22.10.2015

Keva’s Interim Report 1 January – 30 September 2015:

Keva’s eventful investment year

Keva, which is responsible for the funding of local government pensions and the investment of pension assets, recorded a 1.9% return, i.e. EUR 813 million, for the first nine months of the year. The market value of Keva’s investment at the end of September 2015 was EUR 43.2 billion compared to EUR 41.1 billion a year earlier.

According to Acting CEO **Tapani Hellstén**, Keva’s investment performance for the first three quarters was satisfactory, considering the circumstances.

- The investment year 2015 so far has been very eventful. In the spring investment returns were exceptionally good but since then the general uncertainty in the private equity market has increased and the third quarter faced a strong downward shift, Hellstén says.

The return on investments at market value was 1.9% during January – September. Listed equities and equity funds yielded 1.7%. Fixed income investments yielded 0.3% and real estate investments 5.0% (including real estate funds). Among the smaller asset categories, private equity investments returned 15.4% and hedge funds and commodity investments returned a loss 0.6%.

Fixed income investments (including the impact of derivatives) accounted for 45.7%, listed equities and equity funds for 34.6% and real estate investments for 6.6% of Keva’s entire investment portfolio. Private equity investments accounted for 6.1% and hedge funds and commodity investments for 7.1%.

- In the spring Keva prepared for prospective market uncertainties by liquidating its higher-risk investments. At the same time we increased our cash position up to EUR 5 billion, which is more than ever. The beginning of the last quarter this year has been favourable in the market but longer-term prospects are still very uncertain, notes CIO **Ari Huotari.**

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The figures presented in this release are unaudited.