



**Andra AP-fonden**  
*Second Swedish National Pension Fund - AP2*

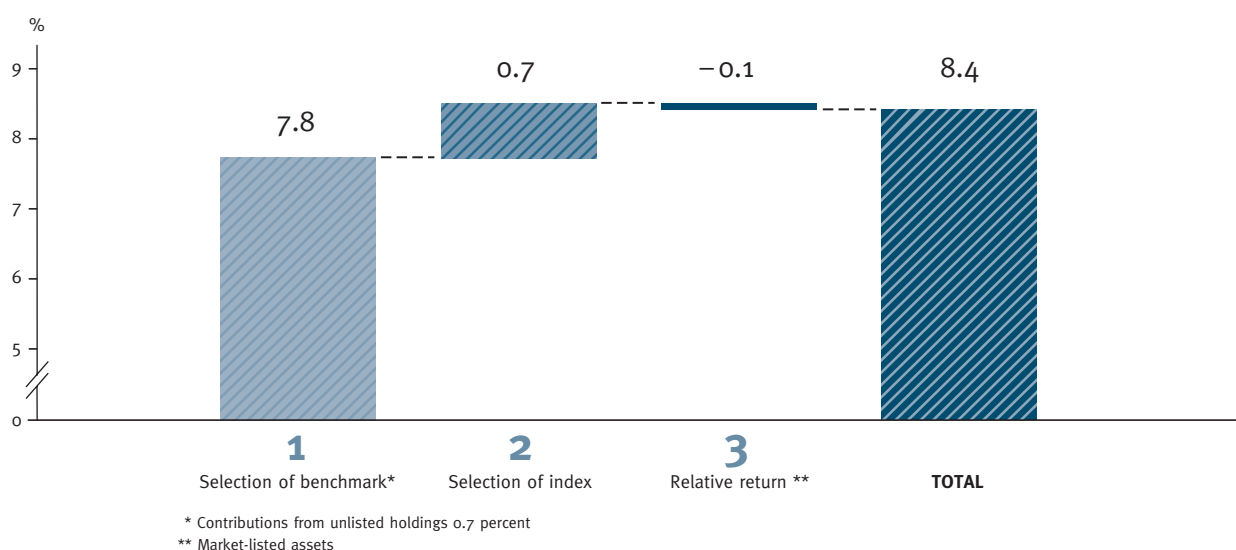


## Half-year report January 1 – June 30 2005

## Strong performance and solid asset growth

The Second Swedish National Pension Fund/AP2's (hereafter named as "the Second AP Fund") selection of strategic portfolio and choice of index have been key factors in securing a satisfactory return on assets during the first half of 2005. Implementation of measures to further enhance the efficient management of exchange-listed assets continues.

### Three-stage value creation



- The Fund's capital assets amounted to SEK 173.0 billion as per June 30th 2005, corresponding to an increase of SEK 14.9 billion, including inflows. This means that the Fund yielded a return of 8.4 percent in the first half of 2005, excluding expenses. The result for the report period was SEK 13.2 billion.
- The assets in the strategic portfolio, measured against a broad index, with contributions from unlisted assets, yielded a 7.8 percent return during the first six months of 2005. Swedish equities noted the highest return.
- The Fund's own choice of index instead of broad market indexes generated an added value of SEK 1.1 billion or 0.7 percent.
- Relative return against index amounted to minus 0.1 percent.
- To enhance efficiency in managing relative return against index, a series of measures have been successively introduced in 2004 and 2005. One consequence of the programme has been a significant reduction in the number of external mandates granted, and the transfer of responsibility for a greater part of Swedish and European assets to in-house managers. As of July 1st, the Fund will cease to include hedge funds in its strategic portfolio. The programme to reduce management costs for listed assets will gain full effect in the final quarter of 2005.
- For the first time, the Second AP Fund is publishing a separate Corporate Governance Report. This first report will cover the first six months of 2005.

Unless otherwise stated, the portfolio assets referred to in this report are allocated exposures. In addition to booked market values, these also refer to allocated (but not yet invested) liquidity for the specific class of asset, and other assets held as collateral for positions already taken in derivative instruments. Classes of asset, derivative instruments and liquid funds are reported individually in the balance sheet, at market values.

