

AKELIUS BOSTADSOBLIGATION LTD.

A PROFESSIONAL FUND

CONFIDENTIAL PROSPECTUS

Dated: the 3rd day of February, A.D. 2005

NOTICE

THIS PROSPECTUS IS CONFIDENTIAL AND HAS BEEN PREPARED SOLELY FOR USE IN CONNECTION WITH THE PRIVATE OFFER AND SALE OF SHARES OF THE AKELIUS BOSTADSOBLIGATION LTD. (“**THE FUND**”). THIS PROSPECTUS MAY NOT BE REPRODUCED IN WHOLE OR IN PART. THE FUND HAS PREPARED THIS PROSPECTUS AND THE DIRECTORS OF THE FUND ACCEPT RESPONSIBILITY FOR THE ACCURACY OF THE INFORMATION CONTAINED HEREIN AS AT THE DATE HEREOF. NO OTHER PARTY HAS BEEN INVOLVED IN THE PREPARATION OF THIS PROSPECTUS AND THEREFORE NO OTHER PARTY MAKES ANY REPRESENTATION OR WARRANTY, EXPRESSED OR IMPLIED, WITH RESPECT TO THE INFORMATION CONTAINED HEREIN, OR ASSUMES ANY RESPONSIBILITY FOR THE ACCURACY OR COMPLETENESS OF THE INFORMATION CONTAINED HEREIN.

THIS PROSPECTUS DOES NOT CONSTITUTE AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY ANY SHARE BY ANYONE IN ANY JURISDICTION IN WHICH SUCH OFFER, SOLICITATION OR SALE WOULD BE UNLAWFUL OR TO ANY PERSON TO WHOM IT WOULD BE UNLAWFUL TO MAKE SUCH OFFER OR SOLICITATION. NEITHER DELIVERY OF THIS PROSPECTUS NOR ANY SALE MADE HEREUNDER SHALL UNDER ANY CIRCUMSTANCES IMPLY THAT NO CHANGE IN THE AFFAIRS OF THE FUND HAS OCCURRED OR THAT ANY INFORMATION CONTAINED HEREIN IS CORRECT AS OF THE TIME SUBSEQUENT TO THE DATE HEREOF. NO REPRESENTATION IS MADE THAT THE SHARES ARE AN APPROPRIATE INVESTMENT FOR ALL INVESTORS OR ANY PARTICULAR INVESTOR, AND EACH INVESTOR IS URGED TO REVIEW CAREFULLY, WITH ITS OWN LEGAL AND INVESTMENT ADVISORS, THIS PROSPECTUS AND THE DOCUMENTS REFERRED TO HEREIN IN ORDER TO DETERMINE FOR ITSELF WHETHER THE CHARACTERISTICS OF THE SHARES ARE APPROPRIATE FOR ITS INVESTMENT OBJECTIVES AND ITS LEGAL, TAX, REGULATORY AND OTHER CONCERNS. THE DISTRIBUTION OF THIS PROSPECTUS AND THE OFFER AND SALE OF THE SHARES IN CERTAIN JURISDICTIONS MAY BE RESTRICTED BY LAW. PURCHASERS SHOULD INFORM THEMSELVES AS TO THE LEGAL REQUIREMENTS WITHIN THEIR OWN COUNTRIES FOR THE PURCHASE OF SHARES AND TO ANY TAXATION OR EXCHANGE CONTROL LEGISLATION APPLICABLE TO THEM.

FOR ALL PURPOSES THE LAW OF THE COMMONWEALTH OF THE BAHAMAS SHALL BE THE APPLICABLE LAW AND SHALL APPLY TO ALL THE SHARES OFFERED OR SOLD UNDER THIS PROSPECTUS AND ALL INVESTORS SUBMIT TO THE JURISDICTION OF THE COURTS OF THE SAID COMMONWEALTH.

THIS PROSPECTUS IS FOR INFORMATION PURPOSES ONLY. THE SHARES WILL BE ISSUED ONLY ON THE BASIS OF INFORMATION AND REPRESENTATIONS CONTAINED IN THIS PROSPECTUS. ANY PURCHASE MADE BY ANY PERSON ON THE BASIS OF INFORMATION OR REPRESENTATIONS NOT CONTAINED HEREIN OR INCONSISTENT HERewith SHALL BE SOLELY AT THE RISK OF THE PURCHASER. NO PERSON IS AUTHORISED IN CONNECTION WITH ANY OFFERING MADE HEREBY TO GIVE ANY INFORMATION OR MAKE ANY

REPRESENTATION OTHER THAN AS CONTAINED HEREIN AND IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATION MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORISED BY THE FUND, THE FUND MANAGER OR THE PRINCIPAL INVESTMENT ADVISORS. BY ACCEPTING DELIVERY OF THIS PROSPECTUS, EACH PROSPECTIVE INVESTOR AGREES TO THE FOREGOING AND AGREES TO RETURN THIS PROSPECTUS IF SUCH PROSPECTIVE INVESTOR DOES NOT MAKE AN INVESTMENT IN THE FUND. THE FUND AND THE FUND MANAGER RESERVE THE RIGHT TO REJECT ANY OFFER TO PURCHASE IN WHOLE OR IN PART, FOR ANY REASON, THE APPLICABLE SHARES OFFERED HEREBY.

THE NET ASSET VALUE (AS DEFINED HEREIN) OF THE SHARES, AND THEREFORE THE PRICE OF THE SHARES AND THE AMOUNT THAT HOLDERS OF THE SHARES RECEIVE UPON REDEMPTION AND THE INCOME FROM THEM (WHERE INCOME IS DISTRIBUTED), MAY BE SUBJECT TO MARKET FLUCTUATION.

IMPORTANT – IF YOU ARE IN ANY DOUBT ABOUT THE CONTENTS OF THIS OFFERING DOCUMENT, YOU SHOULD CONSULT WITH YOUR FINANCIAL ADVISER.

THE SHARES OF THE FUND ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AND WITH THE PRIOR APPROVAL OF THE FUND AND THE FUND MANAGER, WHICH MAY BE WITHHELD WITHOUT STATING THE REASON THEREFOR.

THIS PROSPECTUS SHOULD NOT BE CONSTRUED AS INVESTMENT, LEGAL OR TAX ADVICE. EACH PROSPECTIVE INVESTOR IS URGED TO SEEK INDEPENDENT INVESTMENT, LEGAL AND TAX ADVICE CONCERNING THE CONSEQUENCES OF INVESTING IN THE FUND.

THE DIRECT OR INDIRECT SALE OF SHARES OF THE FUND IN THE UNITED STATES OR TO UNITED STATES PERSONS IS EXPRESSLY PROHIBITED

THE DIRECT OR INDIRECT SALE OF SHARES OF THE FUND IN THE COMMONWEALTH OF THE BAHAMAS OR TO BAHAMIAN CITIZENS OR PERSONS RESIDENT IN THE BAHAMAS FOR EXCHANGE CONTROL PURPOSES IS EXPRESSLY PROHIBITED WITHOUT THE PRIOR PERMISSION OF THE CENTRAL BANK OF THE BAHAMAS.

THE SECURITIES COMMISSION OF THE BAHAMAS DOES NOT TAKE RESPONSIBILITY FOR THE FINANCIAL SOUNDNESS OF THE FUND OR FOR THE CORRECTNESS OF ANY STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS REGARD.

