

KÅPAN PENSIONER

GOVERNMENT EMPLOYEES PENSION FUND

Insurance operations	3
Investment operations	8
Ongoing operations	14
Regulations and governance	17
List of holdings	21



SUSTAINABILITY REPORT 2016

Sustainability report

Kåpan pensioner försäkringsförening (Kåpan Pensioner) manages collectively agreed occupational pensions for people who are or have been government employees. The society offers a traditional pension insurance with a guaranteed interest rate and stable returns over time at the lowest possible cost.

Kåpan Pensioner is a benevolent society which is an economic association that conducts insurance business. This form of association means that the members own the business together. The society acts based on its statutes and in the best interests of all its members. Business is conducted within the framework of being a long-term sustainable pension insurance business with balanced risk and in accordance with current regulations.

The society has been tasked by the parties to collective agreements in the government agreement sector with managing the compulsory components of the occupational pensions and functioning as the default supplier for the part of the pension where there is a choice. The assignment from the parties is to deliver stable, good pensions to the society's more than 800,000 members. Kåpan Pensioner shall act so that confidence in the collectively agreed pensions and other pension systems remains high. This is achieved primarily by focusing on the creation over time of long-term and sustainable returns, the lowest possible costs and a correct allocation of the society's capital and costs between the members.

The society was formed in 1992 with the task of managing the supplementary occupational pension based on the pension agreement PA-91. The parties signed a new agreement in 2002, PA 03, which meant that the society became the default supplier for the additional part of the pension where there is a choice. During 2015 the parties negotiated a new pension agreement, PA 16, which came into effect on 1 January 2016. In short, this agreement means that the remaining part of the defined benefit based occupational pension is wholly contribution based for employees born in 1988 or later, who also have their occupational pension strengthened with an additional provision. The new agreement means that the society's operations are secured in the long-term and work on offering members a sustainable and well-balanced pension insurance can continue.

The task is to secure the members' pension capital and other insurance commitments in both the short and long term. Kåpan Pensioner therefore works with sustainability as an integrated part of day-to-day operations. Sustainability work is based on the society's assignment from its members, its statutes and the Board's decisions and policy documents.

Sustainability work inside and outside the organisation

According to the guidelines for sustainability reporting (GRI G4) an organisation should set boundaries for its possible impacts and for its sustainability work. The boundaries should be set based on the possibility of impact being direct or indirect. As far as the society is concerned, work with responsible investments and evaluation of suppliers means that most of the impact is indirect. Insurance operations and other parts relate to Kåpan Pensioner's own activities with a possibility of direct impact.

Kåpan Pensioner's company registration number is 8164004114. The society has no subsidiaries and does not own any properties. Operations are conducted in rented premises at the address Smålandsgatan 12 in Stockholm.

This report is in four parts covering insurance operations, investment operations, ongoing management and regulations and governance.





Sustainability work in insurance operations

Kåpan Pensioner offers members a resource-efficient pension insurance. All insurances are administered jointly with the National Government Employee Pensions Board (SPV) which is also the choice centre for the government pension sector. The society has a long-term agreement with SPV on coordination and the provision of administrative services.

Kåpan Pensioner works solely in the government agreement sector and does not offer insurances in other agreement sectors. Nor does the society offer any unit-linked insurances. The strategic focus means that marketing efforts and dedicated resources to build value in a brand can be restricted. From a sustainability perspective this means that mailshots and other types of promotion can be avoided which leads, among other things, to reduced environmental impact and the society keeping down costs.

The society's cooperation with SPV means that employers and government employees can be given a simple and efficient point of contact for their government occupational pension. Through shared use of existing capacity, facilities and other common functions, both the authority and the society contribute to sustainable resource utilisation.

The society also minimises resource requirements by refraining from cooperation with various types of insurance agents in distribution of its insurances. The society does not, therefore, pay any commission or other form of sales-stimulating remuneration to external players.

Sustainable traditional insurance

Kåpan Pensioner's principal business is the management of the compulsory components of occupational pensions in the government collective agreement sector and functioning as the default supplier for the part of the pension where there is a choice. This means that those members who do not make an active choice of pension manager within the agreement sector will have their premiums paid into the society by their employer.

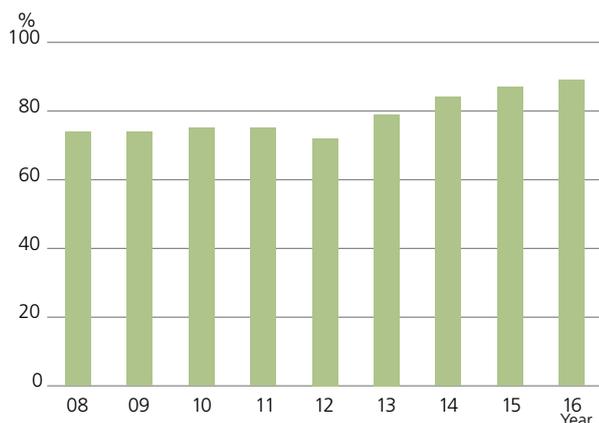
During the year paid-in premiums totalled SEK 4,381m, distributed as follows

Category	2016	2015	2014	2013	2012
Kåpan Tjänste	2,159	2,035	1,986	1,930	1,905
Kåpan Valbar	1,435	1,395	1,305	1,253	1,202
Kåpan Extra	787	745	726	733	732
Kåpan Plus	0	14	85	91	96
Total	4,381	4,189	4,102	4,007	3,935

Insurance terms and conditions are based on the terms of the current pension agreement for the government agreement sector. Kåpan Pensioner's traditional insurance is designed to suit those who do not want to make an active choice or put effort or time into their pension savings. The aim of the design of the insurances is to give members a return which reflects the risk assessed to be reasonable in relation to the long-term stability which is expected from a traditional pension insurance.

Kåpan Pensioner has a high proportion of members who have not made an active choice of occupational pension manager and who probably also have limited interest in pensions. For the component of pension premiums where there is a choice, the society receives the bulk of premiums and the proportion has risen in recent years. Kåpan Pensioner therefore has a responsibility for the design of the guarantees and commitments found in the insurance terms.

New government employees' insurance provider, Kâpan Pensioner's share by year



Sustainable commitments in outstanding insurances

Saving in a traditional insurance is a trade-off between the security provided by the commitments made by the society in every insurance and the possibility to take a risk in investments which can give a higher expected return. The commitments in the insurances are:

- protection of paid-in capital through a guaranteed interest on paid-in premiums
- protection against high charges through a specified maximum charge until the pension is paid out
- protection in the long term through a commitment to pay the pension for life.

A high level for the various components of the commitment means fewer opportunities to take risks. It is up to the society to strike a balance and continually adjust operations to changes in the business environment in order to meet commitments in a long-term sustainable manner.

Guaranteed interest and protection of paid-in capital

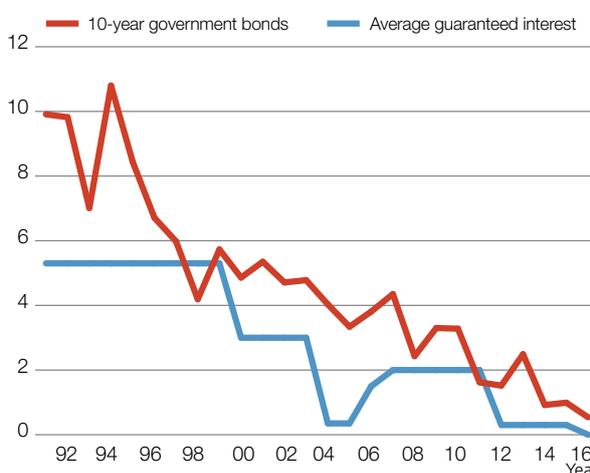
Each insurance premium has a premium guarantee in the form of interest on the paid-in capital until it is paid out as a pension. The interest applies unchanged for each individual premium paid in. In other words, the paid-in capital is secured against reduction in size.

The interest guaranteed by the society has changed over time and been adjusted to developments in the capital market. The overall direction has been that the guaranteed interest in the long term should be approximately two percentage points below the market interest rate for government bonds with long maturities to create space for riskier

investments such as equities which can provide a higher anticipated return.

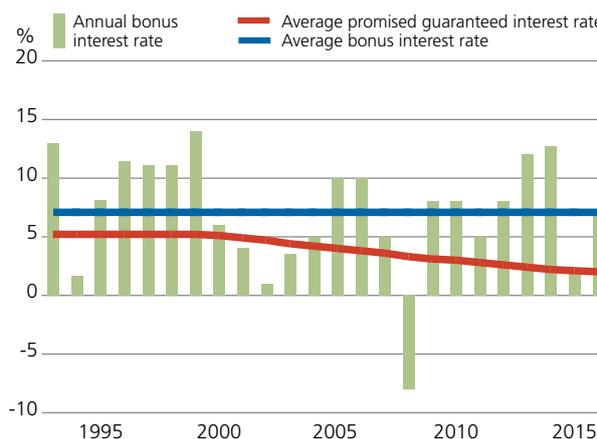
The current level of the guarantee is 1% on 80% of paid-in premiums which roughly corresponds to an average level of 0% for a lengthy pension saving. At the same time, the market interest rate is about 0.5% which means that the levels prevailing at year-end are not fully sustainable in the long term.

