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**Keva's Interim Report 1 January to 30 September 2017****Keva reports good investment performance**

Keva, which is responsible for the funding of local government pensions and the investment of pension assets as well as for looking after pension matters for the entire public sector, recorded a 5.3 % return on investments, i.e. EUR 2.6 billion, for the first nine months of the year. The figure for January – September last year was 4.2 %. The market value of Keva's investments at the end of September was EUR 50.9 billion, while the corresponding figure a year earlier was EUR 46.6 billion.

"The difference between the pension contributions from employers and employee customers and the pensions we pay will turn slightly negative this year according to our estimates, for the first time in the history of Keva. The future development is evident though, i.e. our investment returns and later on capital from the pension liability fund will be needed increasingly to pay pensions", estimates CEO **Timo Kietäväinen**.

The return on investments at market value was 5.3 % during January – September. Fixed income investments yielded 1.9 %, and listed equities and equity funds 10.3 %. Private equity investments and unlisted equities returned 6.6 %, real estate investments (including real estate funds) 3.0 % and hedge funds 4.4 %.

The market value of Keva's investments at the end of September was EUR 50.9 billion (EUR 46.6 billion on 30/09/2016). Fixed income investments (including the impact of derivatives) accounted for 43.7 %, listed equities and equity funds for 37.2 % and real estate investments for 6.2% of Keva's entire investment portfolio. Equity funds and private equity investments accounted for 6.7 % and hedge funds for 6.2 %.

"The investment result of 2017 so far exceeds clearly the expectations for the year. The listed equities market development has continued to break old records in most markets. The abundant liquidity in the market has supported all the higher-risk investments", says CIO **Ari Huotari**.

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The figures in this release are unaudited.