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DIRECTORY**AKELIUS BOSTADSOBLIGATION LTD.**

Registered Office
P. O. Box CB-12345
14 Rovert House,
Market Street,
Nassau, Bahamas

Principal Office
P. O. Box N-674,
Montague Sterling Centre,
East Bay Street,
Nassau, Bahamas

Investment Manager
Akelius RanteSpar Ltd.
Caledonia Corporate
Management Group,
P. O. Box CB-12345,
14 Rovert House,
Market Street,
Nassau, Bahamas

Administrator
Butterfield Fund Services
(Bahamas) Limited,
P. O. Box N-674,
Montague Sterling Centre,
East Bay Street
Nassau, Bahamas

Board of DirectorsChairman

Sievert Larsson
41 Piale Pasha
Castella Court 2
6027 Larnaca
Cyprus

Directors

Sievert Larson
41 Piale Pasha
Castella Court 2
6027 Larnaca
CYPRUS

and

Matt McNeilly,
Caledonia Corporate
Management Group Limited,
P. O. Box CB-12345
14 Rovert House,
Market Street,
Nassau, Bahamas

Registrar & Transfer Agent
Akelius Finans Public Ltd
P. O. Box 23415,
1683 Nicosia,
Cyprus

Custodian
Bohusbanken AB
Box 11144,
Södra Hamngatan 29,
S-404 23 Göteborg,
Sweden

Auditors
KPMG
5th Floor,
Montague Sterling Centre,
East Bay Street,
Nassau, The Bahamas

Bahamian Legal Advisors
King & Co.,
Counsel & Attorneys-at-Law,
Chambers, First Floor,
Charlotte House,
Charlotte Street,
Nassau, The Bahamas

INVESTMENT SUMMARY

The following summary does not purport to be complete and is qualified in its entirety by the more detailed information included or referred to in this Prospectus.

Name AKELIUS BOSTADSOBLIGATION LTD. (hereinafter the “**Fund**”)

The Fund AKELIUS BOSTADSOBLIGATION LTD. is an open ended investment fund incorporated on the 16th day of March, 2004 as an international business company under the laws of The Bahamas for the purpose of investing primarily in real estate bonds. The registered office of the Fund is located at P. O. Box CB-12345, 14 Rovert House, Market Street, Nassau, Bahamas and the Principal Office of the Fund is located at Montague Sterling Centre, East Bay Street, P. O. Box N-674, Nassau, The Bahamas.

The Company has applied to the Securities Commission for licensing as a professional fund under the Investment Funds Act, 2003 of The Bahamas and the Shares (as defined in the paragraph immediately below) may therefore only be issued to professional investors (as defined below on page 11).

All of the Shares will be issued to Caledonia Corporate Management Group Limited (“**Caledonia**”), which qualifies as a “professional investor” and investors can then purchase such Shares by opening a brokerage account with Caledonia at no extra cost. Caledonia will then hold the Shares for and on behalf of the investors and produce brokerage statements showing the number of Shares each investor is beneficially entitled to.

The authorised share capital of the Fund is (Swedish Kronor – SEK) SEK 50,000.00 divided into 4,999,999.50 non-voting participating shares (the “**Shares**”) with a par value of SEK 0.01 each and 50 voting non-participating Management Shares (the “**Management Shares**”) with a par value of SEK 0.01 each. The Directors of the Fund will hold all the Management Shares.

Initial Offering Period The initial offering period for Shares will be through November 7th, 2004 at an initial price of SEK 1,000.00 per Share. Thereafter, the Fund is offering its Shares for subscription on monthly basis on the last Business Day of each month that Banks are open for business in The Republic of Cyprus (“**Dealing Day**”) at the Net Asset Value per Share. “**Business Day**” means any day that Bank’s are open for business in The Republic of Cyprus.

Minimum Investment

The minimum initial investment per investor is SEK 10,000 unless the Board of Directors in its absolute discretion deems it advisable to permit initial investments of a lesser amount. Shareholders may make additional investments of not less than SEK 5,000.

Investment objective

The Fund will invest primarily in real estate bonds issued by Akelius Fastigheter AB., the largest private real estate company operating in Sweden. The Fund also has the ability to invest in other real estate bonds, securities and financial instruments. These may be ordinary shares, preference shares, all types of bonds including but not limited to convertible bonds and, to a lesser degree, warrants on securities and subscription rights. Furthermore, the Fund may, within the limits of the investment restrictions, invest in other undertakings for collective investment of the open-end type.

On an ancillary basis, the Fund may also hold liquidities and money-market instruments which are traded regularly and whose residual maturity does not exceed 12 months. Furthermore, for defensive purposes and in order to reduce overall exposure to market risk, the Fund's assets may be temporarily constituted up to 100% of cash, if the Investment Manager considers this to be in the best interest of the Shareholders.

Notwithstanding the above the Fund may transfer/invest all of its assets to/in another fund in the circumstances set forth below.

Distribution Policy

Each year, upon the closing of the accounts of the Fund, the Board of Directors will determine if and to what extent, dividends are payable to Shareholders of the Fund out of any funds available for distribution.

If the Board of Directors deems appropriate, dividends may also be declared and paid more frequently.

Transfer/Investment in New Fund

If the Fund's net assets fall below SEK 2 million or if a change in economic or political circumstances affecting the Fund warrant it or if the Board of Directors considers it to be in the best interest of the Shareholders of the Fund, the Board of Directors may decide to transfer/invest the assets of the Fund into another fund (from the same jurisdiction or from another jurisdiction) in consideration of the receipt of shares (the "**New Shares**") in such new fund (the "**New Fund**"). Thereafter, the Fund will redeem all of its Shares at the NAV and in lieu of paying redemption monies it will transfer the New Shares

directly to its Shareholders. Following same the Fund will be liquidated.

Prior to effecting the above, the transfer/investment decision will be notified to all its Shareholders prior to the effective date of the transfer/investment. Moreover, the notification will state the reasons and procedure for the transfer/investment and contain information on the New Fund. This notice shall be made at least one (1) month before the effective date of the transfer/investment in order to give Shareholders the opportunity to request the redemption of their Shares, free of charge, before the transfer/investment takes effect.

Net Asset Value

The Net Asset Value (the “**Net Asset Value**”) of the Fund will be calculated on a monthly basis on the last Business Day of each month (a “**Valuation Day**”) in SEK by taking the difference between the value of the Fund’s assets and its liabilities.

Subscription

Applications for shares in the Company must be made by completing the Subscription Application Form attached hereto as “**Exhibit A**” and forwarding such Form to the Registrar & Transfer Agent. The Registrar & Transfer Agent must receive such Form not later than 9.00 a.m. Cyprus time on the Business Day before the day when the Net Asset Value is calculated.

The issue price for shares of the Fund shall be equal to the net asset value of a single share, as calculated on the relevant Valuation Day.

Shares will be issued within 3 Business Days thereafter. However, Subscriptions may be rejected in whole or in part for any reason by the Fund.

Settlement date

Subscription monies will be paid with value date within 3 Business Days after the day when the Net Asset Value for such subscription is being calculated.

Share Certificates

The Shares will be registered in book entry form. No Share Certificates will be issued.

**Restrictions on Sale
And Transfers**

The Shares may be transferred with the consent of the Fund. No Shares may be sold in the United States or sold or transferred to or for the account of United States citizens, nationals or residents or sold or transferred to or for the account of a Bahamian Person (as defined herein).

Redemption

Investors may redeem their Shares monthly on any Dealing Day. To be accepted, a Shareholder must deliver the Redemption

Request Form attached hereto as “**Exhibit B**” to the Registrar & Transfer Agent not later than 9.00 a.m. Cyprus time 3 Business Days before the Dealing Day.

The redemption price for Shares of the Fund is equal to the net asset value of each Share as calculated on the Valuation Day applicable to the application for redemption, less a redemption fee of Two per cent (2%) of the redemption amount.

Shares may only be pledged to the Investment Manager. If the investor has pledged his Shares to the Investment Manager, only this third party may redeem the Shares.

Settlement date	Redemption monies will be paid within 3 Business Days after the day when the Net Asset Value for such redemption is being calculated.
Reports to Shareholders	The Fund shall prepare an Annual Report (with audited accounts therein), as at the 31 st December of each year (financial year end), which will be made available to Shareholders at the office of the Administrator within 120 days of year end. This report will show the results of the Fund’s operations including its realised and unrealised profits and losses, its fees, commissions and expenses and the change in its Net Asset Value. The Net Asset Value per share as of the last Valuation Day will be available on each Business Day by contacting the Fund.
Dividend Policy	<p>Each year, upon the closing of the accounts of the Fund, the Board of Directors will determine if and to what extent, dividends are payable to shareholders of the Fund out of any funds available for distribution.</p> <p>If the Board of Directors deems appropriate, dividends may also be declared and paid more frequently.</p>
Investment Manager	The Manager of the Fund will be Akelius RanteSpar Ltd., an international business company incorporated and existing under the International Business Companies Act, 2000 of The Bahamas. The Investment Manager shall be responsible for all investment decisions and investment management for the Fund.
Custodian	Bohusbanken AB, Göteborg, Sweden ,
Administrator	Butterfield Fund Services (Bahamas) Limited, Nassau, The Bahamas
Registrar & Transfer Agent	Akelius Finans Public Ltd., a company incorporated in the Republic of Cyprus.

