



SWEDISH PENSIONS AGENCY

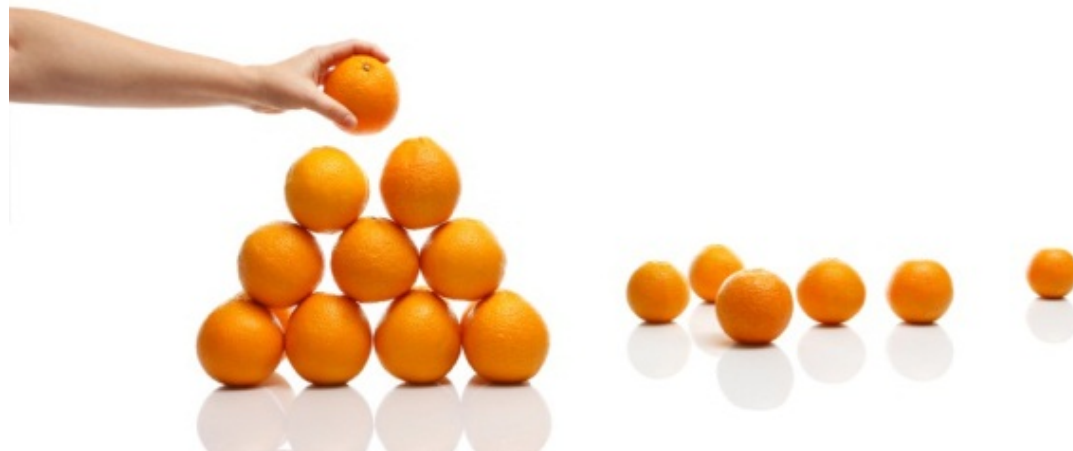
Europe Calling – Pension webinar 22 Feb.

Mats Öberg, Head of fund unit

Our mission

Government authority.

We manage and pay out the national retirement pension, and also provides general as well as specific / individual pensions-related information and guidance.

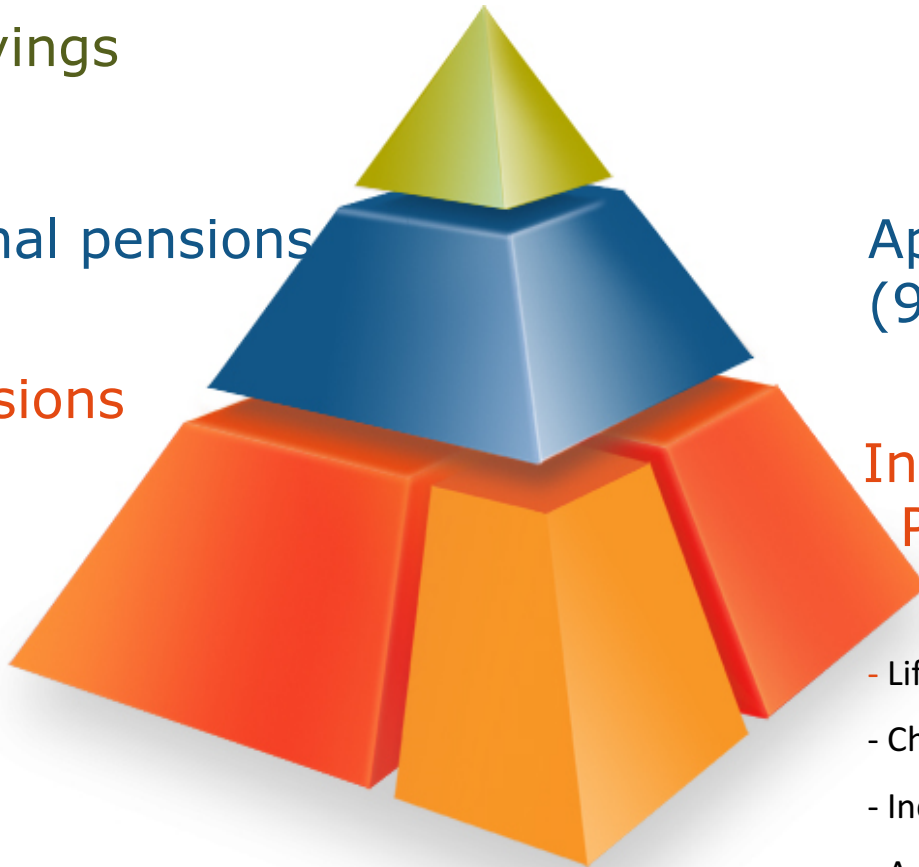


Swedish Pensions

Private savings

Occupational pensions

Public pensions



Approx. 4,5%
(90% of employees)