Market listing of 10-year government bonds and guaranteed interest in the society 1991–2016



Since 1992 the society has collected premiums and provided a guaranteed interest on them. The average rate of all outstanding guaranteed interest commitments amounts to 2.1% and has fallen gradually in recent years. The return on the society's investments must exceed the guaranteed interest level over time to be sustainable in the long term.

Average bonus interest rate and promised guaranteed interest rate since 1992



In recent years investment management has delivered a significant surplus which provides a buffer for the future. The buffer can be calculated in different ways but the method currently used in Sweden and in the society is based on guidelines from the Swedish Financial Supervisory Authority. The guidelines state that outstanding commitments shall be discounted with an interest rate factor based on a combination of current market interest rates and long-term anticipated return for investments with limited risk.

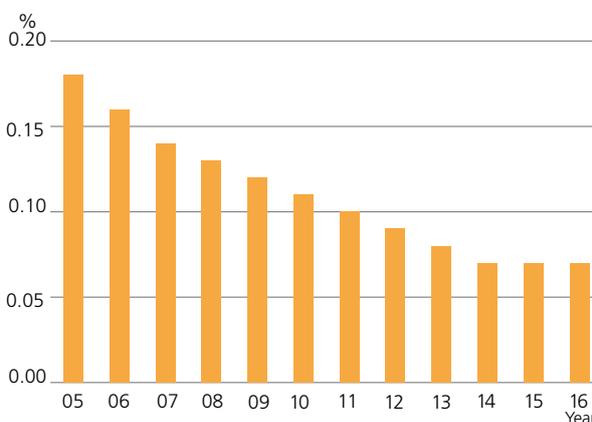
Discount rate on average commitment duration by year



At year-end the method used results in an average discount rate of 2.2% on the society's commitments which have an expected remaining average duration of 14 years. The value of the society's outstanding commitments at year-end 2016 amounted to SEK 50.3 billion which can be compared with the society's total assets of SEK 79.4 billion. The buffer amounts to SEK 28.8 billion and is designated as solvency capital. The society's solvency ratio at year end was 157% which exceeds the legal limit of 104% by a wide margin.

It should be noted, however, that several times in recent years the Financial Supervisory Authority has changed the way the discount rate is calculated and thus the value of the outstanding commitments. There are also restrictions in the Swedish bond market which make it difficult when necessary to secure outstanding commitments with matching investments in a sustainable manner.

Management costs development as a proportion of pension capital



Low charges and protection against high charges

In the same way that the society guarantees the capital from paid-in premiums, protection against high charges is included. The statutes state that the cost of administering the insurance shall not exceed 0.2% of the capital per year. Administrative costs have fallen over time and amounted to 0.07% in 2016.

The society continues to try to reduce costs and thus provide a higher paid-out pension. During 2016 the society halved the fixed charge per insurance from SEK 12 to SEK 6. The variable administration charge in 2016 was 0.06% of the pension capital. The cost of investment management was 0.05% of the pension capital. Altogether this is a lower level than other players registered with the choice centre for the government agreement sector.

Charges for traditional insurance for government employees

Insurance provider	Fixed charge per year, SEK	Variable charge as % of pension capital
Kåpan Pensioner	6	0.11
Alecta	75	0.20
AMF	75	0.18

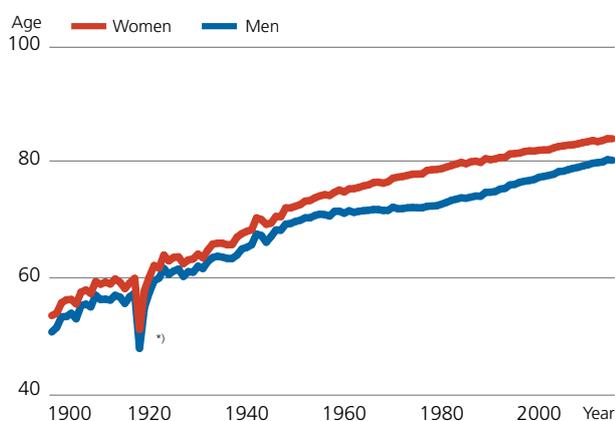
Source: Government choice centre (SPV)

Commitment to pay pension for life

The terms of Kåpan Pensioner's insurances are regulated by the government pension agreement. The dominant part of premiums for the new pension agreement PA 16 are in the basic configuration paid out for life. In previous pension agreements a large part of premiums went into an insurance with temporary payment in its basic configuration (Kåpan Tjänste). Before payment of the pension starts, members can choose the desired payment period. This applies to all the society's insurances.

In the members' insurance there is also a lifelong guarantee associated with each premium payment in the same way as the guaranteed interest. The lifelong guarantee means that even if future assumptions about life expectancy change, the assumptions which are guaranteed at the time of payment will not worsen.

Swedish life expectancy development 1900 – 2015



^{*)} Spanish flu

The life expectancy assumptions used by the society determine the size of the monthly pension payment. A lifetime pension is paid out for life and the members' different life spans are balanced within the framework of the insurance operations as a whole.

The society uses gender-neutral life expectancy assumptions. This means that when the pension is calculated based on available pension capital, the amount of the pension payment will be the same regardless of gender.

For members reaching the age of 65 the assumption made during 2016 was an expected remaining life of about 22 years. The majority of members who are 30 years old are expected to live until age 90.

The society's actuary continually follows up the sustainability of the assumptions used to calculate outstanding insurance commitments and life expectancy

Difference between assumed and actual result regarding life expectancy

When calculating pension capital, SEKm

Year	Assumption	Actual	Surplus/Deficit
2012	87	81	-6
2013	99	105	6
2014	115	107	-8
2015	127	115	-12
2016	132	125	-7

When calculating technical provisions, SEKm

Year	Assumption	Actual	Surplus/Deficit
2012	77	70	-7
2013	78	83	5
2014	83	80	-3
2015	87	86	-1
2016	89	95	6

The guarantee which applies to premiums paid in during the year differs from the actual result for the year since it is based on future life spans. The guarantee applied during the year for the future has an assumption of a remaining life expectancy after 65 of 26 years compared with the current actual figure of 22 years.

Members can choose whether or not to have repayment cover for all their premiums and in the event of changed family circumstances change this for their entire pension capital. Repayment cover means lower expected pension payments (4% – 12%) in exchange for the existing pension capital being paid out to designated survivors. The parties in the government sector have chosen in the new pension agreement PA 16 to assume insurance without repayment cover for all premium payments.

Repayment cover means a lower pension

Age	Payment	
	For 5 years	For life ¹⁾
25	- 6%	- 12%
55	- 4%	- 7%

1) The figures are based on a new employee continuing to work until age 65.

Within the framework of the government collective agreement there is relatively good cover for survivors other than through repayment cover. A defined contribution based pension insurance has its maximum capital when pension payments start. The insurance cover provided by repayment cover is relatively limited for younger members which means that a separate life insurance is normally a better choice if the cover in the collective agreement needs to be strengthened.

For premiums paid in during 2016 only 8% of members chose repayment cover.

Fair distribution of capital and costs

Kåpan Pensioner operates on the basis of two overall principles for the insurance business. The first is the precautionary principle. This means finding a reasonable balance between an assessment of the expected outcome for different assumptions and the risk level of these assumptions. The second is the contribution principle which means that each insurance should bear the returns, risks and costs which the insurance is assessed to contribute to or cost the business. To ensure that the principles are followed, the responsible actuary prepares an annual technical provisions report for the Board and the Swedish Financial Supervisory Authority.

To ensure fairness between members Kåpan Pensioner uses monthly bonus interest to distribute the society's surplus or deficit across all insurances. This means that the surplus is continually distributed across the insurances and that no surplus or deficit is retained undistributed at a collective level.

Protection of members' integrity

Kåpan Pensioner is responsible for large amounts of sensitive personal information and other member information. It is vital that as much as possible is done to protect members' personal information. SPV, who administer the insurances, works among other things with training employees to ensure competence in the Personal Data Act (PuL), data storage and secrecy. The society and SPV have a personal data representative who is the contact with the authorities and is responsible among other things for helping the business interpret and apply current regulations for personal data processing.

Summary of sustainability work in insurance operations

Kåpan Pensioner conducts its business in order to provide the members with a long-term sustainable pension insurance. The society acts on the basis of what is best for all members as a whole within the framework of balanced risk and efficient operations. The commitments that the society makes by providing insurances to members are handled on the basis of fundamental insurance principles. Outstanding commitments are assessed to be able to be met in the long term through fair distribution and cautious buffers in the commitments made. The aim is to continue to conduct the business in a balanced and sustainable way at the lowest possible cost.



