

Swedbank Pension Fund K3 (Growth Strategy)

December 31, 2010

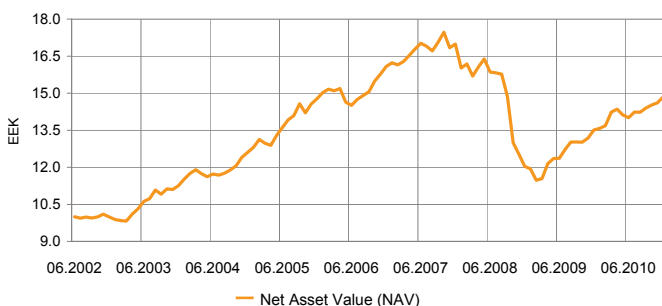
Investment Principles

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 Investeerimisfondid AS |
| Fund Manager | Katrin Rahe |
| Contact | Swedbank offices and tel. +372 613 1606 www.swedbank.ee/funds |
| Inception | 2002 |
| Net Asset Value (NAV) | 14.85 EEK |
| Net Assets | 5 226 960 905 EEK |
| Average management fee per annum** | 1.41% |
| Subscription Fee | 0.0% |
| Redemption Fee | 1.0% |
| Standard deviation (computed over 3 years) | 11.4% |

Fund performance*



| | YTD | 1 month | 3 months | 1 year | 2 years | 3 years | 5 years | Inception |
|--------------|------|---------|----------|--------|---------|---------|---------|-----------|
| Performance* | 9.9% | 1.6% | 3.1% | 9.9% | 23.3% | -12.6% | 0.5% | 49.3% |
| Annualized | | | | 9.9% | 11.0% | -4.4% | 0.1% | 4.9% |

| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
|--------------|-------|-------|-------|------|------|--------|-------|------|
| Performance* | 12.7% | 11.9% | 17.2% | 8.9% | 5.7% | -29.1% | 12.2% | 9.9% |

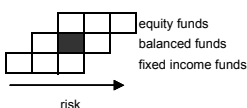
Manager Commentary

Swedbank Pension Fund K3 return in December was 1.6% with YTD performance of 9.9%. The international equity markets maintained positive sentiment in the last month of year 2010. The problems related to the fiscal sustainability in the European peripheral countries were out of the investors' focus. The equity market gains were primarily driven by positive data about the new speed of economic growth in the developed countries and the extension of the fiscal stimuli for US private consumers to year 2011. All the equity markets, where the fund invested, showed positive returns in the pension fund portfolio. The strongest growing equity markets were the CEE countries and Russia (over 7% on euro basis) and the weakest growth was shown by the Baltic equity markets (1% on euro basis).

The steepening of the yield curve due to the rising longer-term yields that we have seen since the beginning of the fourth quarter continued in the fixed income markets of developed countries. Thus, the 10-year German government bond yield increased by 30bp over the month, while the 2-year bond yield remained practically unchanged.

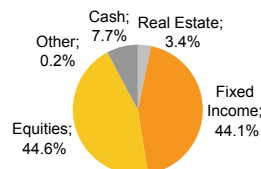
The improving business cycle of the developed countries is gradually reaching the labour markets of these countries as well. On the one hand the wider support to economic growth will probably cause the positive sentiment to continue in the equity markets in the beginning of 2011. On the other hand this should exert additional pressure on the longer-term government bonds. Therefore, we still prefer mainly short-term bonds. We see as a new opportunity the increasing of our positions in the euro denominated debt instruments of the CEE governments as some selling pressure was felt there due to the resurfacing of eurozone fiscal problems in the last months of 2010.

Risk level

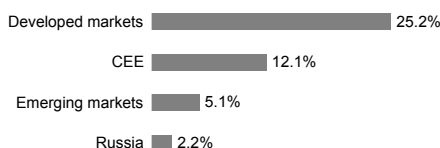


Higher expected yield is accompanied by higher risk

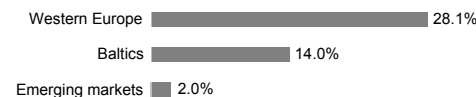
Portfolio by instruments



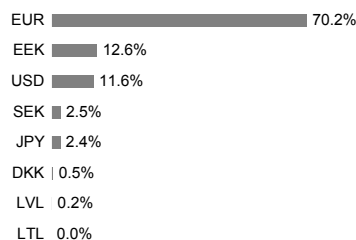
Equity portfolio by regions



Fixed Income portfolio by regions



Portfolio by currencies



Largest investments

| | Weight |
|--|--------|
| Equities | |
| SSGA USA Index Equity Fund | 8.6% |
| SSGA Tracks Pan Euro | 5.9% |
| SSGA Europe Index Equity Fund | 5.3% |
| Lyxor Eastern Europe Index ETF | 3.2% |
| SSGA Japan Index Equity Fund | 2.4% |
| Bonds | |
| Depositiit - Sampo Pank (EEK) | 7.6% |
| DB x-Trackers iBoxx € Sov 1-3Y Index ETF | 5.5% |
| PIMCO Global Inv Grade Credit Fund | 5.3% |
| Lyxor EuroMTS 1-3Y Index ETF | 5.1% |
| Lithuania EEK 0% 07.07.2011 | 3.3% |

* The value of fund units may rise or fall over time. The fund's historical performance does not promise or offer any indications regarding future performance. Investments in foreign markets are sensitive to changes in foreign currency exchange rates, which may cause a rise or a fall in the net value of the fund unit.

** Methodology of calculating fund's average management fee can be found in the prospectus of mandatory pension funds.

Please read fund's rules and prospectuses available on the web-site www.swedbank.ee/fondid or visit a Swedbank office. If necessary, consult with a teller or an investment consultant.