CURRENCYSHARES SWEDISH KRONA TRUST
Form 10-Q
June 11, 2012
Table of Contents

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington D.C. 20549

FORM 10-Q

x **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)**

OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended April 30, 2012

or

¨ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d)**

OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from ____ to ____

Commission File Number 001-32908

CurrencyShares® Swedish Krona Trust

Sponsored by Guggenheim Specialized Products, LLC,

(Exact name of registrant as specified in its charter)

New York	**No. 56-6666926**
(State or other jurisdiction of incorporation or organization)	**(IRS Employer Identification No.)**

805 King Farm Boulevard, Suite 600
Rockville, Maryland 20850
(Address of principal executive offices) (Zip Code)
(301) 296-5100

(Registrant s telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes x No ¨

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (d232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes x No ¨

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See definitions of large accelerated filer, accelerated filer, non-accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one): Large accelerated filer ¨ Accelerated filer x Non-accelerated filer ¨ Smaller reporting company ¨

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ¨ No x

Table of Contents

CURRENCYSHARES® SWEDISH KRONA TRUST

INDEX

Caption	Page
PART I FINANCIAL INFORMATION	
Item 1. Financial Statements (Unaudited)	
Statements of Financial Condition at April 30, 2012 and October 31, 2011	2
Statements of Income and Comprehensive Income for the three months ended April 30, 2012, the three months ended April 30, 2011, the six months ended April 30, 2012 and the six months ended April 30, 2011	3
Statements of Changes in Shareholders Equity for the six months ended April 30, 2012 and the year ended October 31, 2011	4
Statements of Cash Flows for the six months ended April 30, 2012 and the six months ended April 30, 2011	5
Notes to Financial Statements	6
Item 2. Management s Discussion and Analysis of Financial Condition and Results of Operations	10
Item 3. Quantitative and Qualitative Disclosures about Market Risk	14
Item 4. Controls and Procedures	14
Part II OTHER INFORMATION	
Item 1. Legal Proceedings	15
Item 1A. Risk Factors	15
Item 2. Unregistered Sales of Equity Securities and Use of Proceeds	15
Item 3. Defaults Upon Senior Securities	15
Item 4. (Removed and Reserved)	15
Item 5. Other Information	15
Item 6. Exhibits	16
SIGNATURES	17

Table of Contents

PART I FINANCIAL INFORMATION

Item 1. Financial Statements

CurrencyShares® Swedish Krona Trust

Statements of Financial Condition

	April 30, 2012 (Unaudited)	October 31, 2011
Assets		
Current Assets:		
Swedish Krona deposits, interest bearing	$ 73,990,546	$ 92,321,060
Swedish Krona deposits, non-interest bearing		
Receivable from accrued interest	79,976	174,021
Total Current Assets	$ 74,070,522	$ 92,495,081
Liabilities, Redeemable Capital Shares and Shareholders Equity		
Current Liabilities:		
Sweish Krona deposits, non-interest bearing, overdrawn	$	$ 22,755
Accrued Sponsor s fee	24,270	37,292
Total Current Liabilities	24,270	60,047
Commitments and Contingent Liabilities (note 8)		
Redeemable Capital Shares, at redemption value, no par value, 7,500,000 authorized 500,000 and 600,000 issued and outstanding, respectively	74,046,252	92,435,034
Shareholders Equity:		
Retained Earnings		
Cumulative Translation Adjustment		
Total Liabilities, Redeemable Capital Shares and Shareholders Equity	$ 74,070,522	$ 92,495,081

See Notes to Financial Statements.

