

Prospectus Supplement No. 15 dated January 14, 2009  
(to Prospectus dated June 23, 2006)

# **FXS** CurrencyShares<sup>SM</sup> Swedish Krona

## **7,500,000 SHARES CURRENCYSHARES<sup>SM</sup> SWEDISH KRONA TRUST**

This Prospectus Supplement No. 15 amends and supplements our prospectus dated June 23, 2006 (the “Prospectus”) and should be read in conjunction with, and must be delivered with, the Prospectus and Prospectus Supplement No. 14 dated November 6, 2008.

This Prospectus Supplement No. 15 includes the attached Annual Report on Form 10-K for the fiscal year ended October 31, 2008 filed by us with the Securities and Exchange Commission.

Under the heading “The Sponsor” on page 27 of the Prospectus, the first full paragraph is hereby replaced in its entirety with the following paragraph:

The Sponsor of the Trust is Rydex Specialized Products LLC, a Delaware limited liability company. The Sponsor and its affiliates collectively do business as “Rydex Investments.” The principal offices of the Sponsor and the Trust are the offices of Rydex Investments at 9601 Blackwell Road, Suite 500, Rockville, Maryland 20850, and the Sponsor does not own or lease any other property.

Under the heading “Creation and Redemption of Shares” of the Prospectus on page 33, the first full paragraph, third sentence is hereby replaced with the following sentence: “As of January 14, 2009, Bear Stearns & Co., EWT, LLC, Goldman, Sachs & Co., Goldman Sachs Execution & Clearing, L.P, InTrade, LLC, KV Execution Services LLC, Merrill Lynch Professional Clearing Corp., Newedge USA, LLC and Timber Hill LLC have each signed a Participant Agreement with the Trustee and the Sponsor and may create and redeem Baskets.”

All references in the Prospectus to “the New York Stock Exchange” and “NYSE” which relate to the trading of Swedish Krona Shares on or after October 30, 2007 are amended to read “NYSE Arca.”

All other portions of the Prospectus shall remain unchanged. Capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Prospectus.



The date of this Prospectus Supplement is January 14, 2009

## **Cautionary Statement Regarding Forward-Looking Information**

This Annual Report on Form 10-K contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, and within the Private Securities Litigation Reform Act of 1995. These statements are predictions and actual events or results may differ materially from those expressed in our forward-looking statements. Risks and uncertainties may cause our actual results to differ materially from those expressed in our forward-looking statements.

The value of the Shares relates directly to the value of the Swedish Kronor held by the Trust and fluctuations in the price of the Swedish Kronor could materially adversely affect an investment in the Shares. Readers are urged to review the “Risk Factors” section beginning on page 3 for a description of other risks and uncertainties that may affect an investment in the Shares.

The discussion and analysis which follows may contain statement that relate to future events or future performance. In some cases, such forward-looking statements can be identified by terminology such as “anticipate,” “expect,” “intend,” “plan,” “believe,” “seek,” “outlook” and “estimate” as well as similar words and phrases that signify forward-looking statements. Neither the Sponsor nor any other person assumes responsibility for the accuracy or completeness of forward-looking statements. Further, these forward-looking statements are made as of the date of this report, and will not be revised or updated to reflect actual results or changes in the Sponsor’s expectations or predictions.

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## **Item 1. BUSINESS**

### **OVERVIEW**

The CurrencyShares<sup>SM</sup> Swedish Krona Trust (the “Trust”) is a grantor trust that was formed on June 8, 2006. The Trust issues shares (the “Shares”) in blocks of 50,000 (a “Basket”) in exchange for deposits of Swedish Kronor and distributes Swedish Kronor in connection with the redemption of Baskets. The Shares trade on NYSE Arca under the ticker symbol “FXS.”

The investment objective of the Trust is for the Shares to reflect the price of Swedish Krona plus accrued interest, less the expenses of the Trust’s operations. The Shares are intended to offer investors an opportunity to participate in the market for the Swedish Krona through an investment in securities. The Shares are intended to provide institutional and retail investors with a simple, cost-effective means of gaining investment benefits similar to those of holding the Swedish Krona. The Shares are bought and sold on NYSE Arca like any other exchange-listed security. The Shares are backed by the assets of the Trust, which does not hold or use derivative products. The value of the holdings of the Trust is reported on the Trust’s website, [www.currencyshares.com](http://www.currencyshares.com), every business day.

### **THE TRUST**

#### *General*

The Trust holds Swedish Kronor and, from time to time, issues Baskets in exchange for deposits of Swedish Kronor and distributes Swedish Kronor in connection with redemptions of Baskets. The Swedish Kronor held by the Trust will be sold only (1) if needed to pay Trust expenses, (2) in the event the Trust terminates and liquidates its assets or (3) as otherwise required by law or regulation.

#### *The Sponsor*

The Sponsor of the Trust generally oversees the performance of the Trustee and the Trust’s principal service providers, but does not exercise day-to-day oversight over the Trustee or the Trust’s service providers. The Sponsor is Rydex Specialized Products LLC, a Delaware limited liability company.

The Trust’s only ordinary recurring expense is the Sponsor’s fee. The Sponsor is responsible for payment of the following administrative and marketing expenses of the Trust: the Trustee’s monthly fee, typical maintenance and transaction fees of the Depository, NYSE listing fees, NYSE Arca listing fees, printing and mailing costs, audit fees and expenses, up to \$100,000 per annum in legal fees and expenses, and applicable license fees. The Sponsor also paid the costs of the Trust’s organization and the costs of the initial sale of the Shares, including the applicable SEC registration fees. The Sponsor’s fee accrues daily at an annual nominal rate of 0.40% of the Swedish Kronor in the Trust. The Sponsor was paid \$251,340 for the fiscal year ended October 31, 2008.

#### *The Trustee*

The Bank of New York Mellon, a banking corporation with trust powers organized under the laws of the State of New York, serves as the Trustee. The Trustee is responsible for the day-to-day administration of the Trust, including keeping the Trust’s operational records.

#### *Net Asset Value*

The Trustee calculates, and the Sponsor publishes, the Trust’s Net Asset Value (“NAV”) each business day. To calculate the NAV, the Trustee adds to the amount of Swedish Kronor in the Trust at the end of the preceding day accrued but unpaid interest, Swedish Kronor receivable under pending purchase orders and the value of other Trust assets, and subtracts the accrued but unpaid Sponsor’s fee, Swedish Kronor payable under pending redemption orders and other Trust expenses and liabilities, if any. Prior to November 13, 2008, the NAV was expressed in U.S. Dollars (“USD”) based on the “Noon Buying Rate,” which is the Swedish Krona/USD exchange rate as determined by the Federal Reserve Bank of New York at 12:00 PM (New York time). As of November 13, 2008, the NAV is expressed in USD based on the Swedish Krona/USD as determined by WM/Reuters at 4:00 PM (London time) (the “Closing Spot Rate”) on each day that NYSE Arca is open for regular trading. If, on a particular evaluation day, the Closing Spot Rate has not been determined and announced by 6:00 PM (London time), then the most recent Closing

Spot Rate is used to determine the NAV of the Trust unless the Trustee, in consultation with the Sponsor, determines that such price is inappropriate to use as the basis for such valuation.

The Trustee also determines the NAV per Share, which equals the NAV of the Trust divided by the number of outstanding Shares. The NAV of the Trust and NAV per Share is published by the Sponsor on each day that NYSE Arca is open for regular trading and is posted on the Trust's website, [www.currencyshares.com](http://www.currencyshares.com).

#### *Depository and Deposit Accounts*

JPMorgan Chase Bank, N.A., London Branch is the Depository. The Depository maintains two deposit accounts for the Trust, a primary deposit account which earns interest and a secondary deposit account which does not earn interest (collectively, the "Deposit Accounts"). Interest on the primary deposit account accrues daily and is paid monthly. If the Sponsor believes that the interest rate paid by the Depository is not competitive, the Sponsor's recourse is to remove the Depository by terminating the Deposit Account Agreement and closing the accounts. The Depository is not paid a fee for its services to the Trust. The Depository may earn a "spread" or "margin" over the rate of interest it pays to the Trust on the Swedish Krona deposit balances.

The secondary deposit account is used to account for interest received and paid out on creations and redemptions of Baskets. The secondary deposit account is also used to account for interest earned on the primary deposit account, pay Trust expenses and distribute any excess interest to Shareholders on a monthly basis. In the event that the interest deposited exceeds the sum of the Sponsor's fee for the prior month plus other Trust expenses, if any, then the Trustee will direct that the excess be converted into USD at a prevailing market rate and the Trustee will distribute the USD as promptly as practicable to Shareholders on a pro rata basis (in accordance with the number of Shares that they own).

#### *Trust Expenses*

In certain exceptional cases the Trust may pay expenses in addition to the Sponsor's fee. These exceptions include expenses not assumed by the Sponsor, taxes and governmental charges, expenses and costs of any extraordinary services performed by the Trustee or the Sponsor on behalf of the Trust or action taken by the Trustee or the Sponsor to protect the Trust or the interests of Shareholders, indemnification of the Sponsor under the Depository Trust Agreement, and legal expenses in excess of \$100,000 per year.

#### *Termination*

The Trust will terminate upon the occurrence of any of the termination events listed in the Depository Trust Agreement and will otherwise terminate on June 8, 2046.

## **THE SHARES**

#### *General*

Each Share represents a proportional interest, based on the total number of Shares outstanding, in the Swedish Kronor owned by the Trust, plus accrued and unpaid interest less accrued but unpaid expenses (both asset-based and non-asset based) of the Trust. All Shares are of the same class with equal rights and privileges. Each Share is transferable, fully paid and non-assessable.

#### *Limited Rights*

The Shares are not a traditional investment. They are dissimilar from the "shares" of a corporation operating a business enterprise, with management and a board of directors. Trust Shareholders do not have rights normally associated with owning shares of a business corporation, including, for example, the right to bring "oppression" or "derivative" actions. Shareholders' have only those rights explicitly set forth in the Depository Trust Agreement. The Shares do not entitle their holders to any conversion or pre-emptive rights or, except as provided herein, any redemption or distribution rights.

### *Voting and Approvals*

Shareholders have no voting rights under the Depositary Trust Agreement, except in limited circumstances. If the holders of at least 25% of the Shares outstanding determine that the Trustee is in material breach of its obligations under the Depositary Trust Agreement, they may provide written notice to the Trustee (or require the Sponsor to do so) specifying the default and requiring the Trustee to cure such default. If the Trustee fails to cure such breach within 30 days after receipt of the notice, the Sponsor may remove the Trustee. The holders of at least 66 2/3% of the Shares outstanding may vote to remove the Trustee. The Trustee must terminate the Trust at the request of the holders of at least 75% of the outstanding Shares.

### *Creation and Redemption of Shares*

The creation and redemption of Baskets requires the delivery to the Trust or the distribution by the Trust of the amount of Swedish Krona represented by the Baskets being created or redeemed. This amount is based on the combined NAV per Share of the number of Shares included in the Baskets being created or redeemed, determined on the day the order to create or redeem Baskets is accepted by the Trustee.

Only Authorized Participants may place orders to create and redeem Baskets. An Authorized Participant is a Depositary Trust Company participant that is a registered broker-dealer or other securities market participant, such as a bank or other financial institution that is not required to register as a broker-dealer to engage in securities transactions and has entered into a Participant Agreement with the Trustee.

Before initiating a creation or redemption order, an Authorized Participant must have entered into a Participant Agreement with the Sponsor and the Trustee. The Participant Agreement provides the procedures for the creation and redemption of Baskets and for the delivery of Swedish Krona required for creations and redemptions. The Participant Agreements may be amended by the Trustee and the Sponsor. Authorized Participants pay a transaction fee of \$500 to the Trustee for each order that they place to create or redeem one or more Baskets. Authorized Participants who make deposits with the Trust in exchange for Baskets receive no fees, commissions or other form of compensation or inducement of any kind from either the Sponsor or the Trust. No Authorized Participant has any obligation or responsibility to the Sponsor or the Trust to effect any sale or resale of Shares.

### **AVAILABILITY OF SEC REPORTS AND OTHER INFORMATION**

The Sponsor, on behalf of the Trust, files quarterly and annual reports and other information with the SEC. The reports and other information can be accessed through the Trust's website at [www.currencyshares.com](http://www.currencyshares.com).

### **Item 1A. RISK FACTORS**

*You should consider carefully the risks described below before making an investment decision. You should also refer to the other information included in this report, including the Trust's financial statements and the related notes.*

**The value of the Shares relates directly to the value of the Swedish Kronor held by the Trust. Fluctuations in the price of the Swedish Krona could materially and adversely affect the value of the Shares.**

The Shares are designed to reflect the price of the Swedish Krona, plus accumulated interest, less the Trust's expenses. The price of the Swedish Krona has fluctuated widely over the past several years. Several factors may affect the price of the Swedish Krona, including:

- Debt level and trade deficit of Sweden;
- Inflation rates of the United States and Sweden and investors' expectations concerning inflation rates;
- Interest rates of the United States and Sweden and investors' expectations concerning interest rates;
- Investment and trading activities of mutual funds, hedge funds and currency funds; and
- Global or regional political, economic or financial events and situations.

In addition, the Swedish Krona may not maintain its long-term value in terms of purchasing power in the future. When the price of the Swedish Krona declines, the Sponsor expects the price of a Share to decline as well.

**The USD/Swedish Krona exchange rate, like foreign exchange rates in general, can be volatile and difficult to predict. This volatility could materially and adversely affect the performance of the Shares.**

Foreign exchange rates are influenced by the factors identified immediately above and may also be influenced by: changing supply and demand for a particular currency; monetary policies of governments (including exchange control programs, restrictions on local exchanges or markets and limitations on foreign investment in a country or on investment by residents of a country in other countries); changes in balances of payments and trade; trade restrictions; and currency devaluations and revaluations. Also, governments from time to time intervene in the currency markets, directly and by regulation, in order to influence prices directly. These events and actions are unpredictable. The resulting volatility in the USD/Swedish Krona exchange rate could materially and adversely affect the performance of the Shares.

**If interest earned by the Trust does not exceed expenses, the Trustee will withdraw Swedish Krona from the Trust to pay these excess expenses which will reduce the amount of Swedish Krona represented by each Share on an ongoing basis and may result in adverse tax consequences.**

Each outstanding Share represents a fractional, undivided interest in the Swedish Kronor held by the Trust. Although the Trust generates interest, it is possible that the amount of interest earned may not exceed expenses, in which case the Trustee will withdraw Swedish Kronor from the Trust to pay these excess expenses. As a result, the amount of Swedish Kronor represented by each Share may gradually decline over time. This is true even if additional Shares are issued in exchange for additional deposits of Swedish Kronor into the Trust, as the amount of Swedish Kronor required to create Shares will proportionately reflect the amount of Swedish Kronor represented by the Shares outstanding at the time of creation. Assuming a constant Swedish Krona price, if expenses exceed interest earned, the trading price of the Shares will gradually decline relative to the price of Swedish Krona as the amount of Swedish Kronor represented by the Shares gradually declines. In this event, the Shares will only maintain their original price if the price of Swedish Krona increases.

Investors should be aware that a gradual decline in the amount of Swedish Kronor represented by the Shares may occur regardless of whether the trading price of the Shares rises or falls in response to changes in the price of Swedish Krona. The estimated ordinary operating expenses of the Trust, which accrue daily, are described in “Business - The Trust - Trust Expenses.”

The payment of expenses by the Trust will result in a taxable event to Shareholders. To the extent Trust expenses exceed interest paid to the Trust, a gain or loss may be recognized by Shareholders depending on the tax basis of the tendered Swedish Kronor.

**If the Trust incurs expenses in USD, the Trust is required to sell Swedish Kronor to pay these expenses. The sale of the Trust’s Swedish Kronor to pay expenses in USD at a time of low Swedish Kronor prices could adversely affect the value of the Shares.**

The Trustee will sell Swedish Kronor held by the Trust if necessary to pay Trust expenses if any incurred in USD, irrespective of then-current Swedish Krona prices. The Trust is not actively managed and no attempt will be made to buy or sell Swedish Kronor to protect against or to take advantage of fluctuations in the price of Swedish Krona. Consequently, the Trust’s Swedish Kronor may be sold at a time when the Swedish Krona price is low, resulting in a negative effect on the value of the Shares.

**Purchasing activity in the Swedish Krona market associated with the purchase of Baskets from the Trust may cause a temporary increase in the price of Swedish Krona. This increase may adversely affect an investment in the Shares.**

Purchasing activity associated with acquiring the Swedish Kronor required for deposit into the Trust in connection with the creation of Baskets may temporarily increase the market price of Swedish Kronor, which will result in higher prices for the Shares. Temporary increases in the market price of Swedish Kronor may also occur as a result of the purchasing activity of other market participants. Other market participants may attempt to benefit from an increase in the market price of Swedish Krona that may result from increased purchasing activity of Swedish Krona connected with the issuance of Baskets. Consequently, the market price of Swedish Kronor may decline immediately after Baskets are created. If the price of Swedish Kronor declines, then it is anticipated that the trading

price of the Shares will also decline. In addition, if the Trust experiences a significant increase in its expenses due to an unexpected event, then it is anticipated that the unexpected expenses would reduce the NAV of the Trust, which would cause the trading price of the Shares to decline even if the price of Swedish Kronor did not decline.

**The Deposit Accounts are not entitled to payment at any office of JPMorgan Chase Bank, N.A. located in the United States.**

The federal laws of the United States prohibit banks located in the United States from paying interest on unrestricted demand deposit accounts. Therefore, payments out of the Deposit Accounts will be payable only at the London branch of JPMorgan Chase Bank, N.A., located in England. The Trustee will not be entitled to demand payment of these accounts at any office of JPMorgan Chase Bank, N.A. that is located in the United States. JPMorgan Chase Bank, N.A. will not be required to repay the deposit if its London branch cannot repay the deposit due to an act of war, insurrection or civil strife or an action by a foreign government or instrumentality (whether *de jure* or *de facto*) in England.

**Shareholders do not have the protections associated with ownership of a demand deposit account insured in the United States by the Federal Deposit Insurance Corporation nor the full protection provided for bank deposits under English law.**

Neither the Shares nor the Deposit Accounts and the Swedish Kronor deposited in them are a deposit insured against loss by the FDIC or any other federal agency. Deposits may have only limited protection under the Financial Services Compensation Scheme of England.

**Swedish Kronor deposited in the Deposit Accounts by an Authorized Participant are commingled with Swedish Kronor deposited by other Authorized Participants and are held by the Depository in either the primary deposit account or the secondary deposit account of the Trust. Swedish Kronor held in the Deposit Accounts are not segregated from the Depository's other assets. If the Depository becomes insolvent, then its assets might not be adequate to satisfy a claim by the Trust or any Authorized Participant. In addition, in the event of the insolvency of the Depository or the U.S. bank of which it is a branch, there may be a delay and costs incurred in recovering the Swedish Kronor held in the Deposit Accounts.**

The Trust has no proprietary rights in or to any specific Swedish Kronor held by the Depository and will be an unsecured creditor of the Depository with respect to the Swedish Kronor held in the Deposit Accounts in the event of the insolvency of the Depository or the U.S. bank of which it is a branch. In the event the Depository or the U.S. bank of which it is a branch becomes insolvent, the Depository's assets might not be adequate to satisfy a claim by the Trust or any Authorized Participant for the amount of Swedish Kronor deposited by the Trust or the Authorized Participant, in such event, the Trust and any Authorized Participant will generally have no right in or to assets other than those of the Depository.

In the case of insolvency of the Depository or JPMorgan Chase Bank, N.A., the U.S. bank of which the Depository is a branch, a liquidator may seek to freeze access to the Swedish Krona held in all accounts by the Depository, including the Deposit Accounts. The Trust and the Authorized Participants could incur expenses and delays in connection with asserting their claims. These problems would be exacerbated by the reality that the Deposit Accounts will not be held in the U.S. but instead will be held at the London branch of a U.S. national bank, where it will be subject to English insolvency law. Further, under U.S. law, in the case of the insolvency of JPMorgan Chase Bank, N.A., the claims of creditors in respect of accounts (such as the Trust's Deposit Accounts) that are maintained with an overseas branch of JPMorgan Chase Bank, N.A. will be subordinate to claims of creditors in respect of accounts maintained with JPMorgan Chase Bank, N.A. in the U.S., greatly increasing the risk that the Trust and the Trust's beneficiaries would suffer a loss.

**Shareholders do not have the protections associated with ownership of shares in an investment company registered under the Investment Company Act of 1940.**

The Investment Company Act is designed to protect investors by preventing: insiders from managing investment companies to their benefit and to the detriment of public investors; the issuance of securities having inequitable or discriminatory provisions; the management of investment companies by irresponsible persons; the use of unsound or misleading methods of computing earnings and asset value; changes in the character of investment companies without the consent of investors; and investment companies from engaging in excessive leveraging. To accomplish these ends, the Investment Company Act requires the safekeeping and proper valuation of fund assets, restricts greatly transactions with affiliates, limits leveraging, and imposes governance requirements as a check on fund

management. The Investment Company Act applies to a range of investment company structures, but, in practice, primarily regulates a company holding a portfolio of investment securities such as publicly traded stocks, bonds and money market instruments: selected by an affiliated investment adviser pursuant to the company's stated investment objectives, policies, restrictions, strategies and techniques where the investment adviser manages the portfolio and otherwise operates the company on a day-to-day basis for a management fee and other charges and expenses and, in doing so, has conflicts of interest with the company; valued, priced for sale and redemption, physically held and traded in securities markets pursuant to computational, custody and brokerage and other transactional requirements peculiar to such a portfolio of investment securities; and overseen by the company's board of directors that is elected, constituted and governed pursuant to specified standards developed in the context of such a portfolio of investment securities.

The Trust is not registered as an investment company under the Investment Company Act and is not required to register under that Act. Consequently, Shareholders do not have the regulatory protections afforded to investors in registered investment companies.

**Shareholders do not have the rights enjoyed by investors in certain other financial instruments.**

As interests in a grantor trust, the Shares have none of the statutory rights normally associated with the ownership of shares of a business corporation, including, for example, the right to bring "oppression" or "derivative" actions. Apart from the rights afforded to them by federal and state securities laws, Shareholders have only those rights relative to the Trust, the Trust property and the Shares that are set forth in the Depositary Trust Agreement. In this connection, the Shareholders have limited voting and distribution rights. They do not have the right to elect directors. See "Business – The Shares – Limited Rights" for a description of the limited rights of the Shareholders.

**The Shares may trade at a price which is at, above, or below the NAV per Share.**

The NAV per Share fluctuates with changes in the market value of the Trust's assets. The market price of Shares can be expected to fluctuate in accordance with changes in the NAV per Share, but also in response to market supply and demand. As a result, the Shares might trade at prices at, above or below the NAV per Share.

**The interest rate earned by the Trust, although competitive, may not be the best rate available. If the Sponsor determines that the interest rate is inadequate, then its sole recourse is to remove the Depositary and terminate the Deposit Accounts.**

The Depositary is committed to endeavor to pay a competitive interest rate on the balance of Swedish Kronor in the primary deposit account of the Trust. Interest on the primary deposit account accrues daily and is paid monthly. The Sponsor discloses the current interest rate on the Trust's website. If the Sponsor believes that the interest rate paid by the Depositary is not adequate, the Sponsor's sole recourse is to remove the Depositary and terminate the Deposit Accounts. The Depositary is not paid a fee for its services to the Trust; rather, it generates income or loss based on its ability to earn a "spread" or "margin" over the interest it pays to the Trust by using the Trust's Swedish Kronor to make loans or in other banking operations. For these reasons, you should not expect that the Trust will be paid the best available interest rate at any time or over time.

**The Depositary owes no fiduciary duties to the Trust or the Shareholders, is not required to act in their best interest and could resign or be removed by the Sponsor, which would trigger early termination of the Trust.**

The Depositary is not a trustee for the Trust or the Shareholders. As stated above, the Depositary is not obligated to maximize the interest rate paid to the Trust. In addition, the Depositary has no duty to continue to act as the depository of the Trust. The Depositary can terminate its role as depository for any reason whatsoever upon 90 days' notice to the Trust. Such a termination might result, for example, if the Sponsor determines that the interest rate paid by the Depositary is inadequate. In the event that the Depositary were to resign or be removed, the Trust will be terminated.

**Shareholders may incur significant fees upon the termination of the Trust.**

The occurrence of any one of several events would either require the Trust to terminate or permit the Sponsor to terminate the Trust. For example, if the Depositary were to resign or be removed, then the Sponsor would be required to terminate the Trust. Shareholders tendering their Shares within 90 days of the Trust's termination will receive the amount of Swedish Kronor represented by their Shares. Shareholders may incur significant fees if they choose to convert the Swedish Kronor they receive to U.S. Dollars.

**If Sweden adopts the euro as its currency, Shareholders may be unable to sell their Shares and may lose money on their investment. Furthermore, if Sweden adopts the euro as its currency, then the Trust will terminate upon the Council of the European Union adopting an irrevocable conversion rate of Swedish Kronor to euro. If this occurs, Shareholders may lose money on their investment.**

As a member of the European Union, Sweden has the option to adopt the euro as its currency in lieu of the Swedish Krona. If Sweden adopts the euro as its currency by official act, the value of the Swedish Krona could depreciate, depending on, among other things, the relative value of the Swedish Krona and the euro, the conversion ratio of Swedish Kronor per euro and the timing of the adoption of the euro. If the Swedish Krona loses value, the value of the Shares would also depreciate and Shareholders may not be able to sell their Shares. Furthermore, if Sweden adopts the euro as its currency, then the Trust will terminate upon the Council of the European Union adopting an irrevocable conversion rate of Swedish Kronor to euro. If the Trust terminates, it may liquidate at a time disadvantageous to Shareholders, such as when the price of the Swedish Krona has declined below the price prevailing when Shareholders purchased their Shares.

**Redemption orders are subject to rejection by the Trustee under certain circumstances.**

The Trustee will reject a redemption order if the order is not in proper form as described in the Participant Agreement or if the fulfillment of the order, in the opinion of its counsel, might be unlawful. Any such rejection could adversely affect a redeeming Shareholder. For example, the resulting delay would adversely affect the value of the Shareholder's redemption distribution if the NAV were to decline during the delay. In accordance with the Depositary Trust Agreement, the Sponsor and the Trustee disclaim any liability for any loss or damage that may result from any such rejection.

**Substantial sales of Swedish Krona by the official sector could adversely affect an investment in the Shares.**

The official sector consists of central banks, other governmental agencies and multi-lateral institutions that buy, sell and hold Swedish Krona as part of their reserve assets. The official sector holds a significant amount of Swedish Krona that can be mobilized in the open market. In the event that future economic, political or social conditions or pressures require members of the official sector to sell their Swedish Kronor simultaneously or in an uncoordinated manner, the demand for Swedish Kronor might not be sufficient to accommodate the sudden increase in the supply of Swedish Krona to the market. Consequently, the price of the Swedish Krona could decline, which would adversely affect an investment in the Shares.

**Shareholders that are not Authorized Participants may only purchase or sell their Shares in secondary trading markets.**

Only Authorized Participants may create or redeem Baskets of Shares through the Trust. All other investors that desire to purchase or sell Shares must do so through NYSE Arca or in other markets, if any, in which the Shares are traded.

**The liability of the Sponsor and the Trustee under the Depositary Trust Agreement is limited and, except as set forth in the Depositary Trust Agreement, they are not obligated to prosecute any action, suit or other proceeding in respect of any Trust property.**

The Depositary Trust Agreement provides that neither the Sponsor nor the Trustee assumes any obligation or is subject to any liability under the Trust Agreement to any Shareholder, except that they each agree to perform their respective obligations specifically set forth in the Depositary Trust Agreement without negligence or bad faith. Additionally, neither the Sponsor nor the Trustee is obligated to, although each may in its respective discretion, prosecute any action, suit or other proceeding in respect of any Trust property. The Depositary Trust Agreement does not confer upon Shareholders the right to prosecute any such action, suit or other proceeding.

**The Depositary Trust Agreement may be amended to the detriment of Shareholders without their consent.**

The Sponsor and the Trustee may amend most provisions (other than those addressing core economic rights) of the Depositary Trust Agreement without the consent of any Shareholder. Such an amendment could impose or increase fees or charges borne by the Shareholders. Any amendment that increases fees or charges (other than taxes and

other governmental charges, registration fees or other expenses), or that otherwise prejudices any substantial existing rights of Shareholders, will not become effective until 30 days after written notice is given to Shareholders.

