

FULL PROSPECTUS

HQ Portfolio SICAV

(SOCIETE D'INVESTISSEMENT A CAPITAL VARIABLE A COMPARTIMENTS MULTIPLES)

R.C.S. Luxembourg B 33 101

CONTAINING THE FOLLOWING PORTFOLIOS OF INVESTMENTS

**HQ Portfolio – HQ Strategy Fund
HQ Portfolio - HQ Corporate Bond
HQ Portfolio – HQ Trend Allocation**

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. No information other than that contained in the Prospectuses, in the periodic financial reports, as well as in any other documents mentioned in the Prospectuses and which may be consulted by the public may be given in connection with the offer. Shares of HQ Portfolio (SICAV) may be neither 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 shares to those persons permitted.

October 2009

TABLE OF CONTENTS

PRINCIPAL FEATURES.....	4
THE COMPANY	4
THE SUB-FUNDS.....	4
THE INVESTMENT MANAGEMENT.....	4
REGULAR REPORTING	4
THE SHARES	5
REGISTERED OFFICE	5
INTRODUCTION	6
THE COMPANY.....	7
CAPITAL STOCK.....	7
INVESTOR’S PROFILE.....	8
INVESTMENT OBJECTIVE AND POLICY	8
INFORMATION ON RISK.....	9
General information.....	9
Risk factors.....	9
GENERAL GUIDELINES FOR THE INVESTMENT POLICY	11
A. Eligible Assets	11
B. Investment restrictions applicable to Eligible Assets	13
C) Liquid assets	16
D) Unauthorized investments	16
E) Techniques and instruments.....	16
DISTRIBUTION POLICY	17
NET ASSET VALUE	17
ISSUES OF SHARES.....	19
Restrictions on issue.....	20
Late Trading and Market Timing	20
Anti-Money Laundering Procedures.....	20
REDEMPTION OF SHARES	21
CONVERSION AND SWITCHING BETWEEN SUB-FUNDS	21
TAXATION	22
MANAGEMENT AND ADMINISTRATION.....	23
Board of Directors.....	23
Management Company	23
Investment Manager.....	24
Custodian Bank – Paying Agent	24
EXPENSES	25

NOTICES25

DISSOLUTION OF THE COMPANY.....26

 DISSOLUTION / MERGER OF THE SUB-FUNDS 26

DOCUMENTS.....27

THE SUB-FUNDS28

 HQ Portfolio – HQ Strategy Fund 28

 HQ Portfolio – HQ Corporate Bond 30

 HQ Portfolio – HQ Trend Allocation 32

PRINCIPAL FEATURES

HQ Portfolio, SICAV brings together the advantages of active, professional fund management with a choice of sub-funds (hereafter referred to “Sub-Funds”) designed to meet a wide range of objectives.

The level of flexibility and cost efficiency offered by HQ Portfolio is a valuable benefit for investors. All deals involving the redemption of shares or switching between Sub-Funds will be transacted at Net Asset Value. There will also be a reduction in the commission charged to existing shareholders wishing to increase the level of their investment in the Sub-Funds.

THE COMPANY

HQ Portfolio is an open-ended investment company with variable share capital (“SICAV”), incorporated in Luxembourg and offering shares in three separate Sub-Funds. These Sub-Funds have been carefully designed to meet investor's requirements across the breadth of today's international markets; such diversification, when combined with expert management, aims at meeting the widest range of investment objectives and achieving the best returns.

THE SUB-FUNDS

The Company contains three separate Portfolios.

HQ Portfolio – HQ Strategy Fund

is seeking to achieve a long-term capital growth for the investors through a diversified portfolio consisting mainly of equities but with the possibility to include fixed income securities, investing primarily in Sweden;

HQ Portfolio - HQ Corporate Bond

is seeking to create both return from the yield and/or capital appreciation by investing in bonds, money market instruments and other interest bearing instruments which are admitted to trading on a Regulated Market, as defined hereafter. The maximum average duration of such investments will be up to ten (10) years;

HQ Portfolio – HQ Trend Allocation

is seeking to maximize the return to the investor subject to the Sub-funds risk level. In order to reach its investment objective, the Sub-Fund can, in varying degree, have exposure to equities, equity related transferable securities, money market instruments and other fixed income securities, currencies and for risk-diversification purposes, in financial indices, including commodity indices (each a “Financial Index”). The Sub-Fund can use derivative instruments as a part of the investment strategy. The Sub-Fund has a long term investment horizon.

THE INVESTMENT MANAGEMENT

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

The Sub-Funds have the facility to invest in any world market. The managers have the expertise to react positively and immediately to any change in those markets.

REGULAR REPORTING

to the shareholders includes detailed communications on the progress of the investments through fully audited annual reports.

THE SHARES

An application to subscribe for Shares is enclosed with this prospectus. You should study the Prospectuses in detail before making your application.

In case of switching between Sub-Funds, a conversion fee of maximum 1% of the Net Asset Value may be made payable to HQ Fonder Sverige AB.

Shares may easily be redeemed with payment made in the Sub-Fund's base currency. Settlement will be dispatched within three (3) bank business days of the weekly Valuation Day following receipt of documentation.

REGISTERED OFFICE

The Sicav:

**HQ PORTFOLIO
6a, Circuit de la Foire Internationale
L-1347 Luxembourg
Grand-Duchy of Luxembourg
R.C.S. - Luxembourg B – 33 101**

The Board of Directors of the Sicav is:

**Mr. Hans HEDSTRÖM
Managing Director
HQ Fonder Sverige AB
Norrandsgatan 15
SE-103 97 Stockholm, Sweden
Chairman**

**Mrs. Anna HAMMAR
Project Manager
HQ Fonder Sverige AB
Norrandsgatan 15
SE-103 97 Stockholm, Sweden
Director**

**Ann-Charlotte LAWYER
Head of SEB Fund Services S.A.
SEB Fund Services S.A.
6a, Circuit de la Foire Internationale
L - 1347 Luxembourg
Director**

The Promoter is:

**HQ Fonder Sverige AB
Norrandsgatan 15
SE-103 97 Stockholm, Sweden**

The Management Company and Central Administrator is:

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

**The Sub-Administrative Agent,
including Registrar and Transfer Agent is:**

**European Fund Administration S.A.
2, rue d'Alsace
L-1122 Luxembourg
(from 27 April 2009)**

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

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

The Investment Manager is:

**HQ Fonder Sverige AB
Norrländsgatan 15
SE-103 97 Stockholm, Sweden**

The Auditor of the Sicav 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 Company are :**

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

**In Sweden :
HQ Fonder Sverige AB
Norrländsgatan 15
SE-103 97 Stockholm, Sweden**

The Directors have taken all reasonable care to ensure that the facts stated herein are true and accurate in all material respects and that there are no other material facts for which the omission would make any statements herein misleading whether of fact or opinion. All the Directors accept responsibility accordingly.

It is not permissible to supply information or explanation that differs from the Prospectuses or the articles of incorporation (the "Articles of Incorporation"). Neither the board of directors of HQ Portfolio nor the Management Company, SEB Fund Services S.A., are liable if and to the extent that such divergent information or explanations are supplied.

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

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.

INTRODUCTION

HQ Portfolio, (hereafter the "Company"), described in this Prospectus is an open-ended investment company established in Luxembourg with a variable capital, société d'investissement à capital variable ("SICAV") which comprises separate Sub-Funds (each a "Sub-Fund") consisting of securities, at the initiative of HQ Fonder Sverige AB, a UCITS III compliant management company with registered office in Stockholm.

The main objective of the Company is to provide a range of Sub-Funds combined with active professional management to diversify investment risk and satisfy the needs of investors seeking income, capital conservation and longer term capital growth.