Auditor	KPMG, Nassau, The Bahamas
Fund Expenses	The Fund shall bear all legal, regulatory and Government fees, accounting, auditing, registrar and other ordinary and extraordinary expenses incurred by the Fund. In addition, the Fund shall bear other expenses incurred in its operations such as brokerage commissions and interest on borrowed funds. See “Fees and Expenses”.
Fees paid to the Investment Manager, Administrator, Registrar & Transfer Agent and Custodian	The Fund will pay management fees to the Investment Manager, Administrator, Registrar & Transfer Agent and Custodian quarterly in arrears out of the net assets of the Fund, a combined amount not exceeding to 1.5% of the Average Net Asset Value of the assets of the Fund during each calendar quarter. The Fund will also reimburse the Investment Manager for all expenses incurred in connection with the Fund.
Fees paid to Intermediaries:	The Fund may also pay the following front-end and redemption fees to Intermediaries: <ul style="list-style-type: none"> (i) a front-end load fee which shall not be more than 5% of the subscription price; and (ii) a redemption fee of 2% of the redemption price.
Fees paid to the Custodian and the Administrator	The fees of the Custodian and the Administrator shall be paid by the Investment Manager.
Fiscal Year	The Fund’s Fiscal Year will end on December 31 of each year, and for the first time in 2004.
Borrowing	The Fund may borrow up to 20 % of the value of its assets from any bank or financial institution.
Governing Law	The Fund is governed by, and construed in accordance with the laws of the Commonwealth of The Bahamas
Risks	An investment in the Fund involves substantial risks as more fully described under section “Risk Factors”.

AKELIUS BOSTADSOBLIGATION LTD.

1. THE FUND

The Fund is an open ended investment fund incorporated on March 16th, 2004 as an international business Fund pursuant to the International Business Companies Act for the purpose of investing in securities and other financial instruments. The Fund will be regulated in the Commonwealth of The Bahamas pursuant to the Investment Funds Act, 2003 and the Investment Funds Regulations, 2003. The registered office of the Fund is located at P. O. Box CB-12345, 14 Rovert House, Market Street, Nassau, Bahamas and the Principal Office of the Fund is located at Montague Sterling Centre, East Bay Street, P. O. Box N-674, Nassau, The Bahamas.

The Company has applied to the Securities Commission for licensing as a professional fund under the Investment Funds Act, 2003 (the “Act”) of The Bahamas (a “Professional Fund”) and the Shares may therefore only be issued to professional investors. A “professional investor” for the purposes of this Offering Memorandum is (a) any bank or trust company, broker-dealer, securities investment advisor, insurance company or investment fund registered in The Bahamas or in a jurisdictions prescribed under the laws of The Bahamas; (b) any natural person who has signed a declaration that he has net worth (whether individually or jointly with his spouse) in excess of US\$1,000,000 or currency equivalent; (c) any natural person who has an individual income of \$200,000 or joint income with his spouse of \$300,000; (d) any trust with total assets in excess of \$5,000,000; or (e) any entity in which all the equity owners satisfies one of the requirements in (a)-(d) above. As a Professional Fund, the Company is required to be licensed under the Act prior to the commencement of its business and will be required to pay to the Securities Commission of The Bahamas an annual licence/principal office fee of US\$1,450.00.

All of the Shares will be issued to Caledonia Corporate Management Group Limited (“**Caledonia**”), which qualifies as a “professional investor” and investors can then purchase such shares by opening a brokerage account with Caledonia at no extra cost. Caledonia will then hold the Shares for and on behalf of the investors and produce brokerage statements showing the number of Shares each investor is beneficially entitled to.

The authorised share capital of the Fund is (Swedish Kronor – SEK) SEK 50,000.00 divided into 4,999,999.50 non-voting participating (the “**Shares**”) with a par value of SEK 0.01 each and 50 voting non-participating Management Shares (the “**Management Shares**”) with a par value of SEK 0.01 each. The Directors of the Fund will hold all the Management Shares.

Shares will be offered initially at SEK 1,000.00 per Share during the Initial Offering Period, and thereafter on a monthly basis on the last Business Day of each month (a “**Valuation Day**”) at the then prevailing Net Asset Value. Each Share, upon issue, is entitled to participate equally in the profits of the Fund and in its assets on liquidation. Shares will be held in book entry form by the Fund and no share certificates will be issued to investors. Each Shareholder shall receive from the Fund confirmation showing the details of such Shareholders share purchase. None of the shares are entitled to vote at any meeting of the Fund or on any matter affecting its business, except as otherwise provided for in the Articles of Association. All the Management Shares will be issued to the Directors of the Fund for SEK 0.01 each (a total of SEK 0.50). These Management Shares entitle the holder to one vote per Management Share. Upon liquidation of the Fund, Management Shares shall be entitled to the return only of the

par value of such shares. The Fund's Memorandum and Articles of Association authorise the Directors to issue the Shares offered hereby in accordance with the conditions set forth in this Prospectus. The Articles provide that the Directors may increase the number of Shares offered hereby. The Fund's reporting currency will be SEK.

Directors

The Directors of the Fund are as follows:

- Sievert Larsson of Cyprus
- Matt McNeilly of The Bahamas

All the Directors act in a non-executive capacity.

2. THE ADMINISTRATOR & THE REGISTRAR & TRANSFER AGENT

Butterfield Fund Services (Bahamas) Limited of Nassau, Bahamas is the Administrator of the Fund. The Administrator will administer the Fund, calculate the Net Asset Value per Share, disburse all distributions, legal fees, accounting fees, management fees, advisory fees and other Fund expenses, effect redemptions of Shares and provide Annual Reports.

The Registrar & Transfer Agent, namely Akelius Finans Public Ltd. will act as the Fund's register and transfer agent and accept all subscriptions and redemptions for Shares and coordinate redemption payments.

3. THE CUSTODIAN

Bohusbanken AB of Göteborg, Sweden will serve as the Fund's custodian, and is a company organised under the laws of the Kingdom of Sweden.

The Custodian will have custody of all the Fund's assets other than those assets which are on deposit on the Fund's account with Brokers and Dealers. In addition, all subscription proceeds received from Investors will be deposited with Bohusbanken AB who will hold the assets in a separate segregated account for the Fund.

4. THE INVESTMENT MANAGER

The Investment Manager will be Akelius RanteSpar Ltd. an international business company incorporated and existing under the International Business Companies Act, 2000 of The Bahamas. Akelius RanteSpar Ltd. has its registered office at 14 Røvert House, Market Street North, Nassau, The Bahamas.

5. INVESTMENT FACTORS

Investment in the Fund is speculative and involves a high degree of risk. However, investment in the Fund offers the following potential advantages:

Investment Diversification

The Fund provides investors with the opportunity to further diversify investment portfolios.

Limited Liability

A Shareholder cannot lose more than its investment in the Fund (and the profits and interest accrued thereon) and cannot be subject to margin calls.

Risk Management

The Investment Manager may dispose of all investments and suspend trading activity on behalf of the Fund, if as of any day when the Net Asset value is being calculated, the New Asset Value per Share (as adjusted for distributions) has decreased by 25%. No assurance can be given, however, that the Fund will be able to dispose of all investments without incurring substantial additional losses (See “Risk Factors” – Markets may be illiquid).

Cash

After the commencement of trading operations, Fund assets not invested will be held in the form of cash, short-term bank certificates of deposit or money market funds.

Return on Investment

The Fund believes that it will provide investors with the potential to earn attractive returns on their investment. Of course, there can be no assurance that such returns will be achieved.

6. INVESTMENT OBJECTIVE**Investment Objective**

The Fund will invest primarily in real estate bonds issued by Akelius Fastigheter AB., the largest private real estate company operating in Sweden. The Fund also has the ability to invest in other real estate bonds, securities and financial instruments. These may be ordinary shares, preference shares, all types of bonds including but not limited to convertible bonds and, to a lesser degree, warrants on securities and subscription rights. Furthermore, the Fund may, within the limits of the investment restrictions, invest in other undertakings for collective investment of the open-end type.

