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Press release: AP3 appoints Prudential to manage US corporate bonds

The Third Swedish National Pension Fund (AP3) has now completed the process of hiring an external manager for its U.S. corporate bond holdings. The contract was awarded to U.S.-based **Prudential Investment Management**.

On May 31 2002, the value of this asset management mandate was USD 659 M, equivalent to SEK 6.4 bn.

Since AP3's new asset management mandate began on 1 January 2001, all of the Fund's external management contracts have been passive. A process is now under way to replace these index mandates with active mandates in asset classes where this can be expected to add value..

The contract to Prudential is be the first active mandate in AP3's external asset management portfolio.

"AP3's strategy is to hire external asset managers where these can be expected to succeed better than our own internal managers, which is very much the case with U.S. corporate bonds. In addition, this is a sub-market where one can expect active management to add value. It has therefore been essential to find an active manager for this asset class," comments Niklas Ekvall, AP3's Chief Investment Officer.

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