As in the case of any investment, the Company cannot guarantee future performance and there can be no certainty that the investment objectives of the Company's individual Sub-Funds will be achieved. It should be remembered that the price of the Shares and any income from them may go down as well as up.

THE COMPANY

The Company was incorporated in the Grand-Duchy of Luxembourg on March 2, 1990 under the name of FÖRSTA FONDER. It is organised as an open-ended investment company with variable capital ("Société d'investissement à capital variable" - "SICAV") under part I of the law of December 20, 2002 relating to collective investment undertakings (hereafter the "Law of 2002"). It is established for an undetermined duration from the date of incorporation.

The registered office of the Company is at 6a, Circuit de la Foire Internationale, L-1347 Luxembourg. The articles of incorporation (the "Statutes") of the Company are published in the Mémorial, Recueil Spécial des Sociétés et Associations, dated April 17, 1990. The articles were amended several times and the last amendment took place on April 20, 2006, which have been published on May 8, 2006 in the Mémorial C.

The financial year of the Company starts on January 1st and ends on December 31st of each year.

Shareholders' meetings are to be held annually in Luxembourg at the Company's registered office or at such other place as is specified in the notice of meeting. The Annual General Meeting will be held on the third Thursday in April each year at 10.00 am local time. If such day is a legal holiday in Luxembourg, the annual general meeting shall be held on the next following bank business day. Other meetings of shareholders may be held at such place and time as may be specified in the respective notices of meetings. Registered shareholders will receive notice of meetings by registered mail.

Resolutions concerning the interests of the shareholders of the Company shall be taken in a general meeting and resolutions concerning the particular rights of the shareholders of one specific Sub-Fund shall in addition be taken by this Sub-Fund's general meeting.

The Company is managed by a Board of Directors composed of not less than three members who need not be shareholders of the Company. The directors are elected by the shareholders at their annual meeting for a period ending at the next annual general meeting and hold office until their successors are elected. The directors are subject to removal by simple majority vote of the shareholders.

The remuneration payable to the directors, if any, is subject to the Annual General Meeting's approval.

The Company works as an umbrella structure which means that it is comprised of Sub-Funds (hereafter "Sub-Funds") each of which represents a specific class of assets and liabilities and has a distinct investment policy or any other specific feature, as further described hereafter.

At the date of the issue of the current prospectus, the Company contains three distinct Sub-Funds, respectively:

- * **HQ Portfolio – HQ Strategy Fund** (denominated in Swedish Kronas);
- * **HQ Portfolio - HQ Corporate Bond** (denominated in Swedish Kronas);
- * **HQ Portfolio – HQ Trend Allocation** (denominated in Swedish Kronas).

However, the Board of Directors may decide at any time to create new Sub-Funds investing in securities. At the opening of such additional Sub-Funds, a supplement to the Prospectuses shall be issued providing the investors with all information on those new Sub-Funds and the Prospectuses shall be adapted accordingly.

The Company constitutes a single legal entity, but the assets of each Sub-Fund shall be invested for the exclusive benefit of the shareholders of the corresponding Sub-Fund and the assets of a specific Sub-Fund are solely accountable for the liabilities, the commitments and obligations of that Sub-Fund.

CAPITAL STOCK

The capital of the Company shall at all times be equal to the value of the net assets of the Company. The Company has established segregated opposable accounts, each constituting a Sub-Fund within the meaning of article 133 of the Law of 2002, the assets of which are invested in accordance with the particular investment features applicable to the Sub-Fund and which is represented by a specific class or classes of shares. Pursuant to article 133 (5) of the Law of 2002, the rights of investors and creditors regarding a Sub-Fund or raised by the incorporation, daily operation

and liquidation of a Sub-Fund are limited to the assets of this Sub-Fund. In relation between investors, each Sub-Fund will be deemed to be a separate entity.

The board of directors may decide to offer different share classes for a respective Sub-Fund, which can differ due to the use of the income / allocation of results (capitalisation or distribution), the fee structure or due to other criteria to be determined by the board of directors. The issuing of share classes, if applicable, is mentioned in the Sub-Funds' Particulars. From the date of issue, all shares are entitled, in the same way, to income, capital gains and to liquidation proceeds.

The minimum capital of the Company shall be the equivalent in Swedish Kronas (SEK) as requested by Luxembourg Law.

The Board of Directors is authorised, without limitation and at any time, to issue additional shares at the respective Net Asset Value per share determined in accordance with the provisions of the Company's Statutes, without reserving to existing shareholders a preferential right to subscribe for the shares to be issued.

All shares are issued, fully paid and have no par value. Shares of any Sub-Fund will be entitled to payment of a dividend in case payment of a dividend is decided. Each Share carries one vote, regardless of its Net Asset Value and of the Sub-Fund to which it relates.

Shares are available in registered form only. The ownership of Shares shall be evidenced by written confirmation. Fractions of Shares may be issued in registered form only. Registered Shares may be issued to the nearest 10.000th of a Share. Fractions of Shares shall have no voting rights but will participate in the distribution of dividends and in the liquidation distribution.

For the time being capitalization shares in class A shares ("Class A Shares") and class I shares ("Class I Shares") are issued.

Class A Shares are available to all investors.

Class I Shares will only be offered to investors who are institutional investors within the meaning of article 129 of the Law of 2002 ("Institutional Investors") and the Company will not issue, or effect any conversion of, Class I Shares to any investor who does not qualify as Institutional Investor.

If the capital of the Company becomes less than two-thirds of the legal minimum, the directors must submit the question of dissolution of the Company to the general meeting of Shareholders. The meeting is held without a quorum and decisions are taken by simple majority. If the capital becomes less than one quarter of the legal minimum, a decision regarding the dissolution of the Company may be taken by Shareholders representing one quarter of the Shares present. The meeting in the foregoing instance must be convened not later than 40 days from the day on which it appears that the capital has fallen below two-thirds or one quarter of the minimum capital, as the case may be.

INVESTOR'S PROFILE

The Sub-Funds are intended for investors who seek capital appreciation over the long-term. 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 in relation to an investment in the HQ Portfolio – HQ Strategy Fund and for the medium to long term for HQ Portfolio – HQ Corporate Bond and HQ Portfolio – HQ Trend Allocation.

INVESTMENT OBJECTIVE AND POLICY

The main objective of the Company is to achieve long-term capital growth. The Company has long-term investment horizons and therefore the purchase of Shares of a Sub-Fund should be regarded as a long-term investment.

The Sub-Funds have been formed to provide investors with a convenient means of participating in a professionally managed portfolio of transferable securities, principally shares and /or bonds. The transferable securities should be admitted to or dealt in on a regulated market defined in article 4 paragraph 1 item 14 of the directive 2004/39/EC on markets in financial instruments as well as any other market in a Member State of the European Union or in a non-

Member State of the European Union which is regulated, operates regularly and is recognised and open to the public ("Regulated Market"). The Company may also hold money market instruments.

Furthermore, with a view to maintaining adequate liquidity, the Company may, on an ancillary basis, hold liquid assets.

The Company may use derivatives. Their use need not be limited to hedging the Company's assets; they may also be used when especially foreseen in the Sub-Funds' particulars for efficient portfolio management or investment purposes. Using derivatives is conducted within the confines of the investment limits and provides for the efficient management of the Company's assets, while also regulating maturities and risks. Where the financial derivative instrument is cash-settled automatically or at the Board of the Company's discretion, the Company 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 addition, the Company's assets may be invested in all other eligible assets within the scope of legal possibilities and the provisions laid down hereafter.

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.

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

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.

