



**Information Circular 08-027**

Date: March 25, 2008  
To: ETP Holders  
From: James C. Yong  
Chief Regulatory Officer  
Re: GRU TO BEGIN TRADING ON NSX

Pursuant to Regulatory Circular 08-005, we are issuing this Information Circular to advise you that the following security has been approved for trading on the National Stock Exchange, Inc. ("NSX" or the "Exchange") as a UTP Derivative Securities pursuant to Exchange Rule 15.9:

<b>Security:</b>	<b>Symbol:</b>
ELEMENTS <sup>SM</sup> Linked to the MLCX Grains Index— Total Return <sup>SM</sup> due February 13, 2023 (the "Notes" or "Securities")	<b>GRU</b>

**Commencement of Trading:** March 26, 2008

**General Description of Underlying Instrument or Index<sup>1</sup>:** MLCX Grains Index – Total Return<sup>SM</sup>

**Issuer:** AB Svensk Exportkredit (Swedish Export Credit Corporation) ("SEK")

**Issuer Website:** <http://www.elementsetn.com>

**Primary Listing Exchange:** The American Stock Exchange ("Amex")

**Issuer Registration Statement:** No. 333-131369

The purpose of this information circular is to outline various rules and policies that will be applicable to trading in this new product pursuant to the Exchange's unlisted trading privileges, as well as to provide certain characteristics and features of the Notes. For a more complete description of the Issuer, the Notes and the underlying market instruments or indexes, visit the Issuer Website, consult the Prospectus available on the Issuer Website, examine the Issuer Registration Statement or review the most current information bulletin issued by the Primary Listing Exchange. The Issuer Website, the Prospectus and the Issuer Registration Statement and the primary exchange circular are hereafter collectively referred to as the "Issuer Disclosure Materials."

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<sup>1</sup> As stated *supra*, for a more complete description, please see the "Issuer Disclosure Materials", as defined below.

We understand that markets trading this product have issued information bulletins containing the following information:

### **Description of the Securities**

The Securities are a series of debt securities of SEK that provide for a cash payment at maturity or upon earlier repurchase at the holder's option, based on the performance of the Index subject to the adjustments described below. The original issue price of each Note will be \$10. The Securities will trade on the Exchange's equity trading floor subject to existing equity trading rules. The Securities will not have a minimum principal amount that will be repaid and, accordingly, payment on the Securities prior to or at maturity may be less than the original issue price of the Securities. In fact, the value of the Index must increase for the investor to receive at least the \$10 principal amount per Note at maturity or upon repurchase. If the value of the Index decreases or does not increase sufficiently to offset the investor fee (described below), the investor will receive less, and possibly significantly less, than the \$10 principal amount per Note. In addition, holders of the Securities will not receive any interest payments from the Securities. The Securities will have a term of 15 years. The Securities are not callable.

Holders who have not previously repurchased their Securities will receive a cash payment at maturity equal to the initial issue price of their Securities times the index factor on the Final Valuation Date (as defined below) times the fee factor on the Final Valuation Date. The "index factor" on any given day will be equal to the closing value of the Index on that day divided by the initial index level. The "initial index level" is the closing value of the Index on the date of issuance of the Securities and the "final index level" is the closing value of the Index on the Final Valuation Date. The investor fee will be equal to 0.75% per year times the principal amount of holders' Securities times the index factor, calculated on a daily basis in the following manner: The fee factor on the date of issuance will equal zero. On each subsequent calendar day until maturity or early repurchase, the investor fee will increase by an amount equal to 0.75% times the principal amount of holders' Securities times the index factor on that day (or, if such day is not a trading day, the index factor on the immediately preceding trading day) divided by 365.

### **Repurchase Option**

Prior to maturity, holders may, subject to certain restrictions, choose to offer their Securities for repurchase by SEK on any repurchase date during the term of the Securities, beginning 90 days after the inception date. Any offer for repurchase made during the first 90 days after the inception date will have valuation and repurchase dates falling after that 90 day period. An offer of at least \$5,000,000 principal amount of Securities to SEK is required for repurchase on any repurchase date. On the repurchase date, SEK will repurchase the holder's Securities and deliver a cash payment in an amount equal to the weekly repurchase value, which is the principal amount of the holder's Securities *times* the index factor *times* the fee factor.

