

Swedbank Pension Fund K1 (Conservative Strategy)

September 30, 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. +372 613 1606 www.swedbank.ee/funds
Inception	2002
Net Asset Value (NAV)	11.65 EEK
Net Assets	399 370 615 EEK

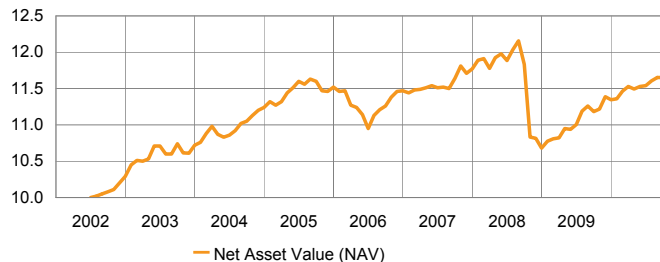
Management Fee per annum	1.19%
Subscription Fee	0.0%
Redemption Fee	1.0%

Weighted average rating	A
Weighted average modified duration, years	2.1

Statistics (computed over 3 years)

Standard Deviation	5.9%
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Fund performance*



	YTD	1 month	3 months	1 year	2 years	3 years	5 years	Inception
Performance*	2.7%	0.0%	1.0%	4.2%	-1.5%	0.1%	0.5%	16.3%
Annualized				4.2%	-0.8%	0.0%	0.1%	1.9%

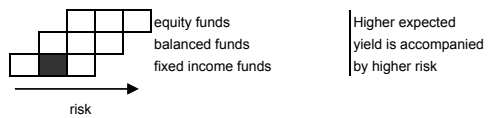
	2003	2004	2005	2006	2007	2008	2009
Performance*	4.2%	4.9%	2.5%	-0.4%	2.6%	-9.3%	6.2%

Manager Commentary

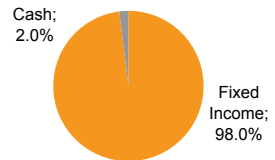
Historically, September has been one of the weakest months for equity markets and other risky asset classes. But the end of Q3 of this year turned out to be exceptional in the historical perspective – global equity markets showed the best performances in the past 18 months and credit premiums of most fixed income markets lowered. While fast growth of the prices of risky assets often involves an increase in the interest rates of sovereign bonds of industrialised countries, the interest levels of eurozone sovereign debt grew only minimally in September. The latter was caused by a clear message sent to the markets by the major central banks about continuing with a monetary policy that stimulates the economy.

Swedbank Pension Fund K1 performance in September was 0%, with YTD performance of 2.7%. Developments in September confirmed our near-term outlook – although the economic growth in large economies is slowing down compared to the first half of the year, a new recession can be avoided. In our neighbouring area, the Baltic countries, this primarily means that the recovery of economies and public finances from the 2008–2009 crisis gradually continues. In view of this we increased our positions in the Lithuanian government 4-year and 7-year euro denominated bonds in September.

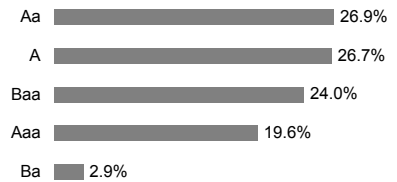
Risk level



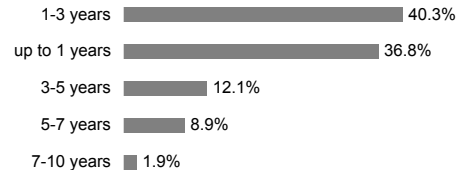
Portfolio by instruments



Portfolio by ratings



Portfolio by modified duration



Portfolio by regions



Portfolio by currencies



Largest investments

Bonds	Weight
Germany 3.5% 12.04.2013	9.0%
Bluebay Inv Grade Bond Fund	8.8%
France 4.5% 12.07.2012	7.8%
Italy 2% 15.12.2012	7.4%
Lithuania EEK 07.07.2011	6.6%
Spain 2.75% 30.04.2012	5.6%
Depositi - Swedbank (EEK)	5.0%
Lithuania EEK 14.10.2010	3.2%
Lithuania EUR 4.95% 22.09.2017	3.2%
Greece 4.3% 20.03.2012	2.9%

* The value of fund units may rise or fall over time. The fund's historical performance does not promise or offer any indications regarding future performance. Investments in foreign markets are sensitive to changes in foreign currency exchange rates, which may cause a rise or a fall in the net value of the fund unit.

Please read fund's rules and prospectuses available on the web-site www.swedbank.ee/fondid or visit a Swedbank office. If necessary, consult with a teller or an investment consultant.