## Three-stage active management

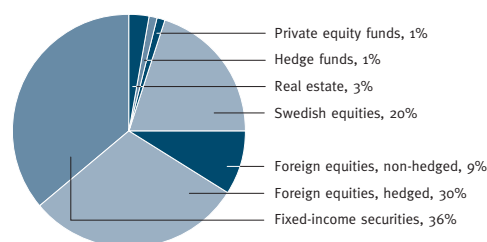
Previously, the Second AP Fund has reported only absolute return and “relative return” against the Fund’s chosen benchmark index. Starting with this half-year report, to provide a more complete picture of the value of the active placement decisions taken by the Fund, we shall be reporting the Fund’s value creation in three stages: selection of strategic portfolio, selection of index and relative return against index. The table below indicates the trends for the different elements since 2003. Since 2003, choices of strategic portfolio and index have made a positive contribution to the Fund’s performance. The negative relative return has adversely affected the result.

### Value creation, stage 1. Selection of strategic portfolio

The Second AP Fund’s strategic portfolio is created with the aid of an in-house-developed ALM-model, which takes into account anticipated developments in the national pension system over a period of more than 30 years. The model is used as an aid to create a strategic portfolio that defines the relative allocation

of asset classes and FX strategy. In the strategic portfolio adopted for the first half of 2005, 59 percent consisted of equities, 36 percent of fixed-income securities and 5 percent of alternative investments (real estate, private equity funds and hedge funds). The Second AP Fund invests worldwide in a range of different asset classes. Assets in the strategic portfolio, measured against broad indexes and contributions from unlisted assets, generated 7.8 percent during the first half of 2005.

Strategic portfolio for first half 2005



%	2005-06	2004-06	2003-06	2004	2003	2003-2005
<b>Total portfolio</b>						
Strategic portfolio*	7.8	5.4	6.9	11.4	17.4	41.0
Selection of index**	0.7	0.5	0.1	0.7	0.9	3.0
Relative return**	-0.1	-0.4	0.1	-0.6	-0.5	-1.6 ***
<b>Total</b>	<b>8.4</b>	<b>5.5</b>	<b>7.1</b>	<b>11.6</b>	<b>17.8</b>	<b>42.5 ***</b>
<b>Swedish equities</b>						
Strategic portfolio	15.1	12.3	10.9	20.8	34.2	86.4
Selection of index	1.5	0.5	0.1	-0.5	1.9	4.2
Relative return	-1.7	-1.1	0.2	-1.2	-1.7	-6.8
<b>Total</b>	<b>14.9</b>	<b>11.8</b>	<b>11.1</b>	<b>19.0</b>	<b>34.4</b>	<b>83.8</b>
<b>Foreign equities, incl. hedging</b>						
Strategic portfolio	6.2	5.0	7.4	10.6	22.6	44.1
Selection of index	0.7	0.5	-0.3	1.3	0.9	3.8
Relative return	0.7	-0.5	0.0	-0.3	-1.0	-0.6
<b>Total</b>	<b>7.7</b>	<b>5.0</b>	<b>7.2</b>	<b>11.6</b>	<b>22.5</b>	<b>47.2</b>
<b>Interest</b>						
Strategic portfolio	4.5	2.0	4.3	6.8	4.9	17.2
Selection of index	0.4	0.3	0.5	0.8	0.5	1.8
Relative return	-0.2	0.1	0.0	-0.3	-0.1	-0.7
<b>Total</b>	<b>4.7</b>	<b>2.3</b>	<b>4.8</b>	<b>7.3</b>	<b>5.3</b>	<b>18.3</b>

\* Including contributions from unlisted holdings

\*\* Excluding unlisted assets

\*\*\* Since its establishment, the Fund has generated a return of 16.0 percent on invested assets, while the relative return against index has contributed 0.62 percent.

The regulations governing Second AP Fund investment policy determine the degree of hedging permitted.

Starting in 2001, the Fund was permitted an initial 15-percent exposure in foreign currency, rising at five percent per year to 35 percent in 2005 and 40 percent in 2006. The Second AP Fund has subsequently chosen to maintain a low level of exposure, the percentage of portfolio exposed in foreign currencies being significantly below that permitted by the above-mentioned regulations. The Fund's low level of currency exposure in the years preceding 2004 has contributed a significant increase in value, while the decline in the value of the Swedish krona, especially against the US dollar, had had a negative impact in the first half of 2005. The level of currency exposure in the Fund's strategic portfolio is 9 percent.

