

## Första AP-fonden's return for 2017 was 9.6 per cent after expenses

*Stockholm 26 February 2018 – Första AP-fonden's (AP1's) net investment income for 2017 as a whole amounted to SEK 29.3 (27.0) billion after expenses. This equals a return after expenses of 9.6 per cent (9.3). Total net assets amounted to SEK 333 billion at the year-end. The real return for the past ten-year period was 5.0 per cent annually after expenses. AP1's target has therefore been exceeded in both the short and long term.*

CEO Johan Magnusson comments on the results:

“I am pleased to be able to report continued strong results for 2017 with a return on assets under management of 9.6 per cent after expenses, while we are also reducing our expenses. The main contributors in absolute money terms were equities and real estate.

“To meet increasingly challenging external conditions, we are striving continuously to refine and develop our portfolio. Measures in 2017 have included extending our investments in growth markets and reducing our exposure to the US dollar in favour of the Swedish krona.”

Since 2009 Första AP-fonden has disbursed SEK 44 billion, of which SEK 7.4 billion in 2017, to cover the contribution deficit in the income pension system.

“AP1 is continuing its determined sustainability work with a clearly integrated approach, whereby we regard sustainability to be one of several natural and vital aspects when assessing investments.

### 2017 in brief

- Net investment income for 2017 amounted to SEK 29.3 (27.0) billion after expenses. This equates to a return of 9.6 per cent (9.3).
- In real terms, the return was 7.8 per cent (7.6) in 2017.
- The real return for the past ten-year period was 5.0 per cent, which is higher than the target of 4.0 per cent.
- The portfolio management generated an excess return of SEK 3.5 (4.2) billion above the Fund's strategic benchmark\*. The main contributors in absolute money terms were equities and real estate.
- The total portfolio value on 31 December 2017 was SEK 333 billion.
- Since 2009 Första AP-fonden has disbursed SEK 44 billion, of which SEK 7.4 billion in 2017, to cover the contribution deficit in the income pension system.
- The Fund's administrative expenses fell to SEK 445 (458) million, equalling 0.14 per cent (0.15) of average assets under management.

	31/12/2017	31/12/2016
Closing net assets, SEK	333 bn	311 bn
Net investment income for the year, SEK	29.3 bn	27.0 bn
Net flow to the pension system, SEK	-7.4 bn	-6.6 bn
Opening net assets, SEK	311 bn	290 bn
Expense ratio, operating expenses	0.07%	0.06%
Expense ratio incl. commission expenses	0.14%	0.15%
Return after expenses	9.6%	9.3%
Real return after expenses	7.8%	7.6%

Annualised return after expenses, 5 years	9.6%
Annualised return after expenses, 10 years	6.0%

Real annualised return after expenses, 10 years	5.0%
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\* Första AP-fonden's strategic benchmark for management in the long term (10 years) is defined based on the Board's risk preference, investment beliefs and guidelines.

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Första AP-fonden (AP1) is one of five AP Funds that ensure stability in the Swedish national income pension system. AP1 manages assets worth SEK 333 billion (31 December 2017) in a global portfolio comprising equities, fixed-income securities and alternative investments. The Fund's mission is to achieve the highest possible return with well-judged financial risks, and thereby to contribute to a high, predictable income pension for current and future pensioners alike. Första AP-fonden takes a long-term view of investment and is an active, engaged owner. As an owner, the Fund places high demands on environment, ethics and corporate governance.