**The License Agreement with The Bank of New York Mellon may be terminated by The Bank of New York Mellon in the event of a material breach. Termination of the License Agreement might lead to early termination and liquidation of the Trust.**

The Bank of New York Mellon (“BNY Mellon”) and an affiliate of the Sponsor have entered into a License Agreement granting the Sponsor’s affiliate a license to certain patent applications made by BNY Mellon covering systems and methods for securitizing a commodity. The Sponsor’s affiliate has sublicensed the license to the Sponsor. The license is limited to a non-exclusive grant for the life of BNY Mellon’s patents and patent applications. The License Agreement provides that each of the parties may provide notice of intent to terminate the License Agreement in the event the other party commits a material breach. If the License Agreement is terminated and one or more of BNY Mellon’s patent applications issue as patents, then BNY Mellon may claim that the operation of the Trust violates its patent or patents and seek an injunction forcing the Trust to cease operation and the Shares to cease trading. In that case, the Trust might be forced to terminate and liquidate, which would adversely affect Shareholders.

### **Item 1B. UNRESOLVED STAFF COMMENTS**

None.

### **Item 2. PROPERTIES**

The principal offices of the Sponsor and the Trust are at 9601 Blackwell Road, Suite 500, Rockville, Maryland 20850 which is leased by an affiliate of the Sponsor. Neither the Sponsor nor the Trust owns or leases any other property.

### **Item 3. LEGAL PROCEEDINGS**

None.

### **Item 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS**

None.

## PART II

### Item 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES.

For each of the quarters during the fiscal years ended October 31, 2008 and October 31, 2007, the high and low sale prices of the Shares as reported for NYSE (prior to October 30, 2007) and NYSE Arca transactions (on and after October 30, 2007) were as follows:

<b>Fiscal Year Ended October 31, 2008:</b>	<b>High</b>	<b>Low</b>
<b>Quarter Ended</b>		
January 31, 2008	\$167.85	\$151.84
April 30, 2008	\$171.30	\$153.51
July 31, 2008	\$170.06	\$164.13
October 31, 2008	\$164.42	\$125.51
<b>Fiscal Year Ended October 31, 2007:</b>	<b>High</b>	<b>Low</b>
<b>Quarter Ended</b>		
January 31, 2007	\$147.75	\$138.41
April 30, 2007	\$149.83	\$140.67
July 31, 2007	\$150.95	\$141.30
October 31, 2007	\$157.78	\$143.08

The number of record holders of Shares of the registrant as of November 30, 2008 was approximately 57.

Although the Trust does not purchase Shares directly from its shareholders, the Trust redeemed Baskets from Authorized Participants in the fourth quarter of the fiscal year covered by this report as follows:

<b>Month</b>	<b>Shares</b>	<b>Average Price</b>
August	--	--
September	200,000	\$146.37
October	--	--

### Item 6. SELECTED FINANCIAL DATA

Financial highlights for the fiscal year ended October 31, 2008, the fiscal year ended October 31, 2007 and the period from June 8, 2006 (date of inception) to October 31, 2006.

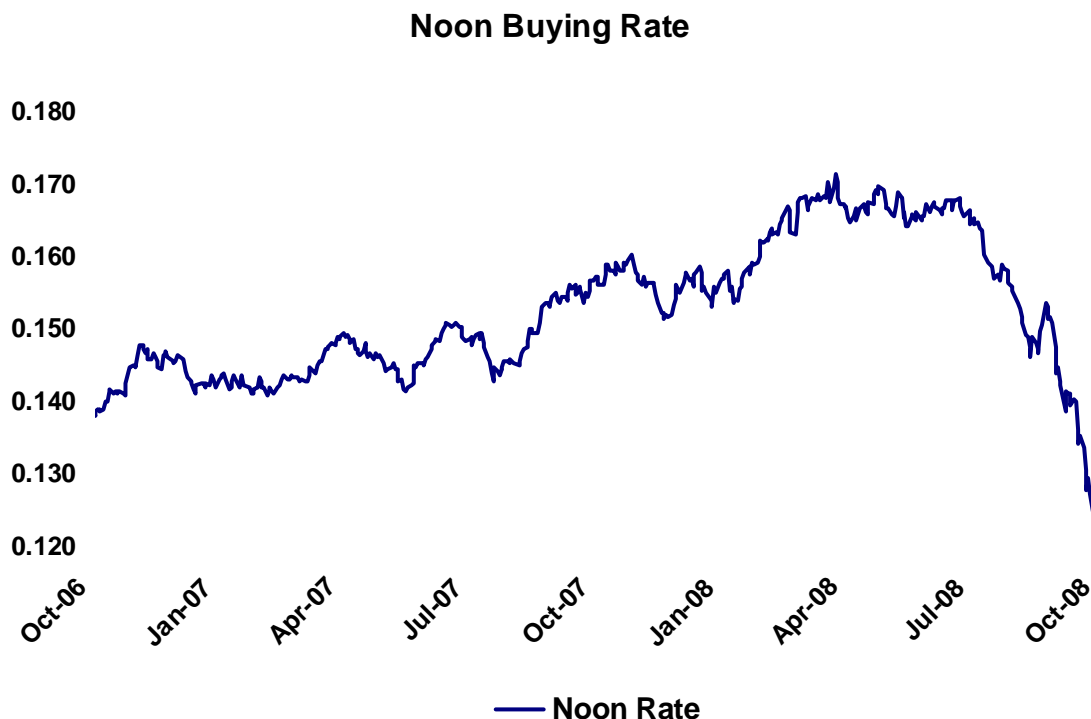
	<b>Fiscal Year ended</b>	<b>Fiscal Year ended</b>	<b>June 8, 2006</b>
	<b>October 31, 2008</b>	<b>October 31, 2007</b>	<b>[Date of Inception]</b>
			<b>to October 31, 2006</b>
<b><u>Income</u></b>			
Interest income	\$ 2,437,500	\$ 699,448	\$ 145,435
Total Income	2,437,500	699,448	145,435
<b><u>Expenses</u></b>			
Sponsor's fee	(251,340)	(96,193)	(28,715)
Total Expenses	(251,340)	(96,193)	(28,715)
Net Income	\$ 2,186,160	\$ 603,255	\$ 116,720
Other Comprehensive Income			
Currency translation adjustment	(74,207)	17,161	1,049
Total Comprehensive Income	\$ 2,111,953	\$ 620,416	\$ 117,769
Basic and Diluted Earnings per Share	\$ 5.54	\$ 3.65	\$ 0.85
Weighted-average Shares Outstanding	394,536	165,342	136,644
Cash Dividends per Share	\$ 5.28	\$ 3.32	\$ 0.68

As of October 31, 2008, total assets were \$45,142,766, and for the fiscal year ended October 31, 2008 net cash flows were \$5,674,665.

## Item 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

### MOVEMENTS IN THE PRICE OF THE SWEDISH KRONA

The investment objective of the Trust is for the Shares to reflect the price of the Swedish Krona plus accrued interest, less the expenses of the Trust's operations. The Shares are intended to provide institutional and retail investors with a simple, cost-effective means of gaining investment benefits similar to those of holding Swedish Kronor. Each outstanding Share represents a proportional interest in the Swedish Kronor held by the Trust. The following chart provides recent trends on the price of the Swedish Krona. The chart illustrates movements in the price of the Swedish Krona in USD and is based on the Noon Buying Rate as determined by the Federal Reserve Bank of New York.

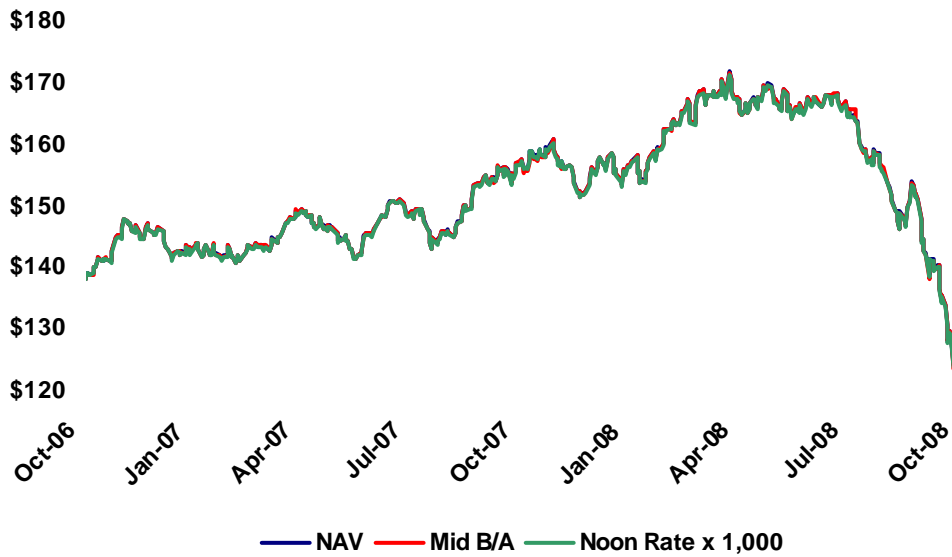


Historical values of the Noon Buying Rate can be obtained at <http://www.ny.frb.org/markets/fxrates/noon.cfm>.

### NAV PER SHARE; VALUATION OF THE SWEDISH KRONA

The following chart illustrates the movement in the price of the Shares based on (1) NAV per Share, (2) the "bid" and "ask" midpoint offered on the NYSE (prior to October 30, 2007) and NYSE Arca (on or after October 30, 2007) and (3) the Noon Buying Rate, expressed as a multiple of 1,000 Swedish Krona (Noon Buying Rate x 1,000):

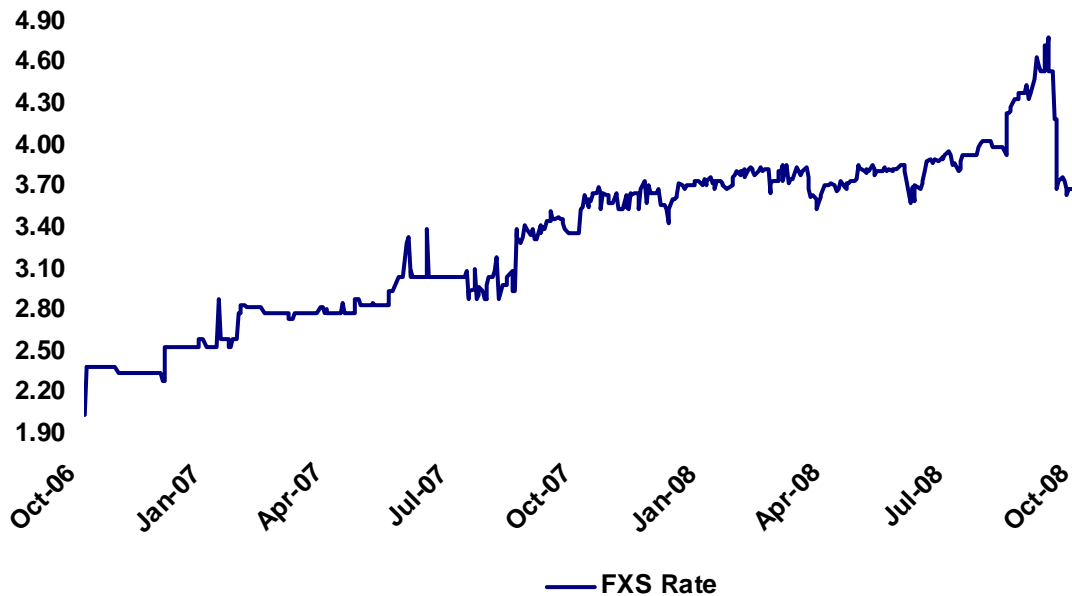
### FXS Price Movement



### LIQUIDITY

The Sponsor is not aware of any trends, demands, conditions or events that are reasonably likely to result in material changes to the Trust’s liquidity needs. The Trust’s Depository, JPMorgan Chase, London Branch, maintains two deposit accounts for the Trust, a primary deposit account that earns interest and a secondary deposit account that does not earn interest. Interest on the primary deposit account accrues daily and is paid monthly. The interest rate paid as of October 31, 2008 was an annual nominal rate of 3.13%. The following chart provides the daily rate paid by the Depository since the Shares began trading on the NYSE:

### FXS Rate



In exchange for a fee, the Trust's Sponsor bears most of the expense incurred by the Trust. As a result, the only ordinary expense of the Trust during the periods covered by this report was the Sponsor's fee. Each month the Depository deposits into the secondary deposit account accrued but unpaid interest and the Trustee withdraws Swedish Kronor from the secondary deposit account to pay the accrued Sponsor's fee for the previous month plus other Trust expenses, if any. When the interest deposited exceeds the sum of the Sponsor's fee for the prior month plus other Trust expenses, if any, the Trustee converts the excess into USD at a prevailing market rate and distributes the USD as promptly as practicable to Shareholders on a pro rata basis (in accordance with the number of Shares that they own). Distributions paid during the current reporting period follow (annualized yield reflects the estimated annual yield an investor would receive if a monthly distribution stayed the same for the entire year going forward, and is calculated by annualizing the monthly distribution and dividing by the Trust NAV for the dates listed below):

#### **FXS Distribution History**

<b>Date</b>	<b>Value</b>	<b>NAV</b>	<b>Yield</b>	<b>Annualized Yield</b>
10/1/2008	\$0.46389	\$144.72	0.32%	3.78%
9/2/2008	\$0.47403	\$153.72	0.31%	3.76%
8/1/2008	\$0.48911	\$164.58	0.30%	3.51%

#### **CRITICAL ACCOUNTING ESTIMATES**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the Sponsor's management to make estimates and assumptions that affect the reported amounts of the assets and liabilities and disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period covered by this report.

In addition to the description below, please refer to Note 2 to the consolidated financial statements for further discussion of our accounting policies.

The functional currency of the Trust is the Swedish Krona in accordance with Financial Accounting Standard 52, Foreign Currency Translation.

#### **RESULTS OF OPERATIONS**

The Trust was formed on June 8, 2006 and the Shares commenced trading on the NYSE on June 26, 2006. The primary listing of the Shares was transferred to NYSE Arca on October 30, 2007. As of October 31, 2006, the number of Swedish Kronor owned by the Trust was 150,000,000 resulting in a capital redeemable value of \$20,830,641. As of October 31, 2007, the number of Swedish Kronor owned by the Trust was 250,000,000 resulting in a capital redeemable value of \$39,404,528.

During the year ended October 31, 2008, an additional 400,000 shares had been created in exchange for 400,000,000 Swedish Kronor and 300,000 shares were redeemed in exchange for 300,000,000 Swedish Kronor. As of October 31, 2008, the number of Swedish Kronor owned by the Trust was 350,000,000 resulting in a redeemable capital value of \$45,126,514.

#### **Item 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

Not applicable.

#### **Item 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA**

See Index to Financial Statements on page F-1 for a list of the financial statements being filed therein.

#### **Item 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURES.**

None.

## **Item 9A. CONTROLS AND PROCEDURES.**

### **EVALUATION OF DISCLOSURE CONTROLS AND PROCEDURES**

The chief executive officer and chief financial officer of the Sponsor have evaluated the effectiveness of the Trust's disclosure controls and procedures (as defined in Rule 13a-15(e) and Rule 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) as of October 31, 2008. Based on that evaluation, the chief executive officer and chief financial officer of the Sponsor have concluded that the disclosure controls and procedures of the Trust were effective as of the end of the period covered by this annual report.

### **MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING**

The Sponsor's management is responsible for establishing and maintaining adequate internal control over financial reporting, as defined under Rules 13a-15(f) and 15d-15(f) of the Exchange Act. The Trust's internal control over financial reporting is based on criteria established in *Internal Control – Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), and is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with accounting principles generally accepted in the United States. Internal control over financial reporting includes those policies and procedures that: (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the Trust's assets; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that the Trust's receipts and expenditures are being made only in accordance with appropriate authorizations; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the trust's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become ineffective because of changes in conditions, or that the degree of compliance with policies or procedures may deteriorate.

The chief executive officer and chief financial officer of the Sponsor have assessed the effectiveness of the Trust's internal control over financial reporting as of October 31, 2008. Their assessment included an evaluation of the design of the Trust's internal control over financial reporting and testing of the operation effectiveness of its internal controls over financial reporting. Based on their assessment and those criteria, the chief executive officer and chief financial officer of the Sponsor believe that the Trust maintained effective internal control over financial reporting as of October 31, 2008.

The assessment by the chief executive officer and chief financial officer of the Sponsor of the effectiveness of the Trust's internal control over financial reporting as of October 31, 2008 has been audited by PricewaterhouseCoopers LLP, the independent registered public accounting firm that audited and reported on the financial statements included in this annual report, as stated in their report included herein.

### **CHANGES IN INTERNAL CONTROL OVER FINANCIAL REPORTING**

There were no changes in the Trust's internal control over financial reporting that occurred during the Trust's last fiscal quarter that have materially affected, or are reasonably likely to materially affect, the Trust's internal control over financial reporting.

## **Item 9B. OTHER INFORMATION.**

Not applicable.

### **PART III**

#### **Item 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT.**

Not applicable.

#### **Item 11. EXECUTIVE COMPENSATION.**

Not applicable.

#### **Item 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS.**

None.

#### **Item 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE.**

Not applicable.

#### **Item 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES.**

PricewaterhouseCoopers LLP is the independent registered public accounting firm for the Trust. Fees for services performed by PricewaterhouseCoopers LLP for the fiscal years ended October 31, 2008 and October 31, 2007 were:

	<u>2008</u>	<u>2007</u>
Audit Fees	\$13,125	\$23,929
Audit-related fees	26,250	30,357
Tax fees	0	0
All other Fees	<u>0</u>	<u>0</u>
	<u>\$39,375</u>	<u>\$54,286</u>

## PART IV

### Item 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES.

#### FINANCIAL STATEMENTS

See Index to Financial Statements on Page F-1 for a list of the financial statements being filed as a part of this report. Schedules have been omitted since they are either not required, not applicable or the information has otherwise been included.

#### EXHIBITS

<b>Exhibit No.</b>	<b>Description</b>
3.1	Certificate of Formation of Rydex Specialized Products LLC, incorporated herein by reference to Exhibit 3.1 filed with Amendment No. 1 to Form S-1 Registration Statement (File number 333-132366) filed on June 9, 2006.
3.2	Limited Liability Company Agreement of Rydex Specialized Products, LLC, incorporated herein by reference to Exhibit 3.2 filed with Amendment No. 1 to Form S-1 Registration Statement (File number 333-132366) filed on June 9, 2006.
4.1	Form of Depositary Trust Agreement, incorporated herein by reference to Exhibit 4.1 filed with Amendment No. 1 to Form S-1 Registration Statement (File number 333-132366) filed on June 9, 2006.
4.2	Form of Participant Agreement, incorporated herein by reference to Exhibit 4.2 filed with Amendment No. 1 to Form S-1 Registration Statement (File number 333-132366) filed on June 9, 2006.
10.1	Form of Deposit Account Agreement, incorporated herein by reference to Exhibit 10.1 filed with Amendment No. 1 to Form S-1 Registration Statement (File number 333-132366) filed on June 9, 2006.
10.2	Form of Sublicense Agreement, incorporated herein by reference to Exhibit 10.2 filed with Amendment No. 1 to Form S-1 Registration Statement (File number 333-132366) filed on June 9, 2006.
31.1	Certification by Principal Executive Officer pursuant to Section 302(a) of the Sarbanes-Oxley Act of 2002.
31.2	Certification by Principal Financial Officer pursuant to Section 302(a) of the Sarbanes-Oxley Act of 2002.
32.1	Certification by Principal Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification by Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

**CurrencyShares<sup>SM</sup> Swedish Krona Trust**  
**Financial Statements as of October 31, 2008**  
**Index**

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## Report of Independent Registered Public Accounting Firm

To the Shareholders of CurrencyShares<sup>SM</sup> Swedish Krona Trust:

In our opinion, the accompanying statements of financial condition and the related statements of income and comprehensive income, of changes in shareholders' equity and of cash flows present fairly, in all material respects, the financial position of CurrencyShares<sup>SM</sup> Swedish Krona Trust (the "Trust") at October 31, 2008 and October 31, 2007, and the results of its operations and its cash flows for the years ended October 31, 2008 and October 31, 2007 and for the period June 8, 2006 (commencement of operations) through October 31, 2006 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Trust maintained, in all material respects, effective internal control over financial reporting as of October 31, 2008, based on criteria established in *Internal Control - Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Trust's management is responsible for these financial statements, for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in management's report on internal control over financial reporting appearing under Item 9A. Our responsibility is to express opinions on these financial statements and on the Trust's internal control over financial reporting based on our audits (which was an integrated audit in 2008). We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

PricewaterhouseCoopers LLP

Baltimore, Maryland  
January 14, 2009

CurrencyShares<sup>SM</sup> Swedish Krona Trust

Statements of Financial Condition

	October 31, 2008	October 31, 2007
<b><u>Assets</u></b>		
Current Assets		
Swedish Krona deposits, interest bearing	\$ 44,977,897	\$ 39,303,232
Swedish Krona deposits, non-interest bearing	-	-
Receivable from accrued interest	164,869	114,667
Total Assets	<u>\$ 45,142,766</u>	<u>\$ 39,417,899</u>
<b><u>Liabilities and Shareholders' Equity</u></b>		
Current Liabilities		
Accrued Sponsor's fee	\$ 16,252	\$ 13,371
Total Liabilities	16,252	13,371
Commitments and Contingent Liabilities (note 8)	-	-
Redeemable Capital Shares, at redemption value, no par value, 7,500,000 authorized – 350,000 and 250,000 issued and outstanding, respectively	45,126,514	39,404,528
Shareholders' Equity – Retained Earnings and Cumulative Translation Adjustment	-	-
Total Liabilities and Shareholders' Equity	<u>\$ 45,142,766</u>	<u>\$ 39,417,899</u>

*See Notes to Financial Statements.*

**CurrencyShares<sup>SM</sup> Swedish Krona Trust**

**Statements of Income and Comprehensive Income**

	<b>Year ended October 31, 2008</b>	<b>Year ended October 31, 2007</b>	<b>June 8, 2006 [Date of Inception] to October 31, 2006</b>
<b><u>Income</u></b>			
Interest income	\$ 2,437,500	\$ 699,448	\$ 145,435
Total Income	2,437,500	699,448	145,435
<b><u>Expenses</u></b>			
Sponsor's fee	(251,340)	(96,193)	(28,715)
Total Expenses	(251,340)	(96,193)	(28,715)
Net Income	\$ 2,186,160	\$ 603,255	\$ 116,720
Other Comprehensive Income			
Currency translation adjustment	(74,207)	17,161	1,049
Total Comprehensive Income	\$ 2,111,953	\$ 620,416	\$ 117,769
Basic and Diluted Earnings per Share	\$ 5.54	\$ 3.65	\$ 0.85
Weighted-average Shares Outstanding	394,536	165,342	136,644
Cash Dividends per Share	\$ 5.28	\$ 3.32	\$ 0.68

*See Notes to Financial Statements.*

**CurrencyShares<sup>SM</sup> Swedish Krona Trust**

**Statements of Changes in Shareholders' Equity**

	<b>Year ended October 31, 2008</b>	<b>Year ended October 31, 2007</b>	<b>June 8, 2006 [Date of Inception] to October 31, 2006</b>
Retained Earnings Balance, Beginning of Period	\$ -	\$ -	\$ -
Net Income	2,186,160	603,255	116,720
Distributions Paid	(2,088,088)	(547,439)	(93,419)
Adjustment of redeemable capital shares to redemption value	(98,072)	(55,816)	(23,301)
Retained Earnings Balance, End of Period	\$ -	\$ -	\$ -
Cumulative Translation Adjustment, Beginning of Period	\$ -	\$ -	\$ -
Currency translation adjustment	(74,207)	17,161	1,049
Adjustment of redeemable capital shares to redemption value	74,207	(17,161)	(1,049)
Cumulative Translation Adjustment, End of Period	\$ -	\$ -	\$ -

*See Notes to Financial Statements.*

**CurrencyShares<sup>SM</sup> Swedish Krona Trust**

**Statements of Cash Flows**

	<b>Year ended</b>	<b>Year ended</b>	<b>June 8, 2006</b>
	<b>October 31, 2008</b>	<b>October 31, 2007</b>	<b>[Date of Inception] to October 31, 2006</b>
Cash flows from operating activities			
Cash received for accrued income	\$ 2,347,905	\$ 627,915	\$ 109,311
Cash paid for expenses	(244,250)	(90,945)	(21,705)
Net cash provided by operating activities	<u>2,103,655</u>	<u>536,970</u>	<u>87,606</u>
Cash flows from financing activities			
Cash received on issuance of redeemable shares	63,276,768	14,617,539	20,621,819
Cash paid to redeem redeemable shares	(47,492,049)	-	(137)
Cash paid for distributions	(2,088,088)	(547,439)	(93,419)
Net cash provided by financing activities	<u>13,696,631</u>	<u>14,070,100</u>	<u>20,528,263</u>
Adjustment to period cash flows due to currency movement			
	<u>(10,125,621)</u>	<u>3,894,897</u>	<u>185,259</u>
Increase in cash	5,674,665	18,501,967	20,801,128
Cash at beginning of period	39,303,232	20,801,265	137
Cash at end of period	<u>\$ 44,977,897</u>	<u>\$ 39,303,232</u>	<u>\$ 20,801,265</u>
Reconciliation of net income to net cash provided by operating activities			
Net income	\$ 2,186,160	\$ 603,255	\$ 116,720
Adjustments to reconcile net income to net cash provided by operating activities			
Increase in receivable from accrued interest	(164,869)	(114,667)	(36,448)
Decrease in prior period receivable from accrued interest	114,667	36,448	-
Currency translation adjustment	(35,184)	5,635	262
Increase in accrued sponsor fee	16,252	13,371	7,072
Decrease in prior period accrued sponsor fee	<u>(13,371)</u>	<u>(7,072)</u>	<u>-</u>
Net cash provided by operating activities	\$ 2,103,655	\$ 536,970	\$ 87,606

*See Notes to Financial Statements.*

## Notes to Financial Statements

### 1. Organization and Description of the Trust

The CurrencyShares<sup>SM</sup> Swedish Krona Trust (the “Trust”) was formed under the laws of the State of New York on June 8, 2006 when Rydex Specialized Products LLC d/b/a “Rydex Investments” (the “Sponsor”) deposited 1,000 Swedish Kronor in the Trust’s primary deposit account held by JPMorgan Chase Bank N.A., London Branch (the “Depository”). The Sponsor is a Delaware limited liability company whose sole member is PADCO Advisors II, Inc. (also d/b/a “Rydex Investments”). The Sponsor is responsible for, among other things, overseeing the performance of The Bank of New York Mellon (the “Trustee”) and the Trust’s principal service providers, including the preparation of financial statements. The Trustee is responsible for the day-to-day administration of the Trust.

The investment objective of the Trust is for the Trust’s shares (the “Shares”) to reflect the price of the Swedish Krona plus accrued interest less the Trust’s expenses and liabilities. The Shares are intended to provide investors with a simple, cost-effective means of gaining investment benefits similar to those of holding Swedish Kronor. The Trust’s assets primarily consist of Swedish Kronor on demand deposit in two deposit accounts maintained by the Depository: a primary deposit account which earns interest and a secondary deposit account which does not earn interest. The secondary deposit account is used to account for interest received and paid out on creations and redemptions of blocks of 50,000 Shares (“Baskets”). The secondary account is also used to account for interest earned on the primary deposit account, pay Trust expenses and distribute any excess interest to holders of Shares (“Shareholders”) on a monthly basis.

The accompanying audited financial statements were prepared in accordance with accounting principles generally accepted in the United States of America.

### 2. Significant Accounting Policies

#### A. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of the assets, liabilities and disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

#### B. Foreign Currency Translation

The Trustee calculates the Trust’s net asset value (“NAV”) each business day, as described in Note 4. For NAV calculation purposes, Swedish Krona Deposits (cash) are translated at the Noon Buying Rate, which is the U.S. Dollar (“USD”)/ Swedish Krona exchange rate as determined and published by the Federal Reserve Bank of New York as of 12:00 PM (New York time) on each day that NYSE Arca is open for regular trading.

