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Keva's Interim Report 1 January to 31 March 2017**Keva reports good investment performance**

Keva, which is responsible for the funding of local government pensions and the investment of pension funds, reported a 3% return on investments, equating to EUR 1,440 million, for the first quarter of 2017. At the end of March, Keva's investments had a market value of EUR 49.3 billion, compared to EUR 44 billion a year earlier.

Keva CEO **Timo Kietäväisen** considers the first quarter of 2017 to be in line with Keva's objectives. Keva has performed well in a market that is difficult to predict and the overall assessment of investment risk has been effective.

"Our longer term concern is to ensure the financial base for the entire local government pensions system in the midst of structural reforms," says Kietäväinen.

"Also as of this year, the amount of local government pensions paid out will permanently exceed the local government employer and employee contributions paid in. This means that looking ahead, investments and the returns they generate will be increasingly needed for pension payments."

The return on investments at market value was 3% during January-March. The return was 6.6% on listed equities and equity funds, 0.8% on fixed income investments and 1.2% on real estate investments (including real estate funds). The return was 1.4% on other asset categories and 1.9% on hedge funds.

Fixed income investments (including the impact of derivatives) accounted for 43.5%, listed equities and equity funds for 37.5% and real estate investments for 6.2% of Keva's entire investment portfolio. Equity funds and private equity investments accounted for 6.6% and hedge funds for 6.2%.

CIO **Ari Huotari** describes the first quarter of the year as a continuation of the development seen last year.

"Since spring last year, even the bad news seems to have declined on the capital market and after a period of uncertainty has taken a positive turn. While we should certainly be pleased with good returns, there are growing concerns as to the outcome of further development."

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The figures in this release are unaudited.