

# Swedbank Pension Fund K3 (Growth Strategy)

August 31, 2010

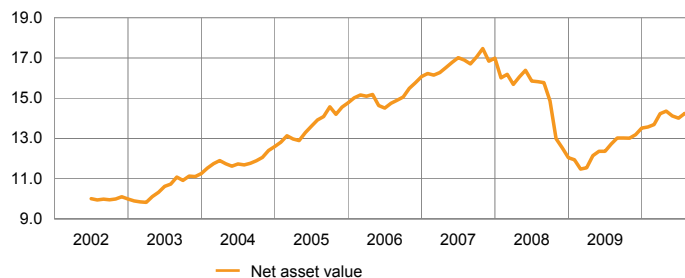
## Investment Principles

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 Investeeringimisfondid AS
Fund Manager	Kristjan Tamla
Contact	Swedbank offices and tel. +372 613 1606 www.swedbank.ee/funds
Inception	2002
Net Asset Value (NAV)	14.23 EEK
Net Assets	4 959 213 831 EEK
Management Fee per annum	1.42%
Subscription Fee	0.0%
Redemption Fee	1.0%
Benchmark	EPI50
<b>Statistics (computed over 3 years)</b>	
Standard Deviation	11.6%

## Fund performance



	YTD	1 month	3 months	1 year	3 years	5 years	Inception
Performance	5.3%	0.0%	0.8%	9.3%	-14.8%	1.0%	43.1%
Annualized				9.3%	-5.2%	0.2%	4.5%

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

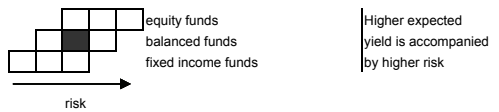
## Manager Commentary

Fears about sustainability of global recovery increased again in the global financial markets in August. Investors started to speculate with increasing determination that after phasing out the fiscal stimuli the major economies (primarily the US) would enter into recession again in the last months of the year. As a result, assets in the financial markets were extensively shifted into less risky instruments. Therefore, majority of equity markets showed losses and the prices of government bonds of developed countries mostly increased. Investments in the equity markets of the Baltic countries and emerging Asia showed positive performance in the fund's portfolio. The largest fall in August appeared in the Swedish equity market. However, its year-to-date performance in Estonian kroons is more than 15%.

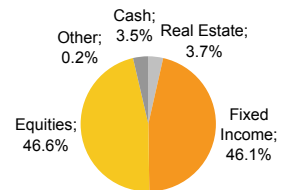
Swedbank Pension Fund K3 performance in August was -0.05%, with YTD performance of +5.3%. Looking forward, our view is that the economic growth in large economies will slow down towards the end of the year, but a new recession can be avoided. Monetary policy continues to support economic growth in almost all regions, business inventories have not increased dangerously and the economies of emerging countries continue to grow. Based on today's equity market valuations, such development should provide favourable conditions for a moderate upward trend. A more optimistic outlook is also being supported by a significant outflow of investments from the majority of developed countries equity funds in August. Therefore, we decided to increase our positions in the equity markets again in the last week of August.

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.

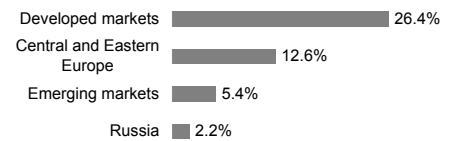
## Risk level



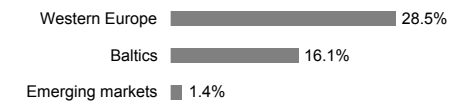
## Portfolio by instruments



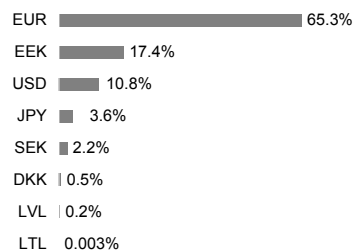
## Equity portfolio by regions



## Fixed Income portfolio by regions



## Portfolio by currencies



## Largest investments

	Weight
<b>Stocks</b>	
SSGA USA Index Equity Fund	7.9%
SSGA Europe Index Equity Fund	6.1%
SSGA Tracks Pan Euro	5.7%
SSGA Japan Index Equity Fund	3.6%
Lyxor Eastern Europe Index ETF	3.1%
<b>Bonds</b>	
DB x-Trackers iBoxx € Sov 1-3Y Index ETF	5.8%
Lyxor EuroMTS 1-3Y Index ETF	5.6%
iShares Barclays € Gov Bond 1-3Y Index ETF	4.8%
Lithuania EEK 07.07.2011	3.4%
SSGA Euro Corp. Bond Index Fund	2.9%