

Swedbank Pension Fund K3 (Growth Strategy)

December 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.

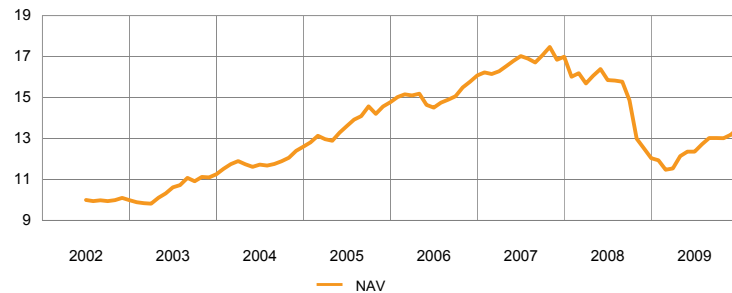
General information

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)	13.51 EEK
Net Assets	4 973 783 331 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	12.2%	2.4%	3.8%	12.2%	-16.0%	7.2%	35.1%
Annualized				12.2%	-5.6%	1.4%	4.1%

	2003	2004	2005	2006	2007	2008	2009
Performance	12.7%	11.9%	17.2%	8.9%	5.7%	-29.1%	12.2%

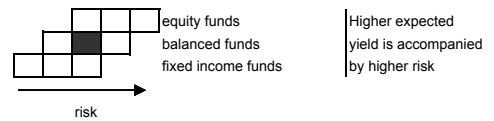
Manager Commentary

Equity markets finished 2009 with a strong performance. All markets where the fund invests in were up in December. Positive return was driven by the Emerging Asian markets (up by almost 10% in EUR terms) while Central and Eastern Europe lagged the global rally (up by 1% in EUR terms). In the fixed income space euro government bond yield increased and investment grade credit spreads narrowed on improving global business cycle outlook over the past weeks of the year.

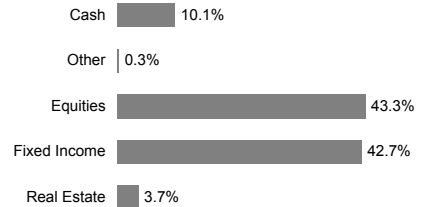
In December we maintained the equity weighting close to legally allowed limits. At the end of the month we sold some positions in order free cash for annual client switches. As a result the equity weighting increased back close to legally allowed limits over the first business day of 2010. Strong global business cycle reports from the end of December (especially considering the first positive signs in the US labour market) coupled with favourable liquidity conditions and still low interest rates make us believe that equity markets will maintain the positive momentum also over January's reporting season. The biggest change in the portfolio was made at the regional level – we increased the positions Swedish equity markets and decreased in USA. We see two main positive drivers for Swedish market over 2010: (i) decreasing Baltic risk premium and (ii) country's openness to global trade, which is recovering at a fast pace.

In fixed income part the fund took profit from a long position in 30 yr Italian government bond. Other well-performing positions were Lithuanian Bonds, denominated in EEK and in EUR, which outperformed in December. All long EEK positions outperformed in December, giving extra performance to the fund.

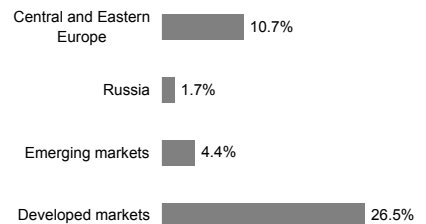
Risk level



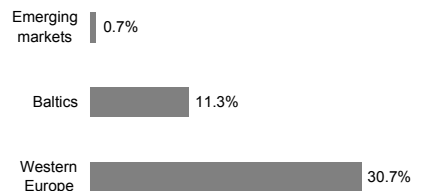
Portfolio by instruments



Equity portfolio by regions



Fixed Income portfolio by regions



Largest investments

Stocks	Weight
SSGA USA Index Equity Fund	7.4%
SSGA Europe Index Equity Fund	6.0%
SSGA Tracks Pan Euro	4.7%
Luxor Eastern Europe Index Fund	2.8%
SSGA Japan Index Equity Fund	2.7%
Bonds	Weight
SSGA Euro Corp. Bond Index Fund	3.0%
PIMCO Dist Sen Credit Opp Fund	2.0%
Italy 5% 08.01.2039	1.8%
Italy 3.75% 15.12.2013	1.8%
Deposit - Swedbank (EEK)	1.8%