On an ancillary basis, the Fund may also hold liquidities and money-market instruments which are traded regularly and whose residual maturity does not exceed 12 months. Furthermore, for defensive purposes and in order to reduce overall exposure to market risk, the Fund’s assets may be temporarily constituted up to 100% of cash, if the Investment Manager considers this to be in the best interest of the Shareholders.

Notwithstanding the above the Fund may transfer/invest all of its assets to/in another fund in the circumstances set forth below.

Distribution policy

Each year, upon the closing of the accounts of the Fund, the Board of Directors will determine if and to what extent, dividends are payable to Shareholders of the Fund out of any funds available for distribution.

If the Board of Directors deems appropriate, dividends may also be declared and paid more frequently.

Transfer/Investment in New Fund

If the Fund's net assets fall below SEK 2 million or if a change in economic or political circumstances affecting the Fund warrant it or if the Board of Directors considers it to be in the best interest of the shareholders of the Fund, the Board of Directors may decide to transfer/invest the assets of the Fund into another fund (from the same jurisdiction or from another jurisdiction) in consideration of the receipt of shares (the "New Shares") in such new fund (the "New Fund"). Thereafter, the Fund will redeem all of its Shares at the NAV and in lieu of paying redemption monies it will transfer the New Shares directly to its Shareholders. Following same the Fund will be liquidated.

Prior to effecting the above, the transfer/investment decision will be made public or notified to all its Shareholders prior to the effective date of the transfer/investment. Moreover, the public announcement or notification will state the reasons and procedure for the transfer/investment and contain information on the New Fund. This public announcement or notice shall be made at least one (1) month before the effective date of the transfer/investment in order to give Shareholders the opportunity to request the redemption of their Shares, free of charge, before the transfer/investment takes effect.

Investment Restrictions

Investments

- 1) Investments in the Fund may only be made in:
 - a) real estate bonds;
 - b) securities admitted for official listing on the stock exchange of a Member State of the European Union, the OECD, or any other State in Europe, Asia, South America, Africa or Oceania;
 - c) transferable securities dealt on another regulated market which operates regularly and is recognised and open to the public in one of these States;
 - d) recently issued transferable securities, provided 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 as defined above, and that such admission be secured within one year of issue.
- 2) The Fund may hold liquid assets.
- 3) The Fund may acquire shares with voting rights in any company provided such participation does not allow it to exercise a considerable influence on the management of the issuer.

Restrictions

- 1) The Fund may borrow up to 20% of the Fund's total net assets.
- 2) The Fund may not guarantee, pledge, mortgage or, in any way, transfer as security to cover debts, any securities held by the Fund, except as may be necessary in connection with such borrowings as specified under sub-section 1 above. However, the purchase of securities at the time of new issues or on a delayed-delivery basis will not be considered as a pledging of assets of the Fund.
- 3) Without prejudice to the acquisition of debt securities and the creation of bank deposits, the Fund may not grant loans or stand as guarantor on behalf of third parties.

- 4) The Fund may not underwrite securities directly or indirectly with a view to investing them.

Lending on securities

The Fund may only lend the securities it holds in the portfolio through a standard securities-lending scheme, organised by an authorised securities clearinghouse or a leading financial institution specialising in operations of that nature.

Such lending operations may not cover more than 50% of the total estimated value of the securities held in the portfolio, it being understood that such limit shall not apply if the Fund is entitled to demand at all times that the contract be terminated and the securities returned.

As part of such lending operations, the Fund shall as a rule receive a guarantee, the value of which at the time the lending contract is entered into shall be at least equal to the total estimated value of the securities lent. This guarantee must be in the form of liquid assets and/or securities issued or guaranteed by OECD member states, their regional public authorities, or Community, regional or global supranational organisations and institutions, and blocked in the Fund's name until the lending contract expires.

The limits set forth hereabove may be exceeded when exercising subscription rights bearing on securities held by the Fund.

If such limits are exceeded as a result of exercising subscription rights or for reasons beyond the Fund's control, the Fund should endeavour as a priority to redress the balance, while taking account of the interests of the Fund's Shareholders.

7. SUBSCRIPTIONS

Initial Offering Period

The initial offering period for Shares will be through November 7th, 2004 at an initial price of SEK 1,000.00 per Share. Thereafter, the Fund is offering its Shares for subscription on monthly basis on the last Business Day of each month that Banks are open for business in Cyprus ("**Dealing Days**") at the Net Asset Value per Share.

The Fund reserves the right to reject any subscription for Shares in whole or in part for any reason.

Subsequent Subscriptions

Applications for shares in the Company must be made by completing the Subscription Application Form attached hereto as "**Exhibit A**" and forwarding such Form to the Registrar & Transfer Agent. The Registrar & Transfer Agent must receive such Form not later than 9.00 a.m. Cyprus time on the Business Day before the day when the Net Asset Value is calculated. Shares will be issued within 3 Business Days thereafter. However, Subscriptions may be rejected in whole or in part for any reason by the Fund.

The issue price for shares of the Fund shall be equal to the net asset value of a single share, as calculated on the relevant Valuation Day.

Subscription monies will be paid value date within 3 Business Days after the day when the Net Asset Value for such subscription is being calculated.

Subscribers accepted by the Fund will be issued whole and fractional shares (up to four decimal places) in the amount of their subscription. All subscriptions rejected by the Fund will promptly be returned without interest. Shares will be held in registered book entry form by the Fund, and no shares certificates will be issued to Shareholders. Each Shareholder shall receive from the Fund a confirmation showing the details of such Shareholders share purchase.

Investor Suitability

Each prospective investor will be required to certify that the Shares of the Fund are not being acquired directly or indirectly for the account of a United States Person for the purpose of United States securities, futures and tax laws, for the account of a Bahamian Person (unless such Bahamian Person has the prior permission of the Central Bank of The Bahamas). For those purposes “United States Person” means (1) a national, citizen or resident of the United States of America, its territories or possessions or areas subject to its jurisdiction (including any corporation, partnership, association or other entity formed, organised, or existing under the laws of the United States or any political subdivision thereof, or any estate or trust the income of which is subject to United States Federal Income Tax regardless of its source, or a corporation, partnership or association owned or controlled by any of the foregoing) and (2) any Person acting, directly or indirectly, on behalf of or in concert with any of the foregoing persons. A United States Person also included an entity outside the United States principally for passive investment such as futures pool, investment Fund or other similar entity (other than pension plan for the employees, officers or principals of an entity organised and with its principal business in the United States): (i) in which United States Persons holds units of participation representing in the aggregate 10% or more of the beneficial interest in the entity or (ii) which has as its principal purpose the facilitating of investment by a United States Person in the futures pool with respect to which the operator is exempt from certain requirements of Part 4 of the CFT’s regulations by virtue of its participants being non-United States persons.

“Bahamian Person” means (1) a national, citizen of the Commonwealth of The Bahamas or a person resident in The Bahamas but not designated non-resident by the Central Bank of The Bahamas (including any corporation, partnership, estate, trust or other entity formed, organised or existing under the laws of The Commonwealth of The Bahamas) and (2) any person acting directly or indirectly, on behalf of or in concert with any of the foregoing persons.

It is the responsibility of each Investor to verify that the purchase for the Fund’s Shares is in compliance with all relevant laws of the Investor’s jurisdiction of residence.

8. REDEMPTIONS

Investors may redeem their Shares monthly on any Dealing Day. To be accepted, a Shareholder must deliver the Redemption Request Form attached hereto as “**Exhibit B**” to the Registrar & Transfer Agent not later than 9.00 a.m. Cyprus time 3 Business Days before the

Dealing Day otherwise the Shares will be redeemed on the next day that the Net Asset Value is calculated. If the number of Shares to be redeemed is not specified, a redemption notice will be presumed to apply to all the shares owned by the Shareholder.

Shares may only be pledged to the Investment Manager. If the investor has pledged his Shares to the Investment Manager, only this third party may redeem the Shares.

The redemption price for shares of the Fund is equal to the net asset value of each share as calculated on the Valuation Day applicable to the application for redemption, less a redemption fee of Two per cent (2%) of the redemption amount.