INFORMATION ON RISK

General information

Investing in a Sub-Fund involves financial risks. These can involve risks 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 Sub-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 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 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 Company, of the risks involved in investing in shares 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 Company respectively the Sub-Funds invest in interest bearing securities, they are exposed to the 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 Company 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 (solventy and willingness to pay) of an issuer of a security held by the Company 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 Company 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 Company 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 Company 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.

Commodity Associated Risks

The investment in Company shares having an exposure to the international commodity and precious metal markets by investing in commodity-index linked derivatives and precious metal-index linked derivatives or by an investment in other transferable securities which performance, yield and/or capital repayment amount is linked to the performance of a commodity or precious metal index. Investments with exposure to commodities and precious metals can involve risks caused by changes in the overall market movements, changes in interest rates, or factors affecting a particular industry, such as drought, floods, weather, livestock disease, embargoes, tariffs and international economic, political and regulatory developments.

Currency Risk

If the Company holds assets denominated in foreign currencies, it is subject to currency risk. Any devaluation of the foreign currency against the base currency of the Company 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 Company employs a risk management process, which enables the Management Company 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 Company 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.

Credit Default Swaps Associated Risks

The Company may invest in credit default swaps. A credit default swap is a contract between two parties which transfers the credit risk associated with a particular debt instrument as it relates to the issuer's failure to pay principal or interest on time in respect of such referenced debt instrument or files for bankruptcy. Upon an event of default, the swap may be terminated in one of two ways: (i) by the purchaser of credit protection delivering the referenced instrument to the swap counterparty and receiving a payment of par value, or (ii) by the parties pairing off payments, with the purchaser of the protection receiving a payment equal to the par value of the reference security less the price at which the reference security trades subsequent to default. The first way is the more common form of credit default swap termination.

In the manner described above, credit default swaps can be used to hedge a portion of the default risk on a single bond or a portfolio of bonds and loans or for efficient portfolio management.

Swap transactions dependent upon credit events are priced incorporating many variables including the pricing and volatility of the common stock, potential loss upon default. As such, there are many factors upon which market participants may have divergent views.

GENERAL GUIDELINES FOR THE INVESTMENT POLICY

The board of directors shall, based upon the principle of risk spreading, have power to determine the corporate and investment policy for the investments of each Sub-Fund and the course of conduct of the management and business affairs of the Company.

Unless otherwise laid down hereafter or in the Sub-Funds' Particulars, the following rules and restrictions shall apply to each Sub-Fund individually:

A. Eligible Assets

The Company may only invest in:

Transferable securities and money market instruments as defined in the Law, which are

- a) transferable securities and money market instruments admitted to official listing on a Stock Exchange;
- b) transferable securities and money market instruments admitted to or dealt in on another Regulated Market;
- c) 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;
 - such admission is secured within one year of issue;
- d) money market instruments other than those dealt in on a Regulated Market, which are liquid and whose value can be determined with precision at any time, if the issue or 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 of the European Union, 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 European Union Member States belong, or
 - issued by an undertaking any securities of which are dealt in on Regulated Markets referred to in subparagraphs a) or b) 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 financial 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 financial 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 indents and provided that the issuer is a company whose capital and reserves amount to at least 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.

The Company may also invest in transferable securities and money market instruments other than those referred to in subparagraphs a) to d) above provided that the total of such investment shall not exceed 10% of the net assets of the Company.

Units of undertakings for collective investment

- e) units of UCITS and/or other UCIs within the meaning of the first and second indents of article 1(2) of the Directive 85/611/EEC, as amended, should they be situated in a Member State of the European Union or not, provided that:
 - such other UCIs are authorised under laws of any Member State of the European Union or under the laws of those countries provided 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 protection guaranteed to holders in such other UCIs is equivalent to those provided for holders in a UCITS, and, in particular, that the rules on asset segregation, borrowing, lending and uncovered sales of transferable securities and money market instruments are equivalent to the requirements of the Directive 85/611/EEC, as amended;
 - the business of the other UCI is reported in half-yearly and annual reports to enable an assessment to be made of the assets and liabilities, income and operations over the reporting period;

- no more than 10% of the assets of the UCITS or the other UCIs, whose acquisition is contemplated, can, according to their constitutional documents, be invested in aggregate in units of other UCITS or other UCIs;

Deposits with credit institutions

- 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 financial supervisory authority as equivalent to those laid down in Community law;

Financial derivative instruments

- g) financial derivative instruments including equivalent cash-settled instruments which are dealt in on a Regulated Market mentioned above in sub-paragraphs a) and b), and/or financial derivative instruments dealt in over-the-counter (“OTC derivatives”), provided that:

- the underlying assets consist of instruments described in sub-paragraphs a) to f) above, financial indices, interest rates, foreign exchange rates or currencies, in which the Company may invest in, in accordance with its investment policies;
- the counterparties to OTC derivatives are institutions subject to prudential supervision and belonging to categories approved by the Luxembourg financial supervisory authority; and
- the OTC derivatives are subject to a reliable and verifiable valuation on a daily basis and can be disposed of, turned into cash or equalized through an offsetting transaction at any time at their fair value at the Company’s initiative.

With a view to hedge investment positions or for efficient portfolio management, the Company 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 instruments, authorised by the Luxembourg Law or by circulars issued by the Luxembourg financial supervisory authority, including, but not limited to, (i) put and call options on securities, indices and currencies, including OTC options; (ii) futures on stock market indices 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.

B. Investment restrictions applicable to Eligible Assets

The following limits are applicable to the Eligible Assets mentioned under A above:

Transferable securities and money market instruments as defined in the law

- 1) The Company may invest no more than 10% of its net assets in transferable securities or money market instruments issued by the same issuer.
- 2) Moreover, where the Company holds investments in transferable securities and money market instruments of any issuing body which by issuer exceed 5% of its net assets, the total of all such investments must not account for more than 40% of the total net assets of the Company. This limitation does not apply to deposits and OTC derivative transactions made with financial institutions subject to prudential supervision.
- 3) The limit of 10% laid down in point 1) 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 and such securities are not included in the calculation of the limit of 40% stated above in sub-paragraph (2).
- 4) **Notwithstanding the above limits, the Company may invest, in accordance with the principle of risk-spreading, 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 Member States are members, or by any other State of the OECD and, provided that**

such securities are part of at least six different issues and provided that the securities and money market instruments from any one issue do not account for more than 30% of the net assets of the Company.

- 5) The limit of 10% laid down in point 1) is raised to a maximum of 25% for certain debt securities 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 the holders of debt securities. In particular, sums deriving from the issue of such debt securities must be invested, in conformity with the law, in assets which, during the whole period of validity of the debt securities, are capable of covering claims attaching to the debt securities 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 interests. When the Company invests more than 5% of its net assets in such debt securities as referred to in the first indent and issued by one body, the total value of such investments may not exceed 80% of its net assets. The transferable securities and Money market instruments referred to in this point are not included in the calculation of the limit of 40 % stated above in the sub-paragraph (2).
- 6) Without prejudice to the limit laid down in sub-paragraph (10) the limits of 10% laid down in point 1) above is raised to maximum 20% for investment in shares and/or debt securities issued by the same body when the aim of the investment policy of a given Sub-Fund is to replicate the composition of a certain stock or debt securities index which is recognised by the Luxembourg Financial Supervisory Authority, on the following basis:

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

This limit is 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.

Securities mentioned in sub-paragraph (6) need not be included in the calculation of the 40% limit mentioned in sub-paragraph (2).

Units of undertakings for collective investment

- 7) The Company may acquire units of UCITS and/or other UCIs, 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 UCITS or UCI with multiple sub-funds shall be considered as a separate entity, provided that the principle of segregation of commitments of the different sub-funds is ensured in relation to third parties.

Investments in other UCIs may not exceed, in aggregate, 30% of the Company's net assets.