#### **Value creation, stage 2. Selection of index**

Selecting the index forms part of the Second AP Fund's investment process. In selecting the benchmark index, the Fund determines the levels of exposure that in-house and external asset managers should strive for in composing their portfolios. Rather than relying on traditional broad-based indexes, the Second AP Fund has chosen other specialised indexes in a range of different areas. This applies to fixed-income securities, for instance, where the Fund has excluded Japanese bonds listed in the global index. In the case of foreign equities, indexes have been chosen where exposure on the North American market has been reduced in favour of European equities. In Sweden, the Fund complements its use of the SBX with its specially developed in-house OSX index – which is equally weighted, in contrast to traditional capital-weighted indexes – and CSX, a small-cap index.

The purpose of this selection of indexes is to enhance both in-house and external fund management. During the first half of 2005, the Fund's own selection of indexes has yielded a return that has exceeded the broader indexes by 0.7 percent or SEK 1.1 billion. The corresponding figure since 2003 has been 3.0 percent.

#### **Value creation, stage 3. Relative return against index**

The Fund's selection of index determines how relative return is managed. In-house and external management shall outperform the specialised indexes that the Second AP Fund has chosen. During the first six months of 2005, management of the relative return has generated – 0.1 percent, equivalent to – SEK 206 million. Assets managed under mandates for global equities and the tactical allocation mandate initiated in 2005 have made a positive contribution, while the portfolio for long-term investment in Swedish equities underperformed against its benchmark index. This may be attributed to the portfolio's significant holdings in Handelsbanken and SCA.

The past six months has seen extensive restructuring of the Fund's asset management activities, as well as towards the end of 2004. The first half of 2005 saw the termination of two Swedish equities mandates, three foreign equities mandates and six hedge-fund mandates. If mandates terminated in 2004 are included, this means that seven Swedish equities mandates, seven hedge-fund mandates and eight foreign equities mandates have been terminated. Management of the Fund's assets is increasingly handled in-house, with a greater diversification of risk and anticipated return to global mandates.

Calculated from its inception, the Fund has generated a positive relative return on investment.

## **Focus on efficiency**

The Second AP Fund has a true long-term return requirement of 4.5 percent. This requirement is determined in light of the anticipated development of the Swedish national pension system and in terms of what will be necessary if the Second AP Fund is to meet its share of obligations in funding Sweden's future pensions. With a current real interest rate at between 1.5 and 2 percent, it is crucial that the Fund find classes of asset capable of generating a higher return, yet with a balanced risk. Exposure to such high-yield classes of asset often involves higher management costs. Private equity funds, where the

best fund managers have posted solid returns over an extended period, compared to other asset classes, are just one example.

Where listed assets are concerned, the Fund has initiated a programme to reduce management costs. The programme will achieve its full impact in the fourth quarter of 2005.

High asset management costs also apply to hedge funds, and the Fund has terminated six mandates for this type of fund during the first half. During the same period, the Fund has capitalised two global tactical allocation mandates. The characteristics of these latter mandates are reminiscent of hedge funds, but they are more cost efficient. Consequent to this decision, with effect from the start of the second half, hedge funds no longer constitute part of the Fund's portfolio.

During the year, the Second AP Fund initiated collaboration with Cost Effectiveness Measurement Inc (CEM), a Canadian company with many years experience of analysing pension funds similar in kind to the Second AP Fund. This collaboration is designed to generate valuable comparative data to enable a continued analysis of the Fund's efficiency in terms of its asset management focus and resource utilisation. Such an analysis should be made over a period of several years, to eliminate potential inconsistencies arising during individual years. CEM has therefore been commissioned to analyse the Second AP Fund since the start of 2001. The comparative

(peer-group) data consists of American and European pension funds responsible for managing capital assets comparable in size to those handled by the Second AP Fund. The actual volume of assets under management is of crucial importance to the validity of this type of comparison.

The cost of managing assets depends both on how the assets are allocated and on the chosen investment style where, generally speaking, the higher the level of activity, the higher the cost. In the same way, the choice of market also has an impact. For instance, costs are higher for managing assets exposed to emerging markets and small caps than to broadly liquid markets. Since its inauguration, the Second AP Fund has featured a mix of in-house and external management. As per June 30th 2005, 38 percent of the Fund's assets were under external management, and 93 percent of the total portfolio was under active management.