The redemption price may be greater or less than the subscription price paid, depending on the performance of the net asset value.

Redemption monies will be paid in SEK and the value date will be within 3 Business Days after the day when the Net Asset Value for such redemption is being calculated. Redemption proceeds shall be sent by wire transfer to the bank account of the redeeming shareholder as per written instructions of the redeeming Shareholder.

The Fund may at its discretion:

1. postpone the distribution of any Fund assets which cannot be properly valued on the redemption date in order that the Fund can properly value its assets; and
2. establish a reserve against any undetermined or contingent liability in an amount deemed reasonable by the Fund.

Redemption payments in violation of the Fund's anti-money laundering policies will be held up, potentially indefinitely.

Further, circumstances might arise where redemptions may also be made "in kind" at the discretion of Board. "In-kind" is defined as the payment of a portion or all of a redemption through the transfer of a portion of the non-cash assets of the Fund. Non-cash assets transferred to meet a redemption may be illiquid or restricted securities or investment interests in other investment pools or funds.

If, owing to applications for redemption or conversion, it is necessary on a given Valuation Date to redeem more than 10% of the Participating Shares issued, the Board may decide that all redemptions will be postponed until the next date when the Net Asset Value is calculated. On that date of calculation of the Net Asset Value, applications for redemption or conversion that have been postponed (and not withdrawn) will be given priority over applications for redemption and conversion received for that particular date of calculation of the Net Asset Value (and which have not been postponed).

The foregoing is subject to the Fund's ability to liquidate its investments. If the Fund were unable to liquidate assets sufficient to satisfy a request for redemption, the Fund may redeem the Shareholder's interest to the extent possible, which may include not redeeming the Shareholder's interest completely or not at all until the Fund is able to liquidate assets sufficient to satisfy a request for redemption.

In addition, under special circumstances which include, without limitation, default or delay in payments due to the Fund by Brokers or others, the Fund may in turn delay payments to

Shareholders who have requested redemption to the extent that the delayed portion of the payment due to the Fund bears to the approximate Net Asset Value of the Shares being redeemed. The right to receive proceeds with respect to a redemption of all or part of Shares tendered for redemption is contingent upon the Fund having sufficient liquidity to discharge any liabilities on the date of redemption. The Fund may also defer payment of the proceeds of a redemption if, in the judgment of the Board, liquidating investments to raise funds to pay said proceeds will be, as determined in good faith, unduly burdensome to the Shareholders remaining in the Fund. Under such circumstances, the Fund will endeavor to redeem the Shareholder's interest at the earliest possible time

9. RISK FACTORS

An investment in the Fund involves substantial risks, including those discussed below, and there can be no assurance that the Fund will achieve its investment objective. An investment in shares of the Fund is speculative and suitable only for persons who can assume the risk of losing their entire investment. Prospective investors should consider, among others, the following factors, in addition to the matters set forth elsewhere in this Prospectus, before subscribing to the Fund.

General Investment Risks

All investments risk the loss of capital. No guarantee or representation is made that the Fund's investment program will succeed. The prices of securities and other investments of the Fund can be highly volatile. Prices can be influenced by such factors as changing supply and demand, government programs and policies, political and economic events, weather and climate conditions, and also the effects of speculation in the market place itself. In addition, governments sometimes intervene directly and by regulation, in certain markets, often intending to influence prices. Any such intervention or price volatility could have an adverse impact on the Fund.

General Economic Factors

Changes in economic conditions, including interest rates, inflation rates, industry conditions, competition, technological developments, political events and trends, tax laws and innumerable other factors, can affect substantially and adversely the business and prospects of the Fund. None of these conditions will be within the control of the Principal Investment Advisor.

Real Estate Market in Sweden

As a large proportion of the investments of the Fund will be in real estate bonds related to the Swedish real estate market the market of such bonds is correlated to the increase or decline of values in such market. The change in market value will, however, not ordinarily change the price at expiration of the bonds.

Currency Risk

The Shares will be denominated in SEK. Certain of the Fund's assets may, however be invested in securities and other investments which are denominated in currencies other than SEK. Accordingly, the value of such assets may be effected favourably or unfavourably by the relative strength of the SEK to other currencies and exchange control regulations. The Fund may incur costs in connection with conversions between various currencies. Changes in foreign currency exchange rates may also affect the value of dividends and interest earned by

the Fund and gains and losses realised on the sale of securities by the Fund. The rate of exchange between SEK and other currencies is determined by the forces of supply and demand in the foreign exchange markets (which in turn are affected by interest rates, trade flow and numerous other factors). In addition, prospective investors whose assets and liabilities are predominantly in other currencies should take into account the potential risk arising from fluctuations in value between SEK and such other currencies.

Investment and Repatriation Restrictions

Some countries in which the Fund may invest have laws and regulations that preclude or restrict foreign investment in the securities, and/or repatriation of capital, dividends or some other income, of resident companies in a manner that may make such investment less advantageous than investments by nationals. These restrictions or controls may increase the costs and expenses of the Fund. Repatriation of investment income, capital and the proceeds from sales of securities by foreign investors, such as the Fund, may require governmental registration and approval in some countries. In addition, a country may impose temporary restrictions on foreign capital remittances abroad if there is a deterioration in a country's balance of payments or for other reasons. The Fund could be adversely affected by delays in or a refusal to grant required governmental registration or approval for any such proposed repatriation of capital or earnings, as well as by the application to the fund restrictions on investments.

Concentration of Investments

The Fund may at certain times invest in a relatively small number of securities. The Fund could be subject to significant losses if it holds a large position in a particular group of securities that decline in value or are otherwise adversely affected.

Liquidity of Fund Shares

Although an investment in the Fund can be redeemed on the last Business Day of each month, Shares are not transferable without the approval of the Fund. The board of directors will have the right to reject proposed transfers of any reason. There is no active secondary market in the Shares. Redemptions may also be temporarily suspended or deferred in certain circumstances described herein.

Regulation

The Fund is not, and will not be registered with, or regulated by, any securities or governmental authority, except for the Securities Commission of The Bahamas. Accordingly, the benefits of any such registrations and regulations, are not, and will not be applicable to the Fund or available to its Shareholders. The Securities Commission of The Bahamas does not accept any responsibility for the financial soundness of the Fund or for the accuracy of any of the statements made or opinions expressed herein.

Lack of Control and Reliance on Board

Except to the extent that the Articles of Association of the Fund or the laws of The Bahamas accord Shareholders certain rights with respect to corporate matters, the Shareholders will have no right to participate in the management of the Fund or in the control of its business. Accordingly, no person should purchase any Shares unless he is willing to entrust all aspects of management of the Fund to the Board. The Fund's success will depend completely on the efforts of the Board and its Investment Manager. The Board will give complete investment policy discretion to the Investment Manager and will not monitor any of the Fund's investments on a daily basis.

Counterparty Risk

The Fund may be subject to risk of loss of its assets on deposit with a broker, FX dealer or bank in the event of their bankruptcy or insolvency, or that of any broker through which the broker executes and clears transactions on behalf of the Fund, or the bankruptcy or insolvency of an exchange or clearing house. In the case of any such bankruptcy or insolvency, the Fund might recover only a pro rata share of all property available for distribution to all of the counterparty's customers. Such amount may be less than the amounts owed to the Fund.

Lack of Operating History

The Fund has only recently been organized and has no operating history. There can be no assurance the Fund and the Investment Manager will achieve the Fund's Investment Objective.

Substantial Fees and Costs

The Fund will be obligated to pay substantial transaction fees (commissions), costs and expenses, regardless of whether the Fund realizes profits. The Fund is also subject to the payment of management fees to the Investment Manager whether or not the Fund is profitable. The Fund will therefore be required to make trading profits of a substantial magnitude to avoid depletion or exhaustion of its assets from the charges and expenses to which the Fund will be subject.

Non-Exclusive Services of the Investment Manager

The Investment Manager or its principals may also act as Investment Managers, Investment Advisors or Trading Advisors for other pools or accounts. The Fund's performance will not necessarily track or correlate to the performance of any other pools or accounts operated, managed or advised by the Investment Manager or its principals. The Investment Manager does not believe that the involvement with other pools or accounts will significantly impact its ability to act as the Investment Manager for the Fund.

