

# Swedbank Pension Fund V2 (Growth Strategy)

February 29, 2012

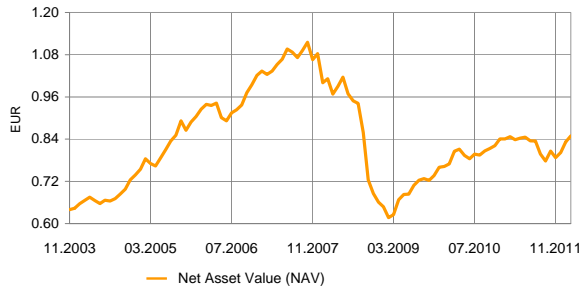
## Investment Principles

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)	0.84911 EUR
Net Assets	15 901 722 EUR
Management Fee per annum	1.3%
Subscription Fee	1.0%
Redemption Fee	1.0%
Standard deviation (computed over 3 years)	7.6%

## Fund performance\*



	YTD	1 month	3 months	1 year	2 years	3 years	5 years	Inception
Performance*	5.8%	2.0%	7.9%	0.3%	10.3%	37.6%	-17.1%	32.9%
Annualized				0.3%	5.0%	11.2%	-3.7%	3.5%

	2004	2005	2006	2007	2008	2009	2010	2011
Performance*	14.7%	22.5%	12.9%	6.1%	-39.0%	15.0%	10.5%	-4.6%

## Manager Commentary

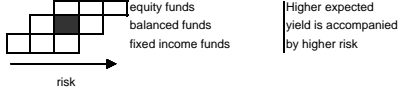
Swedbank Pension Fund V2 returned 2.0% in February with YTD performance of 5.8%. Positive and risk-friendly sentiment continued on the financial markets in February – it was the second month of consecutive gains on the equity markets after almost a year and the buy-side interest on the bond markets persisted, too. On the positive side for the market participants were the agreement on the new aid package for Greece and the stronger than feared economic growth prospects in the US. Rather on the negative side was the rising oil price which reached the record levels in connection with the nuclear project in Iran. At the end of the month the European Central Bank (ECB) issued the second round of low-interest three-year loans to banks, which together with the money injected in December totalled more than 1 billion euros. Compared to December (523 banks) the current loan operation also reached small banks – almost 800 banks took advantage of the inexpensive refinancing facility. It is a very strong measure for stabilisation of the interbank lending market, which at least in the meantime seems to serve its turn.

All major equity markets showed gains in February. The rising oil price supported Russia (+9.3%, all returns in euro basis), good performances were also shown by the Baltics (+7.6%) and Sweden (+7.6%), which is closely linked to the euro area through exports. Europe, Japan and the US ended the month with the gains of 4.1%, 2.8% and 2.1%, respectively. The performances of the latter two were influenced by the appreciation of their domestic currencies against the euro – the US dollar strengthened by almost 2% and the yen by almost 8%. Major emerging equity markets had gains of around +3%.

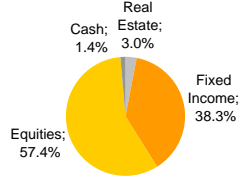
The positivity was also shared by the bond markets. The investors continued to show interest in credit instruments of various quality, which offered relatively attractive interest rates. The risk premiums of these fell considerably over the month. At the same time it did not result in real-money outflows from the safe haven assets – the rates of German bonds across different maturities remained almost unchanged. It can be concluded that new money is flowing into the financial markets and that the banks have used the money injected by the ECB also for the acquisition of Italian and Spanish bonds. The euro-denominated sovereign bonds of emerging markets gained 3.3% on average over the month.

In the fund portfolio, we continue with an optimistic view on equity markets also in March. The market climate is positive, valuations are still relatively attractive and the high oil prices do not yet pose any great threat to the economic cycle. As regards to the bond markets, we maintain an overweight in credit instruments taken in the beginning of February. This view is supported by improved liquidity conditions on the banks' bond markets.

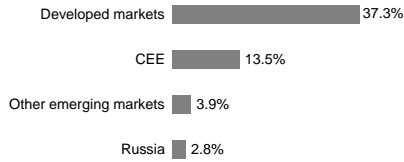
## Risk level



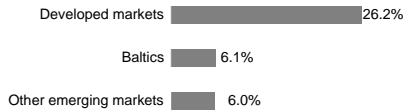
## Portfolio by instruments



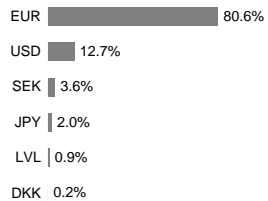
## Equity portfolio by regions



## Fixed Income portfolio by regions



## Portfolio by currencies



## Largest investments

Equity portfolio	Weight
Lyxor Eastern Europe Index ETF	6.6%
MSCI Europe Source ETF	5.7%
SSGA USA Index Equity Fund	5.6%
GAM Star US All Cap Equity Fund	5.1%
SSGA Tracks Pan Euro	4.3%
Fixed Income portfolio	Weight
PIMCO Global Inv Grade Credit Fund	7.9%
iShares € Corporate Bond Fund	5.6%
Bluebay Inv Grade Bond Fund	5.3%
Bluebay EM Corp Bond Fund	2.1%
Blackrock Global High Yield Bond Fund	1.9%

\* 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.