

FUND REGULATIONS FOR XACT FTSE-RAFI Fundamental Euro

Section 1

The fund's legal status, etc.

The name of the fund is XACT FTSE-RAFI Fundamental Euro. The fund is a "värdepappersfond", i.e. a UCITS fund under the Swedish investment funds act (2004:46)

The fund consists of liquid funds and financial instruments allocated to the fund by parties who are thus joint owners of the fund. The fund cannot acquire rights or assume liabilities, or bring an action before a court or any other authority. Assets that are part of a fund may not be seized and the unit-holders are not responsible for the undertakings of a fund. The management company represents the unit-holders in issues relating to the fund, makes decisions regarding fund assets, and exercises any rights that originate from the fund. A fund unit is a right to the proportion of a securities fund that corresponds to the net value of the fund divided by the number of outstanding units.

Section 2

Fund management company

The fund is managed by XACT Fonder AB (corporate identity number 502007-7862), hereafter the 'management company'.

Section 3

The depositary and its tasks

The fund's assets are kept by Skandinaviska Enskilda Banken AB (publ) as the depositary. The depositary shall execute the decisions of the management company which do not contravene the provisions of the Swedish Investment Funds Act or the fund regulations. In addition, the depositary shall receive and hold in custody the fund's assets, and ensure:

1. that the sale and redemption of units is carried out in accordance with the law and fund regulations,
2. that the value of fund units is calculated in accordance with the law and fund regulations,
3. that the fund's assets reach the depositary without delay, and
4. that the fund's assets are utilised in accordance with the provisions of the law and the fund regulations.

Section 4

Profile of the fund

The fund is an exchange-traded fund, the assets of which are invested in equities in the eurozone, weighted according to the RAFI method for fundamental indexing, licensed by FTSE. It is listed on regulated markets in EUR as set forth under Section 6. The objective of the fund is to offer an opportunity to maintain a diversified portfolio which follows the performance of the FTSE RAFI Eurozone Index in a simple, cost-effective manner.

Section 5

The fund's investment strategy

The fund's assets may be invested

- in transferable securities included in the FTSE RAFI Eurozone Index
- in investment funds and corresponding asset management companies investing in these companies (totalling 10% of the fund assets) and
- in an account with a credit institution.

The fund may lend transferable securities worth a maximum of 20% of the fund's assets.

The fund must reflect the return on the index. However, when there is a company acquisition, the change takes place in the index instantaneously, whereas it can take several days until the holding is registered in the fund's custody account. If the fund's return is to replicate that of the index, equity loans may be required for short periods. Equity loans may also be needed for short periods when withdrawals are made from the fund, and one or more blocks are required. The fund may raise equity loans to such an extent that a maximum of 20% of the fund's assets may constitute security for agreements entered into by the fund concerning derivatives and securities loans.

Section 6

Markets

The fund's assets may be invested in a regulated market or equivalent market outside EEA as well as other markets, within or outside EEA, which are regulated and open to the general public.

The purchase and sale of units in funds and collective investment undertakings may also occur directly from each respective fund management company.

Section 7

Special investment strategy

The fund's assets may be invested in such transferable securities within the meaning of Chapter 5, §5 in the Swedish Investment Funds Act, but not such money market instruments.

To improve the efficiency of managing the fund's assets, the fund may utilise derivatives. Improving the efficiency of asset management relates to such trading in derivatives which aims to protect the value of the fund's underlying assets, or cost-saving measures aimed at maintaining the fund's investment strategy. The fund may utilise such derivatives as set forth under Chapter 5, Section 12, Paragraph 2 of the Swedish Investment Funds Act ("OTC derivatives").

The fund is an index fund that tracks the FTSE RAFI Eurozone Index, which contains companies that are domiciled and listed in the eurozone. The index comprises approximately 300 stocks. The proportional weight of the stocks in the index is determined by a weighted evaluation of the stocks' book value, dividends, profits and sales. According to this method, weights are rebalanced once a year. In between these occasions, the weights are adjusted according to the price performance of the respective stocks.

Section 8

Valuation

The value of the fund is calculated by deducting the fund's liabilities from its assets.

