicate the composition of a certain stock or debt securities index which is recognised by the Luxembourg Supervisory Authority, on the following basis:

- the composition of the index is sufficiently diversified;
- the index represents an adequate benchmark for the market to which it refers;
- it is published in an appropriate manner.

(10) The limit laid down under (9) is raised to 35% where that proves to be justified by exceptional market conditions in particular in regulated markets where certain transferable securities or money market instruments are highly dominant. The investment up to this limit is only permitted for a single issuer.

(11) A fund may invest in accordance with the principle of risk-spreading up to 100% of its net assets in different transferable securities and money market instruments issued or guaranteed by any Member State of the European Union, its local authorities, by any other Member State of the OECD or public international bodies of which one or more of such Member States of the European Union are members.

If a fund makes use of the provision heretofore it must hold securities from at least six different issues, but securities from any one issue may not account for more than 30% of the total amount.

(12) A fund may acquire units of UCITS and/or other UCIs referred to under (1) e) here above, provided that no more than 20% of its net assets are invested in a single UCITS or other UCI.

For the purposes of applying this investment limit, each compartment of a UCI with multiple compartments shall be considered as a separate entity, provided that the principle of segregation of the obligations of the various compartments vis-à-vis third parties is ensured.

(13) Investments in units of UCI other than UCITS may not exceed, in aggregate, 30% of a fund's net assets.

When a fund has acquired units of UCITS and/or other UCIs, the assets of the respective UCITS or other UCI do not have to be combined in the view of the limits laid down heretofore.

(14) For investments which will be done in the units of other UCITS and/or other UCIs that are managed, directly or by delegation, by the Management Company or by any other company to which the Management Company is linked by common management or control, or by a substantial direct or indirect holding, the Management Company or other company may not charge subscription or redemption fees on account of a fund's investment in the units of other UCITS and/or other UCI.

(15) The Management Company acting in connection with all of the common funds which it manages and which fall under the scope of Part I of the Law may not acquire any shares carrying voting rights which would enable it to exercise significant influence over the management of an issuing body.

(16) Moreover, a fund may acquire no more than:

- 10% of the non-voting shares of the same issuer;
- 10% of the debt securities of the same issuer;
- 25% of the units of the same UCITS and/or other UCI;
- 10% of the money market instruments of the same issuer.

The limits laid down in the second, third and fourth indents may be disregarded at the time of acquisition if at that time the gross amount of debt securities or money market instruments, or the net amount of the instruments in issue, cannot be calculated.

(17) Paragraphs 15) and 16) are waived as regards:

- a) transferable securities and money market instruments issued or guaranteed by a Member State of the European Union or its local authorities;

- b) transferable securities and money market instruments issued or guaranteed by a non-Member State of the European Union;
 - c) transferable securities and money market instruments issued by public international bodies of which one or more Member States of the European Union are members;
 - d) shares held by a fund in the capital of a company incorporated in a non-Member State of the European Union which invests its assets mainly in the securities of issuing bodies having their registered office in that State, where under the legislation of that State, such a holding represents the only way in which a fund can invest in the securities of issuing bodies of that State. This derogation, however, shall apply only if in its investment policy the company from the non-Member State of the European Union complies with the limits laid down in the clauses (4) to (8), (12), (13), and (15) to (16). Where the limits set out in the clauses (4) to (8) and (12) to (13) are exceeded, the clauses (18) to (19) shall apply *mutatis mutandis*;
 - e) shares held by investment companies in the capital of one or more subsidiary companies carrying on only the business of management, advice or marketing in the country/state where the subsidiary is located, in regard to the repurchase of units at unitholders' request exclusively on its or their behalf.
- (18) A fund need not necessarily comply with the limits laid down in the present Article when exercising subscription rights attaching to transferable securities or money market instruments which form part of its assets.

While ensuring observance of the principle of risk-spreading, a fund may derogate from the limits laid down heretofore for a period of six months following the date of its authorisation.

- (19) If the limits referred to in the present article are exceeded for reasons beyond the control of a fund or as a result of the exercise of subscription rights, it must adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of the interests of its unitholders.
- (20) To the extent that an issuer is a legal entity with multiple compartments where the assets of a compartment are exclusively reserved to the investors in such compartment and to those creditors whose claim has arisen in connection with the creation, operation or liquidation of this compartment, each compartment is to be considered as a separate issuer for the purposes of applying the risk-spreading provisions laid down in the clauses (4) to (10) and (12) to (13).
- (21) The Management Company acting on a fund's behalf may not borrow. However, it may acquire foreign currency by means of a back-to-back loan.

