

Swedbank Pension Fund V3 (Equity Strategy)

September 30, 2012

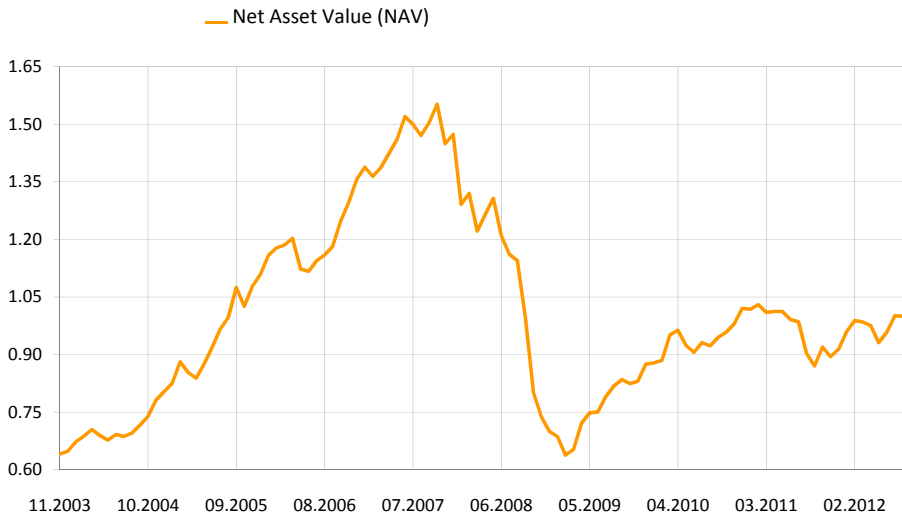
Investment Principles

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
Inception	2003
Net Asset Value (NAV)	1.01550 EUR
Net Assets	32 710 883 EUR
Standard deviation (computed over 3 years)	11.1%
Management Fee per annum	1.4%
Subscription Fee	1.0%
Redemption Fee	1.0%

Fund performance*



	YTD	1 month	3 months	1 year	2 years	3 years	5 years	Inception
Performance*	11.2%	1.6%	6.0%	16.7%	7.5%	21.6%	-32.5%	58.9%
Annualized				16.7%	3.7%	6.7%	-7.6%	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
SPDR MSCI Europe ETF	8.4%
Lyxor Eastern Europe Index ETF	8.0%
GAM Star US All Cap Equity Fund	7.8%
SSGA USA Index Equity Fund	7.5%
MSCI Europe Source ETF	6.9%
Fixed Income portfolio	Weight
Lyxor ETF Euro Corporate Bond Fund	0.0%

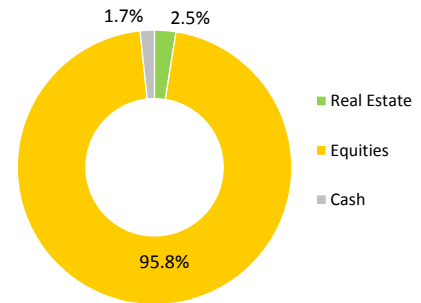
Risk level

Lower risk Higher risk
Typically lower rewards Typically higher rewards

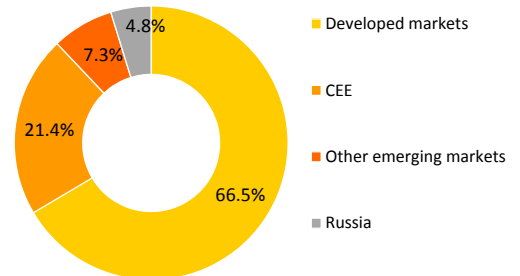


The categories specified in the risk scale are based on the fluctuation of the value of the Fund's assets during the last five years.

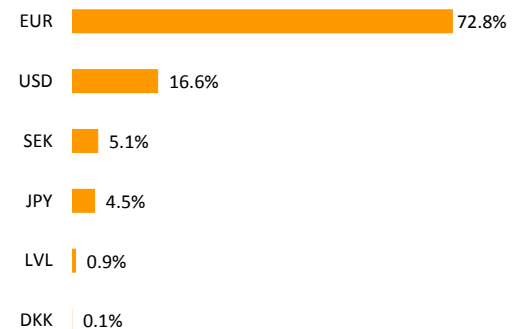
Portfolio by instruments



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 on phone number +372 613 1606.

Swedbank Pension Fund V3 (Equity Strategy)

September 30, 2012

Manager Commentary

Swedbank's Pension Fund V3 returned 1.6% in September and 11.2% since the start of the year.

September proved to be relatively volatile on the financial markets. The focus was on the activities of the European Central Bank (ECB) and the US Federal Reserve – both of them announced non-standard monetary policy operations in the beginning of the month, which are aimed at curbing the decrease in economic growth indicators and stopping the increase in unemployment. Risky asset classes were supported by the ECB's decision to buy unlimited amounts of short-term bonds issued by the euro zone countries plagued by debt, provided that they seek financial help from Europe's financial stability mechanisms and meet the conditions for obtaining assistance, especially in respect of budget deficit and structural reforms (e.g. making their labour market more flexible or increasing competition). The base interest rate of the ECB remained unchanged (0.75%). The wave of optimism died in a couple of weeks as it became evident that there are a number of different internal policy obstacles in the multicountry euro zone. The Federal Reserve surprised the markets with its decision to start buying financial assets again – US\$50 billion worth of mortgage-backed securities will be purchased every month. The programme will not end before the economic environment and employment have improved considerably. The Federal Reserve also announced that interest rates will be kept on the current low levels until 2015 instead of 2014, as formerly promised.

The economic environment generally continued to weaken. The Purchasing Managers Index in the euro zone's industrial and service sectors weakened for the seventh month on the run, and it continues to indicate that the economy of the euro zone is in a downfall. The Purchasing Managers Index in the industrial sector of the United States remained at the same relatively weak level as in the previous month. Economic activity in China weakened as well.

Eastern Europe and Russia achieved the best returns in the equity portfolio this month, strengthening by 5.2% and 4.0%, respectively (in euros). Our positions in these regions were neutral. Other emerging markets also improved against the background of the general increase in risk tolerance – equities of the Far East increased by 3.8% and Latin-American markets grew by 1.4% in the month. Developed markets were somewhat weaker – the equity market of Sweden strengthened by 1.2%, Europe by 0.9% and the United States by 0.1% whereas Japan weakened by 0.1% (all returns in euros). Baltic equities ended the month on a level that was 1.3% weaker. We considered taking part in the IPO of PRO Kapital, but decided against it in the end as the price level was too high in our opinion. The euro strengthened by 2.2%.

In a short-term outlook we remain positive about equity markets and keep the proportion of equities in portfolios at a level that is somewhat higher than neutral. In our opinion, global economic growth will remain stronger than expected in the nearest quarters. The price level of equities also remains attractive compared to government bonds as well as investment grade corporate bonds. Global liquidity weakened somewhat, but the indicator can be expected to strengthen once the recent announcements made by central banks lead to specific steps. Clarity about possible political developments has increased in the euro zone, but future political decisions in the United States obviously depend on the presidential and congressional elections that take place in November. The re-election of Obama, which seems highly likely at the moment, would be somewhat more negative for the markets.

Within the equity markets we continue preferring European equities, as their price level is attractive compared to other developed regions. We reduced our positions on Japanese equity markets due to weakened liquidity and the deterioration of market sentiment.

* 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 on phone number +372 613 1606.