When the Company has acquired units of UCITS and/or other UCIs, the assets of the respective UCITS or other UCIs do not have to be combined for the purposes of the limits laid down in section B.

When the Company invests in the units of other UCITS and/or other UCIs that are managed, directly or by delegation, by the Company or by any other company with which the Company is linked by common management or control, or by a substantial direct or indirect holding, that company may not charge subscription or redemption fees on account of the Sub-Fund's investment in the units of such other UCITS and/or UCIs.

Deposits with credit institutions

- 8) The Company may not invest more than 20% of its net assets in deposits made with the same body.

Financial derivative instruments

- 9) The risk exposure to a counterparty of the Company in an OTC derivative transaction may not exceed 10% of the assets of the Company when the counterparty is a credit institution referred to in section A., sub-paragraph f), or 5% of its assets in the other cases.

In addition, the Company shall ensure that its global exposure relating to derivative instruments does not exceed the total net asset value of its portfolio.

The risk 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.

The global exposure of the underlying assets shall not exceed in aggregate the investment limits laid down under sub-paragraphs (1), (2), (3), (5), (8), (9), (10) (11) and (12). The underlying assets of index based derivative instruments are not combined to the investment limits laid down under sub-paragraphs mentioned here before.

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 above mentioned restrictions.

Maximum exposure to a single body

10)The Company may not combine:

- i) investments in transferable securities or money market instruments issued by a single body and subject to the 10% limit by body mentioned in sub-paragraph (1), and/or
- ii) deposits made with the single body and subject to the 20% limit mentioned in sub-paragraph (8), and/or
- iii) exposures arising from OTC derivative transactions undertaken with the same body and subject to the 10% respectively 5% limits by body mentioned in sub-paragraph (9)

in excess of 20% of its net assets.

The Company may not combine:

- i) investments in transferable securities or money market instruments issued by a single body and subject to the 35% limit by body mentioned under sub-paragraph (3) above, and/or
- ii) investments in certain debt securities issued by the same body and subject to the 25% limit by body mentioned in sub-paragraph (5), and/or
- iii) deposits made with the same body and subject to the 20% limit mentioned in sub-paragraph (8), and/or
- iv) exposures arising from OTC derivative transactions undertaken with the same body and subject to the 10% respectively 5% limits by body mentioned in sub-paragraph (9)

in excess of 35% of its net assets.

Eligible assets issued by the same group

11)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 described under the points (1), (2), (3), (5), (8), (9) and (10) above.

12)The Company may invest in aggregate up to 20% of its net assets in transferable securities and/or money market instruments within the same group.

Acquisition limits by issuer of eligible assets

13)Each Sub-Fund may not own:

- i) any shares carrying voting rights, which would enable the Company to exercise significant influence over the management of the issuing body.
- ii) in the Company as a whole, more than 10% of the non-voting rights of any issuer;

- iii) in the Company as a whole, more than 10% of the debt securities of any issuer;
- iv) in the Company as a whole, more than 10% of the money market instruments of any single issuer;
- v) in the Company as a whole, more than 25% of the units of the same UCITS or other UCIs (all sub-funds thereof combined).

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

The ceilings as set forth above are waived in respect of:

- 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 in the capital of a company incorporated in a non-Member State of the European Union provided that (i) such company invests its assets mainly in securities by issuers of that State, (ii) pursuant to the law of that State, such holding represents the only possible way to purchase securities of issuers of that State and (iii) such company observes in its investment policy the restrictions referred to on this prospectus.

If the limits referred to under section B are exceeded for reasons beyond the control of the Company 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 shareholders.

C) Liquid assets

The Company may hold ancillary liquid assets.

D) Unauthorized investments

The Company may not:

- i) make investments in, or enter into transactions involving precious metals or certificates representing them, commodities, commodities contracts or certificates representing commodities;
- ii) carry out uncovered sales of transferable securities, money market instruments or other financial instruments referred to under section A., letters d), e) and g); provided that this restriction shall not prevent the Company from making deposits or carrying out other accounts in connection with financial derivative instruments, permitted within the limits referred to above;
- iii) grant loans or act as a guarantor on behalf of third parties, provided that for the purpose of this restriction (i) the acquisition of transferable securities, money market instruments or other financial instruments which are not fully paid and (ii) the permitted lending of portfolio securities shall be deemed not to constitute the making of a loan;
- iv) borrow amounts in excess of 10% of the total net assets of the Company, any borrowing to be effected only as a temporary measure for extraordinary purposes including the redemption of shares. However, the Company may acquire foreign currency by means of a back-to-back loan.

Further investment restrictions may become applicable in order to meet the requirements in such countries, where the shares are distributed respectively will be distributed.

E) Techniques and instruments

Securities lending and repurchase agreements

When using certain techniques and instruments relating to transferable securities and money market instruments for efficient portfolio management, such as securities lending and repurchase or reverse repurchase agreements, the Company will at any time comply with the provisions of the CSSF Circular 08/356, as amended from time to time. The 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 and specialised in this type of transactions.

The Company 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 Company's investment policy.

Collateral provided in cash will be blocked in favour of the Company.

As investment in the Sub-Funds is subject to the above mentioned risks, realisation of the main objective can not be guaranteed.

DISTRIBUTION POLICY

At present, no distributions are contemplated from the Sub-Funds and all income of the Sub-Funds will be automatically reinvested.

If in the future, the Company should elect to have distributions, the Annual General Meeting shall decide, on recommendation of the Board of Directors, what share of the Sub-Funds' profits shall be distributed.

In case of distribution, the dividends may be paid out of the net unrealised capital gains after deduction of the realised losses. Dividends declared will be paid in the Sub-Funds' currency on the date of payment or in Shares of the Company and may be paid out at such places and times as may be determined by the Board of Directors.

NET ASSET VALUE

The Net Asset Value of each Sub-Fund shall be expressed in the currency of the relevant Sub-Fund as per share figure and shall be determined on each bank business day in Luxembourg and in Sweden (the "Valuation Day") by SEB Fund Services S.A. by dividing the value of the net assets of the Sub-Fund, being the value of the assets of that Sub-Fund less its liabilities, on the Valuation Day, by the number of Shares then outstanding.

When a Valuation Day falls on a day observed as a holiday on a stock exchange, which is the principal market for a significant proportion to the Sub-Funds' investment or is a market for a significant proportion of the Sub-Funds' investment or is a holiday elsewhere and impedes the calculation of the fair market value of the investments of the Sub-Funds, such Valuation Day shall be the next succeeding bank business day in Luxembourg, which is not such a holiday.

The calculation of the Net Asset Value of the Shares of any Sub-Fund and the issue, redemption and conversion of the Shares of any Sub-Fund may be suspended in the following circumstances, in addition to any reasons provided for by law:

- * during any period (other than ordinary holidays or customary week-end closings) when any market or stock exchange is closed which is the main market or stock exchange for a significant part of a Sub-Fund's investments, or in which trading thereon is restricted or suspended;
- * during any period when an emergency exists as a result of which it is impossible to dispose of investments which constitute a substantial portion of the assets of a Sub-Fund; or it is impossible to transfer moneys involved in the acquisition or disposition of investments at normal rates of exchange; or it is impossible for the Company to fairly determine the value of any assets in a Sub-Fund; or
- * during any breakdown in the means of communication normally employed in determining the price of any of the Sub-Fund's investment or of current prices on any stock exchange; or
- * when for any reason the prices of any investments owned by the Sub-Fund cannot be reasonably, promptly or accurately ascertained; or

- * during any period when remittances of moneys which will or may be involved in the purchase or sale of any of the Sub-Fund's investments cannot, in the opinion of the Board of Directors, be carried out at normal rates of exchange.

