

# Swedbank Pension Fund V2 (Growth Strategy)

April 30, 2012

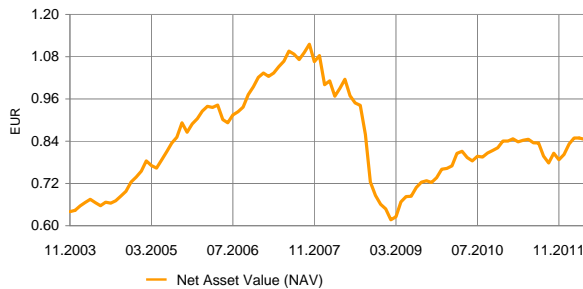
## Investment Principles

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)	0.84542 EUR
Net Assets	15 698 574 EUR
Management Fee per annum	1.3%
Subscription Fee	1.0%
Redemption Fee	1.0%
Standard deviation (computed over 3 years)	6.7%

## Fund performance\*



	YTD	1 month	3 months	1 year	2 years	3 years	5 years	Inception
Performance*	5.4%	-0.4%	1.6%	0.3%	4.2%	26.6%	-19.6%	32.3%
Annualized				0.3%	2.1%	8.2%	-4.3%	3.3%

	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

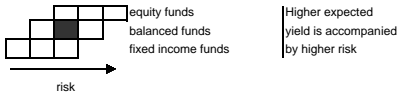
Swedbank Pension Fund V2 returned -0.4% in April with YTD performance of 5.4%. The focus of financial markets returned to Europe in April – the pre-election periods in France and Greece, the resignation of the government in the Netherlands and the incapability of Spain in achieving its budgetary goals together with indicators suggesting economic slowdown in the euro area, didn't add any optimism. Economic growth in the eurozone periphery was weaker than expected and some leading indicators suggested that growth might be slowing down also in Germany and France. François Hollande, the frontrunner in French elections, has promised to review the recent fiscal agreement of the euro area, and it is likely that the current coalition in Greece, which supports austerity measures, will lose seats in the parliament and the country's ability to carry out reforms will weaken.

Baltic equities showed the best performance in the pension fund's equity portfolio in April (+6.4%, all returns are given in euros), where Tallink, Olympic and Invalda led the way. Emerging Asia (+1.3%) and the United States (+0.1%) also ended the month in positive territory. The euro weakened by 0.8% against the dollar. The other major regional markets weakened – Latin America (-3.1%), Western and Eastern Europe (-1.7% and -2.1%), Sweden (-2.1%) and Russia (-0.7%).

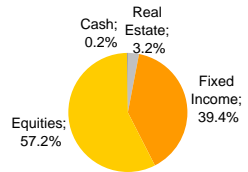
In the bond portfolio positive returns were posted by the risk-free asset class – the interest rates of German bonds decreased about 13 basis points across different maturities. The risk premiums of Dutch bonds only suffered a mild shock over a few days as a result of the government crisis, but the risk premium of the 10-year bonds of Spain increased by 54 bp despite the successful auctions of government bonds. The emerging countries sovereign eurobonds ended the month in positive territory (+0.9%), which was supported by the agreement made by the European Commission and Hungary regarding the start of negotiations about a financing package.

Our equity market outlook turned positive again in May. After the recent sell-off, the market sentiment improved alongside improved earnings and the relative valuations have become attractive. Our business cycle model has become supportive of equities as an asset class because of the decrease in oil price. We remain positive on credit risk assets in fixed income markets and prefer the investment grade corporate bonds of the euro area and global high-yield bonds. The balance sheets of companies are predominantly strong and their insolvency rates are low, and liquidity on the markets is high.

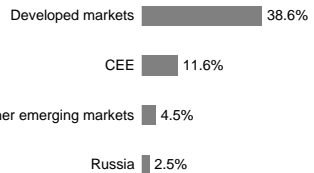
## Risk level



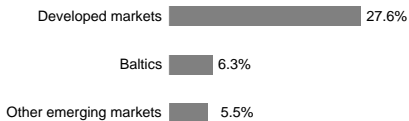
## Portfolio by instruments



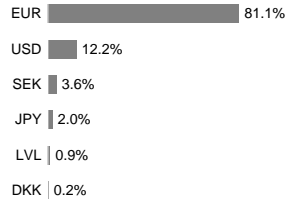
## Equity portfolio by regions



## Fixed Income portfolio by regions



## Portfolio by currencies



## Largest investments

Equity portfolio	Weight
MSCI Europe Source ETF	6.7%
Lyxor Eastern Europe Index ETF	6.3%
GAM Star US All Cap Equity Fund	5.2%
SSGA USA Index Equity Fund	5.0%
SSGA Tracks Pan Euro	4.3%
Fixed Income portfolio	Weight
PIMCO Global Inv Grade Credit Fund	8.1%
iShares € Corporate Bond Fund	5.7%
Bluebay Inv Grade Bond Fund	5.4%
Bluebay EM Corp Bond Fund	2.2%
Blackrock Global High Yield Bond Fund	2.0%

\* 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.