Income pension 16%
Premium pension 2,5%

- Lifetime earnings
- Changes when life expectancy changes
- Indexed by average wages growth
- Automatic Balancing Mechanism
- Compulsory system

The Orange Envelope



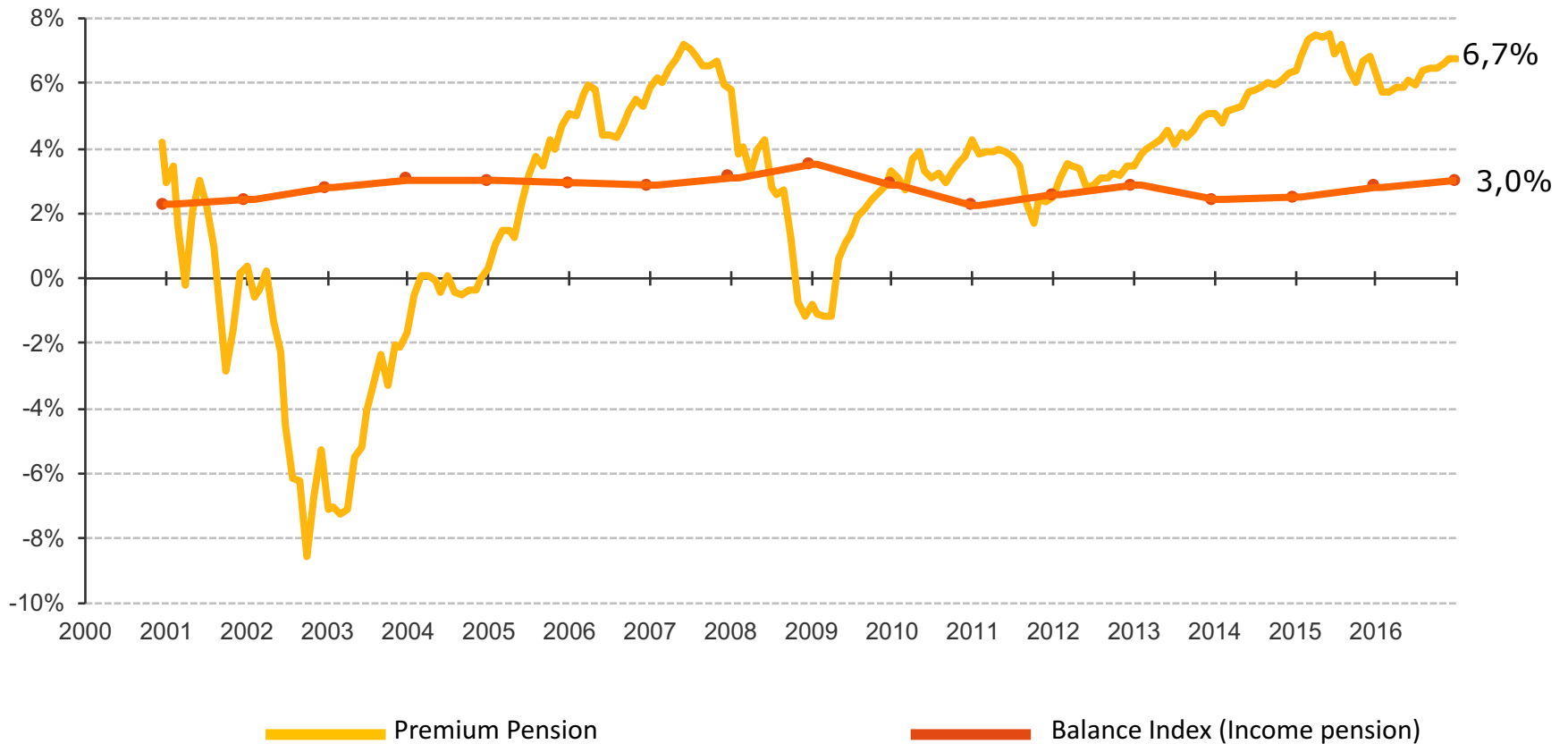
- Annual statement – last year's contribution
- Total savings (public pension)
- Premium Pension fund values
- Forecasts at different ages
- 7,2 million members receive the orange envelope in 2017
- +300 BSEK annual payments to 2 mill pensioners

Premium Pension (FDC)

