

# Swedbank Pension Fund K4 (Equity Strategy)

January 31, 2011

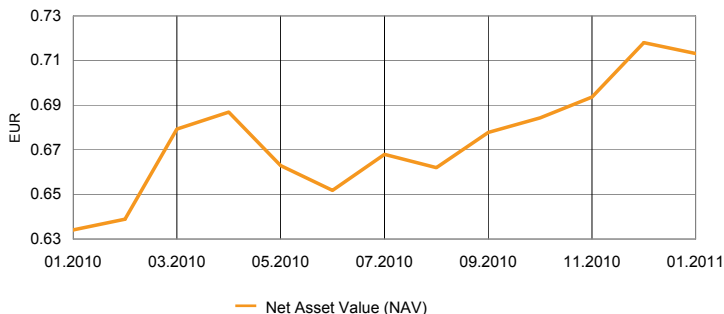
## Investment Principles

Swedbank Pension Fund K4 (Equity 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 75% 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	2010
Net Asset Value (NAV)	0.71316 EUR
Net Assets	4 482 741 EUR
Management Fee per annum	1.59%
Subscription Fee	0.0%
Redemption Fee	1.0%

## Fund performance\*



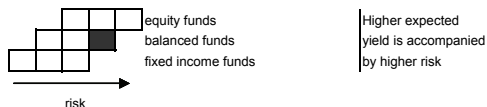
	YTD	1 month	3 months	1 year	2 years	3 years	5 years	Inception
Performance*	-0.7%	-0.7%	4.2%	12.5%				11.6%
Annualized				12.5%				

	2010	2011	2012	2013	2014	2015	2016	2017
Performance*	12.3%							

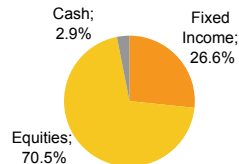
## Manager Commentary

Swedbank Pension Fund K4 returned -0.7% in January. Global equity markets started 2011 with a generally positive sentiment. Better than expected results of Q4 earnings season and relatively successful tapping of bond markets by Spain and Portugal were the main factors driving the markets. European (especially Spanish) banks were one of the best performing sectors in January, while themes and stocks related to emerging market exposure had a big set-back. Euro strengthened against major currencies in January and most equity markets positions in the pension fund portfolio posted a modest positive return in euro terms. Only small positions in Latin America and Emerging Asia had a negative return. In fixed income space the euro yield curve was flattening after 3 months break – German government 2y yields were 50bp up over the month, while 10y yield posted a 20bp increase. After globally rising price pressures and first relatively strong verbal statements on inflation by the ECB, markets have started to discount a first base rate hike possibility by the second half of 2011. At the beginning of January we entered a CEE government Eurobond market, which performed flat over the month (in the environment where most bond yields were up globally). Going into February we have reduced our equity positions. We see 3 main short-term risk factors for the market: (i) central banks tightening liquidity, (ii) short-term market technical indicators are not favourable and (iii) oil price increase by over 5% in January has deteriorated a global business cycle outlook.

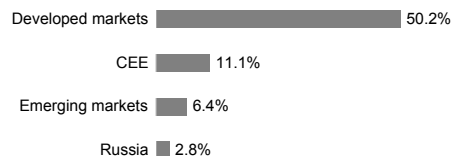
## Risk level



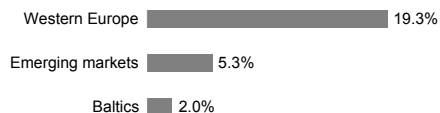
## Portfolio by instruments



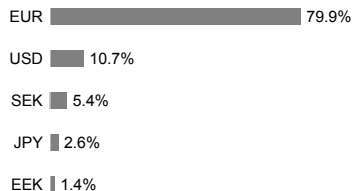
## Equity portfolio by regions



## Fixed Income portfolio by regions



## Portfolio by currencies



## Largest investments

Equities	Weight
SSGA USA Index Equity Fund	8.9%
DB x-Trackers MSCI USA Index ETF	8.7%
SSGA Tracks Pan Euro	7.6%
DB x-Trackers MSCI Europe Index ETF	7.6%
SSGA Europe Index Equity Fund	6.0%
Bonds	Weight
PIMCO Global Inv Grade Credit Fund	6.9%
iShares iBoxx Euro Corporate Bond	5.3%
Bluebay Inv Grade Bond Fund	2.1%
Lyxor EuroMTS 1-3Y Index ETF	1.8%
DB x-Trackers iBoxx € Sov 1-3Y Index ETF	1.7%

\* 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.

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.