

Interim Report 2021

AP4's mission is to contribute to the financial security of current and future pensioners by managing part of the Swedish national pension system's buffer capital.



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This half-year interim report has been prepared in accordance with the accounting and valuation principles jointly adopted by the AP Funds and described in AP4's 2020 Annual Report. Unless specifically indicated, the same accounting principles and calculation methods have been used as for the 2020 Annual Report.

The interim report has not been reviewed by AP4's auditors.

The figures in the interim report's tables and charts have been rounded separately, which is why their sum does not always exactly match their constituent parts. Figures in parentheses refer to the first half of 2020 unless indicated otherwise.

No significant events have taken place after the end of the reporting period. AP4's annual report for the 2021 financial year will be published in February 2022.



First half of 2021 in summary

9.9

% return after costs

489.8

SEK billion in fund capital

44.5

SEK billion half-year result

4.2

SEK billion paid out to the pension system

0.8

% active return

0.09

% in management costs

- **The Fourth Swedish National Pension Fund's (AP4) return** for the first half of 2021 was 10.0% before costs (-2.5%) and 9.9% after costs (-2.5%).
- **AP4's total fund capital** as per 30 June 2021 was SEK 489.8 billion (403.2), compared with SEK 449.4 billion at the start of the year.
- **The result** for the first half of 2021 was SEK 44.5 billion (-10.6). During the same period, net payments from AP4 to the pension system totalled SEK 4.2 billion (4.2).
- **The portfolio's active return** made a positive contribution of 0.8 percentage points (-0.7) to the portfolio's return during the first half of the year.
- **Currency exposure** at the end of the period was 21.0% of fund capital (19.7%), which was unchanged since the beginning of the year.
- **Total costs** indexed on a full-year basis amounted to 0.09% of average assets under management (0.09%).
- During the first half of 2021, **the global, fundamental thematic equities management**, which was established in 2020, analysed AP4's holdings in the utilities sector, which led to an extensive restructuring of holdings in the portfolio. Companies whose plans and goals are not considered to be aligned with the Paris Agreement's goals have been divested. The carbon intensity (TCFD) of AP4's portfolio decreased by 7 % during the first half of the year.
- **Based on the thematic sustainability analysis**, during the first half of the year AP4 made new commitments to proactive sustainability investments of more than SEK 3.5 billion in sustainable infrastructure including renewable energy, which are expected to make a positive contribution to the climate transition. An example of such an investment is a joint investment together with AP1, AP2 and AP3 of USD 100 million each in Northvolt through the jointly owned venture capital company 4 to 1 Investments.
- **The AP Funds' statement of expectations** regarding tech companies' handling of human rights, which was published at the end of 2020, was well-received by companies as well as investors. Constructive investor dialogues are being conducted with companies, which are now strengthening their resources and competence in human rights and developing their policy documents.
- **AP4 took its active owner responsibility** during the first half of the year by voting at the annual shareholder meetings of 125 Swedish (83) and 873 foreign companies (874). Ahead of the 2021 AGM season, AP4 participated on the nomination committees of 40 Swedish companies (38).

Favourable return as the world transitions from crisis to restart

AP4's asset portfolio generated a favourable return of 9.9% during the first half of 2021 following an equally solid return of 9.6% for the full year 2020. These are historically favourable returns and surprising in some respects in view of the shock the world was subjected to with the pandemic, but they must also be viewed against the background of the massive financial and monetary policy stimulus measures that were introduced across a broad front in 2020 and early 2021.

AP4's work on integrating sustainability in the Fund's investments is being continuously developed. Two such important development areas in which we took decisive steps forward in the past year are firstly in thematic sustainability investments and secondly in fundamental equity selection in the most carbon-intensive company sectors.

