

Swedbank Pension Fund K1 (Conservative Strategy)

November 30, 2011

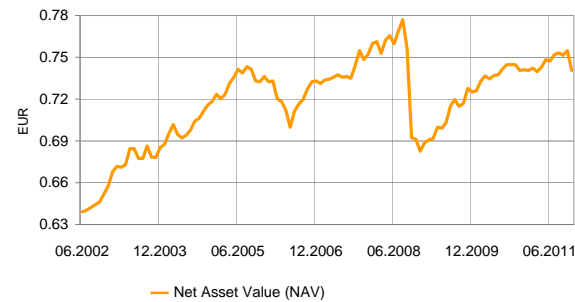
Investment Principles

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) | 0.74062 EUR |
| Net Assets | 25 595 242 EUR |
| Management Fee per annum | 1.19% |
| Subscription Fee | 0.0% |
| Redemption Fee | 1.0% |
| Weighted average rating | A |
| Weighted average modified duration, years | 3.1 |
| Standard deviation (computed over 3 years) | 2.4% |

Fund performance*



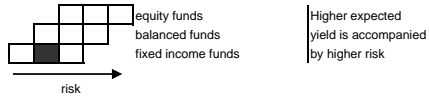
| | YTD | 1 month | 3 months | 1 year | 2 years | 3 years | 5 years | Inception |
|--------------|-------|---------|----------|--------|---------|---------|---------|-----------|
| Performance* | -0.1% | -1.9% | -1.7% | 0.0% | 1.8% | 7.1% | 1.1% | 15.9% |
| Annualized | | | | 0.0% | 0.9% | 2.3% | 0.2% | 1.6% |

| | 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% |

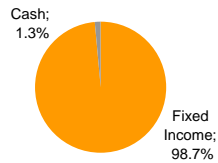
Manager Commentary

Swedbank Pension Fund K1 returned 1.9% in November with YTD performance of -0.1%. There was no lack of interesting events on the financial markets in November. In the beginning of the month the ECB lowered its base interest rates, which happened unexpectedly early for the market participants. The weak European economic indicators and political confusion contributed to the overall decrease in stock markets and the increase in credit premiums. The importance of the political situation is well illustrated by the fact that the resignation of the prime minister of Italy in the beginning of November reduced Italy's risk premium by 1% the next day. However, the risk premium ended up by 0.65% by the end of month compared to month before. The financial markets were positively surprised in the end of November by the coordinated decision of central banks to lower the price of US dollar loans for banks. Eurozone banks in particular have been struggling with weak dollar liquidity in recent months. The debt crisis of the eurozone officially reached the core countries in November – the auction of 10-year German bonds was unsuccessful. Market participants no longer see Germany as a safe haven and its bond markets were characterised by movements in different directions. There was still interest in buying short-term bonds (2-year interest rate -26 bp), but bonds with longer terms were sold (10-year interest rate +21 bp). The credit premiums of corporate bonds also moved back to the record levels of recent times. The government bonds of the eurozone ended the month with -1.1% and investment grade corporate bonds with -2.4%. We are optimistic that the new government formed by Mario Monti is capable of achieving the political consensus required for carrying out reforms in Italy, but the process is unlikely to be smooth and the markets may remain anxious about Italy. As a result of this uncertainty, we reduced the positions in Italian bonds a little in the fund portfolio and increased the share of AAA-rated Finland. Looking forward, we remain cautious about the investment-grade corporate bonds of the eurozone: even though the interest margins are attractive, there is still not enough clarity. The focus of the markets also remains on the summit of the EU leaders to be held on 9 December: they expect some clarity about the tighter fiscal integration of the eurozone as well as about the plans to increase the role of the IMF in Europe.

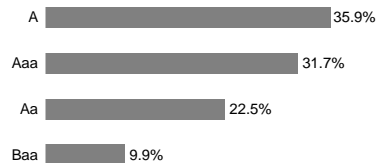
Risk level



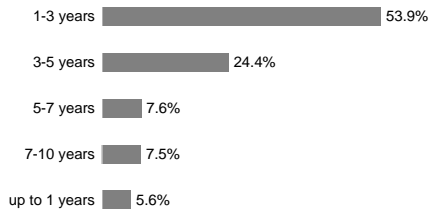
Portfolio by instruments



Portfolio by ratings



Portfolio by modified duration



Portfolio by regions



Portfolio by currencies



Largest investments

| Bonds | Weight |
|-------------------------------------|--------|
| France 2.5% 12.01.2014 | 5.4% |
| Credit Suisse EUR 6.125% 05.08.2013 | 4.6% |
| France 4.5% 12.07.2013 | 4.4% |
| France 3% 12.07.2014 | 4.4% |
| Roche EUR 4.625% 04.03.2013 | 3.8% |
| France 2% 12.07.2015 | 3.7% |
| Germany 2.25% 10.04.2015 | 3.5% |
| Germany 2.25% 11.04.2014 | 3.5% |
| Italy 3.75% 15.12.2013 | 3.4% |
| Italy 3% 15.04.2015 | 3.2% |

* 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.