

Swedbank Pension Fund V3 (Equity Strategy)

December 31, 2012

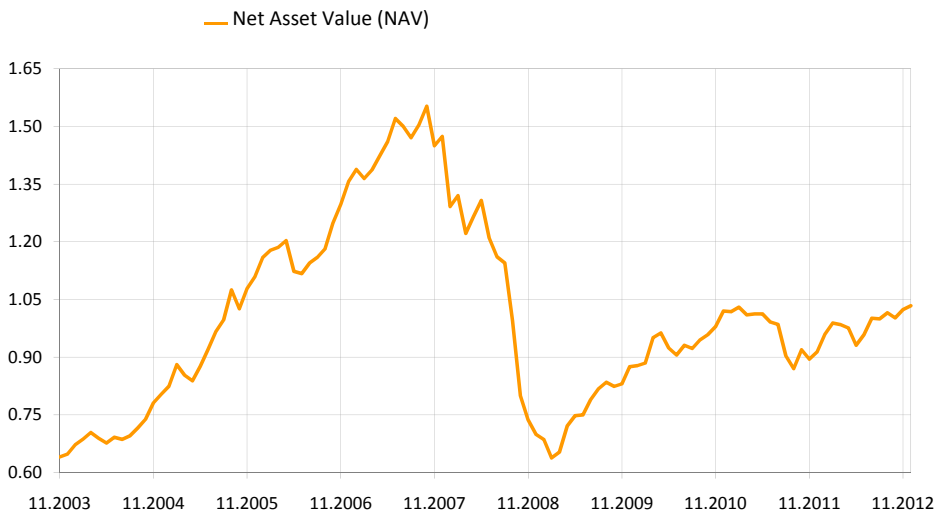
Investment Principles

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
Inception	2003
Net Asset Value (NAV)	1.03351 EUR
Net Assets	32 984 488 EUR
Standard deviation (computed over 3 years)	10.8%
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*	13.2%	1.0%	1.8%	13.2%	1.3%	18.1%	-29.9%	61.7%
Annualized				13.2%	0.7%	5.7%	-6.9%	5.4%
	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
Lyxor Eastern Europe Index ETF	7.9%
GAM Star US All Cap Equity Fund	7.4%
MSCI Europe Source ETF	7.2%
SSGA USA Index Equity Fund	7.1%
SSGA Europe Index Equity Fund	6.4%
Fixed Income portfolio	Weight
Lyxor ETF Euro Corporate Bond Fund	0.0%

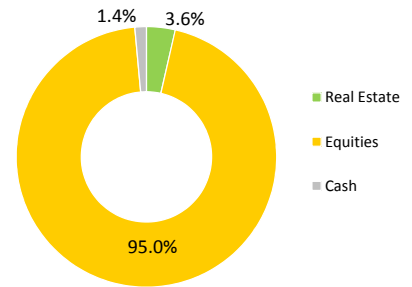
Risk level

Lower risk Higher risk
Typically lower rewards Typically higher rewards

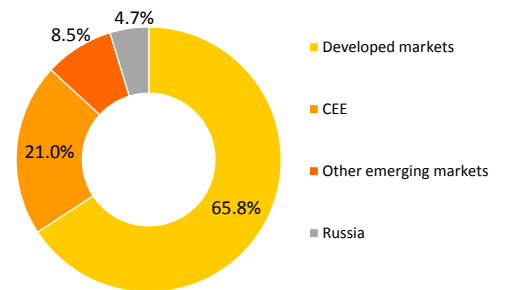


The categories specified in the risk scale are based on the fluctuation of the value of the Fund's assets during the last five years.

