

Swedbank Pension Fund V3 (Equity Strategy)

July 31, 2012

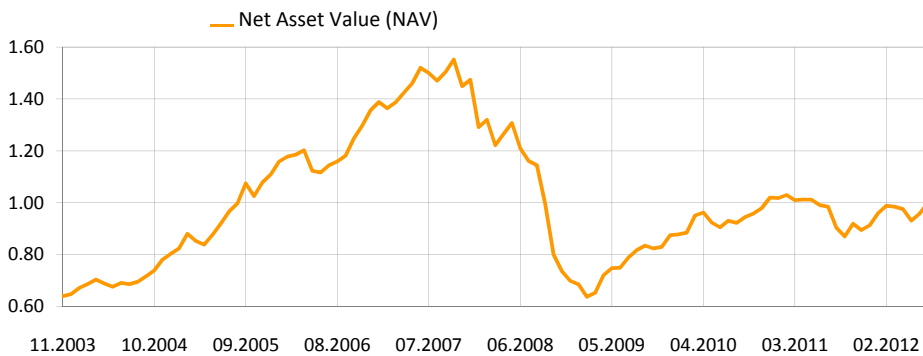
Investment Principles

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 www.swedbank.ee/funds
Inception	2003
Net Asset Value (NAV)	1.00115 EUR
Net Assets	32 221 076 EUR
Management Fee per annum	1.4%
Subscription Fee	1.0%
Redemption Fee	1.0%
Standard deviation (computed over 3 years)	11.2%

Fund performance*



	YTD	1 month	3 months	1 year	2 years	3 years	5 years	Inception
Performance*	9.6%	4.5%	2.6%	1.6%	7.6%	26.8%	-33.3%	56.7%
Annualized				1.6%	3.7%	8.2%	-7.8%	5.3%

	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%

Largest investments TOP 10

Equity portfolio	Weight
GAM Star US All Cap Equity Fund	8.7%
SSGA USA Index Equity Fund	8.5%
SPDR MSCI Europe ETF	8.3%
MSCI Europe Source ETF	6.7%
SSGA Europe Index Equity Fund	6.2%
Fixed Income portfolio	Weight
Lyxor ETF Euro Corporate Bond Fund	0.0%

Manager Commentary

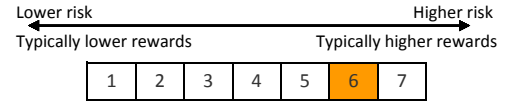
Swedbank's Pension Fund V3 returned 4.5% in July and 9.6% since the start of the year.

The focus of financial markets remained on the eurozone in July. Both risky and relatively risk-free assets ended the month in positive territory despite the increasing seriousness of the crisis. One of the reasons behind the optimism on equity markets was the President of the European Central Bank (ECB), whose powerful statements in the second half of the month led to the rise of risky asset classes. However, getting ahead of things, we can say that the results of the ECB session held in the beginning of August were a disappointment for investors. Greece also caused anxiety, as the country has not managed to carry out fast enough the reforms promised to the IMF and the European Commission. Greece's possible exit from the eurozone and the adherent risks to the other eurozone countries continue being a concern. Global economic growth continued to deteriorate – the leading indicators of the eurozone's industrial sector weakened and the GDP of the United States also failed to meet market expectations. However, the weaker growth rate also increased the possibility of the Federal Reserve easing its monetary policy even further in the coming months, which paradoxically creates the situation where weak economic news have a positive impact on equity markets.

In the equity portfolio Swedish equities were outperforming amongst developing regions (+9.7%, all returns are in euros). The equity markets of Europe and the United States both strengthened by 4.2%. Japan also managed to stay in positive territory (+0.4%). The rise in equity markets of emerging regions was led by Asia and Russia (+5.8% and +5.7%, respectively). Latin America ended up 4.2% higher; the Baltic States and Eastern Europe rose by 3.4% and 1.0%, respectively. The euro weakened by 2.9% against the US dollar during the month.

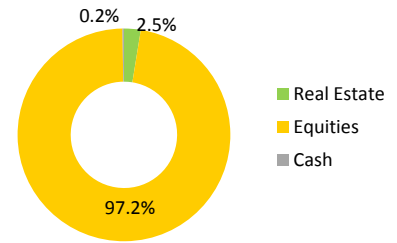
We remain positive about the equity markets in August – price levels are still attractive compared to bonds and global liquidity indicators are ameliorating. We also expect the world's economic growth to accelerate in the second half of the year. Region-wise we prefer European and Japanese equities. The former are favoured primarily by the price level, the latter by liquidity indicators of the financial sector. The main risk to a positive market outlook is of a political nature, i.e. whether and how Greece's cooperation with international creditors will continue and how the issue of the high bond interest rates of Spain and Italy will be resolved.

Risk level

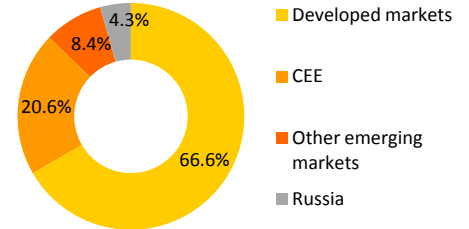


The categories specified in the risk scale are based on the fluctuation of the value of the Fund's assets during the last five years.

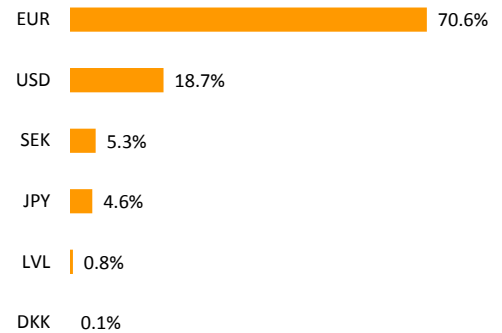
Portfolio by instruments



Equity portfolio by regions



Portfolio by currencies



* 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.