



Interim Report (short version)
January – June 2002

President's comments

The Fourth Swedish National Pension Fund's disappointing overall return in the first half was the consequence of falling asset prices on world stock markets. Nevertheless, holding a high proportion of the Fund's assets in equities continues to be strategically important for the long-term financial stability of the pension system. This is because the anticipated long-term return from equities exceeds that of other financial instruments.

The Fourth Swedish National Pension Fund's return of -10.2% (against -9.7% for the Fund's benchmark index) is also unsatisfactory in a short-term context. In line with the established guidelines for the investment process, a review has been commenced with a view to improving asset management returns.

Stockholm, 30 August 2002

Thomas Halvorsen
President

Return yield and risk, %

Asset category	Return/yield	Return/yield	Return/yield	Return/yield	Volatility, 12	Active risk, 12
	first half year, 2002 Portfolio	first half year, 2002 Index	second half 2001 Portfolio	second half 2001 Index	month year, Portfolio	month, Portfolio
Swedish equity portfolio***	-23.1	-21.9	-1.3	-3.1	26.2	3.4
Global equity portfolio*	-20.9	-19.9	-10.6	-10.3	18.3	2.4
Fixed-income, nominal**	3.0	3.1	3.6	3.9	2.3	0.7
Index linked bonds	-	-	2.5	2.4	-	-
Unlisted real estate equities	0.0	-	1.0	-	-	-
Investment assets *	-13.3	-12.2	-3.1	-3.2	11.6	1.5
Investment assets **	-10.2	-9.7	-2.1	-2.3	11.1	1.8

* including foreign exchange forward contracts

** excluding foreign exchange forward contracts for foreign equities and unlisted real estate equities

*** including foreign exchange forward contracts for foreign equities and unlisted real estate equities

Distribution of investment assets

Asset category	Markets value	Share %	Share %	Share %	Normal portfolio 2002, %
	SEK million 30-06-2002	30-06-2002	31-12-2001	30-06-2001	
Swedish equity portfolio	26,551	21.8	24.2	21.6	22.5
Global equity portfolio	48,777	40.0	39.0	35.4	40.0
Fixed income, nominal	42,920	35.2	33.9	40.2	37.5
Unlisted real estate companies	3,587	3.0	2.9	2.8	0.0
Investment assets*	121,835	100.0	100.0	100.0	100.0

* Including derivatives, cash and accrued interest

Financial review

Fund capital totalled SEK 121,834 million on 30 June 2002, a decrease of SEK 9,751 million since the start of the year. Transfers of SEK 1,163 million from the National Pension Scheme and SEK 2,876 million from Special Asset Management operations were added to fund capital. The loss of SEK 13,790 million for the period led to a reduction of fund capital, which stood at SEK 132,125 million as of 30 June 2001.

Operating expenses amounted to SEK 86 million (87). The asset management cost quotient (operating expenses as a proportion of average fund capital) amounted to 0.14% (0.13) on an annualised basis. The number of employees rose from 47 to 48 during the year.

The Special Asset Management unit, responsible for divesting unlisted shareholdings previously held by Sweden's national pension funds, had shares and participations valued at SEK 1,696 million under management as of 30 June 2002. No transfers has so far been made to the national pension funds during the year.

Income statement

SEK million	2002-06-30	2001-06-30	2001-12-31
Operating income			
Dividends received	1,070	762	964
Net interest income	1,453	1,774	3,037
Net capital losses	-3,043	-409	-2,977
Exchange profits	-1,562	757	361
Net unrealised changes in value	-11,622	-6,808	-8,123
Total operating income	-13,704	-3,924	-6,738
Operating expenses			
External asset management costs	-11	-8	-18
Personnel cost	-31	-25	-55
Other asset management costs	-44	-54	-102
Total operating expenses	-86	-87	-175
Net loss for the period	-13,790	-4,011	-6,913

Balance sheet

SEK million	2002-06-30	2001-06-30	2001-12-31
ASSETS			
Investment assets			
Shares and participations, listed	73,220	76,110	82,293
Shares and participations, unlisted	3,753	3,806	3,907
Bonds and other interest-bearing assets	40,790	52,877	42,972
Derivatives	3,036	226	1,265
Total investment assets	120,799	133,019	130,437
Receivables and other assets			
Cash and bank balances	290	187	105
Other assets	1,395	1,554	1,268
Total receivables and other assets	1,685	1,741	1,373
Total assets	122,484	134,760	131,810
FUND CAPITAL AND LIABILITIES			
Fund capital			
Fund capital at start of period	131,585	133,975	133,975
Net disbursements to the National Pension Scheme	1,163	1,696	3,062
Reimbursement from Special Asset Management	2,876	465	1,461
Net loss for the period	-13,790	-4,011	-6,913
Total fund capital	121,834	132,125	131,585
Liabilities			
Derivatives	191	2,117	174
Other liabilities	459	518	51
Total liabilities	650	2,635	225
Total fund capital and liabilities	122,484	134,760	131,810

