Swedbank Pension Fund V1 (Balanced Strategy)

November 30, 2011

Until 15 November 2003 Hansa Pension Fund V2

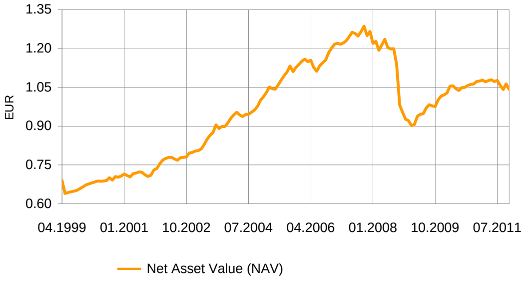
Investment Principles

The purpose of the fund is to provide investors with additional income for their retirement. The principal objective of the fund's investment strategy is to achieve an optimal mix of income and capital appreciation over a medium to long-term time horizon. The fund's assets are invested in both Estonian and foreign bonds, shares, money market instruments and other 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	1998
Net Asset Value (NAV)	1.04194 EUR
Net Assets	7 737 618 EUR
Management Fee per annum	1.2%
Subscription Fee	1.0%
Redemption Fee	1.0%
Standard deviation (computed over 3 years)	4.8%

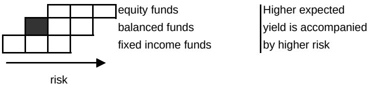
Fund performance*



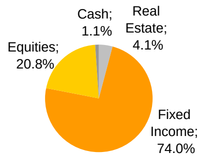
	YTD	1 month	3 months	1 year	2 years	3 years	5 years	Inception
Performance*	-2.8%	-2.0%	-1.4%	-1.9%	4.1%	9.3%	-13.3%	63.0%
Annualized				-1.9%	2.1%	3.0%	-2.8%	3.9%

	2003	2004	2005	2006	2007	2008	2009	2010
Performance*	14.3%	11.1%	12.3%	6.9%	4.1%	-26.8%	9.7%	5.5%

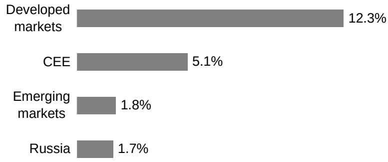
Risk level



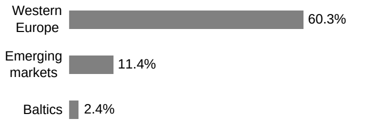
Portfolio by instruments



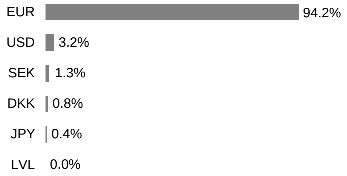
Equity portfolio by regions



Fixed Income portfolio by regiones



Portfolio by currencies



Manager Commentary

Swedbank Pension Fund V1 returned -2.0% in November with YTD performance of -2.8%. 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. 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. 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 equity markets that demonstrated the best returns were Russia (+3.7% when measured in euros) and the US (+3.3%) whilst the markets with the lowest returns were CEE (-5.9%) and the Baltic States (-4.7%). European and Japanese equities ended the month at around -1%. Our tactical view to be underweight the equity markets whilst increasing the share of Russian equities and reducing that of Eastern European ones proved to be successful in the context of these movements. The euro weakened by 3%. The government bonds of the eurozone ended the month with -1.1% and investment grade corporate bonds with -2.4%. The problems in Hungary, Latvia and Lithuania also made the bond market of developed countries to fall (-3.3%).

Looking forward, we see that the potential of equity markets has improved somewhat due to the alleviation of the bad outlooks of global economic growth – the macro indicators of the US have offered some positive surprises. The price levels of equity markets are also reasonable. This is why we will continue with a neutral position in November. We are slightly overweight Russian equities. However, we must keep in mind that there is still a lot of confusion, especially due to the continuing problems of the eurozone. 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.

Largest investments

Equities	**Weight**
GAM Star US All Cap Fund	2.5%
Morgan Stanley Europe Equity Fund	1.9%
Lyxor ETF Eastern Europe Index	1.8%
SSGA Tracks Pan Euro	1.8%
Swedbank Venemaa Aktsiafond	1.7%
Bonds	**Weight**
DB x-Trackers iBoxx € Sov 3-5Y TR Index ETF	8.5%
Amundi Euro Corporates ETF	8.3%
iShares iBoxx Euro Corporate Bond	8.0%
Bluebay Inv Grade Bond Fund	7.9%
DB x-Trackers iBoxx € Sov 1-3Y Index ETF	7.8%