

Positive value growth but situation difficult to assess

Första AP-fonden's net investment income for the first half of 2011 was SEK 3.0 billion after expenses, which is equal to a return of 1.4 per cent.

For the first half of 2011 Första AP-fonden delivered positive net investment income of SEK 3.0 billion after expenses, representing a return of 1.4 per cent. At 30 June 2011 the Fund had net assets under management of SEK 221.6 billion. The Fund's exposure to equities was 53.6 per cent, while exposure to fixed income investments was 38.2 per cent and exposure to alternative investments was 8.3 per cent.

The economy continued to expand in the first half of 2011, although a number of structural problems had an inhibiting effect on global growth. As a result of the changed risk scenario, the Fund has successively reduced its equity exposure during the spring. Equities for a total of approximately SEK 11 billion have been sold and the assets reinvested primarily in fixed income instruments with lower risk. The Fund has also increased its real estate exposure, partly through two new management mandates for global real estate equities and partly through the formation of a new real estate company for European commercial properties. *"We have continued our efforts to create a more robust portfolio and are achieving this by investing in well chosen assets and through our strong focus on allocation,"* says Första AP-fonden's Managing Director Johan Magnusson.

After the mid-year shift the markets have been characterized by widespread financial turmoil, which has resulted in less favourable development for Första AP-fonden's investments. However, the resulting losses have been limited by falling interest rates and the Fund's active steps to reduce equity exposure in the portfolio. Första AP-fonden has not changed its long-term investment orientation.

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For more information, see the semi-annual report on the Fund's website www.ap1.se.