Table of Contents

CurrencyShares® Swedish Krona Trust

Statements of Income and Comprehensive Income

(Unaudited)

	Three months ended April 30, 2012	Three months ended April 30, 2011	Six months ended April 30, 2012	Six months ended April 30, 2011
Income				
Interest Income	$ 260,717	$ 323,392	$ 648,687	$ 457,146
Total Income	260,717	323,392	648,687	457,146
Expenses				
Sponsor s fee	(75,208)	(86,905)	$ (162,014)	(141,476)
Total Expenses	(75,208)	(86,905)	(162,014)	(141,476)
Net Income	$ 185,509	$ 236,487	$ 486,673	$ 315,670
Other Comprehensive (Loss)/ Income:				
Currency translation adjustment	(327)	11,728	85	16,097
Total Comprehensive Income	$ 185,182	$ 248,215	$ 486,758	$ 331,767
Basic and Diluted Earnings per Share	$ 0.36	$ 0.40	$ 0.88	$ 0.67
Weighted-average Shares Outstanding	512,778	584,831	550,549	473,757
Cash Dividends per Share	$ 0.41	$ 0.31	$ 0.96	$ 0.51

See Notes to Financial Statements.

Table of Contents

CurrencyShares® Swedish Krona Trust

Statements of Changes in Shareholders Equity

	Six months ended April 30, 2012 (Unaudited)	Year ended October 31, 2011
Retained Earnings, Beginning of Period	$	$
Net Income	486,673	1,210,990
Distributions Paid	(530,873)	(1,118,767)
Adjustment of redeemable capital shares to redemption value	44,200	(92,223)
Retained Earnings, End of Period	$	$
Cumulative Translation Adjustment, Beginning of Period	$	$
Currency translation adjustment	85	23,878
Adjustment of redeemable capital shares to redemption value	(85)	(23,878)
Cumulative Translation Adjustment, End of Period	$	$

See Notes to Financial Statements.

Table of Contents

CurrencyShares® Swedish Krona Trust

Statements of Cash Flows

(Unaudited)

	Six months ended April 30, 2012	Six months ended April 30, 2011
Cash flows from operating activities		
Cash received for accrued income	$ 736,478	$ 364,068
Cash paid for expenses	(173,614)	(128,781)
Net cash provided by operating activities	562,864	235,287
Cash flows from financing activities		
Cash received to purchase redeemable shares		60,689,453
Cash paid to redeem redeemable shares	(14,715,723)	(7,584,378)
Cash paid for distributions	(530,873)	(238,960)
Net cash (used in)/provided by financing activities	(15,246,596)	52,866,115
Adjustment to period cash flows due to currency movement	(3,624,027)	11,357,770
(Decrease)/increase in cash	(18,307,759)	64,459,172
Cash at beginning of period	92,298,305	59,357,089
Cash at end of period	$ 73,990,546	$ 123,816,261
Reconciliation of net income to net cash provided by operating activities		
Net Income	$ 486,673	$ 315,670
Adjustments to reconcile net income to net cash provided by operating activities:		
Receivable from accrued interest	(79,976)	(132,162)
Prior period receivable from accrued interest	174,021	34,497
Currency translation adjustment	(4,832)	2,519
Accrued sponsor fee	24,270	34,930
Prior period accrued sponsor fee	(37,292)	(20,167)
Net cash provided by operating activities	$ 562,864	$ 235,287

See Notes to Financial Statements.

Table of Contents

CurrencyShares® Swedish Krona Trust

Notes to Financial Statements

(Unaudited)

1. Organization and Description of the Trust

The CurrencyShares® Swedish Krona Trust (the Trust) was formed under the laws of the State of New York on June 8, 2006 when Guggenheim Specialized Products, LLC (formerly known as Rydex Specialized Products LLC) d/b/a Guggenheim 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 Security Investors, LLC (also d/b/a Guggenheim 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 may earn interest and a secondary deposit account which does not earn interest. The secondary deposit account is used to account for any interest that may be 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, if any, on the primary deposit account, pay Trust expenses and distribute any excess interest to holders of Shares (Shareholders) on a monthly basis.