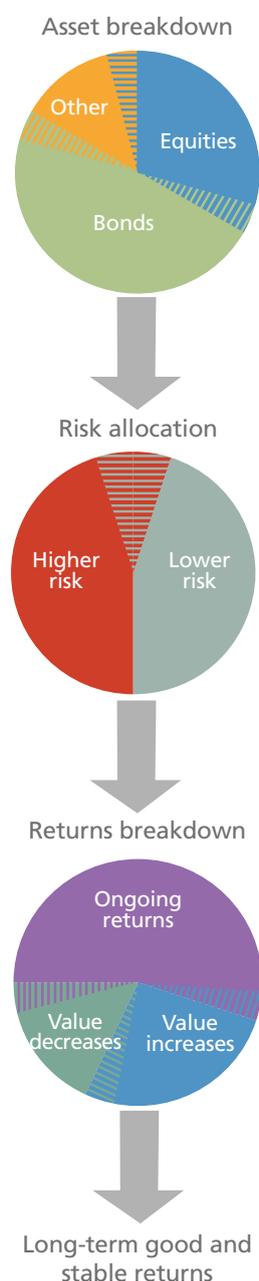
Sustainability work in investment management

Kåpan Pensioner's managed assets amount to almost SEK 80 billion. Investments are made based on the investment policy decided by the Board and the assets must be placed so that they provide a good return with limited risk.

Management is focused on investments in equities, fixed-income securities and property. Investments in equities are primarily listed holdings but also to some extent unlisted minority holdings in various types of venture capital funds. Fixed-income securities are mainly Swedish bonds with a high level of security but also include some foreign interest-bearing instruments through various fixed-income funds. Our property-related investments are unlisted minority holdings in forest and other properties and also various infrastructure investments through different funds. The overall goal for investment operations is to achieve a long-term sustainable balance between return and risk. The commitments made by the society for guaranteed returns on paid-in premiums mean that there must be a continuous trade-off to ensure diligent management.

The current investment strategy means that almost half the capital is placed in fixed-income securities since these are expected to provide stable returns and value development over time. Just over one-third of the capital is placed in equities which are more risky investments but at the same time can provide a higher return. The remaining part of the society's capital is invested in property and similar assets to complement and balance the risks inherent in fixed-income and equity development. Overall the investment strategy means that about half the assets are invested with low risk and the other half with higher risk. All assets are continually given a market value so that we always have the

The society's investment management model



current value of the society's assets which is the basis for the monthly distribution of the society's surplus and deficit. Starting in January 2017 we have introduced generation savings which means that we split the capital across four different portfolios depending on age and time remaining to retirement. In this way we can better distribute risk where those who are young and have a long time to retirement have more equities in their savings than someone who is older and nearing retirement.

In addition to the overall aims, the investment policy decided by the Board states that the society's investments shall be made based on ethical standards and principles widely rooted in Swedish society and based on decisions made by the Swedish Parliament and Government.

Guidelines for management are:

- The ten principles in the UN Global Compact
- OECD guidelines for multinational enterprises
- Oslo and Ottawa conventions, and
- The six UN principles for responsible investment (UN PRI)

Links to the above conventions can be found on kapan.se.

The society works as cost-effectively as possible to create conditions for a good return with a balanced risk. This means among other things that the organisation has been relatively small and that the management philosophy has taken this limitation into account. Kåpan Pensioner's management is based on our own active management of listed investments in Sweden, broad and index-based investments through different funds in listed equities outside Sweden, and alternative investments in unlisted holdings and funds in relation to an overall balanced risk profile.

The new pension agreement for the government sector, PA 16, means that the society will continue to receive insurance premiums in the long term so that investment management can gradually be expanded and goals and investment strategy can be further developed.

Sustainability from an external perspective

In recent years we have seen an increased focus on sustainability in society and also among players in the financial markets. Eurosif is a members' association consisting of European fund managers, institutional investors and other players who consider sustainability and ethical aspects of financial investment. Last year Eurosif published a report based on data from the end of 2015 showing which

sustainability models were in use by players in the financial markets. What can be seen, especially in Sweden, is that a large part of assets has some form of exclusion of companies that do not comply with the investor's sustainability and ethical guidelines. In addition to exclusion, norms-based screening also dominates. Norms-based screening means the evaluation of a company's compliance with global standards regarding environment, human rights, working conditions and anti-corruption. Also highlighted is that investors are more than before working with impact investments. Incorporating sustainability and ethical criteria into the investment process is also on the increase but still only accounts for a small part of total assets under management. Various direct investments in specific companies or investments for sustainability are also on the rise, but from a low base. This can, for example, be investments in Green Bonds. The conclusion that can be drawn from the report is that strategies for sustainable and responsible investment are on the increase.

Sustainability has also gained increased focus through the adoption by world leaders in September 2015 of 17 new Sustainable Development Goals in the 2030 Agenda for Sustainable Development. The overall aims are to end all forms of poverty, fight inequalities and tackle climate change.

2016 in brief and the way forward

The society increased its focus on sustainability issues in 2016. More resources have been allocated to evaluating and implementing the sustainability strategy in our management model. A review of management models for global equities has been carried out and resulted in a decision to implement a new management model for global shares during 2017. Briefly the change means that index fund management will be replaced by bringing management of a large proportion of listed foreign equities in-house. This will help achieve the aim of finding credible and efficient methods of working with a selection of companies that meet our criteria. We can also take into account norms-based screening as part of our decision-making process. At the same time we will work more actively with lobbying, either ourselves or in cooperation, entering into a dialogue with companies that do not achieve an acceptable level according to the norms-based screening criteria.

During 2016 the society also sent out a questionnaire to all our external fund managers to document how they work with sustainability issues. ESG criteria are a parameter when evaluating and procuring external funds.

As part of work to influence developments for reduced carbon dioxide emissions, the society has commissioned measurement of the carbon footprint for our listed shares using the method recommended by the Swedish Insurance Federation.

The society works continually to improve processes to achieve long-term responsible management based on sustainability, ethics and social responsibility.

Process for norms-based screening and influence

In 2016 we commissioned an external supplier to carry out an analysis of the society's equity and fixed-interest holdings based on our sustainability guidelines. Within the framework of efficient management and the goal of achieving good returns at a low cost, the society invests a large part of its foreign equity in various types of fund or instruments based on different forms of index. The disadvantage is that index-related placements are passive, which means that the society becomes an owner in all the companies in the index. This results in some indirect exposure to companies that in some cases violate international conventions and standards. As a consequence of norms-based screening, during 2017 the society will reduce the proportion of index funds in favour of directly owning equities in developed markets.

The society continuously reviews its equity and fixed-interest holdings through a norms-based screening which evaluates a company's compliance with global standards regarding environment, human rights, working conditions and anti-corruption. Screening is also carried out for controversial components for anti-personnel mines, cluster bombs, nuclear weapons outside the non-proliferation treaty and chemical/biological weapons.

The society wants to try to influence companies which violate international standards and conventions to make changes. From 2017 an external supplier, on behalf of the society, will enter into a dialogue to influence companies identified through norms-based screening. The aim is to influence and drive positive change.

Process for exclusion of companies

The overall strategy is not to make investments in companies which on repeated occasions violate principles for human rights, labour law or the environment as specified in internationally accepted documents.

The society has chosen to base its selection on assessments made by the Swedish AP Funds' Ethical Council which has ethical guidelines that are in line with those of the

society. This method means that the society does not make any direct investments in those companies on the Ethical Council's list of companies they recommend for exclusion.

Negatively listed holdings to neutralise indirect holdings in funds above

Negative holding	Assessed value, SEKm
Wal-Mart Stores	36
Boeing	22
Lockheed Martin	17
Freeport-McMoRan	11
L-3 Communications Holdings	6
Motorola Solutions	6
Textron	5
Barrick Gold	3
Potash Corp of Saskatchewan	2
Incitec	1
Agrium	1
Singapore Tech	1
Orbital ATK	0

Within the framework of efficient management and the goal of achieving good returns at a low cost, the society invests a large part of its capital in various types of fund or instruments based on different forms of index. Through various indices and funds the society has a total indirect investment in some 6,000 different listed companies with an invested capital of nearly SEK 16 billion.

The aim of excluding or neutralising indirect holdings is to achieve a financial situation for the society which corresponds to a decision not to invest in a company. The method chosen by the society means that indirect positions are neutralised through a direct sale of a matching position in the indirect holding. The method is called short selling and means that the society takes an active approach to the company concerned. The assessment is that the method sends a clear signal to the company, not least because the number of short-sold shares is reported in various contexts and can be seen, among other things, as an indication of lack of confidence.

At year-end the society had direct negative positions to neutralise indirect holdings in 11 of the 15 companies covered by the Ethical Council's assessment. In addition two companies have been included based on MSCI's ESG Ratings. In cases where indirect exposure occurs, the size and cost of excluding the holding is evaluated.