By way of derogation, a fund may borrow the equivalent of up to 10% of its net assets provided that the borrowing is on a temporary basis.

- (22) The Management Company may not on a fund's behalf, grant loans or act as a guarantor on behalf of third parties. This disposition shall however not prevent a fund from acquiring transferable securities, money market instruments or other financial instruments referred to under clause (1) e), g) and h) which are not fully paid.
- (23) The Management Company may not, on a fund's behalf, carry out uncovered sales of transferable securities, money market instruments or other financial instruments referred to under clause (1) e) g) and h).
- (24) With a view to hedge investment positions or for efficient portfolio management, the fund may, in the context of the overall investment policy and within the limits of the investment restrictions, conduct certain operations involving the use of all financial derivative instrument, authorised by the Luxembourg Law or by Circulars issued by the Luxembourg supervisory authority, including, but not limited to, (i) put and call options on securities, indexes and currencies, including OTC options; (ii) futures on stock market indexes and interest rates and options on them; (iii) structured products, for which the security is linked to or derives its value from another security; (iv) warrants; and (v) swaps.

The fund will ensure that its global exposure relating to derivative instruments does not exceed the total net value of its portfolio. The exposure is calculated taking into account the current value of the

underlying assets, the counterparty risk, future market movements and the time available to liquidate the positions.

A fund may invest, as part of its investment policy and within the limits laid down in clause (8) in financial derivative instruments provided that the exposure to the underlying assets does not exceed in aggregate the investment limits laid down in clauses (4) to (8).

When a fund invests in index-based financial derivative instruments, these investments do not have to be combined to the limits laid down in clauses (4) to (8).

When a transferable security or money market instrument embeds a derivative, the latter must be taken into account when complying with the requirements of this clause (24).

Under no circumstances shall these operations cause the fund to diverge from its investment objectives-

Securities lending and repurchase agreements

a) Within the limits of a standardised securities lending system, up to 50% of the transferable securities contained in the fund can be lent for a period of maximum 30 days. The condition is that this securities lending system is organised by a recognised securities clearing institution or by a highly rated financial institution which specialises in that type of transactions.

The securities lending may comprise more than 50% of the security holdings or last for a period longer than 30 days, in as far as the fund has the right to terminate the securities lending contract at any time and to demand the return of the lent securities.

In relation to its lending transactions, the fund must in principle receive a guarantee, the value of which, at the conclusion of the lending agreement, must be at least equal to the value of the global valuation of the securities lent. The guarantee can consist of cash or of securities which are issued or guaranteed by Member States of the OECD, their local authorities or international organizations and blocked in favour of the fund until termination of the lending agreement.

A guarantee is not necessary, as long as the securities lending takes place within the limits of Clearstream AG, Euroclear or another recognised clearinghouse, which provides security in favour of the lender of the lent securities by means of a guarantee or by other means.

b) From time to time the fund may purchase or sell transferable securities in the form of repurchase agreements. For this, the counterpart of such transaction must be a highly rated financial institution specialized in this type of transaction.

During the lifetime of a repurchase agreement, the fund may not sell the securities which are the object of the agreement. The importance of purchased securities subject to a repurchase obligation has to be maintained at a level such that it is able, at all times, to meet its obligations to redeem its own units.

Article 5 COSTS TO BE BORNE BY A FUND

Unless otherwise specified in the "Special Regulations", a fund will bear the following costs which shall include but will not be limited to:

(1) fees payable to and reasonable disbursements and out-of pocket expenses incurred by the Management Company, the Custodian Bank, paying agent(s), registrar and transfer agent, administrative and selling agents and all other intermediaries; the amount of these fees are described in the Prospectus.

