



A good pension for all generations

Half-year Report 2025

Result first half of 2025

Andra AP-fonden reported a total return of 0.4 percent, after costs, for the first half of 2025. The result amounted to SEK 1.6 billion and the Fund capital amounted to SEK 458 billion at the end of the first half of 2025. Over the past ten years, the Fund has returned an average of 5.8 percent per year and over the past five years an average of 6.3 percent per year, after costs.

458 SEK billion

Fund capital 30 June 2025.

O.4%

Total portfolio return after costs, first half of 2025.

1.6 SEK billion

Result first half of 2025.

5.8%

Since its inception in 2001, the Fund has generated a total result of SEK 389.5 billion, which corresponds to an average annual return of 5.8 per cent, after Fund expenses.

Key ratios

	Jan-Jun 2025	Jan-Jun 2024	Jan-Dec 2024
Fund capital carried forward, SEK billion	458.0	445.8	458.9
Net result for the period, SEK billion	1.6	20.6	34.9
Net outflows to the national pension system, SEK billion	-2.4	-0.9	-2.0
Fund capital brought forward, SEK billion	458.9	426.0	426.0
Asset management costs: operating expenses, %	0.06	0.07	0.07
Asset management costs: commission expenses, %	0.02	0.01	0.01
Total asset management costs, %	0.08	0.08	0.08
Return after costs, %	0.4	4.9	8.2
Real return after costs, %	-0.2	4.2	7.3
Annualised return after costs, 5 years, %	6.3	5.5	5.2
Annualised return after costs, 10 years, %	5.8	6.6	6.3
Real annualised return after costs, 10 years, %	2.8	3.6	3.3

Unless otherwise stated, the portfolio assets referred to in this report are "allocated exposures". In addition to booked fair values, these also refer to allocated (but not yet invested) liquidity for the specific class of asset, and the liquid funds held as collateral for positions already taken in derivative instruments. Classes of asset, derivative instruments and liquid funds are reported individually in the balance sheet at their fair values. All monetary amounts are expressed in Swedish kronor and abbreviated as SEK k (thousand), SEK million or SEK bn, in accordance with the Swedish Language Council's recommendations. Figures in parentheses refer to the same period of time preceding year.

A volatile first half of the year in the global economy

The first half of 2025 has been a period of major fluctuations in global stock markets, driven primarily by politics rather than economic developments.

The expectation at the start of the year was that the new US administration would pursue a growth-friendly policy and that developments in both the real and financial economies were exceptional in the US. Risk assets consequently performed strongly in the beginning of the year, but they were negatively impacted by Trump's tariff announcement in early April. Global stock markets fell sharply but have since recovered significantly as tariffs have been postponed and renegotiated. At the same time, the US economy has continued to surprise on the upside and, although inflation is still above target, direct effects of

the tariffs have not been realised. Interest rate developments have occasionally been driven by concerns about the US budget deficit, but for the first half of the year as a whole, long-term interest rates are largely unchanged while the US dollar has lost value significantly.

The overall development for the Fund was slightly positive, with equities and credit bonds in emerging markets developing strongly, while our exposure to real assets has shown weaker development. Exposure to foreign currencies has weighed on the result due to a strong Swedish krona.