Result that contributes to the pension system

As a buffer fund in the Swedish national pension system, AP4 has good opportunities to build up an efficient and diversified investment portfolio – and most importantly a keen ability to act long-term and withstand large market movements and low market liquidity where it favours long-term returns. These qualities are key factors that explain AP4's favourable historic returns. A good example of when AP4's qualities have been particularly beneficial can be seen in the actions we took during the very turbulent initial phase of the pandemic. Early on in connection with the first, large initial decline in the stock markets in spring 2020 we began buying equities to maintain our asset allocation. We also saw significant opportunities in other asset classes, such as corporate bonds.

The swift action that AP4 took early in the pandemic came to benefit during the rapid recovery of the stock markets in 2020, which has subsequently continued with favourable performance during the first half of this year. Global stock markets gained more than 11% during the first six months of 2021, and the Swedish stock market grew more than 22%.

This means that over the 1.5-year period of 2020 through the first half of 2021, AP4 has generated a net result of SEK 83.9 billion and that the fund capital has grown by SEK 71.7 billion at the same time that SEK 12.1 billion has been paid to the pension system.

An ongoing tug of war

Hopefully, the world is now successively emerging from the most acute part of the Covid-19 pandemic. Declining spread and an increase in vaccinations have enabled the gradual reopening of many economies, with accelerating GDP growth and a growing rate of inflation as a result. However, the strong macroeconomic

numbers are to a significant degree a direct effect of that fact that they are measured on an annualised basis in relation to the extreme observations we saw in 2020 rather than a reliable indication of an enduring higher rate of growth.

In this uncertain environment it is natural that actors in the financial market are having some difficulty determining what type of cycle the world economy is heading into and how all this will affect structural trends and long-term potential for economic growth. The financial markets have already priced relatively good development going forward, and as a result there is now a wait-and-see sentiment despite the strong macroeconomic environment.

In simple terms this can be described as a tug of war. On the one end of the rope is the hope for a prolonged period of strong economic growth with positive earnings performance in the corporate sector. On the other end are the concerns about bottlenecks and rising inflation with tighter monetary policy and the subsequent negative impact on economic activity. The market sentiment going forward will likely tug back and forth depending on which side of the rope that is pulling the strongest at any given time, with large market movements as a result.

The economic environment post-pandemic – like before but on steroids

Just like last year at this time we are facing an autumn in which the hopes are that the world's economies will be able to open up step by step and leave behind various types of restrictions. A natural question is therefore "how will society, the economy and behaviours be affected once the restrictions are lifted?". What we know is that the past year's restrictions have entailed a great strain for business and dramatic changes for individuals – in



their personal as well as professional lives. Based on this it can be tempting to draw the conclusion that essentially everything post-pandemic will also be very different compared with before the pandemic. But that is not the conclusion that we draw from our economic analysis. Naturally, changes will take place. However, many of these changes had already begun before the pandemic, while other phenomena will likely return to patterns we recognise from previously.

In somewhat simple terms, one could characterise the economic environment that we expect post-pandemic as "the economic environment before the pandemic but on steroids"

Analysing economic scenarios is an important part of our work on determining our long-term asset allocation. During this time of the year work is under way on updating these long-term scenarios, and without a doubt there are many new factors that affect our analysis. Despite this, our main impression is that most of the trends that we thought were important before the pandemic are also the trends that are most significant after the pandemic. However, many of the trends appear to be consid-

erably stronger, with both greater risks and opportunities as a result. Thus, in somewhat simple terms one could characterise the economic environment that we expect post-pandemic as "the economic environment before the pandemic, but on steroids".

