

# Swedbank Pension Fund K1 (Conservative Strategy)

November 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	Katrin Rahe
Contact	Swedbank offices and tel. +372 613 1606 www.swedbank.ee/funds
Inception	2002
Net Asset Value (NAV)	11.59 EEK
Net Assets	397 451 560 EEK

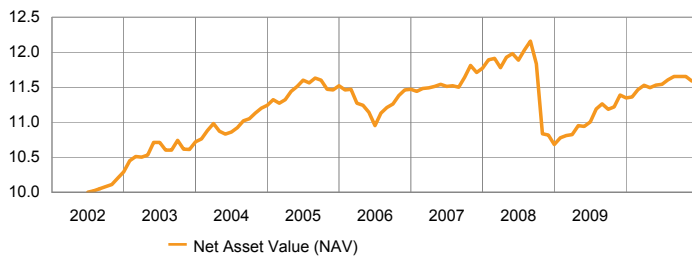
Management Fee per annum	1.19%
Subscription Fee	0.0%
Redemption Fee	1.0%

Weighted average rating	A
Weighted average modified duration, years	1.9

## Statistics (computed over 3 years)

Standard Deviation	5.8%
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## Fund performance\*



	YTD	1 month	3 months	1 year	2 years	3 years	5 years	Inception
Performance*	2.1%	-0.6%	-0.6%	1.8%	7.1%	-1.1%	1.1%	15.6%
Annualized				1.8%	3.5%	-0.4%	0.2%	1.8%

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

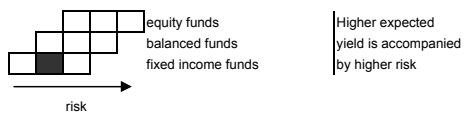
## Portfolio by regions

Swedbank Pension Fund K1 return in November was -0.6% with year-to-date performance of 2.1%. November was particularly eventful in the world financial markets. In the beginning of the month, the Federal Reserve published further monetary easing measures (QE2), which impact on the fixed income markets was not completely unequivocal. At first the markets took an upward swing due to the programme that was more extensive than expected but this faded away before long and turned into a rapid fall as the globally improving economic growth data put some faith in the investors in that the more critical times might be behind us already by today as a result of which the fixed income markets are turning into a less attractive investment opportunity.

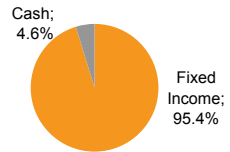
At the same time the negative sentiments in Europe were once again intensified by the growing speculations about the sustainability of budget positions in several periphery eurozone countries. Interest spreads between the core and periphery countries increased sharply. Due to investors' increased risk sensitivity, short term (two-year) bonds, which interests in the core countries fell, became much more sought-after in the eurozone interest markets while in case of even a little longer term government bonds the biggest interest rise of the recent years was observed due to outflow of money. High degree of uncertainty in the eurozone was extremely vividly also expressed in the weakening of the euro against the currencies of other developed countries.

The fund portfolio performed relatively well in the falling market due to low level of exposure to interest risks in the portfolio. We continue to favour shorter term investment grade bonds. We expect the interests of longer term bonds that started to rise in the recent months to continue even during the coming year.

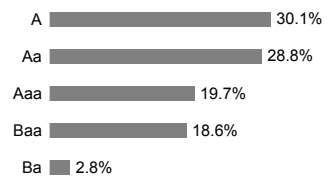
## Risk level



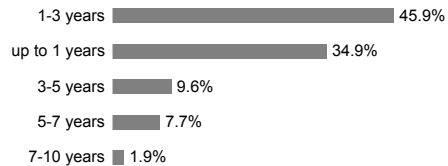
## Portfolio by instruments



## Portfolio by ratings



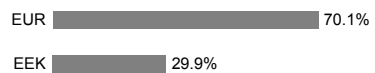
## Portfolio by modified duration



## Portfolio by regions



## Portfolio by currencies



## Largest investments

Bonds	Weight
Belgium 2% 28.03.2012	9.2%
Bluebay Inv Grade Bond Fund	8.7%
France 4.5% 12.07.2012	7.8%
Germany 3.5% 12.04.2013	7.8%
Lithuania EEK 0% 07.07.2011	6.7%
Deposiit - Swedbank (EEK)	5.1%
Italy 2% 15.12.2012	3.9%
Greece 4.3% 20.03.2012	2.8%
Spain 2.75% 30.04.2012	2.8%
Deposiit - Sampo Pank (EEK)	2.5%

\* 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.