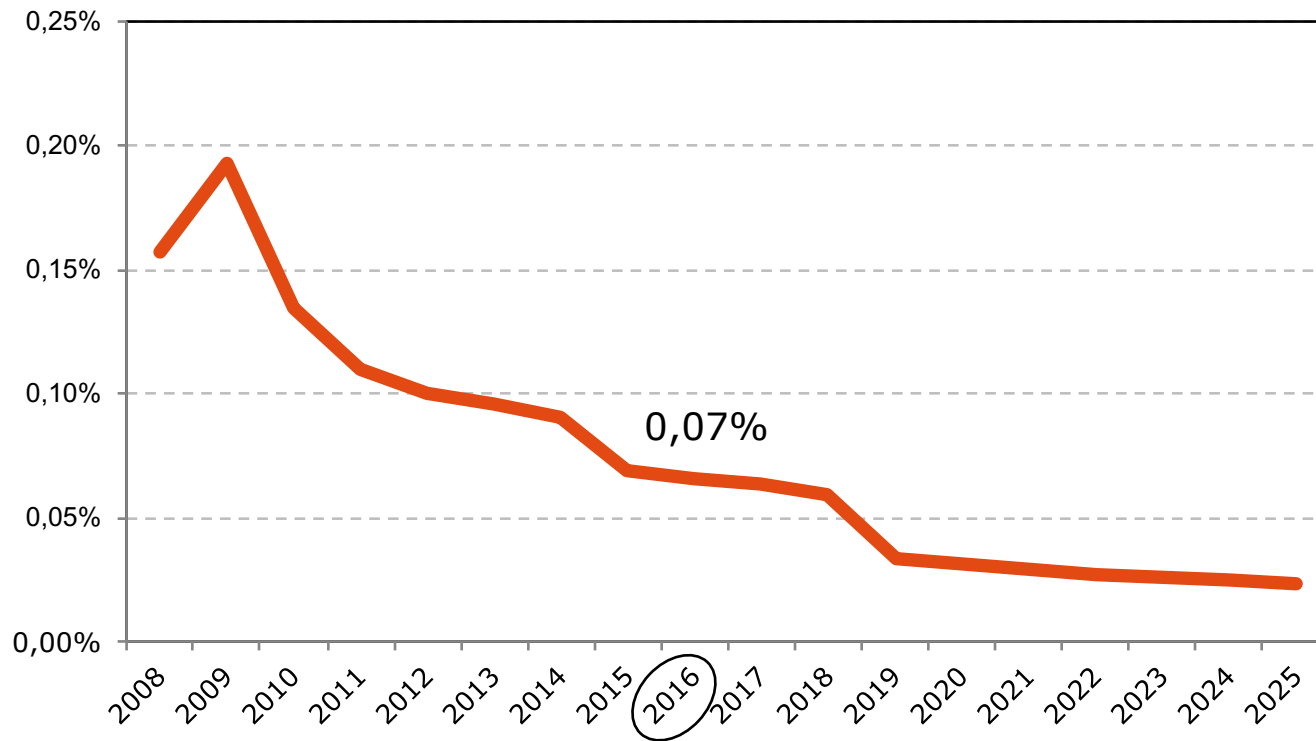
- Some 850 funds from 109 fund managers to choose.
- You can choose 5 funds
- Default fund provided by the government (AP7)
- The worth a month ago was SEK 1000 BSEK. (435 BSEK in 2011).
- At the start in 2000 about 2/3 were active in their choice
- At present 2-3% of the newcomers choose in their first year
- Some 50% have made an active choice; representing about 70% of capital
- The yields for the funds have so far been better than the index for the Income pension

Annual return
+ 6.7%

Performance from start (2000-2016)

