

Swedbank Pension Fund K3 (Growth Strategy)

January 31, 2012

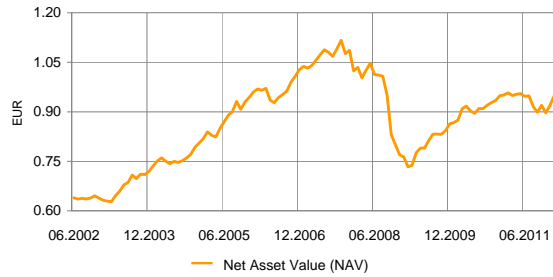
Investment Principles

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)	0.94769 EUR
Net Assets	329 188 913 EUR
Average management fee per annum**	1.41%
Subscription Fee	0.0%
Redemption Fee	1.0%
Standard deviation (computed over 3 years)	6.6%

Fund performance*



	YTD	1 month	3 months	1 year	2 years	3 years	5 years	Inception
Performance*	3.1%	3.1%	3.0%	-0.4%	9.2%	24.2%	-8.6%	48.3%
Annualized				-0.4%	4.5%	7.5%	-1.8%	4.2%

	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

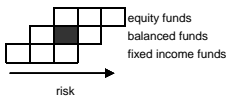
Swedbank Pension Fund K3 returned 3.1% in January 2012. The new year started positively on the financial markets, which alongside the calmer period in December made a crack in the pattern of quickly altering hope and despair of last year. Although Greece reminded the markets that many important problems need to be resolved this year to avoid the country being "forced" to leave the eurozone, investors still decided to focus on the positive developments in the countries that are more important from the economic point of view, namely Italy and Spain. As a result, the credit premium of the 10-yr Italian bond has decreased by 111 bp from the record level at the start of the year. Decreased interest expenses improve the chances that these countries will conquer their budget deficits and debt problems. The economic growth of the eurozone provided another positive surprise – leading indicators of the industrial sector as well as the health of the service sector demonstrated signs of improvement. Economic activity showed signs of improvement also in other regions, including the US and China.

All of the main equity markets strengthened and this was mainly driven by emerging markets – Eastern Europe (+13.3%, all in euro terms), Russia (+11.3%), Latin America (+11.7%) and emerging Asia (+8.9). The performance of the Baltic equity market was the only one to remain modest (+1.9%). Developed markets also ended the month in positive territory – Europe (+3.8%), the US (+3.8%) and Japan (+3.6%) with Sweden (+5.1%) doing particularly well.

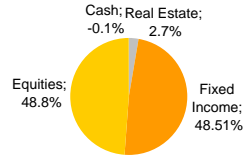
Bond markets also benefited from the increased risk appetite mood. Whilst the interest rates of the core eurozone bond markets remained broadly unchanged, the risk premiums of the sovereign bonds of peripheral countries as well as of investment grade and high-yield corporate bonds decreased considerably in the month. The euro-denominated sovereign bonds of emerging markets also moved in the same direction with their prices going up 2.5% on average in the month. The increased readiness of the Hungarian government to reach a compromise about giving in to European Union requirements also made investors feel more positive.

Looking forward, we are moderately positive about the equity markets. In the beginning of February we increased the weight of European, including Eastern European, equities in the portfolios, because the market sentiment about the eurozone has improved significantly. Also, money supply in the European economic space has become considerably stronger with the support of the central bank's aggressive policy. In bond portfolios, we currently prefer asset classes of higher income potential, but we are cautious about the excessively fast narrowing of risk margins.

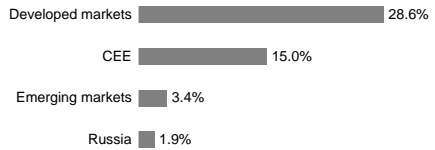
Risk level



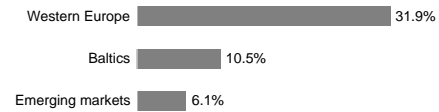
Portfolio by instruments



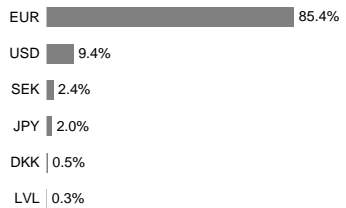
Equity portfolio by regions



Fixed Income portfolio by regions



Portfolio by currencies



Largest investments

	Weight
Equities	
SSGA USA Index Equity Fund	6.7%
Lyxor Eastern Europe Index ETF	4.4%
MSCI Europe Source ETF	4.0%
Morgan Stanley Europe Equity Fund	3.3%
GAM Star US All Cap Equity Fund	2.7%
Bonds	
Bluebay Inv Grade Bond Fund	7.9%
PIMCO Global Inv Grade Credit Fund	7.4%
Lyxor ETF Euro Corp Bond Fund ex Financials	5.0%
iShares € Corporate Bond Fund	3.8%
Deposit - Swedbank (EUR)	2.7%

* 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.

** 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.