Let me give a few examples. **Digitalisation and automation** have been in strong focus during the past year. But they were also very central factors in our scenarios before the pandemic. Development has of course accelerated, and investments in these areas have been substantial. **Resolute and expansive monetary policy and a large debt burden** have also been hot discussion topics during the past year. But in this case, too, nothing is new. How monetary policy will be normalised and how the imbalances that have arisen will be handled have been a major concern since the financial and euro crises. This major concern has now grown stronger. On top of this, major finance policy stimulus measures have been initiated, with a further, considerable debt build-up as a result. **Sustainability and especially the climate transition** is a trend which year for year has grown ever-stronger during the past decade. Similarly, in this case the trend intensified during the past year with a growing number of countries as well as companies that have made net-zero commitments and presented ambitious green investment plans. Another significant trend that was tangible even before the pandemic is the risk for a **setback in the past decades' globalisation**. Unfortunately, it also appears that this trend may be getting impetus from the pandemic through a troubling development not least regarding protectionism in trade policy and restrictions to free movement of goods and people

which at least partly risk being enduring. The fact that there are significant risks in globally optimised value chains became tangible during the pandemic, even though a discussion about this had begun before the pandemic took hold. Of course, a trend toward greater protectionism and regional tensions may lead to a further increase in risks for long international value chains.

The list of strong trends and similarities in the economic environment pre- and post-pandemic can be made longer. Much is the same, albeit intensified. A new area of concern that we did not quite see before the pandemic is the risk for higher structural

During 2020 and the first half of 2021 AP4 made new thematic investments in sustainability of approximately SEK 10 billion.

inflation a couple of years ahead in time. A key factor behind this new concern is the rather substantial fiscal stimulus measures that we see in many parts of the world. Whether or not this risk becomes a reality depends a lot on how the stimulus is used. If it goes to investments that strengthen long-term productivity, then it is positive for the economy's growth potential. If the stimulus is instead used for purposes that do not strengthen the economy's way of functioning, there is a risk for inflation as well as for weaker long-term economic growth.

All in all, we can say that there are many strong forces pulling in many directions. This means that we can likely expect to see an uncertain market environment going forward. And we should probably also expect to see lower returns on financial assets in the coming years compared to what we have seen in the last ten years.

AP4's sustainability investments contributing to the climate transition

AP4 has long integrated sustainability in its investment work, and since 2012 we have cut the carbon footprint of our investments in half. We have also set a target to further halve the carbon footprint by 2030 at the latest with a view to have a net-zero impact before 2040.

Our work on integrating sustainability is evolving continuously. One such exciting development area is thematic sustainability investments, where we are working systematically and proactively on finding investments that can generate favourable returns to the pension system while at the same time significantly contributing to the climate transition. During 2020 and the first half of 2021 AP4 made new thematic investments in sustainability of approximately SEK 10 billion.

Another exciting development area is fundamental equity selection in the most carbon-intensive company sectors. Thus far we have analysed the energy and utilities sectors and focused our investments on the companies we believe have goals and ambitions that are aligned with the Paris Agreement. We currently find

ourselves in a transition, and many of the companies that today have substantial carbon emissions are currently adapting their operations and are thus highly important for the successful transition to a climate-neutral society. Among these companies we find, for example, some of the largest investors in renewable energy.

Corporate governance is a priority area for AP4, where we also have a long tradition that stretches all the way back to the 1970s. Advocacy work is an effective tool for bringing about change, and as a long-term active owner we can take responsibility by continually driving companies' development toward more sustainable business models. Through fundamental equity selection in the most carbon-intensive sectors, we are concentrating our portfolio to fewer companies, which is also leading to a stronger focus on the effectiveness of our advocacy work. Apart from the fact that the portfolio in these sectors now only includes companies that have shown a willingness to change, by having ownership in fewer companies we will also have more time for and influence over the companies that we continue to own.