MSCI's rating model for Environment, social responsibility, governance – ESG criteria

Environment		Social		Governance
Climate Change	Environmental Opportunities	Human Capital	Product Liability	Corporate Behaviour
Carbon emissions	Clean Tech	Labour Standards	Chemical Safety	Anti-Competitive Practices
Energy efficiency	Green Building	Health & Safety	Financial Product Safety	Business Ethics
Climate Change Vulnerability	Renewable Energy	Human Capital Development	Health & Demographic Risk	Corruption & Instability
Product Carbon Footprint		Labour Management	Privacy & Data Security	Corporate Governance Board
Natural Resources	Recycling	Social Opportunities	Product Safety & Quality	Ownership
Biodiversity & Land Use	Electronic Waste	Communications	Responsible Investment	Accounting
Environmental Stress	Packaging Material & Waste	Finance		
Raw Material Sourcing	Pollution & Waste	Health Care		
Water Stress	Toxic Emissions & Waste	Nutrition & Health		

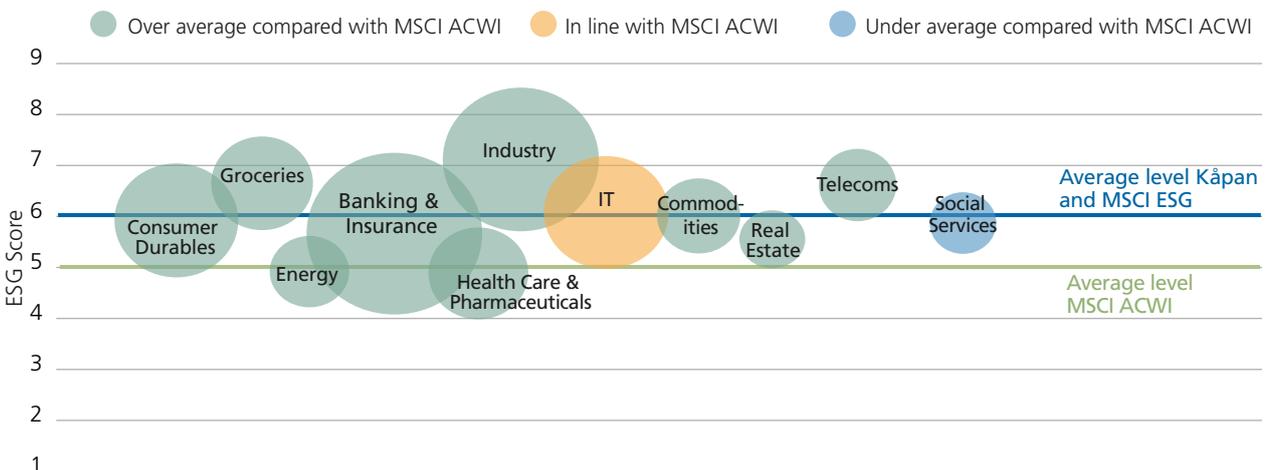
The method chosen means that the cost of active management is limited to the companies affected which constituted about 1.0% by value of the indirect equity portfolio. The overall strategy is that if there is a cost-effective alternative which provides an equivalent financial outcome without exposure to the companies concerned, investment management should strive to choose such an alternative. In 2016 the society evaluated different alternatives which has resulted in a decision to change the management model for global equities. This change means that management is better adapted to the society's ethical guidelines. This means that the society can more easily handle exclusion

of companies which violate international standards and conventions.

Process for positive screening – rating model

In addition to norms-based screening and exclusion of companies, Kåpan Pensioner also works with a process of ongoing review and assessment of different companies' work with sustainability and social responsibility. For the past couple of years the society has cooperated with MSCI which is one of the world's leading index providers and has worked for a long time with analysis and evaluation of environmental and sustainability assessments at corporate level.

Assessment of the society's holdings based on ESG criteria within each sector and their relative weights



The agreement with MSCI gives the society access to the entire sustainability assessment carried out by MSCI. MSCI's ratings today cover over 5,700 companies on the equity side where a sector-based assessment is made and a rating given of different sustainability and ESG criteria (Environment, Social, Governance).

On the environment side, there are underlying considerations within, for example, climate change, carbon dioxide emissions, water stress, toxic emissions and waste. In the social category, assessments are made in areas such as labour management, health and safety, product safety and quality. Under governance, analyses and assessments are made of the composition of the Board, remuneration, owner structure, accounting and business ethics.

The overall goal of ongoing work is to contribute to and stimulate companies' improvements in the areas of sustainability and social responsibility. During the year we have evaluated different investment management models to better meet our ESG criteria. As a result we will reduce the passive holdings during 2017. In this way we can better integrate ESG analyses and the rating model supplied by MSCI when choosing companies.

In the short term the aim is that the society's investments shall have a weighted average rating above the weighted average for the companies which are part of the MSCI All Country World Index (MSCI ACWI). The aim is that over time the rating for those companies to which the society has direct or indirect exposure improves from today's level. During 2016 the society has switched to the MSCI ACWI ESG Index as the benchmark in order to further underline the significance of the ESG criteria being important in investment management. The ESG Index comprises a selection of companies with high ESG performance relative to their sector peers.

In last year's analysis of the society's total equity investments, Kåpan retained its ranking from the previous year which exceeded the MSCI ACW Index by a full point on their nine-point scale and was at parity with MSCI's ESG Index.

The society's opinion is that the method using positive selection creates the possibility to work with continuous improvement. The method also leads to creating value in all companies improving compared with the method of setting a lower limit where everything above the limit is good regardless of changes. During 2017 the process of integrating ESG analysis in the selection process will be

improved since many of the previously passive holdings will be changed to directly-owned holdings.

Process for external funds

In addition to directly-owned equities and passive index management, Kåpan Pensioner has assets placed in active external funds. During 2016 the society sent an ESG questionnaire to all our external funds, including those for listed and unlisted shares as well as fixed-income, with the aim of identifying how our external funds handle ESG issues in investment management. The society will continuously follow up our external funds' ESG work. When procuring new funds the society has a policy of asking for the managers' ESG policy. The society is guided by the UN principles for responsible investment (UN PRI), so we try to ensure that our external funds have signed up to PRI. The principles aim to include ESG aspects in investments and are today a sector standard for responsible investment. PRI consists of six principles which investors try to follow.

Policy for owner issues

The purpose of Kåpan Pensioner's investment work is to create long-term, stable and good return for members within the framework of insurance commitments made. Asset management invests in many different operations in order to be diversified and thus reduce the risk in investments. The broad spread of investments means that the society is as a rule a small investor in each individual operation.

The society's limited ownership shares and the need for efficient management mean that active participation in owner issues is not as a rule exercised. During 2016 the society participated in two nomination committees.

The ownership policy decided by the Board states that Kåpan Pensioner intends to exercise its owner influence in listed companies as follows:

- to participate in general meetings where ownership exceeds 1% of the votes in the company and there exercise the voting rights attached to the society's shares,
- to carefully prepare and establish the society's position at the general meeting,
- to participate if necessary in the work of the nomination committee in those companies where the society is among the larger owners.

Analysis of the holdings' climate impact

Kåpan Pensioner's strategy is that the aggregate holdings over time shall be climate neutral. As part of this work the society has over the past ten years made ongoing investments in forestry and land and has today, in relation to comparable players, a significant holding with an estimated positive climate impact which is able to compensate for the holdings which can be assessed as negative from a climate perspective.

Measurement and method for the equity portfolio's carbon footprint

The reported key indicator measures the equity portfolio's carbon footprint in relation to the portfolio companies' revenues (net sales). This can be taken as a measure of the carbon efficiency of companies in the equity portfolio.

The key indicator shows how many tonnes of carbon dioxide equivalent (CO₂e) which the companies in the current portfolio emit per million kronor in revenues. The indicator is reported as tonnes CO₂e/SEKm.

Reporting is based on data for the equity portfolio's holdings and market value at 31 December. Emission measurements follow the global accounting standard according to the GHG Protocol and are based on the most recently available carbon dioxide data for direct (Scope 1) and indirect emissions associated with energy consumption (Scope 2).

Emissions of greenhouse gases are measured in terms of carbon dioxide equivalent (CO₂e). This is a unit which enables the measurement of different greenhouse gases in the same way. By expressing emissions of a specific greenhouse gas in CO₂e, a value is obtained for how much carbon dioxide would be needed to give the same climate impact.

The GHG Protocol (Greenhouse Gas Protocol Corporate Standard) is the most common accounting standard for calculating emissions of greenhouse gases. The methodology in the GHG Protocol is used by among others Carbon Disclosure Project (CDP), Global Reporting Initiative (GRI), WWF's Climate Savers, EU Emissions Trading System (EU ETS), Climate Registry (US) and US EPA.

As part of global efforts to limit climate change caused by human impact, in 2016 the society commissioned measurement of the carbon footprint for our listed shares. The carbon footprint is a way of expressing the amount of greenhouse gas emissions contributed by the companies in which operations have invested. There are currently a number of companies that report an assessment of their carbon footprint in their company information. The reporting is not consistent and must often be complemented with various assumptions and estimates. During 2016 the Swedish Insurance Federation agreed a sector standard for reporting carbon footprint.

The society has chosen to follow the recommendation of the Swedish Insurance Federation. The measurement used is the carbon footprint in relation to the portfolio company's revenues.

