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Keva's Interim Report 1 January – 31 March 2024

Healthy start to the year for Keva

Keva, which is responsible for the funding of local government and wellbeing services county pensions and for the investment of pension funds, reported a return on investments of 3.7%, or more than EUR 2.4 billion, for the first quarter of 2024. At the end of March, Keva's investments had a market value of EUR 67.7 billion, compared to EUR 62.5 billion a year earlier.

Of the different asset classes, listed equities generated a return of 6.5%, hedge funds 5.1% and private equity investments 2.5%. Fixed income investments generated a return of 1.0% and real estate investments (including real estate funds) 0.2%.

Keva CEO **Jaakko Kiander** says that the year began on a fairly strong note in the capital markets.

"Nor has geopolitical unrest had hardly impact on the markets. In addition, equity markets in particular have been supported by expectations that key central banks will cut interest rates. Nevertheless, the economic outlook remains uncertain, especially in Europe," Kiander assesses.

In the allocation of Keva's total investment assets (including the impact of derivatives), listed equities and equity funds accounted for 38.1% and fixed interest investments for 26.4%. Of the other asset classes, private equity investments accounted for 19.1%, hedge funds for 6.9% and real estate investments for 6.7%.

Keva's long-term return on investments has been good. The cumulative capital-weighted real return on investments since funding began in 1988 to 31 March 2024 was 3.8% per year. The average real return, excluding capital weighting, over the same period was 4.9%. Keva's real return, excluding capital weighting, has been 2.4% over the past five years and 3.8% over the past ten years

CIO **Ari Huotari** points out that despite expectations directed at central banks, interest rate cuts are still nothing more than expectations.

"Of course, interest rate cuts are likely during the course of the year, but central banks have their eyes firmly on inflation developments. On top of

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which, changes in the geopolitical situation may also trigger major surprises in the capital market situation," Huotari says.

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First in Finland: Pension proposal now available from Keva

Keva customers can now order a pension proposal and a reminder of their approaching old-age retirement. Customers whose retirement age has been confirmed but who have not yet reached their lowest old-age retirement age can order a pension proposal. The proposal currently applies to customers born between 1960 and 1964.

Pension proposals can be ordered well in advance. The customer will then receive a reminder from Keva that their old-age retirement is approaching approximately three months before the date of their choice. In addition, the customer will receive a pension proposal containing as accurate information as possible on the amount of their old-age pension.

[Read more about the pension proposal](#) (In Finnish and Swedish)

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The figures in this release are unaudited.