Swedbank Pension Fund V3 (Equity Strategy)

February 28, 2013

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.

Risk level

Lower risk ← → Higher risk

Typically lower rewards — Typically higher rewards

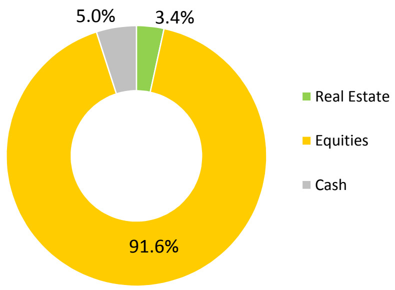
1	2	3	4	5	**6**	7

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.

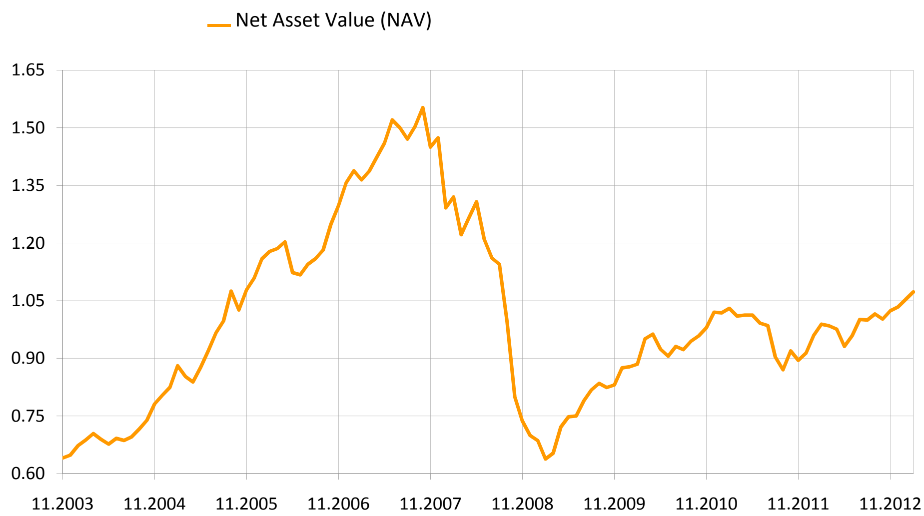
General information

Fund Management Company	Swedbank Investeerimisfondid AS
Fund Manager	Katrin Rahe
Inception	2003
Net Asset Value (NAV)	1.07257 EUR
Net Assets	34 350 073 EUR
Standard deviation (computed over 3 years)	10.8%
Management Fee per annum	1.4%
Subscription Fee	1.0%
Redemption Fee	1.0%

Portfolio by instruments



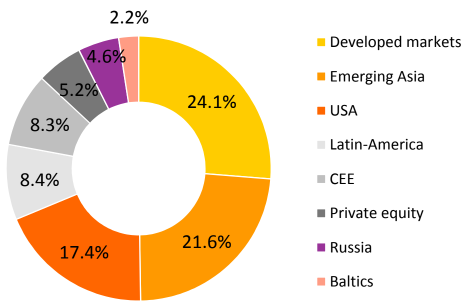
Fund performance*



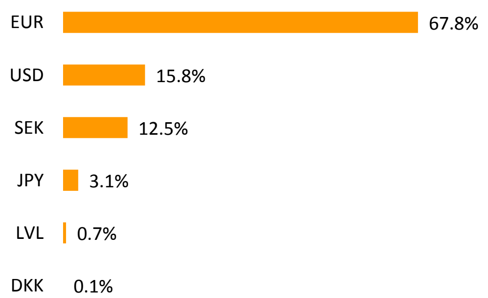
	YTD	1 month	3 months	1 year	2 years	3 years	5 years	Inception
Performance*	3.8%	1.8%	4.8%	8.5%	4.1%	21.2%	-18.7%	67.8%
Annualized				8.5%	2.0%	6.6%	-4.1%	5.7%

	2005	2006	2007	2008	2009	2010	2011	2012
Performance*	38.0%	22.4%	8.6%	-52.5%	25.1%	16.6%	-10.5%	13.2%

Equity portfolio by regions



Portfolio by currencies



Largest investments TOP 10

Equity portfolio	**Weight**
Swedbank Robur Indexfond Asien	8.8%
DB x-Trackers MSCI EM Latin Index ETF	8.4%
db x-trackers MSCI AC Asia ex Japan Index UCITS ETF	8.1%
SSGA USA Index Equity Fund	7.5%
SSGA Europe Index Equity Fund	6.4%

* 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.

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Manager Commentary

Swedbank's Pension Fund V3 returned 1.8% in February and 3.8% since the start of the year.
Market overview

In February the financial markets were strongly affected by the elections in Italy, the results of which contributed largely to the increased nervousness on the markets. The elections had no clear winner as the pro-reform coalition which is most acceptable to the markets did not win a majority in the upper chamber of the Italian parliament. Hence it is likely that the critical decisions necessary for the sustainability of the country will be stalled or difficult to make. The country risk surged in the eyes of investors: the risk premium for both two- and ten-year government bonds rose by almost 50 basis points. Although at the moment Italy is still far from its highest level of risk premium in 2012, it is clear that investors are following political developments in euro area countries very closely and that a permanent solution to the euro area debt crisis is not yet within reach. Equity markets, however, were only briefly affected by the events.

The economic statistics published in February did not offer unambiguous conclusions. The euro area GDP, for example, decreased more than expected in the fourth quarter and the Purchasing Managers' index weakened. At the same time the IFO (the German Business Climate Indicator) rose significantly and the French manufacturing industry's confidence regarding the current situation and future outlook improved. The European economic outlook benefited also from the exchange rate of the euro, which weakened owing to the 'verbal intervention' of the President of the European Central Bank.

In the USA economic sentiment continued to rise slowly but the negotiations between the Republicans and the Democrats over budget cuts caused concerns yet again. There is consensus among US politicians that the timing of the fiscal cliff resolution is unfortunate taking into account the weak economic growth and that the cuts are not being made in the right areas. This, however, does not contribute to their ability to achieve a reasonable agreement on delaying or mitigating the cuts. Forecasts of numerous analysts indicate that the effect of the cuts on the economy will be approximately 0.4% of GDP, i.e. significant but not sufficient to trigger a new recession.

In February the equity markets were mostly up. The markets were supported by the decision of the Japanese government to nominate Asian Development Bank president Haruhiko Kuroda as the new governor of their central bank. He is likely to start an aggressive fight against the deflation which has been debilitating the Japanese economy. There were signs of the Chinese authorities taking more active growth stimulation measures, whereas senior officials of the Federal Reserve tried to dissipate the markets' growing concerns about the imminent termination of bond purchases by the US central bank.

In euro terms the strongest equity markets in February were Japan (+6.6%), the USA (+5.1%) and developing Asia (+3.7%). Latin America and Europe were also in positive territory with a monthly return of +1.0% and so was Eastern Europe (including Turkey) with +0.9%. Neighbouring markets, on the other hand, were weak: the Russian index lost 1.8% and the Baltic States 2.7% over the month.

Short-term outlook

In March we will continue to be underweight in equities and with a larger cash portfolio. We remain cautious due to decreased liquidity on global financial markets resulting from the absorption of excess liquidity from the European banking sector by the European Central Bank. Liquidity conditions have also worsened in Japan and the price level of equity markets has increased to some extent.

The relative price level of equities compared to low risk government bonds continues to be attractive although somewhat higher than three or four months ago. The outlook for global economic growth remains favourable for equity markets but in the coming months the economic environment is likely to become less supportive of equities.