

### Första AP-fonden's six-month report

## New initiatives and targets met by a margin

*Stockholm, 2 September 2015* – Första AP-fonden's net investment income for the first six months of 2015 was SEK 14.3 billion after expenses, equalling a return of 5.0 per cent after expenses. Over the past ten-year period, the Fund's annualised real return after expenses has been 5.3 per cent on average, overshooting the 4.0 per cent target.

### Six-month 2015 highlights

- Net investment income was SEK 14.3 billion (16.6) after expenses.
- Net assets rose by SEK 11.9 billion to SEK 296 billion.
- During the period the Fund transferred SEK 2.4 billion (2.5) to the Swedish Pensions Agency.
- The Fund's administrative expenses were SEK 253 million (206), equalling 0.17 per cent (0.16) annualised of assets under management.

CEO Johan Magnusson comments on the outcome:

“As a buffer in the income pension system, it is important that we produce stable return over time. Our target is for real return – that is, return excluding inflation – of 4.0 per cent over a rolling ten-year period. That target we have overshot, delivering real return of 5.3 per cent measured over the past ten years.”

Since inception in 2001, Första AP-fonden has generated return of SEK 168.2 billion and transferred SEK 13.1 billion to the pension system.

During the first half of the year, the Fund carried out its first infrastructure investment through purchasing, as part of a consortium, electricity distribution company Ellevio from Fortum.

“Infrastructure is a strategically important component of our long-term portfolio; cash flow is long and return relatively easy to predict. Also, the value is stable and does not track market fluctuations in the same way as many other investments do,” comments Johan Magnusson.

Real estate is another asset of particular interest to a long-term pension manager. In August, the real estate company Cityhold Office Partnership was formed, in which Första AP-fonden owns 25 per cent.

“Cityhold Office Partnership has a holding valued at around EUR 2.2 billion, focusing on attractively located office properties in European cities, and with the financial muscle to grow, which we, the owners, have clearly stated will occur,” explains Johan Magnusson.

### Contact

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Första AP-fonden is one of five buffer funds in the Swedish national income pension system. The capital reserves in the AP funds ensure that pension benefits can be paid even when disbursements from the pension system exceed contributions into it. Första AP-fonden has assets under management of around SEK 300 billion in a global portfolio consisting of equities, fixed income securities, real estate, private equity funds and hedge funds. Första AP-fonden invests to achieve high long-term returns at a low level of risk.

More information about the AP funds is available at [apfonderna.se](http://apfonderna.se) and about Första AP-fonden at [ap1.se](http://ap1.se)