The accompanying unaudited financial statements were prepared in accordance with accounting principles generally accepted in the United States of America for interim financial information and with the instructions for Form 10-Q. In the opinion of management, all material adjustments, consisting only of normal recurring adjustments, considered necessary for a fair statement of the interim period financial statements have been made. Interim period results are not necessarily indicative of results for a full-year period. These financial statements and the notes thereto should be read in conjunction with the Trust s financial statements included in the Form 10-K as filed on January 13, 2012.

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, the reported amounts of revenue and expenses during the period and the evaluation of subsequent events through the issuance date of the financial statements. 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. Swedish Krona deposits (cash) are translated for NAV calculation purposes at the Closing Spot Rate, which is the Swedish Krona/USD exchange rate as determined by The World Markets Company PLC, a State Street business, at 4:00 PM (London fixing) on each day that NYSE Arca is open for regular trading.

The functional currency of the Trust is the Swedish Krona in accordance with generally accepted accounting standards. For financial statement reporting purposes, the U.S. Dollar is the reporting currency. As a result, the financial records of the Trust are translated from Swedish Kronor to USD. The Closing Spot Rate on the last day of the period is used for translation in the statements of financial condition. The average Closing Spot Rate for the period is used for translation in the statements of income and comprehensive income and the statements of cash flows. Any currency translation adjustment is included in comprehensive income.

6

Table of Contents

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 portion of the Trust s income, if any, and as if they directly incurred their respective pro-rata portion 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 portion 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 interest income (if any) and gain (if any) upon the sale of Swedish Kronor. 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 portion 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, if any, 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 (herein referred to as dividends or distributions), 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 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). An income distribution of $0.11141 per share with an ex-dividend date of May 1, 2012 was paid on May 8, 2012.

3. Swedish Krona Deposits

Swedish Krona principal deposits are held in a Swedish Krona-denominated, interest-bearing demand account. For the six months ended April 30, 2012, there were no Swedish Krona principal deposits and there were Swedish Krona principal redemptions of 99,492,868, resulting in an ending Swedish Krona principal balance of 497,464,341. This equates to 73,990,546 USD. For the year ended October 31, 2011, there were Swedish Krona principal deposits of 795,942,946 and Swedish Krona principal redemptions of 596,957,210, resulting in an ending Swedish Krona principal balance of 596,957,209. This equates to 92,321,060 USD.

Net interest, if any, 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, if any.

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)

Table of Contents

may place orders to create and redeem Baskets. An Authorized Participant is a Depository Trust Company (DTC) participant that is a registered broker-dealer or other institution eligible to settle securities transactions through the book-entry facilities of 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:

	Six months ended April 30, 2012 (Unaudited)		Year ended October 31, 2011	
	Shares	U.S. Dollar Amount	Shares	U.S. Dollar Amount
Opening balance	600,000	$ 92,435,034	400,000	$ 59,371,419
Shares issued			800,000	122,518,517
Shares redeemed	(100,000)	(14,715,723)	(600,000)	(91,889,058)
Adjustment to period Shares due to currency movement and other		(3,673,059)		2,434,156
Ending balance	500,000	$ 74,046,252	600,000	$ 92,435,034

The Trustee calculates the Trust s NAV each business day. To calculate the NAV, the Trustee subtracts 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 calculates the value of the Swedish Kronor in USD based upon the Closing Spot Rate. 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 will 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 the valuation. If 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, they will determine an alternative basis for the valuation. 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.

Table of Contents

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.

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 Depositary 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.

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 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 Shareholders 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 this arrangement is unknown, as this would involve future claims that may be made against the Trust that have not yet occurred.

Table of Contents

Item 2. Management s Discussion and Analysis of Financial Condition and Results of Operations

Cautionary Statement Regarding Forward-Looking Information

This report contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements can be identified by words such as anticipate, expect, intend, plan, believe, seek, outlook and estimate and other similar Forward-looking statements are based upon our current expectations and beliefs concerning future developments and their potential effects on us. Such forward-looking statements are not guarantees of future performance. Various factors may cause our actual results to differ materially from those expressed in our forward-looking statements. These factors include fluctuations in the price of the Mexican Peso, as the value of the Shares relates directly to the value of the Mexican Pesos held by the Trust and price fluctuations could materially adversely affect an investment in the Shares. Readers are urged to review the Risk Factors section contained in the Trust s most recent annual report on Form 10-K for a description of other risks and uncertainties that may affect an investment in the Shares.