Assets included in the fund are valued on the basis of their current market value. If there is no such value, or if the value is seen as misleading according to the assessment of the Management Company, the assets may be valued on an objective basis as determined by the management company. The only asset within the meaning of Chapter 5, §5 in the Swedish Investment Funds Acts, in which the fund may invest are basket certificates. A basket certificate is valued based on the closing prices of the stocks included in it.

In addition to liabilities arising as a result of the fund's operations, the fund's liabilities include future tax liability and management fees.

The value of a fund unit is the fund's value divided by the number of outstanding fund units.

Section 9

Selling and redeeming fund units

Sales of new fund units and redemption of outstanding fund units can be effected every banking day at the fund management company.

The offer price of a fund unit is the value of the unit on the day of sale as calculated in Section 8 above, with the addition of a sales fee not exceeding 0.04% of the value of the fund unit (minimum: EUR 3,200), as remuneration for the management company's costs in connection with the sale.

The redemption price of a fund unit is the value of the unit on the day of redemption as calculated in Section 8 above, after deduction of a redemption fee not exceeding 0.04% of the

value of the fund unit (minimum: SEK 3,200), as remuneration for the management company's costs in connection with redemption.

A request to sell or redeem fund units must be submitted by telephone, fax or internet to the fund management company before 2 p.m. CET on ordinary banking days and 9.30 a.m. CET on a banking day before a weekend or public holiday. The price of a fund unit is established after the stock exchanges concerned have closed, on the date that completely delivery of the portfolio composition or fund units reaches the fund's custody account. A banking day is a day which is not a Saturday, Sunday or other public holiday, when banks in Sweden are generally open for business.

However, the fund is not open for sale and redemption on those banking days where valuation of the fund's assets are unable to be conducted in such a way that ensures that the rights of the fund unit holders are treated equally, e.g., as a result of the total or partial closure of one or several markets in which the fund conducts trading.

The Management Company normally calculates the fund net asset value each banking day. The Management Company does not calculate the net asset value if the fund is closed for sale and redemption with regard to the conditions stated in these fund rules and in §10. When a request for sale or redemption is received on a day in which the fund is closed for sale and redemption, the fund net asset value is normally set on the following banking day.

This procedure means that sales and redemptions take place at a price that is unknown to the unit-holder at the time the order for sale or redemption is made.

The fund sells fund units only in lots of 50,000 or multiples thereof. Selling is carried out by the purchaser transferring financial instruments and a cash sum in set proportions – a portfolio deposit – equivalent to the value of the fund's net assets and liabilities at a given point in time. The portfolio deposit is determined and made public by the management company before every new banking day. The portfolio deposit must be booked on the securities account and bank account stipulated by the management company by 2.30 p.m. CET on ordinary banking days and 10.00 a.m. CET on a banking day before a weekend or public holiday.

The fund redeems units in lots of 50,000 or multiples thereof, or alternatively redeems them in exchange for parts of lots. Redemption is carried out by the units being deposited on the securities account stipulated by the management company by 2.30 p.m. CET on ordinary banking days and 10.00 a.m. CET on a banking day before a weekend or public holiday. The financial instruments and liquid funds included in the portfolio deposit are transferred to the unit-holder's custody account within three banking days.

For redemption in return for cash, a charge not exceeding 5% is payable (minimum: EUR 100). The cash sum is transferred to the unit-holder's bank account within five banking days.

Information concerning the latest value established for a fund unit can be obtained every banking day from the fund management company, via XACT Fonder's website.

A request to sell or redeem the units may only be revoked if the management company so permits.

Section 10

Exceptional circumstances

The fund may be closed for the sale and redemption of fund units in cases where exceptional circumstances have occurred, whereby a valuation of the fund's assets cannot be carried out in a manner which guarantees the equal rights of fund unit holders.

Section 11

Fees and remuneration

When units are sold or redeemed, a fee not exceeding 0.04% of the fund unit's value is chargeable (minimum amount: EUR 3,200), this fee goes to the Management Company. For redemption in return for cash, a charge not exceeding 5% is payable (minimum: EUR 100). The cash sum is transferred to the unit-holder's bank account within five banking days.

Remuneration shall be paid from the fund's assets to the management company for its management, marketing and administration of the fund. The remuneration amount is calculated every banking day on the average value of the fund and must not exceed 1.0% per annum. The remuneration includes costs for custody, supervision and auditing.