The functional currency of the Trust is the Swedish Krona in accordance with Financial Accounting Standard (“FAS”) 52, Foreign Currency Translation. For financial statement reporting purposes, the U.S. Dollar is the reporting currency. As a result, the financial statements are translated from Swedish Kronor to USD. The Noon Buying Rate on the last day of the period is used for translation in the statements of financial condition. The average Noon Buying Rate for the period is used for translation in the statement of income and comprehensive income and the statement of cash flows. Any currency translation adjustment is included in comprehensive income.

### **C. Federal Income Taxes**

The Trust is treated as a “grantor trust” for federal income tax purposes and, therefore, no provision for federal income taxes is required. Interest, gains and losses are “passed through” to the Shareholders.

Shareholders generally will be treated, for U.S. federal income tax purposes, as if they directly owned a pro-rata share of the assets held in the Trust. Shareholders also will be treated as if they directly received their respective pro-rata shares of the Trust’s income, if any, and as if they directly incurred their respective pro-rata shares of the Trust’s expenses. The acquisition of Shares by a U.S. Shareholder as part of a creation of a Basket will not be a taxable event to the Shareholder.

The Sponsor’s fee accrues daily and is payable monthly. For U.S. federal income tax purposes, an accrual-basis U.S. Shareholder generally will be required to take into account as an expense its allocable share of the USD-equivalent of the amount of the Sponsor’s fee that is accrued on each day, with such USD-equivalent being determined by the currency exchange rate that is in effect on the respective day. To the extent that the currency exchange rate on the date of payment of the accrued amount of the Sponsor’s fee differs from the currency exchange rate in effect on the day of accrual, the U.S. Shareholder will recognize a currency gain or loss for U.S. federal income tax purposes.

The Trust does not expect to generate taxable income except for gain (if any) upon the sale of Swedish Kronor and interest income. A non-U.S. Shareholder generally will not be subject to U.S. federal income tax with respect to gain recognized upon the sale or other disposition of Shares, or upon the sale of Swedish Kronor by the Trust, unless: (1) the non-U.S. Shareholder is an individual and is present in the United States for 183 days or more during the taxable year of the sale or other disposition, and the gain is treated as being from United States sources; or (2) the gain is effectively connected with the conduct by the non-U.S. Shareholder of a trade or business in the United States.

A non-U.S. Shareholder’s share of any interest income earned by the Trust generally will not be subject to U.S. federal income tax unless the Shares owned by such non-U.S. Shareholder are effectively connected with the conduct by the non-U.S. Shareholder of a trade or business in the United States.

### **D. Revenue Recognition**

Interest on the primary deposit account accrues daily as earned and is received on a monthly basis.

### **E. Dividends**

To the extent that the interest earned by the Trust exceeds the sum of the Sponsor’s fee for the prior month plus other Trust expenses, if any, the Trust will distribute, as a dividend, the excess interest earned in Swedish Kronor effective on the first business day of the subsequent month. The Trustee will direct that the excess Swedish Kronor be converted into USD at the prevailing market rate and the Trustee will distribute the USD as promptly as practicable to Shareholders on a pro rata basis (in accordance with the number of Shares that they own). For the month of October 2008, an income distribution of \$0.40553 per share was paid on November 10, 2008.

## **3. Swedish Krona Deposits**

Swedish Krona principal deposits are held in a Swedish Krona-denominated, interest-bearing demand account. For the year ended October 31, 2008, there were 400,000,000 Swedish Krona principal deposits and 300,000,000 Swedish Krona principal redemptions resulting in an ending Swedish Krona principal balance of 350,000,000. This equates to 44,977,897 USD. For the year ended October 31, 2007, there were 100,000,000 Swedish Krona principal deposits and no Swedish Krona principal redemptions resulting in an ending Swedish Krona principal balance of 250,000,000. This equated to 39,303,232 USD. For the period from June 8, 2006 (Date of Inception) to October 31, 2006, there were Swedish Krona principal deposits of 150,000,000 and Swedish Krona principal redemptions of 1,000 resulting in an

ending Swedish Krona principal balance of 150,000,000. This equated to 20,801,265 USD. In addition, net interest associated with creation and redemption activity is held in a Swedish Krona-denominated non-interest-bearing account, and any balance is distributed in full as part of the monthly income distributions.

#### 4. Redeemable Capital Shares

Shares are classified as “redeemable” for financial statement purposes, since they are subject to redemption. Shares are issued and redeemed continuously in Baskets in exchange for Swedish Kronor. Individual investors cannot purchase or redeem Shares in direct transactions with the Trust. Only Authorized Participants (as defined below) may place orders to create and redeem Baskets. An Authorized Participant is a DTC participant that is a registered broker-dealer or other institution eligible to settle securities transactions through the book-entry facilities of the DTC and which has entered into a contractual arrangement with the Trust and the Sponsor governing, among other matters, the creation and redemption process. Authorized Participants may redeem their Shares at any time in Baskets.

Due to expected continuing creations and redemptions of Baskets and the three-day period for settlement of each creation or redemption, the Trust reflects Shares created as a receivable. Shares redeemed are reflected as a liability on the trade date. Outstanding Shares are reflected at a redemption value, which is the NAV per Share at the period end date. Adjustments to redeemable capital shares at redemption value are recorded against retained earnings, or, in the absence of retained earnings, by charges against the cumulative translation adjustment.

Activity in redeemable capital Shares is as follows:

	Year ended October 31, 2008		Year ended October 31, 2007		Period from June 8, 2006 [Date of Inception] to October 31, 2006	
	Shares	U.S. Dollar Amount	Shares	U.S. Dollar Amount	Shares	U.S. Dollar Amount
Opening balance	250,000	\$ 39,404,528	150,000	\$20,830,641	1	\$ 137
Shares issued	400,000	63,276,768	100,000	14,617,539	150,000	20,621,819
Shares redeemed	(300,000)	(47,492,049)	-	-	(1)	(137)
Adjustment to period Shares due to currency movement and other	-	(10,062,733)	-	3,956,348	-	208,822
Ending redemption balance	350,000	\$ 45,126,514	250,000	\$39,404,528	150,000	\$20,830,641

The Trustee will calculate the Trust’s NAV each business day. To calculate the NAV, the Trustee will subtract the Sponsor’s accrued fee through the previous day from the Swedish Kronor held by the Trust (including all unpaid interest accrued through the preceding day) and calculate the value of the Swedish Kronor in USD based upon the Noon Buying Rate. If, on a particular evaluation day, the Noon Buying Rate has not been determined and announced by 2:00 PM (New York time), then the most recent Federal Reserve Bank of New York determination of the Noon Buying Rate shall be used to determine the NAV of the Trust unless the Trustee, in consultation with the Sponsor, determines that such price is inappropriate to use as the basis for such valuation. In the event that the Trustee and the Sponsor determine that the most recent Federal Reserve Bank of New York determination of the Noon Buying Rate is not an appropriate basis for valuation of the Trust’s Swedish Kronor, they shall determine an alternative basis for such evaluation to be employed by the Trustee. The Trustee also determines the NAV

per Share, which equals the NAV of the Trust divided by the number of outstanding Shares. Shares deliverable under a purchase order are considered outstanding for purposes of determining NAV per Share; Shares deliverable under a redemption order are not considered outstanding for this purpose.

## **5. Sponsor's Fee**

The Sponsor's fee accrues daily at an annual nominal rate of 0.40% of the Swedish Kronor in the Trust (including all unpaid interest but excluding unpaid fees, each as accrued through the immediately preceding day) and is paid monthly.

The Sponsor assumes and pays the following administrative and marketing expenses incurred by the Trust: the Trustee's monthly fee, NYSE Arca listing fees, SEC registration fees, typical maintenance and transaction fees of the Depository, printing and mailing costs, audit fees and expenses, up to \$100,000 per year in legal fees and expenses, and applicable license fees. The Sponsor has also paid the costs of the Trust's organization and the initial sales of the Shares, which were approximately \$229,000 when the Trust was formed.

In certain exceptional cases the Trust will pay for some expenses in addition to the Sponsor's fee. These exceptions include expenses not assumed by the Sponsor (i.e., expenses other than those identified in the preceding paragraph), taxes and governmental charges, expenses and costs of any extraordinary services performed by the Trustee or the Sponsor on behalf of the Trust or action taken by the Trustee or the Sponsor to protect the Trust or the interests of Shareholders, indemnification of the Sponsor under the Depository Trust Agreement, and legal expenses in excess of \$100,000 per year.

## **6. Related Parties**

The Sponsor is a related party of the Trust. The Sponsor oversees the performance of the Trustee and the Trust's principal service providers, including the preparation of financial statements, but does not exercise day-to-day oversight over the Trustee or the Trust's service providers. The Sponsor has paid the costs of the Trust's organization and the initial sales of the Shares, as described in Note 5.

## **7. Concentration Risk**

All of the Trust's assets are Swedish Kronor, which creates a concentration risk associated with fluctuations in the price of the Swedish Krona. Accordingly, a decline in the price of the Swedish Krona to USD exchange rate will have an adverse effect on the value of the Shares. Factors that may have the effect of causing a decline in the price of the Swedish Krona include national debt levels and trade deficits, domestic and foreign inflation rates, domestic and foreign interest rates, investment and trading activities of institutions and global or regional political, economic or financial events and situations. Substantial sales of Swedish Kronor by the official sector (central banks, other governmental agencies and related institutions that buy, sell and hold Swedish Kronor as part of their reserve assets) could adversely affect an investment in the Shares.

All of the Trust's Swedish Kronor are held by the Depository. Accordingly, a risk associated with the concentration of the Trust's assets in accounts held by a single financial institution exists and increases the potential for loss by the Trust and the Trust's beneficiaries in the event that the Depository becomes insolvent.

## **8. Commitments and Contingencies**

Under the Trust's organizational documents, the Sponsor is indemnified against any liability or expense it incurs without negligence, bad faith or willful misconduct on its part. The Trust's maximum exposure under these arrangements is unknown, as this would involve future claims that may be made against the Trust that have not yet occurred.

## SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized in the City of Rockville, State of Maryland, on January 14, 2009.

CURRENCYSHARES<sup>SM</sup>  
SWEDISH KRONA TRUST

By Rydex Specialized Products LLC  
Sponsor of the CurrencyShares<sup>SM</sup>  
Swedish Krona Trust

By: /S/ KEVIN FARRAGHER  
Kevin Farragher  
Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities\* and on the dates indicated.

<u>Signature</u>	<u>Capacity</u>	<u>Date</u>
<u>/S/ KEVIN FARRAGHER</u> Kevin Farragher	Chief Executive Officer (principal executive officer)	January 14, 2009
<u>/S/ NICK BONOS</u> Nick Bonos	Director and Chief Financial Officer (principal financial officer and principal accounting officer)	January 14, 2009
<u>/S/ CARL G. VERBONCOEUR</u> Carl G. Verboncoeur	Director and Treasurer	January 14, 2009
<u>/S/ MICHAEL BYRUM</u> Michael Byrum	Director	January 14, 2009

\* The registrant is a trust and the persons are signing in their capacities as officers or directors of Rydex Specialized Products LLC, the Sponsor of the registrant.

**EXHIBIT 31.1**

**CERTIFICATION PURSUANT TO SECTION 302(A)  
OF THE SARBANES-OXLEY ACT OF 2002**

I, Kevin Farragher, certify that:

1. I have reviewed the Annual Report on Form 10-K for the fiscal year ended October 31, 2008 of CurrencyShares<sup>SM</sup> Swedish Krona Trust;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and PADCO Advisors II, Inc.'s auditors and the board of directors of PADCO Advisors II, Inc. and the board of directors of Rydex Fund Services, Inc. and the audit committee of Rydex Specialized Products LLC's board of managers (or persons performing equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves persons who have a significant role in the registrant's internal control over financial reporting.

Date: January 14, 2009

/s/ KEVIN FARRAGHER  
Kevin Farragher  
Chief Executive Officer  
(principal executive officer)

**EXHIBIT 31.2**

**CERTIFICATION PURSUANT TO SECTION 302(A)  
OF THE SARBANES-OXLEY ACT OF 2002**

I, Nick Bonos, certify that:

1. I have reviewed the Annual Report on Form 10-K for the fiscal year ended October 31, 2008 of CurrencyShares<sup>SM</sup> Swedish Krona Trust;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and PADCO Advisors II, Inc.'s auditors and the board of directors of PADCO Advisors II, Inc. and the board of directors of Rydex Fund Services, Inc. and the audit committee of Rydex Specialized Products LLC's board of managers (or persons performing equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves persons who have a significant role in the registrant's internal control over financial reporting.

Date: January 14, 2009

/s/ NICK BONOS  
Nick Bonos  
Chief Financial Officer  
(principal financial officer)

**EXHIBIT 32.1**

**CERTIFICATION PURSUANT TO SECTION 906  
OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of CurrencyShares<sup>SM</sup> Swedish Krona Trust (the "Trust") on Form 10-K for the fiscal year ended October 31, 2008 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Kevin Farragher, Chief Executive Officer of Rydex Specialized Products LLC, the Sponsor of the Trust, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Trust.

Date: January 14, 2009

/s/ KEVIN FARRAGHER  
Kevin Farragher\*  
Chief Executive Officer  
(principal executive officer)

\* The Registrant is a trust and Kevin Farragher is signing in his capacity as the principal executive officer of Rydex Specialized Products LLC, the Sponsor of the Registrant.

**EXHIBIT 32.2**

**CERTIFICATION PURSUANT TO SECTION 906  
OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of CurrencyShares<sup>SM</sup> Swedish Krona Trust (the "Trust") on Form 10-K for the fiscal year ended October 31, 2008 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Nick Bonos, Chief Financial Officer of Rydex Specialized Products LLC, the Sponsor of the Trust, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Trust.

Date: January 14, 2009

/s/ Nick Bonos  
Nick Bonos\*  
Chief Financial Officer  
(principal financial officer)

\* The Registrant is a trust and Nick Bonos is signing in his capacity as the principal financial officer of Rydex Specialized Products LLC, the Sponsor of the Registrant.

Prospectus Supplement No. 14 dated November 6, 2008  
(to Prospectus dated June 23, 2006)

# FXS CurrencyShares<sup>SM</sup> Swedish Krona

## 7,500,000 SHARES CURRENCYSHARES<sup>SM</sup> SWEDISH KRONA TRUST

This Prospectus Supplement No. 14 amends and supplements our prospectus dated June 23, 2006 (the “Prospectus”) and supersedes and replaces in its entirety Prospectus Supplement No. 12 dated October 17, 2007 and Prospectus Supplement No. 13 dated October 21, 2008. This Prospectus Supplement No. 14 should be read in conjunction with, and must be delivered with the Prospectus, Prospectus Supplement No. 8 dated January 29, 2008 (“Prospectus Supplement No. 8”), Prospectus Supplement No. 9 dated March 14, 2008 (“Prospectus Supplement No. 9”), Prospectus Supplement No. 10 dated June 13, 2008 (“Prospectus Supplement No. 10”) and Prospectus Supplement No. 11 dated September 15, 2008 (with Prospectus Supplement No. 8, Prospectus Supplement No. 9 and Prospectus Supplement No. 10, the “Prospectus Supplements”).

Prior to November 13, 2008, the NAV will be expressed in USD based on the Swedish Krona/USD exchange rate as determined by the Federal Reserve Bank of New York at 12:00 PM (New York time) (the “Noon Buying Rate”). As of and after November 13, 2008, the NAV will be expressed in USD based on the Swedish Krona/USD exchange rate as determined by WM/Reuters at 4:00 PM (London time) (the “Closing Spot Rate”). Consequently, all references in the Prospectus to the “Noon Buying Rate” that relate to a period of time on or after November 13, 2008 are amended to read “Closing Spot Rate.”

The Prospectus, under the heading “Net Asset Value” on page 4 and the definition of “Net Asset Value” on page 16, states: “If, on a particular evaluation day, the Federal Reserve Bank of New York does not announce a Noon Buying Rate by 2:00 PM (New York time), then the most recent Federal Reserve Bank of New York determination of the Noon Buying Rate will be deemed the “Noon Buying Rate” and be used to determine the NAV of the Trust unless the Trustee, in consultation with the Sponsor, determines that such price is inappropriate to use as the basis for such valuation. In the event that the Trustee and the Sponsor determine that the most recent Federal Reserve Bank of New York determination of the Noon Buying Rate is not an appropriate basis for valuation of the Trust’s Swedish Kronor, or the Federal Reserve Bank of New York ceases to provide the Noon Buying Rate, the Trustee and the Sponsor shall determine an alternative basis for such evaluation to be employed by the Trustee. Such an alternative basis may include reference to other exchange-traded securities that reflect the value of the Swedish Krona relative to the USD. The use of any alternative basis to determine NAV would be disclosed on the Trust’s website.”

The immediately foregoing is hereby deleted and replaced with the following: “If, on a particular evaluation day, the Closing Spot Rate is not determined and announced by 6:00 PM (London time), then the most recent Closing Spot Rate shall be used to determine the NAV of the Trust unless the Trustee, in consultation with the Sponsor, determines that such price is inappropriate to use as the basis for such valuation. In the event that the Trustee and the Sponsor determine that the most recent Closing Spot Rate is not an appropriate basis for valuation of the Trust’s Swedish Kronor, the Trustee and the Sponsor shall determine an alternative basis for such evaluation to be employed by the Trustee. Such an alternative basis may include reference to the market price of futures contracts that reflect the value of the Swedish Krona relative to the USD. The use of any alternative basis to determine NAV would be disclosed on the Trust’s website.”

Except as explicitly amended and supplemented hereby, the Prospectus, as amended by the Prospectus Supplements, shall remain unchanged. Capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Prospectus.



The date of this Prospectus Supplement is November 6, 2008

The CurrencyShares<sup>SM</sup> Swedish Krona Trust (Trust) issues Swedish Krona Shares (Shares) that represent units of fractional undivided beneficial interest in, and ownership of, the Trust. Rydex Specialized Products LLC, d/b/a Rydex Investments, is the sponsor of the Trust (Sponsor) and may be deemed the “issuer” of the Shares pursuant to Section 2(a)(4) of the Securities Act of 1933, as amended (the Securities Act). The Bank of New York is the trustee of the Trust (Trustee), JPMorgan Chase Bank, N.A., London Branch is the depository for the Trust (Depository), and Rydex Distributors, Inc. is the distributor for the Trust (Distributor). The Trust intends to issue additional Shares on a continuous basis through the Trustee.

Throughout this prospectus, the term “Swedish Krona” means either the currency of Sweden or one unit of Swedish currency, depending on the context, and the term “Swedish Kronor,” the plural of Swedish Krona, means more than one unit of Swedish currency.

The Shares may be purchased from the Trust only in one or more blocks of 50,000 Shares, as described in “Creation and Redemption of Shares.” A block of 50,000 Shares is called a Basket. The Trust issues Shares in Baskets on a continuous basis to certain authorized participants (Authorized Participants) as described in “Plan of Distribution.” Each Basket, when created, is offered and sold to an Authorized Participant at a price in Swedish Kronor equal to the net asset value (NAV) for 50,000 Shares on the day that the order to create the Basket is accepted by the Trustee.

It is expected that the Shares will be offered and sold to the public by Authorized Participants at varying prices in U.S. dollars (USD) to be determined by reference to, among other things, the market price of the Swedish Krona and the trading price of the Shares on the New York Stock Exchange (NYSE) at the time of each sale. Authorized Participants will not receive from the Trust, the Sponsor or any of their affiliates, any fee or other compensation in connection with the sale of Shares. Authorized Participants may receive commissions or fees from investors who purchase Shares through their commission- or fee-based brokerage accounts in amounts between \$0.00 and \$0.08 per Share.

The Shares have been approved for listing by, and will trade on, the NYSE under the symbol “FXS.” The Shares may also trade in other markets, but the Sponsor has not sought to have the Shares listed by any other market.

**Investing in the Shares involves significant risks. See “Risk Factors,” starting on page 10.**

**Neither the Securities and Exchange Commission (SEC) nor any state securities commission has approved or disapproved of the securities offered in this prospectus, or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.**

The Shares are neither interests in nor obligations of the Sponsor, the Trustee, the Depository or the Distributor.

Neither the Shares nor the Trust’s two deposit accounts maintained at the Depository and the Swedish Kronor deposited in them are deposits insured against loss by the Federal Deposit Insurance Corporation (FDIC) or any other federal agency of the United States, Deposits may have only limited protection under the Financial Services Compensation Scheme of England.

On June 8, 2006, the Sponsor deposited 1,000 Swedish Kronor into the primary deposit account of the Trust in exchange for one Share and the Trustee recorded the Share as owned by the Sponsor. The Sponsor purchased the Share solely for the purpose of forming the Trust and the Sponsor will redeem the Share for 1,000 Swedish Kronor immediately after the SEC declares effective the registration statement. In order to provide liquidity for the Shares at the commencement of trading, the Initial Purchaser, Bear Hunter Structured Products LLC, having been appointed the specialist in the Shares by the NYSE, will deposit 150,000,000 Swedish Kronor in the primary deposit account of the Trust and the Trustee will instruct DTC to record, and DTC will record, three Baskets totaling 150,000 Shares (constituting 1,000 Swedish Kronor per Share) as owned by the Initial Purchaser.

The Initial Purchaser intends to offer to the public these 150,000 Shares at a per-Share offering price that will vary depending on, among other factors, the price of the Shares on the NYSE at the time of the offer. Shares offered by the Initial Purchaser at different times may have different offering prices. The Initial Purchaser will not receive from the Trust, the Sponsor, the Distributor or any of their affiliates any fee or other compensation in connection with the sale of the Shares.

This prospectus contains information you should consider when making an investment decision about the Shares. You may rely on the information contained in this prospectus. The Trust and the Sponsor have not authorized any person to provide you with different information and, if anyone provides you with different or inconsistent information, you should not rely on it. This prospectus is not an offer to sell the Shares in any jurisdiction where the offer or sale of the Shares is not permitted.

The Shares are not registered for public sale in any jurisdiction other than the United States.

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Authorized Participants may be subject to the prospectus delivery requirements of the Securities Act when effecting transactions in the Shares. See “Plan of Distribution.”

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This prospectus summarizes certain documents and other information in a manner the Sponsor believes to be accurate. The information contained in the sections captioned “Overview of the Foreign Exchange Industry,” “The Swedish Krona” and “Investment Attributes of the Trust” is based on information obtained from sources that the Sponsor believes to be reliable. The accuracy, reliability and completeness of this information is not guaranteed, however, and has not been independently verified. In making an investment decision, you must rely on your own examination of the Trust, the foreign exchange market, the market for the Swedish Krona, the terms of the offering and the Shares, including the merits and risks involved.

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## Prospectus Summary

*This is a summary of the prospectus. You should read the entire prospectus, including “Risk Factors” beginning on page 9, before making an investment decision about the Shares.*

### **TRUST STRUCTURE**

The Trust is a grantor trust to be formed under the laws of the State of New York pursuant to the Depositary Trust Agreement. The Trust will hold Swedish Kronor and is expected from time to time to issue Baskets in exchange for deposits of Swedish Kronor and to distribute Swedish Kronor in connection with redemptions of Baskets. The investment objective of the Trust is for the Shares to reflect the price in USD of the Swedish Krona. Earning income for Shareholders is not the objective of the Trust. Whether investors earn income will primarily depend on the relative value of the Swedish Krona and the USD. If the Swedish Krona appreciates relative to the USD and a Shareholder sells Shares, the Shareholder will earn income. If the Swedish Krona depreciates relative to the USD and a Shareholder sells Shares, the Shareholder will incur a loss.

The Sponsor believes that, for many investors, the Shares represent a cost-effective investment in the Swedish Krona. The material terms of the Depositary Trust Agreement are discussed in greater detail in “Description of the Depositary Trust Agreement.” The Shares represent units of fractional undivided beneficial interest in, and ownership of, the Trust. The Shares have been approved for listing by, and will trade on, the NYSE under the symbol “FXS.” The Shares may also trade in other markets, but the Sponsor has not sought to have the Shares listed by any other market.

The Sponsor, Rydex Specialized Products LLC d/b/a “Rydex Investments”, a Delaware limited liability company, is responsible for establishing the Trust and for registering the Shares. The Sponsor generally oversees the performance of the Trustee and the Trust’s principal service providers, but does not exercise day-to-day oversight over the Trustee or the Trust’s service providers. The Sponsor may remove the Trustee if any of various events occur. See “Description of the Depositary Trust Agreement — The Trustee — Resignation, discharge or removal of trustee; successor Trustees” for more information.

The Sponsor maintains a public website on behalf of the Trust, containing information about the Trust and the Shares. The internet address of the Trust’s website is [www.currencyshares.com](http://www.currencyshares.com). This internet address is provided here only as a convenience to you; the information contained on or connected to the Trust’s website is not considered part of this prospectus. The general role and responsibilities of the Sponsor are discussed further under “The Sponsor.”

The Trustee is The Bank of New York, a banking corporation formed under the laws of the State of New York with trust powers. The Trustee is generally responsible for the day-to-day administration of the Trust. This includes calculating the NAV of the Trust and the NAV per Share each business day, paying the Trust’s expenses (which are accrued daily but paid monthly), including withdrawing the Trust’s Swedish Kronor, if needed, receiving and processing orders from Authorized Participants to create and redeem Baskets and coordinating the processing of such orders with the Depositary and DTC. The general role, responsibilities and regulation of the Trustee are further described under “The Trustee.”

The Depositary is JPMorgan Chase Bank, N.A., London Branch. The Depositary and the Trustee have elected the laws of England to govern the Deposit Account Agreement between them. The Depositary accepts Swedish Kronor deposited with it by Authorized Participants in connection with the creation of Baskets. The Depositary facilitates the transfer of Swedish Kronor into and out of the Trust through the two deposit accounts maintained with it by the Trust. The Depositary will pay interest on the primary deposit account but not on the secondary deposit account. Interest on the primary deposit account accrues daily and is paid monthly. The initial annual nominal interest rate as set forth in the Deposit Account Agreement is 1.58%. The general role, responsibilities and regulation of the Depositary and the two deposit accounts are further described under “The Depositary” and “Description of the Deposit Account Agreement.”

Detailed descriptions of certain specific rights and duties of the Trustee and the Depository are set forth under “Description of the Shares and the Depository Trust Agreement” and “Description of the Deposit Account Agreement.”

The Distributor, Rydex Distributors, Inc., is a corporation formed under the laws of the State of Maryland. The Distributor is assisting the Sponsor in marketing the Shares. Specifically, the Distributor will develop a marketing plan for the Trust, prepare marketing materials regarding the Shares, including the content of the Trust’s website, execute the marketing plan for the Trust and provide strategic and tactical research on the foreign exchange markets, in each case in compliance with applicable laws and regulations. The Distributor and the Sponsor are affiliates of one another. There is no written agreement between them, and no compensation is paid by the Sponsor to the Distributor in connection with services performed by the Distributor for the Trust. See “The Distributor” for more information.

## **TRUST OVERVIEW**

The investment objective of the Trust is for the Shares to reflect the price in USD of the Swedish Krona. The Shares are intended to provide institutional and retail investors with a simple, cost-effective means of gaining investment benefits similar to those of holding Swedish Kronor. The Shares are an investment that is:

*Easily Accessible.* Investors will be able to access the market for the Swedish Krona through a traditional brokerage account. The Shares will be bought and sold on the NYSE like any other exchange-listed security, except that they will regularly be traded until 4:15 PM (New York time) instead of 4:00 PM (New York time).

*Cost-Effective.* Investors and businesses wishing to buy or sell currencies in modest size have had to pay as much as a 3% commission to effectuate their transactions. Because Shares will be traded as securities, transaction costs will be substantially reduced.

*Exchange-Traded.* Because they will be traded on the NYSE, the Shares will provide investors with an efficient means of implementing investment tactics and strategies that involve the Swedish Krona. NYSE-listed securities are eligible for margin accounts. Accordingly, investors will be able to purchase and hold Shares with borrowed money to the extent permitted by law.

*Transparent.* The Shares will be backed by the assets of the Trust, which will not hold or use derivative products. The value of the holdings of the Trust will be reported on the Trust’s website, [www.currencyshares.com](http://www.currencyshares.com), every business day.

Investing in the Shares will not insulate the investor from price volatility or other risks. See “Risk Factors.”