Portfolio Valuation

The assets of the Fund and the Fund's Net Asset Value will be calculated as described under "Net Asset Value of the Fund", using standard independent pricing sources, if available. Illiquid securities and other special situations involving uncertainties as to the valuation of the portfolio positions could have a significant impact on the Fund's Net Asset Value and consequently may affect the amount of fees paid to the Investment Manager. However, in the absence of bad faith or manifest error, valuation computations by the Administrator will be conclusive and binding.

Potential Loss

As is true of any investment, an investor in the Fund could lose all or a substantial portion of his investment.

Economic Conditions

The success of any investment activity is affected by general economic conditions. Changes in economic conditions, including, for example, interest rates, inflation rates, industry conditions, competition, technological developments, political and diplomatic events and trends, tax laws and innumerable other factors, can substantially and adversely affect the business and prospects of the Fund. None of these conditions will be within the control of the Investment Manager or the Fund.

Effect of Substantial Redemptions

Substantial Redemptions by Shareholders, within a short period of time could require the Fund to liquidate positions more rapidly than would otherwise be desirable, which could adversely affect the Fund's assets. The resulting reduction in the Fund's assets could make it more difficult to generate a positive rate of return or to recoup losses due to a reduced equity base. Substantial redemptions might also cause the liquidation of the Fund.

Compulsory Redemption

The Fund reserves the right to require the redemption of the Shares acquired or held by any person in circumstances which appears to the Fund to be in breach of any applicable law or requirement or otherwise to be in the interests of the Fund or which in the opinion of the Fund might result in the Fund being subject to taxation or other disadvantages to which it would not have been subject if such person (whether alone or together with other persons) ceased to be holder of the Shares.

Until such required transfer or redemption is effected, the holder of such Shares shall not be entitled to any rights or privileges attaching to such Shares. Compulsory redemption will be made at the redemption price per class of Shares on the next Valuation Date following the issuance of a notice of redemption to the Shareholder.

Changes in Applicable Law

The Fund must comply with various legal requirements, including requirements imposed by the securities laws and tax laws in various jurisdictions. In addition, laws relating to transactions in which the Fund enters (such as, without limitations, the derivative transactions) may also be subject to change. Should any of those laws change, the legal requirements to which the Fund may be subject could differ materially from current requirements and adversely impact the Fund.

Past Performance Information

Past results are not necessarily indicative of future performance. No assurance can be given that the Investment Manager will achieve the Investment Objective of the Fund and that profits will be achieved or that substantial losses will not be incurred.

Leverage

The Fund may leverage its investments by borrowing up to 20% of the Fund's Net Asset Value, the policy of which is riskier than not leveraging its investments. Leveraging allows the Fund to borrow to maximize its profits and may result in increased losses.

Trading Risks

Illiquidity. The markets for the instruments in which the Fund invests could experience periods of illiquidity, which could prevent the prompt liquidation of positions and could subject it to substantial losses.

Lack of Diversification. The Fund is not required to maintain a diversified portfolio. Accordingly, the investment portfolio of the Fund may be subject to more rapid changes in value than would be the case if the Fund were required to maintain a wide diversification among companies, industries or type of investments

The Securities Market

Purchases of Securities. The Fund may make certain purchases of securities.. There can be no assurances that securities, which the Investment Manager will increase in value.

10. CONFLICTS OF INTEREST

The following inherent or potential conflicts of interest should be considered by prospective investors before subscribing for Shares.

Relationship between the Fund and the Investment Manager

The business of the Investment Manager is advising investors in the purchase and sale of investments, and they may be advising other accounts during the same period that they are managing the Fund's account using the same or different information and trading investment strategies which they obtain, produce, or utilise in the performance of services for the Fund. The Investment Manager may have conflicts of interest in rendering advice because its compensation for managing other accounts any exceed its compensation for managing the Fund's account, thus providing an incentive to prefer such other accounts.

Relationship between the Registrar & Transfer Agent, the Fund and the Investment Manager

The Registrar & Transfer Agent, the Fund and the Investment Manager all belong to the same group of companies and therefore there is an inherent conflict of interest

Relationship between Fund and the issuer of bonds it is investing in.

The Fund will be buying real estate bonds issued by Akelius Fastigheter AB, which is another company that belongs to the same group of companies as the Fund and therefore there exists an inherent conflict of interest

Other Investment Vehicles and Account

The Directors, and the Investment Manager, the Fund's bankers, brokers and dealers operate or may in future establish and operate additional investment vehicles. Each of the foregoing and their respective principals and affiliates trade for their own accounts or the accounts of clients. Because of the confidentiality of the information respecting performance of such accounts, such information will not be made available to the Fund or the Shareholders. In addition, such trading may increase competition to the Fund.

Relationship between the Directors and the Fund

The Directors hold all of the voting Management Shares of the Fund. One of the Directors, Matthew McNeilly is a owner of Caledonia, which will hold all of the Shares in its name.

11. FEES, COMPENSATION AND EXPENSES

The start-up costs and expenses for the Fund (including, without limitation, fees and expenses of attorneys and accountants, printing costs and promotional expenses) incurred in the organisation of the Fund and the offering of the Shares for sale during the Initial Offering Period will be born by the Fund and is anticipated to be SEK 250,000..

Investment Manager, Administrator, Registrar & Transfer Agent and Custodian

The Fund will pay to the Investment Manager, Administrator, Registrar & Transfer Agent and Custodian quarterly in arrears out of the net assets of the Fund, a combined amount not exceeding 1.5% of the Average Net Asset Value of the assets of the Fund during each calendar quarter.

Intermediaries

The Fund may also pay the following front-end and redemption fees to Intermediaries:

- (i) a front-end load fee which shall not be more than 5% of the subscription price; and
- (ii) a redemption fee which shall not be more than 2% of the redemption price.

Brokers, Dealer and Banks

Brokers, dealers and banks, retained to execute transactions of behalf of the Fund, will be paid brokerage commissions and applicable fees by the Fund. Bank, brokers and dealers holding Fund assets also may receive fees.

The Directors' Fees and Expenses

The Fund will be liable to pay fees to the Directors, which will not exceed US\$10,000 per annum per Director. The Company will also reimburse the Directors for any travel, accommodation or other expenses incurred in carrying out their duties as Directors.

Other expenses

The Fund is obliged to pay its ongoing operating expenses, offering expenses and regulatory, legal, accounting, auditing, registrar printing and filing fees. The Fund also is responsible for its extraordinary expenses, if any.

12. TAXATION

The Bahamas

Under current legislation in The Bahamas, there is no income tax or withholding tax payable by the Fund, the Shareholders or the Management Shareholders in respect of their shares, nor are there any capital gains taxes, estate duties or inheritance taxes in The Bahamas. There are no exchange control restrictions applicable in The Bahamas with respect to operation of the Fund.

13. LEGAL & AUDITING MATTERS

Individual Shareholders and prospective investors should seek their own legal advise prior to investing in the Fund. The Fund will choose appropriate legal counsel, depending on the

nature of the advise sought and the jurisdiction concerned. The Auditor of the Fund is KPMG, Nassau, The Bahamas.

14. GENERAL INFORMATION

Transfer of Shares

In addition to certain restrictions and requirements set forth herein, in the Fund's Memorandum and Articles of Association, the Shares are not transferable unless the Fund consents to such transfer. The instrument of transfer must be in writing and in such form as the Fund approves.

Net Asset Value of the Fund

The Net Asset Value of the Fund ("**Net Asset Value of the Fund**") as well as issue and redemption prices for Shares are calculated by the Fund on the basis of the last known prices each Valuation Day.

The Net Asset Value of the Fund will be expressed in SEK and will equal the difference between the total assets and total liabilities of the Fund.

Assets will be valued as follows:

- a) Securities admitted for listing or traded on any other regulated market are valued at the last available price, unless such price is not deemed to be representative.
- b) Securities not admitted for listing or traded on such a regulated market, and securities that are admitted for listing but for which the last available price is not representative, will be valued, prudently and in good faith, on the basis of their estimated sale price or face value with accrued interest in the case of interest bearing instruments.
- c) Liquid assets will be valued at their face value, plus accrued interest.
- d) Securities whose value is expressed in a currency other than SEK will be converted to that currency at the average price between the last available bid/ask price in Sweden or, failing that, on the market that is most representative for those securities.

