

# Swedbank Pension Fund K1 (Conservative Strategy)

October 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.

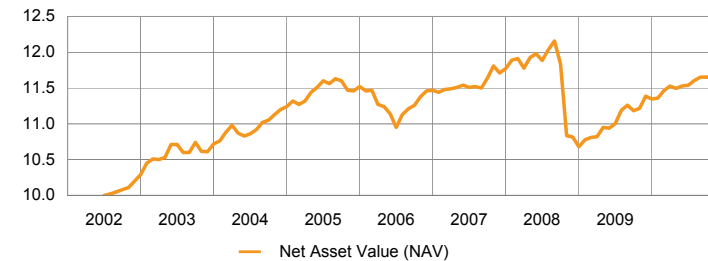
## General information

Fund Management Company	Swedbank Investeerimisfondid AS
Fund Manager	Kristjan Tamla
Contact	Swedbank offices and tel. +372 613 1606 www.swedbank.ee/funds
Inception	2002
Net Asset Value (NAV)	11.65 EEK
Net Assets	399 391 840 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 5.8%

## Fund performance\*



	YTD	1 month	3 months	1 year	2 years	3 years	5 years	Inception
Performance*	2.7%	0.003%	0.4%	3.9%	7.6%	-1.3%	1.6%	16.3%
Annualized				3.9%	3.7%	-0.4%	0.3%	1.8%

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

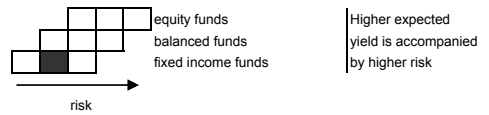
## Portfolio by regions

Swedbank Pension Fund K1 performance in October was 0.003%, with YTD performance of 2.7%. In October the global financial markets adopted a wait-and-see stance. Several significant events with a major impact on the development of the markets took place over a short period of time – the publication of Q3 earnings results began in the middle of the month and in the first week of November there were US Congress elections and a regular meeting of the Federal Reserve, which adopted a decision on further economic stimulus measures. The US and German short-term government bond yields have moved in the opposite direction for the first time in a long while. On expectations for further stimulus measures the short-term yields of the US bonds fell to the lowest level in the last decades, but the yield levels of German government bonds of all maturities shifted higher over the month. Following the additional monetary policy stimulus measures by the US Federal Reserve and the Bank of Japan the yields of government bonds of the majority of developed countries are likely to remain at a very low level also in the coming months. Yet, we think that the yields of longer-term bonds will start to show a gradual upward trend more clearly. This is supported by the fact that long-term inflation expectations have risen significantly compared to two months ago. Therefore, we will continue to favour corporate bonds containing a credit premium as well as short-term government bonds of developed countries.

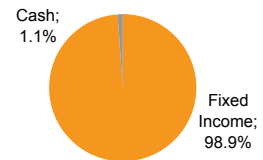
\* The value of fund units may rise or fall over time. The fund's historical performance does not promise or offer any indications regarding future performance. Investments in foreign markets are sensitive to changes in foreign currency exchange rates, which may cause a rise or a fall in the net value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

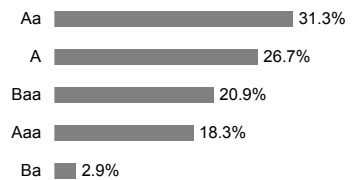
## Risk level



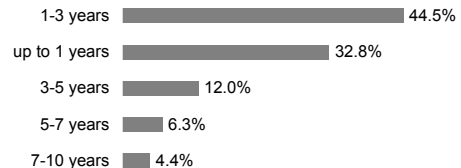
## Portfolio by instruments



## Portfolio by ratings



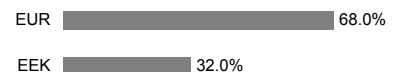
## Portfolio by modified duration



## Portfolio by regions



## Portfolio by currencies



## Largest investments

Bonds	Weight
Belgium 2% 28.03.2012	9.2%
Bluebay Inv Grade Bond Fund	8.8%
France 4.5% 12.07.2012	7.8%
Germany 3.5% 12.04.2013	7.7%
Lithuania EEK 0% 07.07.2011	6.7%
Spain 2.75% 30.04.2012	5.6%
Deposit - Swedbank (EEK)	5.0%
Italy 2% 15.12.2012	3.9%
Lithuania EUR 4.95% 22.09.2017	3.3%
Greece 4.3% 20.03.2012	2.9%