## **PRINCIPAL OFFICES**

The principal offices of the Sponsor, the Trust and the Distributor are the offices of Rydex Investments at 9601 Blackwell Road, Suite 500, Rockville, Maryland 20850. The telephone number of Rydex Investments at that address is (800) 820-0888. Neither the Sponsor, the Trust nor the Distributor own or lease any other real estate. The Trustee has a trust office at 2 Hanson Place, Brooklyn, New York 11217. The Depository is located at 125 London Wall, London, EC2Y 5AJ, United Kingdom.

## The Offering

Offering .....	The Shares represent units of fractional undivided beneficial interest in, and ownership of, the Trust.
Use of proceeds .....	The proceeds received by the Trust from the issuance and sale of Baskets are Swedish Kronor. In accordance with the Depositary Trust Agreement, during the life of the Trust these proceeds will only be (1) owned by the Trust and held by the Depository, (2) disbursed or sold as needed to pay the Trust's expenses and (3) distributed to Authorized Participants upon the redemption of Baskets.
NYSE symbol .....	FXS
CUSIP.....	23129R 10 8
Creation and redemption.....	The Trust will create and redeem the Shares on a continuous basis, but only in Baskets. A Basket is a block of 50,000 Shares. The creation and redemption of Baskets requires the delivery to the Trust or the distribution by the Trust of the amount of Swedish Kronor represented by the Baskets being created or redeemed, the amount of which is based on the combined NAV per Share of the number of Shares included in the Baskets being created or redeemed. Three Baskets, representing 150,000 Shares or 150,000,000 Swedish Kronor, is the minimum amount that must be issued and sold by the Trust for this offering to be consummated and for the Shares to commence trading on the NYSE. Baskets may be created or redeemed only by Authorized Participants. Authorized Participants pay a transaction fee for each order to create or redeem Baskets and may sell to other investors the Shares included in the Baskets that they create. See "Creation and Redemption of Shares" for more details.
Interest on deposits .....	JPMorgan Chase Bank, N.A., London Branch will maintain two Swedish Krona-denominated, demand deposit accounts for the Trust: a primary deposit account which will earn interest and a secondary deposit account which will not earn interest. The secondary deposit account will only be used in connection with mid-month creations and redemptions of Baskets, to account for interest that has been earned on the primary deposit account during the month but not yet paid, and to receive interest earned on the primary deposit account, pay Trust expenses and distribute any excess interest to Shareholders on a monthly basis. Interest on the primary deposit account accrues daily and is paid monthly. The initial annual nominal interest rate as set forth in the Deposit Account Agreement is 1.58%. The Depository may change this rate in the future based upon changes in the British Bankers Association

LIBOR Overnight rate for the Swedish Krona (“BBA rate”), other market conditions or the Depository’s liquidity needs. The BBA rate is an effective overnight reference rate for the Swedish Krona; like the Federal Funds rate, it represents the interest rate banks charge each other on overnight loans made between them. Although the Depository may consider the BBA rate in setting the interest rate, the rate paid to the Trust may be lower than the BBA rate. The Depository will notify the Sponsor of the interest rate applied each business day after the close of such business day. The Sponsor will disclose the interest rate on the Trust’s website. If the Sponsor believes that the interest rate paid by the Depository is not competitive, the Sponsor’s recourse will be to remove the Depository by terminating the Deposit Account Agreement and closing the accounts. See “Description of the Deposit Account Agreement.” Neither the Trustee nor the Sponsor has the power or authority to deposit the Trust’s Swedish Kronor with any other person, entity or account. Interest earned on the deposited Swedish Kronor will be used to pay the Trust’s expenses. Any excess interest will be distributed to Shareholders monthly. Such interest is not expected to form a significant part of the Shareholders’ investment return.

Neither the Shares nor the Deposit Accounts and the Swedish Kronor deposited in them are deposits insured against loss by the FDIC or any other federal agency of the United States, Deposits may have only limited protection under the Financial Services Compensation Scheme of England.

Net Asset Value ..... The NAV of the Trust is the aggregate value, expressed in U.S. dollars, of the Trust’s assets. The Trustee will calculate, and the Sponsor will publish, the Trust’s net asset value (“NAV”) each business day. To calculate the NAV, the Trustee will add to the amount of Swedish Kronor in the Trust at the end of the preceding business day accrued but unpaid interest, Swedish Kronor receivable under pending purchase orders and the value of other Trust assets, and will subtract the accrued but unpaid Sponsor’s fee, Swedish Kronor payable under pending redemption orders and other Trust expenses and liabilities, if any. The NAV will be expressed in USD based on the Noon Buying Rate as determined by the Federal Reserve Bank of New York. If, on a particular evaluation day, the Noon Buying Rate has not been determined and announced by 2:00 PM (New York time), then the most recent Federal Reserve Bank of New York determination of the Noon Buying Rate shall be used to determine the NAV of the Trust unless the Trustee, in consultation with the Sponsor, determines that such price is inappropriate to use as the

basis for such valuation. In the event that the Trustee and the Sponsor determine that the most recent Federal Reserve Bank of New York determination of the Noon Buying Rate is not an appropriate basis for valuation of the Trust's Swedish Kronor, they shall determine an alternative basis for such evaluation to be employed by the Trustee. Such an alternative basis may include reference to other exchange traded securities that reflect the value of the Swedish Krona relative to the USD. The use of any alternative basis to determine NAV would be disclosed on the Trust's website. The Trustee also determines the NAV per Share, which equals the NAV of the Trust divided by the number of outstanding Shares. The Sponsor will publish the NAV and NAV per Share on each day that the NYSE is open for regular trading on the Trust's website, [www.currencyshares.com](http://www.currencyshares.com).

Trust expenses ..... The Trust's only ordinary recurring expense is expected to be the Sponsor's fee. The Sponsor is obligated under the Depositary Trust Agreement to assume and pay the following administrative and marketing expenses of the Trust: the Trustee's monthly fee, typical maintenance and transaction fees of the Depositary, NYSE listing fees, printing and mailing costs, audit fees and expenses, up to \$100,000 per annum in legal fees and expenses, and applicable license fees. The Sponsor will also pay the costs of the Trust's organization and the cost of the initial sale of the Shares, including the applicable SEC registration fees. The Trust may incur additional expenses in certain other circumstances. These additional expenses include expenses not assumed by the Sponsor, taxes and governmental charges, expenses and costs of any extraordinary services performed by the Trustee or the Sponsor on behalf of the Trust or action taken by the Trustee or the Sponsor to protect the Trust or the interests of Shareholders, indemnification of the Sponsor under the Depositary Trust Agreement and legal fees and expenses in excess of \$100,000 per year. If these additional expenses are incurred, the Trust will be required to pay these expenses by withdrawing deposited Swedish Kronor and the amount of Swedish Kronor represented by a Share will decline at such time. Accordingly, the Shareholders will effectively bear the cost of these other expenses, if incurred. Although the Trust cannot definitively state the frequency or magnitude of such expenses, the Trust predicts that they will occur infrequently, if at all, and they will probably be insignificant in amount compared to the value of the Trust. See "Description of the Depositary Trust Agreement — Expenses of the Trust."

The Sponsor's fee accrues daily at an annual nominal rate of 0.40% of the Swedish Kronor in the Trust (including all

unpaid interest but excluding unpaid fees, each as accrued through the immediately preceding day) and is paid monthly. To pay the Sponsor's fee and any other Trust expenses that have been incurred each month, the Trustee will first withdraw Swedish Kronor the Trust has earned as interest. If that is not sufficient to pay the Trust's expenses, then the Trustee will withdraw deposited Swedish Kronor as needed. See "Investment Attributes of the Trust — Trust Expenses" and "Description of the Depositary Trust Agreement — Expenses of the Trust." The payment of expenses in Swedish Kronor and the conversion of Swedish Kronor to USD, if required to pay expenses of the Trust, are generally taxable events to U.S. Shareholders. See "United States Federal Tax Consequences — Taxation of U.S. Shareholders." The Trust and the Sponsor do not anticipate any non-ordinary recurring expenses that will be paid from the Trust.

Termination events ..... The Trustee will terminate the Trust if any of the following events occur:

- The Sponsor has given notice of resignation or is unable to perform its duties or becomes bankrupt or insolvent and the Trustee does not appoint a successor sponsor or agree to act as sponsor;
- Shareholders holding at least 75% of the outstanding Shares notify the Trustee that they elect to terminate the Trust;
- Sweden chooses the euro as its currency, by an act of parliament or by referendum, and the Council of the European Union adopts an irrevocable conversion rate for Swedish Kronor to euro and the Trustee has actual knowledge of that action;
- the Depository resigns or is removed; or
- the Trustee receives notice from the IRS or from counsel for the Trust or the Sponsor that the Trust fails to qualify for treatment, or will not be treated, as a grantor trust under the Internal Revenue Code of 1986, as amended (Internal Revenue Code).

The Sponsor may, in its sole discretion, direct the Trustee to terminate the Trust if any of the following events occur:

- the Shares are de-listed from the NYSE and are not listed for trading on another U.S. national securities exchange or through the NASDAQ Stock Market within five business days from the date the Shares are de-listed;
- the SEC determines that the Trust is an investment company under the Investment Company Act of 1940, as amended;

- the NAV of the Trust remains less than \$100 million for 30 consecutive business days at any time after the first 90 days of the Shares being eligible for trading on the NYSE;
- all of the Trust’s assets are sold;
- the aggregate market capitalization of the Trust, based on the closing price for the Shares, remains less than \$300 million for five consecutive trading days beginning after the first anniversary of the Trust’s inception; or
- DTC ceases providing book-entry settlement services for the Shares.

If the Trustee notifies the Sponsor of the Trustee’s election to resign and the Sponsor does not appoint a successor trustee within 60 days, the Trustee may terminate the Trust.

The Trust will terminate on June 8, 2046 if it has not been terminated prior to that date.

Upon termination of the Trust and surrender of Shares by the Shareholders, Shareholders will receive the amount of Swedish Kronor represented by their Shares. If, however, a Shareholder surrenders its Shares ninety days or more after the termination of the Trust, it will receive a distribution in USD after the Trustee has sold the Trust’s Swedish Kronor and has paid or made provision for the Trust’s liabilities. See “Description of the Trust Agreement — Termination of the Trust.”

Authorized Participants . . . . . An Authorized Participant is a DTC Participant that is a registered broker-dealer or other securities market participant such as a bank or other financial institution that is not required to register as a broker-dealer to engage in securities transactions and has entered into a Participant Agreement with the Trustee. Only Authorized Participants may place orders to create or redeem Baskets. The Participant Agreement provides the procedures for the creation and redemption of Baskets and for the delivery of Swedish Kronor required for creation or redemption. A list of the current Authorized Participants can be obtained from the Trustee or the Sponsor. See “Creation and Redemption of Shares” for more details.

Shareholders Trading via the NYSE . . . . . A Shareholder who buys or sells Shares from, to, or through a broker-dealer should expect to be charged a commission by the broker-dealer for effecting the transaction. Investors are encouraged to review the terms of their brokerage accounts for details on applicable commissions or charges.

Clearance and settlement . . . . . The Shares will be evidenced by one or more global certificates that the Trustee will issue to DTC. The Shares will be available only in book-entry form. Shareholders may hold their Shares through DTC, if they are DTC Participants, or through Authorized Participants or Indirect Participants.

## **Summary Financial Condition**

As of June 8, 2006, the date of formation of the Trust and the date the Sponsor deposited 1,000 Swedish Kronor in the Trust's primary deposit account with the Depository, the NAV of the Trust, which represents the value of the Swedish Kronor deposited into the Trust in exchange for the initial Share, was \$137 and the NAV per Share was \$137. See "Statement of Financial Condition" on page F-3.

## Risk Factors

*You should consider carefully the risks described below before making an investment decision. You should also refer to the other information included in this prospectus, including the Trust's financial statements and the related notes.*

**The value of the Shares relates directly to the value of the Swedish Kronor held by the Trust. Fluctuations in the price of the Swedish Krona could materially and adversely affect the value of the Shares.**

The Shares are designed to reflect the price of the Swedish Krona, plus accumulated interest, less the Trust's expenses. The price of the Swedish Krona has fluctuated widely over the past several years. Several factors may affect the price of the Swedish Krona, including:

- Debt level and trade deficit of Sweden;
- Inflation rates of the United States and Sweden and investors' expectations concerning inflation rates;
- Interest rates of the United States and Sweden and investors' expectations concerning interest rates;
- Investment and trading activities of mutual funds, hedge funds and currency funds; and
- Global or regional political, economic or financial events and situations.

In addition, the Swedish Krona may not maintain its long-term value in terms of purchasing power in the future. When the price of the Swedish Krona declines, the Sponsor expects the price of a Share to decline as well.

**The USD/Swedish Krona exchange rate, like foreign exchange rates in general, can be volatile and difficult to predict. This volatility could materially and adversely affect the performance of the Shares.**

Foreign exchange rates are influenced by the factors identified immediately above and may also be influenced by: changing supply and demand for a particular currency; monetary policies of governments (including exchange control programs, restrictions on local exchanges or markets and limitations on foreign investment in a country or on investment by residents of a country in other countries); changes in balances of payments and trade; trade restrictions; and currency devaluations and revaluations. Also, governments from time to time intervene in the currency markets, directly and by regulation, in order to influence prices directly. These events and actions are unpredictable. The resulting volatility in the USD/Swedish Krona exchange rate could materially and adversely affect the performance of the Shares.

**The Deposit Accounts are not entitled to payment at any office of JPMorgan Chase Bank, N.A. located in the United States.**

The federal laws of the United States prohibit banks located in the United States from paying interest on unrestricted demand deposit accounts. Therefore, payments out of the Deposit Accounts will be payable only at the London branch of JPMorgan Chase Bank, N.A., located in England. The Trustee will not be entitled to demand payment of these accounts at any office of JPMorgan Chase Bank, N.A. that is located in the United States. JPMorgan Chase Bank, N.A. will not be required to repay the deposit if its London branch cannot repay the deposit due to an act of war, insurrection or civil strife or an action by a foreign government or instrumentality (whether *de jure* or *de facto*) in England.

**Shareholders will not have the protections associated with ownership of a demand deposit account insured in the United States by the Federal Deposit Insurance Corporation nor the full protection provided for bank deposits under English law.**

Neither the Shares nor the Deposit Accounts and the Swedish Kronor deposited in them are a deposit insured against loss by the FDIC or any other federal agency. Deposits may have only limited protection under the Financial Services Compensation Scheme of England.

**Swedish Kronor deposited in the Deposit Accounts by an Authorized Participant will be commingled with Swedish Kronor deposited by other Authorized Participants and will be held by the Depository in either the primary deposit account or the secondary deposit account of the Trust. Swedish Kronor held in the Deposit Accounts will not be segregated from the Depository's other assets. If the Depository becomes insolvent, then its assets might not be adequate to satisfy a claim by the Trust or any Authorized Participant. In addition, in the event of the insolvency of the Depository or the U.S. bank of which it is a branch, there may be a delay and costs incurred in recovering the Swedish Kronor held in the Deposit Accounts.**

The Trust will have no proprietary rights in or to any specific Swedish Kronor held by the Depository and will be an unsecured creditor of the Depository with respect to the Swedish Kronor held in the Deposit Accounts in the event of the insolvency of the Depository or the U.S. bank of which it is a branch. In the event the Depository or the U.S. bank of which it is a branch becomes insolvent, the Depository's assets might not be adequate to satisfy a claim by the Trust or any Authorized Participant for the amount of Swedish Kronor deposited by the Trust or the Authorized Participant, in such event, the Trust and any Authorized Participant will generally have no right in or to assets other than those of the Depository.

In the case of the insolvency of the Depository or JPMorgan Chase Bank, N.A., the U.S. bank of which the Depository is a branch, a liquidator may seek to freeze access to the Swedish Kronor held in all accounts by the Depository, including the Deposit Accounts. The Trust and the Authorized Participants could incur expenses and delays in connection with asserting their claims. These problems would be exacerbated by the reality that the Deposit Accounts will not be held in the U.S. but instead will be held at the London branch of a U.S. national bank, where it will be subject to English insolvency law. Further, under U.S. law, in the case of the insolvency of JPMorgan Chase Bank, N.A., the claims of creditors in respect of accounts (such as the Trust's Deposit Accounts) that are maintained with an overseas branch of JPMorgan Chase Bank, N.A. will be subordinate to claims of creditors in respect of accounts maintained with JPMorgan Chase Bank, N.A. in the U.S., greatly increasing the risk that the Trust and the Trust's beneficiaries would suffer a loss.

**The Shares are a new securities product. Their value could decrease if unanticipated operational or trading problems were to arise.**

The mechanisms and procedures governing the creation, redemption and offering of the Shares have been developed specifically for this offering. Unanticipated issues might arise with respect to the mechanics of Trust operations and the trading of the Shares. These issues could have a material, adverse effect on the value of an investment in the Shares. In addition, to the extent that unanticipated operational or trading problems or issues arise, the Sponsor's past experience and qualifications might not be suitable for solving the problems.

**Shareholders will not have the protections associated with ownership of shares in an investment company registered under the Investment Company Act of 1940.**

The Investment Company Act is designed to protect investors by preventing: insiders from managing investment companies to their benefit and to the detriment of public investors; the issuance of securities having inequitable or discriminatory provisions; the management of investment companies by irresponsible persons; the use of unsound or misleading methods of computing earnings and asset value; changes in the character of investment companies without the consent of investors; and investment companies from engaging in excessive leveraging. To accomplish these ends, the Investment Company Act requires the safekeeping and proper valuation of fund assets, restricts greatly transactions with affiliates, limits leveraging, and imposes governance requirements as a check on fund management. The Investment Company Act applies to a range of investment company structures, but, in practice, primarily regulates a company holding a portfolio of investment securities such as publicly traded stocks, bonds and money market instruments: selected by an affiliated investment adviser pursuant to the company's stated investment objectives, policies, restrictions, strategies and techniques where the investment adviser manages the portfolio and otherwise operates

the company on a day-to-day basis for a management fee and other charges and expenses and, in doing so, has conflicts of interest with the company; valued, priced for sale and redemption, physically held and traded in securities markets pursuant to computational, custody and brokerage and other transactional requirements peculiar to such a portfolio of investment securities; and overseen by the company's board of directors that is elected, constituted and governed pursuant to specified standards developed in the context of such a portfolio of investment securities.

The Trust is not registered as an investment company under the Investment Company Act and is not required to register under that Act. Consequently, Shareholders will not have the regulatory protections afforded to investors in registered investment companies.

**Shareholders will not have the rights enjoyed by investors in certain other financial instruments.**

As interests in a grantor trust, the Shares will have none of the statutory rights normally associated with the ownership of shares of a business corporation, including, for example, the right to bring “oppression” or “derivative” actions. Apart from the rights afforded to them by federal and state securities laws, Shareholders have only those rights relative to the Trust, the Trust property and the Shares that are set forth in the Depositary Trust Agreement. In this connection, the Shareholders have limited voting and distribution rights. They do not have the right to elect directors. See “Description of the Shares” for a description of the limited rights of the Shareholders.

**The Shares may trade at a price which is at, above, or below the NAV per Share.**

The NAV per Share fluctuates with changes in the market value of the Trust's assets. The market price of Shares can be expected to fluctuate in accordance with changes in the NAV per Share, but also in response to market supply and demand. As a result, the Shares might trade at prices at, above or below the NAV per Share.

**The interest rate earned by the Trust, although competitive, may not be the best rate available. If the Sponsor determines that the interest rate is inadequate, then its sole recourse will be to remove the Depositary and terminate the Deposit Accounts.**

The Depositary is committed to endeavor to pay a competitive interest rate on the balance of Swedish Kronor in the primary deposit account of the Trust. Interest on the primary deposit account accrues daily and is paid monthly. The initial annual nominal interest rate as set forth in the Deposit Account Agreement is 1.58%. The Depositary may change this rate in the future based upon changes in the BBA rate, other market conditions or the Depositary's liquidity needs. Although the Depositary must consider the BBA rate in setting the interest rate, the rate paid to the Trust may be lower than the BBA rate. The Sponsor will disclose the interest rate on the Trust's website. If the Sponsor believes that the interest rate paid by the Depositary is not adequate, the Sponsor's sole recourse will be to remove the Depositary and terminate the Deposit Accounts. The Depositary will not be paid a fee for its services to the Trust; rather, it will generate income or loss based on its ability to earn a “spread” or “margin” over the interest it pays to the Trust by using the Trust's Swedish Kronor to make loans or in other banking operations. For these reasons, you should not expect that the Trust will be paid the best available interest rate at any time or over time.

**The possible withdrawal of deposited Swedish Kronor by the Trust to pay expenses, if required, will reduce the amount of Swedish Kronor represented by each Share on an ongoing basis regardless of whether the price of a Share rises or falls in response to changes in the price of the Swedish Krona.**

Each outstanding Share represents a fractional undivided interest in the Swedish Kronor owned by the Trust. The Trust expenses are described in “Investment Attributes of the Trust — Trust Expenses” and “Description of the Depositary Trust Agreement — Expenses of the Trust.” Because the Swedish Kronor owned by the Trust will primarily be held in an interest-bearing demand deposit account of the Depositary, the Sponsor does not expect the Trust will need to withdraw Swedish Kronor to pay its expenses (other than the Swedish Kronor paid as interest on the primary deposit account). If

expenses incurred by the Trust exceed the interest earned, however, then the Trust will be required to withdraw deposited Swedish Kronor and the amount of Swedish Kronor represented by a Share will decline at such time. This is true even if additional Shares are issued in exchange for additional deposits of Swedish Kronor into the Trust, as the amount of Swedish Kronor required to create Shares will proportionately reflect the amount of Swedish Kronor represented by the Shares outstanding at the time of creation. Accordingly, it is possible that the value of a Share will decline below the Swedish Krona value represented by the Share when purchased by an investor.

**The conversion of the Trust's deposited Swedish Kronor, if necessary, to pay expenses at a time when the price of the Swedish Krona is relatively low could adversely affect the value of the Shares.**

The Trust may incur expenses in USD. If this occurs the Trustee will direct that Swedish Kronor held by the Trust be converted to USD so that the Trustee can pay Trust expenses as needed, irrespective of the price of the Swedish Krona then prevailing. The Trust is not actively managed. No attempt will be made to buy or sell Swedish Kronor to protect against, or to take advantage of, fluctuations in the price of the Swedish Krona. Therefore, the Trust's Swedish Kronor might be sold at a time when the price of the Swedish Krona is relatively low, resulting in an adverse effect on the value of the Shares.

**The Depository owes no fiduciary duties to the Trust or the Shareholders, is not required to act in their best interest and could resign or be removed by the Sponsor, which would trigger early termination of the Trust.**

The Depository is not a trustee for the Trust or the Shareholders. As stated above, the Depository is not obligated to maximize the interest rate paid to the Trust. In addition, the Depository has no duty to continue to act as the depository of the Trust. The Depository could terminate its role as depository for any reason whatsoever upon 90 days' notice to the Trust. Such a termination might result, for example, if the Sponsor determines that the interest rate paid by the Depository is inadequate. In the event that the Depository were to resign or be removed, the Trust will be terminated.

**Shareholders may incur significant fees upon the termination of the Trust.**

The occurrence of any one of several events would either require the Trust to terminate or permit the Sponsor to terminate the Trust. For example, if the Depository were to resign or be removed, then the Sponsor would be required to terminate the Trust. Shareholders tendering their Shares within 90 days of the Trust's termination will receive the amount of Swedish Kronor represented by their Shares. Shareholders may incur significant fees if they choose to convert the Swedish Kronor they receive to U.S. Dollars. See "Description of the Depository Trust Agreement — Termination of the Trust" for more information about the termination of the Trust, including when the termination of the Trust may be triggered by events outside the direct control of the Sponsor, the Trustee or the Shareholders.

**If Sweden adopts the euro as its currency, Shareholders may be unable to sell their Shares and may lose money on their investment. Furthermore, if Sweden adopts the euro as its currency, then the Trust will terminate upon the Council of the European Union adopting an irrevocable conversion rate of Swedish Kronor to euro. If this occurs, Shareholders may lose money on their investment.**

As a member of the European Union, Sweden has the option to adopt the euro as its currency in lieu of the Swedish Krona. If Sweden adopts the euro as its currency by official act, the value of the Swedish Krona could depreciate, depending on, among other things, the relative value of the Swedish Krona and the euro, the conversion ratio of Swedish Kronor per euro and the timing of the adoption of the euro. If the Swedish Krona loses value, the value of the Shares would also depreciate and Shareholders may not be able to sell their Shares. Furthermore, if Sweden adopts the euro as its currency, then the Trust will terminate upon the Council of the European Union adopting an irrevocable conversion rate of Swedish Kronor to euro. If the Trust terminates, it may liquidate at a time disadvantageous to Shareholders, such as when the price of the Swedish Krona has declined below the price prevailing when Shareholders purchased their Shares.

**Redemption orders are subject to rejection by the Trustee under certain circumstances.**

The Trustee will reject a redemption order if the order is not in proper form as described in the Participant Agreement or if the fulfillment of the order, in the opinion of its counsel, might be unlawful. Any such rejection could adversely affect a redeeming Shareholder. For example, the resulting delay would adversely affect the value of the Shareholder's redemption distribution if the NAV were to decline during the delay. See "Creation and Redemption of Shares — Redemption Procedures — Suspension or rejection of redemption orders." In the Depositary Trust Agreement, the Sponsor and the Trustee disclaim any liability for any loss or damage that may result from any such rejection.

**Substantial sales of Swedish Kronor by the official sector could adversely affect an investment in the Shares.**

The official sector consists of central banks, other governmental agencies and multi-lateral institutions that buy, sell and hold the Swedish Krona as part of their reserve assets. The official sector holds a significant amount of Swedish Kronor that can be mobilized in the open market. In the event that future economic, political or social conditions or pressures require members of the official sector to sell their Swedish Kronor simultaneously or in an uncoordinated manner, the demand for the Swedish Krona might not be sufficient to accommodate the sudden increase in the supply of Swedish Krona to the market. Consequently, the price of the Swedish Krona could decline, which would adversely affect an investment in the Shares.

**Shareholders that are not Authorized Participants may only purchase or sell their Shares in secondary trading markets.**

Only Authorized Participants may create or redeem Baskets of Shares through the Trust. All other investors that desire to purchase or sell Shares must do so through the NYSE or in other markets, if any, in which the Shares may be traded.

**The liability of the Sponsor and the Trustee under the Depositary Trust Agreement is limited; and, except as set forth in the Depositary Trust Agreement, they are not obligated to prosecute any action, suit or other proceeding in respect of any Trust property.**

The Trust Agreement provides that neither the Sponsor nor the Trustee assumes any obligation or is subject to any liability under the Trust Agreement to any Shareholder, except that they each agree to perform their respective obligations specifically set forth in the Depositary Trust Agreement without negligence or bad faith. Additionally, neither the Sponsor nor the Trustee is obligated to, although each may in its respective discretion, prosecute any action, suit or other proceeding in respect of any Trust property. The Depositary Trust Agreement does not confer upon Shareholders the right to prosecute any such action, suit or other proceeding.

**The Depositary Trust Agreement may be amended to the detriment of Shareholders without their consent.**

The Sponsor and the Trustee may amend most provisions (other than those addressing core economic rights) of the Depositary Trust Agreement without the consent of any Shareholder. Such an amendment could impose or increase fees or charges borne by the Shareholders. Any amendment that increases fees or charges (other than taxes and other governmental charges, registration fees or other expenses), or that otherwise prejudices any substantial existing rights of Shareholders, will not become effective until 30 days after notice is given to Shareholders.

**The License Agreement with The Bank of New York may be terminated by The Bank of New York in the event of a material breach. Termination of the License Agreement might lead to early termination and liquidation of the Trust.**

BNY and an affiliate of the Sponsor have entered into a License Agreement granting the Sponsor's affiliate a license to certain patent applications made by BNY covering systems and methods for

securitizing a commodity. The Sponsor's affiliate has sublicensed the license to the Sponsor. The license is limited to a non-exclusive grant for the life of BNY's patents and patent applications. The License Agreement provides that each of the parties may provide notice of intent to terminate the License Agreement in the event the other party commits a material breach. If the License Agreement is terminated and one or more of BNY's patent applications issue as patents, then BNY may claim that the operation of the Trust violates its patent or patents and seek an injunction forcing the Trust to cease operation and the Shares to cease trading. In that case, the Trust might be forced to terminate and liquidate, which would adversely affect Shareholders.

