

# Swedbank Pension Fund V3 (Equity Strategy)

May 31, 2012

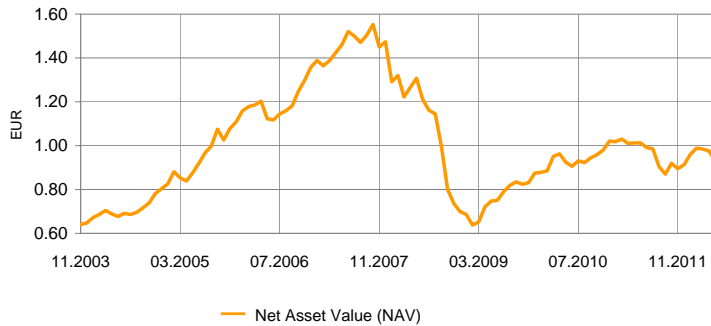
## Investment Principles

Swedbank Pension Fund V3 (Equity Strategy) is a contractual investment fund founded for providing supplementary funded pension. The objective of the Fund is a long-term growth of the value of the Fund's assets by means of investing up to 100% of the assets in equity-risk securities.

## General information

|  |  |
|--|--|
| Fund Management Company                    | Swedbank Investeerimisfondid AS                                  |
| Fund Manager                               | Katrin Rahe  |
| Contact                                    | Swedbank offices and tel. +372 613 1606<br>www.swedbank.ee/funds |
| Inception                                  | 2003   |
| Net Asset Value (NAV)                      | 0.93097 EUR  |
| Net Assets                                 | 29 965 883 EUR   |
| Management Fee per annum                   | 1.4%   |
| Subscription Fee                           | 1.0%   |
| Redemption Fee                             | 1.0%   |
| Standard deviation (computed over 3 years) | 11.3%  |

## Fund performance\*



|              | YTD  | 1 month | 3 months | 1 year | 2 years | 3 years | 5 years | Inception |
|--------------|------|---------|----------|--------|---------|---------|---------|-----------|
| Performance* | 1.9% | -4.6%   | -5.8%    | -8.0%  | 0.8%    | 24.5%   | -36.3%  | 45.7%     |
| Annualized   |      |         |          | -8.0%  | 0.4%    | 7.6%    | -8.6%   | 4.5%      |

|              | 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

The yield of Swedbank's Pension Fund V3 was -4.6 % in May and 1.9% since the start of the year. May was characterised by anxiety on the financial markets. Attention once again focussed on Greece, where the newly elected parliament failed to form a government despite repeated attempts and was therefore dissolved. It is not possible for a country that does not have a functioning government to receive support from international creditors and according to estimates, Greece's own financial resources will run out in about a month. The risks of Greece exiting euro and the ensuing financial shockwaves have grown noticeably, although we believe that an agreement with the so-called Troika is more likely. Leading indicators also refer to an economic slowdown in the eurozone as a whole. News about the US economy also tended to be negative during the month and the labour market statistics published in the beginning of May were clearly disappointing for investors.

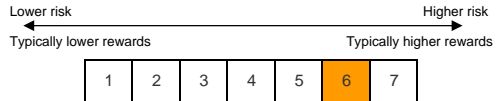
Global equity markets fell and by the end of the month reached the levels where they had been at the start of the year. The developed region where equities suffered the most is Western Europe (-6.1%), including Sweden (-8.8), as the region is currently negatively regarded by investors. US equities, however, ended in positive territory (+0.34%; all performances in euros), because of the considerable strengthening of the dollar against the euro (+6.6%). The emerging regions whose equities suffered the biggest decreases are Russia (-15.1%) and Eastern Europe (-11.7%). The performance of Latin America was -7.1%. The news that Chinese economy was cooling down did not have a good impact on the equity markets of emerging Asia, but the region ended at only -3.1% due to the weakness of the euro caused by the deepening debt crisis.

In the fund portfolio, we remain cautious about equity markets in June and keep the weight of equities at a neutral level. The decreased oil price supports private consumption so that a global recession is not likely in the next two quarters. In the long-term horizon we see that European equities have reached extremely attractive valuations when compared to other regions.

\* 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.

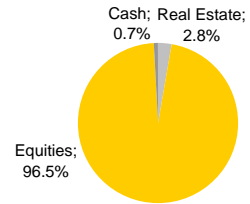
Please read fund's rules and prospectuses available on the web-site [www.swedbank.ee/fondid](http://www.swedbank.ee/fondid) or visit a Swedbank office. If necessary, consult with a teller or an investment consultant.

## Risk level

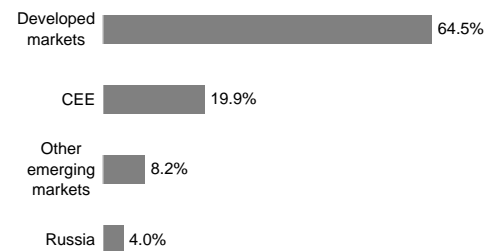


The categories specified in the risk scale are based on the fluctuation of the value of the Fund's assets during the last five years.

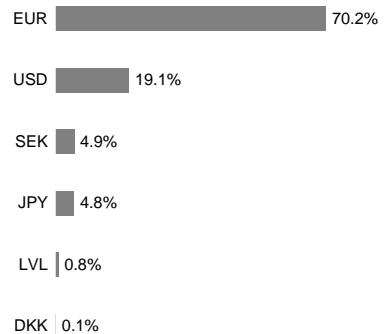
## Portfolio by instruments



## Equity portfolio by regions



## Portfolio by currencies



## Largest investments

| Investment                         | Weight |
|------------------------------------|--------|
| <b>Equity portfolio</b>            |        |
| GAM Star US All Cap Equity Fund    | 8.9%   |
| SSGA USA Index Equity Fund         | 8.7%   |
| SSGA Tracks Pan Euro               | 8.1%   |
| MSCI Europe Source ETF             | 6.5%   |
| SSGA Europe Index Equity Fund      | 6.0%   |
| <b>Fixed Income portfolio</b>      |        |
| Lyxor ETF Euro Corporate Bond Fund | 0.0%   |