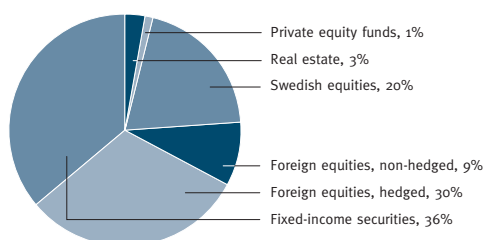
This analysis will form the basis for the Fund's continued and long-term commitment to the achievement of increasingly cost-efficient asset management. A significant portion of the measures determined concerning changes to external mandates have already been implemented. In house, the build-up continues of asset management procedures based on quantitative strategies for both Swedish and global markets.

<b>Key ratios</b>	2005-06-30	2004-12-31	2003-12-31
Fund capital, SEK million	173 028	158 120	140 350
Inflows, SEK million	1 748	1 651	2 567
Share of asset management expenses, excluding commission expenses, over the year, %	0.07	0.08	0.09
Share of asset management expenses, including commission expenses, over the year, %	0.19	0.22	0.18
Net result	13 160	16 119	20 693
Return on total portfolio, excluding expenses, %	8.4	11.6	17.8
Return on market-listed assets	8.0	11.5	18.6
Relative return on market-listed assets, excluding expenses, %	-0.1	-0.6	-0.5
Currency exposure, %	11	10	8
Active risk, ex post	0.4	0.5	0.6
Share of active management (including enhanced), %	93	90	89
Share of external management (including investments in private equity funds), %	38	37	45

## Changes in the strategic portfolio

As per July 1st, the Fund will no longer include hedge funds in its strategic portfolio. The percentage of the total portfolio previously earmarked for investment in hedge funds will now be allocated for investment in foreign equities.

**New strategic portfolio, July 1st 2005.**



## Financial review

The Fund reports combined assets of SEK 173.0 billion, including net inflows, for the first half of 2005, an increase of SEK 14.9 billion during the period. The increase may be attributed to the Fund's net result of SEK 13.2 billion, external capital flows in the form of net payments from the national pension system amounting to SEK 1 533 million, and to the transfer of capital totalling SEK 215 million from the liquidation fund.

**Growth in Fund capital, first half 2005, SEK million**

Fund capital at start of period		158 120
Pension contributions received	22 407	
Pension disbursements made	-20 978	
Transfer of pension rights to EC	-10	
Remuneration for administration	-147	
Final adjustment for 2003	261	1 533
Transfer from liquidation fund	215	
Net result for the period	13 160	
<b>Fund capital at close of period</b>		<b>173 028</b>

The Fund's capital assets are now at the highest level since its foundation in 2001. Excluding inflows received since its inauguration, the Fund's capital assets have increased by SEK 23.6 billion.

All in all, the Fund reports a total return of

8.4 percent, excluding operating expenses. A return of 8.0 percent was noted for the market-listed portfolio. The Fund's strategic portfolio, excluding unlisted assets, generated a return of 8.1 percent, resulting in a negative relative return equivalent to 0.1 percent.

The net result for the first six months of 2005 was SEK 13.2 billion. This comprised operating income including commissions paid and operating expenses. Operating income comprises dividends, net interest income/expense, net gains/losses on listed and unlisted equities and participations, net gains/losses on fixed-income securities and derivative instruments, foreign exchange gains/losses and commissions paid. Operating expenses include personnel costs and other administration expenses.

The Fund's commission expenses include fees paid to external fund managers and custodial expenses, and amount to SEK 97 million. Fund operating expenses for the first half total SEK 61 million.

Total dividends received for the period amount to SEK 2.1 billion, a significant increase compared to the preceding year, a result primarily attributable to the new dividend policy adopted by listed Swedish corporations and the dividend received from AP Fastigheter. Net interest income amounted to SEK 1.0 billion, which is consistent with the result reported for the same period last year. The Fund's listed and unlisted equities-related assets performed well during the first half, posting net results of SEK 6.2 and SEK 0.6 billion respectively. The Fund's fixed-income securities posted a gain of SEK 1.6 billion.

During the first six months, 38 percent of Fund assets were managed externally. Of these, just over 78 percent involved active or "enhanced" management. External management includes investment in private equity funds.

