

Swedbank Pension Fund K2 (Balanced Strategy)

April 30, 2011

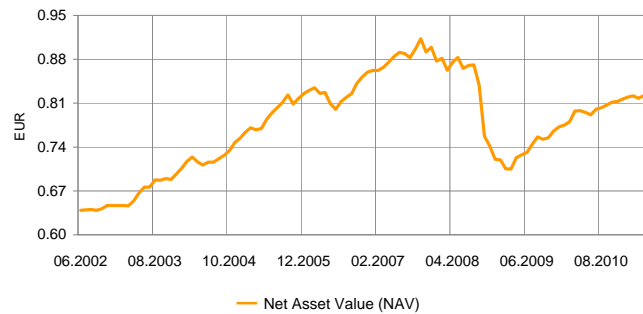
Investment Principles

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	Katrin Rahe
Contact	Swedbank offices and tel. +372 613 1606 www.swedbank.ee/funds
Inception	2002
Net Asset Value (NAV)	0.82208 EUR
Net Assets	137 340 255 EUR
Average management fee per annum**	1.45%
Subscription Fee	0.0%
Redemption Fee	1.0%
Standard deviation (computed over 3 years)	7.3%

Fund performance*



	YTD	1 month	3 months	1 year	2 years	3 years	5 years	Inception
Performance*	0.7%	0.5%	0.3%	3.0%	13.7%	-6.1%	-0.6%	28.5%
Annualized				3.0%	6.6%	-2.1%	-0.1%	2.9%

	2003	2004	2005	2006	2007	2008	2009	2010
Performance*	7.7%	8.3%	9.4%	4.2%	4.6%	-19.9%	7.2%	5.8%

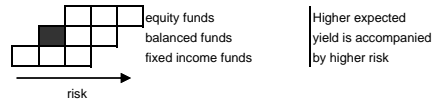
Manager Commentary

Swedbank Pension Fund K2 returned 0.5% in April with YTD performance of 0.7%. Two major newsfeeds – the latest steps in the monetary policies of the US Federal Reserve and the European Central Bank, and publication of the performance results of companies – had the biggest impact on the dynamics of financial markets in April. Whilst the ECB increased the base interest rates by 0.25%, referring to the pressure exerted by inflation, their overseas colleagues decided not to rush with the implementation of a tightening policy. QE3 (quantitative easing) is no longer part of the plans, but the interest rates of the US and the euro zone have clearly gone out of sync. This can be seen as the reason behind the strengthening of the euro in the second half of the month. The results of companies were a particularly positive surprise in the US and equity markets rose, but the weakness of the dollar means that the US equity market declined when measured in euros (-1.39%). The month was very good for European (+3.4%), including CEE (+5.2%) equities. The risk of investing in emerging markets is increased by concerns about the increasing price and salary inflation, and April ended on the negative side for their equities – Emerging Asia -0.1% and Latin America -3.8%.

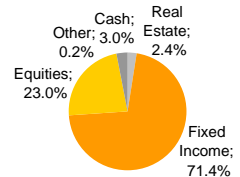
Interest rates decreased slightly in core euro zone fixed income markets and were led by longer maturities (Germany 2yrs -2bp and 10yrs -15bp). However, the problems of the euro periphery countries are still far from a sustainable solution, and their risk premiums increased considerably. Still, investors are not prepared to purchase the 2-year bonds of the Greek Government, even from the +25% interest level achieved by the end of April. The risk of investing in investment-grade companies was decreased over the month – credit premiums diminished somewhat. The month was also positive for the bonds of emerging markets.

Our short-term view of the equity markets was neutral in April. We will continue with a slight underweight versus bonds in May. The momentum of equity prices has weakened and the global interest rate trend is not favourable. In regional terms, we prefer US equity markets the most and European ones the least.

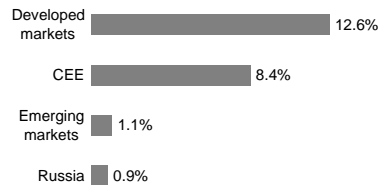
Risk level



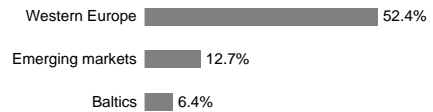
Portfolio by instruments



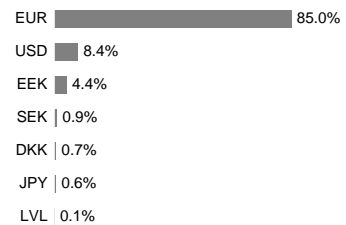
Equity portfolio by regions



Fixed Income portfolio by regions



Portfolio by currencies



Largest investments

Equities	Weight
SSGA USA Index Equity Fund	3.9%
Hansa CEE Fund of Funds	3.4%
SSGA Tracks Pan Euro	3.2%
SSGA Europe Index Equity Fund	1.4%
Accession Mezzanine Capital II	1.3%
Bonds	Weight
PIMCO Global Inv Grade Credit Fund	8.8%
Amundi Euro Corporates ETF	8.4%
Bluebay Inv Grade Bond Fund	8.3%
iShares iBoxx Euro Corporate Bond	7.4%
Lithuania EEK 0% 07.07.2011	4.4%

* 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.

** Methodology of calculating fund's average management fee can be found in the prospectus of mandatory pension funds.

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.