

Swedbank Pension Fund K4 (Equity Strategy)

April 30, 2012

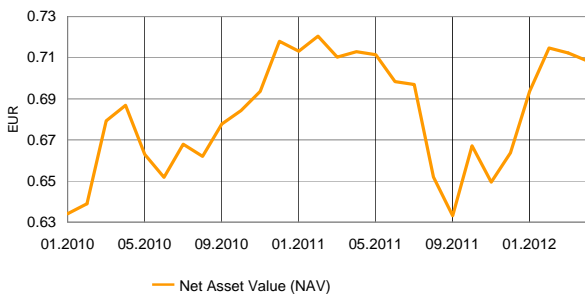
Investment Principles

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)	0.70843 EUR
Net Assets	14 238 516 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*	6.7%	-0.5%	2.1%	-0.6%	3.1%			10.8%
Annualized				-0.6%	1.6%			4.5%

	2010	2011	2012	2013	2014	2015	2016	2017
Performance*	12.3%	-7.6%						

Manager Commentary

Swedbank Pension Fund K4 returned -0.5% in April with YTD performance of 6.7%. The focus of financial markets returned to Europe in April – the pre-election periods in France and Greece, the resignation of the government in the Netherlands and the incapability of Spain in achieving its budgetary goals together with indicators suggesting economic slowdown in the euro area, didn't add any optimism. Economic growth in the eurozone periphery was weaker than expected and some leading indicators suggested that growth might be slowing down also in Germany and France. François Hollande, the frontrunner in French elections, has promised to review the recent fiscal agreement of the euro area, and it is likely that the current coalition in Greece, which supports austerity measures, will lose seats in the parliament and the country's ability to carry out reforms will weaken.

Baltic equities showed the best performance in the pension fund's equity portfolio in April (+6.4%, all returns are given in euros), where Tallink, Olympic and Invalda led the way. Emerging Asia (+1.3%) and the United States (+0.1%) also ended the month in positive territory. The euro weakened by 0.8% against the dollar. The other major regional markets weakened – Latin America (-3.1%), Western and Eastern Europe (-1.7% and -2.1%), Sweden (-2.1%) and Russia (-0.7%).

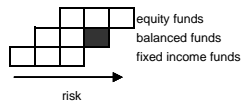
In the bond portfolio positive returns were posted by the risk-free asset class – the interest rates of German bonds decreased about 13 basis points across different maturities. The risk premiums of Dutch bonds only suffered a mild shock over a few days as a result of the government crisis, but the risk premium of the 10-year bonds of Spain increased by 54 bp despite the successful auctions of government bonds. The emerging countries sovereign eurobonds ended the month in positive territory (+0.9%), which was supported by the agreement made by the European Commission and Hungary regarding the start of negotiations about a financing package.

Our equity market outlook turned positive again in May. After the recent sell-off, the market sentiment improved alongside improved earnings and the relative valuations have become attractive. Our business cycle model has become supportive of equities as an asset class because of the decrease in oil price. We remain positive on credit risk assets in fixed income markets and prefer the investment grade corporate bonds of the euro area and global high-yield bonds. The balance sheets of companies are predominantly strong and their insolvency rates are low, and liquidity on the markets is high.

* 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.

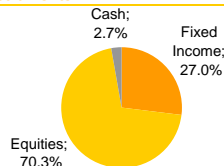
Please read fund's rules and prospectuses available on the web-site www.swedbank.ee/fondid or visit a Swedbank office. If necessary, consult with a teller or an investment consultant.

Risk level

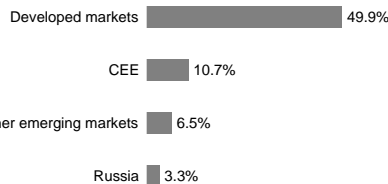


Higher expected yield is accompanied by higher risk

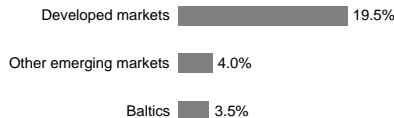
Portfolio by instruments



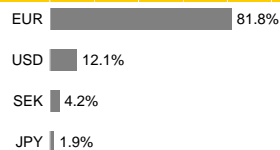
Equity portfolio by regions



Fixed Income portfolio by regions



Portfolio by currencies



Largest investments

Equity portfolio	Weight
MSCI Europe Source ETF	8.4%
Morgan Stanley Europe Equity Alpha Fund	6.7%
GAM Star US All Cap Equity Fund	6.6%
Lyxor Eastern Europe Index ETF	6.5%
SSGA Tracks Pan Euro	4.7%
Fixed Income portfolio	Weight
PIMCO Global Inv Grade Credit Fund	6.0%
Bluebay Inv Grade Bond Fund	5.6%
DB x-Trackers II EM Liquid Eurobond Index ETF	2.6%
Blackrock Global High Yield Bond Fund	1.9%
Elering EUR 4.625% 12.07.2018	1.5%