

Swedbank Pension Fund K3 (Growth Strategy)

December 31, 2011

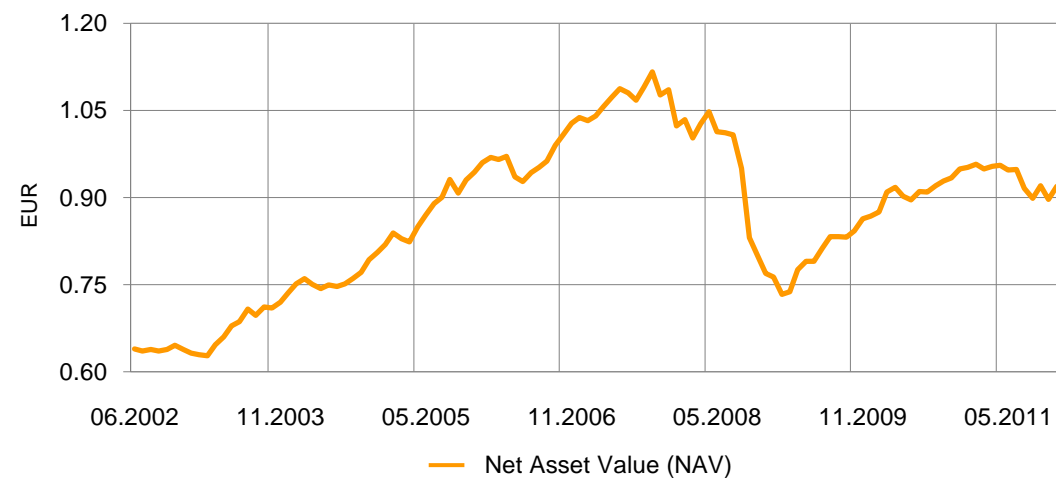
Investment Principles

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)	0.91900 EUR
Net Assets	325 749 487 EUR
Average management fee per annum**	1.42%
Subscription Fee	0.0%
Redemption Fee	1.0%
Standard deviation (computed over 3 years)	6.5%

Fund performance*



	YTD	1 month	3 months	1 year	2 years	3 years	5 years	Inception
Performance*	-3.2%	2.4%	2.3%	-3.2%	6.4%	19.4%	-10.6%	43.8%
Annualized				-3.2%	3.2%	6.1%	-2.2%	3.9%

	2004	2005	2006	2007	2008	2009	2010	2011
Performance*	11.9%	17.2%	8.9%	5.7%	-29.1%	12.2%	9.9%	-3.2%

Manager Commentary

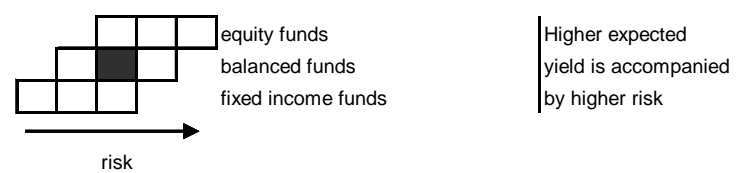
Swedbank Pension Fund K3 returned 2.4% in December and -3.2% in 2011.

The financial markets calmed somewhat before the year's end. The readiness of euro zone leaders to sign an intergovernmental agreement, which makes it easier to impose sanctions on states that breach budget discipline, added some positivity. The ECB also came up with a strong solution to the financing problems of euro zone banks by offering them low-interest three-year loans with milder collateral requirements. The banks used this opportunity much more actively than the markets had anticipated. Also, the "Save Italy" plan of Mario Monti and the long-term plan of Spain's new Prime Minister Mariano Rajoy, who was appointed before Christmas, to restore the state's AAA rating both demonstrated the clear intention of the struggling countries to resolve their budget deficit problems. The strong economic growth indicators of the US, which exceeded expectations, added another positive dimension. The improvement in labour market data continued and the confidence indicators in the industrial sector also offered some positive surprises.