Neither Guggenheim Specialized Products, LLC d/b/a Guggenheim Investments (the Sponsor), nor any other person assumes responsibility for the accuracy or completeness of forward-looking statements contained in this report. The 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.

Trust Overview

The CurrencyShares® 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 commenced trading on the New York Stock Exchange (NYSE) under the ticker symbol FXS on June 26, 2006. The primary listing of the Shares was transferred to NYSE Arca on October 30, 2007.

The Trust is a passive investment vehicle. The Trust does not have any officers, directors or employees. The investment objective of the Trust is for the Shares to reflect the price of the Swedish Krona plus accrued interest, if any, less the expenses of the Trust s operations. The Trust does not engage in any activities designed to obtain profit from, or ameliorate losses caused by, changes in the price of the Swedish Krona.

Definition of 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, if any, 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 exchange rate as determined by The World Markets Company PLC, a State Street business, at 4:00 PM (London fixing) (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 the 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 the NAV per Share are published by the Sponsor on each day that NYSE Arca is open for regular trading and are posted on the Trust s website, www.currencyshares.com.

Table of Contents

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 (prior to November 13, 2008) and the Closing Spot Rate (as of and after November 13, 2008).

Noon Buying Rate/Closing Spot Rate

Table of Contents

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 (prior to November 13, 2008) and the Closing Spot Rate (as of and after November 13, 2008), expressed as a multiple of 1,000 Swedish Kronor:

FXS Price Movement

Table of Contents

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 Bank, N.A., London Branch, maintains two deposit accounts for the Trust, a primary deposit account that is expected to earn interest and a secondary deposit account which does not earn interest. Interest on the primary deposit account, if any, accrues daily and is paid monthly. The interest rate in effect as of April 30, 2012 was an annual nominal rate of 1.26%. The following chart provides the daily rate paid by the Depository since the Shares began trading:

FXS Daily 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, if any, 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, if any, 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

Date	Value	NAV	Yield	Annualized Yield
4/2/2012	$ 0.11722	$ 150.06	0.08%	0.92%
3/1/2012	$ 0.13291	$ 151.44	0.09%	1.11%
2/1/2012	$ 0.15895	$ 146.27	0.11%	1.28%

Table of Contents

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 ASC 830, Foreign Currency Translation.

Results of Operations

As of October 31, 2011, the number of Swedish Kronor owned by the Trust was 596,957,209, resulting in a redeemable capital share value of $92,435,034. During the six months ended April 30, 2012, no Shares were created and 100,000 Shares were redeemed in exchange for 99,492,868 Swedish Kronor. As of April 30, 2012, the number of Swedish Kronor owned by the Trust was 497,464,341 resulting in a redeemable capital Share value of $74,046,252.

The decrease in the Trust s redeemable capital Share value from $92,435,034 at October 31, 2011 to $74,046,252 at April 30, 2012, was primarily the result of a decrease in the number of Shares outstanding from 600,000 at October 31, 2011 to 500,000 at April 30, 2012 coupled with a decrease in the Closing Spot Rate from 0.15465 at October 31, 2011 to 0.14874 at April 30, 2012.

Interest income decreased from $323,392 for the three months ended April 30, 2011 to $260,716 for the three months ended April 30, 2012, attributable primarily to a decrease in the weighted-average Swedish Kronor in the Trust, but partially offset by an increase in the annual nominal interest rate paid by the Depository, as set forth in the chart above. Interest income increased from $457,146 for the six months ended April 30, 2011 to $648,687 for the six months ended April 30, 2012, attributable primarily to an increase in the weighted-average Swedish Kronor in the Trust coupled with an increase in the annual nominal interest rate paid by the Depository, as set forth in the chart above.

