

# Swedbank Pension Fund V2 (Growth Strategy)

March 31, 2011

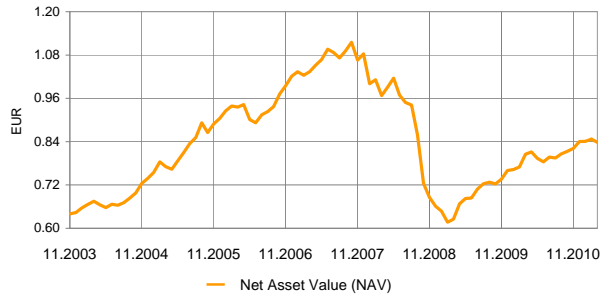
## Investment Principles

The purpose of the fund is to provide investors with additional income for their retirement. The principal objective of the fund's investment strategy is to achieve stable capital appreciation over a long-term time horizon. The fund's assets are invested in both Estonian and foreign bonds, shares, money market instruments and other assets.

## 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)	0.83825 EUR
Net Assets	16 099 320 EUR
Management Fee per annum	1.3%
Subscription Fee	1.0%
Redemption Fee	1.0%
Standard deviation (computed over 3 years)	13.8%

## Fund performance\*



	YTD	1 month	3 months	1 year	2 years	3 years	5 years	Inception
Performance*	-0.3%	-1.0%	-0.3%	4.1%	34.1%	-13.4%	-10.4%	30.2%
Annualized				4.1%	15.8%	-4.7%	-2.2%	3.7%

	2004	2005	2006	2007	2008	2009	2010	2011
Performance*	14.7%	22.5%	12.9%	6.1%	-39.0%	15.0%	10.5%	

## Manager Commentary

Swedbank Pension Fund V2 returned -1.0% in March with YTD performance of -0.3%. March was a turbulent month for the financial markets. While the earthquake and subsequent accidents in a nuclear power station in Japan had mainly influence on the equity markets and the civil war in Libya affected the oil price, the eurozone bond markets were given a slight shock at the beginning of the month by a clear message from the European Central Bank to start raising interest rates. Global equity markets declined mildly until mid-March, but then rebounded strongly in the second half of the month (except for Japan) due to a strong buying pressure driven by the emerging markets. The latter markets led the equity rally, thus ending the period of continuous underperformance in January and February. Markets in Asia (ex. Japan) rose fastest by 2.8%, while Russia and Latin America were up by 1.2% and 0.65% respectively (all in euro terms). Besides the worst performing equity market Japan (-11.7%) also Baltic and European equities finished month in a negative territory (down by -4.6% and -3.6% respectively). Euro strengthened against all major currencies.

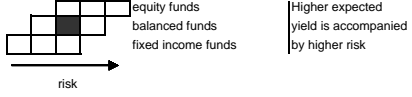
Returns in the eurozone bond markets were in a negative territory. German government bond yields increased across all maturities with short-term bonds performing worst (yields increasing by +27bp for 2yr bond and by +18bp for 10yr bond). The European Central Bank communicated their intention to raise the Bank's refinancing rate in April in order to contain inflation from rising further. Although the risk aversion resulting from Japan's earthquake had forced the interest rates to lower levels at first then by end of the month selling pressure gained momentum and interest rate rises were further priced in to the markets. At the same time the credit premiums for the emerging market bonds decreased enough to leave the respective market return in a positive territory.

While during the last couple of months our short-term view on the equity markets has been negative we move to neutral positioning in April. We expect the equity markets to slightly outperform the bond markets because of strong price momentum and the corporate earnings revisions continuing to be positive despite the recent turmoil. Although the global liquidity readings have turned better and showed increasing liquidity flow to the markets we see a possible deterioration in the business cycle as a main risk due to the expected rises in the interest rates and the effect of higher oil prices. Regionally we prefer US stock market while we least like the emerging Asia stock markets.

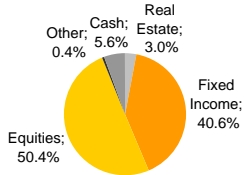
\* The value of fund units may rise or fall over time. The fund's historical performance does not promise or offer any indications regarding future performance. Investments in foreign markets are sensitive to changes in foreign currency exchange rates, which may cause a rise or a fall in the net value 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.

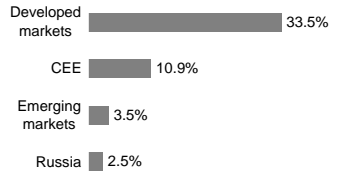
## Risk level



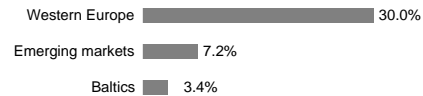
## Portfolio by instruments



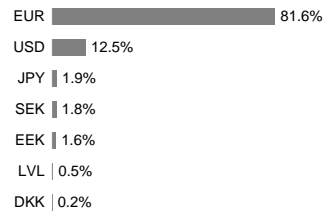
## Equity portfolio by regions



## Fixed Income portfolio by regions



## Portfolio by currencies



## Largest investments

Equities	Weight
SSGA USA Index Equity Fund	7.7%
SSGA Tracks Pan Euro	5.5%
DB x-Trackers MSCI Europe Index ETF	3.8%
Aviva CEE Equity Fund	3.7%
SSGA Europe Index Equity Fund	3.0%
Bonds	Weight
PIMCO Global Inv Grade Credit Fund	7.3%
Bluebay Inv Grade Bond Fund	5.0%
DB x-Trackers iBoxx € Sov 3-5Y TR Index ETF	4.6%
iShares iBoxx Euro Corporate Bond	3.7%
Bluebay High Yield Bond Fund	2.7%