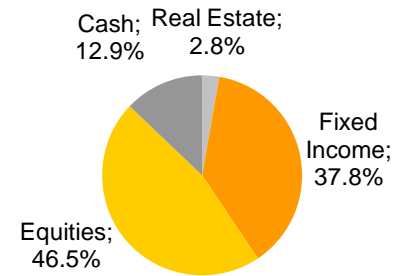
The strengthening of the main developed equity markets was headed by the US (+4.7%, all in euros) and Western Europe also remained in positive territory (+2.2%). However, Baltic and Eastern European equities were relatively weak and ended the month at levels that were 4.7% and 3.9% lower, respectively. Negative political developments in Hungary weighted quite heavily on Eastern European markets. Emerging Asia and Latin America also strengthened (+5.1% and +2.1%) while political insecurity in Russia had a strong impact on its equity market (-8.5%). The money that flew into equities did not leave the fixed income markets in large quantities. The latter also strengthened, as both euro zone sovereign bonds (+2.1%) as well as investment grade corporate bonds (+2.6%) ended the month in positive territory. The euro weakened by 3.7%.

We reduced the weight of sovereign bonds in the fund portfolio, as we reposition the component of government bonds in pension funds' portfolios in the beginning of the year – we increase the weight of deposits in local credit institutions and also increase the average maturity of euro zone bonds. We closed the overweight on Russian equity markets and the underweight in Eastern Europe when signs of political instability emerged. Looking forward, we are neutrally positioned in terms of equity markets, because the risks associated with the euro zone are balanced by other factors, such as the expected economic growth of the US and the improvement of liquidity in the euro zone.

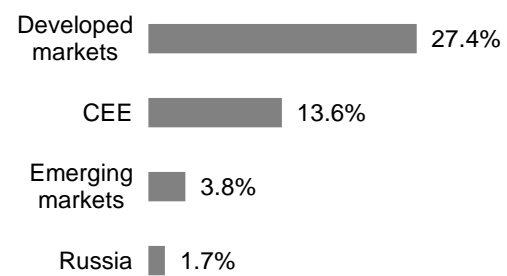
Risk level



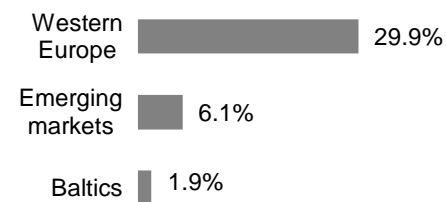
Portfolio by instruments



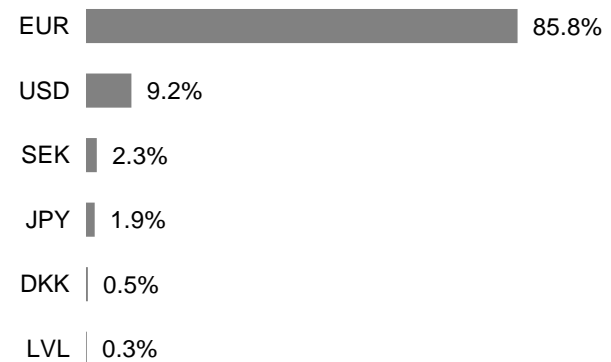
Equity portfolio by regions



Fixed Income portfolio by regions



Portfolio by currencies



Largest investments

Equities	Weight
SSGA USA Index Equity Fund	6.5%
Morgan Stanley Europe Equity Fund	3.2%
Lyxor Eastern Europe Index ETF	3.1%
SSGA Tracks Pan Euro	3.1%
MSCI Europe Source ETF	3.0%
Bonds	Weight
Bluebay Inv Grade Bond Fund	7.8%
PIMCO Global Inv Grade Credit Fund	7.3%
Lyxor ETF Euro Corp Bond Fund ex Financials	5.0%
iShares € Corporate Bond Fund	3.8%
DB x-Trackers II EM Liquid Eurobond Index ETF	2.5%

* 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.