## Glossary of Terms

In this prospectus, each of the following terms has the meaning assigned to it here:

“Authorized Participant” — A DTC Participant that is a registered broker-dealer or other securities market participant such as a bank or other financial institution that is not required to register as a broker-dealer to engage in securities transactions and that has entered into a Participant Agreement with the Sponsor and the Trustee. Only Authorized Participants may place orders to create or redeem Baskets.

“Basket Swedish Krona Amount” — The deposit required to create one or more Baskets pursuant to a purchase order. This deposit will be an amount of Swedish Kronor bearing the same proportion to the number of Baskets to be created as the total assets of the Trust (net of estimated accrued but unpaid expenses) bears to the number of Baskets outstanding on the date that the order to purchase is accepted by the Trustee.

“BBA rate” — The British Bankers Association LIBOR Overnight rate for the Swedish Krona, a benchmark or reference rate for short term interest rates worldwide. It is calculated daily by the British Bankers Association; more information can be obtained at [www.bba.org.uk](http://www.bba.org.uk), including historical BBA rates and descriptions of the calculation methodology and conventions. The daily BBA rate can be obtained through a subscription provided by the British Bankers Association.

“BNY” — The Bank of New York, a banking corporation organized under the laws of the State of New York with trust powers. BNY is the trustee of the Trust.

“Deposit Accounts” — The primary (interest-bearing) and secondary (non-interest bearing) Swedish Krona-denominated, demand accounts of the Trust established with the Depository by the Deposit Account Agreement. The Deposit Accounts hold the Swedish Kronor deposited with the Trust.

“Deposit Account Agreement” — The agreements, including the Account Application and the JPMorgan Chase Bank, N.A. Global Account Terms, between the Trustee and the Depository establishing the Deposit Accounts with the Depository.

“Depository Trust Agreement” — The agreement between the Trustee and the Sponsor establishing and governing the operations of the Trust.

“DTC” — The Depository Trust Company. DTC is a limited purpose trust company organized under the laws of the State of New York, a member of the U.S. Federal Reserve System and a clearing agency registered with the SEC. DTC acts as the securities depository for the Shares.

“DTC Participant” — Participants in DTC, such as banks, brokers, dealers and trust companies.

“Foreign exchange” — Non-U.S. currency.

“Indirect Participants” — Those banks, brokers, dealers, trust companies and others that maintain, either directly or indirectly, a custodial relationship with a DTC Participant.

“Internal Revenue Code” — The Internal Revenue Code of 1986, as amended.

“NAV” — Net asset value. The Trustee will calculate, and the Sponsor will publish, the Trust’s NAV each business day as soon as practicable after the Federal Reserve Bank of New York announces the Noon Buying Rate. To calculate the NAV, the Trustee will add to the amount of Swedish Kronor in the Trust at the end of the preceding day accrued but unpaid interest, Swedish Kronor receivable under pending purchase orders and the value of other Trust assets, and will subtract the accrued but unpaid Sponsor’s fee, Swedish Kronor payable under pending redemption orders and other Trust expenses and liabilities, if any.

“Noon Buying Rate” — The Swedish Krona/USD exchange rate as determined by the Federal Reserve Bank of New York as of 12:00 PM (New York time). If, on a particular evaluation day, the Federal Reserve Bank of New York does not announce a Noon Buying Rate by 2:00 PM (New York time), then the most recent Federal Reserve Bank of New York determination of the Noon Buying Rate will be deemed the “Noon Buying Rate” and be used to determine the NAV of the Trust unless

the Trustee, in consultation with the Sponsor, determines that such price is inappropriate to use as the basis for such valuation. In the event that the Trustee and the Sponsor determine that the most recent Federal Reserve Bank of New York determination of the Noon Buying Rate is not an appropriate basis for valuation of the Trust's Swedish Krona, they shall determine an alternative basis for such evaluation to be employed by the Trustee, which will be deemed the "Noon Buying Rate" and will be disclosed on the Trust's website. Under some circumstances, mathematical calculations may require a USD/Swedish Krona exchange rate and such rate will be equal to dividing one (1) by the "Noon Buying Rate".

"OTC" — The global over-the-counter market for transactions in foreign exchange, including spot and forward transactions, swaps and transactions in options and other instruments that derive their value from foreign exchange.

"Participant Agreement" — An agreement entered into by each Authorized Participant with the Sponsor and the Trustee that states the procedures for the creation and redemption of Baskets and for the delivery of Swedish Krona required for creation and redemption.

"Shareholder" — Any owner of a Share (whether such owner owns through DTC, a DTC Participant or an Indirect Participant).

"Swedish Krona" — The official currency of Sweden or one unit of Swedish currency, depending on the context. "Swedish Kronor," the plural of Swedish Krona, means more than one unit of Swedish currency. The Swedish Krona is abbreviated SEK.

"SWIFT" — Society for Worldwide Interbank Financial Telecommunication.

"USD" or "\$" — United States dollar or dollars.

## **Statement Regarding Forward-Looking Statements**

This prospectus includes “forward-looking statements” which generally relate to future events or future performance. In some cases, you can identify forward-looking statements by terminology such as “may,” “will,” “should,” “expect,” “plan,” “anticipate,” “believe,” “estimate,” “predict,” “potential” or the negative of these terms or other comparable terminology. All statements (other than statements of historical fact) included in this prospectus that address activities, events or developments that will or may occur in the future, including such matters as changes in currency prices and market conditions (for the Swedish Krona and the Shares), the Trust’s operations, the Sponsor’s plans and references to the Trust’s future success and other similar matters are forward-looking statements. These statements are only predictions. Actual events or results may differ materially. These statements are based upon certain assumptions and analyses the Sponsor made, based on its perceptions of historical trends, current conditions and expected future developments, as well as other factors appropriate in the circumstances. Whether or not actual results and developments will conform to the Sponsor’s expectations and predictions, however, is subject to a number of risks and uncertainties, including the special considerations discussed in this prospectus, general economic, market and business conditions, changes in laws and regulations, including those concerning taxes, made by governmental authorities and regulatory bodies and other world economic and political developments. See “Risk Factors.” Consequently, all forward-looking statements made in this prospectus are qualified by these cautionary statements, and there can be no assurance that the actual results or developments that the Sponsor anticipates will be realized or, even if substantially realized, that they will result in the expected consequences to, or have the expected effects on, the Trust’s operations or the value of the Shares. Moreover, neither the Sponsor nor any other person assumes responsibility for the accuracy or completeness of the forward-looking statements. Neither the Trust nor the Sponsor is under a duty to update any of the forward-looking statements to conform such statements to actual results or to reflect a change in the Sponsor’s expectations or predictions.

## **Use of Proceeds**

The proceeds received by the Trust from the issuance and sale of Baskets are Swedish Kronor. Such proceeds will be deposited into the Deposit Accounts. In accordance with the Depositary Trust Agreement, during the life of the Trust these proceeds will only be (1) owned by the Trust and held by the Depository, (2) disbursed or sold as needed to pay the Trust's expenses, and (3) distributed to Authorized Participants upon the redemption of Baskets.

## Overview of the Foreign Exchange Industry

The foreign exchange market is the largest and most liquid financial market in the world. As of April 2004, the foreign exchange market experienced an estimated average daily turnover of approximately \$1.88 trillion, which was a 57% increase (at current exchange rates) from the 2001 estimated average daily turnover. The foreign exchange market is predominantly an over-the-counter market, with no fixed location; it operates 24 hours a day, seven days a week. London, New York City and Tokyo are the principal geographic centers of the world-wide foreign exchange market, with approximately 58% of all foreign exchange business executed in the U.K., U.S. and Japan. Other, smaller markets include Singapore, Zurich and Frankfurt.

There are three major kinds of transactions in the traditional foreign exchange markets: spot transactions, outright forwards and foreign exchange swaps. "Spot" trades are foreign exchange transactions that settle typically within two business days with the counterparty to the trade. Spot transactions account for approximately 35% of reported daily volume in the traditional foreign exchange markets. "Forward" trades, which are transactions that settle on a date beyond spot, account for 12% of the reported daily volume, and "swap" transactions, in which two parties exchange two currencies on one or more specified dates over an agreed period and exchange them again when the period ends, account for the remaining 53% of volume. There also are transactions in currency options, which trade both over-the-counter and, in the U.S., on the Philadelphia Stock Exchange. Currency futures are transactions in which an institution buys or sells a standardized amount of foreign currency on an organized exchange for delivery on one of several specified dates. Currency futures are traded in a number of regulated markets, including the International Monetary Market division of the Chicago Mercantile Exchange, the Singapore Exchange Derivatives Trading Limited (formerly the Singapore International Monetary Exchange, or SIMEX) and the London International Financial Futures Exchange (LIFFE). Over 85% of currency derivative products (swaps, options and futures) are traded OTC.

Participants in the foreign exchange market have various reasons for participating. Multinational corporations and importers need foreign currency to acquire materials or goods from abroad. Banks and multinational corporations sometimes require specific wholesale funding for their commercial loan or other foreign investment portfolios. Some participants hedge open currency exposure through off-balance-sheet products.

The primary market participants in foreign exchange are banks (including government-controlled central banks), investment banks, money managers, multinational corporations and institutional investors. The most significant participants are the major international commercial banks that act both as brokers and as dealers. In their dealer role, these banks maintain long or short positions in a currency and seek to profit from changes in exchange rates. In their broker role, the banks handle buy and sell orders from commercial customers, such as multinational corporations. The banks earn commissions when acting as agent. They profit from the spread between the rates at which they buy and sell currency for customers when they act as principal.

Typically, banks engage in transactions ranging from \$5 million to \$50 million in amount. Although banks will engage in smaller transactions, the fees that they charge have made the foreign currency markets relatively inaccessible to individual investors. Some banks allow individual investors to engage in spot trades without paying traditional commissions on the trades. Such trading is often not profitable for individual investors, however, because the banks charge the investor the spread between the bid and the ask price maintained by the bank on all purchases and sales. The overall effect of this fee structure depends on the spread maintained by the bank and the frequency with which the investor trades. Generally this fee structure is particularly disadvantageous to active traders.

The Sponsor believes that the Trust is the first exchange-traded product whose assets are limited to the Swedish Krona and among the first exchange-traded products limited solely to a particular foreign currency. The first exchange-traded product limited solely to a particular foreign currency is the CurrencyShares<sup>SM</sup> Euro Currency Trust (NYSE: FXE), also sponsored by Rydex Investments.

The Trust will not hold or trade in any currency swaps, options, futures or other currency derivative products, or engage in any foreign exchange market transactions. The sole assets of the Trust are the

Swedish Kronor deposited into the Deposit Accounts upon the creation of Baskets and the Swedish Kronor earned as interest on the primary deposit account. The investment objective of the Trust is for the Shares to reflect the price in USD of the Swedish Krona. The Sponsor believes that, for many investors, the Shares represent a cost-effective investment relative to traditional means of investing in the foreign exchange market. Because the Shares will be traded on the NYSE, investors will be able to access the market for the Swedish Krona through a traditional brokerage account which will provide investors with an efficient means of implementing investment tactics and strategies that involve the Swedish Krona.

Much of the foregoing information is taken from the “Triennial Central Bank Survey” published by the Bank for International Settlements in March 2005 (the “BIS Survey”), A Foreign Exchange Primer by Shani Shamah (John Wiley & Sons Ltd., 2003) and Trading in the Global Currency Markets by Cornelius Luca (New York Institute of Finance, 2d ed., 2000).

## **The Swedish Krona**

According to the State Department, the Swedish economy has improved significantly since a severe recession in the early 1990s. Growth has been strong in recent years. Since the mid-1990s the export sector has been very strong, fueling economic growth.

The Swedish Krona is the national currency of Sweden and the currency of the accounts of the Swedish central bank, the Riksbank. The official currency code for the Swedish Krona is “SEK.” The Swedish Krona is referred to as the “Krona” and the plural is “Kronor.” One hundred “öre” comprise one Swedish Krona. Prices denominated in Kronor are typically followed by “SEK.”

According to the BIS Survey, average daily turnover of the USD in the foreign exchange market is approximately \$1.57 trillion, which makes it the most-traded currency in the world, accounting for approximately 89% of global foreign exchange transactions. Average daily turnover of the Swedish Krona in the foreign exchange market is approximately \$40.6 billion, which makes it the eighth-most-traded currency in the world, accounting for approximately 2.3% of global foreign exchange transactions.

The Riksbank is the world’s oldest central bank and was founded in 1668. The Riksbank also was the first bank to issue banknotes in the world. The Riksbank operated under its original 1668 mandate until 1897, when the Sveriges Riksbank Act was adopted, substantially revising the Riksbank’s authority and governance. The Riksbank Act also granted the Riksbank a monopoly on issuing banknotes, which became effective in 1904. At various times throughout the 1900s, the Riksbank used a stated quantity of gold as a basis for valuation of the Swedish Krona; at other times, the Swedish Krona was pegged to foreign currencies, including the USD and the British Pound. In 1992, Sweden allowed the Swedish Krona to float, with the result that its value now depends almost entirely on market forces. In 1999, the Swedish government granted the Riksbank independence from other facets of the Swedish government. The foregoing information is compiled from the Riksbank’s website and the BIS Survey.

Although Sweden is a member of the European Union and has the option of adopting the euro as its currency, like the United Kingdom, it has chosen to maintain its own national currency. See “Risk Factor — If Sweden adopts the euro as its currency . . .”

Within the past five years, the Noon Buying Rate for the Swedish Krona as reported by the Federal Reserve Bank of New York reached a record low of \$6.5939 Swedish Kronor per USD and a record high of \$11.0270 Swedish Kronor per USD. As of June 8, 2006, the Noon Buying Rate for the Swedish Krona was \$7.3060.

## Investment Attributes of the Trust

The investment objective of the Trust is for the Shares to reflect the price in USD of the Swedish Krona. The Sponsor believes that, for many investors, the Shares represent a cost-effective investment relative to traditional means of investing in the foreign exchange market. As the value of the Shares is tied to the value of the Swedish Kronor held by the Trust, it is important in understanding the investment attributes of the Shares to first understand the investment attributes of the Swedish Krona.

### REASONS FOR INVESTING IN THE SWEDISH KRONA

All forms of investment carry some degree of risk. Although the Shares have certain unique risks described in “Risk Factors,” generally these are the same risks as investing directly in the Swedish Krona. Moreover, investment in the Shares may help to balance a portfolio or protect against currency swings, thereby reducing overall risk.

Investors may wish to invest in the Swedish Krona in order to take advantage of short-term tactical or long-term strategic opportunities. From a tactical perspective, an investor that believes that the U.S. dollar is weakening relative to the Swedish Krona may choose to buy Shares in order to capitalize on the potential movement. An investor that believes that the Swedish Krona is overvalued relative to the U.S. dollar may choose to sell Shares. Sales may also include short sales that are permitted under SEC and exchange regulations.

From a strategic standpoint, since currency movements can affect returns on cross-border investments and businesses, both individual investors and businesses may choose to hedge their currency risk through the purchase or sale of Swedish Kronor. For example, in the case where a U.S. investor has a portfolio consisting of Swedish equity and fixed income securities, the investor may decide to hedge the currency exposure that exists within the Swedish portfolio by selling an appropriate amount of Shares. Again, such sales may include short sales in accordance with applicable SEC regulations. In doing this, the U.S. investor may be able to mitigate the impact that changes in exchange rates have on the returns associated with Swedish equity and fixed income components of the portfolio.

Similarly, a business that has currency exposure because it manufactures or sells its products abroad is exposed to exchange rate risk. Buying or selling Shares in appropriate amounts can reduce the business’s exchange rate risk.

More generally, investors that wish to diversify their investment portfolios with a wider range of non-correlative investments may desire to invest in foreign currencies. Non-correlative asset classes, such as foreign currencies, are often used to enhance investment portfolios by making them more consistent and less volatile. Less volatility means lower risk and closer proximity to an expected return.

### COST-EFFICIENT PARTICIPATION IN THE MARKET FOR THE SWEDISH KRONA

The Shares are intended to offer investors a new and different opportunity to participate in the market for the Swedish Krona through an investment in securities. Historically, the logistics and expense of investing in foreign exchange have been a barrier to entry for many investors. This offering is aimed at overcoming the barriers to entry. A prospective purchaser of Shares should not encounter any tasks or costs beyond those associated with purchasing another publicly-traded equity security. The Shares are intended to provide institutional and retail investors with a simple, cost-effective means of gaining investment benefits similar to those of holding Swedish Kronor. The Shares are an investment that is:

*Easily Accessible.* Investors will be able to access the market for the Swedish Krona through a traditional brokerage account. The Shares will be bought and sold on the NYSE like any other exchange-listed security, except that they will regularly be traded until 4:15 PM (New York time) instead of 4:00 PM (New York time).

*Cost-Effective.* Investors and businesses wishing to buy or sell currencies in modest size have had to pay as much as a 3% commission to effectuate their transactions. Because Shares will be traded as securities, transaction costs will be substantially reduced.

*Exchange-Traded.* Because they will be traded on the NYSE, the Shares will provide investors with an efficient means of implementing investment tactics and strategies that involve the Swedish Krona. NYSE-listed securities are eligible for margin accounts. Accordingly, investors will be able to purchase and hold Shares with borrowed money to the extent permitted by law.

*Transparent.* The Shares will be backed by the assets of the Trust, which will not hold or use derivative products. The value of the holdings of the Trust will be reported on the Trust's website, [www.currencyshares.com](http://www.currencyshares.com), every business day.

## **INTEREST ON DEPOSITED SWEDISH KRONOR**

JPMorgan Chase Bank, N.A., London Branch will maintain two deposit accounts for the Trust, a primary deposit account which will earn interest and a secondary deposit account which will not earn interest. Interest on the primary deposit account accrues daily and is paid monthly. The initial annual nominal interest rate as set forth in the Deposit Account Agreement is 1.58%. The Depository may change this rate in the future based upon changes in the BBA rate, other market conditions, or the Depository's liquidity needs. Although the Depository may consider the BBA rate in setting the interest rate, the rate paid to the Trust may be lower than the BBA rate. The Sponsor will disclose the interest rate on the Trust's website. If the Sponsor believes that the interest rate paid by the Depository is not competitive, the Sponsor's recourse will be to remove the Depository by terminating the Deposit Account Agreement and closing the accounts. The secondary deposit account will only be used in connection with mid-month creations and redemptions of Baskets, to account for interest that has been earned on the primary deposit account during the month but not yet paid, and to receive interest earned on the primary deposit account, pay Trust expenses and distribute any excess interest to Shareholders on a monthly basis. See "Description of the Deposit Account Agreement."

Each month the Depository will deposit into the secondary deposit account accrued but unpaid interest and the Trustee will withdraw Swedish Kronor from the secondary deposit account to pay the accrued Sponsor's fee for the previous month plus other Trust expenses, if any. In the event that the interest deposited exceeds the sum of the Sponsor's fee for the prior month plus other Trust expenses, if any, then the Trustee will direct that the excess be converted into USD at a prevailing market rate and the Trustee will distribute the USD as promptly as practicable to Shareholders on a pro rata basis (in accordance with the number of Shares that they own).

## **TRUST EXPENSES**

The Trust's only ordinary recurring expense is expected to be the Sponsor's fee. The Sponsor has agreed to assume and pay the following administrative and marketing expenses of the Trust: the Trustee's monthly fee, typical maintenance and transaction fees of the Depository, NYSE listing fees, printing and mailing costs, audit fees and expenses, up to \$100,000 per annum in legal fees and expenses, and applicable license fees. The Sponsor will also pay the costs of the Trust's organization and the costs of the initial sale of the Shares, including the applicable SEC registration fees. The Sponsor's fee accrues daily at an annual nominal rate of 0.40% of the Swedish Kronor in the Trust. Each month, the Trust will first withdraw Swedish Kronor the Trust has earned as interest to pay the Sponsor's fee and any other Trust expenses that have been incurred. If that interest is not sufficient to fully pay the Sponsor's fee and other Trust expenses, then the Trustee will withdraw Swedish Kronor as needed from the primary deposit account to pay these expenses. Shareholders do not have the option of choosing to pay their proportionate share of the excess expenses in lieu of having their share of expenses paid by withdrawing Swedish Kronor from the primary deposit account. If the Trust incurs expenses in USD, Swedish Kronor will be converted to USD at the prevailing market rate at the time of conversion to pay these expenses. The payment of expenses in Swedish Kronor and the conversion of Swedish Kronor to USD, if required to pay expenses of the Trust, are taxable events to Shareholders. See "United States Federal Tax Consequences — Taxation of U.S. Shareholders."

In certain exceptional cases the Trust will pay for some expenses in addition to the Sponsor's fee. These exceptions include expenses not assumed by the Sponsor (described in the immediately preceding paragraph), taxes and governmental charges, expenses and costs of any extraordinary

services performed by the Trustee or the Sponsor on behalf of the Trust or action taken by the Trustee or the Sponsor to protect the Trust or the interests of Shareholders, indemnification of the Sponsor under the Depositary Trust Agreement, and legal expenses in excess of \$100,000 per year.

In the event that none of the expenses in the immediately preceding paragraph are charged to the Trust, an investment of \$10,000 in Shares will incur an annual fee of approximately \$40 or approximately \$200 over five years. Additionally, investors should expect to pay customary brokerage fees and expenses for each purchase or sale of Shares. An Authorized Participant will pay a \$500 transaction fee to the Trustee, which will not be contributed to the Trust, for each creation or redemption order.

## Description of the Trust

The Trust was formed under the laws of the State of New York on June 8, 2006 when the Sponsor and the Trustee signed the Depositary Trust Agreement and the Sponsor deposited 1,000 Swedish Kronor in the primary deposit account. The Trust holds Swedish Krona and is expected from time to time to issue Baskets in exchange for deposits of Swedish Kronor and to distribute Swedish Kronor in connection with redemptions of Baskets. The investment objective of the Trust is for the Shares to reflect the price in USD of the Swedish Krona. The material terms of the Depositary Trust Agreement are discussed under “Description of the Depositary Trust Agreement.” The Shares represent units of fractional undivided beneficial interest in, and ownership of, the Trust. The Trust is not managed like a business corporation or an active investment vehicle. The Swedish Kronor held by the Trust will only be sold (1) if needed to pay Trust expenses, (2) in the event the Trust terminates and liquidates its assets or (3) as otherwise required by law or regulation. The payment of expenses in Swedish Kronor and the conversion of Swedish Kronor to USD, if necessary to pay expenses of the Trust, are taxable events to Shareholders. See “United States Federal Tax Consequences — Taxation of U.S. Shareholders.”

The Trust is not registered as an investment company under the Investment Company Act and is not required to register under such Act.

The Trust creates and redeems Shares from time to time, but only in whole Baskets. A Basket is a block of 50,000 Shares. The number of Shares outstanding is expected to increase and decrease from time to time as a result of the creation and redemption of Baskets. Authorized Participants pay for Baskets with Swedish Kronor. Shareholders pay for Shares with U.S. dollars.

The creation and redemption of Baskets requires the delivery to the Trust or the distribution by the Trust of the amount of Swedish Kronor represented by the Baskets being created or redeemed. This amount is based on the combined NAV per Share of the number of Shares included in the Baskets being created or redeemed. Baskets may be created or redeemed only by Authorized Participants, which pay a transaction fee of \$500 to the Trustee for each order to create or redeem Baskets. Authorized Participants may sell to other investors all or part of the Shares included in the Baskets that they purchase from the Trust. See “Plan of Distribution.”

The Trustee will calculate, and the Sponsor will publish, the Trust’s NAV each business day. To calculate the NAV, the Trustee will add to the amount of Swedish Kronor in the Trust at the end of the preceding day accrued but unpaid interest, Swedish Kronor receivable under pending purchase orders and the value of other Trust assets, and will subtract the accrued but unpaid Sponsor’s fee, Swedish Kronor payable under pending redemption orders and other Trust expenses and liabilities, if any. The NAV will be expressed in USD based on the Noon Buying Rate. The Trustee also determines the NAV per Share, which equals the NAV of the Trust divided by the number of outstanding Shares. See “Description of the Depositary Trust Agreement — Valuation of Swedish Kronor, Definition of Net Asset Value” for a more detailed description of how the NAV of the Trust and the NAV per Share are calculated.

The Trust’s assets will consist only of Swedish Kronor on demand deposit in two Swedish Krona-denominated accounts at JPMorgan Chase Bank, N.A., London Branch, an interest-bearing primary deposit account and a non-interest bearing secondary account. The Trust will not hold any derivative products. Each Share represents a proportional interest, based on the total number of Shares outstanding, in the Swedish Kronor owned by the Trust, plus accrued and unpaid interest less accrued but unpaid expenses (both asset-based and non-asset based) of the Trust. The Sponsor expects that the price of a Share will fluctuate in response to fluctuations in the price of the Swedish Krona and that the price of a Share will reflect accumulated interest as well as the estimated accrued but unpaid expenses of the Trust.

Investors may obtain, 24 hours a day, foreign exchange pricing information based on the spot price of the Swedish Krona from various financial information service providers. Current spot prices are also generally available with bid/ask spreads from foreign exchange dealers. In addition, the Trust’s website, [www.currencyshares.com](http://www.currencyshares.com), will provide ongoing pricing information for Swedish Krona spot

prices and the Shares. Market prices for the Shares are available from a variety of sources, including brokerage firms, information websites and other information service providers. One such website is hosted by Bloomberg, [http://www.bloomberg.com/markets/currencies/euraftr\\_currencies.html](http://www.bloomberg.com/markets/currencies/euraftr_currencies.html), and it regularly reports current foreign exchange pricing information. The NAV of the Trust is published by the Sponsor on each day that the NYSE is open for regular trading and is posted on the Trust's website.

The Trust will terminate upon the occurrence of any of the termination events listed in the Depositary Trust Agreement and will otherwise terminate on June 8, 2046. See "Description of the Depositary Trust Agreement — Termination of the Trust."

## **The Sponsor**

The Sponsor of the Trust is Rydex Specialized Products LLC, a Delaware limited liability company. The sole member of Rydex Specialized Products LLC is PADCO Advisors II, Inc., a Maryland corporation that is a privately-held company owned and controlled by two irrevocable trusts. The Sponsor and its affiliates collectively do business as "Rydex Investments." The principal offices of the Sponsor and the Trust are the offices of Rydex Investments at 9601 Blackwell Road, Suite 500, Rockville, Maryland 20850, and the Sponsor does not own or lease any other property.

Rydex Specialized Products LLC sponsors the first exchange-traded product limited solely to a particular foreign currency, the Euro Currency Trust (NYSE: FXE).

Currently, Rydex Investments manages more than 60 open-end mutual funds and eight exchange-traded funds with a combined net asset value of \$14.1 billion at May 31, 2006. Since May of 2005, Rydex Investments has been managing two currency mutual funds, both benchmarked to the USD Index. The USD Index is an average of six major exchange rates providing a general indication of the international value of the USD.

The Sponsor is responsible for establishing the Trust and for the registration of the Shares. The Sponsor generally oversees the performance of the Trustee and the Trust's principal service providers, but does not exercise day-to-day oversight over the Trustee or such service providers. The Sponsor regularly communicates with the Trustee to monitor the overall performance of the Trust. The Sponsor, with assistance and support from the Trustee, is responsible for preparing and filing periodic reports on behalf of the Trust with the SEC and will provide any required certification for such reports. The Sponsor will designate the independent registered public accounting firm of the Trust and may from time to time employ legal counsel for the Trust.

The Distributor will assist the Sponsor in marketing the Shares. The Sponsor may determine to engage additional or successor distributors. See "The Distributor" for more information about the Distributor.

The Sponsor maintains a public website on behalf of the Trust, [www.currencyshares.com](http://www.currencyshares.com), which contains information about the Trust and the Shares, and oversees certain Shareholder services, such as a call center and prospectus delivery.

The Sponsor may direct the Trustee in the conduct of its affairs, but only as provided in the Depositary Trust Agreement. For example, the Sponsor may direct the Trustee to terminate the Trust if certain criteria are met. The Sponsor anticipates that, if the market capitalization of the Trust is less than \$300 million for five consecutive trading days beginning after the first anniversary of the Trust's inception, then the Sponsor will, in accordance with the Depositary Trust Agreement, direct the Trustee to terminate and liquidate the Trust. If the Trustee shall be adjudged bankrupt or insolvent, or a receiver of the Trustee or of its property shall be appointed, or a trustee or liquidator or any public officer shall take charge or control of such Trustee or of its property or affairs for the purposes of rehabilitation, conservation or liquidation, then, in any such case, the Sponsor shall remove the Trustee, and such removal shall take effect upon the appointment of a successor trustee and its acceptance of such appointment. If at any time the Trustee ceases to be a qualified bank (as defined in the Depositary Trust Agreement) or is in material breach of its obligations under the Depositary Trust Agreement and the Trustee fails to cure such breach within 30 days after receipt by the Trustee of

written notice specifying such default from the Sponsor or Shareholders acting on behalf of at least 25% of the outstanding Shares, the Sponsor may remove the Trustee. See “Description of the Depositary Trust Agreement — The Trustee — Resignation, discharge or removal of trustee; successor trustees” for more information.