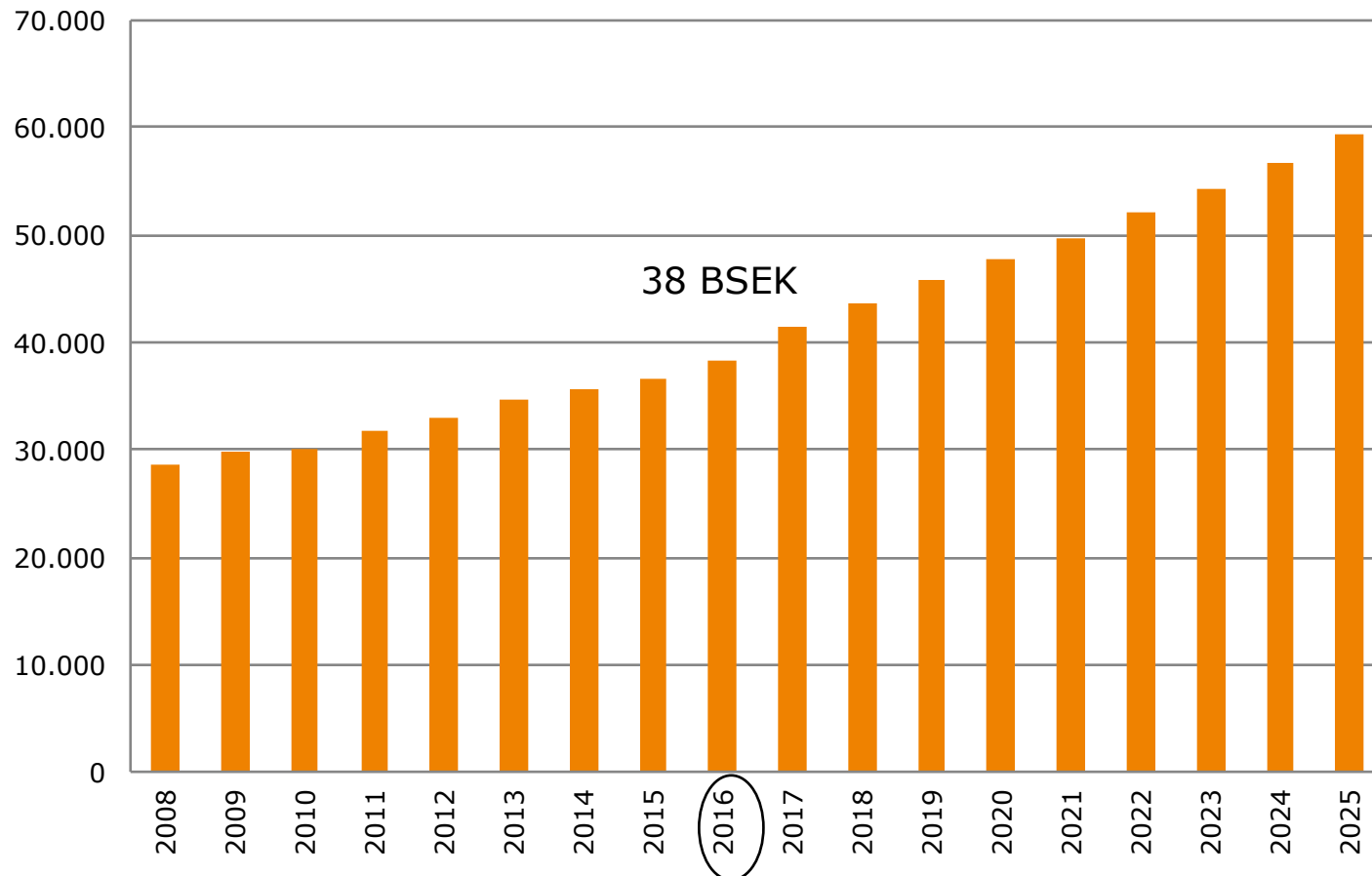


Costs of Administration – Premium Pension

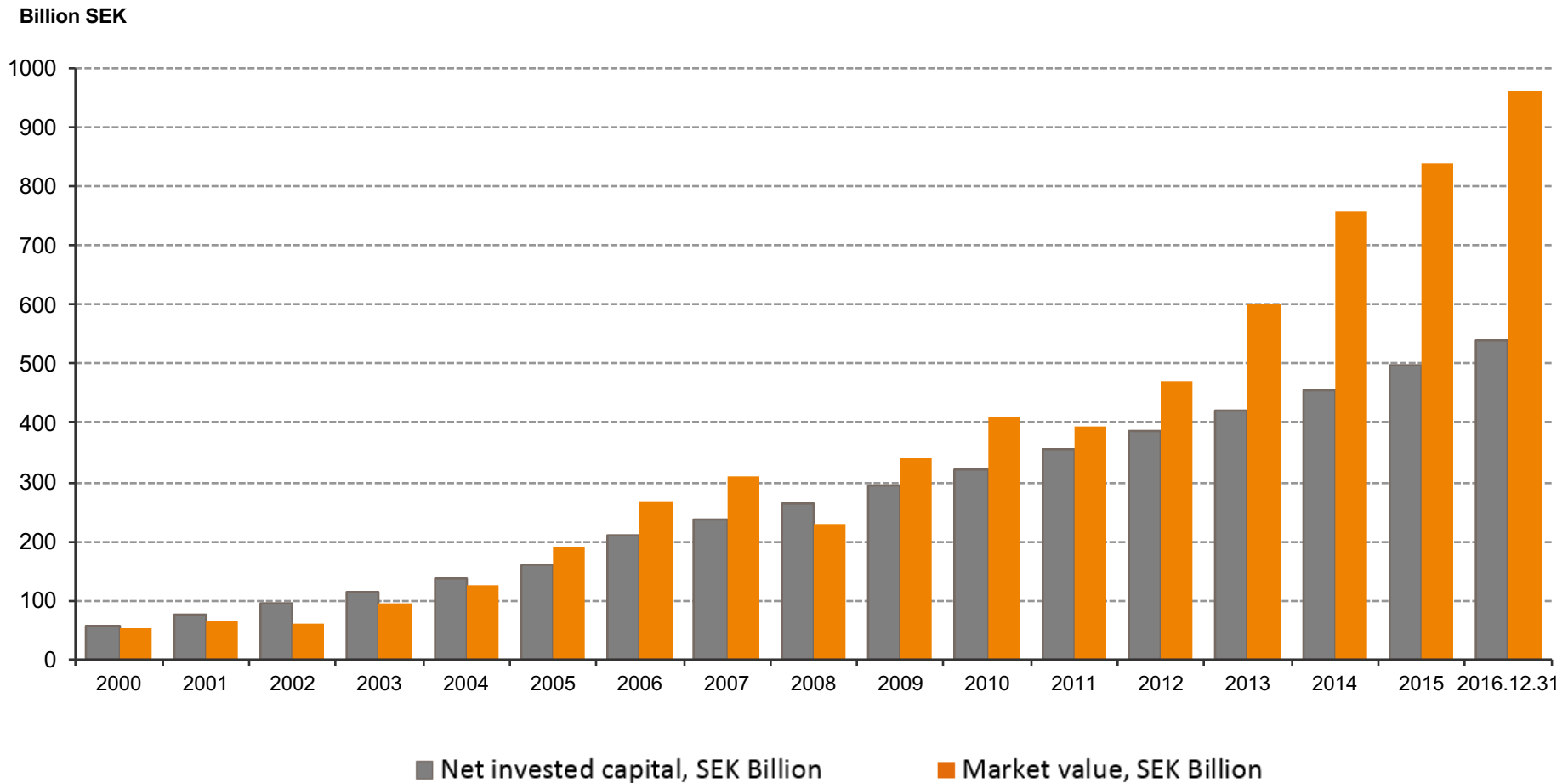


New Pension Credits for the Premium Pension

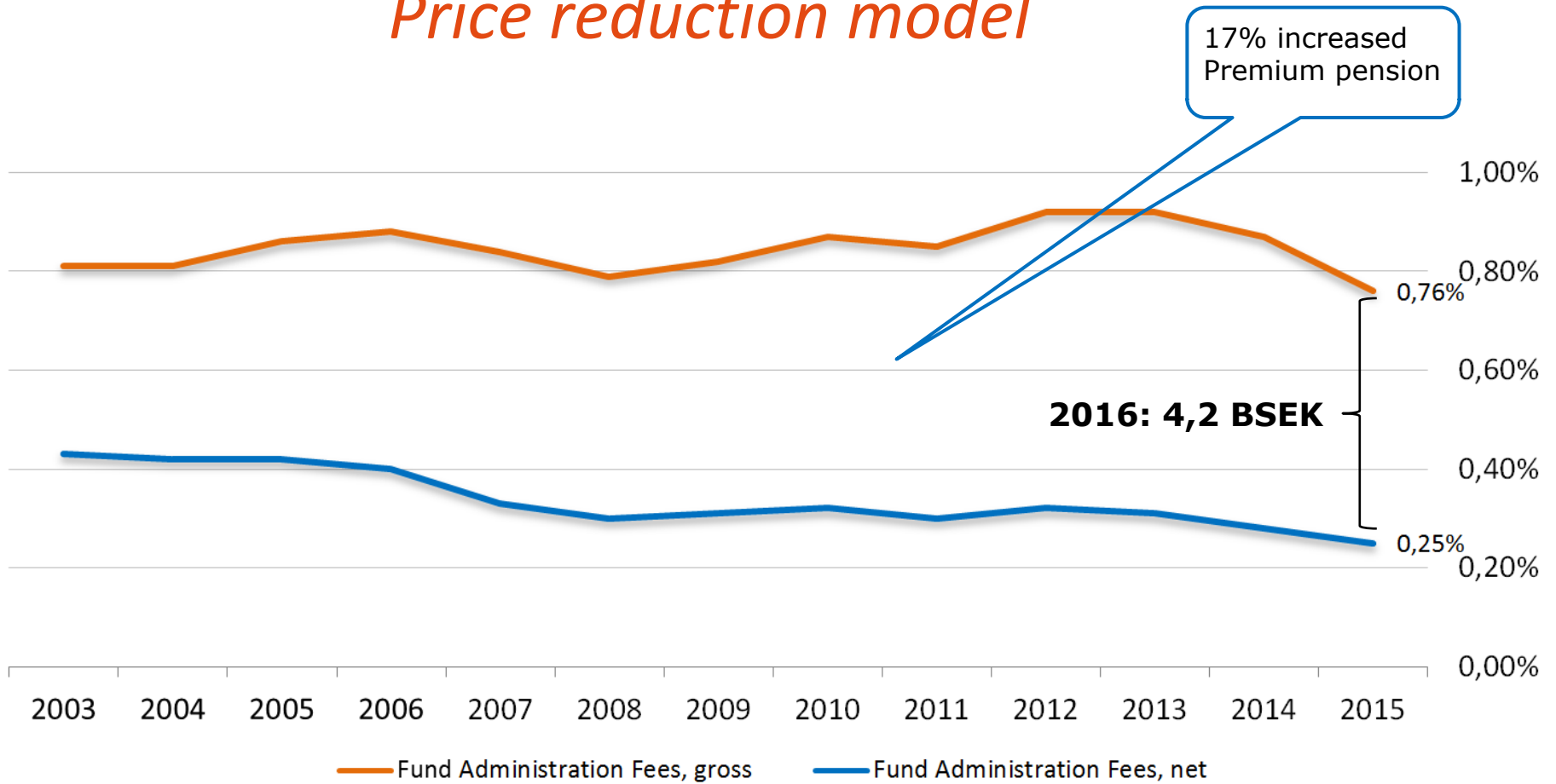
Million SEK



Premium Pension - Fund Value



Fund Administration Fees – Price reduction model



Price reduction model, modified 2015

One of the most substantial rebates - 2/3 of gross fee paid back to savers.

Rebate	0 %	65-90 %	100 %
	Free cost withdrawal	Varying discount	Full rebate
To the Fund Manager	100 %	10-35 %	0 %
	<u>Lower limit:</u> 0.15 % - Equity fund 0.15 % - Other fund 0.10 % - Fixed income fund	<u>The rebate level is based on our total investment