As per June 30th, 11 percent of the Fund's combined assets were exposed in foreign currency. Exchange gains for the first half amounted to SEK 1.6 billion, including interest gains/losses on currency futures, and are primarily attributable to transactions in USD, GBP, Euro and JPY. The strengthening of the US dollar in the first six months made a significant contribution to the net gain on foreign exchange transactions.

Overall, the Fund has limited the level of active risk. Calculated on a rolling twelve-month historical

basis, the Fund's active risk was 0.4 percent. Nevertheless, the underlying asset classes reveal a higher degree of risk utilisation. Swedish and foreign equities note a risk utilisation of 1.3 and 0.7 percent respectively, on a rolling twelve-month basis. The Fund's information ratio for the corresponding period amounts to 0.4. The volatility recorded for the Fund's overall portfolio, calculated at 4.7 percent, has noted a downward trend in the past twelve months.

## Fund's capital distribution and growth

### Swedish equities

The market value of the portfolio of Swedish equities amounted to SEK 34.8 billion, including investments in Swedish unit trusts totalling SEK 3.7 billion. Nineteen percent of these holdings were placed under external management. Per June 30th, the portfolio of Swedish equities was marginally overweighted in telecoms and IT, and underweighted in consumer staples and materials.

The 14.9 percent return generated in the first six months resulted in a negative relative return of 1.7 percent against the strategic portfolio. The Fund's five single largest Swedish holdings by market value in the total portfolio of equities were Ericsson (4.3 percent), Volvo (2.7 percent), SHB (2.6 percent), Nordea (1.8 percent) and Electrolux (1.7 percent).

### Foreign equities

The market value of the portfolio of foreign equities totalled SEK 69.1 billion. Of these holdings, 81 percent were managed under external mandates. Per June 30th, the portfolio of foreign equities was marginally overweighted in sectors consumer discretionary/services and consumer staples, and underweighted in industrials/services and IT.

The return on holdings in foreign equities was 7.7 percent, including foreign exchange gains/losses, resulting in a positive relative return of 0.7 percent compared to the strategic portfolio. Per June 30th, the Fund's five single largest holdings in foreign equities by market value were BP (0.8 percent), General Electric (0.6 percent), Citigroup (0.6 percent), Vodafone (0.6 percent) and Exxon Mobil (0.6 percent).

### Composition of strategic portfolio, exposure and return, as per June 30<sup>th</sup> 2005

Asset class	Strategic portfolio, %	Exposure, %	Exposed value, billion	Return AP2, %	Return strategic portfolio, %	Active risk ex post*, %
Swedish equities	20	20.1	34.8	14.9	16.6	1.3
Foreign equities	39	39.9	69.1	7.7	7.0	0.7
Fixed-income securities, including liquidity and accrued interest	36	36.1	62.4	4.7	4.9	0.3
Mandate for absolute return (GTAA och FX)		0.4	0.7			
<b>Total listed assets, excluding operating expenses</b>				<b>8.0</b>	<b>8.1</b>	<b>0.4</b>
Alternative investments	5	3.9	6.7	15.4	1.6	
<b>Total Fund capital, excl. operating expenses</b>	<b>100.0</b>	<b>100.0</b>	<b>173.0</b>	<b>8.4</b>	<b>7.9</b>	

\* Historic outcome, 12-month rolling

Exposure for mandates that require an absolute return (GTAA and FX) is allocated by asset class. The return generated on investment by these mandates is included in the total return.

### Fund capital per asset class, three-year period, SEK billion

Asset class	Exposed value 2005-06-30	Exposed value 2004-12-31	Exposed value 2003-12-31	Exposed value 2002-12-31
Swedish equities	34.8	32.8	28.4	22.8
Foreign equities	69.1	63.8	56.7	46.1
Fixed-income securities, including liquidity and accrued interest	62.4	54.6	50.4	43.4
Real estate	*	*	4.6	4.6
Alternative investments	6.7	6.9	0.3	0.2
<b>Total</b>	<b>173.0</b>	<b>158.1</b>	<b>140.4</b>	<b>117.1</b>

\* As of Jan. 1st 2004, unlisted real estate holdings are included in asset class Alternative Investments.

### Fixed-income securities

The market value of the Fund's fixed income holdings, including liquidity, amounted to SEK 62.4 billion. During the period, almost all fixed-income securities have been managed in-house. Per June 30th, the Fund's foreign fixed-income holdings, consisting of government bonds, credit bonds and funds, totalled SEK 29.3 billion. The return on fixed-income securities was 4.7 percent, which was 0.2 percent below the strategic portfolio.

