

Swedbank Pension Fund K1 (Conservative Strategy)

February 28, 2011

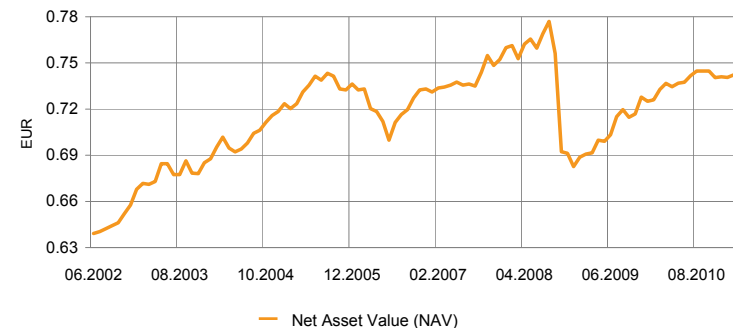
Investment Principles

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)	0.74219 EUR
Net Assets	24 955 830 EUR
Management Fee per annum	1.19%
Subscription Fee	0.0%
Redemption Fee	1.0%
Weighted average rating	A
Weighted average modified duration, years	2.6
Standard deviation (computed over 3 years)	5.8%

Fund performance*



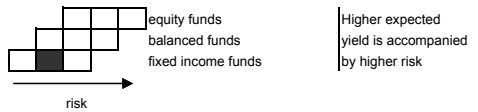
	YTD	1 month	3 months	1 year	2 years	3 years	5 years	Inception
Performance*	0.2%	0.2%	0.2%	1.3%	7.4%	-2.5%	1.2%	15.9%
Annualized				1.3%	3.7%	-0.8%	0.2%	1.7%

	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%

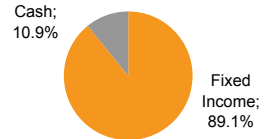
Manager Commentary

Swedbank Pension Fund K1 returned 0.2% in February with YTD performance of 0.2%. Although February started rather negatively for bond markets due to temporary relief of the situation in North Africa and due to rising developed markets' equities, sentiment changed in the middle of the month and bond markets ended the month in slightly positive territory. Flow of economic data for euro zone and US indicated that economic growth is becoming sustainable. Thereby Germany's business climate index (IFO) rose to highest level of its 20-year history. On the other hand inflation is rising at faster pace than expected. Conjointly price of crude oil has reached record heights. Within euro fixed income it was relatively quiet month. German government bonds yield curve little changed in both long (-4 bp) and short bonds (+1 bp). Meanwhile risk premiums of euro periphery bonds (Greece, Ireland, Portugal) continued to rise. Euro zone governments pursued intensive negotiations on dealing with the debt crisis and a new stimulus package should be revealed in next EU leaders summit in March. Most exciting event in February was resignation of ECB's potential new president Alex Weber and an absence of a new certain candidate. February was a positive month for euro investment grade corporate credit markets with spreads tightening and asset class returning 0.6% over month. Due to increasing inflation pressure our view on fixed income markets is pessimistic. Rise in euro zone base interest rates has moved nearer and that leaves shorter bonds particularly sensitive to news flow.

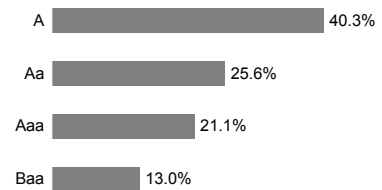
Risk level



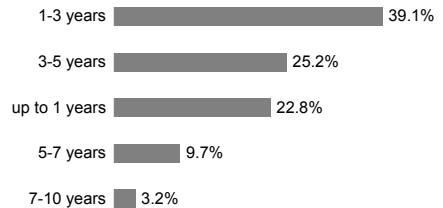
Portfolio by instruments



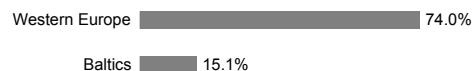
Portfolio by ratings



Portfolio by modified duration



Portfolio by regions



Portfolio by currencies



Largest investments

Bonds	Weight
Bluebay Inv Grade Bond Fund	8.9%
Lithuania EEK 0% 07.07.2011	6.9%
Germany 1% 16.03.2012	5.3%
France 2.5% 12.01.2014	4.9%
France 4.5% 12.07.2012	4.3%
France 3.75% 12.01.2013	4.2%
Italy 3.75% 15.12.2013	4.1%
Italy 3.5% 01.06.2014	4.1%
Italy 2% 15.12.2012	4.0%
Italy 3% 15.04.2015	3.9%

* 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.