in the Fund Managers fund's</u> 0 - 1000 MSEK = 65% 1000 - 5000 MSEK = 75% 5000 - 10000 MSEK = 85% 10000 - = 90%	<u>Upper limit:</u> 2.25% - Equity fund 1.50% - Other fund 1.00% - Fixed income fund

Calculated on ongoing charges


Introducing a Ceiling for Fund Fees

- We have improved our price reduction model with a ceiling level for fund fees (gross)
 - 1.0 % for Fixed Income funds (0.42 % net)
 - 2.25 % for Equities (0.89 % net)
 - 1.5 % for Others (0.62 % net)
- Save appr. € 16.5 million per year in lower fees (2016)
- Came into force January 1st 2015

The 10 Largest Funds (31 Dec, 2016)

	Market value	Return, %
<i>AP7 Såfa - Statens årskullsförvaltningsalternativ</i>	327 865 407 090	6-17
<i>Didner & Gerge Aktiefond</i>	23 021 103 899	16
<i>Swedbank Robur Transfer 80</i>	19 690 860 671	9
<i>AMF Aktiefond Sverige</i>	19 052 405 672	9
<i>Swedbank Robur Transfer 70</i>	18 252 180 432	7
<i>Swedbank Robur Technology</i>	16 190 734 330	13
<i>AMF Aktiefond Världen</i>	16 091 275 428	11
<i>Nordea Generationsfond 60-tal</i>	13 961 708 225	12
<i>Swedbank Robur Aktiefond Pension</i>	13 245 921 659	10
<i>Nordea Generationsfond 50-tal</i>	11 520 797 801	7

Big issues

- Premium Pension:
 - Number of funds - Guidance
 - Fund choice confirmation – Passive savers
 - Criminal and improper conduct
- Retirement ages vs longevity : 61-65 years  ???