A repurchase date is the 4th business day following a valuation date. A valuation date is each Tuesday from the first Tuesday after issuance of the Securities until the last Tuesday before maturity of the Securities, unless the calculation agent determines that a market disruption event exists. The weekly scheduled valuation date may be postponed up to four (4) trading days due to a market disruption event. If a market disruption event exists, the value of the Index will be calculated by reference to the values of the unaffected Index Components on the scheduled

weekly valuation date and by reference to the values of the affected Index Components on the first trading day after the scheduled valuation date on which no market disruption event exists. If a market disruption event continues to exist after four (4) trading days, the value of the Index for such weekly repurchase date will be determined by the calculation agent consistent with reasonable commercial standards. If the valuation date is postponed due to a market disruption event, the repurchase date will also be postponed by the same number of business days.

### **Repurchase Procedure**

To redeem their Securities, holders must instruct their broker or other person through whom they hold their Securities to take the following steps:

- (i) deliver an irrevocable Offer for Repurchase to Merrill Lynch Pierce Fenner & Smith ("Merrill Lynch") by 5:00 p.m. Eastern time ("ET") on the 5th scheduled business day before the applicable valuation date prior to the applicable repurchase date. \$5,000,000 principal amount or more must be offered for repurchase by SEK on any repurchase date. Merrill Lynch must acknowledge receipt in order for the offer to be effective;
- (ii) must book a delivery vs. payment trade with respect to the Securities on the applicable valuation date at a price equal to the applicable weekly repurchase value, facing Merrill Lynch; and
- (iii) must cause the Depository Trust Corporation ("DTC") custodian to deliver the trade as booked for settlement via DTC at or prior to 10:00 a.m. ET on the applicable repurchase date (the fourth business day following the valuation date).

### **Market Disruption Event**

Any of the following will be a market disruption event:

- a material limitation, suspension or disruption in the trading of any Index Component which results in a failure to disseminate or calculate a daily futures contract reference price;
- the daily futures contract reference price for any Index Component reaches its relevant price limit as set forth by the applicable futures exchange or board of trade;
- failure of the applicable futures exchange or board of trade to disseminate or publish the daily futures contract reference price for one or more Index Components; or
- any other event determined by the calculation agent, after consultation with SEK, that materially interferes with the ability to unwind all or a material portion of the hedge effected with respect to the Securities.

### **Default**

If an event of default occurs and the maturity of the Securities is accelerated, SEK will pay the default amount in respect of the principal of each Security at maturity. If a holder of a Security accelerates the maturity of the Security upon an event of default under the Indenture

referenced in the accompanying prospectus, the amount payable upon acceleration will be the weekly repurchase value determined by the calculation agent on the next valuation date.

### **Indicative Value**

The “Indicative Value” is designed to approximate the intrinsic economic value of the Securities on a real-time basis. An Indicative Value for the Securities will be calculated and published by Merrill Lynch at least every 15 seconds during the time the Securities are traded during the NYSE’s Core Trading Session (9:30 am ET to 4:00 pm ET) under the Bloomberg symbol (GRUIV). The actual trading price of the Securities may vary significantly from their Indicative Value. Additionally, Merrill Lynch expects to calculate and publish the closing Indicative Value of the Securities on each trading day. In connection with the Securities, the term “Indicative Value” refers to the value at any time determined based on the following equation:

$$\text{Indicative Value} = \text{Principal Amount per Security} \times (\text{Current Index Level} / \text{Initial Index Level}) \times \text{Current Fee Factor}$$

where:

Principal Amount per Security = \$10;

Current Index Level = The most recent published closing level of the Index;

Initial Index Level = The closing level of the Index on the inception date; and

Current Fee Factor = The most recent daily calculation of the fee factor with respect to the Securities, determined as described above (which, during any trading day, will be the fee factor determined on the preceding calendar day).