The result is then weighted with the society's ownership share in the company. The society's carbon dioxide intensity at year-end 2016 was 20.8 tonnes CO₂ equivalent per million kronor in revenues (net sales). This can be compared with the world index (MSCI ACWI) for which the corresponding figure was 26.4 tonnes CO₂ equivalent per million kronor.

The key indicator gives a snapshot of the holdings portfolio's greenhouse gas emissions. Nor does the figure show the total climate impact of investments. The value will also vary in step with changes in the portfolio companies' emissions and revenues and also when the manager buys or sells shares in the portfolio. Changes in currency exchange rates also affect this measurement.

Summary of sustainability work in investment management

The method chosen by the society combining both positive and negative selection achieves the aim of a good ethical level in the holdings based on government decisions and the organisation's resources. The method stimulates a process of continuous improvement that can be sustained within the framework of the overall goal of a good return at a low cost for the investment operations as a whole.



Sustainability in ongoing operations

Kåpan Pensioner has over 800,000 members and therefore needs to communicate and provide information on the pension and pension savings that members have in the society.

The pension agreement in the government agreement sector means that Kåpan Pensioner receives both a compulsory component of premium payments and is the default alternative for the part of the premiums for occupational pension where there is a choice. For many members SPV also pays out a defined benefit part of the pension as well as being responsible for other insurance components in collective agreements. SPV is also the choice centre for occupational pensions in the government agreement sector.

To make things easier for members and among other things improve the efficiency of communication with members, Kåpan Pensioner and SPV have cooperated since the society's formation. This means that members turn to the joint customer service which SPV operates, where they can obtain information and take care of their insurance issues within all areas of their government occupational pension.

To simplify the overview for members of their entire pension savings, Kåpan Pensioner cooperates with the organisation Min Pension (My Pension) where an individual's total pension savings are reported regardless of whether they are state pension, occupational pension or private pension savings.

Information to members

Pension savings in Kåpan Pensioner is a compulsory component of the pension agreement in the government agreement sector. This makes special demands on information and objectivity. Experience shows that many members have

a low interest in their pension savings until it is time to retire. To reach out to all members with information about their occupational pension, what benefits and conditions are associated with it and what choices are available within the conditions, the society works with targeted mailshots, customer service and web-based information.

Kåpan Pensioner's strategic focus is to work solely in the government agreement sector and not devote resources to add-on selling, increasing market share or building the brand. Information to members can therefore be focused on objectivity and have a high information content. Mailshots are coordinated as far as possible with SPV to reduce the use of paper and transports. For the financial year 2016 the society sent out approximately 893,601 items of mail with a total weight of almost 23,234 kg, an average of 29 grams per member. The long-term goal is a volume of about 20 grams per member based on a strategic focus of one item per member annually and information to new members about insurance terms, etc.

In 2016 there was an increased need to mailshot members since the new pension agreement for the government agreement sector, PA 16, meant new conditions for many insurances and thus an obligation to inform all members. This made the mailing per member higher for the year than the society's long term ambition.

The strategy for communication with members must take into account that many have a limited interest in their savings. This means that the society cannot just rely on

members actively looking for information. The focus is therefore to provide complete information via the website, etc., but complement this with written information to all members at least once a year. The aim is to coordinate all information on the society's operations, terms and savings to a single occasion as far as possible.

Follow-up of information to members

Within the framework of cooperation with SPV surveys are made continuously to improve service and information. Based on members' contacts with customer service different issues are evaluated and the need for improved information identified. The survey is carried out from the coordinated customer service function and provides a base for both SPV's and the society's continued improvement work.

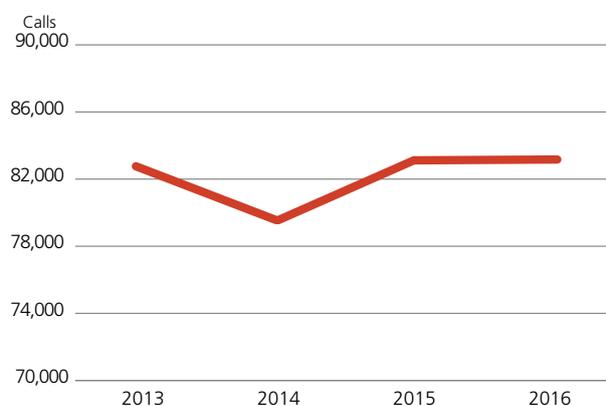
In 2016 a new method of measuring customer satisfaction was introduced which means that historical comparisons are not possible. The result provides a better base than previous surveys for developing and improving service to members. In 2016, the CSI (Customer Satisfaction Index) for all members was 51 and for retirees 68.

As well as surveys, the number of calls to customer service is measured. This gives an overall indication of the need for complementary information and failings in the information provided.

The number of calls to customer service was about the same last year as in 2015. The majority of queries are about the aggregate state pension. In total the number of queries has increased by 3% compared with 2015.

The strategy is to continuously improve information and awareness of not just the pension agreement in the government sector but also the entire pension system. The society tries to get an ever increasing amount of information gathered on the website minpension.se. Kåpan Pensioner is a member of The Occupational Pension Fund Association and is also involved as an expert when rules for the pension system are developed, for example by participating in studies and responding to consultations.

Number of telephone calls to customer service



Emissions from business travel

As a small service company with few employees, Kåpan Pensioner has no direct emissions of any significance. The society's largest climate related emissions occur with business travel. Business trips to visit operations are a way to obtain a better understanding of their circumstances. As owners, we have a natural platform in addition to profitability and value development to make demands on their work with environment, human rights, anti-corruption and business ethics. Kåpan Pensioner's travel policy governs travel for the staff. A business trip, choice of route and means of transport must be based on a trade-off between cost-efficiency and the environmental impact of the journey. Rail journeys are preferred to flights since they are a more climate-efficient means of travel, especially for trips under four hours. Flights should be made in economy class, unless there are special circumstances, since this gives better use of resources. This also applies to flights outside Europe. The policy for the society's company cars is that by 2020 these should be zero emission or meet the requirements for super ultra-low emissions vehicles. A condition, however, is that the necessary infrastructure is in place and available to individual employees. The society has also been involved in getting the office landlord to install charging stations in the building's garage for electric and plug-in hybrid vehicles.

Skills development and equal opportunities

Kåpan Pensioner has 13 employees. This means that committed and skilled staff are decisive for Kåpan Pensioner to be able to run its business. Equal opportunity is an obvious and basic requirement. At the same time it is important

that all assessments are made on objective grounds and in the first instance within a framework of skills and suitability. Recruitment and skills development are carried out based on prioritising equal opportunity and treatment as fundamental values.

Kåpan Pensioner has an even gender distribution in the Board and in the organisation. Within the different areas of competence in the organisation, gender distribution is also even. The society's Council of Administration is appointed by the parties to the government agreement sector.

Gender equality in operations

Council of Administration	Total	Chair	Members	Deputies
Women	35	1	18	17
Men	24		12	12

Board	Total	Chair	Vice-chair	Members	Deputies
Women	5	1		3	1
Men	7		1	1	5

Operations	Total	President	Vice-president	Managers	Administration
Women	8			2	6
Men	6	1	1	4	

The strategy is that Kåpan Pensioner should be a society entirely without discrimination and which strives to give all employees equal rights and development opportunities. Kåpan Pensioner work actively with its internal culture to take advantage of differences and their positive effects. Kåpan Pensioner has chosen not to record ethnicity, origin, religious affiliation or sexual orientation. The organisation's limited size means that comprehensive reporting according to the Global Reporting Initiative (GRI) is judged to create integrity problems which means that only limited reporting is made of equal opportunity in the organisation.

Evaluation of suppliers

The society's main supplier is SPV. SPV is an authority which operates under rules decided by the Swedish Parliament and Government. Within the limits of the authority's current regulations, the society strives to have the authority make optimal use of its resources.

Suppliers of IT services to the business are responsible for ensuring that operations and maintenance are resource-efficient and that redundant hardware is recycled in accordance with current regulations and contracts. The society participates in the landlord's recycling system.

As part of continued sustainability efforts, the society is studying the possibilities of implementing a code of conduct for its larger suppliers. The code of conduct would mean that they must accept and act in accordance with the basic principles of the UN Global Compact. Acting in accordance with these principles means among other things respecting the UN Universal Declaration of Human Rights, the UN Convention on the Rights of the Child and the ILO's Declaration on Fundamental Principles and Rights at Work. These demands must, however, be put into relation with the supplier's organisation and resources. As an authority and major supplier, SPV is already bound by conventions ratified by Sweden's Parliament and government.

Summary of sustainability work in ongoing operations

The society's own organisation is small which means limited direct impact in a holistic sustainability perspective. The greatest impact is from the society's need of information on operations and individual savings. A large part of the membership does not actively seek information on their pension. The aim is that all members shall get good and concise written information about their pension savings at least once a year. Overall the society is assessed as running its ongoing operations in a resource-efficient manner and the aim is to try to find a long-term balance between the need for good information and the environmental impact that distribution of paper always involves.