(2) Any performance based fee; such fee is described in the Prospectus, if applicable;

(3) all taxes levied on a fund and any legal, accounting or other expenses in connection with such taxes;

(4) fees of legal counsel requested by a fund or the Management Company acting in the unitholders' and a fund's interest;

(5) fees due to a fund's independent authorised auditor;

(6) expenses incurred with the issue of unit certificates, if any;

(7) expenses relating to the issue, the registration and the deposit of the Management Regulations and/or other documents, as the Prospectuses, including costs inherent to the registration with stock exchanges and/or other markets;

(8) all costs relating to the issue, the printing, the distribution and the translation of a fund's reports and Prospectuses and any other documents required by law or administrative practice;

(9) costs for official announcements required by law or made in the unitholders' interest;

(10) an appropriate portion for fees inherent to the promotion and the offer of a fund's units, including printing of marketing material, web-page and related matters;

(11) bank and brokerage fees for transactions in a fund's assets as well as fees on transfers referring to the redemption of units;

and all other expenses incurred in connection with the administration, the management and the operations of a fund.

The expenses in connection with the initial establishment of the Fund will be amortised over a period of up to five years. Each class of units will be charged with all costs and expenses directly attributable to it. Any costs, which are not attributable to a class of units will be charged in proportion to their assets.

A fund may accrue administrative and other expenses of a regular or recurring nature based on an estimated amount rateably for yearly or other periods.

Article 6 UNITS AND CLASSES OF UNITS

Units are issued in registered form and recorded in a nominal account, unless otherwise laid down in the Special Regulations. In connection with the purchase of units in the fund, a unitholder account is opened in the investor's name in the books of the fund. This account is credited in respect of units held by the investor. Whenever a transaction is registered in the account of a unitholder, the latter will receive a statement of his account.

Fractional units may be issued.

All units of a fund carry equal rights and are equally entitled to participate in the profits, price gains and liquidation proceeds of their respective unit class from the day of issue.

The Management Company may provide for the issue of units of different classes of units (the "Classes") that differ with regard to specific features, such as the use of income, the management fees, the subscription fee or other characteristics. Thus, if capitalisation units ("C"-units) and/or distribution units ("D"-units) are issued, the "D"-units will pay a dividend to the unitholders, whereas the "C"-units will capitalize income with the result that their value will constantly be greater than that of "D"-units in the proportion of the dividends paid to "D"-units.

If different classes of units are issued, this will be set out in the Prospectus.

Unitholders have the right to convert their units of one class into units of another class at a price based on the respective net asset value per unit.

If more than one class of units is established for a fund, the unit value for each unit class is calculated by dividing the value of the fund assets attributable to the respective class by the number of units of that class outstanding on the day of valuation.

Article 7 ISSUE OF UNITS AND LIMITATION OF THE ISSUE OF UNITS

When issuing units, the Management Company must comply with the laws and regulations of all countries in which the units are offered.

Units are made available through the Management Company on a continuous basis.

The Management Company may conclude contractual arrangements with intermediaries, dealers and/or professional investors for the distribution of the units and entrust them with such duties and pay them such fees as described in the Prospectus. The Management Company may impose restrictions on the frequency at which units shall be issued.

Units may be issued on a daily, weekly or monthly basis or any other periodicity determined by the Management Company. The relevant day has been designated by the Management Company to be a valuation day (the "Valuation Day"), subject to the right of the Management Company to discontinue temporarily such issue as provided for in Article 12.

The price per unit will be the net asset value (the "NAV") per unit of the relevant class of units as of the applicable Valuation Day together with any applicable sales charges. Subject to the laws, regulations or banking practices in the country where a subscription is made, taxes or costs may be charged additionally. The NAV per unit of each class will be available within the period of time determined by the Management Company and specified in the Prospectus.

Payments shall be made within the period of time determined by the Management Company and specified in the Prospectus in the fund currency (the "Reference Currency") or in any other currency to the extent provided for in the Prospectus. Failing this payment, applications will be considered as cancelled.

Minimum amounts of initial and subsequent investments as well as of holding may be set by the Management Company and, if applicable, disclosed in the Prospectus of the fund.

The Management Company will not issue units as of a particular Valuation Day unless the application for subscription of such units has been received by a time dictated by the Management Company as more fully described in the Prospectus; otherwise such application shall be deemed to have been received on the next following day.

On behalf of a fund, the Management Company may, at its own discretion, reject a subscription application for units or temporarily limit, suspend or permanently discontinue the issue of units if it judges this to be necessary in the interest of all unitholders, or necessary for the protection of the Management Company or the respective fund, or in the interests of the investment strategy, or in the event that the specific investment objectives are in jeopardy.