Expenses for brokerage fees, taxes, etc. for the purchase and sale of financial instruments are paid from the fund.

Value-added tax applicable at any time will be charged on the above-mentioned remuneration.

Section 12

Distribution of income

The fund distributes income with the aim of transferring the taxation of the fund's income to unit-holders, thus avoiding double taxation.

The amount available for distribution is calculated as the fund's taxable revenues minus the fund's deductible costs before income is distributed, as well as any amounts remaining since the previous occasion for distribution of income. A decision to distribute a larger amount may be taken with the aim of cost-effectively reducing the fund's cash assets in relation to the total fund assets, thereby increasing the extent to which the fund's performance tracks that of the FTSE RAFI Eurozone Index.

Distribution occurs in an amount equivalent to the amounts available for dividends, which may increase with unit sales of the paid accrued dividend and decrease with the unit redemption's

disbursed accrued dividend. Dividends per fund unit are rounded to the next lowest tenth of a Swedish öre.

Income shall be distributed at least once a year, with the first occasion being in June at the latest. Income is distributed in cash through the agency of VPC to unit-holders who are registered on the VPC record list at a date set by the management company (the record day). With the aim of enhancing the efficiency of the fund's asset management, there may be an extra distribution of income in addition to the ordinary distribution. If an extra income distribution is made, this will take place after the ordinary distribution.

Section 13

The fund's financial year

The calendar year is the financial year for the management company and the fund.

Section 14

Semi-annual and annual reports; amendments to fund regulations

The management company shall provide an annual report for the fund within four months of the end of the year. The annual report shall be sent to the Swedish Financial Supervisory Authority and to all the unit-holders who have requested it, and it shall be available at the management company and the depositary.

The management company shall provide a semi-annual report for the fund for the first six months of the financial year within two months of the end of the first six months. The semi-annual report shall be sent to the Swedish Financial Supervisory Authority and to all the unit-holders who have requested it, and it shall be available at the management company and the depositary.

Amendments to fund regulations are decided upon by the board of the management company. After the Swedish Financial Supervisory Authority has approved the amendments, the amended fund regulations shall be made available at the management company and the depositary, and be made public in the manner stipulated by the Swedish Financial Supervisory Authority.

Section 15

Pledging

When units in the fund are pledged, the unit-holder's custodian must be notified.

Section 16

Limitation of liability

Chapter 2, Section 21 of the Swedish Investment Funds Act states that in the event of a unit-holder incurring a loss due to the fund management company violating the Investment Funds Act or the fund's regulations, the fund management company shall compensate such loss. In addition, the aforementioned regulations state that in the event of a unit-holder or a fund management company incurring a loss due to the depositary violating the same act or the fund's regulations, the depositary shall compensate such loss.

In the matter of all measures which are the duty of the depositary and the management company, the depositary and the management company shall not be held responsible for any loss or damage resulting from a legal enactment (Swedish or foreign), the intervention of a public authority (Swedish or foreign), an act of war, a strike, a blockade, a boycott, a lockout, or any other similar circumstances. The reservation in respect of strikes, blockades, boycotts and lockouts applies even if the depositary and/or management company itself is subject to such measures or takes such measures.

Any loss or damage which may occur in other circumstances shall not be indemnified by the depositary and/or management company, provided the depositary/management company has exercised general standards of care. The depositary/management company is in no circumstance responsible for indirect damage.

If there is an obstacle which prevents the depositary and/or management company from carrying out payments or in taking action due to circumstances mentioned in the first paragraph, the action may be delayed until the obstacle no longer exists. In the event of a delayed payment, the depositary or the management company shall pay interest, if there is a commitment to pay interest, according to the applicable interest rate on the due date for the payment. If there is no commitment to pay interest then the depositary or the management company is not liable to pay a higher interest rate than that corresponding to the discount rate determined by the Riksbank pursuant to the Section 9 of the Swedish Interest Act (1975:635) at any time, plus a margin of two percentage points.

If the depositary and/or management company is/are prevented from receiving payment, due to circumstances mentioned in the first paragraph, the depositary and/or management company, for the period of the delay, is/are entitled to interest according to the interest rate applicable on the due date.

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