

# Swedbank Pension Fund K2 (Balanced Strategy)

February 28, 2009

## Investment Principles

Swedbank Pension Fund K2 (Balanced 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 will be invested in bonds, shares, money market instruments and other assets of either Estonian or foreign origin. The Fund's assets may be invested in shares or in the investment funds dealing with investments in shares to the extent of 25% of the market value of the Fund's assets.

## General information

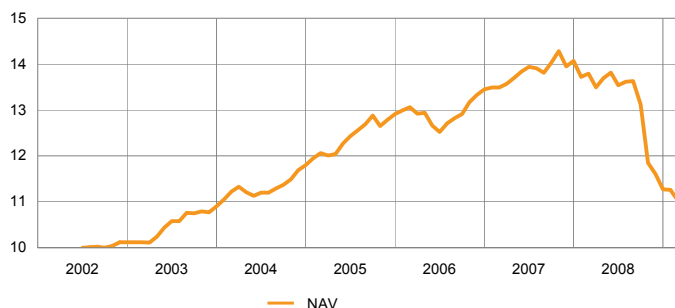
Fund Management Company	Swedbank Investeerimisfondid AS
Fund Manager	Kristjan Tamla
Inception	2002
Contact	Swedbank offices and tel. 6 310 310 www.swedbank.ee/funds

Net Asset Value (NAV)	11.03 EEK
Net Assets	1 821 714 974 EEK
Management Fee per annum	1.49%
Subscription Fee	1.5%
Redemption Fee	1.0%
Benchmark	EPI75

### Statistics (computed over 3 years)

Standard Deviation	7.6%
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## Fund performance



	YTD	1 month	3 months	1 year	3 years	5 years	Inception
Performance	-2.1%	-2.0%	-4.9%	-20.0%	-15.5%	-1.7%	10.3%
Annualized				-20.0%	-5.5%	-0.3%	1.5%

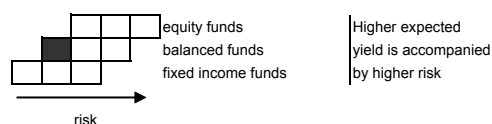
	2003	2004	2005	2006	2007	2008	2009
Performance	7.7%	8.3%	9.4%	4.2%	4.6%	-19.9%	

## Manager Commentary

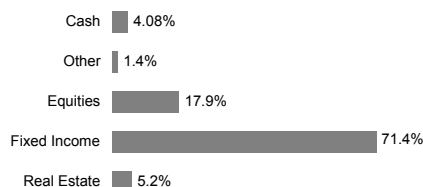
In February most stock markets continued to fall. Global equity index MSCI World fell 10% in a month. One of the biggest faller (-15%) was Central and Eastern European region, where we decreased our positions substantially at the beginning of the year. Somewhat surprisingly Russian stock market slightly advanced in February. Fund's NAV decreased 2% in a month, since the return of Euro area investment grade bonds managed to offset to some extent the negative impact of stock market developments.

At the beginning of February we decreased equity positions below 20% of the fund and paid more attention to the investment opportunities in the bond markets. However, we think that after the long sell-off at least short-term positive sentiment in equity markets cannot be excluded.

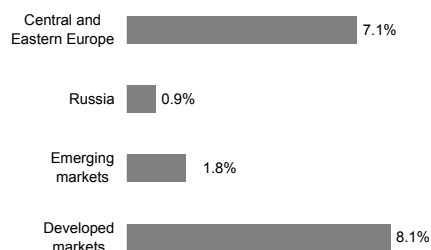
## Risk level



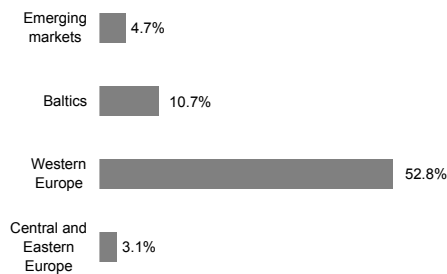
## Portfolio by instruments



## Equity portfolio by regions



## Fixed Income portfolio by regions



## Largest investments

Stocks	Weight
SSGA USA Index Equity Fund	2.6%
Hansa CEE Fund of Funds	1.8%
SSGA Europe Index Equity	1.7%
SSGA Tracks Pan Euro	1.7%
Accession Mezzanine Capital	1.3%
Bonds	Weight
Bluebay Inv Grad Bd	6.6%
Hansa Private Debt Vk Fond	5.2%
DWS Euro Bond Fund	4.4%
Pimco Euro Bond Fund	4.2%
SSGA Euro Corp. Bd	3.9%

The value of the Fund's unit can either grow or decrease in time. The current return of the Fund shall not guarantee the same return in the future. Funds investing in foreign markets are vulnerable to monetary movements, which may lead to a growth or decrease of the net asset value of the Fund's unit. Pension Funds are founded on the basis of Funded Pensions Act. The following payment which conditionally consists of two parts - tax (4% portion of the social tax) and contribution (2% contribution of the state funded pension, withheld by the employer on the employee's gross wages) - shall be transferred to the mandatory funded pension account for a person who has joined the funded pension system.