Regulations and governance – basis of the business’s sustainability work

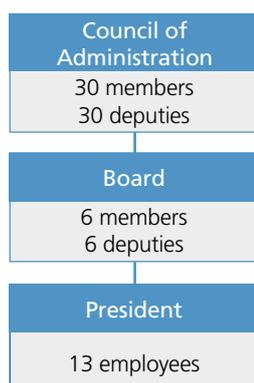
Kåpan Pensioner’s highest decision-making body is the Council of Administration. The Council has thirty members and the same number of personal deputies. The members are appointed by the parties in the government sector with half being appointed by the Swedish Agency for Government Employers and half by the trade unions.

This means that the Council of Administration represents employers and trade union members equally. Members of the Council of Administration must be members of the society.

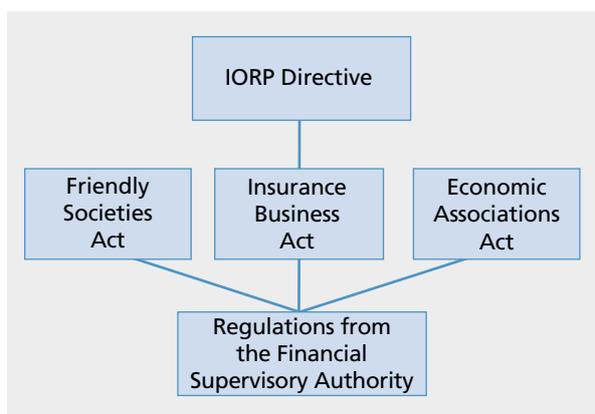
The Council of Administration appoints in turn Kåpan Pensioner’s Board which manages operations. The Board consists of six members and the same number of personal deputies. Here, too, half of the members are appointed by the employee side and half by the Swedish Agency for Government Employers. The same person cannot be a member of both the Council of Administration and the Board. For both boards, the mandate period is one year with the possibility of re-election.

Kåpan Pensioner is an independent legal entity in the form of a mutual insurance society which is a specific form of an economic association. The business is regulated by a number of laws enacted by Parliament, among other things the

Board and management



Regulations



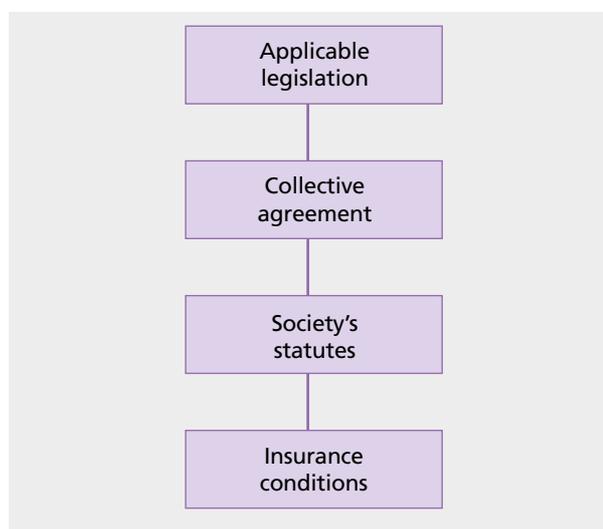
Friendly Societies Act and the Economic Associations Act as well as a large number of regulations and general advice published by the Swedish Financial Supervisory Authority. The regulations are based on the EU’s Institutions for Occupational Retirement Provision (IORP) Directive.

The society’s business is governed by statutes decided by the society’s Council of Administration. The statutes provide the basic conditions for operations and the limitations that apply.

Insurance conditions are determined by the current collective agreement and the society’s statutes. The statutes are available on the society’s website and information on applicable pension agreements will be found on arbets-givarverket.se or on one of the trade unions’ websites.

To ensure that we get calculations right and the conditions of all insurances are followed correctly, the society uses

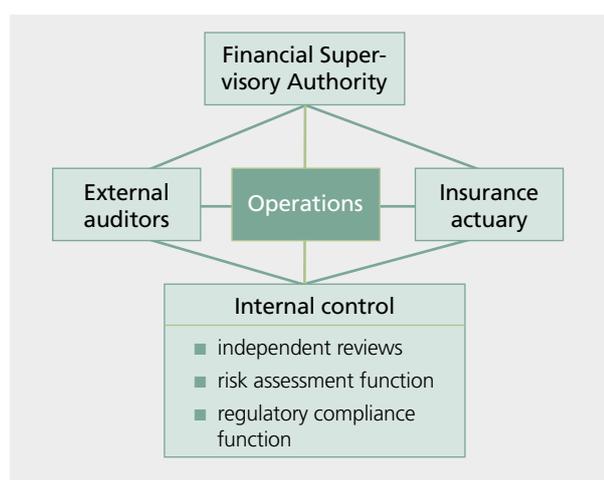
Insurance conditions



an actuary. The actuary is independently responsible to the Board and the Financial Supervisory Authority and is responsible among other things for calculating the value of the pension capital and the pension paid out. The actuary's work is based on the society's actuarial guidelines adopted by the Board.

The society's operations are continuously reviewed through internal controls which make risk assessments and specific analyses which are presented to the Board. Additionally, the Council of Administration appoints external auditors who review investment management and ensure compliance with applicable accounting regulations. The auditors present the result of their review to the Council of Administration each year. The Financial Supervisory Authority exercises oversight of the business.

Control and oversight



Kåpan Pensioner has a responsibility to follow current regulations towards its members, authorities and employees as well as other stakeholders. Deviation from or breaches of current regulations must generate an incident report and an assessment of risk and compliance with the regulations is regularly reported to the Board.

All employees are covered by Kåpan Pensioner's collected rules and when signing their contract of employment they commit to these and confirm in writing annually thereafter in conjunction with the regular training in the regulations, that they understand and follow the rules.

Kåpan Pensioner follows current laws and regulations regarding money laundering and also has internal rules that clarify work to prevent the business being used for money laundering and/or financing terrorism.

Stakeholder analysis

Kåpan Pensioner's most important stakeholders are the society's members and the parties to the collective agreements in the government sector, primarily the founder of Kåpan Pensioner, the Swedish Agency for Government Employers (Arbetsgivarverket), the Public Employees' Negotiation Council (OFR/S,P,O), the Swedish Confederation of Professional Associations (Saco-S) and the Service and Communication Union (Seko).

Kåpan Pensioner's statutes govern operations and the constitution of the Board. Individual members who wish to influence the society's operations and direction can make their views known to a local trade union representative, the trade union main office or one of the members of the Council of Administration. Employers in the government agreement sector can influence operations by contacting their representatives on the Council of Administration.

Within the framework of member contact with the coordinated customer service function, general queries are identified and merged into day-to-day operations. As part of its assignment, SPV continually carries out surveys of the members' assessment of operations and perceived needs as well as areas for improvement.

Employees are another stakeholder group who, together with suppliers, contribute to the development of the business. Continuous refinement and improvement are a condition for long-term positive development of operations.

Kåpan Pensioner is under the oversight of the Financial Supervisory Authority and pays tax on returns to the Swedish Tax Agency. This makes these authorities and agencies that decide on regulations significant stakeholders.

Stakeholder model



Taken as a whole, the stakeholder dialogue provides a good basis for the Board's work with making strategic decisions. The overall assessment is that the areas with highest priority are a long-term, good and stable level of pension payments and the lowest possible costs.

Governance and priorities in Kåpan Pensioner's sustainability work

Kåpan Pensioner's sustainability work is based in the society's statutes and the strategic direction decided by the Board. The current strategy for the society is given in the investment guidelines, technical provisions guidelines and rules for risk management decided by the Board. The President has operational responsibility for ensuring that sustainability work is carried out in practice and includes the entire business.

Sustainability work is conducted in three focus areas:

- Long-term sustainable products and services – Kåpan Pensioner shall offer resource-efficient and simple insurance solutions with a good balance between promises made and the risk in commitments made.
- Long-term sustainable investments – Investments are made based on achieving a good balance between returns and risk. Diversification and cost-effectiveness are key decision parameters. The society shall contribute to continuous improvement of work with sustainability and social responsibility based on those international conventions and agreements to which the Swedish Parliament and Government have chosen to be parties.
- Sustainable resource management – thrifty use of resources and environmental consideration shall permeate the entire organisation.

In a small organisation sustainability work must be integrated into ongoing operations and form a natural part of the responsibility of every employee and those decisions made in day-to-day business. Kåpan Pensioner is a member of SWESIF, the Swedish forum for sustainable development. The society continues to study becoming a signatory to UN PRI despite the society's limited administrative resources. However, the society supports the six Principles and tries to act on these at the same time as ensuring that external managers are signatories to UN PRI. The Principles are intended to cover ESG aspects of investments and are today a global industry standard for responsible investment. More information on the Principles can be found at unpri.org.