### Alternative Investments

Asset class Alternative Investments comprises the Fund's investments in private equity funds, unlisted real-estate holdings and hedge funds.

Asset class Alternative Investments posted a return of 15.4 percent.

#### Private equity funds

During the first six months of the year, real investments have been made in private equity funds to a combined total of SEK 301 million. The Fund's total investment commitments amount to 2.8 billion, distributed among eight funds. Of this sum, SEK 1.0 billion has already been invested. These funds' long-term growth strategies for their portfolio companies are starting to generate tangible results. During the report period, the portfolio companies have developed well and a number of sales have been completed. The six-month result of SEK 159 million includes so-called "exits" in Sirona and Dometic, both owned by EQT.

#### Real estate

The Fund's exposure in real estate comprises holdings in listed equities as well as holdings in unlisted

real-estate companies. Its unlisted real-estate holdings consist of a 25-percent participation in AP-fastigheter Holding AB and a 33-percent participation in NS-Holding AB (Fastighetsbolaget Norrporten AB). Both real-estate investments have developed well during the first half. The reported market-value of the Fund's participation in AP-fastigheter amounted to SEK 3.5 billion, while the Norrporten holding was valued at SEK 1.6 billion. During the period, the Fund received SEK 342 million in dividends from AP-fastigheter. The change in market value during the first six months, totalling SEK 468 million, derives mainly from AP-fastigheter, where new valuation principles have been applied. The return on investment in AP-fastigheter was 34 percent and, in Norrporten, 3 percent.

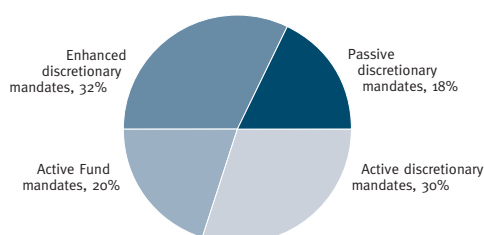
#### Hedge funds

Asset class "hedge funds" was dissolved during the report period. The return over the first half was 3.2 percent, outperforming the benchmark index by 0.7 percent.

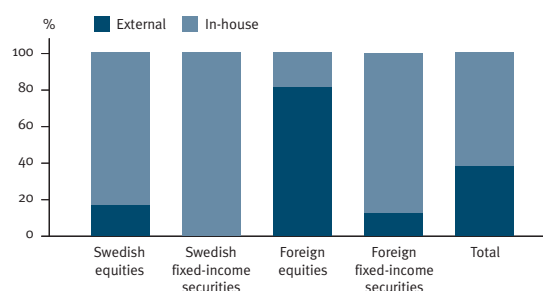
### Tactical asset allocation

Two new external mandates in the area of Global Tactical Asset Allocation (GTAA) have been capitalised during the first half of the year. The two external fund managers are Goldman Sachs Asset Management and First Quadrant L.P. – the latter in association with its Swedish partner, Informed Portfolio Management. A corresponding in-house asset management mandate has also been capitalised in 2005. These mandates require an absolute return on investment and are capitalised with index futures in what is known as an "overlay format". Thereby separated

External asset management – proportion of actively and passively managed average capital, %



In-house and external asset management by asset class, %



The Fund's investments in private equity funds also come under external management.



from the Fund's allocation of capital, they are nevertheless able to utilise a portion of the Fund's active risk.

During the first six months, the three GTAA mandates jointly generated SEK 162 million, contributing 0.1 percent to the active return on the Fund's market-listed portfolio.

### Commission expenses

The Second AP Fund, in conjunction with the other Swedish "buffer" funds, has adapted its accounts to the principles applied to securities firms, and introduced the concept of "commission expenses". In future, the Fund's operating income will be net accounted.

Commission expenses total SEK 97 million for the first half. These expenses include external asset management expenses of SEK 90 million and custodial costs in an amount of SEK 7 million. During the period, a number of investments in asset class "private equity funds" were sold and realised. This resulted in the refund of advance payments on management fees, reducing the Fund's commission expenses by SEK 13 million.