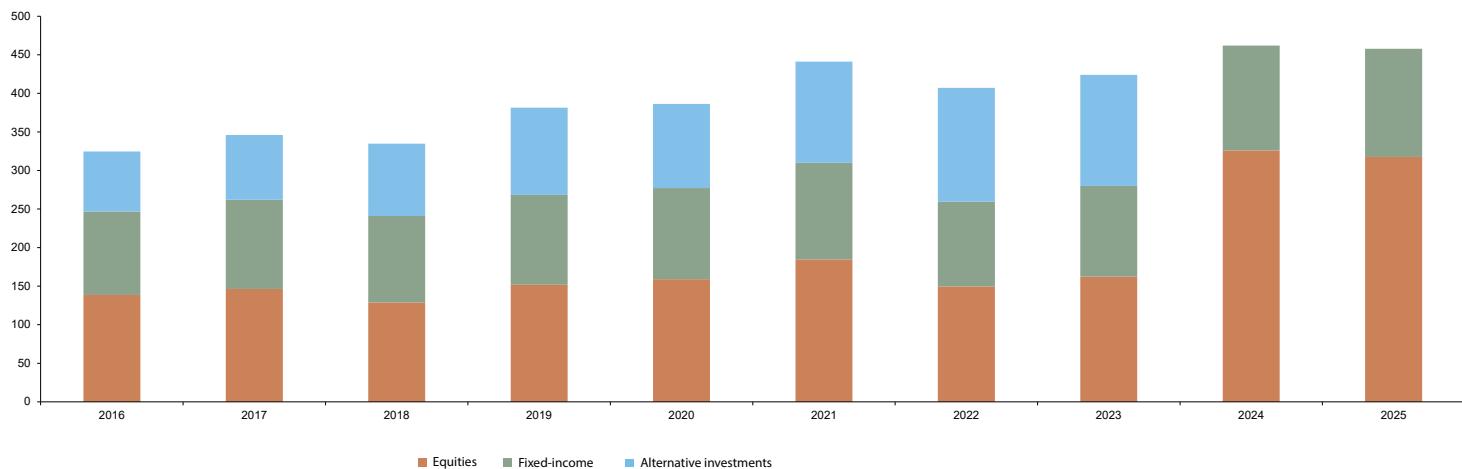
Asset class exposure and return 30 June, 2025

Asset class	Actual portfolio exposure		
	%	SEK billion	Return, %
Equities			
Swedish equities	10.5	48	3.6
Developed markets equities	21.2	97	3.7
Emerging markets equities	9.1	42	5.8
Private equity	12.0	55	0.9
Real assets	16.5	76	-1.8
	69.3	318	2.2
Fixed-income securities			
Government bonds in developed markets	12.3	56	1.6
Credit bonds in developed markets	9.8	45	3.1
Bonds in emerging markets	5.0	23	4.4
Non-listed credits	3.6	16	3.0
	30.7	140	2.7
Foreign exchange contribution			-1.9
Other*	0	0	
Total	100	458	0.4
Currency exposure		29.6	

* Market value currency hedging, overlay and absolute return.



Fund capital development 2016 – 30 June 2025, SEK billion *



* During the first half of 2024, the Fund implemented a change in the portfolio structure, after which alternative investments are included in the asset classes equities and fixed-income assets.

Income statement

SEK million	Jan-Jun 2025	Jan-Jun 2024	Jan-Dec 2024
Operating income			
Net interest income	2 469	2 171	4 723
Dividends received	3 184	2 758	4 602
Net income, listed equities and participations	8 808	13 696	18 491
Net income, unlisted equities and participations	1 312	4 063	6 074
Net income, fixed-income securities	1 850	-1 152	617
Net income, derivative instruments	-3 806	-1 619	-3 368
Net income, foreign exchange gains/losses	-12 052	909	4 093
Commission expenses, net	-44	-29	-73
Total operating income	1 721	20 798	35 159
Operating expenses			
Personnel expenses	-90	-92	-174
Other administration expenses	-56	-57	-117
Total operating expenses	-146	-149	-291
NET RESULT FOR THE PERIOD	1 575	20 648	34 868

Balance sheet

SEK million	30 Jun 2025	30 Jun 2024	31 Dec 2024
Assets			
Equities and participations			
Listed	184 676	178 237	181 961
Unlisted	131 970	139 010	146 895
Bonds and other fixed-income securities	132 567	121 998	129 335
Derivative instruments	4 796	4 508	2 508
Cash and bank balances	7 990	3 528	5 502
Other assets	335	348	40
Prepaid expenses and accrued income	2 636	2 373	2 495
TOTAL ASSETS	464 970	450 002	468 736
Fund capital and liabilities			
Liabilities			
Derivative instruments	2 542	1 343	8 913
Other liabilities	3 644	2 325	147
Deferred income and accrued expenses	735	512	792
Total liabilities	6 921	4 180	9 852
Fund capital			
Fund capital carried forward	458 884	426 040	426 040
Net payments to the national pension system	-2 410	-866	-2 024
Net result for the period	1 575	20 648	34 868
Total Fund capital	458 049	445 822	458 884
TOTAL FUND CAPITAL AND LIABILITIES	464 970	450 002	468 736