Pricing of greenhouse gas emission needed for successful transition

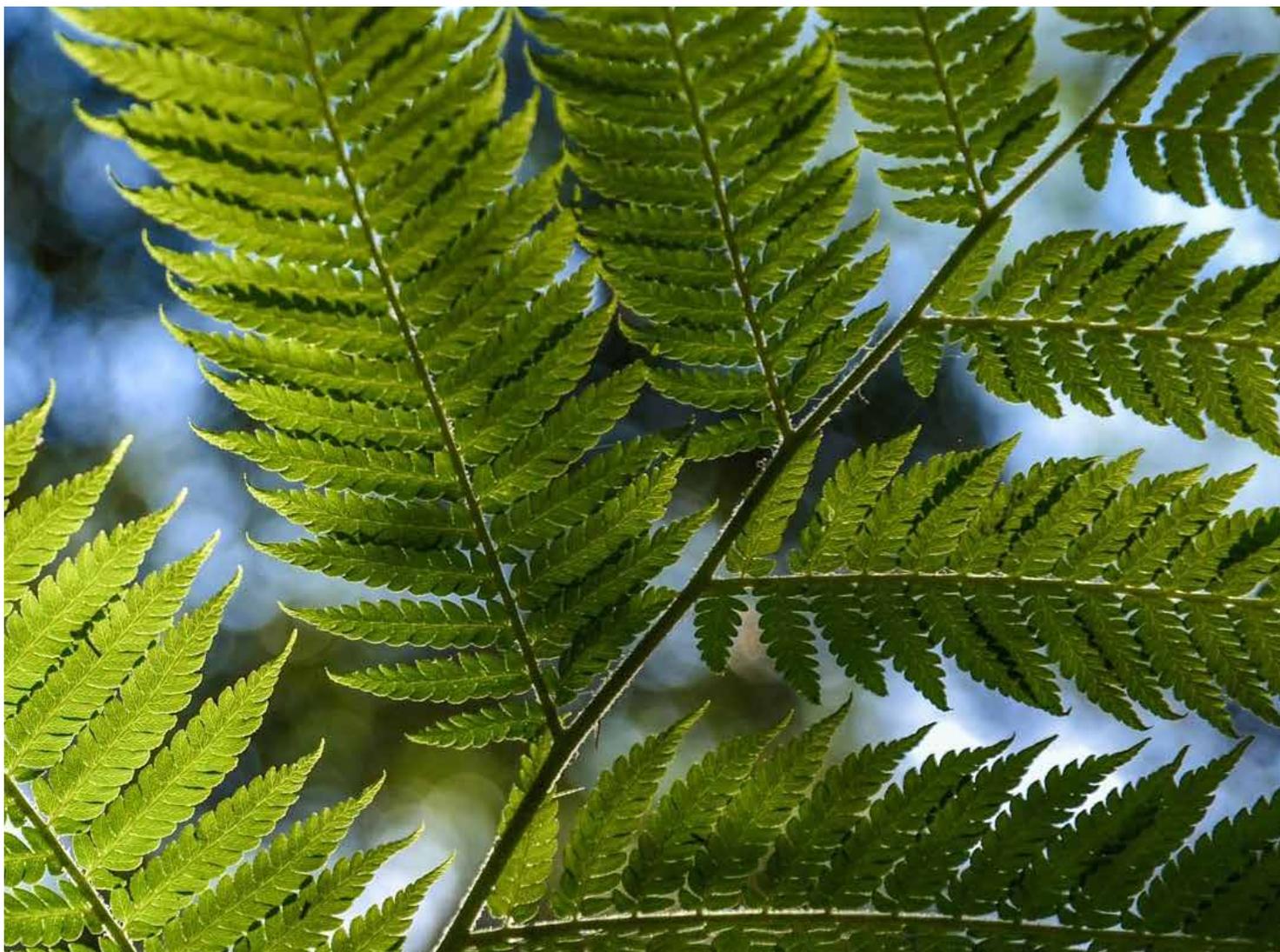
The politicians' ability to reach international accords that steer towards sustainability development will be decisive for achieving a successful and accelerated climate transition. In this context there are two intertwined measures that notably stick out in significance. The first is the introduction of an international system for the meaningful and effective pricing of greenhouse gas emissions. The second measure is the introduction of concrete and effective methods for reducing the still very high dependence on coal in many parts of the world. A strong coupling between the activities that drive climate change and the cost of this would immediately lead to strong and uniform economic incentives for nations as well as for companies and consumers. Quickly ending the use of coal is the single most important action that can be taken to achieve the 1.5 degree Celsius goal. To succeed on this part with all of the necessary parties in such political agreements, it is likely that people will also need to be open to discussing various types of compensation mechanisms for the groups, regions and countries that would be most negatively impacted by the necessary transition to a climate-neutral society.