The Management Company may agree to issue units as consideration for a contribution in kind of securities to any investor who requests, in compliance with the conditions set forth by the Management Company, in particular the obligation to deliver a valuation report from the auditor of the fund which shall be available for inspection and provided that such securities comply with the investment objectives, policies and restrictions of the fund. Any costs incurred in connection with a contribution in kind of securities shall be borne by the relevant investor. Units will be issued at their respective issue price against the contribution in kind valued this way.

In case of a merger with another collective investment undertaking, the subscription price may be paid by contribution in kind of all assets and liabilities of the absorbed fund, valued pursuant to the rules described in the section on "Net Asset Value" below. Units of the fund will be issued at their net asset value against the contribution in kind valued this way.

In addition, the Management Company is entitled:

- to refuse, at its discretion, a request for acquisition of units,
- to redeem, at any time, units that might have been acquired in violation of an exclusion measure adopted in virtue of this section.

Article 8 REDEMPTIONS OF UNITS
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Unitholders may request the redemptions of their units at any time except as provided for in Article 12.

Redemptions will be made at the NAV per unit in the relevant class on any Valuation Day, less any applicable redemption fees, provided that the applications have been received by a time dictated by the Management Company acting on behalf of a fund as more specifically described in the Prospectus. Applications received after that time will be deemed to have been received on the next following day.

Further to potential fluctuations, the redemption price may be higher or lower than the price paid at the time of the subscription.

Payment of the redemption price will be made within the period of time determined by the Management Company and specified in the Prospectus. Payment of such units will be made in the Reference Currency of the fund or in any freely convertible currency specified by a unitholder. In the last case, any conversion costs will be borne by the unitholder.

With the consent of the Custodian Bank, the Management Company is entitled to postpone settlement of wide-ranging redemptions that cannot be met from the liquid assets and authorised borrowing of a fund until appropriate assets of the respective fund have been sold without delay. Unitholders who have offered their units for redemption will be given suitable and immediate notification of the suspension and resumption of redemption.

The Custodian Bank is only obliged to make payment when no legal provisions, e.g. foreign currency regulations, or other, unforeseeable, circumstances prevent the Custodian Bank from transferring the redemption price to the country of the unitholder.

The Management Company may unilaterally buy back units for each fund by means of payment of the redemption price if it judges this is to be necessary in the interests of all unitholders or necessary for the protection of the Management Company or for the protection of the respective fund.

Redemption of units may however, at the sole discretion of the Management Company and with the consent of the unitholders concerned, be made in kind by allocating to the unitholders investments from the portfolio equal in value to the value of the units to be redeemed. The nature and type of the assets to be transferred in such case shall be determined on a fair and reasonable basis without prejudicing the interests of the other unitholders and the redemption shall be confirmed by a special report of the auditor of the fund. The costs of any such transfers shall be borne by the transferee.

All redeemed units are cancelled.

If, as a result of any request for repurchase, the aggregate NAV of all the units held by any unitholder, shall fall below the minimum amount referred to in Article 7 hereof, the Management Company may treat such request as a request to redeem the entire unit holding of such unitholder.

Article 9 ACCOUNTING YEAR AND AUDITING OF ACCOUNTS

The accounting year of a fund is stipulated in the Special Regulations of the respective fund.

The annual statement of a fund is audited by an independent authorised auditor appointed by the Management Company.

Article 10 USE OF INCOME

The Management Company will decide from time to time if and to what extent dividends should be paid to holders of "D" units out of the net results of the operations attributable to the "D" units, plus the equalisation account on the net issues of such units. Such dividends will be paid to holders of "D" units as soon as practicable after the decision. The "C" units are not entitled to the dividend payments.

Results of operations of the fund include all costs and other revenues such as dividends and interest contributing proceeds of the fund's assets, net realised and unrealised capital gains proceeds of sales of subscription rights and any other proceeds not to be defined as revenues.

Distributions can only be made to the extent that the net assets of the fund after such distribution will not be less than the minimum required by Luxembourg Law.

Dividends not claimed within five years from their due date will elapse and revert to the fund.

The equalisation account is operated in relation with subscriptions and redemptions in the fund when dividend units are in existence.

Article 11 NET ASSET VALUE

The NAV per unit of each class within a fund will be calculated at least twice a month as more fully described in the Prospectus (a "Valuation Day") in accordance with the provisions of this article. Such calculation will be done under the guidelines established by and under the responsibility of the Management Company.