Any such suspension shall be published, if appropriate, by the Management Company and shall be notified to Shareholders having made an application for subscription and redemption of Shares for which the calculation of the Net Asset Value has been suspended.

The value of the assets of each Sub-Fund is determined as follows:

- 1) Securities admitted to official listing on a stock exchange or which are traded on another Regulated Market which operates regularly and is recognised and open to the public within the EU or the OECD member states are valued on the base of the last known sales price. If the same security is quoted on different markets, the quotation of the main market for this security will be used. If there is no relevant quotation or if the quotations are not representative of the fair value, the evaluation will be done in good faith by the Board of Directors or its delegate with a view to establishing the probable sales prices for such securities;
- 2) non-listed securities are valued on the base of their probable sales price as determined in good faith by the Board of Directors and its delegate;
- 3) liquid assets are valued at their nominal value plus accrued interest.
- 4) Time deposits may be valued at their yield value if a contract exists between the Company and the Custodian Bank stipulating that these time deposits can be withdrawn at any time and their yield value is equal to the realized value.
- 5) Financial instruments which are not traded on the futures exchanges but on a Regulated Market are valued at their settlement value, as stipulated by the Company's Board of Directors in accordance with generally accepted principles, taking into consideration the principles of proper accounting, the customary practices in line with the market, and the interests of the shareholders, provided that the above-mentioned principles correspond with generally accepted valuation regulations which can be verified by the independent auditors.
- 6) Swaps are valued on a marked-to-market basis.
- 7) Units or shares of UCI(TS) are valued at the last available net asset value.

For the assets which are not denominated in the Sub-Fund's base currency, the conversion shall be done on the basis of the average exchange rate for such currency in Luxembourg on the Valuation Day.

In addition, appropriate provisions will be made to account for the charges and fees charged to the Sub-Funds as well as accrued income on investments.

In the event it is impossible or incorrect to carry out a valuation in accordance with the above rules owing to particular circumstances, such as hidden credit risk, the Board of Directors is entitled to use other generally recognised valuation principles, which can be examined by an auditor, in order to reach a proper valuation of each Sub-Fund's total assets.

The liabilities of the Company 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 Company for which no coupons have been presented and which therefore remain unpaid until the day these dividends revert to the Company by prescription;
- c) all reserves authorized and approved by the Board of Directors, especially those set aside to face a potential depreciation of the Company's investments;
- d) any other liabilities of the Company 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.

Shares to be redeemed are considered as issued and existing Shares 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 Company's liabilities. Each Share to be issued by the Company will be considered as an issued Share from the closing of the relevant Valuation Day. Its price will be considered as owed to the Company until its final payment.

In as far as several Share classes have been established, the following particularities arise for the Share valuation:

a) The net asset value calculation is made separately for each Share class according to the criteria mentioned here before.

b) The inflow of funds due to the issue of Shares increases the percentage portion of the respective Share class on the total value of the respective Sub-Fund's net assets. The outflow of funds due to the redemption of Shares reduces the percentage portion of the respective Share class on the total value of the respective Sub-Fund's net assets.

c) In the case of distribution, the net asset value of the Shares entitled for distribution of the appropriate Share class is reduced by the amount of the distribution. Therefore, at the same time, the percentage portion of this Share class is reduced in the total value of the respective Sub-Fund's net assets, while the percentage portion of Share classes not entitled for distribution increases the total respective Sub-Fund's net assets.

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

For extensive redemption requests, which cannot be met by the liquid assets and allowable borrowing of a respective Sub-Fund, the Board of Directors 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.

ISSUES OF SHARES

The Board of Directors is authorised, without limitation and at any time, to issue further Shares of no par value for all Sub-Funds at the respective Net Asset Value per Share, without reserving to existing Shareholders a preferential subscription right for the Shares to be issued. Nevertheless, the board of directors reserves the right to reject, at its discretion, in the Company's and the shareholders' interest, any subscription application.

This relevant Net Asset Value shall be the Net Asset Value determined on the Valuation Day if written instructions have reached SEB Fund Services S.A. before 16.30 hrs (Luxembourg time) on the Valuation Day; otherwise the order will be executed on the next Valuation Day.

A subscription fee of up to 3% of the Net Asset Value may in addition be charged to investors upon subscribing for Shares of the Company and revert to the Principal Distributor. Where Shares are issued in countries where stamp duties or other charges apply, the issue price increases accordingly.

The subscription fee may be waived at the discretion of the Board of Directors. All Shares will be allotted immediately upon subscription and payment therefore must be received by the Company not later than three (3) business days following the relevant Valuation Day. Otherwise subscriptions may be cancelled without prejudice to the Company's right to recover any charges due to losses incurred.

At its discretion, the Company may, upon application from a Shareholder, issue Shares in return for contribution in kind of securities, provided that such securities comply with the investment objectives and investment policy of the respective Sub-Fund. The Auditor of the Company shall generate a valuation report, which shall be available for inspection to all investors at the registered office of the Company. The costs of such contribution in kind shall be borne by the investor in question.

The Board of Directors may also accept subscriptions by means of an existing portfolio, as provided for in the law of August 10, 1915, subject that the securities of that portfolio comply with the investment objectives and

restrictions of the Company. A valuation report, the cost of which is to be borne by the relevant investor, will be drawn up by the auditor of the Company, in accordance with Luxembourg legal requirements.

Restrictions on issue

Shares of the Company 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 Company's board of directors, as being not entitled to subscribe for or hold Shares of the Company or, as the case may be, in the Sub-Fund,

- (i) if in the opinion of the Company's board of directors such holding may be detrimental to the Company and its Shareholders,
- (ii) if it may result in a breach of any law or regulation, whether Luxembourg or foreign,
- (iii) if as a result thereof the 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 Shares (e.g. in relation to "U.S. persons" as described below).

The Shares of the Company 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, Shares of the Company 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 Shares of the Company will be required to certify that they are not US Persons and might be requested to proof that they are not "Prohibited" Persons.

Holders of shares are required to notify the Company of any change in their domiciliation status.

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

The Board of Directors may refuse to issue shares to Prohibited Persons or to register any transfer of shares to any Prohibited Person.

Moreover the Board of Directors may at any time forcibly redeem / repurchase the shares held by a Prohibited Person.

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

Late Trading and Market Timing

The Company does not permit late trading, market timing or related excessive, short-term trading practices. In order to protect the best interests of the Shareholders, the Board of Directors reserves the right to reject any application to subscribe for Shares 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 Shares of the Company must provide the Company with all necessary information, which the Company may reasonably require to verify the identity of the applicant. Failure to do so may result in the Company refusing to accept the subscription for Shares in the Company. Applicants must indicate whether they invest on their own account or on behalf of a third party. Except for applicants applying through juridical persons 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 Company in Luxembourg all necessary information, which the Company may reasonably require to verify. The Company must verify the identity of the applicant. In the case of an applicant on behalf of a third party, the Company must also verify the identity of the beneficial owner(s). Furthermore, any such applicant hereby undertakes that it will notify the Company prior to the occurrence of any change in the identity of any such beneficial owner.

REDEMPTION OF SHARES

A Shareholder has the right to request that the Company repurchases his Shares at any time.

Shares will be repurchased at the respective Net Asset Value per Share of each Sub-Fund.

A redemption commission of up to 3% of the Net Asset Value may in addition be charged to investors upon repurchase for Shares in the Company and revert to the Principal Distributor. Where Shares are redeemed in countries where stamp duties or other charges apply, the redemption price decreases accordingly.

Shareholders wishing to have all or any of their Shares repurchased should deliver to the registered office of the Company, or to the office of the Central Administrator, an irrevocable written request for redemption in the prescribed form. All requests will be dealt with strictly in the order in which they are received, and each redemption shall be effected at the Net Asset Value of the said shares determined on the Valuation Day if written instructions have reached SEB Fund Services S.A. before 16.30 hrs (Luxembourg time) on the Valuation Day; otherwise the order will be executed on the next Valuation Day. In all cases the decision of the Board of Directors shall be final.