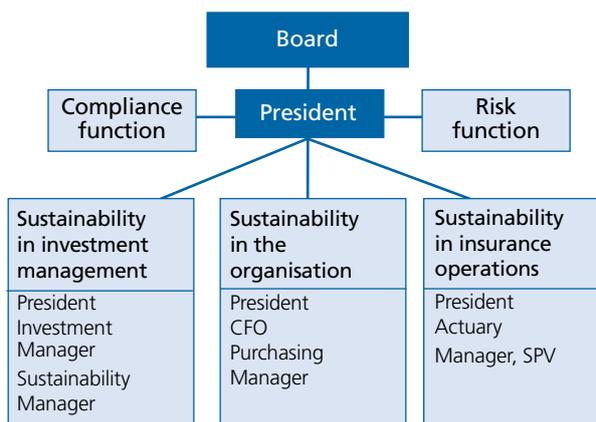
Sustainability work an integrated part of the organisation

Kåpan Pensioner's most important contribution to a sustainable society is to provide a secure pension at the lowest possible cost. The society belongs to its members and all surplus is returned to members in the form of higher pensions. Kåpan Pensioner's Board has the ultimate responsibility for the society's operations where sustainability work is an integrated part.

The President is responsible for operational execution of the strategic plan and goals set by the Board. Sustainability work is split into three areas: insurance, investments and organisation.

Within each area there is a group led by the President which meets at least four times a year. Sustainability work is governed by the strategy and goals set by the Board and the rules applying to the business. All employees are

Organisation structure for integrated sustainability work



responsible for ensuring that sustainability work is carried out as an integrated part of day-to-day operations.

The society's total long-term value creation

Kåpan Pensioner creates economic value for the members by providing stable and secure pensions at the lowest possible cost. The size of members' pension payments depends to a large extent on the long-term returns from investment management. At the same time a low cost base and high efficiency in the insurance operations contribute to value creation.

The statutory report on the insurance operations provided in the Annual Report is normally relatively difficult to understand for an ordinary member. Kåpan Pensioner's income comes among other things from premiums paid in by employers in the government agreement sector. This income is not of itself value creating since it is for the most part matched by costs in the form of guaranteed pensions and shares in the consolidation fund which members receive in conjunction with premium payments. This interplay is difficult to read in the report and there is a significant potential for improvement in the reporting rules for pension insurance businesses.

The value creation which the society contributes is the long-term positive returns on the society's investments combined with a falling cost base as a result of highly efficient operations. The largest actual costs which affect pension payments are tax on returns and the cost of investment and insurance management. Unlike many other actors in the pension business the society has only marginal costs for marketing.

The business has no other purpose than to create value for its members. Costs that do not make a positive contribution to that goal should be avoided even if they can contribute to job-creation and welfare in other parts of society, but it lies outside the remit which is to carry out the assignment as well as possible in relation to the members.

About the sustainability report

Kåpan pensioner försäkringsförening is a benevolent society with a pension insurance business. Members of the society are and can only be persons who are covered or have been covered by a pension agreement in the government agreement sector. This report covers all operations within the society. This year's report has not been subject to an external audit.

This sustainability report does not fully follow the rules of the Global Reporting Initiative G4 (GRI G4) but summarises the society's sustainability work. The society's operations are limited and relate to a restricted group of members and only one insurance product. The development of rules, guidelines, instructions and other governance documents is often suited to regulation of operations in extensive global and commercial businesses and the proportionality principle is often difficult to apply to the society's stakeholders. The society works continually with analysis of the conditions for a small efficient operation such as the society's to fully adjust to GRI G4. In addition, the society is following work on the introduction of Swedish legislation for sustainability reports and any resulting new guidelines.

This sustainability report has been approved by Kåpan Pensioner's Board.



LIST OF HOLDINGS

at 31 December 2016

Bonds and other fixed-income securities

	Assessed value, SEKm		Assessed value, SEKm
Länsförsäkringar Hypotek AB, 2020-09-16	2,283	Sveaskog Förv. AB, 2021-07-12	162
Swedbank Hypotek, 2015-09-21	1,539	Hexagon AB, 2020-09-17	160
Nordea Hypotek, 2020-06-17	1,514	Lundbergsföretagen AB, 2019-03-20	157
Stadshypotek, 2020-06-17	1,447	SAAB AB, 2018-12-10	157
Swedbank Hypotek, 2020-12-16	1,265	Husqvarna, 2021-05-03	154
SEB Bolån AB, 2020-06-17	1,017	Jönköpings Kommun, 2022-03-25	153
Länsförsäkringar Bank, 2021-09-15	971	Castellum, 2020-09-17	153
SCBC, 2020-06-17	897	Fortum värme Holding, 2020-09-17	152
Nordea Hypotek, 2019-05-21	801	AB Stena Metall Finans, 2020-11-27	151
Swedish Covered Bond, 2021-03-17	721	Leaseplan Corporation NV, 2019-04-05	151
Stadshypotek, 2021-03-17	637	Hemsö, 2019-04-08	151
Landshypotek AB, 2020-06-17	506	PostNord AB, FRN , 2019-06-12	150
Vasakronan, 2019-07-08	491	Nibe FRN, 2019-06-03	150
Stadshypotek, 2015-12-21	470	DNB Bank ASA, FRN	148
Landshypotek Bank 2020-06-17	406	Arla FRN, 2018-06-04	147
Hufvudstaden, 2021-12-08	399	Svenska Handelsbanken, 2017-07-17	136
Rikshem AB, 2020-11-18	356	SPARBANKEN SKÅNE FRN 2021-06-10	135
Nordea LT-2, 2020-09-17	353	AB Svensk Exportkredit, 2023-11-14	134
Telenor ASA, 2019-03-19	309	Svenska Handelsbanken, 2021-10-20	134
Nordea Bank AB, 2020-02-18	306	Sandvik AB, 2021-01-14	129
Danske Bank A/S, 2020-08-05	255	Volvo Treasury FRN, 2019-04-15	127
Tele2 FRN, 2021-05-11	255	Sveaskog "grön", 2021-03-01	126
Vasakronan, 2020-10-22	254	SBAB Bank LT2, 2025-06-11, Call 200611 FRN	125
Nordea Bank, 2020-03-12	252	Scania FRN, 2020-03-16	125
Vattenfall Treasury AB, 2022-11-01	249	LeasePlan Corporation N.V., 2020-09-10	123
Danske Bank A/S, 2023-12-08	237	Municipality Finance Plc Euro, AT-1, 2022-04-01	122
Luossavaara-KirunavaaAB, 2019-12-09	226	Willhelm, 2021-11-01	120
TVO Power Co, 2019-10-30	225	Stadshypotek, 2022-09-21, Lån 1586	120
SBAB Bank AB, 2021-01-27	219	Danske Bank Tier 1, 2049-05-29	118
Swedavia AB, 2019-10-02	215	TeliaSonera AB, 2023-11-08	118
Hemsö, 2022-10-26	207	Danske bank Tier 2, 2024-06-05	116
Vasakronan, 2019-04-15	206	Sandvik AB, 2021-10-11	111
Scania FRN, 2021-09-06	205	Castellum FRN, 2022-04-14	110
SBAB Bank, 2020-03-16	204	Postnord FRN, 2019-04-01	110
Willhem AB, 2020-01-27	204	Nibe AB FRN, 2020-05-28	109
Sv.Hyp.pension Fond 3 AB, 2020-01-27	204	Arla F Fin. gar.Arla Foods Amba, 2018-06-04	109
Volvofinans Bank AB, 2020-11-27	203	Länsförsäkringar AB, 2024-07-10 Covered	108
BMW, 2020-10-06	203	Sveaskog Förv. AB, 2020-01-22	107
Hemsö, 2019-10-21	203	Sveaskog FRN, 2020-01-22	106
SBAB, 2021-04-19	201	VOLVO treasury, 2019-04-15	106
Statnett SF, FRN, 2021-02-15	201	Alfalaval, 2019-09-12	105
Länsförsäkringar Bank AB, 2021-05-18	199	DNB NOR ASA Emtn, 2018-10-15	105
Länsförsäkringar Bank AB, 2021-01-27	197	Nykredit A/S Emtn, 2018-10-15	105
Vattenfall AT1 Call, 2022-03-19	196	Landshypotek, 2025-12-09	104
Länsförsäkringar Bank AB, 2020-02-03	194	Hufvudstaden, 2022-08-24	103
Fortum värme, 2022-05-19	173	Vasakronan, 2020-11-10	102
Vasakronan, 2021-11-15	171	DNB Boligkreditt AS, Cover	102
Spintab, 2020-12-01	165	Jernhusen, 2019-04-25	100
Vasakronan, 2021-12-15	163	Akademiska Hus, FRN, 2021-03-17	100

