



Press release
18 February 2016

AP3 reports solid results for 2015

Highlights of 2015

- AP3 reported income of SEK 19,643 million (34,977) for the 12 months ended 31 December 2015.
- Return totalled 6.9% (13.8) before expenses and 6.8% (13.7) after expenses. The risk categories Equities, Inflation including real estate and Currencies made the largest positive contributions to overall return.
- AP3 made payments of SEK 4,944 million to the pension system during the year.
- Fund capital at year-end stood at SEK 303,031 million (288,332), an increase of SEK 14,699 million (29,857) from 31 December 2014.
- The asset management cost ratio was 0.12% (0.12), of which operating expenses were 0.06% (0.07).
- The Fund outperformed its benchmark LSP portfolio by 4.4 percentage points, during 2015. This represents average annual outperformance of 2.6 percentage points since 2012 when LSP was introduced.
- AP3 has achieved its long-term target of a 4% real return since inception in 2001.
- As of 2014, AP3 measures its carbon footprint. AP3 signed the Paris Pledge for Action 2015 and concrete sustainability targets have been introduced for 2016-2018.

Kerstin Hessius, AP3 CEO, commented: “I am satisfied with a return of 6.9 percent, especially in the light of the turbulence that we saw in the financial markets during the second half of the year.

The average annual return for AP3 since inception in 2001 is 5.5 percent, compared to annual growth of 3 percent in the income index, which is used to keep pensions and pension entitlements in line with inflation.

“The fact that our return on invested capital has exceeded the income index by 2.5 percentage points on an annual basis reflects the strong contribution to the stability of the pension system that we have made during the period.”

Summary of AP3's results 2015:

	31 Dec 2015	31 Dec 2014
Fund capital at 31 Dec	303,031	288,332
Income for the year	19,643	34,977
Net flows to the pension system	4,944	5,120
Fund capital at 1 Jan	288,332	258,475
<i>Asset management cost ratio – operating expenses %*</i>	<i>0.06%</i>	<i>0.07%</i>
<i>Asset management cost ratio incl. commission expenses %</i>	<i>0.12%</i>	<i>0.12%</i>
<i>Return after expenses %</i>	<i>6.8 %</i>	<i>13.7</i>
<i>Annualised return after expenses 5.0 yrs**</i>	<i>8.4%</i>	
<i>Annualised return after expenses 10.0 yrs**</i>	<i>5.7%</i>	

* In the interim report, the asset management cost ratio is shown on a full-year basis

** In the interim reports, annualised return is shown as 10.0 and 5.0 years respectively

AP3 sustainability report

This year the sustainability report will only be available at www.ap3.se “AP3 Sustainability Report 2015”.

The English versions of the annual report and the sustainability report will be available in March.

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The Third Swedish National Pension Fund (AP3) is one of five pension funds that manage capital on behalf of the Swedish state pension system. AP3 had assets of SEK 303 billion under management as at 31 December 2015. Parliament tasks the Fund with managing its assets so as to provide maximum benefit to the pension system by generating high returns at a low level of risk.

Over the last 10 years, AP3 has delivered an average annual return of 5.7%. This compares to 3.0% annual growth in the income index during the period. Thus, the Fund's investment returns have made a significant financial contribution to the pension system over this time frame.