Redemption proceeds will be paid in the Sub-Fund's base currency. Proceeds will be despatched within three (3) bank business days after the relevant Valuation Day and after receipt of the proper documentation.

Investors should note that any repurchase of Shares by the Company will take place at a price that may be more or less than the Shareholder's original acquisition cost, depending on the value of the assets of the Company at any time of redemption.

Furthermore, in relation to suspected market timing practices, the Company may charge an additional redemption fee of up to 2% of the net asset value on the Shares redeemed within 6 months of their issue. Such redemption fee will be payable to the relevant Sub-Fund or Share 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 Company reserves the right to redeem Shares at the applicable net asset value, only after it has sold the corresponding assets promptly, yet always acting in the best interests of the Shareholders.

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

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

CONVERSION AND SWITCHING BETWEEN SUB-FUNDS

Unless otherwise provided for in the Sub-Funds' Particulars, shares of any Sub-Fund / class may be converted into Shares of any other Sub-Fund / class upon written instructions addressed to the registered office of the Company. Class A Shareholders may also convert their Shares into Class I Shares of the same or of another Sub-Fund provided such investor fulfils the requirements for holding Class I Shares and the minimum investment amounts for

Class I Shares are met. Class I Shareholders who no longer qualify as Institutional Investors will be automatically converted into Class A Shares of the same Sub-Fund without cost (an “automatic conversion”) on the first Valuation Day following the day during which the Company becomes aware of that fact.

The relevant Net Asset Value for each Sub-Fund shall be the Net Asset Value determined on the Valuation Day if written instructions have reached SEB Fund Services S.A. before 16.30 hrs (Luxembourg time) on the Valuation Day; otherwise the order will be executed on the next Valuation Day. A conversion fee of maximum 1% of the Net Asset Value may be payable to the Principal Distributor.

In case of the conversion, the number of Shares 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 Shares presented for conversion,

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

C is the conversion factor between the base currencies of the three Sub-Funds on the day of execution. If the Sub-Funds or the two classes of Shares have the same base currency, this factor is one,

D is the net asset value per Share of the new Sub-Fund and /or class on the day of execution,

N is the number of Shares allotted in the new Sub-Fund and/or class.

TAXATION

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

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

The net assets of the Company are subject to a Luxembourg tax 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 Shares held in other Luxembourg undertakings for collective investment already subject to a “taxe d’abonnement” is exempt the payment of such tax. Such tax rate is reduced to a rate of 0.01% in respect of the net assets attributable to such Classes of Shares which are reserved to Institutional Investors or to such Sub-Funds which invest exclusively in money market instruments within the meaning of, and as provided for in, article 129 of the Law of 2002. No stamp duty or other tax is payable in Luxembourg on the issue of shares.

Considerations on the European Savings Directive

Under the European Savings Directive, Member States of the European Union (“Member States”) 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. The applicable withholding tax rate is 20% until June 2011, 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 shareholders on redemption or sale of units in a Sub-Fund will be in the scope if more than 40% of such Sub-Fund’s assets are invested in debt claims.

The foregoing is based on the Board of Director's understanding of the law and practice in force at the date of this document and applies to investors acquiring shares in the Company as an investment. Investors should, however consult their financial or other professional advisers on the possible tax or other consequences of buying, holding, transferring, switching, redeeming or otherwise dealing in the Company's shares under the laws of their countries of citizenship, residence and domicile.

MANAGEMENT AND ADMINISTRATION

Board of Directors

The Board of Directors of the Company has overall responsibility for the management and administration of the Company, its Sub-Funds, for authorising the creation of further Sub-Funds and for establishing and monitoring their investment policies and restrictions.

The Company's Board of Directors is sole responsible for the determination, execution and control of the Company's investment policies which are applied to the management of all the Sub-Funds.

Management Company

The Management Company SEB Fund Services S.A. was incorporated for an unlimited period on August 2, 1993 in the form of a "société anonyme" in Luxembourg 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 April 27, 2006 with subsequent publication on May 16, 2006. It has been transformed into a management company governed by Chapter 13 of the Law with effect as of October 25, 2004. Its subscribed and paid-in capital is EUR 1,859,942.51.

The Management Company shall be in charge of the management, the administration and the distribution of the Company's Shares.

The Management Company shall be responsible for the implementation of the investment policy of all Sub-Funds. The Management Company may at its own expense and under its control and supervision appoint one or more investment advisers, investment managers and if need would be, an investment policy committee.

The Management Company shall be responsible for the distribution and marketing of the Company's Shares in those jurisdictions in which the Company obtains a marketing permission. The Management Company is empowered to appoint at its own expense and under its control and supervision distributors, sub-distributors and/or sales agents for the Shares of the Company.

By the terms of the Service Agreement, the Company has designated SEB Fund Services S.A. as its Management Company in accordance with article 27 of the Law of 2002.

By the terms of the same agreement, the Board of Directors has furthermore appointed SEB Fund Services S.A. as Central Administrator to generally administer the business and affairs of the Company, subject to the overall control and supervision of the Board of Directors.

In its function as Central Administrator, SEB Fund Services S.A. is responsible for the processing of the issue and redemption of the Shares in the Company and settlement arrangements thereof, the calculation of the Net Asset Value per Share, the maintenance of records and other general administrative functions. SEB Fund Services S.A. acts also as domiciliary, registrar and transfer agent of the Company.

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

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 function to European Fund Administration S.A. (hereafter 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 Shares and the provision of accounting services to the Fund. Furthermore, it will process all subscriptions, redemptions and transfers of Shares and will cause these transactions to be registered in the register of the Fund.

The Management Company is entitled to a fee calculated on the average net assets of the respective Sub-Fund (the “Management Fee”). A twelfth of this rate is being payable at the end of each month by the Sub-Fund and based on the Sub-Fund’s average net assets calculated on a daily basis during the relevant month. The fee applicable to each Sub-Fund is laid down in the respective Sub-Funds’ Particulars.

In addition to this, the Management Company is entitled to a fee for its services rendered as Central Administrator based on the average net assets of the respective Sub-Fund (the “Administration Fee”). A twelfth of this rate is payable at the end of each month by the Sub-Fund calculated on a daily basis during the relevant month. The Administration Fee applicable is laid down in the respective Sub-Fund’s Particulars.

Investment Manager

By the terms of an Investment Management Agreement, the Management Company has appointed HQ Fonder Sverige AB with registered office in Stockholm, Norrlandsgatan 15 as Investment Manager (the “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 Company’s board of directors and 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 Fee. A twelfth of this rate is being payable at the end of each month by the Management Company and based on the Sub-Fund’s average net assets calculated on a daily basis during the relevant month.

Custodian Bank – Paying Agent

The Company has entered into a Custodian Agreement with Skandinaviska Enskilda Banken S.A., 6a, Circuit de la Foire Internationale, L-1347 Luxembourg, (the “Custodian Bank”) for an indefinite period of time.

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.

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

According to Article 34 of the 2002 Law, the Custodian Bank shall:

- a) ensure that the sale, issue, redemption and cancellation of Shares effected by or on behalf of the Company are carried out in accordance with the law and with the Company's articles of incorporation;
- b) ensure that in transactions involving the Company's assets any consideration is remitted to it within the usual time limits;

- c) ensure that the Company's income is applied in accordance with the law and the Company's articles of incorporation.

In compliance with usual banking practices, it may, under its responsibility, entrust part or all of the assets, which are placed under its custody, to other banking institutions or financial intermediaries.

