

Swedbank Pension Fund K1 (Conservative Strategy)

November 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

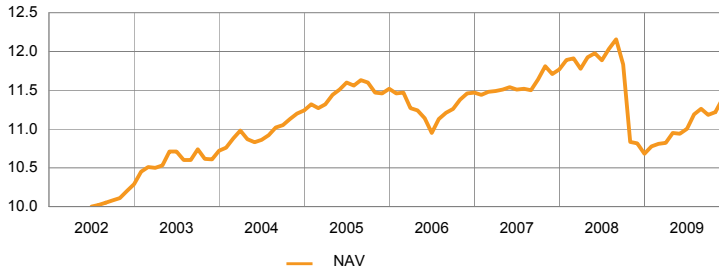
Net Asset Value (NAV): 11.39 EEK
 Net Assets: 398 699 707 EEK
 Management Fee per annum: 1.19%
 Subscription Fee: 1.5%
 Redemption Fee: 1.0%
 Benchmark: EPI100

Weighted average rating: A
 Weighted average modified duration, years: 4.7

Statistics (computed over 3 years)

Standard Deviation: 5.8%

Fund performance



	YTD	1 month	3 months	1 year	3 years	5 years	Inception
Performance	6.6%	1.5%	1.1%	5.3%	-0.6%	1.7%	13.9%
Annualized				5.3%	-0.2%	0.3%	1.8%

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

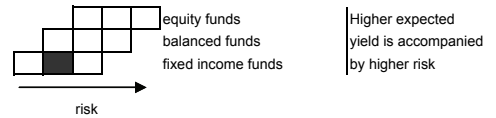
Manager Commentary

Credits tightened slightly in November. The fund gained from an overall long position in local short rates market, which befit from falling deposits yields. The best performing bet of the month in local currency was an overweight position (7%) in EEK-denominated Lithuanian government bonds. The rates fell by approximately 100 basis points during the month, adding profit both absolute and relative to benchmark. Another good performing bet of the month was a 2, 1% overweight position in local credit bond Danske Bank 2011. The yield on that bond in EEK fell more than 90 basis points.

In the euro market, the fund had long positions in Greece and Italy versus Germany and France. Greece was hit by fear, when the country's central bank asked domestic lenders to outline potential funding sources in coming months as the European Central Bank begins to tighten the liquidity it provides to them. In the end of the month Greece was hit a second time when problems in Dubai made investors to flight to quality. Hence, Greece was this month's worst bet.

On the other hand, Italy turned out to be a good bet, both absolutely and relative to benchmark. The fund had a the fund also has a small overweight in the euro credit area (2%), that continued to outperform during the month, adding to performance both relative and absolute term.

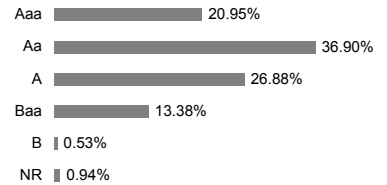
Risk level



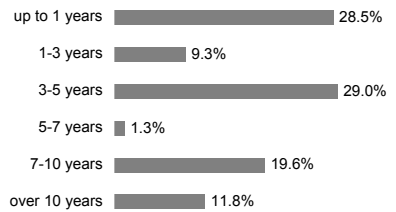
Portfolio by instruments



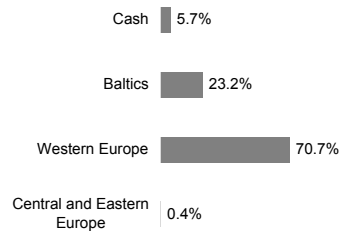
Portfolio by ratings



Portfolio by modified duration



Portfolio by regions



Largest investments

Bonds	Weight
Italy 3.75% 15.12.2013	8.7%
Bluebay Inv Grad Bond Fund	8.1%
France 4.25% 25.04.2019	5.6%
Italy 5% 08.01.2039	5.4%
Spain 4.1% 30.07.2018	4.1%
Italy 4.25% 01.08.2014	4.1%
Greece 6.5% 11.01.2014	3.8%
Greece 5.3% 20.03.2026	3.4%
Slovenia 3.25% 23.01.2011	3.3%
Lithuania EEK 10.06.2010	3.1%

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.