In closing, I want to extend great thanks to all of AP4's employees. During the first half of the year we have together taken major leaps forward in the development of our operations at the same time that we generated a favourable return and thereby contributed to a strengthening of the income pension system.

Stockholm, 12 July 2020



Niklas Ekvall, CEO



Key ratios for AP4's operations	30 June 2021	30 June 2020	2020
Fund capital at start of period, SEK bn	449.4	418.0	418.0
Net result for the period, SEK bn	44.5	-10.6	39.3
Net flows to the national pension system, SEK bn	-4.2	-4.2	-7.9
Fund capital at end of period, SEK bn	489.8	403.2	449.4
Asset management costs, operating expenses, %	0.06	0.06	0.06
Asset management costs, commission expenses, %	0.03	0.03	0.03
Total asset management costs, %	0.09	0.09	0.09
Return, total portfolio, before costs, %	10.0	-2.5	9.7
Return, total portfolio, after costs, %	9.9	-2.5	9.6
Real return after costs, % ¹	8.8	-1.6	9.1
Annualised return after costs, 5 years, %	11.5	7.4	9.8
Annualised return after costs, 10 years, %	10.6	9.5	9.7

¹ The CPI for June 2021 is an estimate, since this figure was not yet available at the time of publication of this report.

Portfolio, return and sustainability

The Fourth Swedish National Pension Fund's (AP4) return after costs for the first half of 2021 was 9.9%. AP4's exposure to listed equities in Sweden as well as globally was the main contributor to the return. Real assets, consisting largely of equities in unlisted and listed property companies, made a positive contribution to AP4's total return during the first half of the year. Fixed income investments had a marginally negative return contribution.

Active management made a positive contribution of 0.8 percentage points to the portfolio's return, mainly driven by positive contributions by the active fixed income asset management and real assets.

AP4's currency exposure was 21.0 percent of fund capital as of mid-year 2021, which was unchanged since the beginning of the year. Currency exposure made a positive return contribution of 0.8 percentage points during the first half of the year.

AP4 exceeding return targets

AP4's long-term return exceeded both the real return target and performance of the income index, entailing that AP4 has contributed to the pension system's funding and stability. Since the start of the new pension system in 2001, AP4's return has averaged 7.0% per year. The required real rate of return target has been 5.6% per year over the same time period, and the income index has averaged 2.9% per year.

Continued net payments to the pension system

AP4's net payment to the pension system during the first half of 2021 amounted to SEK 4.2 billion. Since 2009, when net payment from the AP Funds to the pension system began, through the first half of 2021, AP4 has paid out a total of SEK 69.3 billion to the pension system. Demographic factors such as the large generations of people who have now become pensioners today are the main reason for the net payments. The pension system is designed to handle such demographic variations, and net payments are expected to continue until around 2040.

AP4 has taken its active owner responsibility

AP4 took its active owner responsibility during the first half of 2021 by voting at the Annual General Meetings of 125 Swedish companies and 873 foreign companies. Ahead of the 2021 AGM season, to date AP4 has participated on the nomination committees of 40 Swedish companies. Ensuring that the companies elect the best possible boards that are suited for their unique needs is one of AP4's most important duties as an owner. AP4 works actively for greater diversity among company boards and is an active proponent for ensuring that at least one woman and one man is on the short list of new board candidates.

Continued lower carbon intensity for the portfolio

During the first half of 2021, the global, fundamental thematic

equity management, which was established in 2020, analysed AP4's holdings in the utilities sector, which led to an extensive restructuring of holdings in the portfolio. Of the approximately 65 companies in the sector, AP4 has limited its exposure to approximately 25 companies. The utilities companies that remain in the portfolio are to contribute to the climate transition and have clear climate targets that are aligned with the goals of the Paris Agreement. AP4's carbon intensity (TCFD) decreased by 7% during the first half of the year.