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 Administration 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.

EXPENSES

The Company shall bear the following expenses:

- * a Management Fee payable to the Management Company at a percentage of the total net assets of each Sub-Fund; the Management Fee comprises the fee to the Management Company for its services as Management Company and the fee payable to the Investment Manager;
- * an Administration Fee payable to the Management Company at a percentage of the total net assets of each Sub-Fund; the Administration Fee comprises the fee payable to the Central Administrator and the Custodian Bank;
- * a flat fee payable to the Management Company for its services as transfer and registrar agent if specified in the Sub-Fund's Particulars;
- * all taxes which may be payable on the assets, income and expenses chargeable to the Company;
- * standard brokerage and bank charges incurred by the Company's business transactions, as well as charges of correspondent banks in non-matured markets;
- * all fees due to the Auditors and the Legal Advisers to the Company;
- * all expenses connected with publications and supply of information to Shareholders, in particular, the cost of printing and distributing the annual and semi-annual reports, as well as any prospectuses;
- * all expenses involved in registering and maintaining the Company registered with all governmental agencies and stock exchanges;

All recurring expenses will be charged first against current income, then should this not suffice, against realised capital gains, and, if need would be, against assets.

The expenses of establishing of the Company estimated at US Dollars 75.000.- were amortised over a period of 5 years.

Any costs, which are not attributable to a specific Sub-Fund, incurred by the Company will be charged to the Sub-Funds in proportion to their average Net Asset Value. Each Sub-Fund will be charged with all costs or expenses directly attributable to it.

NOTICES

Notices to Shareholders are available at the Company's registered office. They are also published in the Mémorial, Recueil des Sociétés et Associations, if required by law, and may be published in a daily newspaper in Luxembourg and in one newspaper of general circulation. Registered Shareholders will be informed in writing.

The Net Asset Value of each Sub-Fund and the issue and redemption prices thereof will be available at all times at the Company's registered office and shall be published in a Swedish newspaper.

Audited annual reports containing, inter alia, the Company's and each of its Sub-Funds' statement of condition, the number of outstanding Shares and the number of Shares issued and redeemed since the date of the preceding report, as well as semi-annual unaudited reports, will be made available at the registered office of the Company not later

than four months after the end of the financial year in the case of annual reports and, two months after the end of such period in the case of semi-annual reports.

Separate financial statements shall be issued for each Sub-Fund in its relevant base currency. To establish the balance sheet of the Company these financial statements will be added after conversion into the currency of the Company.

All reports will be available at the Company's registered office.

DISSOLUTION OF THE COMPANY

The Company may be dissolved by the general meeting of Shareholders in the conditions that are required by law to amend the articles of incorporation. Any decision to wind up the Company will be published in accordance with the legal requirements.

As soon as the decision to wind up the Company is taken, the issue of Shares in all Sub-Funds is prohibited and shall be deemed void; the redemption of Shares remains possible, if the equal treatment of the Shareholders is ensured.

In the event of dissolution of the Company, by decision of the shareholders' meeting, liquidation shall be carried out by one or several liquidators appointed by the meeting of the Shareholders deciding on such dissolution and which shall determine their powers and their compensation. The liquidator(s) shall realise the Company's assets in the best interest of the Shareholders and shall distribute the net liquidation proceeds (after deduction of liquidation charges and expenses) to the Shareholders in proportion to their Shares held in the Company. Any amounts not claimed promptly by any Shareholders will be deposited at the close of liquidation in escrow with the Caisse de Consignation. Amounts not claimed from escrow within the statute of limitations will forfeit according to the provisions of Luxembourg law.

The liquidation will be carried out in accordance with the Luxembourg Law of 2002 on undertakings for collective investment specifying how the net proceeds of the liquidation, less related costs and expenses, are to be distributed; such net proceeds will be distributed to the Shareholders in proportion to their entitlements.

DISSOLUTION / MERGER OF THE SUB-FUNDS

A general meeting of shareholders of a Sub-Fund, acting under the same majority and quorum requirements as are required to amend the Articles of Incorporation, may decide to cancel Shares in a given Sub-Fund and refund Shareholders for the value of their Shares. As soon as the decision to wind up one of the Company's Sub-Fund is taken, the issue of Shares in this Sub-Fund and the conversion of Shares into this Sub-Fund are prohibited and shall be deemed void; the redemption of Shares remains possible, if the equal treatment of the Shareholders is ensured.

If the net assets of a Sub-Fund fall below any amount which the board of directors considers as insufficient to allow an efficient and rational management, or if a change in the economical, political or monetary situation relating to the Sub-Fund concerned would justify the liquidation, or if required in the interest of the Shareholders of the relevant Sub-Fund, the Board of Directors may decide on a forced redemption of the remaining Shares in the Sub-Fund concerned without approval of the Shareholders being necessary. Shareholders 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 of Directors otherwise decides in the interests of, or to keep equal treatment between the Shareholders, the Shareholders of the Sub-Fund concerned may continue to request redemption or conversion of their shares free of charge, but the redemption or conversion prices will take into account liquidation expenses.

The amounts not claimed by the Shareholders 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 reverse to the Luxembourg State.

Under the same circumstances as provided above in relation to the liquidation of Sub-Funds, the Board of Directors may decide to close down any Sub-Fund by merger into another Sub-Fund of the Company, the new Sub-Fund. In

addition, such merger may be decided by the Directors if required in the interests of the Shareholder of any of the Sub-Funds concerned. Shareholders will be informed of such decision in the same manner as for a liquidation and, in addition, the publication will contain information in relation to the new Sub-Fund. Such publication will be made at least one month before the date on which the merger becomes effective in order to enable Shareholders to request redemption of their shares, free of charge, before the operation involving contribution into the new Sub-Fund becomes effective.

Under the same circumstances, the Board of Directors may decide to merge one or more Sub-Funds with another undertaking for collective investment governed by part I of the Law of 2002, in exchange for the distribution to Shareholders of Shares in this undertaking for collective investment. Publication of the decision will be made in accordance with legal requirements. The publication 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 Shareholders 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 Shareholders 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 Shareholders' meeting only bind those Shareholders who voted in favour of this merger.

Under the same circumstances as described above, the Board of Directors 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 Shareholders to request redemption or switch of their Shares, free of charge, before the reorganisation becomes effective.

DOCUMENTS

The following documents may be consulted at the Company's registered office, the offices of the Management Company and of the Custodian Bank:

- a) the Company's Statutes;
- b) the Investment Management Agreement between the Management Company and HQ Fonder Sverige AB;
- c) the Custodian Agreement between the Company and Skandinaviska Enskilda Banken S.A;
- d) the Service Agreement between the Company and the Management Company;
- e) the Principal Distribution Services Agreement between the Management Company and HQ Fonder Sverige AB;
- e) the periodic financial reports.

A copy of the Statutes and the periodic financial reports may also be obtained, free of charge, at the Company's registered office, the offices of the Management Company and of the Custodian Bank.

THE SUB-FUNDS

HQ Portfolio – HQ Strategy Fund

Investment Policy

The Sub-Fund is seeking to achieve a long-term capital growth by investing mainly through a diversified portfolio of equities, issued by companies of different sectors as well as market places, however primarily in Sweden. The Sub-Fund shall also have the possibility to invest in fixed income securities issued by issuers established primarily in Sweden and with a minimum credit rating of S&P B-, the equivalent or the deemed equivalent for non rated issuers. These securities are admitted to official listing on any stock exchange or dealt in on any Regulated Market.

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 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. Investors must be able to accept substantial year-to-year volatility and significant temporary decrease in value. Investors should consider their long-term investment goals and financial needs when making an investment decision about this Sub-Fund. As a consequence, this 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.

