Andra
AP-fonden
Second Swedish National Pension Fund - AP2

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Fund capital increased to more than SEK 280 billion – a new record

The Second AP Fund (AP2) posted a total return of 7.0 percent, excluding costs, for the first half of 2014. Fund capital increased by SEK 15.6 billion to SEK 280.3 billion by June 30 2014. The net result for the first-half amounted to SEK 18.1 billion. Relative to benchmark index, return was 0.1 percent, excluding alternative investments and costs.

- The Second AP Fund's assets under management totaled SEK 280.3 (248.3) billion on June 30 2014, against which net outflows to the national pension system were charged in an amount of SEK -2.5 (-3.1) billion.
- The Fund posted a first-half net result of SEK 18.1 (10.0) billion.
- The Fund's return on the total portfolio was 7.0 (4.3) percent, excluding commission costs and operating expenses. Including these costs, the portfolio generated a return of 6.9 (4.2) percent.
- The relative return on the portfolio of quoted assets, excluding alternative investments and costs, amounted to 0.1 (0.2) percent, corresponding to a net contribution of SEK 0.3 billion.
- Operating expenses in terms of asset management costs continued to be low, remaining unchanged at 0.07 (0.07) percent for the period.
- Over the past ten years, the Fund has generated a return on invested assets of 102.2 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.

"In the past ten years, the Fund has generated a total return of SEK 145.6 billion on investment. This is equivalent to an average real annual return of 5.8 percent after costs, which exceeds our targeted long-term return of five percent," states Eva Halvarsson, CEO of the Second Swedish National Pension Fund/AP2.

"With a Fund capital in excess of SEK 280 billion, we have more than doubled the starting capital of SEK 134 billion which we received in conjunction with the launch of Sweden's new national pension system in 2001. This increase in the value of the capital has been achieved during a period of considerable turbulence on global financial markets. Over the past thirteen years, we have experienced the impact of an 'IT bubble', a financial crisis and a debt crisis. In spite of these challenges, the Second AP Fund has attained its long-term goal, thereby fulfilling its role of buffer fund," states Eva Halvarsson.

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

A sustainability report will be published separately at the end of October.

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*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.*