

# Swedbank Pension Fund K3 (Growth Strategy)

May 31, 2009

## Investment Principles

Swedbank Pension Fund K3 (Growth Strategy) is a contractual investment Fund founded for providing mandatory funded pension. The objective of the Fund's investment activity is to achieve as long-term and stable growth of the capital gain as possible. The Fund's assets shall 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 50% of the market value of the Fund's assets.

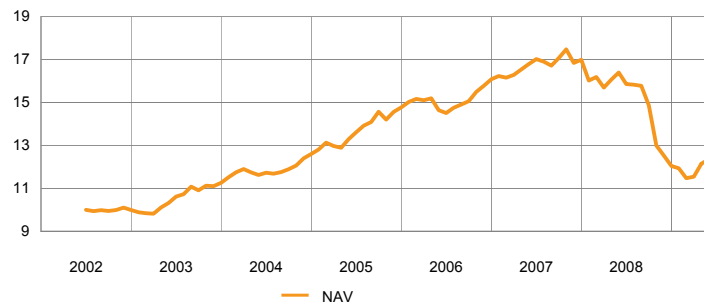
## General information

Fund Management Company	Swedbank Investeerimisfondid AS
Fund Manager	Jelena Fedotova
Inception	2002
Contact	Swedbank offices and tel. 6 310 310 www.swedbank.ee/funds
Net Asset Value (NAV)	12.36 EEK
Net Assets	4 420 114 628 EEK
Management Fee per annum	1.59%
Subscription Fee	1.5%
Redemption Fee	1.0%
Benchmark	EPI50

### Statistics (computed over 3 years)

Standard Deviation 11.4%

## Fund performance



	YTD	1 month	3 months	1 year	3 years	5 years	Inception
Performance	2.6%	1.8%	7.7%	-24.6%	-15.6%	6.3%	23.6%
Annualized				-24.6%	-5.5%	1.2%	3.1%

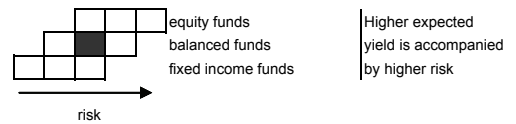
	2003	2004	2005	2006	2007	2008	2009
Performance	12.7%	11.9%	17.2%	8.9%	5.7%	-29.1%	

## Manager Commentary

Global risk appetite in financial markets continued to improve in May. All major equity markets where the fund invests in posted a positive return, with Russia and Latin America leading the way (27% and 13% respectively in Euro terms). Swedbank Pension Fund K3 NAV increased by 1,8% in May and outperformed the benchmark by 50bp. The main positive contributors were overweighting emerging market equities and underweighting the euro government bonds.

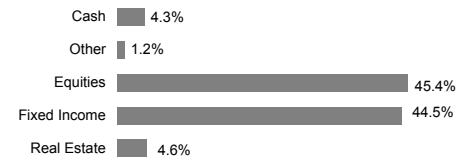
At the beginning of June we increased the equity exposure to the highest level since a year ago. We expect the improving global business cycle outlook combined with positive market sentiment and technical indicators to keep the equity market upturn intact. We maintain a positive view on Emerging market equities and hold the overweight position vs Japan and US equities.

## Risk level

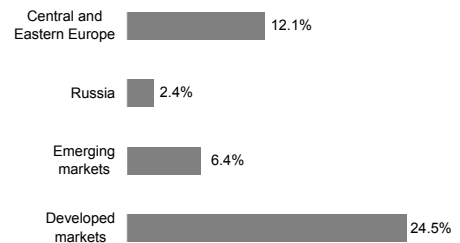


Higher expected yield is accompanied by higher risk

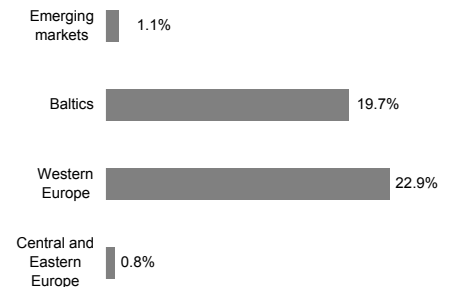
## Portfolio by instruments



## Equity portfolio by regions



## Fixed Income portfolio by regions



## Largest investments

Stocks	Weight
SSGA USA Index Equity Fund	6.8%
SSGA Europe Index Equity Fund	6.0%
SSGA Tracks Pan Euro	4.1%
SSGA Japan Index Equity Fund	2.6%
SPDR Trust Series 1	2.4%
Bonds	Weight
Bluebay Inv Grad Bond Fund	4.1%
Germany 3.75% Due 04.01.2019	3.7%
Swedbank Private Debt Fond	3.7%
SSGA Euro Corp. Bond Index Fund	3.1%
PIMCO Euro Bond Fund	2.7%

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.