Fees are paid to the Sponsor as compensation for services performed under the Depositary Trust Agreement. The Sponsor’s fee accrues daily at an annual nominal rate of 0.40% of the Swedish Kronor in the Trust.

M7 Ventures, LLC, a Delaware limited liability company, is providing product development support and consulting to the Sponsor in connection with the registration of this offering and is expected to provide support and consulting services to the Sponsor for the duration of the Trust. M7 and the Sponsor have also agreed to collaborate with one another relative to the development and offering of other related currency products. M7 has invested significant resources in the development of the Shares. In consideration of M7’s efforts, past and future, the Sponsor has agreed to pay M7 a recurring fee for the duration of the Trust. M7 and the Sponsor have agreed to keep confidential all confidential and proprietary information that they share with one another. M7 has agreed not to solicit, initiate or encourage any inquiries, proposals or offers from anyone other than the Sponsor regarding the development of the Trust or of any other related currency products.

### **The Trustee**

The Bank of New York, a banking corporation with trust powers organized under the laws of the State of New York, serves as the Trustee. BNY has a trust office at 2 Hanson Place, Brooklyn, New York 11217. BNY is subject to supervision by the New York State Banking Department and the Board of Governors of the U.S. Federal Reserve System. Information regarding creation and redemption Basket composition, the NAV of the Trust, transaction fees and the names of the parties that have executed Participant Agreements may be obtained from BNY. A copy of the Depositary Trust Agreement is available for inspection at BNY’s trust office identified above and on the SEC’s website at [www.sec.gov](http://www.sec.gov). Under the Depositary Trust Agreement, the Trustee may be removed if it fails to maintain capital, surplus and undivided profits of \$500 million.

The Trustee will earn a monthly fee that will be paid by the Sponsor.

The Trustee is generally responsible for the day-to-day administration of the Trust, including keeping the Trust’s operational records. The Trustee’s principal responsibilities include paying the Trust’s expenses, including withdrawing the Trust’s Swedish Kronor, if needed, calculating the NAV of the Trust and the NAV per Share, receiving and processing orders from Authorized Participants to create and redeem Baskets and coordinating the processing of such orders with the Depositary and DTC. See “The Depositary.” The Trustee is not responsible for the overall performance of the Trust.

Following payment of the Sponsor’s fee and other Trust expenses, if any, the Trustee will direct that any interest on the primary deposit account that exceeds the Trust’s expenses be converted into USD and the Trustee will distribute the USD as promptly as practicable to Shareholders. See “Investment Attributes of the Trust — Interest on Deposited Swedish Kronor.”

The Trustee intends to regularly communicate with the Sponsor regarding administration of the Trust. The Trustee, along with the Sponsor, consults with the Trust’s legal, accounting and other professional service providers as needed. The Trustee assists and supports the Sponsor with the preparation of all periodic reports required to be filed with the SEC on behalf of the Trust.

Affiliates of the Trustee may from time to time act as Authorized Participants or purchase or sell Swedish Kronor or Shares for their own account.

### **The Depositary**

JPMorgan Chase Bank, N.A., London Branch is the Depositary. The Depositary accepts Swedish Kronor deposited with it as a banker by Authorized Participants in connection with the creation of Baskets. The Depositary facilitates the transfer of Swedish Kronor into and out of the Trust through the primary and secondary deposit accounts maintained with it as a banker by the Trust.

The Depository will pay interest on the primary deposit account. Interest on the primary deposit account accrues daily and is paid monthly. The initial annual nominal interest rate as set forth in the Deposit Account Agreement is 1.58%. Each month the Depository will deposit into the secondary deposit account accrued but unpaid interest.

The Depository will not be paid a fee for its services to the Trust. The Depository may earn a “spread” or “margin” over the rate of interest it pays to the Trust on the Swedish Krona deposit balances.

The Depository is not a trustee for the Trust or the Shareholders. For further information about the function of the Depository, see “Description of the Deposit Account Agreement.”

The Depository and its affiliates may from time to time act as Authorized Participants or purchase or sell Swedish Kronor or Shares for their own account, as agent for their customers and for accounts over which they exercise investment discretion.

## **The Distributor**

Rydex Distributors, Inc., a Maryland corporation, is the Distributor. The Distributor is a registered broker-dealer with the SEC and is a member of NASD.

The Distributor is assisting the Sponsor in developing a marketing plan for the Trust on an ongoing basis, preparing marketing materials regarding the Shares, including the content on the Trust’s website, [www.currencyshares.com](http://www.currencyshares.com), executing the marketing plan for the Trust, and providing strategic and tactical research on the global foreign exchange market. The Distributor and the Sponsor are affiliates of one another. There is no written agreement between them, and no compensation is paid by the Sponsor to the Distributor in connection with services performed by the Distributor for the Trust. For more information about the distribution of the Shares, see “Plan of Distribution” elsewhere in this prospectus.

## **Description of the Shares**

The Trustee is authorized under the Depository Trust Agreement to create and issue an unlimited number of Shares. The Trustee will create Shares only in Baskets (a Basket being a block of 50,000 Shares) and only upon the order of an Authorized Participant. The Shares represent units of fractional undivided beneficial interest in, and ownership of, the Trust and have no par value. Any creation and issuance of Shares above the amount registered with the SEC on the registration statement of which this prospectus is a part will require registration with the SEC (and listing with the NYSE) of the additional Shares.

### **LIMITED RIGHTS**

The Shares are not a traditional investment. They are dissimilar from the “shares” of a corporation operating a business enterprise, with management and a board of directors. Trust Shareholders do not have rights normally associated with owning shares of a business corporation, including, for example, the right to bring “oppression” or “derivative” actions. Shareholders’ have only those rights explicitly set forth in the Depository Trust Agreement. All Shares are of the same class with equal rights and privileges. Each Share is transferable, is fully paid and non-assessable and entitles the holder to vote on the limited matters upon which Shareholders may vote under the Depository Trust Agreement. The Shares do not entitle their holders to any conversion or pre-emptive rights or, except as provided below, any redemption or distribution rights.

*Distributions.* Each month the Depository will deposit into the secondary deposit account accrued but unpaid interest and the Trustee will withdraw Swedish Kronor from the secondary deposit account to pay the accrued Sponsor’s fee for the previous month plus any other Trust expenses. In the event that the interest deposited exceeds the sum of the Sponsor’s fee for the prior month plus other Trust expenses, if any, then the Trustee will direct that the excess be converted into USD at a prevailing market rate and the Trustee will distribute the USD as promptly as practicable to Shareholders on a pro rata basis (in accordance with the number of Shares that they own).

*Voting and Approvals.* Shareholders have no voting rights under the Depositary Trust Agreement, except in limited circumstances. If the holders of at least 25% of the Shares outstanding determine that the Trustee is in material breach of its obligations under the Depositary Trust Agreement, they may provide written notice to the Trustee (or require the Sponsor to do so) specifying the default and requiring the Trustee to cure such default. If the Trustee fails to cure such breach within 30 days after receipt of the notice, the Sponsor may remove the Trustee. The holders of at least  $\frac{66\frac{2}{3}}{100}\%$  of the Shares outstanding may vote to remove the Trustee. The Trustee must terminate the Trust at the request of the holders of at least 75% of the outstanding Shares.

*Redemption of Shares.* The Shares may be redeemed only by or through an Authorized Participant and only in Baskets. See “Creation and Redemption of Shares” for details on the redemption of Shares.

## **BOOK-ENTRY FORM**

All Shares will be evidenced by global certificates issued by the Trustee to DTC and registered in the name of Cede & Co., as nominee for DTC. The global certificates will evidence all of the Shares outstanding at any time. In order to transfer Shares through DTC, Shareholders must be DTC Participants. The Shares will be transferable only through the book-entry system of DTC. A Shareholder that is not a DTC Participant will be able to transfer its Shares through DTC by instructing the DTC Participant holding its Shares to transfer the Shares. Transfers will be made in accordance with standard securities industry practice.

## **Description of the Deposit Account Agreement**

The Deposit Account Agreement between the Trust and the Depository, governed by the laws of England, establishes the Deposit Accounts. The Depository, as instructed by the Trustee, is authorized to accept Swedish Krona deposits for the account of the Trust. The Depository is not a trustee for the Trust or the Shareholders. The Depository, as a banker, is obligated to repay the balance of the Deposit Accounts to the Trust on demand and in accordance with the terms and conditions of the Deposit Account Agreement. The following is a description of other material terms of the Deposit Account Agreement.

## **DUAL ACCOUNTS**

The Depository will maintain two deposit accounts for the Trust, a primary deposit account which will earn interest and a secondary deposit account which will not earn interest. The secondary deposit account will only be used in connection with mid-month creations and redemptions of Baskets, to account for interest that has been earned on the primary deposit account during the month but not yet paid, and to receive interest earned on the primary deposit account, pay Trust expenses and distribute any excess interest to Shareholders on a monthly basis.

## **REPORTS**

The Depository provides the Trustee with account reports identifying the credits and debits of Swedish Kronor to the Deposit Accounts, including the credit of interest in Swedish Kronor to the secondary deposit account. The Trustee will be required to examine the reports and account statements it receives from the Depository within a reasonable time of receipt and promptly notify the Depository of any discrepancy of which it becomes aware.

The Depository's records of all deposits and withdrawals of Swedish Krona to the Deposit Accounts and all credits of interest in Swedish Krona to the secondary deposit account that may occur on a business day, and the end-of-business-day account balances in the Deposit Accounts are stated as of the close of the Depository's business (usually 4:00 PM, London time) on that business day.

## **FEES AND EXPENSES**

Under the Deposit Account Agreement, the Depository is entitled to invoice the Trustee or debit the secondary deposit account for out-of-pocket expenses. The Trust has also agreed to reimburse the

Depository for any taxes, levies, imposts, deductions, charges, stamp, transaction and other duties and withholdings in connection with the Deposit Accounts, except for such items imposed on the overall net income of the Depository. Except for the reimbursable expenses just described, the Depository will not be paid a fee for its services to the Trust. The Depository may earn a “spread” or “margin” on the Swedish Krona deposit balances it holds.

### **DEPOSIT ACCOUNT BALANCES**

The Swedish Kronor received by the Trust upon the creation of Baskets will be deposited, in each case, into the primary deposit account; a small portion of the Swedish Kronor may be deposited in the secondary deposit account to account for interest that has been earned on the primary deposit account during the month but not yet paid. If the Sponsor believes that the interest rate paid by the Depository is not adequate, the Sponsor’s recourse will be to remove the Depository by terminating the Deposit Account Agreement and closing the accounts. Neither the Trustee nor the Sponsor has the power or authority to deposit the Trust’s Swedish Kronor with any other person, entity or account. Resignation or removal of the Depository for any reason will cause termination of the Trust. See “Description of the Depository Trust Agreement.” Interest earned on the balance of the primary deposit account will be used primarily to pay the Trust’s expenses.

### **INTEREST**

Interest will begin to be earned on the day Baskets are created (i.e., the date the trade settles), which will occur three days after funds are transferred by an Authorized Participant to the primary deposit account held by the Depository. Interest on the primary deposit account accrues daily and is paid monthly. The initial annual nominal interest rate as set forth in the Deposit Account Agreement is 1.58%. Interest does not compound, and therefore interest will not be earned on interest accrued but not yet paid by the Depository. Each month the Depository will deposit into the secondary deposit account accrued but unpaid interest. Interest earned on the balance of the primary deposit account will be used primarily to pay the Trust’s expenses; any interest remaining after payment of the Sponsor’s fee and other expenses, if any, will be distributed to the Shareholders approximately ten days after the end of the month.

### **MAXIMUM BALANCE**

The Depository reserves the right not to accept, and to return without interest to the remitter of funds, the amounts received for deposit to the Deposit Accounts if the aggregate deposit liability of the Depository exceeds the Swedish Krona equivalent of \$1.5 billion, calculated on the basis of the Noon Buying Rate.

### **EXCLUSION OF LIABILITY**

The Depository will be responsible only for direct loss or damage that the Trust suffers resulting from the Depository’s gross negligence or willful misconduct. Unless such loss or damages are due to the Depository’s fraud, the Depository will not be liable for loss of business, profits or goodwill or any indirect, consequential, punitive or special damages, whether or not reasonably foreseeable, even if the Depository has been advised of the likelihood of such loss and even if such loss is the result of negligence, breach of contract or otherwise.

### **INDEMNITY**

The Trust will, solely out of the Trust’s assets, indemnify the Depository and each of its officers, directors, employees, subsidiaries and affiliates on demand against all costs and expenses, damages, claims, liabilities and losses (including legal fees) which the Depository or any such officer, director, employee, subsidiary or affiliate may suffer or incur directly or indirectly because of the Trust’s breach of the Deposit Account Agreement, because the Depository acted on what it believed (in good faith and without gross negligence) to be the Trustee’s communication or because of anything done under or as contemplated by the Deposit Account Agreement.

## **FORCE MAJEURE**

The Depository is not liable for any damage, loss, expense or liability caused by acts of God, fire, flood, civil or labor disturbance, war or terrorism, act of any governmental authority or other act or threat of any authority, legal constraint, fraud or forgery (other than on the part of the Depository or any of its directors, officers or employees), malfunction of equipment (including any computer or related software) except where such malfunction is primarily attributable to the Depository's gross negligence in maintaining the equipment or software, failure of or the effect of rules or operations of any funds transfer system, inability to obtain or interruption of communications facilities, or any cause beyond the reasonable control of the Depository.

## **TERMINATION**

The Depository may terminate the Deposit Account Agreement for any reason whatsoever upon 90 business days' prior notice. Before the expiration of such notice, the Depository will transfer any cleared balance in the Deposit Accounts in accordance with the Trustee's reasonable instructions. Any termination of the Deposit Account Agreement will cause the termination of the Trust.

## **GOVERNING LAW; JURISDICTION**

The Deposit Account Agreement is governed by the laws of England and the Depository is subject to the laws of England. The Trust and the Depository consent to the non-exclusive jurisdiction of the courts of England to settle any dispute relating to the Deposit Account Agreement.

## **Creation and Redemption of Shares**

The Trust creates and redeems Shares in Baskets on a continuous basis. A Basket is a block of 50,000 Shares. The creation and redemption of Baskets requires the delivery to the Trust or the distribution by the Trust of the amount of Swedish Kronor represented by the Baskets being created or redeemed. This amount is based on the combined NAV per Share of the number of Shares included in the Baskets being created or redeemed, determined on the day the order to create or redeem Baskets is accepted by the Trustee.

Authorized Participants are the only persons that may place orders to create and redeem Baskets. An Authorized Participant is a DTC Participant that is a registered broker-dealer or other securities market participant such as a bank or other financial institution that is not required to register as a broker-dealer to engage in securities transactions and has entered into a Participant Agreement with the Trustee. Only Authorized Participants may place orders to create or redeem Baskets. Before initiating a creation or redemption order, an Authorized Participant must have entered into a Participant Agreement with the Sponsor and the Trustee. The Participant Agreement provides the procedures for the creation and redemption of Baskets and for the delivery of Swedish Kronor required for creations and redemptions. The Participant Agreements may be amended by the Trustee and the Sponsor. Authorized Participants pay a transaction fee of \$500 to the Trustee for each order that they place to create or redeem one or more Baskets. Authorized Participants who make deposits with the Trust in exchange for Baskets receive no fees, commissions or other form of compensation or inducement of any kind from either the Sponsor or the Trust. No Authorized Participant has any obligation or responsibility to the Sponsor or the Trust to effect any sale or resale of Shares.

Authorized Participants are cautioned that some of their activities will result in their being deemed participants in a distribution in a manner which would render them statutory underwriters and will subject them to the prospectus-delivery and liability provisions of the Securities Act, as described in "Plan of Distribution."

Certain Authorized Participants are expected to have the facility to participate directly in the global foreign exchange market. In some cases, an Authorized Participant may acquire Swedish Kronor from, or sell Swedish Kronor to, an affiliated foreign exchange trading desk, which may profit in these instances. The Sponsor believes that the size and operation of the foreign exchange market make it unlikely that an Authorized Participant's direct activities in the foreign exchange and securities

markets will impact the price of the Swedish Krona or the price of Shares. Each Authorized Participant will be registered as a broker-dealer under the Securities Exchange Act of 1934, as amended, and will be regulated by the National Association of Securities Dealers, Inc., or else will be exempt from being (or otherwise will not be required to be) so registered or regulated, and will be qualified to act as a broker or dealer in the states or other jurisdictions where the nature of its business so requires. Certain Authorized Participants may be regulated under federal and state banking laws and regulations. Each Authorized Participant will have its own set of rules and procedures, internal controls and information barriers as it determines to be appropriate in light of its own regulatory regime.

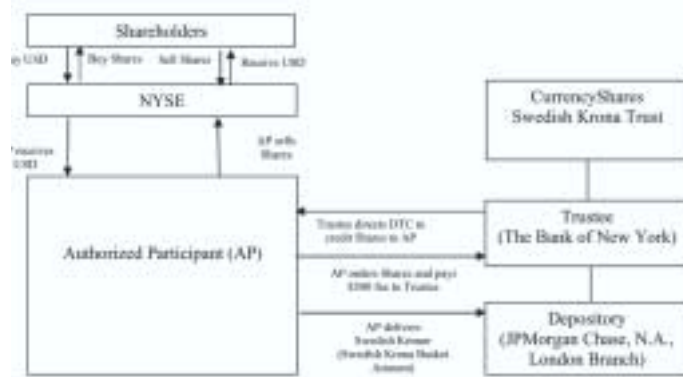
Authorized Participants may act for their own accounts or as agents for broker-dealers, depositaries and other securities or foreign currency market participants that wish to create or redeem Baskets. An order for one or more Baskets may be placed by an Authorized Participant on behalf of multiple clients. As of the date of this prospectus Bear Hunter Structured Products LLC, Goldman, Sachs & Co. and Merrill Lynch Professional Clearing Corp. have each signed a Participant Agreement, and each of them, upon the effectiveness of its Participant Agreement, may create and redeem Baskets. Persons interested in purchasing Baskets should contact the Sponsor or the Trustee to obtain the contact information for the Authorized Participants. A Shareholder that is not an Authorized Participant will be able to redeem Shares only through an Authorized Participant.

The following description of the procedures for the creation and redemption of Baskets is only a summary. For more detail, refer to the relevant provisions of the Depositary Trust Agreement and the form of Participant Agreement, each of which is an exhibit to the registration statement of which this prospectus is a part. See “Where You Can Find More Information” for information about where you can obtain the registration statement.

**CREATION PROCEDURES**

The following chart is intended to help you understand the creation process:

**Creation Process**



**Summary:** In order to create a Basket, the Authorized Participant deposits the Basket Swedish Krona Amount with the Depository and orders Shares from the Trustee. The Authorized Participant must also pay the Trustee a \$500 transaction fee, which will not be contributed to the Trust, for each purchase order. The Trustee directs DTC to credit Shares to the Authorized Participant. The Authorized Participant will then be able to sell Shares to Purchasers directly or on the NYSE or any other market in which the Shares may trade.

On any business day, an Authorized Participant may place an order with the Trustee to create one or more Baskets. For purposes of processing both purchase and redemption orders, a “business day” means any day other than a day when the NYSE is closed for regular trading. Purchase orders placed by 4:00 PM (New York time) on a business day will have that day as the purchase order date.

By placing a purchase order, an Authorized Participant agrees to deposit Swedish Kronor with the Trust, as described below. Before the delivery of Baskets for a purchase order, the Authorized Participant must also have wired to the Trustee the non-refundable transaction fee due for the purchase order.

#### **Determination of required deposits**

The total deposit required to create each Basket, called the Basket Swedish Krona Amount, is an amount of Swedish Kronor bearing the same proportion to the number of Baskets to be created as the total assets of the Trust (net of estimated accrued but unpaid expenses) bears to the total number of Baskets outstanding on the date that the purchase order is accepted by the Trustee. The amount of the required deposit is determined by dividing the amount of Swedish Kronor held by the Trust (net of estimated accrued but unpaid expenses) by the number of Baskets outstanding. All questions as to the composition of the Basket Swedish Krona Amount are finally determined by the Trustee. The Trustee's determination of the Basket Swedish Krona Amount shall be final and binding on all persons interested in the Trust.

#### **Delivery of required deposits**

An Authorized Participant who places a purchase order is responsible for delivering the Basket Swedish Krona Amount to the Trust's primary deposit account with the Depository by 3:00 PM (Stockholm time) on the third business day after the purchase order date or, if that day is not also a Stockholm business day, the next business day that is also Stockholm business day. Authorized Participants will use the SWIFT system to make timely deposits through their bank correspondents in London. Upon receipt of the deposit of Swedish Kronor from an Authorized Participant, the Trustee will direct DTC to credit the number of Baskets ordered to the Authorized Participant's DTC account on the third business day after the purchase order date. The expense and risk of delivery, ownership and safekeeping of Swedish Kronor until such Swedish Kronor have been received by the Depository shall be borne solely by the Authorized Participant.

#### **Rejection of purchase orders**

The delivery of the Shares against deposits of Swedish Kronor may be suspended generally, or refused with respect to particular requested deliveries, during any period when the transfer books of the Trustee are closed or if any such action is deemed necessary or advisable by the Trustee or the Sponsor for any reason at any time or from time to time. None of the Trustee, the Sponsor or the Depository will be liable for the rejection or acceptance of any purchase order or Basket Swedish Krona Amount.

## REDEMPTION PROCEDURES

The following chart is intended to help you understand the redemption process:

### Redemption Process



**Summary:** In order to redeem Shares, an Authorized Participant must send the Trustee a redemption order specifying the number of Baskets that the Authorized Participant wishes to redeem. The Authorized Participant must also pay the Trustee a \$500 transaction fee, which will not be contributed to the Trust, for each redemption order. The Trustee then instructs the Depository to send the Authorized Participant Swedish Kronor and directs DTC to cancel the Authorized Participant's Shares that were redeemed.

On any business day, an Authorized Participant may place an order with the Trustee to redeem one or more Baskets. Redemption orders placed by 4:00 PM (New York time) on a business day will have that day as the order redemption date. A redemption order so received is normally effective on the date it is received in satisfactory form by the Trustee. The redemption procedures allow Authorized Participants to redeem Baskets and do not entitle an individual Shareholder to redeem any Shares in an amount less than a Basket or to redeem Baskets other than through an Authorized Participant.

By placing a redemption order, an Authorized Participant agrees to deliver the Baskets to be redeemed through DTC's book-entry system to the Depository not later than 1:00 PM (New York time) on the second business day after the redemption order date or, if that day is not also a Stockholm business day, the next business day that is also a Stockholm business day. Before the delivery of the redemption distribution for a redemption order, the Authorized Participant must also have wired to the Trustee the non-refundable transaction fee due for the redemption order.

#### **Determination of redemption distribution**

The redemption distribution from the Trust is a wire transfer, to an account of the redeeming Authorized Participant identified by the Authorized Participant, in the amount of the Swedish Kronor held by the Trust evidenced by the Shares being redeemed, giving effect to all estimated accrued but unpaid interest and expenses. Redemption distributions are subject to the deduction of any applicable tax or other governmental charges that may be due. All questions as to the amount of a redemption distribution are finally determined by the Trustee. The Trustee's determination of the amount shall be final and binding on all persons interested in the Trust.

#### **Delivery of redemption distribution**

The redemption distribution due from the Trust is delivered to the Authorized Participant on the third business day after the redemption order date if, by 1:00 PM (New York time) on the second business day after the redemption order date, the Trustee's DTC account has been credited with the Baskets to be redeemed.

The Depository wires the redemption amount from the Trust's primary deposit account with the Depository to an account of the redeeming Authorized Participant identified by the Authorized Participant. The Authorized Participant and the Trust are each at risk in respect of Swedish Kronor credited to their respective accounts in the event of the Depository's insolvency. See "Risk Factors — Swedish Kronor deposited in the Deposit Accounts . . . will not be segregated from the Depository's assets . . ."

### **Suspension or rejection of redemption orders**

The Trustee will reject a redemption order if the order is not in proper form as described in the Participant Agreement or if the fulfillment of the order, in the opinion of its counsel, might be unlawful.

### **CREATION AND REDEMPTION TRANSACTION FEE**

To compensate the Trustee for services in processing the creation and redemption of Baskets, an Authorized Participant is required to pay a transaction fee to the Trustee of \$500 per order to create or redeem Baskets. An order may include multiple Baskets. The transaction fee may be reduced or, with the consent of the Sponsor, increased. The Trustee shall notify DTC of any agreement to change the transaction fee and will not implement any increase in the fee for the redemption of Baskets until 30 days after the date of the notice.

### **TAX RESPONSIBILITY**

Authorized Participants are responsible for any transfer tax, sales or use tax, recording tax, value added tax or similar tax or governmental charge applicable to the creation or redemption of Baskets, regardless of whether or not such tax or charge is imposed directly on the Authorized Participant, and agree to indemnify the Sponsor, the Trustee and the Trust if they are required by law to pay any such tax, together with any applicable penalties, additions to tax or interest thereon.

## **Description of the Depositary Trust Agreement**

### **Description of the Depositary Trust Agreement**

The Trust will operate in accordance with the terms of a Depositary Trust Agreement among the Sponsor, the Trustee, the registered holders and beneficial owners of Shares and all persons depositing Swedish Kronor for creation of Shares. The following is a description of the material terms of the Depositary Trust Agreement, which has been filed with the SEC as an exhibit to the registration statement of which this prospectus is a part.

### **THE SPONSOR**

This section summarizes some of the important provisions of the Depositary Trust Agreement that apply to the Sponsor. For a general description of the Sponsor's role concerning the Trust, see "The Sponsor."

#### **Limitation on Sponsor's liability**

The Sponsor is not subject to any liability under the Depositary Trust Agreement to any Shareholder or Authorized Participant, except that the Sponsor agrees to perform its duties specifically set forth in the Depositary Trust Agreement without negligence or bad faith. The Sponsor is not obligated to prosecute any action, suit or other proceeding with respect to the Trust property. The Sponsor is entitled to rely on advice received from legal counsel, accountants, any Authorized Participant, any Shareholder or any other person that the Sponsor in good faith believes is competent to give such advice. The Sponsor shall not be liable for any acts or omissions made by a successor sponsor. The Sponsor is not obligated to comply with any direction or instruction from any Shareholder or Authorized Participant regarding the Shares except to the extent specifically provided in the Depositary Trust Agreement.

#### **Indemnification of the Sponsor**

The Trustee indemnifies the Sponsor, its members, officers, employees and agents (each a "Sponsor Indemnified Party") against, and holds each of them harmless from, any loss, liability, cost, expense or judgment caused by the negligence or bad faith of the Trustee or arising out of any information furnished in writing to the Sponsor by the Trustee expressly for use in this registration statement or any amendment hereto.

Each Sponsor Indemnified Party is indemnified by the Trust and held harmless against any loss, liability or expense incurred without (i) negligence, bad faith, willful misconduct or willful malfeasance on the part of the Sponsor Indemnified Party arising out of or in connection with the performance of its obligations under the Depositary Trust Agreement or (ii) reckless disregard on the part of the Sponsor Indemnified Party of its obligations and duties under the Depositary Trust Agreement. Such indemnity includes payment from the Trust of the costs and expenses of the Sponsor Indemnified Party in defending itself against any claim or liability in its capacity as a Sponsor Indemnified Party. Any amounts payable to the Sponsor Indemnified Party may be payable in advance or secured by a lien on the Trust. The Sponsor may, in its discretion, undertake any action that it may deem necessary or desirable in respect of the Shareholders and, in such event, the legal expenses and costs of such actions shall be expenses and costs of the Trust and the Sponsor shall be entitled to reimbursement by the Trust.