The Fund is entitled to adopt any other appropriate principles for valuing the Fund's assets if extraordinary circumstances make it impossible or inappropriate to determine the values according to the criteria specified above.

Net Asset Value per Share

Net Asset Value per Share means the Net Asset Value of the Fund divided by the number of Shares outstanding in the Fund.

Temporary Suspension of Determination of Net Asset Value and of Redemption

The Fund is authorised to temporarily suspend calculation of the Net Asset Value of Shares or the issue and redemption of Shares if there exists a circumstance which would justify such a suspension and/or in one or more of the following circumstances:

1. When one or more stock exchanges or markets which provide the basis for valuing a substantial portion of the Fund's assets, or when one or more foreign exchange markets in the currency in which the Net Asset Value of Shares is expressed or in which a substantial portion of the Fund's assets is held, are closed other than for normal holidays or if dealings therein are suspended, restricted or subject to major fluctuations in the short term.

2. When, as a result of political, economic, military, monetary or social events, strikes or other events of force majeure outside the responsibility and control of the Fund, the disposal of the Fund's assets is not reasonably or normally practicable without being seriously detrimental to the Shareholders' interests.
3. In the event of a breakdown in the normal means of communication used to calculate the value of an asset in the Fund or if, for whatever reason, the value of an asset in the Fund cannot be calculated as promptly and accurately as required.
4. When, as a result of currency restrictions or restrictions on the movement of capital, transactions for the Fund are rendered impracticable, or purchases or sales of the Fund's assets cannot be carried out at normal rates of exchange.
5. Following the occurrence of an event entailing the liquidation of the Fund or one of its Classes.

In such cases, Shareholders who have submitted applications to subscribe or to redeem Shares will be notified in writing.

The Fund may, at any time and at its discretion, temporarily discontinue, cease permanently or limit the issue of Shares to natural or legal persons resident or domiciled in particular countries or territories. It may also prohibit them from acquiring Shares if such a measure is deemed necessary to protect the shareholders as a whole and the Fund.

Whenever the Fund declares a suspension of the determination of the Net Asset Value per Share, then as soon as may be practicable after any such determination, the Fund shall give notice to all Shareholders stating that such determination has been made. During any period when the determination of the Net Asset Value per Share is suspended, none of the Shares may be issued, and none of the Shares may be redeemed.

The Administrator shall immediately notify the Securities Commission if dealing in the Shares ceases or is suspended and the fact that dealing is suspended shall be published immediately following such decision and at least once a month during the suspension, in the newspaper (if any) in which the Fund's prices are normally published, and in such newspaper or newspapers as the Securities Commission may specify.

Compulsory Redemption

The Fund reserves the right to require the redemption of the Shares acquired or held by any person in circumstances which appears to the Fund to be in breach of any applicable law or requirement or otherwise to be in the interests of the Fund or which in the opinion of the Fund might result in the Fund being subject to taxation or other disadvantages to which it would not have been subject if such person (whether alone or together with other persons) ceased to be holder of the Shares.

Until such required transfer or redemption is effected, the holder of such Shares shall not be entitled to any rights or privileges attaching to such Shares. Compulsory redemption will be made at the redemption price per class of Shares on the next redemption date following the issuance of a notice of redemption to the Shareholder.

Shares

No profits will be payable on the Shares as dividends unless the holders of the Management Shares so declare in a general meeting of the Management Shareholders. Upon a winding up of the Company, the Shareholders are entitled to the return of paid in capital and to the

surplus assets of the Company. The Management Shareholders are entitled only to a return of their paid in capital and not to any share of the surplus assets of the Company.

Winding up or Liquidation of the Company

The Company may be liquidated or wound up at any time upon the first to occur of the following:- (i) The Management Shareholders or the Directors of the Company resolve to liquidate and dissolve the Company pursuant to the Articles; (ii) The occurrence of any event that would make it unlawful for the existence of the Company to be continued and the passage by the Management Shareholders of a resolution to that effect; or (iii) Any occurrence of any event or events which in the opinion of the Board of Directors make it most advantageous to the Shareholders to do so and the passing by the Directors of a resolution to wind-up the Company.

Borrowings

The Company does not have any debentures, loan capital, mortgages, charges, liens, borrowings or indebtedness in the nature of borrowings, including bank overdraft and liabilities under acceptances or acceptance credits, hire purchase commitments or guarantees or other material contingent liabilities at the time of this Prospectus.

The Directors may from time to time, at their discretion, raise or borrow or secure the repayment of any sum or sums of money up to 20 % of the value of the Fund's assets from any bank or financial institution for the purposes of the Company in such manner and upon such terms and conditions in all respects as they think fit and in particular by the issue of bonds, mortgages, debentures, notes, warrants or other obligation of the Company charges upon all or part of the assets of the Company (both present and future).

Meetings

1. The Directors may convene a meeting of the Management Shareholders of the Company once per year and whenever else they think fit, upon at least Seven (7) days notice in writing to each of the Management Shareholders, mailed to each Management Shareholder at his address as shown in the Register. Such notice shall state the time, date and place of and, as far as practicable, the object of the meeting.
2. A meeting of the Company called on the written requisition of Management Shareholders holding not less than one third (1/3) part in voting power of the Management Shares of the Company shall be convened by written notice in like manner as set forth above.

Foreign Exchange Transactions

Where payments, including the issue and redemption of the Shares, are made or to be made, or dividends (if any) are requested to be paid in a currency other than SEK, the necessary foreign exchange transactions will be arranged on behalf of the prospective Shareholder or Shareholders concerned by the Fund at the prospective Shareholder or Shareholder's risk.

Material Contracts & Constitutive Documents

The Company has entered into the contracts listed below and will enter into contracts in the ordinary course of its business which may be material including contracts with the Directors, the Administrator, the Registrar & Transfer Agent, the Custodian, the Investment Manager, the Investment Advisor and banks, brokers and dealers. This Prospectus is not intended to provide a complete description of such contracts or the Company's Memorandum and

Articles of Association. Copies of the Prospectus the Company's Memorandum and Articles of Association and the documents set forth below may be obtained and inspected free of charge or purchased during normal business hours on any week day (public holidays excepted) at the Company's registered office in The Bahamas.

1. Administration Agreement between Butterfield Fund Services (Bahamas) Limited, Nassau, The Bahamas and The Fund;
2. The Registrar & Transfer Agent Agreement between Akelius Finans Public Ltd. Of Cyprus and the Fund;
3. Custodian Agreement between Bohusbanken AB, Göteborg, Sweden and the Fund; and
4. Investment Management & Advisory Agreement between Akelius Rantespar Ltd.of the one part and the Fund of the other part.

Reports to Shareholders

The Fund shall prepare an Annual Report (with audited accounts therein), as at the 31st December of each year (financial year end), which will be made available to Shareholders at the office of the Administrator within 120 days of year end. This report will show the results of the Fund's operations including its realised and unrealised profits and losses, its fees, commissions and expenses and the change in its Net Asset Value. The Net Asset Value per share will be available on each Business Day by contacting the Fund.

Anti-Money Laundering

As part of the Fund's responsibility for the prevention of money laundering, the Administrator may require a detailed verification of a prospective investor's identity as well as information concerning the origin of the assets. Depending on the circumstances of each application, a detailed verification may not be required if:

- (a) the applicant makes the payment from an account held in the applicant's name at a recognised financial institution; or
- (b) the application is made through a recognised intermediary.

These exceptions will only apply if the financial institution or intermediary referred to above is within a country recognised by the Financial Transactions Reporting Act 2000, Statute laws of The Bahamas, as having efficient money laundering regulations.

An individual may be required to produce a copy of his passport or identification card certified by a notary public. Corporate, trust or partnership applicants will be required to produce (as applicable) a certified copy of incorporation (and any change of name), Memorandum and Articles of Association (or other document evidencing the existence of the legal entity), trust deed or partnership agreement, the names and addresses of the ultimate beneficial owners or partners, the register of Directors or an excerpt from the trade register held at the relevant chamber of commerce and the signatory card verifying the authority of the directors, officers or partners to sign on behalf of the legal entity or partnership.

