

Första AP-fonden contributes to pension system stability

Total return after expenses on Första AP-fonden's portfolio was 20.2 percent in 2009. The positive result can be attributed to the strong development in the stock market and an increased focus on strategic asset allocation.

The Fund had net assets under management of SEK 202.3 billion, an increase of SEK 30.7 billion. Net assets under management were allocated with 58 percent in equities, 35 percent in fixed income and 5 percent in alternative investments. The return on equities was 33.5 percent and 7.6 percent on fixed income.

“As a direct result of the good return in 2009 we have now recouped much of the negative value growth we had 2008. The net investment income is the highest we have had since the inception of the fund in 2001.

“The Fund's return over the past five years exceeds the income index, which means that we are again contributing to the stability of the pension system.

“In addition we have lowered our costs by well over SEK 100 million annually, which will be apparent from 2010,” says Johan Magnusson, Managing Director of Första AP-fonden.

An English version of the Annual report will be published later in February at www.ap1.se/en/Financial-information-and-press/Reports

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The First, Second, Third and Fourth AP funds' investment profit in 2009 was SEK 134 billion

The First, Second, Third and Fourth AP fund, recorded a net profit of SEK 133.8 billion in 2009, corresponding to an average return of 19.4 percent.

Total net assets under management at year-end amounted to SEK 808.8 billion, an increase of SEK 118.2 billion from the start of the year.

In 2009 the net balance between pension system inflows and outflows was negative, resulting in the four AP funds having to pay SEK 15.6 billion during the year to cover the deficit.

Första AP-fonden, the First National Pension Fund, is one of five buffer funds whose role is to ensure future retirement pensions in the Swedish pension system. Första AP-fonden's mission is to achieve the highest possible returns on the Fund's assets, with well-balanced financial risks, and thereby contribute to high and predictable long-term retirement pensions for current and future pensioners. At 31 December 2009, Första AP-fonden had net assets under management of SEK 202.3 billion.