

Swedbank Pension Fund K3 (Growth Strategy)

October 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

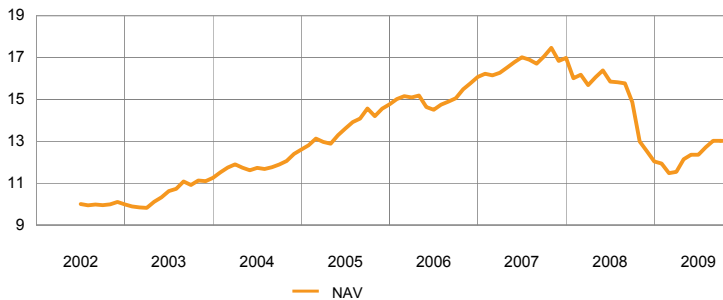
Fund Management Company	Swedbank Investeerimisfondid AS
Fund Manager	Jelena Fedotova
Inception	2002
Contact	Swedbank offices and tel. 6 310 310 www.swedbank.ee/funds

Net Asset Value (NAV)	13.02 EEK
Net Assets	4 781 566 757 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	8.1%	-0.1%	2.3%	0.2%	-16.0%	7.9%	30.1%
Annualized				0.2%	-5.6%	1.5%	3.7%

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

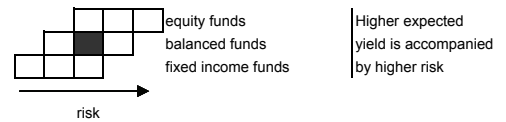
Manager Commentary

After months of positive returns large global equity markets took a breather in October. Most developed markets where the fund invests in were down between 1% and 3% in euro terms over the month. Positive contributions came however from the emerging markets in CEE, Latin America (both up 1%) and Russia (up 3%). In the fixed income markets euro government bond yields and investment grade corporate spreads were largely unchanged in October. The fixed income part of the fund performed well during the month both in absolute and relative terms. The biggest positive contribution for the fund came from Baltic investment grade fixed income, which was up almost 10%.

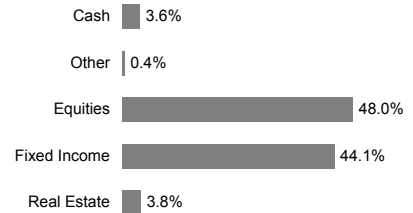
Fund entered November with slightly smaller equity weight as compared to a month ago. In the middle of the month we reduced our exposure to the US market and also trimmed the exposure in most emerging markets. However, our models still indicate a positive equity market outlook in the near term and currently we do not see cutting the equity exposure further. We prefer Europe and emerging markets to Japan and the USA.

At the beginning of October, just before distress in Latvia re-emerged, the fund managed to sell off an overweight position in the EUR-denominated Lithuanian Government Bonds 2012 and 2018. In the euro market, the fund lost money on its long position in Greece, but this was roughly offset by money made on its long position in Italy.

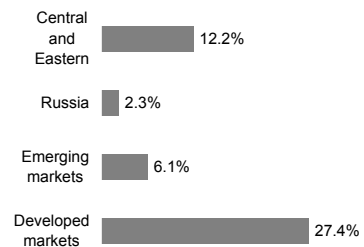
Risk level



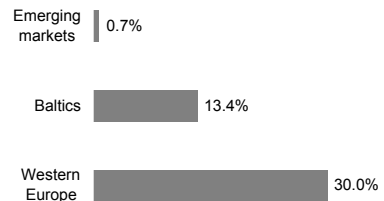
Portfolio by instruments



Equity portfolio by regions



Fixed Income portfolio by regions



Largest investments

Stocks	Weight
SSGA USA Index Equity Fund	7.1%
SSGA Europe Index Equity Fund	6.6%
SSGA Tracks Pan Euro	4.7%
Aviva CEE Equity Fund	2.9%
Luxor Eastern Europe Index Fund	2.8%
Bonds	Weight
SSGA Euro Corp. Bond Index Fund	3.1%
Italy 5% 08.01.2039	2.5%
Swedbank Private Debt Fond	2.1%
PIMCO Dist Sen Credit Opp Fund	2.0%
Italy 3.75% 15.12.2013	1.9%

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.