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Keva's interim report for 1 January to 30 September 2024: Keva reports good investment performance

Keva, which is responsible for the funding of local government pensions and the investment of pension funds, reported a return of 7.2% or EUR 4.7 billion on investments for the first nine months of 2024. Keva's investments had a market value of EUR 69.7 billion, compared to EUR 64.2 billion a year earlier.

By the end of September, contribution income had amounted to EUR 4.8 billion and EUR 5.5 billion had been paid out in local government pensions. Approximately 582 000 local government and wellbeing services county employees had earnings-related pension insurance at the end of September.

Keva's CEO **Jaakko Kiander** says that all eyes within capital markets have remained on the central banks' actions and predicting their future actions.

– Economic development within the Eurozone has been rather modest and Germany's economic issues in particular overshadow the future. The United States' economic development on the other hand has been surprisingly strong. The central banks will most likely continue to diverge somewhat in the downward trajectory of their interest rates, Kiander says.

Keva's investment operations generated a market value return of 7.2% for the first nine months of 2024. The return was 12.1% on listed equities, 5.9% on hedge fund investments, 4.3% on fixed income investments, 4.1% on private equity investments (including unlisted equities), and 0.8% on real estate investments (including real estate funds).

Keva's long-term return on investments is still at a good level. The cumulative, capital-weighted real return on investments since funding began in 1988 to the end of September was 3.8% a year. The average real return, excluding capital weighting, over the same period was 4.9%. The real return, excluding capital weighting, over the past five years has been 2.4% and the ten-year real return 3.7%.

Listed equities and equity funds accounted for 40.2% of Keva's entire investment portfolio and fixed income investments (including the impact of derivatives) accounted for 27.2%, whereas private equity investments



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accounted for 19.1%. Of the smaller asset classes, real estate investments accounted for 6.7% and hedge funds for 6.7%.

According to the CIO **Ari Huotari**, the year has continued to favour higher-risk investments.

–There have been some concerns on the markets about the actions of the central banks and the general economic development, but despite momentary concerns the overall note has remained positive. Now it will be interesting to see what path and style of communication the central banks choose over the following months. The global economic development outlook poses challenges for the actions of the central banks.

State, Church, Social Insurance Institution of Finland and Bank of Finland pensions

Keva is Finland's largest earnings-related pension provider in Finland and is responsible for instituting pension cover in the public sector. During the first nine months of 2024, EUR 4.2 billion in State pensions, EUR 202 million in Evangelical Lutheran Church pensions, EUR 96 million in Social Insurance Institution of Finland (Kela) employee pensions and EUR 25 million in Bank of Finland pensions were paid out. The State, Evangelical Lutheran Church, Kela and Bank of Finland pay their own pension expenditure and share of operating costs to Keva.

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The figures in this release are unaudited.