### **Resignation of the Sponsor; successor sponsor**

The Sponsor may resign its position as sponsor at any time by delivering to the Trustee a written resignation. Thereafter, the Trustee may do any one or more of the following: (1) appoint a successor sponsor to assume, with such compensation from the Trust as the Trustee may deem reasonable under the circumstances, the duties and obligations of the Sponsor; (2) agree to act as sponsor without appointing a successor sponsor; or (3) terminate the Trust. The Trustee has no obligation to appoint a successor sponsor or to assume the duties of the Sponsor and will have no liability to any person because the Trust is terminated as described in the preceding sentence. The Sponsor's resignation becomes effective when the Trustee appoints a successor sponsor and the successor sponsor accepts that appointment or the Trustee itself agrees to act as sponsor. Upon effective resignation, the Sponsor will be discharged and will no longer be liable in any manner except as to acts or omissions occurring before its resignation, and the new sponsor will then undertake and perform all duties and be entitled to all rights and compensation as sponsor under the Depositary Trust Agreement.

If the Sponsor fails to undertake or perform or becomes incapable of undertaking or performing any of its duties under the Depositary Trust Agreement or becomes bankrupt or its affairs are taken over by public authorities, the effect of that event shall be the same as if the Sponsor had given a notice of resignation.

The Sponsor may transfer all or substantially all of its assets to an entity which carries on the business of the Sponsor if at the time of the transfer the successor assumes all of the obligations of the Sponsor under the Depositary Trust Agreement. In such an event, the Sponsor will then be relieved of all further liability under the Depositary Trust Agreement.

## **THE TRUSTEE**

This section summarizes some of the important provisions of the Depositary Trust Agreement that apply to the Trustee. For a general description of the Trustee's role concerning the Trust, see "The Trustee."

### **Qualifications of the Trustee**

The Trustee and any successor trustee may be removed if it ceases to be a bank, trust company, corporation or national banking association organized and doing business under the laws of the United States or any of its states, and authorized under such laws to exercise corporate trust powers and be a DTC Participant or a participant in another securities depository then acting on behalf of the Trust. The Trustee and any successor trustee may be removed if fails to maintain capital, surplus and undivided profits of \$500 million.

### **Limitation on Trustee's liability**

The Trustee is not subject to any liability under the Depositary Trust Agreement to any Shareholder or Authorized Participant, except that the Trustee agrees to perform its duties specifically set forth in the Depositary Trust Agreement without negligence or bad faith. The Trustee is not obligated to

prosecute any action, suit or other proceeding with respect to the Trust property. The Trustee is entitled to rely on advice received from legal counsel, accountants, any Authorized Participant, any Shareholder or any other person that the Trustee in good faith believes is competent to give such advice. The Trustee shall not be liable for any acts or omissions made by a successor trustee. The Trustee is not obligated to comply with any direction or instruction from any Shareholder or Authorized Participant regarding the Shares except to the extent specifically provided in the Depositary Trust Agreement.

### **Indemnification of the Trustee**

The Sponsor will indemnify the Trustee, its directors, employees and agents against, and hold each of them harmless from, any loss, liability, cost, expense or judgment (including, but not limited to, the reasonable fees and expenses of counsel) that is incurred by any of them and that arises out of or is related to (i) any offer or sale by the Trust of Baskets of Shares, (ii) acts performed or omitted pursuant to the Depositary Trust Agreement, and (iii) any filings with or submissions to the SEC in connection with or with respect to Shares. However, the Sponsor is not obligated to indemnify the Trustee for losses attributable to (x) the negligence or bad faith of, or material breach of the terms of the Depositary Trust Agreement by, the Trustee, (y) written information furnished in writing from the Trustee to the Sponsor expressly for use in this Registration Statement or any amendment hereto filed with the SEC, or (z) any misrepresentations or omissions made by an Authorized Participant (other than the Sponsor) in connection with the offer and sale of Shares.

### **Taxes**

If any tax or other governmental charge becomes payable by the Trustee with respect to any transfer or redemption of Shares, such tax or other governmental charge will be payable by the Shareholders to the Trustee. The Trustee will refuse to effect any registration of transfer of such Shares or any withdrawal of Trust property represented by such Shares until such payment is made, and may withhold any distributions, or may sell for the account of the Shareholder thereof Trust property or Shares, and may apply such distributions or the proceeds of any such sale in payment of such tax or other governmental charge, and the Shareholder will remain liable for any deficiency. The Trustee shall distribute any net proceeds of a sale made under the preceding sentence that remain, after payment of the tax or other governmental charge, to the Shareholders entitled thereto as in the case of a distribution in cash.

### **Protection for amounts due to Trustee**

The Trustee will withdraw from the secondary deposit account amounts necessary to pay the Trust expenses provided for in the Depositary Trust Agreement and any otherwise unpaid expenses thereunder. In the event that the Sponsor's fee for the prior month plus other Trust expenses, if any, exceed the balance of the secondary deposit account, the Trustee will withdraw Swedish Kronor from the primary deposit account to pay the excess. If requested by the Sponsor and agreed to by the Trustee, the Trustee will advance amounts out of its own funds for the payment of Trust expenses, up to \$20,000. The Trustee will have a lien on the Deposit Accounts to the extent of all amounts advanced by it at the Sponsor's request. This lien will be superior to the interest of the beneficial owners of the Shares.

### **Resignation, discharge or removal of Trustee; successor trustees**

*Resignation.* The Trustee may resign at any time by delivering written notice to the Sponsor. The Trustee's resignation will take effect upon the appointment of a successor trustee and its acceptance of such appointment.

*Removal by the Sponsor.* If the Trustee is adjudged bankrupt or insolvent, or a receiver of the Trustee or of its property is appointed, or a trustee or liquidator or any public officer takes charge or control of the Trustee or of its property or affairs for the purposes of rehabilitation, conservation or liquidation, then the Sponsor is required to remove the Trustee, and such removal will take effect upon the appointment of a successor trustee and its acceptance of such appointment.

*Removal by Shareholders.* The holders of at least two-thirds 66-(2/3%) of the Shares then outstanding may at any time remove the Trustee by written instrument or instruments delivered to the Trustee and Sponsor.

*Removal for Material Breach.* If at any time the Trustee ceases to be a qualified bank under the Depositary Trust Agreement or is in material breach of its obligations under the Depositary Trust Agreement and the Trustee fails to cure such breach within 30 days after receipt by the Trustee of written notice specifying such default from the Sponsor or Shareholders acting on behalf of at least 25% of the outstanding Shares specifying, the Sponsor may remove the Trustee.

*Appointing Successor Trustees.* If the Trustee resigns or is removed, the Sponsor will use its reasonable efforts to appoint a successor trustee that meets the requirements set forth in the Depositary Trust Agreement. Every successor trustee is required to execute and deliver to its predecessor and to the Sponsor a written acceptance of its appointment. The successor trustee will then become fully vested with all the rights, powers, duties and obligations of the Trustee. Nevertheless, the predecessor trustee, upon payment of all sums due it and on the written request of the Sponsor is required to execute and deliver an instrument transferring to the successor trustee all rights and powers of such predecessor hereunder, is required to duly assign, transfer and deliver all right, title and interest in the Trust property to such successor, and is required to deliver to such successor a list of the Shareholders of all outstanding Shares. The Sponsor or any such successor trustee is required to promptly mail notice of the appointment of such successor trustee to the Shareholders.

*Trustee's liability for successor trustee.* The Trustee will not be liable for any acts or omissions made by a successor trustee whether in connection with a previous act or omission of the Trustee or in connection with any matter arising wholly after the resignation of the Trustee, provided that in connection with the issue out of which such potential liability arises the Trustee performed its obligations without negligence or bad faith while it acted as Trustee.

## **DISTRIBUTIONS**

Each month the Depository will deposit into the secondary deposit account accrued but unpaid interest and the Trustee will withdraw Swedish Kronor from the secondary deposit account to pay the accrued Sponsor's fee for the previous month plus other Trust expenses, if any. In the event the Sponsor's fee and any other Trust expenses exceed the interest earned on the primary deposit account, additional Swedish Kronor will be withdrawn from the primary deposit account as required to cover the expenses. In the event that the interest deposited exceeds the sum of the Sponsor's fee for the prior month plus other Trust expenses, if any, then the Trustee will direct that the excess be converted into USD at a prevailing market rate and the Trustee will distribute the USD as promptly as practicable to Shareholders on a pro rata basis (in accordance with the number of Shares that they own).

## **ACTIONS TAKEN TO PROTECT THE TRUST**

The Trustee and the Sponsor may each, in their own discretion, undertake any action that they consider necessary or desirable to protect the Trust or the interests of the Shareholders. The expenses incurred by the Trustee or the Sponsor in connection therewith (including the fees and disbursements of legal counsel) will be expenses of the Trust, and the Trustee and the Sponsor will be entitled to be reimbursed for those expenses by the Trust. The Trustee and Sponsor are, however, required to notify and consult with each other before undertaking any protective action or if the Trustee or Sponsor become aware of any development or event that affects the administration of the Trust but is not contemplated or provided for in the Depositary Trust Agreement.

## **VALUATION OF SWEDISH KRONOR, DEFINITION OF NET ASSET VALUE**

The Trustee will calculate, and the Sponsor will publish, the Trust's NAV each business day. To calculate the NAV, the Trustee will add to the amount of Swedish Kronor in the Trust at the end of the preceding day accrued but unpaid interest, Swedish Kronor receivable under pending purchase

orders and the value of other Trust assets, and will subtract the accrued but unpaid Sponsor's fee, Swedish Kronor payable under pending redemption orders and other Trust expenses and liabilities, if any.

The result is the NAV of the Trust for that business day. The Trustee shall also divide the NAV of the Trust by the number of Shares outstanding for the date of the evaluation then being made, which figure is the "NAV per Share." For purposes of the preceding sentence, the number of Shares deemed outstanding shall include Shares to be delivered under purchase orders having order dates on or before the preceding business day and shall exclude Shares to be surrendered under redemption orders having order dates on or before the preceding business day.

### **EXPENSES OF THE TRUST**

The Trust's only ordinary recurring expense is expected to be the Sponsor's fee. The Sponsor is obligated under the Depositary Trust Agreement to pay the following administrative and marketing expenses of the Trust: the Trustee's monthly fee, typical maintenance and transaction fees of the Depositary, NYSE listing fees, printing and mailing costs, audit fees and expenses, up to \$100,000 per annum in legal fees and expenses, and applicable license fees. The Sponsor is also obligated to pay the costs of the Trust's organization and the costs of the initial sale of the Shares, including the applicable SEC registration fees.

The Sponsor's fee accrues daily at an annual nominal rate of 0.40% of the Swedish Kronor in the Trust. Each month, the Trust will first withdraw Swedish Kronor the Trust has earned as interest to pay the Sponsor's fee and any other Trust expenses that have been incurred. If that interest is not sufficient to fully pay the Sponsor's fee and Trust expenses, then the Trustee will withdraw Swedish Kronor from the primary deposit account as needed. If the Trust incurs expenses in USD, Swedish Kronor will be converted to USD at the prevailing market rate at the time of conversion to pay expenses.

In certain exceptional cases the following expenses may be charged to the Trust in addition to the Sponsor's fee: (1) expenses and costs of any extraordinary services performed by the Trustee or the Sponsor on behalf of the Trust or action taken by the Trustee or the Sponsor to protect the Trust or interests of Shareholders; (2) indemnification of the Sponsor; (3) taxes and other governmental charges; and (4) expenses of the Trust other than those the Sponsor is obligated to pay pursuant to the Depositary Trust Agreement, including legal fees and expenses over \$100,000. If these additional expenses are incurred, the Trust will be required to pay these expenses by withdrawing deposited Swedish Kronor and the amount of Swedish Kronor represented by a Share will decline at such time. Accordingly, the Shareholders will effectively bear the cost of these other expenses, if incurred. Although the Trust cannot definitively state the frequency or magnitude of such expenses, the Trust predicts that they will occur infrequently, if at all, and they will probably be insignificant in amount compared to the value of the Trust.

In order to pay the Trust's expenses, the Trustee will first withdraw Swedish Kronor the Trust has earned as interest. In the event the Sponsor's fee and any other Trust expenses exceed the interest earned, additional Swedish Kronor will be withdrawn from the primary deposit account as required to cover the expenses. For expenses not payable in Swedish Kronor, the Trustee will direct that Swedish Kronor be converted to USD as necessary for the Trustee to pay the Trust's expenses. The Trustee will direct that the smallest amount of Swedish Kronor required to purchase amounts of USD sufficient to pay Trust expenses and the costs of currency conversion be withdrawn from the Trust. Neither the Trustee nor the Sponsor is liable for depreciation or loss incurred by reason of any conversion. See "United States Federal Tax Consequences – Taxation of U.S. Shareholders" for information on the tax treatment of Swedish Krona sales.

### **THE SECURITIES DEPOSITORY; BOOK-ENTRY-ONLY SYSTEM; GLOBAL SECURITY**

DTC will act as securities depository for the Shares. DTC is a limited-purpose trust company organized under the laws of the State of New York, a member of the U.S. Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code and a

“clearing agency” registered pursuant to the provisions of section 17A of the Securities Exchange Act. DTC was created to hold securities of DTC Participants and to facilitate the clearance and settlement of transactions in such securities among the DTC Participants through electronic book-entry changes. This eliminates the need for physical movement of securities certificates. DTC Participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations, some of whom (and/or their representatives) own DTC. Access to the DTC system is also available to others such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a DTC Participant, either directly or indirectly. DTC has agreed to administer its book-entry system in accordance with its rules and by-laws and the requirements of law.

The Shares will be available in book-entry form and individual certificates will not be issued for the Shares. Instead, global certificates will be signed by the Trustee and the Sponsor on behalf of the Trust, registered in the name of Cede & Co., as nominee for DTC, and deposited with the Trustee on behalf of DTC. The global certificates will evidence all of the Shares outstanding at any time. The representations, undertakings and agreements made on the part of the Trust in the global certificates will be made and intended for the purpose of binding only the Trust and not the Trustee or the Sponsor individually.

Upon the settlement date of any creation, transfer or redemption of Shares, DTC will credit or debit, on its book-entry registration and transfer system, the amount of the Shares so created, transferred or redeemed to the accounts of the appropriate DTC Participants. The Trustee and the Authorized Participants will designate the accounts to be credited and charged in the case of creation or redemption of Shares.

Beneficial ownership of the Shares is limited to DTC Participants, Indirect Participants and persons holding interests through DTC Participants and Indirect Participants. Ownership of beneficial interests in the Shares will be shown on, and the transfer of ownership will be effected only through, records maintained by DTC (with respect to DTC Participants), the records of DTC Participants (with respect to Indirect Participants) and the records of Indirect Participants (with respect to Shareholders that are not DTC Participants or Indirect Participants). A Shareholder is expected to receive from or through the DTC Participant maintaining the account through which the Shareholder purchased its Shares a written confirmation relating to the purchase.

A Shareholder that is not a DTC Participant may transfer its Shares through DTC by instructing the DTC Participant or Indirect Participant through which the Shareholder holds its Shares to transfer the Shares. A Shareholder that is a DTC Participant may transfer its Shares by instructing DTC in accordance with the rules of DTC. Transfers will be made in accordance with standard securities industry practice.

DTC may discontinue providing its service with respect to the Shares by giving notice to the Trustee and the Sponsor. Under such circumstances, the Trustee and the Sponsor would either find a replacement for DTC to perform its functions at a comparable cost or, if a replacement is unavailable, terminate the Trust.

The rights of the Shareholders generally must be exercised by DTC Participants acting on their behalf in accordance with the rules and procedures of DTC. Because it is anticipated that the Shares will only be held in book-entry form through DTC and DTC Participants, investors will rely on DTC, DTC Participants and any other financial intermediary through which they hold the Shares to receive the benefits and exercise the rights described in this section of the prospectus. Investors should consult with their brokers or banks to find out about procedures and requirements for securities held in book-entry form through DTC.

## **SHARE SPLITS**

If the Sponsor believes that the per-Share price on the NYSE is outside a desirable trading range, then the Sponsor may direct the Trustee to declare a split or reverse split in the number of Shares outstanding and to make a corresponding change in the number of Shares constituting a Basket.

## **BOOKS AND RECORDS**

The Trustee will keep books for the registration of Shares that will be open to inspection by any person who establishes to the Trustee's satisfaction that such person is a registered Shareholder upon reasonable advance notice at all reasonable times during the usual business hours of the Trustee.

The Trustee keeps a copy of the Depositary Trust Agreement on file in its office which is available for inspection on reasonable advance notice at all reasonable times during its usual business hours by any registered Shareholder. A copy of the Depositary Trust Agreement has also been filed as an exhibit to the registration statement of which this prospectus is part and is available on the SEC's website at [www.sec.gov](http://www.sec.gov). Under the Depositary Trust Agreement, the Trustee may be removed if it fails to maintain capital, surplus and undivided profits of \$500 million.

## **STATEMENTS, FILINGS AND REPORTS**

After the end of each fiscal year and within the time period required by applicable law, the Sponsor will cause to be prepared an annual report for the Trust containing audited financial statements. The annual report will be in such form and contain such information as is then required by applicable laws, rules and regulations and may contain such additional information which the Sponsor determines will be included. The annual report will be filed with the SEC and the NYSE and shall be distributed to DTC and to such other persons, if any, and in such manner, as shall be required by applicable laws, rules and regulations.

The Sponsor is responsible for the registration and qualification of the Shares under the federal securities laws. The Sponsor will also prepare, or cause to be prepared, and file any periodic reports or current reports required under the Securities Exchange Act. The Trustee will assist and support the Sponsor in the preparation of such reports.

The Deposit Accounts will be audited, as required by law and as may be directed by the Sponsor, by independent certified public accountants designated from time to time by the Sponsor. The accountants' report will be furnished by the Trustee to Shareholders upon request.

The costs incurred in connection with such statements, filings and reports are expenses of the Sponsor. If, however, legal fees and expenses exceed \$100,000 per year, the excess will be expenses of the Trust. See "Investment Attributes of the Trust — Trust Expenses."

## **TERMINATION OF THE TRUST**

The Trustee will set a date on which the Depositary Trust Agreement will terminate and mail notice of that termination to the registered holders of Shares at least 30 days prior to the date set for termination if any of the following occur:

- the Sponsor resigns or is unable to perform its duties or becomes bankrupt or insolvent and the Trustee does not appoint a successor and does not agree to act as sponsor;
- Shareholders holding at least 75% of the outstanding Shares notify the Trustee that they elect to terminate the Trust;
- Sweden chooses the euro as its currency, by an act of parliament or by referendum, and the Council of the European Union adopts an irrevocable conversion rate for Swedish Kronor to euro and the Trustee has actual knowledge of that action;
- the Depositary resigns or is removed; or
- the Trustee receives notice from the IRS or from counsel for the Trust or the Sponsor that the Trust fails to qualify for treatment, or will not be treated, as a grantor trust under the Internal Revenue Code.

In addition, if any of the following events occurs, the Trustee will set a date on which the Depositary Trust Agreement will terminate and mail notice of that termination to the registered holders of Shares at least 30 days prior to the date set for termination if the Sponsor, having been notified by the

Trustee of the occurrence of any such event, has notified the Trustee in writing that it has determined, in its sole discretion, to terminate the Depositary Trust Agreement:

- the Trustee is notified that the Shares are delisted from the NYSE and have not been approved for listing on another national securities exchange within five business days of their delisting;
- the SEC determines that the Trust is an investment company under the Investment Company Act, as amended, and the Trustee has actual knowledge of the determination;
- the Net Asset Value of the Trust remains less than \$100 million for 30 consecutive business days at any time after the first 90 days of the Shares being traded on the NYSE;
- all of the Trust's assets are sold;
- the aggregate market capitalization of the Trust, based on the closing price for the Shares, remains less than \$300 million for five consecutive trading days beginning after the first anniversary of the Trust's inception; or
- DTC stops providing book-entry settlement services for the Shares.

The Trustee may set a date on which the Trust will terminate and mail notice of that termination to the Shareholders at least 30 days prior to the date set for termination if 60 days have elapsed since the Trustee gave the Sponsor notice of its election to resign and no successor trustee appointed by the Sponsor has accepted appointment as Trustee.

The Trust will terminate on June 8, 2046 if it has not been terminated prior to that date.

## **AMENDMENTS**

Subject to certain limitations prohibiting any amendment of certain sections of the Depositary Trust Agreement, the Trustee and the Sponsor may amend most provisions of the agreement without the consent of any Shareholders. Any amendment that imposes or increases any fees or charges (other than taxes and other governmental charges, registration fees or other such expenses) or that otherwise prejudices any substantial existing right of the Shareholders will not become effective as to outstanding Shares until 30 days after notice of such amendment is given to the registered Shareholders. Every registered Shareholder, at the time any amendment so becomes effective, will be deemed, by continuing to hold any Shares or an interest therein, to consent and agree to such amendment and to be bound by the Depositary Trust Agreement as amended thereby. In no event will any amendment impair the right of the registered Shareholders to surrender Baskets of Shares and receive the amount of Trust property represented by the Baskets, except in order to comply with mandatory provisions of applicable law.

## **GOVERNING LAW; CONSENT TO NEW YORK JURISDICTION**

The Depositary Trust Agreement, and the rights of the Sponsor, the Trustee and DTC (as registered owner of the Trust's global certificates for Shares) and the Shareholders under the Depositary Trust Agreement, are governed by the laws of the State of New York. The Sponsor, the Trustee and DTC and, by accepting Shares, each DTC Participant and each Shareholder, consents to the jurisdiction of any state or federal court in The City of New York, State of New York, in which any suit or proceeding arising out of or relating to Shares, the Trust property or the Depositary Trust Agreement may be instituted.

## United States Federal Tax Consequences

The following discussion of the material U.S. federal income tax consequences that generally apply to the purchase, ownership and disposition of Shares by a U.S. Shareholder (as defined below), and certain U.S. federal income, gift and estate tax consequences that may apply to an investment in Shares by a Non-U.S. Shareholder (as defined below), represents, insofar as it describes conclusions as to U.S. federal tax law and subject to the limitations and qualifications described therein, the opinion of Foley & Lardner LLP, special United States federal tax counsel to the Sponsor. The discussion below is based on the Internal Revenue Code, Treasury Regulations promulgated under the Internal Revenue Code and judicial and administrative interpretations of the Internal Revenue Code, all as in effect on the date of this prospectus and all of which are subject to change either prospectively or retroactively. The tax treatment of Shareholders may vary depending upon their own particular circumstances. Certain Shareholders (including broker-dealers, traders or other investors with special circumstances) may be subject to special rules not discussed below. Moreover, the discussion below does not address the effect of any state, local or foreign tax law on an owner of Shares. Purchasers of Shares are urged to consult their own tax advisors with respect to all federal, state, local and foreign tax law considerations potentially applicable to their investment in Shares.

For purposes of this discussion, a “U.S. Shareholder” is a Shareholder that is:

- An individual who is treated as a citizen or resident of the United States for U.S. federal income tax purposes;
- A corporation created or organized in or under the laws of the United States or any political subdivision thereof;
- An estate, the income of which is includible in gross income for U.S. federal income tax purposes regardless of its source; or
- A trust, if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more United States persons (within the meaning of Internal Revenue Code section 7701(a)(30)) have the authority to control all substantial decisions of the trust, or if the trust has a valid election in effect under applicable Treasury regulations to be treated as a United States person.

For purposes of this discussion, a “Non-U.S. Shareholder” is a Shareholder that is not a U.S. Shareholder as defined above and that is classified for U.S. federal income tax purposes as being neither a partnership nor a “disregarded entity.” For U.S. federal income tax purposes, the treatment of any beneficial owner of an interest in an entity classified as a partnership for U.S. federal income tax purposes will generally depend upon the status of the partner and upon the activities of the partnership. Partnerships and partners in partnerships should consult their tax advisors about the U.S. federal income tax consequences of purchasing, owning and disposing of Shares. For U.S. federal income tax purposes, the assets held by any entity that is classified as a “disregarded entity” and that has a single member are generally deemed to be held directly by such member.

### TAXATION OF THE TRUST

The Trust is classified as a “grantor trust” for U.S. federal income tax purposes. As a result, the Trust itself is not subject to U.S. federal income tax. Instead, the Trust’s income and expenses “flow through” to the Shareholders, and the Trustee will report the Trust’s income, gains, losses and deductions to the Internal Revenue Service on that basis.

### TAXATION OF U.S. SHAREHOLDERS

Shareholders generally will be treated, for U.S. federal income tax purposes, as if they directly owned a pro-rata share of the assets held in the Trust. Shareholders also will be treated as if they directly received their respective pro-rata shares of the Trust’s income, if any, and as if they directly incurred their respective pro-rata shares of the Trust’s expenses. In the case of a U.S. Shareholder that acquires Shares as part of a creation of a Basket, the delivery of Swedish Kronor to the Trust in exchange for

the Shares will not be a taxable event to the Shareholder. With respect to the increase in the amount of the U.S. Shareholder's share of the Swedish Kronor held in the Trust that results from such a delivery, the Shareholder's aggregate tax basis (as determined immediately after such delivery) in those Swedish Kronor that are held in the Trust and that are attributable to such increase, and the Shareholder's aggregate tax basis in the Shares received upon such delivery, will each be the same as the Shareholder's aggregate tax basis (as determined immediately prior to such delivery) in the Swedish Kronor that are delivered by the Shareholder to the Trust.

Any Shares that are received by a U.S. Shareholder to evidence the Shareholder's pro-rata share of any interest earnings of the Trust generally will have a tax basis equal to the USD-equivalent of the amount of the Shareholder's pro-rata share of the interest earnings.

When the Trust converts Swedish Kronor to USD — for example, to pay expenses or to make distributions to Shareholders — or when the Trust pays expenses in Swedish Kronor, a U.S. Shareholder generally will recognize gain or loss in an amount equal to the difference between (1) the Shareholder's pro-rata share of the amount realized by the Trust upon the conversion, or the Shareholder's pro-rata share of the USD-equivalent of the Swedish Kronor used to pay expenses, and (2) the Shareholder's tax basis for its pro-rata share of the Swedish Kronor that were converted or used to pay expenses. As described in "Investment Attributes of the Trust — Trust Expenses" and "Description of the Depositary Trust Agreement — Expenses of the Trust", each month the Trustee will first withdraw Swedish Kronor the Trust has earned as interest to pay expenses. It is anticipated that the conversion of Swedish Kronor (for purposes of paying expenses and making distributions) and the payment of expenses in Swedish Kronor will occur on the same day that the Trust receives Swedish Kronor earned as interest. The Trust will use a "last in first out" method to determine the tax basis of the Swedish Kronor that are converted to USD or used to pay expenses. Accordingly, U.S. Shareholders will recognize interest income at the time that Swedish Kronor are received by the Trust as interest earnings, but will generally recognize no further gain or loss if the Swedish Kronor received are, on the date of receipt, either converted to USD or used to pay expenses.

The Sponsor's fee accrues daily and is payable monthly. For U.S. federal income tax purposes, an accrual-basis U.S. Shareholder generally will be required to take into account as an expense its allocable share of the USD-equivalent of the amount of the Sponsor's fee that is accrued on each day, with such USD-equivalent being determined by the currency exchange rate that is in effect on the respective day. To the extent that the currency exchange rate on the date of payment of the accrued amount of the Sponsor's fee differs from the currency exchange rate in effect on the day of accrual, the U.S. Shareholder will recognize a currency gain or loss for U.S. federal income tax purposes.

Redemption of some or all of a U.S. Shareholder's Shares in exchange for the underlying Swedish Kronor represented by the Shares redeemed generally will not be a taxable event to the Shareholder. The Shareholder's tax basis for the Swedish Kronor received in the redemption generally will be the same as the Shareholder's tax basis for the portion of its pro rata share of the Swedish Kronor held in the Trust immediately prior to the redemption that is attributable to the Shares redeemed. In determining the portion of the U.S. Shareholder's total tax basis in the Swedish Kronor held in the Trust that is attributable to the Shares redeemed, the U.S. Shareholder generally will be required to use the method, if any, that it has used previously to determine the tax basis of nonfunctional currency amounts withdrawn from accounts with a bank or other financial institution. A subsequent sale of the Swedish Kronor received by the Shareholder will be a taxable event.

U.S. Shareholders that hold multiple lots of Shares, or that are contemplating acquiring multiple lots of Shares, are urged to consult their own tax advisers as to the determination of the tax basis for the underlying Swedish Kronor related to such Shares.