The Sponsor s fee accrues daily at an annual nominal rate of 0.40% of the Swedish Kronor in the Trust. Due primarily to a decrease in the weighted-average Swedish Kronor in the Trust, the Sponsor s fee decreased from $86,905 for the three months ended April 30, 2011 to $75,208 for the three months ended April 30, 2012. Due primarily to an increase in the weighted-average Swedish Kronor in the Trust, the Sponsor s fee increased from $141,476 for the six months ended April 30, 2011 to $162,014 for the six months ended April 30, 2012. The only expense of the Trust during the three months and six months ended April 30, 2012 was the Sponsor s fee.

The Trust s net income for the three months ended April 30, 2012 was $185,508 due to interest income of $260,716 exceeding the Sponsor s fee of $75,208. The Trust s net income for the six months ended April 30, 2012 was $486,673 due to interest income of $648,687 exceeding the Sponsor s fee of $162,014.

Cash dividends per Share increased from $0.31 for the three months ended April 30, 2011 to $0.41 per Share for the three months ended April 30, 2012, and increased from $0.51 for the six months ended April 30, 2011 to $0.96 per Share for the six months ended April 30, 2012. This increase in cash dividends per Share was primarily due to an increase in the annual nominal interest rate paid by the Depository.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

Except as described above with respect to the Swedish Krona/USD exchange rate and the nominal annual interest rate paid by the Depository on Swedish Kronor held by the Trust, the Trust is not subject to market risk. The Trust does not hold securities and does not invest in derivative instruments.

Item 4. Controls and Procedures.

The Trust maintains disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934) designed to ensure that material information relating to the Trust is recorded, processed and disclosed on a timely basis. The Trust s

disclosure controls and procedures are designed by or under

Table of Contents

the supervision of the Sponsor s chief executive officer and chief financial officer, who exercise oversight over the Trust as the Trust has no officers. The chief executive officer and chief financial officer of the Sponsor have evaluated the effectiveness of the Trust s disclosure controls and procedures as of April 30, 2012. 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 report.

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.

PART II OTHER INFORMATION

Item 1. Legal Proceedings
None.

Item 1A. Risk Factors
There have been no material changes from the risk factors disclosed in the Risk Factors section of the Trust s Annual Report on Form 10-K filed with the Securities and Exchange Commission on January 13, 2012.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds
(a) None.

(b) Not applicable.

(c) During the quarter ended April 30, 2012, 1 Basket (50,000 Shares registered pursuant to Section 12 of the Securities Exchange Act of 1934) was redeemed by the Trust, as follows:

Period		Total Number of Registered Shares Redeemed	Average Price Per Share
02/01/2012	02/29/2012	50,000	$ 151.94
03/01/2012	03/31/2012		$
04/01/2012	04/30/2012		$

Item 3. Defaults Upon Senior Securities
None.

Item 4. (Removed and Reserved)
None.

Item 5. Other Information
None.

15

Table of Contents

Item 6. Exhibits

Exhibit No.	Description
4.1	Participant Agreement dated as of March 25, 2010 among Knight Clearing Services, LLC, The Bank of New York and Rydex Specialized Products LLC (together with the Schedule pursuant to Instruction 2 to Item 601 of Regulation S-K).
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.
101.INS	XBRL Instance Document.
101.SCH	XBRL Taxonomy Extension Schema Document.
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB	XBRL Taxonomy Extension Label Linkbase Document.
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document.

Table of Contents

SIGNATURES

Pursuant to the requirements 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.

CURRENCYSHARES® SWEDISH KRONA TRUST

By Guggenheim Specialized Products, LLC
Sponsor of the CurrencyShares® Swedish Krona Trust

Date: June 11, 2012

By: /s/ JOSEPH ARRUDA
Joseph Arruda
Chief Financial Officer
(principal financial officer)

17