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Second AP Fund's diversified portfolio continues to ensure stable return

The Second AP Fund (AP2) posted a total return of 4.3 percent, excluding costs, for the first half of 2013. The net result for the first-half amounted to SEK 10.0 billion and, after net outflows to the national pension system, Fund capital increased to SEK 248.3 billion. Relative to benchmark index, return was 0.2 percent, excluding alternative investments and costs, corresponding to a net contribution of SEK 0.4 billion.

- The Second AP Fund's assets under management totalled SEK 248.3 (227.3) billion on June 30 2013, against which net outflows to the national pension system were charged in an amount of SEK -3.1 (-1.7) billion.
- The Fund posted a first-half net result of SEK 10.0 (12.3) billion.
- The Fund's return on the total portfolio was 4.3 (5.8) percent, excluding commission costs and operating expenses. Including these costs, the portfolio generated a return of 4.2 (5.7) percent.
- The relative return on the portfolio of quoted assets, excluding alternative investments and costs, amounted to 0.2 (0.5) percent, corresponding to a net contribution of SEK 0.4 billion.
- Operating expenses in terms of asset management costs remained low, totalling 0.07 (0.08) percent for the period.
- Over the past ten years, the Fund has generated a return on invested assets of 102.7 percent, corresponding to an average annual return of 7.3 percent. Less inflation, this is equivalent to an annual real return of 6.0 percent.
- The Fund's level of currency exposure was 20 (15) percent.

"The Fund's long-term asset management strategy, which features increased portfolio diversification, continued to prove successful. Over the past ten years, the Fund has generated a real average annual return of six percent, which significantly exceeds our long-term target of an average annual real return of five percent," states Eva Halvarsson, CEO of the Second Swedish National Pension Fund/AP2.

"Furthermore, it is pleasing that all asset classes once again outperformed against the benchmark index, thereby generating a net contribution of SEK 0.4 billion," states Eva Halvarsson.

The complete half-year report (pdf) is published on the Fund's website at www.ap2.se

A Corporate Governance Report will be published separately in October.

*For further details, please contact CEO **Eva Halvarsson**, Second Swedish National Pension Fund, or **Ulrika Danielson**, head of Corporate Communications, on +46 31 704 29 00.*