In addition the Management Company is entitled to receive out of the Sub-Fund's assets a Management Fee of maximum 1.30 % 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 share is expressed in Swedish Kronas (SEK).

Share classes

For the time being capitalization shares (A-Shares) are issued.

Fund's performance

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

HQ Portfolio – HQ Corporate Bond

Investment Policy

The Sub-Fund is seeking to create both return from the yield and/or capital appreciation by investing in bonds, money market instruments and other interest bearing instruments which are admitted to trading on a Regulated Market. The maximum average duration of such investments will be up to ten (10) years.

The primary focus will be on issuers from the Nordic region. The Sub-Fund will invest in issuers with a minimum credit rating of S&P B-, the equivalent or the equivalent for non rated issuers.

In addition to this, the Sub-Fund will also invest in financial derivatives such as futures, options, swaps, CDS (Credit Default Swaps) and other derivatives both for hedging and investment purposes.

The Sub-Fund may hedge the FX exposure to non Swedish Krona.

The Sub-Fund may invest up to 100 % of its assets in different transferable securities 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 from at least six different issues, and if securities 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 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 bonds, money market and other interest bearing instrument.

In accordance with the investment policy the Sub-Fund's assets are risk exposed primarily to the Nordic Fixed Income market and thus to a limited part of the world. This normally results in a higher risk than for a bond 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. Investors must be able to accept substantial year-to-year volatility and significant temporary decrease in value. Investors should consider their long-term investment goals and financial needs when making an investment decision about this Sub-Fund. As a consequence, this Sub-Fund is suitable to investors who can afford to set aside the capital invested for medium to long term period.

Investment Manager

HQ Fonder Sverige AB

Management Company

Out of the Sub-Fund's assets an Administration Fee of maximum 0.3% 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.

In addition the Management Company is entitled to receive out of the Sub-Fund's assets a Management Fee of maximum 1.5 % 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 share is expressed in Swedish Kronas (SEK).

Share classes

For the time being capitalization shares (A-Shares) are issued.

Fund's performance

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

HQ Portfolio – HQ Trend Allocation

Investment Policy

The Sub-Fund has a global focus. The Sub-Fund will be invested in equities and equity related transferable securities issued by companies globally, without being restricted to a geographical area or industrial sector, as well as in money market instruments, coupon bonds, zero-coupon bonds, convertible bonds, bonds with warrants to subscribe for transferrable securities, forward-rate notes, profit-participation certificates and currencies (foreign exchange rates). The Sub-Fund can have exposure to financial indices, including commodity indices (each a “Financial Index”).

Exposure to Financial Indices, and sub-indices, will be for risk-diversification purposes and will comply with the diversification principles set out in Article 43 of the Law of 2002 as set forth under section “B. Investment restrictions applicable to Eligible Assets - Transferable securities and money market instruments as defined in the law “ and will further fulfill the following conditions:

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

The Sub-Fund can use futures contracts, options, swaps, credit default swaps and other derivatives as a part of the investment strategy. It may also use derivatives in order to hedge investments, for efficient portfolio management and investment purposes. The underlying assets to these derivatives consists of transferable securities, money market instruments and other fixed income securities, currencies, interest rates and Financial Indices.

The currency exposure will be actively managed in order to increase the Sub-Funds profit or hedged investments made by the Sub-fund.

The Sub-Fund is not allowed to enter into commitments to take over or to deliver physical commodities or precious metals, nor will the Sub-Fund be allowed to acquire commodities or precious metals or certificate representing them. All investments having an exposure to commodity or precious metals will be cash settled.

Investments in money market instruments and other fixed income securities are made foremost to increase gains but also to be used as collateral for derivative exposure or liquidity matching in the Sub-Fund.

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

Risk Profile

The Sub-Fund faces the same risks as those normally associated with investments in equities, currencies, commodity indices, money market instruments and bonds. The level of risk can vary significantly, form time-to-time, as the Sub-Fund alters its investments. The Sub-Fund may in addition face the following risks:

Commodity Associated Risks

The investment in Company shares having an exposure to the international commodity and precious metal markets by investing in commodity-index linked derivatives and precious metal-index linked derivatives or by an investment in other transferable securities which performance, yield and/or capital repayment amount is linked to the performance of a commodity or precious metal index. Investments with exposure to commodities and precious metals can involve risks caused by changes in the overall market movements, changes in interest rates, or factors

affecting a particular industry, such as drought, floods, weather, livestock disease, embargoes, tariffs and international economic, political and regulatory developments.

Credit Default Swaps Associated Risks

The Sub-Fund may invest in credit default swaps. A credit default swap is a contract between two parties which transfers the credit risk associated with a particular debt instrument as it relates to the issuer's failure to pay principal or interest on time in respect of such referenced debt instrument or files for bankruptcy. Upon an event of default, the swap may be terminated in one of two ways: (i) by the purchaser of credit protection delivering the referenced instrument to the swap counterparty and receiving a payment of par value, or (ii) by the parties pairing off payments, with the purchaser of the protection receiving a payment equal to the par value of the reference security less the price at which the reference security trades subsequent to default. The first way is the more common form of credit default swap termination.

In the manner described above, credit default swaps can be used to hedge a portion of the default risk on a single bond or a portfolio of bonds and loans or for efficient portfolio management.

Swap transactions dependent upon credit events are priced incorporating many variables including the pricing and volatility of the common stock, potential loss upon default. As such, there are many factors upon which market participants may have divergent views.

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. Investors must be able to accept substantial year-to-year volatility and significant temporary decrease in value. Investors should consider their long-term investment goals and financial needs when making an investment decision about this Sub-Fund.

Investment Manager

HQ Fonder Sverige AB

Management Company

Out of the Sub-Fund's assets an Administration Fee of maximum 0.16 % p.a. is payable to the Management Company monthly in arrears based on the Sub-Fund's average net assets calculated daily but with a monthly minimum of the equivalent in Swedish Kronas of EUR 3.333 p.m. This fee includes the fee due to the Custodian Bank.

In addition the Management Company is entitled to receive out of the Sub-Fund's assets a Management Fee of maximum 2 % p.a. in relation to Class A Shares and of maximum 1.2 % p.a. in relation to Class I Shares 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.

The Investment Manager will receive from the Sub-Fund and out of the Management Fee an investment management fee calculated for each Valuation Day, paid monthly in arrears.

The Management Company is furthermore entitled to receive, out of the Sub-Fund's assets, in respect of the register and transfer agent function a flat fee of the equivalent in Swedish Kronas of EUR 5.000 per active Share class, payable monthly in arrears.

Net Asset Value

The net asset value per share is expressed in Swedish Kronas (SEK).

Share classes

For the time being capitalization shares in Class A Shares and Class I Shares are issued.

Class I Shares shall be reserved to investors qualifying as Institutional Investors within the meaning of article 129 of the law of 2002.

Performance Fee

Besides the Management Fee to be paid to the Management Company, a performance fee will be calculated and accrued on a daily basis and paid monthly in arrears at a maximum rate of 20% of the appreciation of the Net Asset Value of the Class A Shares and Class I Shares. The performance fee is calculated on a so-called “High Water Mark” basis, which means that a performance fee is only calculated for each performance overpassing the previous highest net asset value for which a performance fee was paid out.

Fund’s performance

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

Initial Offer Period

Shares may initially be subscribed until 9 October 2009 at the initial subscription price of SEK 100 per share for Class A Share and of SEK 100 per share for Class I Share. Payment for the initial subscription must be received no later than 9 October 2009.

The Sub-Fund will be launched on 12 October 2009.

Minimum Initial Investment and Holding

No minimum initial investment and holding for Class A Shares applies.

The minimum initial investment and holding for Class I Shares amounts SEK 500.000.