Proactive sustainability investments that are contributing to and benefiting from the climate transition

Based on the thematic sustainability analysis, to identify and analyse sustainability trends and assess investments related to these trends, during the first half of the year AP4 made new commitments to proactive sustainability investments of more than SEK 3.5 billion in sustainable infrastructure, renewable energy and other parts of the energy transition. An example of such an investment is a joint investment together with AP1, AP2 and AP3 of USD 100 million each in Northvolt through the jointly owned venture capital company 4 to 1 Investments. Together these investments are expected to make a positive contribution to the climate transition.

Tech companies' handling of human rights

The report "Tech giants and human rights: Investor expectations" that was prepared in cooperation with the Danish Institute of Human Rights (DIHR) and published by the Council on Ethics of the AP Funds at the end of 2020 was well-received by companies as well as investors. The document lays out demands and expectations for how large tech companies such as Facebook, Google, Twitter and others should strengthen their measures to respect human rights and adapt their work to the UN Guiding Principles on Business and Human Rights. It also serves as a platform for conducting a more constructive and impactful dialogue with companies on their responsibility and influence on human rights. In cooperation with a large group of international investors, the Council on Ethics has initiated a dialogue with tech companies. This statement of expectations is perceived as being constructive and points to systemic dilemmas. During the first half of 2021, the tech companies in focus continued to recruit employees with competency in human rights, and Facebook, for example, has

published a human rights policy and a new reporting structure, which is positive.

Government's evaluation through 2020

The Swedish government's annual evaluation of the AP Funds for 2020 was submitted to the Riksdag (Swedish Parliament) in May 2021. The evaluation shows that AP4 has managed the net flow between incoming and outgoing payments in the income pension systems as intended, that AP4 has generated a return that is contributing to the income pension system's long-term funding, and that AP4 has worked actively with sustainability issues. The evaluation summarises that AP4 has met the government's expectations.

Britta Burreau new Chair of the Board

In May 2021 the Swedish government appointed Britta Burreau as new Chair of the Board of AP4. Britta Burreau succeeds Sarah McPhee, who served as Chair of the Board for AP4 since 2016 and declined re-appointment.

The AP Funds' sustainability work fares well in audit report from the Swedish National Audit Office

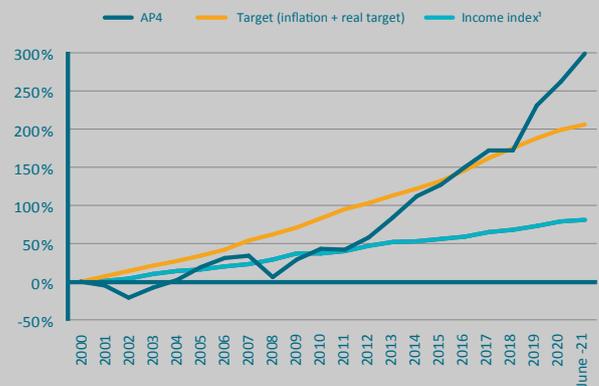
In June 2021 Riksrevisionen, the Swedish National Audit Office (NAO), published an audit report on the AP Funds sustainability work. The audit showed that the AP Funds' sustainability work is appropriate in relation their objectives. The audit also confirmed that the AP Funds have established processes and that they integrate sustainability in their investments as well as in their corporate governance. Riksrevisionen (NAO) made a number of recommendations for the AP Funds' sustainability reporting and presentation of key indicators. The report highlights the challenges that the AP Funds and all other comparable investors face – in Sweden and internationally – with respect to reporting in a simple and comprehensible way the extensive, difficult and complex sustainability work that is being conducted – work that the AP Funds is constantly developing.

