

# Hansa Pension Fund K1 (Conservative Strategy)

## Investment Principles

Hansa Pension Fund K1 (Conservative Strategy) is a contractual investment fund founded for providing mandatory funded pension. The objective of the Fund's investment activity is to achieve long-term, stable capital growth. The Fund's assets shall be invested in the bonds, money market instruments and other similar assets of either Estonian or foreign origin. The Fund's assets shall not be invested in equities or investment funds which invest in equities.

## General information

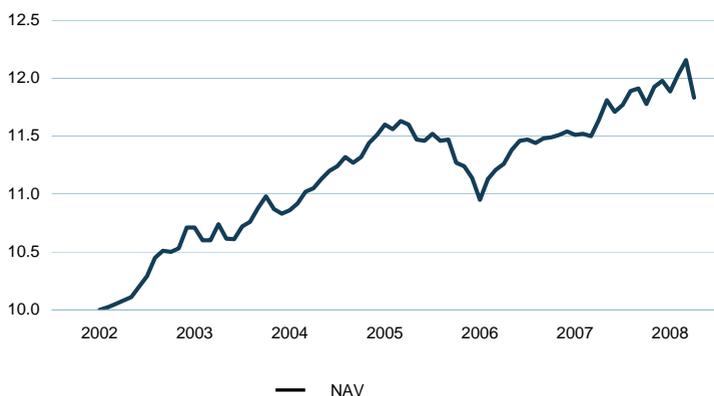
|                         |   |
|-------------------------|---|
| Fund Management Company | Hansa Investment Funds  |
| Fund Manager            | Fabio Filippozzi  |
| Inception               | 2002  |
| Contact                 | Hansapank offices and tel. 631 0310<br><a href="http://www.hansa.ee/funds">www.hansa.ee/funds</a> |

|                          |                 |
|--------------------------|-----------------|
| Net Asset Value (NAV)    | 11.83 EEK       |
| Net Assets               | 371 468 462 EEK |
| Management Fee per annum | 1.19%           |
| Subscription Fee         | 1.5%            |
| Redemption Fee           | 1.0%            |
| Benchmark                | EPI100          |

|   |     |
|---|-----|
| Weighted average rating                   | A   |
| Weighted average modified duration, years | 2.9 |

|   |      |
|---|------|
| <b>Statistics (computed over 3 years)</b> |      |
| Standard Deviation                        | 3.4% |

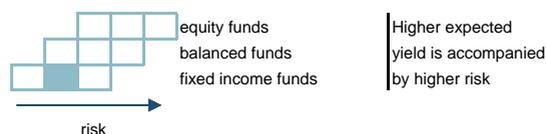
## Fund performance



|             | YTD  | 1 month | 3 months | 1 year | 3 years | 5 years | Inception |
|-------------|------|---------|----------|--------|---------|---------|-----------|
| Performance | 0.5% | -2.7%   | -0.5%    | 1.7%   | 2.0%    | 10.2%   | 18.3%     |
| Annualized  |      |         |          | 1.7%   | 0.7%    | 2.0%    | 2.7%      |

|             | 2003 | 2004 | 2005 | 2006  | 2007 | 2008 | 2009 |
|-------------|------|------|------|-------|------|------|------|
| Performance | 4.2% | 4.9% | 2.5% | -0.4% | 2.6% |      |      |

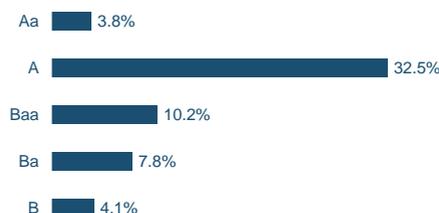
## Risk level



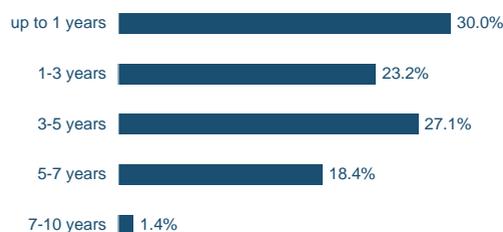
## Portfolio by instruments



## Portfolio by ratings



## Portfolio by modified duration



## Portfolio by regions



## Largest investments

| Bonds                          | Weight |
|--------------------------------|--------|
| T-Rowe Price-European Corp.Bd  | 7.5%   |
| Hansa Private Debt Bond Fund   | 6.9%   |
| Pimco Gis Euro Bond Fnd Inst A | 6.6%   |
| Bluebay Inv Grad Bd I-Base Prf | 5.7%   |
| Greece 3.1 EUR 20.04.10        | 5.2%   |
| Latvian T-Bond 03.11.11        | 5.2%   |
| DWS Europe Convergence Bond F  | 4.9%   |
| Espa Bond Danubia Fund         | 4.4%   |
| JPM Emerging Bond C Acc USD    | 3.6%   |
| T-Rowe Gobl Emg Nond Fund      | 3.3%   |

The value of the Fund's unit can either grow or decrease in time. The current return of the Fund shall not guarantee the same return in the future. Funds investing in foreign markets are vulnerable to monetary movements, which may lead to a growth or decrease of the net asset value of the Fund's unit. Pension Funds are founded on the basis of Funded Pensions Act. The following payment which conditionally consists of two parts - tax (4% portion of the social tax) and contribution (2% contribution of the state funded pension, withheld by the employer on the employee's gross wages) - shall be transferred to the mandatory funded pension account for a person who has joined the funded pension system.