

# Swedbank Pension Fund K1 (Conservative Strategy)

March 31, 2010

## 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: Kristjan Tamla  
 Contact: Swedbank offices and tel. 6 310 310  
 www.swedbank.ee/funds

Inception: 2002  
 Net Asset Value (NAV): 11.53 EEK  
 Net Assets: 392 109 874 EEK

Management Fee per annum: 1.19%  
 Subscription Fee: 0.0%  
 Redemption Fee: 1.0%

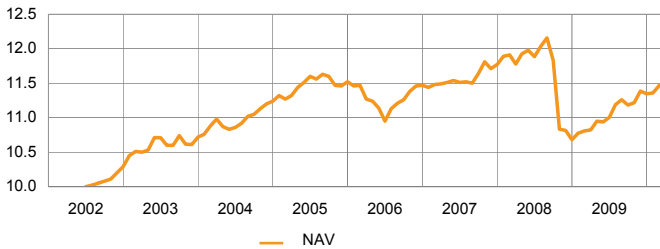
Benchmark: EPI100

Weighted average rating: A  
 Weighted average modified duration, years: 2.0

## Statistics (computed over 3 years)

Standard Deviation: 5.9%

## Fund performance



	YTD	1 month	3 months	1 year	3 years	5 years	Inception
Performance	1.6%	0.5%	1.6%	6.5%	0.3%	1.8%	15.3%
Annualized				6.5%	0.1%	0.4%	1.9%

	2003	2004	2005	2006	2007	2008	2009
Performance	4.2%	4.9%	2.5%	-0.4%	2.6%	-9.3%	6.2%

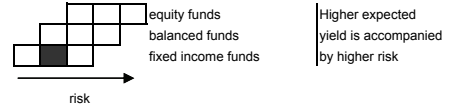
## Manager Commentary

All positions of the fund have performed well in March. All credit and credit funds have outperformed in March.

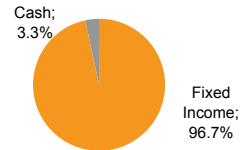
All bonds linked to Estonia outperformed in March as it became clear that Estonia meets all Maastricht criterias and therefore is eligible to join EMU in January 2011. There was also a positive rating action during the month on Estonia as Fitch placed its rating on positive watch whilst Moody's changed its outlook to stable from negative. Also Lithuanian government bonds issued in EEK continued its outperformance.

Towards the end of the month, the European Commission agreed on a last resort aid-package for Greece consisting of bilateral loans alongside support from the International Monetary Fund. Thus Greece alongside with Portugal were the best performing markets in the Euro government bond area in March, followed by Ireland and Italy. As rates fell in March, both absolute return and relative return were good.

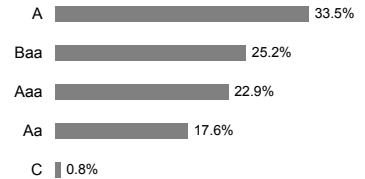
## Risk level



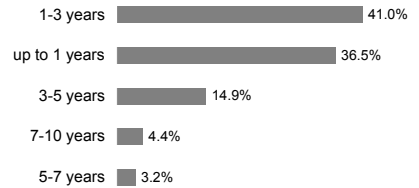
## Portfolio by instruments



## Portfolio by ratings



## Portfolio by modified duration



## Portfolio by regions



## Largest investments

Bonds	Weight
Bluebay Inv Grad Bond Fund	8.6%
Germany 4.25% 12.10.2012	7.7%
Lithuania EEK 07.07.2011	6.6%
France 4.5% 12.07.2012	6.0%
Depositiit - Swedbank (EEK)	5.0%
Greece 4.3% 20.03.2012	4.7%
Italy 3.75% 15.12.2013	4.5%
Spain 2.75% 30.04.2012	4.3%
Lithuania EEK 10.06.2010	3.3%
Lithuania EEK 14.10.2010	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.