

Swedbank Pension Fund V2 (Growth Strategy)

August 31, 2011

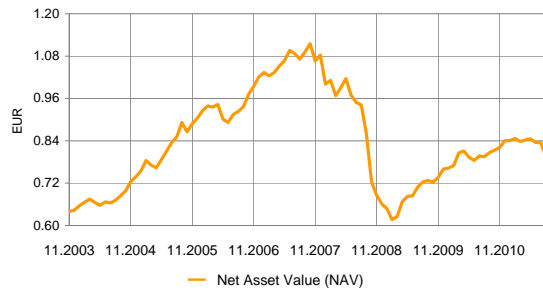
Investment Principles

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)	0.79779 EUR
Net Assets	15 407 492 EUR
Management Fee per annum	1.3%
Subscription Fee	1.0%
Redemption Fee	1.0%
Standard deviation (computed over 3 years)	13.5%

Fund performance*



	YTD	1 month	3 months	1 year	2 years	3 years	5 years	Inception
Performance*	-5.1%	-4.4%	-5.7%	0.4%	10.3%	-15.3%	-13.6%	24.8%
Annualized				0.4%	5.0%	-5.4%	-2.9%	2.9%

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

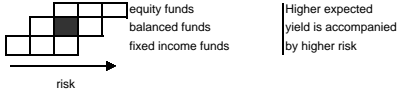
Manager Commentary

Swedbank Pension Fund V2 returned -4.4% in August with YTD performance of -5.1%. August was very eventful month on the financial markets, but it did not bring much good news to investors. The most significant notion in addition to the crisis in the euro area was the threat of a recession in developed economies. Expanding the mandate of the European Financial Stability Facility in the middle of July did not bring the expected relief in the markets and the ECB interfered strongly by making supportive purchases in euro periphery bond markets. Macro indicators also continued to weaken. While recession in the periphery of the euro area does not come as a surprise to anyone, the considerable weakening of growth in Germany and France is a much more serious problem. However, making budget cuts and taking measures to boost economic growth are rather contradictory goals. Although the situation in the US is looking better, the labour market report published in the beginning of September was weaker than expected and referred to the threat of long-term structural unemployment, which may leave the economy struggling for a long time.

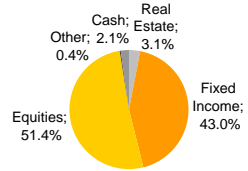
Almost all of the risky asset classes on the market fell in August as a result of the above reasons. Europe lead the decrease in the equity markets – developed Europe lost 10.2% (measured in euros), Eastern Europe as much as 12.7%. Despite their stronger economic growth, the fall also affected emerging markets such as Russia (-13.7%) and emerging Asia (-9.8%), but also Latin America (-5.6%), which suffered somewhat less than the others. The equity markets of the US also ended the month with a fall in single figures (-5.8% in euros). The cash flow that was in search of safe haven assets once again made the month very positive for bond markets in the core euro area, primarily as regards shorter maturities (2-year interest in Germany -46bp and 10-year interest -35bp). Required credit premiums underwent a sudden increase for both investment grade and high-yield bonds. However, the overall decrease of the interest level meant that investment grade corporate bonds ended the month with only a small minus (-0.5%) and the sovereign bonds of emerging markets even managed to end up on the positive side (+0.3%).

Our fund portfolio was underweight in equity markets. We believe the prospects of equity markets are still weak, because the probability of a new recession is increasing. However, attractive valuations and possible political decisions mean that relief rallies are not impossible. In fixed income we still maintain a slightly more positive view about the credit asset class, because the risk margins are becoming rather attractive for investors.

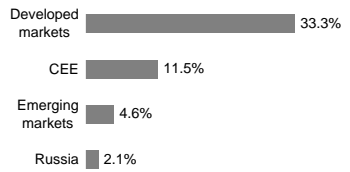
Risk level



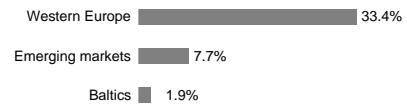
Portfolio by instruments



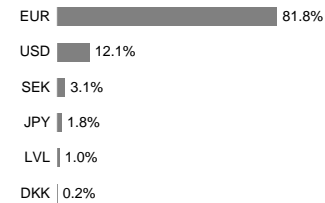
Equity portfolio by regions



Fixed Income portfolio by regions



Portfolio by currencies



Largest investments

Investment	Weight
Equities	
SSGA USA Index Equity Fund	7.3%
GAM Star US All Cap Fund	4.4%
SSGA Tracks Pan Euro	4.0%
Lyxor ETF Eastern Europe Index	3.8%
DB x-Trackers MSCI Europe Index ETF	3.5%
Bonds	
PIMCO Global Inv Grade Credit Fund	7.8%
DB x-Trackers iBoxx € Sov 3-5Y TR Index ETF	5.7%
Bluebay Inv Grade Bond Fund	5.3%
iShares iBoxx Euro Corporate Bond	4.9%
DB x-Trackers iBoxx € Sov 1-3Y Index ETF	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.