### **Description of the Index**

The Index (Bloomberg symbol: MLCXGRTR) is designed to provide a benchmark for the grains sector and for investment in commodities as an asset class. The Index is comprised of futures contracts on four physical commodities: corn, soybeans, soy meal and wheat (each an “Index Commodity”). A commodity futures contract is an agreement that provides for the purchase and sale of a specified type and quantity of a commodity during a stated delivery month for a fixed price. In the case of the Index, as the exchange traded futures contracts on the four Index Commodities (the “Index Components”) approach the month before expiration, they are replaced by contracts that have later expiration. This process is referred to as “rolling”. The Index is a sub-index of the MLCX Index — Total Return (the “MLCX”) and the methodology with respect to the construction of the MLCX, including the Index, and the selection and rolling of the contracts included in the Index will be provided in the prospectus supplement.

### **Investment Risks**

The Securities are unsecured promises of SEK and are not secured debt. The Securities are riskier than ordinary unsecured debt securities. As stated in the Prospectus, an investment in the Securities includes the following risks:

- Investor returns on the Securities will not reflect the return of an investment directly linked to the MLCX Grains Index.
- Even if the value of the Index at maturity or upon repurchase exceeds the initial Index level, holders may receive less than the principal amount of their Securities.
- Holders will not benefit from any increase in the value of the Index if such increase is not reflected in the value of the Index on the applicable valuation date.
- There are restrictions on the minimum number of Securities a holder may redeem and on the dates on which a holder may redeem them.
- The market value of the Securities may be influenced by many unpredictable factors, including volatile commodity prices.
- Historical values of the MLCX Grains Index should not be taken as an indication of the future performance of the Index during the term of the Securities.
- Commodity and option prices may change unpredictably affecting the value of the Index and the value of the Securities.
- Changes in SEK credit ratings may affect the market value of the Securities.
- There may not be an active trading market in the Securities; sales in the secondary market may result in significant losses.
- Trading and other transactions by SEK or its affiliates in instruments linked to the Index or Index components may impair the market value of the Securities.
- The liquidity of the market for the Securities may vary materially over time.
- SEK business activities may create conflicts of interest.
- The rights of SEK to use the Index are subject to the terms of a license agreement.
- There are potential conflicts of interest between the holders and the calculation agent.
- If a market disruption event has occurred or exists on a valuation date, the calculation agent can postpone the determination of the value of the Index or the maturity date or a repurchase date.

#### **No-Action Relief Under Federal Securities Regulations**

The SEC has issued no-action relief from certain provisions of and rules under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), regarding trading in Barclays iPath securities with structures similar to that of the Securities. See letter dated July 27, 2006, from James A. Brigagliano, Acting Associate Director, Office of Trading Practices

and Processing, Division of Market Regulation (now known as Trading and Markets), to George H. White (the "Letter"). As what follows is only a summary of the relief outlined in the Letter, members are also advised to consult the Letter, for more complete information regarding the matters covered therein.

### **Regulation M Exemptions**

Generally, Rules 101 and 102 of Regulation M is an anti-manipulation regulation that, subject to certain exemptions, prohibits a "distribution participant" and the issuer or selling security holder, in connection with a distribution of securities, from bidding for, purchasing, or attempting to induce any person to bid for or purchase, any security which is the subject of a distribution until after the applicable restricted period, except as specifically permitted in Regulation M. The provisions of the Rules apply to underwriters, prospective underwriters, brokers, dealers, and other persons who have agreed to participate or are participating in a distribution of securities, and affiliated purchasers of such persons.

The Letter states that the SEC Division of Market Regulation will not recommend enforcement action under Rule 101 of Regulation M against persons who may be deemed to be participating in a distribution of the notes to bid for or purchase the notes during their participation in such distribution.

Rule 102 of Regulation M prohibits issuers, selling security holders, or any affiliated purchaser of such person from bidding for, purchasing, or attempting to induce any person to bid for or purchase a covered security during the applicable restricted period in connection with a distribution of securities effected by or on behalf of an issuer or selling security holder. Rule 100 of Regulation M defines "distribution" to mean any offering of securities that is distinguished from ordinary trading transactions by the magnitude of the offering and the presence of special selling efforts and selling methods.

The Letter states that the SEC Division of Market Regulation will not recommend enforcement action under Rule 102 of Regulation M against Barclays and its affiliated purchasers who bid for or purchase or redeem notes during the continuous offering of the notes.