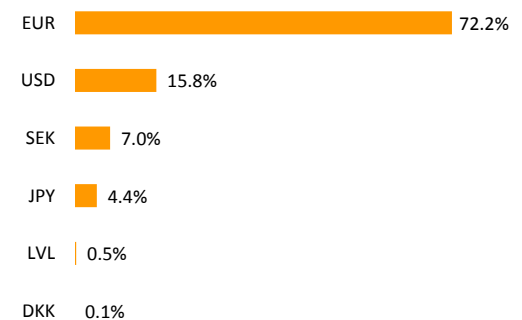
Portfolio by instruments



Equity portfolio by regions



Portfolio by currencies



* Fondiosaku väärtus võib ajas nii kasvada kui kahaneda. Fondi eelmiste perioodide tootlus ei tähenda lubadust ega viidet fondi järgmiste perioodide tootluse kohta. Välisriikidele investeerivad fondid on tundlikud valuutakursside kõikumise suhtes, mis võib põhjustada fondiosaku puhasväärtuse kasvu või kahanemist.

Tutvuge fondi tingimuste ja prospektidega veebilehel www.swedbank.ee/fondid või külastades lähimat Swedbanki kontorit. Vajaduse korral konsulteerige pangatöötaja või investeerimisnõustajaga telefonil +372 613 1606.

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Manager Commentary

Swedbank's Pension Fund V3 returned 1.0% in December and 13.2% since the start of the year.

Market overview

The sentiment on financial markets was quite cheerful during the last month of the year. The markets were more optimistic about the US crossing the fiscal cliff; several regional equity markets increased significantly and the bond markets were no losers either. In December, the US Federal Reserve gave the markets a huge stimulus by expanding its financial assets purchase program by 40 billion USD a month. The Federal Reserve also tightened the continuance of the easy monetary policy to decreasing unemployment rates.

All in all, the news related to the economy tended to support equities and bonds with higher risk in December. Exports improved in Korea, which, due to its trade structure, is an important indicator of global economic health. Polls among purchase managers in the industry sector showed that the economic situation is improving in China, Brazil and the US. The new government coalition in Japan, which supports an easier monetary policy, has brightened the outlook for the country. The Q3 GDP in Japan indicated that its economy was in decline for the second quarter in a row. However, the retrospective statistics are considerably less important than this month's parliamentary elections in Japan, where the Liberal Democratic Party led by Shinzo Abe won a landslide victory. The main promise of the LDP is to institute an easy monetary policy in order to fight the deflation the country has been struggling with for years.

The economy in Europe is still offering little to be happy about. However, the rate of economic decline is slowing, i.e. while things are still getting worse, it is not happening as quickly as earlier. In December, the general trends in the euro area were marked by the politics in Italy: Prime Minister Monti resigned due to a lack of support for his reform agenda. In addition, former prime minister Silvio Berlusconi has hinted that he might run for prime minister again.

By the end of the month, most of the regional stock markets were steadily in the green, thus beautifully closing out a year that had, all in all, been extremely positive for financial markets. In 2012, the strongest regional market in our portfolio was Eastern Europe with a yield of 32.4% (all yields are in euros), of which 6.3% in December. The equities of the Baltic States increased by 6.4% in December. We also participated in an IPO where the equities of Inter Rao Lietuva AB, one of the largest energy suppliers in the Baltic States, were successfully listed on the Warsaw Stock Exchange. In regard to other emerging markets, Latin American equities increased by 4.9%, Russian equities by 4.8% and Emerging Asian equities by 1.9%.

The best performing region among developed markets was Japan with a monthly increase of 3.7%. This was followed by Sweden (+2.3%) and Western Europe (+1.4%). The only declining equities were those of the US (-0.6%), although their yield in US dollars was slightly positive.

Short-term outlook

In early January we introduced underweight position in equities. The technical indicators are mostly negative and liquidity on global markets has weakened again. Although the fiscal cliff was largely resolved at the start of the year, the next item on the agenda is the presumably tough negotiation process regarding the increase in the US debt ceiling. Market consensus will help to reach a compromise again, but this is not likely to happen long before the deadline in February.

At the beginning of January we closed our overweight in European equities, considering that the liquidity flow in the banking sector has become more unfavourable towards European equity markets. We also closed our underweight in Japan and Emerging Asia.

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