The NAV per unit of each class shall be expressed in the base currency of a fund as stipulated in the Special Regulations (The "Fund Currency" or "Reference Currency") or in the respective reference currency of the class, if applicable (the "Class Currency").

If only one class of units is issued, the net asset value of a unit is determined by dividing the net assets of the fund by the total number of units outstanding at that time. If several classes of units are issued, the net asset value of one unit for each class of units will be determined by dividing the net assets of the fund attributed to this class of units by the total number of units of that same class outstanding at that time.

If a fund issues different classes of units, calculation of the unit value is subject to the following special provisions:

- a) the value per unit is calculated separately for each class;
- b) inflows of money resulting from the issue of units increase the percentage share of the class of the units in question in the total value of the net fund assets. Outflows of money resulting from the redemption of units reduce the percentage share of the class of units in the total value of the net funds assets;
- c) when distributions are paid out, the net asset value of the fund attributable to distributing units is reduced by the amount of these distributions. This means that the percentage share of distributing units in the total net assets of the fund will decrease, while the percentage of capitalizing units in the total net assets of the fund will increase.

A fund's assets include the securities in the portfolio, eventual time deposits and other liquid assets and coupons already cashed, interest and coupons that have fallen due and have not yet been cashed and interest accrued, any other assets permitted, and, if applicable, the dividend regularisation account.

The assets of a class of units are constituted by the value of the assets less the liabilities attributable to such class of units. The net assets of a fund are constituted by the value of the aggregate of the net assets of all classes.

For the valuation of a fund's assets, the following principles are observed:

(1) Calculation is done on the basis of the last stock exchange prices available. Securities quoted on an official stock exchange or any other regulated market which operates regularly and is recognised and open to the public, are valued on the basis of the last known price, and, if there are several markets, the last known price of the stock exchange which is the principal market for the security in question, unless these prices are not representative.

For unquoted securities, and for quoted securities, but for which the last known price is not representative, valuation is based on the probable sales value estimated prudently and in good faith by the Management Company.

(2) The value of the units or shares of investment funds shall be based on the last available net asset value.

(3) The value of any cash on hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, cash dividends and interests declared or accrued and not yet received is deemed to be the full amount thereof, unless in any case the same is unlikely to be paid or received in full, in which case the value thereof is arrived at after making such discount as may be considered appropriate in such case to reflect the true value thereof.

(4) Money market instruments may be valued at the respective market values as estimated by the Management Company in good faith and in line with generally recognised valuation principles which are also verifiable by the auditor of a fund.

(5) Liquid assets are assessed at their face value plus accrued interest.

(6) The liquidating value of futures, forward and option contracts traded on U.S. exchanges or on other markets which operate regularly and are recognised and open to the public in the United States shall be based upon the last available settlement prices of these contracts on exchanges and such markets on which the particular futures, forward and option contracts are traded by a fund. The liquidating value of futures, forward and option contracts not traded on U.S. exchanges shall mean their liquidating value determined, pursuant to policies established by the Management Company, on a basis consistently applied for each different variety of contract.

Provided that if a contract could not be liquidated on the day with respect to which net assets are being determined, the basis for determining the liquidating value of such contract shall be such value as the Management Company may deem fair and reasonable.

(7) Swaps will be valued at their market value established on the basis of the value of the interest rates swap calculated by reference to the interest rates' curve.

(8) Assets denominated in other currencies than the base currency of a fund will be converted into that base currency at the average rate of the last known bid and offer rates of these currencies.

The Management Company is authorised to adopt other realistic valuation principles for assets of a fund where circumstances make the determination of values according to the criteria specified above non realistic, impossible or inadequate. Especially in case of major changes in market conditions, the valuation basis of the different investments may be adjusted to the new market yields.