The Fund reserves the right to request such further information as is necessary to verify the identity of an applicant. In the event of delay or failure by the applicant to produce any

information required for verification purposes the Fund may refuse to accept the application and the subscription moneys in relation thereto.

In the case of pooled or institutional investments, the subscribing institution is obliged to conduct appropriate due diligence on its clients. The Fund may, at its absolute discretion, request information from such subscribing institution on its anti-money laundering procedures regarding the investors in the Fund.

Indemnities

The Fund has agreed that it will indemnify the Directors, officers and liquidators if at any time they are parties or threatened to be made parties to any threatened, pending or completed proceedings, whether civil, criminal, administrative or investigative, in their capacities as Directors, officers or liquidators against all expenses, including legal fees, and against all actions, proceedings, costs, charges, losses, damages, expenses and all judgements, fines and amounts paid in settlement and reasonably incurred in connection with legal, administrative or investigative proceedings provided that the Director, officer or liquidator acted honestly and in good faith with a view to the best interest of the Fund, and in the case of criminal proceedings, had no reasonable cause to believe that his conduct was unlawful.

The Fund may purchase and maintain insurance in relation to the Directors against any liabilities asserted against them.

In addition, the Fund has granted indemnities to the Administrator, the Registrar & Transfer Agent, the Custodian and the Investment Manager in respect of actions brought against them in their respective capacities, where such actions do not involve fraud or willful default.

EXHIBIT A

SUBSCRIPTION APPLICATION FORM AKELIUS BOSTADSOBLIGATION LIMITED

This form duly completed should be sent to:

Akelius Bostadsobligation Limited

c/o Akelius Finans Public Ltd

P. O. Box 23415,

1683 Nicosia,

Cyprus

Tel: +357 22319185

Fax: +357 22319192

Attention: Register & Transfer Agent Department

I/We (“**the Subscriber**”) hereby acknowledge that Subscriber has received, reviewed, understood and considered a Prospectus dated 30th day of September, A.D. 2004 in connection with Akelius Bostagsobligation Limited (the “**Company**”) and this application is made on the terms thereof and subject to the provisions of the Company’s Memorandum and Articles of Association from time to time in force.

Subscriber hereby represent and warrant to the Company (for itself and on behalf of all shareholders in the Company) that Subscriber is not a US Person or Bahamian Person both as defined in the Prospectus and that Subscriber is not acting on behalf of or for the benefit of nor does it intend transferring any Shares in the Company which Subscriber may purchase to any such person.

Subscriber acknowledges that the data contained in this application may be stored and used by the Investment Manager of the Fund for the purpose of developing the business relationship with the investor.

Subscriber hereby represents and warrants that:

- (i) all legal and tax advice, registrations, declarations or filings with, or consents, licenses, approvals or authorizations of, any legislative body, governmental department or other governmental authority, necessary or appropriate in connection with Subscriber’s investment in the Company have been obtained or complied with, and, if it is not an individual, the person signing this Subscription Agreement on Subscriber’s behalf has full power and authority to do so;
- (ii) Subscriber understands the Company was recently organized and has no operating history, that the Investment Manager has limited operating history, and that an investment in the Company is highly speculative and may result in a complete loss of Subscriber’s investment; and
- (iii) that, to the best of Subscriber’s knowledge and belief, the subscription moneys are not, in whole or in part, the proceeds of drug trafficking or other such criminal activity, nor do they represent, in whole or in part, directly or indirectly, such proceeds.

Subscriber acknowledges that the Company reserves the right to reject in its absolute discretion this and any other subscription for Participating Shares in whole or in part. If this subscription is rejected or if the sale of Participating Shares is not consummated for any reason (in which event this subscription shall be deemed to be rejected), the Company shall as soon as practicable return any funds transferred by Subscriber (without interest) along with this Agreement and any other documents delivered by Subscriber.

Subscriber understands that a misrepresentation or breach of any warranty or agreement made by Subscriber could subject the Company, the Administrator, the Registrar & Transfer Agent, the Investment Manager and their officers, directors, owners, managers, employees and agents (collectively “**Indemnitees**”) to significant damages and expenses. Subscriber hereby agrees to indemnify, defend, and hold harmless each Indemnitee from and against any loss, liability, damage, cost, or expense (including legal fees and expenses in the defense or settlement of any demands, claims, or lawsuits) actually and reasonably incurred arising from Subscriber’s misrepresentation or breach of any warranty or agreement in this Agreement.

Subscriber acknowledges that due to money laundering requirements operating within their respective jurisdictions the Administrator, the Registrar & Transfer Agent and the Company (as the case may be) may require further identification of the applicant(s) before the application can be processed and the Administrator, the Registrar & Transfer Agent and the Company shall be held harmless and indemnified against any loss arising as a result of a failure to process the application if such information has been required by the parties referred to and has not been provided by me/us.

Subscriber warrants that (i) it has the knowledge, expertise and experience in financial matters to evaluate the risks of investing in the Company; (ii) it is aware of the risks inherent in investing in the Company and the investment policies of the Company and the method by which the assets of the Company are held and/or traded (iii) it can bear the risk of loss of the entire investment.

For SEK Settlement

Correspondent Bank : Bohusbanken AB
 Swift:
 Account Name: Akelius Bostadsobligation Ld
 Account Number: 3008675007
 Reference: Akelius Bostadsobligation Limited

SUBSCRIPTION AMOUNTS

Amount to be invested in the Company (minimum initial and subsequent subscription SEK 10,000 and SEK 5,000 respectively or the equivalent amount converted to the respective currency)

SEK

Participating
 Shares

(in figures)

(in words)

Applications for Shares in the Fund must be received by the Registrar & Transfer Agent not later than 9.00 am (Cyprus Time) on the Business Days prior to the Valuation Day (as defined in the Fund’s Prospectus – the last Business Day of each month).

Subscription monies must be paid to the Funds’ Custodian with or prior to this application.

(Complete in block letters please)

REGISTRATION DETAILS

Registered Shareholder: 

Registered address: 

Mailing address if different from above 

Registered address: 

Telephone No: 

Fax No: 

Contact Name: 

Email Address: 

***A corporation's application should be signed by a duly authorised official (or officials) whose representative capacity must be stated.**

AUTHORISED SIGNATORIES

Applicant's Signature: 

Applicant's Signature: 

EXHIBIT B

REDEMPTION REQUEST FORM AKELIUS BOSTADSOBLIGATION LIMITED

This form duly completed should be sent to:

Akelius Bostadsobligation Limited
c/o Akelius Finans Public Ltd
P. O. Box 23415,
1683 Nicosia,
Cyprus
Tel: +357 22319185
Fax: +357 22319192

Attention: Register & Transfer Agent Department

REDEMPTION AMOUNTS

Amount to be redeemed in the Akelis Bostadsobligation Limited –

SEK

Participating
Shares

(in figures)

(in words)

If the number of Participating Shares to be redeemed is not specified, a redemption notice will be presumed to apply to all the Participating shares owned by the Shareholder.

Redemption order must be received by the Registrar & Transfer Agent by 9.00am at least 3 business days before the Valuation Day (as defined in the Fund's Prospectus – the last Business Day of each Month)

Redemption proceeds will be usually paid to Shareholders within 3 Business Days after the Valuation Day

I/We hereby represent and warrant that,

- (i) I/we am/are the true, lawful, and beneficial owner of the Participating Shares to which this Redemption Request relates; or
- (ii) I/we have full lawful power and authority to request redemption of the Participating Shares referred to above for and on behalf of the beneficial owner(s) thereof; or
- (iii) I/we have full lawful power and authority, as a duly authorised officer, or representative of the _____ [name of corporation, etc], to request redemption of the Participating Shares referred to above; and
- (iv) Such Shares are not subject to any charge or pledge or are otherwise encumbered in any way.

Signature(s) must be identical to name(s) in which Participating Shares of the Company are registered.

(Complete in block letters please)

Name of Shareholder

Address of Shareholder

Signatures of Shareholder

***A corporation's request should be signed by a duly authorised official (or officials) whose representative capacity must be stated.**

BANKING DETAILS

(Redemption payments made to this account)

Please complete if the banking details are different to those originally stated on the application form.

Bank
Address
SWIFT Address
A/C No
A/C Name