	Assessed value, SEKm		Assessed value, SEKm
LF-bank LT-2, 2026-04-26, call 210426	100	Hemsö Fastighets AB, 2018-10-24	52
Volvofinans FRN, 2021-06-22	100	Rodamco Sverige AB, 2018-12-10	52
Volvofinans, 2019-11-27	100	Electrolux AB, 2019-05-28	52
Volvofinans FRN, 2021-03-30	100	Nordea Hypotek, 2022-04-08	51
Jernhusen AB, FRN, 2023-09-19	100	Castellum Fixed, 2020-06-17	51
General Electric Capital Corp, FRN, 2021-12-08	100	Sparbanken Öresund, 2023-11-27, Call 181127	50
Jernhusen, 2021-10-25	100	Balder FRN, 2017-11-20	50
VOLVO hybrid EUR, 2020-06-10	99	AB Volvofinansbank, 2019-03-27	50
Sandvik FRN, 2020-01-14	91	Hexagon FRN, 2019-11-26	50
Jyske Bank, Tier 2, 2021-05-19	91	Credit Suisse AG, FRN, 2019-05-29	50
TVO EUR, 2023-01-13	85	ICA-gruppen AB, 2019-06-17	46
Tele2 FRN, 2022-03-16	85	DNB bank GBP, 2017-03-29	45
Ikano Bostad Stockholm Holding AB, 2019-03-25	84	Billerud FRN, 2018-03-27	44
Intrum Justitia, 2017-03-13	83	ICA-gruppen AB, 2018-06-25	41
TeliaSonera AB, 2019-12-04	82	SEB, 2017-12-21	40
LF bank FRN, 2019-11-18	80	Klövern FRN, 2018-03-04	40
Hexagon, 2019-11-26, Lån 103	79	Swedbank Senior, 2019-11-19	40
Elekta, 2020-03-26	76	Sagax, 2018-06-15	38
Willhem AB, 2019-02-19	76	Hexagon FRN, 2018-09-17	35
VOLVOFINANS, 2021-10-25	75	Husqvarna FRN, 2021-05-03	30
Länsförsäkringar Bank AT-1, 2020-06-09 FRN	75	Leaseplan Corp NV, 2019-04-05	30
Danske Bank, Tier 2, 2019-06-05	75	TVO FRN, 2020-03-17	25
Balder FRN 3m + 140, 2018-05-21	73	Jyske Bank AT1 FRN, 2021-09-16	20
Arla F Fin. gar.Arla Foods Amba, 2019-05-19	68	Husqvarna FRN, 2019-05-03	20
Sampo OUY, 2019-05-24	67	SHB LT-2, 2017-10-12	15
Sveaskog Förv. AB, 2024-03-06	57	Castellum FRN, 2019-06-07	15
SAAB AB, 2019-12-12	52	Scania CV AB, 2020-03-16	10

Fixed-income-related funds

	Assessed value, SEKm
Global Evolution Frontier Markets	275
Wellington ELD Fund	265
Cheyne TRCF 2019	218
Nordea International High Yield Bond Fund	213
Napier Park European Credit Opportunities Fund	211
Julius Baer Local Emerging Bond Fund	208
M&G Lpan Fund European	203
Danske/Symphony US Loans	187
Deutsche Bank CLN Trafin 2015-1	182
ICG Total Credit Fund	153
Mercer Global High Yield Bond Fund, M-4	121
Cheyne TRCF 2020	108
Danske Invest European HY	104
Tetragon CLO Equity Fund II	47
Highland Credit Opportunities Fund	29

Listed shares

	Assessed value, SEKm		Assessed value, SEKm
Nordea Bank	1,063	Tele2 B	109
Hennes & Mauritz B	1,019	Millicom International Cellular	97
Investor B	712	Saab B	95
Hemfosa Fastigheter AB	696	Volvo A	89
Swedbank A	645	Getinge B	85
SHB A	642	Swedol	85
SEB A	528	Billerud Korsnäs	84
Atlas Copco A	527	Swedish Match	84
Volvo B	511	Axfood	79
Assa Abloy B	485	Elekta B	78
Ericsson B	435	Swedish Orphan Biovitrum AB	75
SCA B	432	Castellum	75
Telia Company	421	Hexpol B	73
Sandvik	389	Husqvarna B	71
Hexagon B	312	SSAB B	70
Atlas Copco B	305	Balder B	65
Skanska B	261	Fabege	65
Electrolux B	210	Castellum	59
ABB Ltd	201	Intrum Justitia	58
Autoliv Inc	195	NCC B	56
AstraZeneca	186	Holmen B	52
SKF B	186	JM	50
Boliden	171	Modern Times Group B	43
Lundin Petroleum	170	Industrivärden C	37
Alfa Laval	166	Betsson B	28
Securitas B	153	Stora Enso R	22
ICA	147	Lundin Mining SDB	17
Kinnevik B	120	Husqvarna A	15
A Group Of Retail Assets Sweden AB	118	SSAB A	13
Trelleborg B	115		

Equity funds

	Assessed value, SEKm		Assessed value, SEKm
SSGA S&P 500	3,030	JPMorgan European Small Cap Eq fund	168
SSGA Enhanced Emerging Markets Equity Fund	2,214	RBC Emerging Markets Equity Fund	156
SSGA S&P 500 Equal Weight Index	1,516	SSGA MSCI Canada	139
SSGA Multifaktor Global Equity Fund	1,176	Nordea Stabila aktier EM	139
SSGA World SRI Index Eq Fund	975	JPMorgan EM Opportunities Fund	126
SSGA MSCI Japan Index Equity Fund	888	SSGA EM Managed Volatility	125
SSGA FTSE RAFI	737	Iridian US Mid Equity Fund Value	103
SSGA MSCI Europe Index	530	SSGA MSCI HK Passive EQT	101
SSGA Europe Index Fund	446	State Street Switzerland Index Equity Fund	91
SSGA Emerging markets Select Equity Fund	371	SSGA Europe Managed Volatility Equity	88
SSGA Emerging Markets Small Cap Active	363	Montanaro European Mid Cap Fund	82
Montanaro European Smaller Companies	315	Goldman Sachs China Fund	67
Nordea Global Stable Equity Fund	270	SSGA MSCI Germany Index	67
SSGA MSCI AUS EQ INDX	230	ETF US Financial Sector SPDR NPV	39
SSGA Global Managed Volatility Equity	228	SSGA MSCI Singapore Index	39
Banque de Luxembourg European Eq	211	ETF US Industrial Sector SPDR	38
SSGA Small Cap Index plus	207	Goldman Sachs India Eq Fund	36
SSGA Russell 2000 Index	193	ETF SPDR MSCI World Consumer Staples	35
Aberdeen Emerging Markets Eq Fund	185	ETF SPDR MSCI World Health Care Sector	30
SSGA UK Index Equity Fund	168	ETF Ryssland	29

Negative listed holdings to neutralise indirect holdings in funds listed above

Negative holdings	Assessed value, SEKm
Wal-Mart Stores	36
Boeing	22
Lockheed Martin	17
Freeport-McMoRan	11
L-3 Communications Holdings	6
Motorola Solutions	6
Textron	5
Barrick Gold	3
Potash Corp of Saskatchewan	2
Incitec	1
Agrium	1
Singapore Tech	1
Orbital ATK	0

Unlisted holdings and property funds

	Assessed value, SEKm		Assessed value, SEKm
Bergviks Skog AB	1,652	ACM Permanent Crops	158
Handelsfastigheter i Sverige AB	1,354	Advent GPE VI-A	154
JP Morgan Infrastructure Fund	955	Global Infrastructure Partners	149
Stenvalvet AB	772	Midstar Hotels AB	148
Rockspring German Retail Box Fund	464	Phaunos Timber Fund	147
Cheyne Real Estate III	404	Areim Fastigheter 2	146
Molpus Woodlands Fund IV (Cayman), L.P.	299	First Reserve Energy Infrastructure Fund II	143
Antin Infrastructure Partners Fund II	292	Goldman Sachs Infrastructure	129
Profi IV	290	Siguler Guff COREplus II	123
Landmark Real Estate Partners VII Offshore, L.P.	279	Welsh, Cason, Anderson & Stowe XII	107
Portfolio Advisors Secondary Fund II	276	EISER Global Infrastructure Fund	105
Southern Pastures LP	257	Profi III Infracity AB	102
Molpus Woodland Fund III	257	HG Capital 6	100
InfraRed AREF III	241	White Peak Real Estate II	98
Bergvik Skog AB, FLG	239	Perella Weinberg Property Fund III	93
Newbury Equity Partners III	216	LGE Fund	87
Energy & Minerals Group Fund III	211	Portfolio Advisors Secondary Fund	82
Profi III Infracity Aktieägarlån	210	Triton III Fund	80
Gottex Real Asset Fund	203	Goldman Sachs Vintage Fund V	74
Portfolio Advisors Priv Eq Fund V	196	Goldman Sach Cap Partn VI Priv Eq	74
Sveafastigheter	196	Portfolio Advisors Pan Asia Fund II	65
EMG Midstream & Resources (Fund I)	190	Warburg Pincus Private Equity XII-E	64
Cheyne Real Estate Credit holdings Fund	185	White Peak Real Estate I	57
GMO Horizon Forestry Fund	176	Areim Fastigheter 2	52
TA Associates XI	172	White Peak Real Estate III	52
Perella Weinberg Real Estate Fund II	172	Natural Gas Partners IX Fund	39

Holdings below an estimated value of SEK 10m and which are being considered for sale or liquidation are excluded.

KÅPAN PENSIONER

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