

Första AP-fonden's annual report

High return benefits the pension system

Long-term sustainable value creation in focus for all asset classes

Stockholm, 20 February 2015 – Första AP-fonden's net investment income after expenses for the 2014 full year amounted to SEK 36.4 billion. Return after expenses was 14.6 per cent. The average annual return of the Fund after expenses for the past ten-year period is 6.9 per cent.

Highlights of the year

- Net investment income after expenses was SEK 36.4 billion (25.7).
- Net assets rose by SEK 31 billion to SEK 284 billion.
- During the period, Första AP-fonden paid a net amount of SEK 5.1 billion (6.9) to the pension system to cover the difference between pension contributions and disbursements.
- The Fund's administrative expenses were SEK 456 million (350), equalling 0.17 per cent (0.14) annualised of assets under management.

CEO Johan Magnusson comments on the 2014 outcome:

“We are pleased to exhibit a healthy return for all our asset classes. Over the past ten-year period, average return after expenses has been 6.9 per cent annually. We are therefore meeting our 5.5 per cent target by a comfortable margin.”

Första AP-fonden continues to develop its long-term investment strategy, for instance through its focus on unlisted assets such as private equity funds and infrastructure.

“Our investments in private equity funds have proven successful, and the organisation is now getting set for investments in different types of infrastructure,” comments Johan Magnusson.

As a long-term investor, Första AP-fonden also endeavours to create long-term sustainable value in a broad sense.

“As a long-term investor, it is natural to incorporate non-financial sustainability aspects into the investment analysis,” explains Johan Magnusson. “Our focus on sustainable value creation includes all asset classes in our portfolio.”

Contact

Johan Magnusson, CEO

Ossian Ekdahl, Head of Communications and ESG
+46 709 681 209, ossian.ekdahl@ap1.se

Första AP-fonden is one of five AP 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 SEK 284 billion (31 Dec. 2014) in a global portfolio comprising equities, fixed income securities, real estate, private equity funds and hedge funds. Första AP-fonden invests to achieve high and long-term sustainable return.

More information about the AP funds is available at apfonderna.se and about Första AP-fonden at ap1.se