Article 12 SUSPENSION OF CALCULATION OF A NET ASSET VALUE, SUBSCRIPTIONS AND REDEMPTIONS

The Management Company is authorised to suspend temporarily the calculation of the net asset value and the issue and redemption of a fund's units in the following cases:

- where one or several securities or exchange markets forming the basis of the valuation of a major part of a fund's assets are closed for periods other than legal holidays, or where transactions are suspended thereon or subject to restrictions;
- where political, economical, military, monetary or social circumstances or any cases of force majeure, beyond the responsibility or power of the Management Company, make it impossible to dispose of a fund's assets by reasonable and normal means, without causing serious prejudice to unitholders;
- for any reason, when the value of substantial investment of a fund cannot be known with sufficient speed or accuracy;
- where restrictions on exchange or capital movements prevent the execution of transactions on behalf of a fund or where purchase or sales transactions of the Fund's assets cannot be carried out at normal exchange rates
- in an emergency, when the Management Company may not dispose of a fund's investment or it is impossible for it to freely transfer the transaction value resulting from purchases and sales of investment, or to carry out the calculation of the NAV in an orderly manner.

The Management Company may, at any time, if it considers it necessary, temporarily suspend or finally halt or limit the issue of units of a fund to individuals or companies residing or domiciled in certain countries and territories, or exclude them from acquiring units, if such measure is necessary to protect existing unitholders and a fund.

In case of a suspension for reasons as stated above for a period of more than six days, unitholders will be informed accordingly.

Article 13 DURATION AND LIQUIDATION OF A FUND
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The duration of a fund is indicated in the Special Regulations.

Subject to prior notification of the Custodian Bank, the fund may be terminated at any time by the Management Company. The Management Company may, in particular, decide such dissolution where

the value of the net assets of a fund has decreased to an amount to be determined by the Management Company to be the minimum level for a fund to be operated in an economically efficient manner, or in case of a significant change of the economic or political situation.

The liquidation of a fund cannot be requested by a unitholder, his heirs or beneficiaries.

The event leading to dissolution of a fund must be published in the Mémorial C and in at least two newspapers with appropriate distribution, at least one of which must be a Luxembourg newspaper. Such event will also be notified to the unitholders in such other manner as may be deemed appropriate by the Management Company.

From the occurrence of the event giving rise to liquidation of a fund, issues of units are prohibited on penalty of nullity. Redemptions of units continue to be possible if the equal treatment between all unitholders can be ensured.

The Management Company or, as the case may be, the liquidator it has appointed, will realise the assets of a fund in the best interest of the unitholders thereof, and upon instruction given by the Management Company, the Custodian Bank will distribute the net proceeds from such liquidation, after deducting all liquidation expenses relating thereto, amongst the unitholders in proportion to the number of units held by them. If so desired by any unitholder, the Management Company may distribute the assets of the fund wholly or partly in kind in compliance with the conditions set forth by the Management Company (including, without limitation, delivery of independent valuation report) and the principle of equal treatment of unitholders. Any fees / costs involved in the transfer will be at the unitholder's charge.

At the close of liquidation of a fund, the proceeds thereof corresponding to units not surrendered will be kept in safe custody with the Luxembourg Trésorerie de l'Etat, Caisse de Consignation until the prescription period has elapsed.

Article 14 MERGER OF A FUND

The Management Company may, the Custodian Bank being duly informed, decide to allocate the assets of a fund (1) to another undertaking for collective investment in transferable securities governed by Luxembourg Law, or (2) to a sub-fund within such other undertaking for collective investment or (3) to a foreign undertaking for collective investment and to re-designate the units of the class or classes concerned as units of another class (following a split or consolidation, if necessary, and the payment of the amount corresponding to any fractional entitlement to unitholders) where the value of the net assets of a fund has decreased to an amount to be determined by the Management Company to be the minimum level for a fund to be operated in an economically efficient manner, or in case of a significant change of the economic or political situation. Such decision will be notified to the unitholders in such manner as may be deemed appropriate by the Management Company (and, in addition, the publication will contain information in relation to the new fund/sub-fund), one month before the date on which the merger becomes effective in order to enable unitholders to request redemption of their units, free of charge, during such period. After such period, unitholders having not requested the redemption of their units will be bound by the decision of the Management Company, provided that only the unitholders having expressly consented thereto may be transferred to a foreign undertaking for collective investment.

Article 15 PUBLICATIONS

Audited annual and unaudited semi-annual reports will be made available to unitholders at no costs at the offices of the Management Company, the Custodian Bank and any paying agent.

Any other financial information to be published concerning the fund or the Management Company, including the NAV, the issue and repurchase price and any suspension of valuation will be made available to the public at the offices of the Management Company.

All notices to unitholders will be sent to them at their address indicated in the register of unitholders and to the extent required by Law, will be published.

