

Swedbank Pension Fund K1 (Conservative Strategy)

January 31, 2011

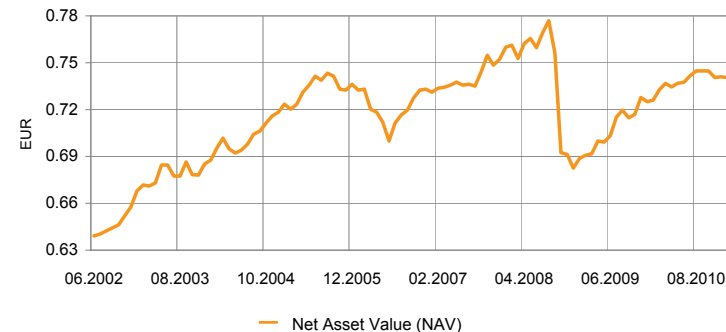
Investment Principles

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)	0.74058 EUR
Net Assets	24 812 963 EUR
Management Fee per annum	1.19%
Subscription Fee	0.0%
Redemption Fee	1.0%
Weighted average rating	A
Weighted average modified duration, years	1.8
Standard deviation (computed over 3 years)	5.8%

Fund performance*



	YTD	1 month	3 months	1 year	2 years	3 years	5 years	Inception
Performance*	-0.1%	-0.1%	-0.6%	2.0%	7.5%	-2.5%	1.1%	15.6%
Annualized				2.0%	3.7%	-0.9%	0.2%	1.7%

	2003	2004	2005	2006	2007	2008	2009	2010
Performance*	4.2%	4.9%	2.5%	-0.4%	2.6%	-9.3%	6.2%	2.2%

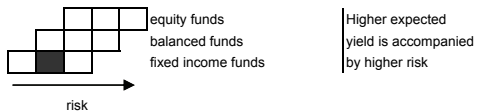
Manager Commentary

Swedbank Pension Fund K1 returned -0.1% in January. Although 2011 started rather positively on fixed income markets, the sentiment has been steadily worsening as the equity markets started to rise. However, January was a rather positive month inside the eurozone, which caused the euro to rise strongly against major currencies. Government bond auctions in Spain and Portugal went better than expected, the first (5-year) bond of the EFSF (European Financial Stability Facility) entered the market in the second half of January and it was oversubscribed tenfold at the first auction with particular interest coming from Asia. The investors' faith in the success of re-dividing risks in the eurozone made the credit premiums of problematic peripheral countries fall. The belief that the debt crisis has found its limits is also spreading. Low interest risk meant that the fund portfolio sustained market fluctuations well and the result it demonstrated at the end of the month was close to zero. Irrespective of the sell-off, we will prefer low interest risk also in the future. However, we will keep in mind that during the interest increase cycle of the ECB, bonds with longer terms usually offer strategically better investment opportunities than bonds with shorter terms.

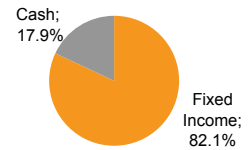
* The value of fund units may rise or fall over time. The fund's historical performance does not promise or offer any indications regarding future performance. Investments in foreign markets are sensitive to changes in foreign currency exchange rates, which may cause a rise or a fall in the net value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

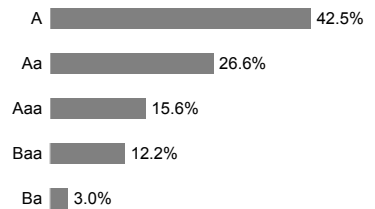
Risk level



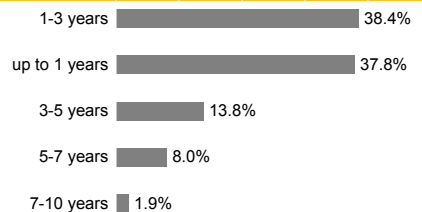
Portfolio by instruments



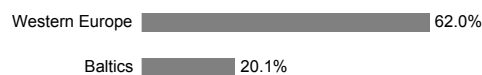
Portfolio by ratings



Portfolio by modified duration



Portfolio by regions



Portfolio by currencies



Largest investments

Bonds	Weight
Belgium 2% 28.03.2012	9.4%
Bluebay Inv Grade Bond Fund	8.8%
France 4.5% 12.07.2012	8.0%
Lithuania EEK 0% 07.07.2011	6.9%
Italy 3.5% 01.06.2014	4.1%
Italy 2% 15.12.2012	4.0%
Germany 3.5% 12.04.2013	3.6%
Greece 4.3% 20.03.2012	3.0%
Depositi - DnB Nord (EEK)	2.6%
Lithuania EUR 4.95% 22.09.2017	2.5%