

# Swedbank Pension Fund V2 (Growth Strategy)

June 30, 2011

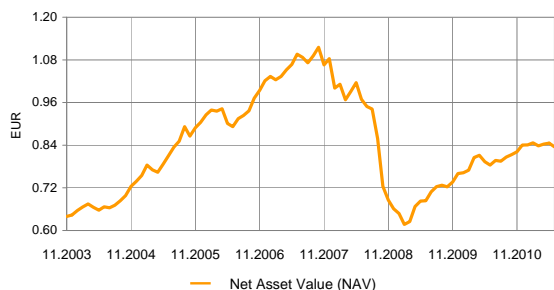
## Investment Principles

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)	0.83530 EUR
Net Assets	16 115 453 EUR
Management Fee per annum	1.3%
Subscription Fee	1.0%
Redemption Fee	1.0%
Standard deviation (computed over 3 years)	13.4%

## Fund performance\*



	YTD	1 month	3 months	1 year	2 years	3 years	5 years	Inception
Performance*	-0.6%	-1.2%	-0.4%	6.5%	22.2%	-13.8%	-6.4%	30.7%
Annualized				6.5%	10.5%	-4.8%	-1.3%	3.6%

	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 -1.2% in June with YTD performance of -0.6%. The sentiment on the financial markets was nervous in June, which is not characteristic of summer. The markets were kept turbulent both by continuingly unresolved Greek debt crisis and the slowdown of global economic growth. The former had a strong impact on the investors' risk appetite and induced the flight-to-quality flows (e.g. into German government bonds). The month ended in a positive mood, however, with the Greek parliament showing trust in the government and approving the new austerity measures. Major French and German banks also helped to take a step closer to the agreement on private sector participation in the new rescue package. Thus, there are no more direct obstacles to the granting of further financial aid to Greece by the so-called troika (the ECB, the European Commission and the IMF). The economic growth outlook was weakened by the unexpected rise in US unemployment, although some relief was brought by the fall oil price in last few months and the US ISM index which rebounded at the end of the month.

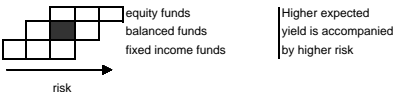
The markets reflected these events clearly – the equity prices which had fallen from the beginning of the month rebounded to a strong growth in the last week of the month. The best gains were in Japan (+0.46% in euros), where the equity market was supported by a faster than expected recovery of the industrial sector after the earthquake. The Russian market (0.98%) also performed quite well thanks to relatively low valuations. The poorest performance was shown by the Swedish equities (6.23%). The performance of other major equity markets was ca. 3%. The dynamics of the euro was similar: the fall in the beginning of the month turned to a rise and the month ended in the positive territory.

In June, initially the core eurozone bond markets were clearly a safe haven for investors but at the end of the month investors started to gradually withdraw from these, still the monthly returns remained in the positive territory. The credit premiums of euro area peripheral government debt and corporate bonds increased quite significantly due to the events in Greece and came down only somewhat. Emerging market government bonds were outperforming slightly.

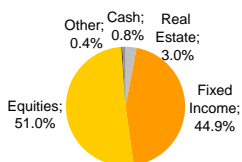
In the portfolio of the fund we slightly reduced the underweight of equities in the emerging Asia. We also participated in the Elering bond issue.

We expect the weakness of the equity markets to persist in the near future. Although valuations are rather attractive, the analysts' expectations are too optimistic in the light of the slowing economic growth and a downgrade in these markets could be expected.

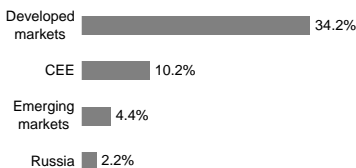
## Risk level



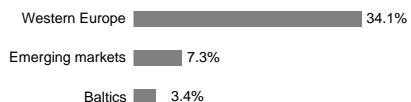
## Portfolio by instruments



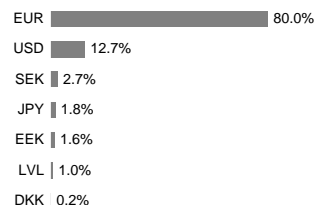
## Equity portfolio by regions



## Fixed income portfolio by regions



## Portfolio by currencies



## Largest investments

Equities	Weight
SSGA USA Index Equity Fund	7.4%
GAM Star US All Cap Fund	4.6%
SSGA Tracks Pan Euro	4.3%
DB x-Trackers MSCI Europe Index ETF	3.8%
Lyxor Eastern Europe Index ETF	3.2%
Bonds	Weight
PIMCO Global Inv Grade Credit Fund	7.4%
DB x-Trackers iBoxx € Sov 3-5Y TR Index ETF	6.5%
Bluebay Inv Grade Bond Fund	5.1%
DB x-Trackers iBoxx € Sov 1-3Y Index ETF	3.7%
iShares iBoxx Euro Corporate Bond	3.7%

\* 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.