AP4 wins award at the IPE Real Assets & Infrastructure Global Investor Awards

At the IPE Real Assets & Infrastructure Global Investor Awards that were held in May 2021, AP4 won an award in the "Indirect Strategy" category. The jury's statement was: "A proven cost and risk efficient strategy that consequently reflects its low carbon footprint around all asset classes. Impressive long-term rolling return profiles, collaborating with other like-minded institutions to improve scale and minimise fees and a very thoughtful approach to ESG."

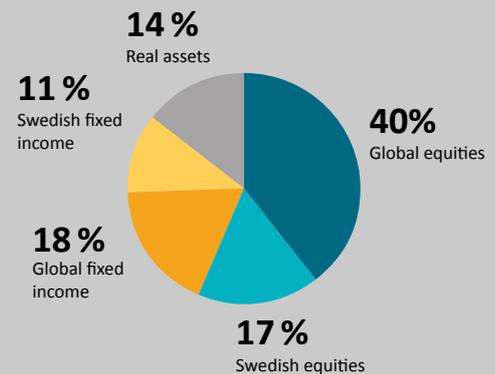
Portfolio and return, 30 June 2021

AP4's return, after costs, since start 2001



¹ The performance of the income index is a simplification, where the performance over a full year has been distributed equally over the respective half years.

Asset class allocation



Asset class market value and return

Asset class	Market value, SEK bn	Portfolio return ¹ , %	Exposure ² , %
Global equities	194.5	12.5	39.7
Swedish equities	82.1	18.8	16.8
Global fixed income	88.4	-0.7	18.0
Swedish fixed income	55.0	-0.2	11.2
Real assets	70.0	10.6	14.3
Other assets ³	0.0	-0.1	0.0
Currencies	0.0	0.8	0.0
TOTAL INVESTMENTS	489.8	10.0	100.0

¹ Portfolio return before costs.

² Underlying values of derivative instruments in the passive allocation are distributed among the respective asset classes.

³ Consists mainly of various overlay mandates.

Income statement

SEK million	Jan-Jun 2021	Jan-Jun 2020	2020
OPERATING INCOME			
Net interest income	607	820	1,489
Dividends received	3,373	2,761	5,002
Net income, listed shares and participations	36,695	-12,586	39,246
Net income, unlisted shares and participations	3,416	-262	1,940
Net income, fixed income assets	-1,177	2,622	2,829
Net income, derivative instruments	-1,538	-1,190	280
Net income/loss, changes in exchange rates	-3,367	-2,594	-11,079
Commission expenses	-77	-71	-138
Total operating income	44,666	-10,500	39,569
OPERATING EXPENSES			
Personnel costs	-82	-70	-155
Other administrative expenses	-48	-50	-91
Total operating expenses	-130	-120	-246
NET RESULT FOR THE PERIOD	44,536	-10,620	39,323

Balance sheet

SEK million	30 June 2021	30 June 2020	31 December 2020
ASSETS			
Shares and participations, listed	311,493	232,518	274,032
Shares and participations, unlisted	55,904	45,215	48,017
Bonds and other fixed income assets	113,466	115,594	110,325
Derivative instruments	3,983	6,737	12,628
Cash and cash equivalents	7,641	4,335	5,112
Other assets	2,030	638	1,201
Prepaid expenses and accrued income	1,039	1,040	815
TOTAL ASSETS	495,556	406,077	452,130
LIABILITIES AND FUND CAPITAL			
Liabilities			
Derivative instruments	3,504	2,086	1,408
Other liabilities	2,073	381	1,075
Prepaid income and accrued expenses	214	402	198
Total liabilities	5,791	2,869	2,681
Fund Capital			
Fund capital, opening balance	449,449	418,028	418,028
Net payment to the pension system	-4,220	-4,200	-7,902
Net result for the period	44,536	-10,620	39,323
Total fund capital	489,765	403,208	449,449
TOTAL LIABILITIES AND FUND CAPITAL	495,556	406,077	452,130

