

Aims and investment strategy

The fund is a special fund pursuant to the Swedish Investment Funds Act (2004:46). The aim of the HQ Sverige Select fund is firstly to generate a stable and positive return and secondly to exceed the performance of the Stockholm stock exchange. The fund may invest its assets in transferable paper, money market instruments, fund units and accounts with credit institutions. In order to make the management of the fund more efficient it may also invest in derivative instruments.

The fund invests in companies whose shares or stock-related transferable paper are traded on a regulated market in Sweden or on another regulated market provided that the company's domicile or principal operating activities are located in Sweden. The fund has more liberal investment rules than those that apply to mutual funds, which means that this fund invests in a more concentrated selection of shares.

Risk

Risk category: 4 (1 = low, 6 = high)

Investing in shares is associated with a risk of large price fluctuations (market risk). The concentration to a single geographical market raises the risk. However, the investments are spread across different sectors, which also reduces that risk.

The fund may both increase and decrease in value as there is no guarantee that you will be repaid all of your invested capital. For a more detailed description of the risks, please refer to the fund information sheet and to "Important information" on our website.

Historical returns

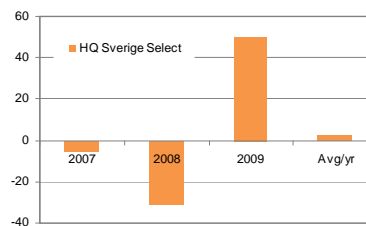
The graph below shows the historical performance in Swedish kronor. Returns on the fund are calculated with dividends reinvested and with all fees relevant to the fund deducted. No adjustment has been made for inflation.

Average annual returns per December 31, 2009

Past 3 years ¹	- %
Past 5 years ¹	- %
Past 10 years ¹	- %

¹ Not calculated as the reference period is too short

NB: Historical returns are no guarantee of future returns.



Who is the fund suitable for?

The fund is suitable for investors wishing to make a long-term investment to participate in the performance of the Swedish stock market through an actively managed portfolio. Your investment horizon should be at least five years.

Dividends

The fund pays dividends in March during each year provided that the fund has generated taxable earnings and if the fund company so decides. Any dividends are reinvested in new fund units after deduction of, where relevant, preliminary and coupon taxes, but these can be paid in cash on request.

Fees

Fees paid directly by the investor

Entry fee:	0 %
Exit fee:	0 %

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

Annual management fee:	0.75 %
Performance fee:	20% of returns in excess of the fund's return threshold* (see fund statutes)

*Return threshold: SSVX 30 days + 3 percentage points
 The performance fee is calculated individually for each unit holder and is deducted from the fund annually. If a unit holder should in any financial year receive value growth below the return threshold, no results-based fee will be charged during later financial years until this return deficit has been compensated.

Total expense ratio (TER) 2009: 0.75%

Costs for 2009 in addition to TER: 0.26%
 (Expenses that vary between years such as brokerage fees for buying and selling securities in the fund)

Churn 2009: 0.91 times/year

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

Tax rules

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

This fund is not classified as an exchange traded fund. Consequently capital gains are taxed at 30% and losses are allocated at 70% before they can be netted against other capital gains.

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

Price information

The unit value is normally calculated every bank day and is published on our website www.hqfonder.se and in certain daily newspapers.

Buying/selling fund units

Fund units can normally be **purchased** from the fund company on the last bank day of each month. Purchases of fund units may not legally be made until payment is made to the fund. Cash funds for the purchase of fund units must be available in the fund's account before 3.00 pm four bank days before the day on which the purchase is to be made. The purchase is executed at the price established on that same day. For one-off deposits payment should be made to the fund's **Bankgiro account, number 5432-6442**. A completed and signed account opening document with personal information and a certified copy of identity documents should be submitted to the fund company four bank days before the date on which the purchase is to be made. If the necessary identification is not provided with the account opening document, the issue of units will be delayed or rejected. In this case, any amounts paid in will be refunded. It is not possible to make monthly investments in the fund.

Units may be bought for a minimum amount of SEK 250,000 in the first instance. Subsequently purchases may be made for a minimum amount of SEK 20,000 per deposit.

Sales (redemptions) of fund units take place on the last bank day of each month. Sales are executed at a price established on that same date. Requests to sell fund units should be submitted in writing to the fund company and must be submitted to the fund company no later than 4.00 pm four bank days before the day on which the sale is to be executed.

Requests received later than 4.00 pm, or when HQ Fonder is closed, are executed on the next bank day that the fund is open for trade, ie the end of the next month. The day before bank holidays HQ Fonder may close trade early, depending on the time at which the Stockholm stock exchange closes.

Forms for buying and selling units can be downloaded from our website: www.hqfonder.se or contact us by phone on +46 8 696 18 60

Additional information

Fund company:	HQ Fonder Sverige AB
Registered office:	Stockholm
Custodian institution:	Skandinaviska Enskilda Banken AB (publ)
Complaints officer:	Head of Fund Administration
Auditor:	KPMG AB
Supervisory authority:	Swedish Financial Supervisory Authority (Finansinspektionen)
Date of inception of fund:	September 28, 2007
Legal form of the fund:	Special fund
Fund company authorised to conduct fund activities:	October 6, 2005

The fund company also conducts discretionary portfolio management

Benchmark index: The fund has no relevant benchmark index

Bankgiro account number: 5435-6442

HQ Fonder may have entered into an agreement regarding distribution of the HQ Sverige Select fund whereby payment may be made to the distributor. For further information about the fund please contact:

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www.hq.se

This simplified prospectus contains general information about the fund. If you wish to view the fund's information sheet, the annual report or half-year report please contact the fund company using the details above. This is an English translation of the Swedish original. In the event of any difference between the English version and the Swedish original, the Swedish version shall prevail.