

# Swedbank Pension Fund V3 (Equity Strategy)

July 31, 2011

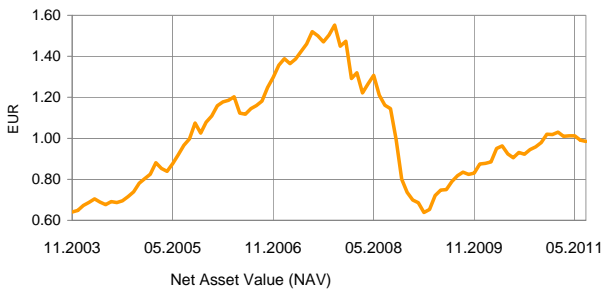
## Investment Principles

The purpose of the fund is to provide investors with additional income for their retirement. The principal objective of the fund's investment strategy is to maximize long-term capital growth. The fund's assets are invested in both Estonian and foreign bonds, shares, money market instruments and other assets.

## General information

Fund Management Company	Swedbank Investeeringimisfondid AS
Fund Manager	Katrin Rahe
Contact	Swedbank offices and tel. +372 613 1606 www.swedbank.ee/funds
Inception	2003
Net Asset Value (NAV)	0.99132 EUR
Net Assets	32 055 782 EUR
Management Fee per annum	1.4%
Subscription Fee	1.0%
Redemption Fee	1.0%
Standard deviation (computed over 3 years)	18.7%

## Fund performance\*



	YTD	1 month	3 months	1 year	2 years	3 years	5 years	Inception
Performance*	-3.4%	-0.6%	-2.7%	5.8%	24.8%	-15.2%	-13.9%	54.1%
Annualized				5.8%	11.7%	-5.3%	-3.0%	5.7%

	2004	2005	2006	2007	2008	2009	2010	2011
Performance*	24.0%	38.0%	22.4%	8.6%	-52.5%	25.1%	16.6%	

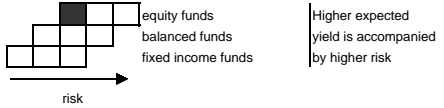
## Manager Commentary

Swedbank Pension Fund V3 returned -0.6% in July with YTD performance of -3.4%. The financial markets remained highly anxious in July. 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, which were looking for a safe haven, once again moved to the core bond markets of the Eurozone (Germany, France) and exited riskier asset classes, incl. equities. 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 focus of investors remained on the decelerating global economic growth during the entire month. In report on the US employment market published at the start of July indicated that there are almost no new jobs created in the United States. The indices that measure the strength of the industrial output of several large countries were also rather weak.

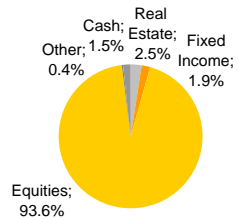
The strongest performance on the equity markets was achieved in Japan (+4.5% in euro basis) as the country's recovery after the earthquake was faster than expected and the yen grew in strength. The positive season in the quarterly results of companies injected some optimism into the equity markets of 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%). Contrarily to other emerging markets Latin America fell (-2.5%).

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.

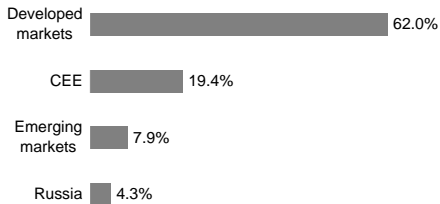
## Risk level



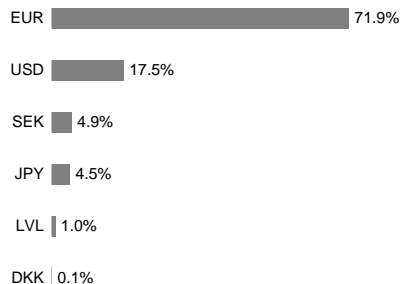
## Portfolio by instruments



## Equity portfolio by regions



## Portfolio by currencies



## Largest investments

Equities	Weight
SSGA USA Index Equity Fund	8.3%
DB x-Trackers MSCI Europe Index ETF	7.7%
SSGA Tracks Pan Euro	7.6%
GAM Star US All Cap Fund	7.5%
SSGA Europe Index Equity Fund	6.3%
Bonds	Weight
Lyxor ETF Euro Corporate Bond Fund	1.9%

\* 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.