In the case of a U.S. Shareholder that uses the U.S. dollar as its functional currency, any gain or loss recognized by such U.S. Shareholder upon the sale of Shares, or upon the sale of Swedish Kronor by the Trust, generally will be treated under Internal Revenue Code section 988 as ordinary income or loss for U.S. federal income tax purposes. The share of any interest income earned by the Trust that is allocable to a U.S. Shareholder will be treated as ordinary income for U.S. federal income tax purposes.

## **BROKERAGE FEES AND TRUST EXPENSES**

Any brokerage or other transaction fee incurred by a Shareholder in purchasing Shares will be treated as part of the Shareholder's tax basis in the underlying assets of the Trust. Similarly, any brokerage fee incurred by a Shareholder in selling Shares will reduce the amount realized by the Shareholder with respect to the sale.

Shareholders will be required to recognize gain or loss upon a sale of Swedish Kronor by the Trust (as discussed above), even though some or all of the proceeds of such sale are used by the Trustee to pay Trust expenses. Shareholders may deduct their respective pro rata shares of each expense incurred by the Trust to the same extent as if they directly incurred the expense. Shareholders who are individuals, estates or trusts, however, may be required to treat some or all of the expenses of the Trust as miscellaneous itemized deductions. Individuals may deduct certain miscellaneous itemized deductions only to the extent they exceed 2% of adjusted gross income. In addition, such deductions may be subject to phase-outs and other limitations under applicable provisions of the Internal Revenue Code.

## **INVESTMENT BY REGULATED INVESTMENT COMPANIES**

Mutual funds and other investment vehicles which are "regulated investment companies" within the meaning of Internal Revenue Code section 851 should consult with their tax advisors concerning (1) the likelihood that an investment in Shares, although they are a "security" within the meaning of the Investment Company Act of 1940, may be considered an investment in the underlying Swedish Kronor for purposes of Internal Revenue Code section 851(b) and (2) the extent to which an investment in Shares might nevertheless be consistent with preservation of the qualification of such vehicles under Internal Revenue Code section 851.

## **UNITED STATES INFORMATION REPORTING AND BACKUP WITHHOLDING FOR U.S. AND NON-U.S. SHAREHOLDERS**

The Trustee will file certain information returns with the IRS, and provide certain tax-related information to Shareholders, in connection with the Trust. Proposed regulations, if finalized in their current form, would require that each Shareholder be provided with information regarding its allocable portion of the Trust's annual income (if any) and expenses, and sales of Trust assets, including, in the case of a sale of Swedish Kronor, the amount of proceeds attributable to each Share. Each Shareholder, however, would be required to determine for itself the amount of gain or loss recognized with respect to such sales.

A U.S. Shareholder may be subject to U.S. backup withholding tax in certain circumstances unless it provides its taxpayer identification number and complies with certain certification procedures. A Non-U.S. Shareholder may have to comply with certification procedures to establish that the Shareholder is not a U.S. person in order to avoid the information reporting and backup withholding tax requirements.

The amount of any backup withholding will be allowed as a credit against a Shareholder's U.S. federal income tax liability and may entitle such a Shareholder to a refund, provided that the required information is furnished to the IRS.

## **INCOME TAXATION OF NON-U.S. SHAREHOLDERS**

The Trust does not expect to generate taxable income except for gain (if any) upon the sale of Swedish Kronor and interest income. A Non-U.S. Shareholder generally will not be subject to U.S. federal income tax with respect to gain recognized upon the sale or other disposition of Shares, or upon the sale of Swedish Kronor by the Trust, unless: (1) the Non-U.S. Shareholder is an individual and is present in the United States for 183 days or more during the taxable year of the sale or other disposition, and the gain is treated as being from United States sources; or (2) the gain is effectively connected with the conduct by the Non-U.S. Shareholder of a trade or business in the United States.

A Non-U.S. Shareholder's share of any interest income earned by the Trust generally will not be subject to U.S. federal income tax unless the Shares owned by such Non-U.S. Shareholder are effectively connected with the conduct by the Non-U.S. Shareholder of a trade or business in the United States.

## **ESTATE AND GIFT TAX CONSIDERATIONS FOR NON-U.S. SHAREHOLDERS**

An individual who is neither a citizen nor a resident (as specially defined for U.S. federal estate and gift tax purposes) of the United States is generally subject to U.S. estate tax on all property that has a U.S. “situs.” An individual who is neither a citizen nor a resident (as specially defined for U.S. federal estate and gift tax purposes) of the United States is generally subject to U.S. federal gift tax on gifts of tangible personal property or real property having a U.S. situs. In addition, the U.S. federal “generation-skipping transfer tax” may apply in certain circumstances if an individual who is neither a citizen nor a resident (as specially defined for U.S. federal estate and gift tax purposes) of the United States makes a transfer of property that has a U.S. situs. Neither the Shares nor the Swedish Kronor underlying the Shares should be considered to have a U.S. situs for purposes of the U.S. federal estate tax, gift tax, and generation-skipping transfer tax.

Shareholders are urged to consult their tax advisers regarding the possible application of U.S. federal estate, gift, and generation-skipping transfer taxes in their particular circumstances.

## **TAXATION IN JURISDICTIONS OTHER THAN THE UNITED STATES**

Prospective purchasers of Shares that are based in or acting out of a jurisdiction other than the United States are advised to consult their own tax advisers as to the tax consequences, under the laws of such jurisdiction (or any other jurisdiction not being the United States to which they are subject), of their purchase, holding, sale and redemption of or any other dealing in Shares and, in particular, as to whether any value added tax, other consumption tax or transfer tax is payable in relation to such purchase, holding, sale, redemption or other dealing.

## **ERISA and Related Considerations**

The fiduciary investment rules of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”) generally apply to private employee benefit plans and to certain investment funds in which such plans participate (“ERISA Investors”). These rules are generally not applicable to individual retirement arrangements (“IRAs”), plans covering only self-employed individuals, governmental plans, church plans or foreign plans (“Non-ERISA Investors”). Consequently, much of the following discussion of the fiduciary issues arising under ERISA is generally not applicable to such investors. Non-ERISA Investors may be subject to various other fiduciary requirements under state law or other applicable law, however, which they should consider before investing in the Shares.

ERISA Investors, as well as IRAs and plans covering only self-employed individuals, are generally subject to the prohibited transaction rules of Section 4975 of the Internal Revenue Code and Section 302 of ERISA.

## **FIDUCIARY ISSUES**

A fiduciary of an ERISA Investor should consider its fiduciary responsibilities under ERISA before investing in the Shares. These duties require the fiduciary to act solely in the interests of the ERISA plan’s participants and beneficiaries. These duties also obligate the fiduciary to consider the appropriateness of any one given investment in light of the ERISA plan’s entire portfolio.

Before investing in the Shares, fiduciaries of ERISA Investors should review and determine (1) ERISA’s fiduciary standards, (2) whether an investment in the Shares would be consistent with ERISA’s prudence and diversification requirements, including consideration of the “Risk Factors” disclosed elsewhere in this prospectus, (3) whether such an investment would constitute a direct or indirect non-exempt prohibited transaction and (4) whether the fiduciaries have the appropriate authority to make the investment under the governing ERISA plan documents and investment policies, as well as under Title I of ERISA.

Fiduciaries of ERISA Investors should also consider prohibitions in ERISA and in the Internal Revenue Code relating to an ERISA Investor engaging in certain transactions involving “plan assets” with persons who are “parties in interest” under ERISA or “disqualified persons” under the Internal

Revenue Code with respect to such plan. As noted above, the prohibited transaction provisions of the Internal Revenue Code also apply to some Non-ERISA Investors and such investors also should consider these provisions prior to investing in the Shares. These prohibited transaction rules are complex and may prohibit an investment in the Shares by certain ERISA Investors and Non-ERISA Investors.

ERISA Investors may currently maintain relationships with the Trustee, Sponsor or Depository or their principals or affiliates. Such entities may be deemed parties in interest with respect to an ERISA Investor. ERISA prohibits the use of plan assets for the benefit of a party in interest and also prohibits a fiduciary with respect to an ERISA Investor from using its position to cause an ERISA Investor to make an investment from which it or certain third parties related to the fiduciary would receive a fee or other consideration. Similar provisions are imposed by the Internal Revenue Code with respect to IRAs and retirement plans covering only self employed individuals. In certain cases, exemptions apply with respect to certain transactions that might otherwise be prohibited by ERISA.

Each ERISA Investor should consult with its counsel to determine whether investment in the Shares may be prohibited by ERISA or otherwise would violate ERISA.

Each IRA Non-ERISA Investor should consult with its counsel to determine whether investment in the Shares may be prohibited by the Internal Revenue Code.

### **PLAN ASSET ISSUES**

It is anticipated that the Shares will constitute “publicly offered securities” as defined in Section 2510.3-101(b)(2) of the U.S. Department of Labor regulations. Accordingly, Shares purchased by an ERISA Investor will constitute Plan Assets, but the assets of the Trust will not be considered “plan assets” for purposes of ERISA.

### **Plan of Distribution**

In addition to, and independent of, the Sponsor’s purchase and redemption of one Share and the Initial Purchaser’s purchase of three Baskets described below, the Trust issues Shares in Baskets to Authorized Participants in exchange for deposits of the amount of Swedish Kronor represented by the Baskets being created on a continuous basis. Because new Shares are created and issued on an ongoing basis, throughout the life of the Trust a “distribution” (as such term is used in the Securities Act) will be occurring. Authorized Participants, other broker-dealers and other persons are cautioned that some of their activities will result in their being deemed participants in a distribution in a manner that would render them statutory underwriters and will subject them to the prospectus-delivery and liability provisions of the Securities Act. For example, an Authorized Participant, other broker-dealer firm or its client will be deemed a statutory underwriter if it purchases a Basket from the Trust, breaks the Basket down into the constituent Shares and sells the Shares to its customers; or if it chooses to couple the creation of a supply of new Shares with an active selling effort involving solicitation of secondary market demand for the Shares. When an Authorized Participant acts as an underwriter, it will be subject to the prospectus delivery requirements of the Securities Act with respect to the customers purchasing shares from it. A determination of whether one is an underwriter must take into account all the facts and circumstances pertaining to the activities of the broker-dealer or its client in the particular case, and the examples mentioned above should not be considered a complete description of all the activities that would lead to categorization as an underwriter.

A Shareholder who buys or sells Shares from, to, or through a broker-dealer should expect to be charged a commission by the broker-dealer for effecting the transaction. Investors are encouraged to review the terms of their brokerage accounts for details on applicable commissions or charges.

Dealers who are neither Authorized Participants nor “underwriters” but are nonetheless participating in a distribution (as contrasted to ordinary secondary trading transactions), and thus dealing with Shares that are part of an “unsold allotment” within the meaning of section 4(3)(C) of the Securities Act, would be unable to take advantage of the prospectus-delivery exemption provided by section 4(3) of the Securities Act and therefore will be subject to the prospectus delivery requirements of the Securities Act with respect to their clients who purchase Shares from them.

The Distributor is assisting the Sponsor in developing a marketing plan for the Trust, preparing marketing materials regarding the Shares, including the content of the Trust's website, executing the marketing plan for the Trust and providing strategic and tactical research on the foreign exchange markets, in each case in compliance with applicable laws and regulations.

On June 8, 2006, the Sponsor deposited 1,000 Swedish Kronor into the primary deposit account of the Trust in exchange for one Share. That same day the Trustee recorded the Share as owned by the Sponsor. The Sponsor purchased the Share solely for the purpose of forming the Trust and the Sponsor will redeem the Share for 1,000 Swedish Kronor immediately after the SEC declares effective the registration statement. In order to provide liquidity at the commencement of trading of the Shares, the Initial Purchaser will deposit 150,000,000 Swedish Kronor in the primary deposit account of the Trust and the Trustee will instruct DTC to record, and DTC will record, three Baskets totaling 150,000,000 Shares (constituting 1,000 Swedish Kronor per Share) as owned by the Initial Purchaser.

The Initial Purchaser intends to offer to the public these 150,000 Shares at a per-Share offering price that will vary depending on, among other factors, the price of the Shares on the NYSE at the time of the offer. Shares offered by the Initial Purchaser at different times may have different offering prices. The Initial Purchaser will not receive from the Trust, the Sponsor, the Distributor or any of their affiliates any fee or other compensation in connection with the sale of the Shares.

Note to Secondary Market Investors: The Shares can be purchased or redeemed directly from the Trust only in Creation Baskets or Redemption Baskets, respectively. Each Creation Basket and Redemption Basket consists of 50,000 Shares and is expected to be worth several million dollars. Most individual investors, therefore, will not be able to purchase or redeem Shares directly from the Trust. Some of the information contained in this prospectus, including information about buying and selling Shares directly from and to the Trust, is not relevant to most investors. The Shares will be listed and traded on the NYSE and may be purchased and sold in lots of Shares. Individuals interested in purchasing Shares in the secondary market should contact their broker-dealers. Shares purchased or sold through a broker-dealer can be expected to carry a mark-up, mark-down or commission.

## **Legal Proceedings**

There are no legal proceedings against the Sponsor or the Trust and no legal proceedings against the Trustee or the Depository relating to the operation of the Trust or the offering of the Shares.

## **Legal Matters**

The validity of the Shares will be passed upon for the Sponsor by Foley & Lardner LLP, who, as special United States tax counsel to the Trust, also will render an opinion regarding the material federal income tax consequences relating to the Shares. In addition to receiving customary legal fees, Foley & Lardner LLP will be paid an annual fee for the life of the Trust, which will be borne by M7 Ventures, LLC and based on the NAV of the Trust, for its assistance in developing the structure of the Trust and this offering.

### **License**

Without conceding that the operation of the Trust or the marketing of or trading in the Shares would infringe any intellectual property owned by BNY, an affiliate of the Sponsor has entered into a License Agreement with BNY granting the Sponsor's affiliate a non-exclusive, personal and non-transferable license under BNY's patent application(s) covering systems and methods for securitizing a commodity. The license grant is limited to only allow the Sponsor's affiliate to establish, operate and market a currency-based securities product based solely on the securitization, in whole or in part, of a single non-U.S. currency. The Sponsor's affiliate has the right to sublicense affiliates, partners, co-sponsors, joint ventures, trustees, depositories and agents, but the license cannot be transferred without BNY's prior written consent. The Sponsor's affiliate has sublicensed the license to the Sponsor. As consideration for the license, BNY has been appointed as trustee of the Trust. If BNY is terminated as trustee of the Trust it will be paid an annual royalty fee. Any royalty fee

incurred will be an expense payable by the Sponsor under the Depositary Trust Agreement. The Sponsor has also agreed to not initiate, directly or indirectly, any legal action against BNY for BNY's or any of BNY's affiliates' use of any improvement, enhancement, modification, derivative work or upgrade made by the Sponsor to the rights sublicensed to it.

## **Experts**

The Statement of Financial Condition as of June 8, 2006 included in this prospectus has been so included in reliance on the report of PricewaterhouseCoopers LLP, an independent registered public accounting firm, given on the authority of said firm as experts in accounting and auditing.

## **Where You Can Find More Information**

The Sponsor has filed on behalf of the Trust a registration statement on Form S-1 with the SEC under the Securities Act. This prospectus does not contain all of the information set forth in the registration statement (including the exhibits to the registration statement), parts of which have been omitted in accordance with the rules and regulations of the SEC. For further information about the Trust or the Shares, please refer to the registration statement, which you may inspect, without charge, at the public reference facilities of the SEC at the below address or online at [www.sec.gov](http://www.sec.gov), or obtain at prescribed rates from the public reference facilities of the SEC at the below address. Information about the Trust and the Shares also can be obtained from the Trust's website. The internet address of the Trust's website is [www.currencyshares.com](http://www.currencyshares.com). This internet address is only provided here as a convenience to you to allow you to access the Trust's website. The information contained on or connected to the Trust's website is not part of this prospectus or the registration statement of which this prospectus is part.

The Trust is subject to the informational requirements of the Securities Exchange Act. The Sponsor, on behalf of the Trust, will file quarterly and annual reports and other information with the SEC. The Sponsor will file an updated prospectus annually for the Trust pursuant to the Securities Act. The reports and other information can be inspected at the public reference facilities of the SEC located at 100 F Street, N.E., Washington, D.C. 20549-4561 and online at [www.sec.gov](http://www.sec.gov). You also may obtain copies of such material from the public reference facilities of the SEC at 100 F Street, N.E., Washington, D.C. 20549-4561, at prescribed rates. You may obtain more information concerning the operation of the public reference facilities of the SEC by calling the SEC at 1-800-SEC-0330 or visiting online at [www.sec.gov](http://www.sec.gov).

## **Index to Financial Statements**

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## **Report of Independent Registered Public Accounting Firm**

To the Sponsor and Shareholder  
of CurrencyShares Swedish Krona Trust:

In our opinion, the accompanying statement of financial condition presents fairly, in all material respects, the financial position of CurrencyShares Swedish Krona Trust (the "Trust") at June 8, 2006, in conformity with accounting principles generally accepted in the United States of America. This financial statement is the responsibility of the management of Rydex Specialized Products LLC d/b/a Rydex Investments (the "Sponsor"). Our responsibility is to express an opinion on this financial statement based on our audit. We conducted our audit of this statement in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the statement of financial condition is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the statement of financial condition, assessing the accounting principles used and significant estimates made by the Sponsor's management, and evaluating the overall statement of financial condition presentation. We believe that our audit of the statement of financial condition provides a reasonable basis for our opinion.

/s/ PricewaterhouseCoopers LLP

Baltimore, Maryland

June 9, 2006

**CurrencyShares<sup>SM</sup> Swedish Krona Trust**  
**Statement of Financial Condition**

**As of the date of this filing, the Trust has not been formed. The Sponsor will file a Statement of Financial Condition, including Notes to Financial Statement, by pre-effective amendment to this Form S-1 substantially in the form set forth below.**

**At June 8, 2006**

**Assets**

Current Assets	
Swedish Krona Deposits (cash) .....	\$137
Total Assets .....	<u>\$137</u>

**Liabilities and Shareholders' Equity**

Current Liabilities	
Commitments and Contingent Liabilities (Note 7) .....	\$ —
Redeemable Capital Shares, at redemption value, no par value, 150,000 authorized — 1 issued and outstanding .....	\$137
Total Liabilities and Shareholders' Equity .....	<u>\$137</u>

*See Notes to Financial Statement.*

# Notes to Financial Statement

## 1. Organization and Description of the Trust

The CurrencyShares Swedish Krona Trust (the “Trust”) was formed under the laws of New York on June 8, 2006 when the Sponsor deposited 1,000 Swedish Kronor in the Trust’s primary deposit account held by JPMorgan Chase Bank, N.A., London Branch (the “Depository”). The sponsor is Rydex Specialized Products LLC d/b/a “Rydex Investments” (the “Sponsor”), a Delaware limited liability company whose sole member is PADCO Advisors II, Inc. (also d/b/a/ “Rydex Investments”). The Sponsor is responsible for, among other things, overseeing the performance of the Trustee and the Trust’s principal service providers, including the preparation of financial statements. The trustee, The Bank of New York (the “Trustee”), is responsible for the day-to-day administration of the Trust.

The investment objective of the Trust is for the Trust’s shares (the “Shares”) to reflect the price in USD of the Swedish Krona. The Trust’s assets consist only of Swedish Kronor on demand deposit in two deposit accounts maintained by JPMorgan Chase Bank, N.A., London Branch: a primary deposit account which earns interest and a secondary deposit account which does not earn interest. The secondary deposit account is only used in connection with mid-month creations and redemptions of Baskets (blocks of 50,000 Shares), to account for interest that has been earned on the primary deposit account during the month but not yet paid and to receive interest earned on the primary deposit account, pay Trust expenses and distribute any excess interest to Shareholders on a monthly basis. The Trust offers a vehicle for investors to own and trade the Swedish Krona based on a share-certificate format.

In addition to the 1,000 Swedish Kronor deposited by the Sponsor, Bear Hunter Structured Products LLC will deposit 150,000,000 Swedish Kronor in the primary deposit account of the Trust once the Trust’s registration statement is declared effective.

## 2. Significant Accounting Policies

### A. Swedish Krona Deposits

Swedish Krona Deposits consists of a Swedish Krona-denominated, interest-bearing demand account and a Swedish Krona-denominated, non-interest-bearing account.

### B. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of the assets and liabilities and disclosures of contingent liabilities at the date of the financial statements. Actual results could differ from those estimates.

### C. Foreign Currency Translation

The Trustee will calculate the Trust’s NAV each business day, as described in Note 3 below. For NAV calculation purposes, Swedish Krona Deposits (cash) are translated at the Noon Buying Rate, which is the Swedish Krona/U.S. dollar (“USD”) exchange rate as determined and published by the Federal Reserve Bank of New York as of 12:00 PM (New York time) on each day that the NYSE is open for regular trading.

The functional currency of the Trust is the Swedish Krona in accordance with Financial Accounting Standard (“FAS”) 52, Foreign Currency Translation. For financial statement reporting purposes, the USD is the reporting currency. As a result, the financial statements are translated from Swedish Kronor to USD. Any currency translation adjustment is included in Comprehensive Income.

### D. Federal Income Taxes

The Trust is treated as a “grantor trust” for federal income tax purposes and, therefore, no provision for federal income taxes is required. Interest, gains and losses are “passed through” to the holders of Shares of the Trust.

Shareholders generally will be treated, for U.S. federal income tax purposes, as if they directly owned a pro-rata share of the assets held in the Trust. Shareholders also will be treated as if they directly received their respective pro-rata shares of the Trust's income, if any, and as if they directly incurred their respective pro-rata shares of the Trust's expenses. The acquisition of Shares by a U.S. Shareholder as part of a creation of a Basket will not be a taxable event to the Shareholder.

The Sponsor's fee accrues daily and is payable monthly. For U.S. federal income tax purposes, an accrual-basis U.S. Shareholder generally will be required to take into account as an expense its allocable share of the USD-equivalent of the amount of the Sponsor's fee that is accrued on each day, with such USD-equivalent being determined by the currency exchange rate that is in effect on the respective day. To the extent that the currency exchange rate on the date of payment of the accrued amount of the Sponsor's fee differs from the currency exchange rate in effect on the day of accrual, the U.S. Shareholder will recognize a currency gain or loss for U.S. federal income tax purposes.

The Trust does not expect to generate taxable income except for gain (if any) upon the sale of Swedish Kronor and interest income. A Non-U.S. Shareholder generally will not be subject to U.S. federal income tax with respect to gain recognized upon the sale or other disposition of Shares, or upon the sale of Swedish Kronor by the Trust, unless: (1) the Non-U.S. Shareholder is an individual and is present in the United States for 183 days or more during the taxable year of the sale or other disposition, and the gain is treated as being from United States sources; or (2) the gain is effectively connected with the conduct by the Non-U.S. Shareholder of a trade or business in the United States.

A Non-U.S. Shareholder's share of any interest income earned by the Trust generally will not be subject to U.S. federal income tax unless the Shares owned by such Non-U.S. Shareholder are effectively connected with the conduct by the Non-U.S. Shareholder of a trade or business in the United States.

#### **E. Revenue Recognition**

Interest on the primary deposit account accrues and is recorded daily as earned and is received on a monthly basis.

#### **F. Dividends**

To the extent that the interest earned by the Trust exceeds the sum of the Sponsor's fee for the prior month plus other Trust expenses, if any, the Trust will distribute, as a dividend, the excess interest earned in Swedish Krona. The Trustee will direct that the excess Swedish Kronor be converted to USD at a prevailing market rate and the Trustee will distribute the USD as promptly as practicable to Shareholders on a pro rata basis (in accordance with the number of Shares that they own).

### **3. Redeemable Capital Shares**

Shares are classified as "redeemable" for financial statement purposes, since they are subject to redemption. Shares are issued and redeemed continuously in Baskets of 50,000 Shares in exchange for Swedish Kronor. Individual investors cannot purchase or redeem Shares in direct transactions with the Trust. Authorized Participants, as defined below, are the only persons that may place orders to create and redeem Baskets. An Authorized Participant is a DTC participant that is a registered broker-dealer or other institution eligible to settle securities transactions through the book-entry facilities of the DTC and which has entered into a contractual arrangement with the Trust and the Sponsor governing, among other matters, the creation and redemption process. Authorized Participants may redeem their Shares at any time in the prescribed aggregations of 50,000 Share Baskets.

Due to expected continuing sales and redemption of capital stock and the three-day period for settlement of the Shares, the Trust reflects Shares sold as a receivable, rather than a contra equity, on the trade date. Shares redeemed are reflected as a liability on the trade date. Outstanding Shares are reflected at redemption value, which is the net asset value per Share at the period end date. Adjustments to present redeemable capital shares at redemption value are recorded against retained earnings or, in the absence of retained earnings, by charges against the cumulative translation adjustment.

The Trustee will calculate the Trust's NAV each business day. To calculate the NAV, the Trustee will subtract the Sponsor's accrued fee through the previous day from the Swedish Kronor held by the Trust (including all unpaid interest accrued through the preceding day) and calculate the value of the Swedish Kronor in U.S. dollars based upon the Noon Buying Rate. If, on a particular evaluation day, the Noon Buying Rate has not been determined and announced by 2:00 PM (New York time), then the most recent Federal Reserve Bank of New York determination of the Noon Buying Rate shall be used to determine the NAV of the Trust unless the Trustee, in consultation with the Sponsor, determines that such price is inappropriate to use as the basis for such valuation. In the event that the Trustee and the Sponsor determine that the most recent Federal Reserve Bank of New York determination of the Noon Buying Rate is not an appropriate basis for valuation of the Trust's Swedish Kronor, they shall determine an alternative basis for such evaluation to be employed by the Trustee. The Trustee also determines the NAV per Share, which equals the NAV of the Trust divided by the number of outstanding Shares. Shares deliverable under a purchase order are considered outstanding for purposes of determining NAV per Share; Shares deliverable under a redemption order are not considered outstanding for this purpose.

#### **4. Sponsor's Fee**

The Sponsor's fee accrues daily at an annual nominal rate of 0.40% of the Swedish Kronor in the Trust (including all unpaid interest but excluding unpaid fees, each as accrued through the immediately preceding day) and is paid monthly.

The Sponsor assumes and pays the following administrative and marketing expenses incurred by the Trust: the Trustee's monthly fee, NYSE listing fees, SEC registration fees, typical maintenance and transaction fees of the Depository, printing and mailing costs, audit fees and expenses, up to \$100,000 per year in legal fees and expenses, and applicable license fees. The Sponsor has also paid the costs of the Trust's organization and the initial sales of the Shares, which were approximately \$229,000 when the Trust was formed.

In certain exceptional cases the Trust will pay for some expenses in addition to the Sponsor's fee. These exceptions include expenses not assumed by the Sponsor (i.e., expenses identified in the preceding paragraph), taxes and governmental charges, expenses and costs of any extraordinary services performed by the Trustee or the Sponsor on behalf of the Trust or action taken by the Trustee or the Sponsor to protect the Trust or the interests of Shareholders, indemnification of the Sponsor under the Depository Trust Agreement, audit fees, and legal expenses in excess of \$100,000 per year.

#### **5. Related Parties**

The Sponsor is a related party of the Trust. The Sponsor oversees the performance of the Trustee and the Trust's principal service providers, including the preparation of financial statements, but does not exercise day-to-day oversight over the Trustee or the Trust's service providers. The Sponsor has also paid the costs of the Trust's organization and the initial sales of the Shares, as described in Note 4.

#### **6. Concentration Risk**

All of the Trust's assets are holdings of Swedish Kronor, which creates a concentration risk associated with fluctuations in the price of the Swedish Kronor. Accordingly, a decline in the price of the Swedish Krona will have an adverse effect on the value of the Shares of the Trust. Factors that may have the effect of causing a decline in the price of the Swedish Krona include national debt levels and trade deficits, domestic and foreign inflation rates, domestic and foreign interest rates, investment and trading activities of institutions and global or regional political, economic or financial events and situations. Substantial sales of Swedish Krona by the official sector (central banks, other governmental agencies and related institutions that buy, sell and hold Swedish Kronor as part of their reserve assets) could adversely affect an investment in the Shares.

## **7. Commitments and Contingencies**

Under the Trust's organizational documents, the Sponsor is indemnified against any liability or expense it incurs without negligence, bad faith or willful misconduct on its part. The Trust's maximum exposure under these arrangements is unknown, as this would involve future claims that may be made against the Trust that have not yet occurred.

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Until July 17, 2006, all dealers that effect transactions in these securities, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to the dealers' obligation to deliver a prospectus when acting as underwriters and with respect to their unsold allotments or subscriptions.