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Keva Interim Report, 1 January – 31 March 2026

Geopolitical tensions fueled uncertainty throughout the quarter

The return on Keva's investments, the organisation responsible for financing the pensions of the municipal sector and wellbeing services counties and for investing pension assets, was –0.2%, i.e.–0.2 billion euros, in the first quarter. The market value of the investments was 74.1 billion euros at the end of March. At the same time last year, the market value of the investments was 70.3 billion euros.

Of the different asset classes, private equity investments achieved a return of 2.8%, hedge funds 1.6%, and real estate investments (including real estate funds) 0.7%. The return on fixed income investments was 0.0%, and on listed equities, –2.0%.

CEO **Jaakko Kiander** notes that the year started very promisingly on the equity markets.

'The turn for the worse occurred with the outbreak of the latest conflict in the Persian Gulf. The decline in prices, however, appears to have remained limited and temporary. Still, the development of the global economy is hampered by persistent uncertainty caused by geopolitical tensions.'

According to Jaakko Kiander, the crisis in Finland's public finances is reflected in Keva's own operations – the number of public sector employees insured by Keva has begun to decline.

In the allocation of Keva's total investment assets (including the impact of derivatives), listed equities and equity funds accounted for 43.8%, and fixed income investments for 28.9%. Of the other asset classes, private equity accounted for 19.2%, real estate investments for 6.7%, and hedge funds for 6.2%. The impact of derivatives was 4.9%.

Keva's long-term investment returns have been strong. The cumulative capital-weighted real return since the start of funding (1988) up to the reporting date was 3.9% per year. The non-capital-weighted average real return of the corresponding period was 4.9%. The non-capital-weighted real return for the past five years has been 1.4%, and for the past ten years, 3.7%.

According to CIO **Maaria Kettunen**, the Persian Gulf conflict has brought a great deal of uncertainty to the markets.



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'It is still difficult to assess the ultimate damage to the global economy caused by the conflict. One key factor in terms of the impact is, in particular, how long the conflict will last. It is therefore likely that volatility in the markets will continue,' Kettunen notes.

Sustainability key figures published

Keva publishes an annual report on the key results of its sustainability work. In addition to our core responsibility, the report describes the measures taken and results achieved in relation to the sustainable financing of pensions, customer operations, our own personnel, and our operating practices.

[Explore the report](#) (in Finnish)

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The figures presented in this release are unaudited.