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Keva's Interim Report 1 January – 30 September 2014:

Keva reports good investment performance

Keva, which is responsible for the funding of local government pensions, the investment of pension assets and for looking after pension matters for the entire public sector, recorded a 7.1 per cent return on investments, i.e. EUR 2 770 million, for the first nine months of the year. The market value of Keva's investments at the end of September was EUR 41.1 billion compared to EUR 36.6 billion a year earlier.

Jukka Männistö, Keva's CEO, terms the investment performance for the first nine months of the year as good.

"Against a background of weak economic growth and all the upheavals disrupting the capital markets, our expectations for the investment year were fairly modest. We have every reason to be satisfied with our investment performance," Männistö reports.

The market value return on investments was 7.1 per cent during January-September. Listed equities and equity funds yielded a return of 9.5 per cent, fixed income investments 4.8 per cent and real estate investments (including real estate funds) 4.3 per cent. Among the smaller asset categories, the return on private equity investments was 16.2 per cent, hedge funds 6.0 per cent and on commodity investments -9.5 per cent.

Fixed income investments (including the impact of derivatives) accounted for 41.6 per cent, listed equities and equity funds for 40.2 per cent and real estate investments for 6.8 per cent of Keva's entire investment portfolio. Private equity investments accounted for 5.8 per cent, hedge funds for 5.1 per cent and commodity investments for 0.5 per cent of the investment portfolio.

"The capital markets have been very restless in the early part of the fourth quarter. Concerns about global economic development and other news triggering unrest have clearly depressed the value of shares and other more risky investments. It will certainly be interesting to see whether this is a shorter-term correction or a longer-term turn in market development," reflects Keva's CIO, **Ari Huotari**.

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The figures presented in this release are unaudited.