

Swedbank Pension Fund K1 (Conservative Strategy)

June 30, 2009

Investment Principles

Swedbank 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 Swedbank Investeerimisfondid AS
 Fund Manager Jelena Fedotova
 Inception 2002
 Contact Swedbank offices and tel. 6 310 310
 www.swedbank.ee/funds

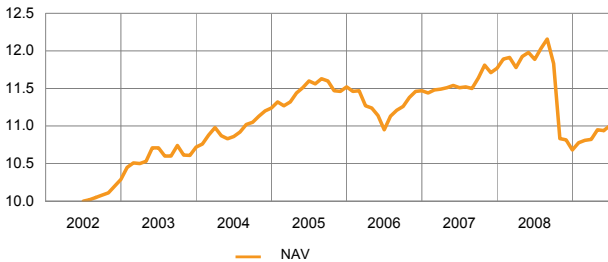
Net Asset Value (NAV) 11.00 EEK
 Net Assets 388 749 458 EEK
 Management Fee per annum 1.19%
 Subscription Fee 1.5%
 Redemption Fee 1.0%
 Benchmark EPI100

Weighted average rating A
 Weighted average modified duration, years 3.9

Statistics (computed over 3 years)

Standard Deviation 5.9%

Fund performance



	YTD	1 month	3 months	1 year	3 years	5 years	Inception
Performance	3.0%	0.6%	1.7%	-7.4%	0.5%	1.3%	10.0%
Annualized				-7.4%	0.2%	0.3%	1.4%

	2003	2004	2005	2006	2007	2008	2009
Performance	4.2%	4.9%	2.5%	-0.4%	2.6%	-9.3%	

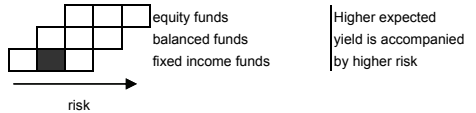
Manager Commentary

The financial markets continued to be jittery in June. Economic data has been very poor with very weak growth globally. Inflation has continued to fall during the period. Short term bond yields continued their downward trend. Long term rates that were rising before fell back in the end of the month. Central banks around the world continued to reduce their interest rates, which are now at record low levels in North America, Europe and Japan and also have said that they will keep interest rates at a low level for as long as it is needed in order to support the banking system and economic growth. The central banks in North America and Great Britain also engaged in purchases of bonds in order to place downward pressure on the yield curve.

In the Estonian market, there was some contagion effect from the turmoil in Latvia, and rates went up to start with but fell back down again in the end of the month. The Government of Lithuania issued an EEK denominated bond that the fund invested in at a very attractive yield. In the EUR market, the fund performed very well in the beginning of the month due to low risk in the portfolio when rates rose. The fund bought longer German and Italian government bond in the middle of the month and had more duration risk in the portfolio when rates fell in the latter part of the month which contributed to a good performance.

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.

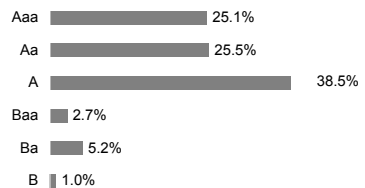
Risk level



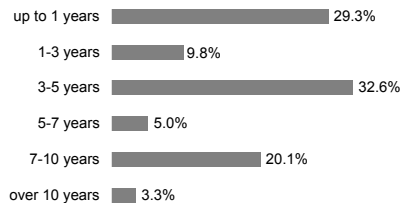
Portfolio by instruments



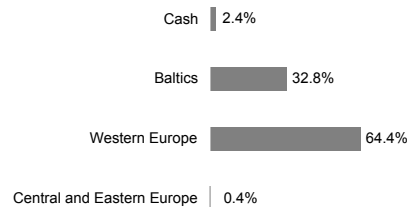
Portfolio by ratings



Portfolio by modified duration



Portfolio by regions



Largest investments

Bonds	Weight
Italy Treasury 3.75% 15.12.2013	8.7%
Bluebay Inv Grad Bond Fund	7.8%
SSGA Euro Corp. Bond Index Fund	6.4%
France OAT 4.25% 25.04.2019	5.5%
Swedbank Private Debt Fond	5.2%
France 5% 25.10.2016	4.4%
Spain EUR 4.1% 30.07.2018	4.2%
Italy Treasury 4.25% 01.08.2014	4.1%
Deposiit - Nordea Pank (EEK)	4.0%
Netherlands 4% 15.07.2018	3.8%