### **Section 11(d)(1) of the Exchange Act; Exchange Act Rule 11d1 -2**

Section 11(d)(1) of the Exchange Act generally prohibits a person who is both a broker and a dealer from effecting any transaction in which the broker-dealer extends credit to a customer on any security which was part of a new issue in the distribution of which he or she participated as a member of a selling syndicate or group within thirty days prior to such transaction.

The Letter states that the SEC Division of Market Regulation will not recommend enforcement action under Section 11 (d)(1) of the Exchange Act against broker-dealers who treat the notes, for purposes of Rule 11d1-2, as "securities issued by a registered . . . open-end investment company as defined in the Investment Company Act " and thereby, extend credit or maintain or arrange for the extension or maintenance of credit on the notes that have been owned by the persons to whom credit is provided for more than 30 days, in reliance on the exemption contained in the rule.

**AS THE ABOVE IS ONLY A SUMMARY OF THE RELIEF OUTLINED IN VARIOUS NO-ACTION LETTERS, INTERESTED PARTIES ARE ADVISED TO CONSULT THE NO-ACTION LETTERS FOR MORE COMPLETE INFORMATION REGARDING THE MATTERS COVERED THEREIN AND THE APPLICABILITY OF THE RELIEF GRANTED IN RESPECT OF TRADING IN SECURITIES, INTERESTED PARTIES SHOULD ALSO CONSULT THEIR PROFESSIONAL ADVISORS FOR MORE INFORMATION.**

### **Exchange Rules Applicable to Trading in the Notes**

The Notes are considered equity securities, thus rendering trading in the Notes subject to the Exchange's existing rules governing the trading of equity securities. The Notes are also a UTP Derivative Securities as specified in Exchange Rule 15.9, and as such are subject to the additional provisions specific to that Rule. In particular, ETP Holders are reminded of their obligations under the following NSX Rules:

1. Trading Hours: This product will trade during the regular trading hours of the Exchange (between 9:30 am to 4:00 pm ET), during pre-market hours (8:00 am to 9:29:59 am ET) and during post-market hours (4:00:01 pm to 6:30 pm ET). Please note that trading in the Notes during the Exchange's pre-market and post-market hours may result in additional trading risks which include: (1) lower liquidity in the Opening or Late Trading Sessions may impact pricing, (2) higher volatility in the Opening or Late Trading Sessions may impact pricing, (3) wider spreads may occur in the Opening or Late Trading Sessions. The minimum trading increment is in accordance with NSX Rule 11.3.

2. Recommendations To Customers: Rule 3.7 provides that the ETP Holder shall use due diligence to learn the essential facts relative to every customer prior to trading the Notes or recommending a transaction in the Notes that an investment in the Notes is suitable for the customer.

3. Trading Halts. Rule 15.9B(4) provides that, in addition to the Exchange's authority to suspend or halt trading under Rules 11.20 (Trading Halts Due To Extraordinary Market Volatility), 12.11 (Trading Suspensions) and 15.7 (Suspension and/or Delisting By Exchange), if a temporary interruption occurs in the calculation or wide dissemination of the intraday indicative value (or similar value) or the value of the underlying index or instrument and the listing market halts trading in the product, the Exchange, upon notification by the listing market of such halt due to such temporary interruption, also shall immediately halt trading in that product on the Exchange. The Notes will be traded following a trading halt in accordance with Interpretations and Policy .03 of NSX Rule 11.20.

In addition, for a UTP Derivative Securities product where a net asset value is disseminated, if the Primary Listing Exchange notifies the Exchange that the net asset value is not being disseminated to all market participants at the same time, the Exchange will immediately halt trading in such security. The Exchange may resume trading in the UTP Derivative Security only when the net asset value is disseminated to all market participants at the same time or trading in the UTP Derivative Security resumes on the listing market.

**THIS INFORMATION CIRCULAR IS NOT A STATUTORY PROSPECTUS. ETP HOLDERS SHOULD CONSULT THE ISSUER DISCLOSURE MATERIALS (AS DEFINED ABOVE) FOR ALL RELEVANT INFORMATION RESPECTING THE NOTES.**

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Inquiries regarding this Information Circular should be directed to James C. Yong,  
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