

Swedbank Pension Fund K3 (Growth Strategy)

July 31, 2011

Investment Principles

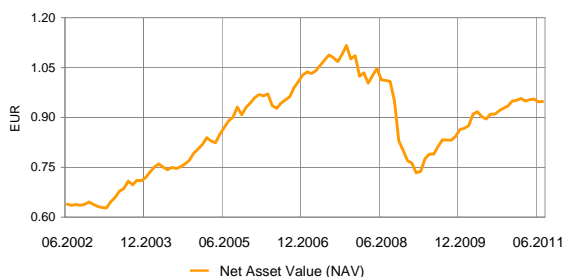
Swedbank Pension Fund K3 (Growth Strategy) is a contractual investment Fund founded for providing mandatory funded pension. The objective of the Fund's investment activity is to achieve as long-term and stable growth of the capital gain as possible. The Fund's assets shall be invested in bonds, shares, 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)	0.94690 EUR
Net Assets	331 175 949 EUR
Average management fee per annum**	1.41%
Subscription Fee	0.0%
Redemption Fee	1.0%

Standard deviation (computed over 3 years) 10.4%

Fund performance*



	YTD	1 month	3 months	1 year	2 years	3 years	5 years	Inception
Performance*	-0.1%	0.2%	-0.5%	4.2%	16.7%	-6.2%	0.6%	48.4%
Annualized				4.2%	8.0%	-2.1%	0.1%	4.4%

	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 returned 0.2% in July with YTD performance of -0.1%. The financial markets remained highly anxious in July and there were winners and losers on both the equity and bond markets. The mood in the first twenty days of the month was dominated by the simmering crisis in Greece/the Eurozone, which was temporarily mitigated by the measures for managing the debt crisis adopted by the leaders of the Eurozone. However, the fleeting optimism disappeared by the end of the month and the cash flows once again moved to the core bond markets of the Eurozone (Germany, France), leading to an increase in the credit premiums of Italy and Spain, and a more complicated situation in servicing government debt. Pessimism increased due to the threat that the US Government might exceed its effective debt limit by 2 August and negotiations about a new limit might fail. Fortunately, these fears proved to be premature.

The strongest performance on the equity markets was achieved in Japan (+4.5% in euro basis) as the country's recovery after the earthquake was faster than expected and the yen grew in strength. The positive season in the quarterly results of companies injected some optimism into the equity markets of the US, but the threat of economic growth decelerating and the confusion about the debt limit weakened the markets (-1.1%). The month was negative for Europe (-2.5%), which is struggling with debt problems, and its important trade partner Eastern Europe (-3.5%). Russian equity market (+3.4%), however, increased alongside Emerging Asia (+2.4%).

On bond markets, the month was very positive for the core Eurozone. Interest rates in Germany dropped to the extent of approximately 50 bp for all terms. The risk premiums of both investment grade and lower quality corporate bonds suffered alongside the increase in the credit premiums of the countries struggling in debt crises, but the large decrease in basic interest rates meant that the month ended on the plus side for the investment grade corporate asset class (+1.5%) and the asset class of emerging market bonds was only slightly on the minus side (-0.1%).

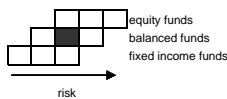
In the fund portfolio, we are underweight on both Eastern European and European equity markets. We are still cautious about equity markets in the short term as global economic growth is showing signs of slowing down and liquidity flow has weakened. The price levels are attractive, but technical indicators alone are not sufficient to make the markets rise again.

* 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.

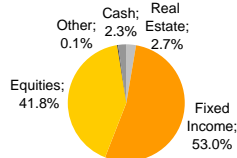
Please read fund's rules and prospectuses available on the web-site www.swedbank.ee/fondid or visit a Swedbank office. If necessary, consult with a teller or an investment consultant.

Risk level

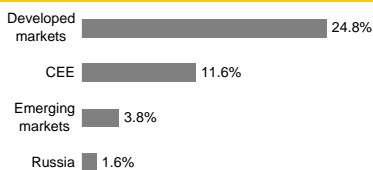


Higher expected yield is accompanied by higher risk

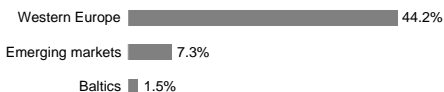
Portfolio by instruments



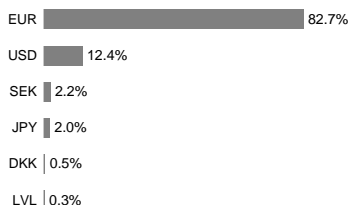
Equity portfolio by regions



Fixed Income portfolio by regions



Portfolio by currencies



Largest investments

	Weight
Equities	
SSGA USA Index Equity Fund	6.8%
SSGA Tracks Pan Euro	4.2%
SSGA Europe Index Equity Fund	2.7%
DB x-Trackers MSCI USA Index ETF	2.5%
Lyxor ETF Eastern Europe Index	2.0%
Bonds	
Bluebay Inv Grade Bond Fund	7.8%
PIMCO Global Inv Grade Credit Fund	7.2%
iShares iBoxx Euro Corporate Bond	7.1%
PIMCO Dist Sen Credit Opp Fund	2.6%
Lyxor ETF Euro Corp Bond Fund ex Financials	2.4%