

Första AP-fonden's annual report

Continued strong return

Greater focus on sustainability in the investments

Stockholm, 21 February 2014 – Första AP-fonden's net investment income after expenses for 2013 amounted to SEK 25,678 million. Return after expenses was 11.2 percent. Over the past rolling ten-year period the Fund has produced an annualized return after expenses of 6.5 percent, which exceeds the target of 5.5 percent.

Highlights of the year

- Net investment income after expenses was SEK 25,687 million (24,170)
- Net assets under management grew by SEK 18,807 million to SEK 252,507 million
- During the year, Första AP-fonden paid a net amount of SEK 6,880 million (3,788) to the Swedish Pensions Agency to cover the difference between pension contributions and disbursements
- The Fund's management costs amounted to SEK 350 million (322), which is equal to an expense ratio of 0.14 percent (0.14)

CEO Johan Magnusson comments on the year's results:

“Based on experiences from the financial crisis, Första AP-fonden's strategy has been aimed at building a portfolio that is robust to major changes in value. Against this background, I think that the year's result of SEK 25.7 billion is highly commendable.

The Fund has continued to increase its share of alternative investments:

“In accordance with our strategy, we have continued to diversify risks in the portfolio. In the past year we increased our investments in real assets such as real estate and private equity funds, and reduced our investments in the listed equities and fixed income markets,” says Johan Magnusson.

In 2013 Första AP-fonden worked decisively to further integrate sustainability factors into its investment analysis.

“In our long-term analysis, it is always more apparent that risks and opportunities tied to sustainable business operations are key factors to take into account. Our long-term approach as owners and our concentrated portfolio, in which our managers have actively selected the companies, give us ample scope to analyse and engage ourselves in the companies where we have holdings,” says Johan Magnusson.

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