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Keva's Interim Report 1 January – 31 March 2015:

Keva's investments perform strongly – return 7.5%

Keva, which is responsible for the funding of local government pensions and the investment of pension assets, recorded a 7.5% return on investments, i.e. EUR 3,143 million, for the first three months of the year. The market value of Keva's investments at the end of March was EUR 45.2 billion compared to EUR 38.6 billion a year earlier.

CEO **Jukka Männistö** describes Keva's first-quarter investment performance as exceptionally good.

“The year in investments started off with mixed expectations. Interest rate levels had plummeted below anything ever seen before in terms of yields. The equities market had moreover been bullish for several years since the financial crisis. We can therefore be very happy with our investment performance,” Männistö says.

The market value return on investments was 7.5% in the first quarter of the year. Listed equities and equity funds yielded a return of 15.8%, fixed income investments 2.7% and real estate investments (including real estate funds) 1.4%. Among the smaller asset categories, private equity investments returned 4.8% and hedge funds 3.0%.

Fixed income investments (including the impact of derivatives) accounted for 41.3%, listed equities and equity funds for 40.1% and real estate investments for 6.1% of Keva's entire investment portfolio. Private equity investments accounted for 6.1% and other investments, primarily hedge funds, for 6.3%.

“The start of the current year has been very lucrative for investors in markets including Europe. Yet at the same time, this development is raising increased concerns over what the future holds. The European Central Bank's actions in particular have bolstered higher-risk investments. At some point in the future, investors too may be looking at a return to harsh realities,” estimates CIO **Ari Huotari**.

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The figures presented in this release are unaudited.