Multi-year summary

Multi-year summary	30 June 2021	2020	2019	2018	2017
FUND CAPITAL, FLOWS AND NET RESULT, SEK BILLION					
Fund capital	489.8	449.4	418.0	349.3	356.6
Net flows to the pension system	-4.2	-7.9	-6.5	-6.8	-7.4
Net result for the year	44.5	39.3	75.2	-0.5	30.1
RETURN, %					
Return, total portfolio before costs	10.0	9.7	21.8	-0.1	9.2
Return, total portfolio after costs ¹	9.9	9.6	21.7	-0.2	9.1
Return, total portfolio after costs, annualised 5 yrs	11.5	9.8	9.3	8.1	11.5
Return, total portfolio after costs, annualised 10 yrs	10.6	9.7	9.9	9.9	7.3
Active return, before costs ^{1,2}	0.8	2.4	4.4	2.3	-1.1
Inflation ³	1.1	0.5	1.8	2.0	1.7
Real return after costs ³	8.8	9.1	19.9	-2.3	7.4
RISK, % ⁴					
Standard deviation ex-post, Total portfolio	5.8	13.6	5.3	6.4	4.1
Standard deviation ex-post, Liquidity portfolio ⁵	6.5	15.6	5.8	7.0	4.5
Standard deviation ex-post, Total portfolio, 10 yrs ⁶	8.3	8.3	6.7	7.5	8.6
Sharpe ratio total portfolio, ex-post	3.6	0.7	4.2	0.1	2.5
Sharpe ratio liquidity portfolio, ex-post ⁵	3.4	0.7	3.9	neg	2
Active risk ex-post, active management ⁷	1.6	1.7	1.2	1.5	1.7
Currency exposure, %	21.0	21.0	19.8	18.4	18.4
ALLOCATION OF INVESTMENTS, % ^{8,9}					
Global equities	39.7	39.6	39.3	38.9	40.8
Swedish equities	16.8	16.7	15.6	14.6	16.6
Global fixed income	18.0	20.0	21.0	22.0	21.1
Swedish fixed income	11.2	10.6	11.4	12.2	11.6
Real assets	14.3	13.1	12.7	12.1	9.6
Other	0.0	0.0	0.0	0.3	0.3
TOTAL INVESTMENTS, %	100.0	100.0	100.0	100.0	100.0
Of which, share of external management incl. investments in private equity companies, % ¹⁰	16.0	14.4	14.7	16.2	17.0
EMPLOYEES					
Number of employees on balance sheet date	64	64	53	52	53
OPERATING EXPENSE RATIO AS % OF AUM (ANNUALISED)					
Operating expenses	0.06	0.06	0.06	0.06	0.06
Operating expenses and commission expenses	0.09	0.09	0.10	0.10	0.10

¹⁾ AP4's operative portfolio is evaluated against a benchmark portfolio made up of a number of market indexes with set asset weights. The market indexes used are standardised and currency-hedged to SEK in order to simplify and increase transparency. AP4 can use its tax status as a state pension fund, and during the first half of 2021 this gave a positive contribution of 0.08 percentage points.

²⁾ Active return, calculated as the difference in returns between the operative portfolio and the benchmark portfolio.

³⁾ The CPI for June 2021 is an estimate, since this figure was not yet available at the time of publication of this report.

⁴⁾ Pertains to daily return data unless indicated otherwise.

⁵⁾ Pertains to liquid assets excluding unlisted property companies, private equity funds and high-yield fixed income securities.

⁶⁾ Pertains to quarterly data for total assets.

⁷⁾ Active risk, calculated as standard deviation, measured on a yearly basis, in the difference in the return between the operative portfolio and the benchmark portfolio.

⁸⁾ Pertains to exposure; underlying derivative values in the passive allocation have been distributed among the respective asset classes.

⁹⁾ "Other" mainly includes mandates without capital.

¹⁰⁾ Wholly or partly owned property companies are reported as internally managed.

AP4's long-term perspective, responsibility as owner and great commitment to sustainability create opportunities for high returns at a low cost. In this way AP4 works for more secure pensions.