Article 16 STATUTE OF LIMITATIONS

Claims of unitholders against the Management Company or the Custodian Bank lapse five years after the date of the event giving rise to the rights invoked.

The claims of unitholders in the case of the liquidation of a fund are stated in Article 13.

Article 17 AMENDMENTS

With the consent of the Custodian Bank, the Management Company may amend the General Management Regulations and/or the Special Regulations in part or in whole at any time.

Article 18 APPLICABLE LAW, PLACE OF PERFORMANCE AND AUTHORITY LANGUAGE

The General Management Regulations and the Special Regulations of the respective funds are subject to the laws of the Grand Duchy of Luxembourg. In particular, the provisions of the law of December 20, 2002 relating to undertakings for collective investment apply in addition to the provision of the General Management Regulations and the Special Regulations of the respective funds. The same applies to the legal relations between the unitholders, the Management Company and the Custodian Bank.

All disputes between unitholders, the Management Company and the Custodian Bank are subject to the jurisdiction of the competent court in the Grand Duchy of Luxembourg. In connection with the circumstances relating to the respective fund, the Management Company and the Custodian Bank are entitled, with regard to themselves and to each of the funds, to elect the seat of jurisdiction in and to conform to the laws of the country in which the units are sold to the public, provided that this relates to claims of investors resident in the country concerned.

The English wording of the General Management Regulations and the Special Regulations are binding unless expressly specified otherwise in the Special Regulations of the respective fund.

Article 19 ENTERING INTO FORCE

The General Management Regulations, all Special Regulations and all amendments thereto enter into force on the day on which they are signed unless specified otherwise in the Special Regulations of the respective fund.

SPECIAL REGULATIONS

HQ FUND

Preamble: The General Management Regulations effective as of June 30, 2006 whose notice of deposit is published in the Mémorial C, Recueil des Sociétés et Associations (the "Mémorial") on August 3, 2006 form an integral part of HQ FUND.

The latter are replaced or completed by the provisions of the following Special Regulations.

Article 1 OBJECTIVES AND POLICY

The main objective of the Fund is the realisation of long-term capital growth coupled with security of the underlying assets. The Fund has long-term investment horizons and therefore the purchase of units in the Fund should be regarded as long-term investment.

The Fund's portfolio will mainly include but not be limited to shares and bonds admitted to official listing on stock exchanges or dealt in on regulated markets or on other markets that are regulated, operate regularly and are recognised and open to the public.

Furthermore, the Fund's assets may be invested in all other eligible assets within the scope of legal possibilities laid down by Law. A detailed description of the Fund's investment policy is set out in the sales prospectuses.

The investment policy of each Sub-Fund is determined by the Management Company.

A detailed description of the investment policy of each Sub-Fund is set out in the Sales Prospectuses.

Article 2 FUND CURRENCY

The Fund Currency is Euro (EUR).

Article 3 DURATION OF THE FUND

The Fund has been set up for an unlimited period of time.

Article 4 ACCOUNTING YEAR

The accounts of the Fund are closed on December 31 of each year.

Article 5 COSTS

The Fund will bear the following costs:

1. A fee at a maximum annual rate of 1.75% of the total net assets of each Sub-Fund payable to the Management Company; the Management Fee comprises the custodian fee, the investment manager fee, as well as the fees payable to the Central Administration;
2. A performance fee
If applicable, the method of calculation and the respective amount are laid down in the Prospectuses
3. All taxes owed on the Fund's assets and income
4. Bank and brokerage fees for transactions in securities making up the Fund's portfolio, as well as fees on transfers referring to redemptions of units as well as charges of correspondent banks in non-matured markets;
5. Operating expenses (i.e. listing agent fees, if any, auditor's fee, printing and distribution of the annual and semi-annual reports and so on)

On the other hand, advertising costs and other expenses directly connected with the offering or distribution of units, including the cost of printing and copying of the documents mentioned above or reports used by distributors of units in their commercial activity, are not to be borne by the Fund.

The specific fees and expenses of each Sub-Fund are payable by that Sub-Fund. All other fees and expenses shall be shared by the Sub-Funds in proportion to their net assets at that time. Any commitments, whichever Sub-Fund they relate to, will involve the Fund in its entirety.

Article 6 UNITS

In accordance with article 6 of the General Management Regulations, the Management Company issues different unit classes.