Ten-year performance review

SEK million	30 June 2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Fund capital, flows and net result, SEK m										
Fund capital	458 049	458 884	426 040	407 112	441 045	386 350	381 350	334 828	345 931	324 522
Net outflows to the national pension system	-2 410	-2 024	-4 833	-4 689	-7 528	-7 902	-6 520	-6 773	-7 375	-6 637
Net result for the period	1 575	34 868	23 761	-29 244	62 349	12 776	53 042	-4 330	28 784	30 535
Return, %										
Return on total portfolio excl. commission and operating expenses	0.4	8.3	6.0	-6.6	16.4	3.7	16.1	-1.2	9.1	10.5
Return on total portfolio incl. commission and operating expenses	0.4	8.2	5.9	-6.7	16.3	3.5	15.9	-1.3	9.0	10.3
Annualised return after costs, 5 years, %	6.3	5.2	6.6	5.2	8.5	7.3	7.4	6.9	9.8	10.6
Annualised return after costs, 10 years, %	5.8	6.3	6.8	7.4	9.5	7.7	8.4	8.8	6.0	5.5
FX exposure, %										
FX exposure	30	24	22	23	34	34	34	32	33	31
External management, %										
External management	20	20	17	21	18	20	19	17	17	17
Total asset management costs, %										
Asset management costs operating expenses	0.06	0.07	0.07	0.06	0.06	0.06	0.07	0.06	0.06	0.07
Asset management costs, incl. commission expenses	0.08	0.08	0.09	0.11	0.11	0.14	0.15	0.14	0.15	0.15
Number of employees	69	70	68	69	68	71	71	70	67	66

Stewardship

Andra AP-fonden voted at general meetings of 1 081 companies during the first half of 2025, of which 85 Swedish listed companies and 996 global companies. This means that the Fund voted for just over 80 per cent of the value in the Swedish equity portfolio and for 85 per cent of the global equity portfolio.

Swedish listed equity portfolio

The Fund has supported the majority of the proposals of boards and nomination committees at this year's general meetings. However, in 21 cases we have voted against proposals, primarily concerning incentive programs, board fees, election of board members and shareholder proposals.

Ahead of the AGM season, there was a discussion in the Swedish market regarding the level of board fees. The Fund bases its voting on case-by-case analyses that take into account comparable companies, the company's development phase, the need for expertise and historical fee development. In four companies, this has meant that the Fund has voted against proposed fee increases.

Ahead of the 2025 AGM season, the Fund has been represented on the nomination committees of 15 listed companies.

Global listed equity portfolio

The Fund has voted in global companies in a total of 41 countries, with the largest representation in the US, Japan and India.

Together with AP1, AP3 and AP4, we have further nuanced the common global voting policy ahead of the 2025 AGMs. For example, we are more clearly showing our potential dissatisfaction with issues related to auditor independence and remuneration programs where remuneration is not related to performance criteria.

With voting as an important tool, we want to convey our view on a broad range of issues, related to both corporate governance and sustainability issues. During the period, the Fund voted in line with 82 per cent of the Boards' recommendations. In cases where we voted against proposals, this has mainly been due to misalignment with the AP Funds' common voting policy.

The Fund has maintained its view that diversity in boards and management is of great importance for creating value in companies. We therefore indicate through our voting whether gender, race or ethnicity are taken into account and board nominations.

The Fund's voting is published on the Fund's website www.ap2.se.

Accounting and valuation principles

The interim report has been prepared in accordance with the accounting and valuation principles drawn up jointly by the First to Fourth AP Funds. The principles are outlined on page 72 in the 2024 Annual Report.

This report has not been subject to special examination by the Fund's auditors.

Board of directors

Anna-Karin Jatko took office as the new Chair of AP2's Board on 20 March 2025. She replaced Jan Roxendal who left the Board on 30 April after eight years. Catrina Ingelstam took office as a new member of AP2's Board on 30 April.

Next reporting period

The Annual Report for the financial year 2025 will be published in February 2026.

Göteborg, 28 August 2025

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AP2

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