Fund expenses	2005-06	2004-06	2004-12
Commission expenses	97	95	211
<i>Of which</i>			
- management expenses	90	89	198
- custodial expenses	7	6	13
Operating expenses	61	57	119
Share of management expenses, %*	0.07	0.08	0.08

\* Based on operating expenses in relation to average Fund capital

### Operating expenses

The Fund's operating expenses for the first half of the year amounted to SEK 61 million, personnel costs accounting for SEK 35 million and other administration expenses for the remaining SEK 26 million.

Management expenses are expressed on a yearly basis and are defined both including and excluding commission expenses and in relation to average Fund capital. During the first half of the year, the Fund's

management expenses amounted to 0.19 (0.22) percent. Excluding commission expenses, management expenses thus accounted for 0.07 (0.08) percent.

### Other important events

The Fund's CEO, Lars Idermark, has accepted a position as CEO for Kooperativa Förbundet, KF (The Swedish Cooperative Association). He leaves his post as CEO of the Second AP Fund in October 2005. The process of recruiting his successor has already been initiated.

Anders Jansson, CEO of Stena Metall, has joined the Board of Directors.

### Personnel

As per June 30th 2005, the Fund had 47 (44) full-time and 3 (5) project-employed staff.

### Accounting and valuation principles

This half-year report has been prepared in accordance with the accounting and valuation principles developed jointly by Sweden's "buffer" funds. These principles are described on page 57 of the Fund's annual report for 2004.

As of 2005, the First to Fourth National Swedish Pension Funds (Första - Fjärde AP-fonderna) have adjusted the format of their income statements to comply with those of comparable organisations in Sweden and other countries. Comparative figures have been adjusted in line with this change in format.

### Forthcoming financial reports

The twelve-month results for 2005 are published in a year-end report scheduled for release on February 9th 2006. The complete annual report for the financial year 2005 will be published in March 2006.

Gothenburg, August 17th 2005

Lars Idermark  
CEO

Figures in parentheses refer to December 31st 2004.

## Income statement

SEK m	Jan–June 2005	Jan–June 2004	Jan–Dec 2004
<b>Operating income</b>			
Net interest income	1 026	1 422	2 632
Dividends received	2 068	1 381	1 903
Net result, listed equities & participations	6 192	4 137	10 421
Net result, unlisted equities & participations	588	161	414
Net result, fixed-income assets	1 650	65	1 641
Net result, derivative instruments	-17	347	808
Net result, foreign exchange gains	1 811	265	-1 370
Commission expenses	-97	-95	-211
<b>Total operating income</b>	<b>13 221</b>	<b>7 683</b>	<b>16 238</b>
<b>Operating expenses</b>			
Personnel expenses	-35	-31	-64
Other administration expenses	-26	-26	-55
<b>Total operating expenses</b>	<b>-61</b>	<b>-57</b>	<b>-119</b>
<b>NET PROFIT FOR THE PERIOD</b>	<b>13 160</b>	<b>7 626</b>	<b>16 119</b>

## Balance sheet

SEK m	June 30 2005	June 30 2004	Dec. 31 2004
<b>Assets</b>			
Equities & participations			
- listed	104 837	85 938	88 844
- unlisted	3 180	1 750	2 267
Bonds & other fixed-income securities	71 416	60 429	63 223
Derivative instruments	970	593	2 278
Cash & bank balances	2 153	1 424	1 193
Other assets	1 037	273	103
Prepaid expenses and accrued income	1 263	1 150	1 289
<b>TOTAL ASSETS</b>	<b>184 856</b>	<b>151 557</b>	<b>159 197</b>
<b>Fund capital &amp; liabilities</b>			
<b>Liabilities</b>			
Derivative instruments	4 378	338	741
Other liabilities	7 253	1 937	214
Prepaid income & accrued expenses	197	112	122
<b>Total liabilities</b>	<b>11 828</b>	<b>2 387</b>	<b>1 077</b>
<b>Fund capital</b>			
Fund capital at start of year	158 120	140 350	140 350
Net payments to the pension system	1 533	1 035	1 397
Transferred from special & liquidation funds	215	159	254
Net profit for the period	13 160	7 626	16 119
<b>Total Fund capital</b>	<b>173 028</b>	<b>149 170</b>	<b>158 120</b>
<b>TOTAL FUND CAPITAL &amp; LIABILITIES</b>	<b>184 856</b>	<b>151 557</b>	<b>159 197</b>

This report has not been subject to special examination by the Fund's auditors.



**Andra AP-fonden**  
*Second Swedish National Pension Fund - AP2*

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