

# Swedbank Pension Fund V3 (Equity Strategy)

January 31, 2012

## Investment Principles

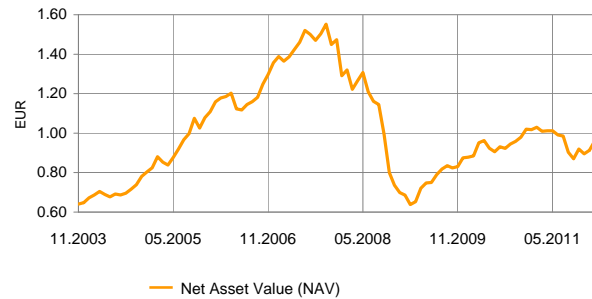
The purpose of the fund is to provide investors with additional income for their retirement. The principal objective of the fund's investment strategy is to maximize long-term capital growth. The fund's assets are invested in both Estonian and foreign bonds, shares, money market instruments and other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

## General information

Fund Management Company	Swedbank Investeerimisfondid AS
Fund Manager	Katrin Rahe
Contact	Swedbank offices and tel. +372 613 1606 www.swedbank.ee/funds
Inception	2003
Net Asset Value (NAV)	0.95972 EUR
Net Assets	30 907 150 EUR
Management Fee per annum	1.4%
Subscription Fee	1.0%
Redemption Fee	1.0%

Standard deviation (computed over 3 years) 13.0%

## Fund performance\*



	YTD	1 month	3 months	1 year	2 years	3 years	5 years	Inception
Performance*	5.1%	5.1%	4.4%	-5.7%	9.3%	39.9%	-30.9%	50.2%
Annualized				-5.7%	4.6%	11.8%	-7.1%	5.1%

	2004	2005	2006	2007	2008	2009	2010	2011
Performance*	24.0%	38.0%	22.4%	8.6%	-52.5%	25.1%	16.6%	-10.5%

## Manager Commentary

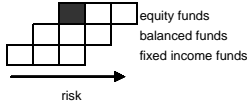
Swedbank Pension Fund V3 returned 5.1% in January 2012.

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.

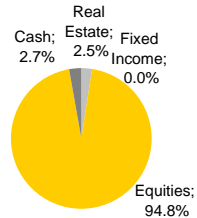
Looking forward, we are moderately positive about equity markets regardless of the broad-based strengthening of risky asset prices that occurred in the recent weeks. In the beginning of February we increased the weight of European, including Eastern European, equities in the portfolios, because the market 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.

## Risk level

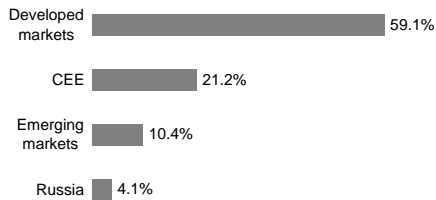


Higher expected yield is accompanied by higher risk

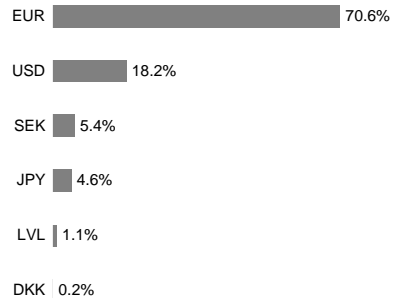
## Portfolio by instruments



## Equity portfolio by regions



## Portfolio by currencies



## Largest investments

Equities	Weight
GAM Star US All Cap Equity Fund	8.5%
SSGA USA Index Equity Fund	8.4%
SSGA Tracks Pan Euro	8.2%
Aviva European Convergence Equity Fund	7.3%
SSGA Europe Index Equity Fund	6.0%
Bonds	Weight
Lyxor ETF Euro Corporate Bond Fund	0.0%

\* 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](http://www.swedbank.ee/fondid) or visit a Swedbank office. If necessary, consult with a teller or an investment consultant.