



Lupus alpha Investment Fokus

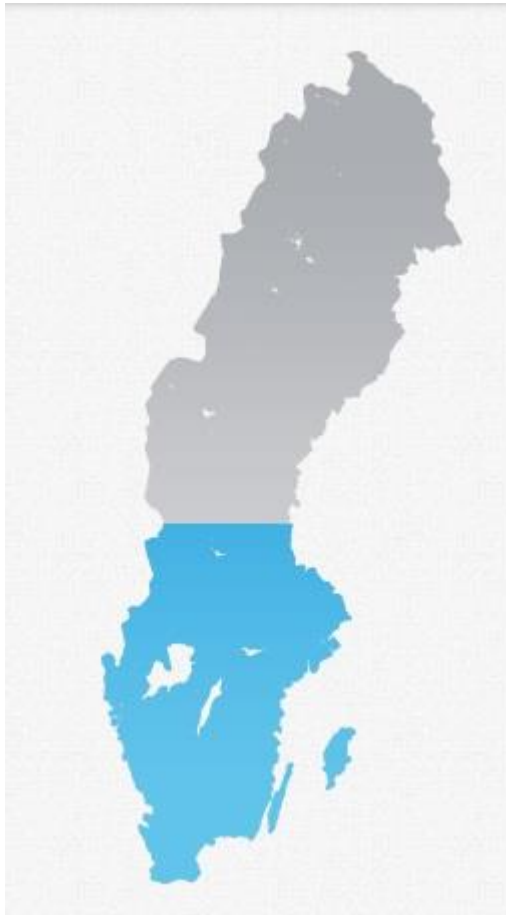
3 November 2022

“We know that we’re taking a big risk,
but we are diversifying globally”

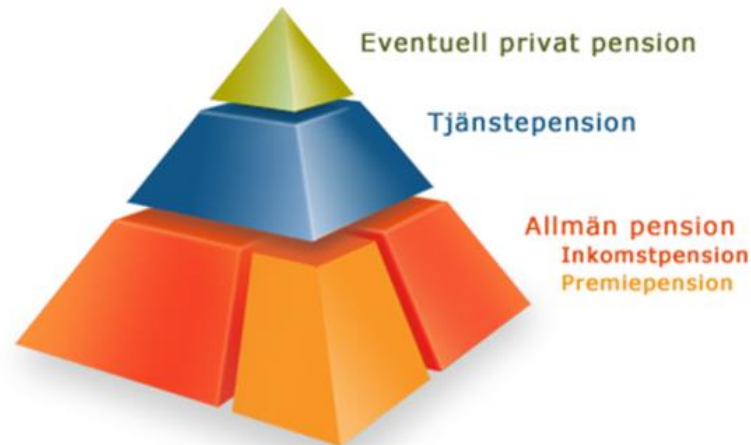
Richard Gröttheim CEO

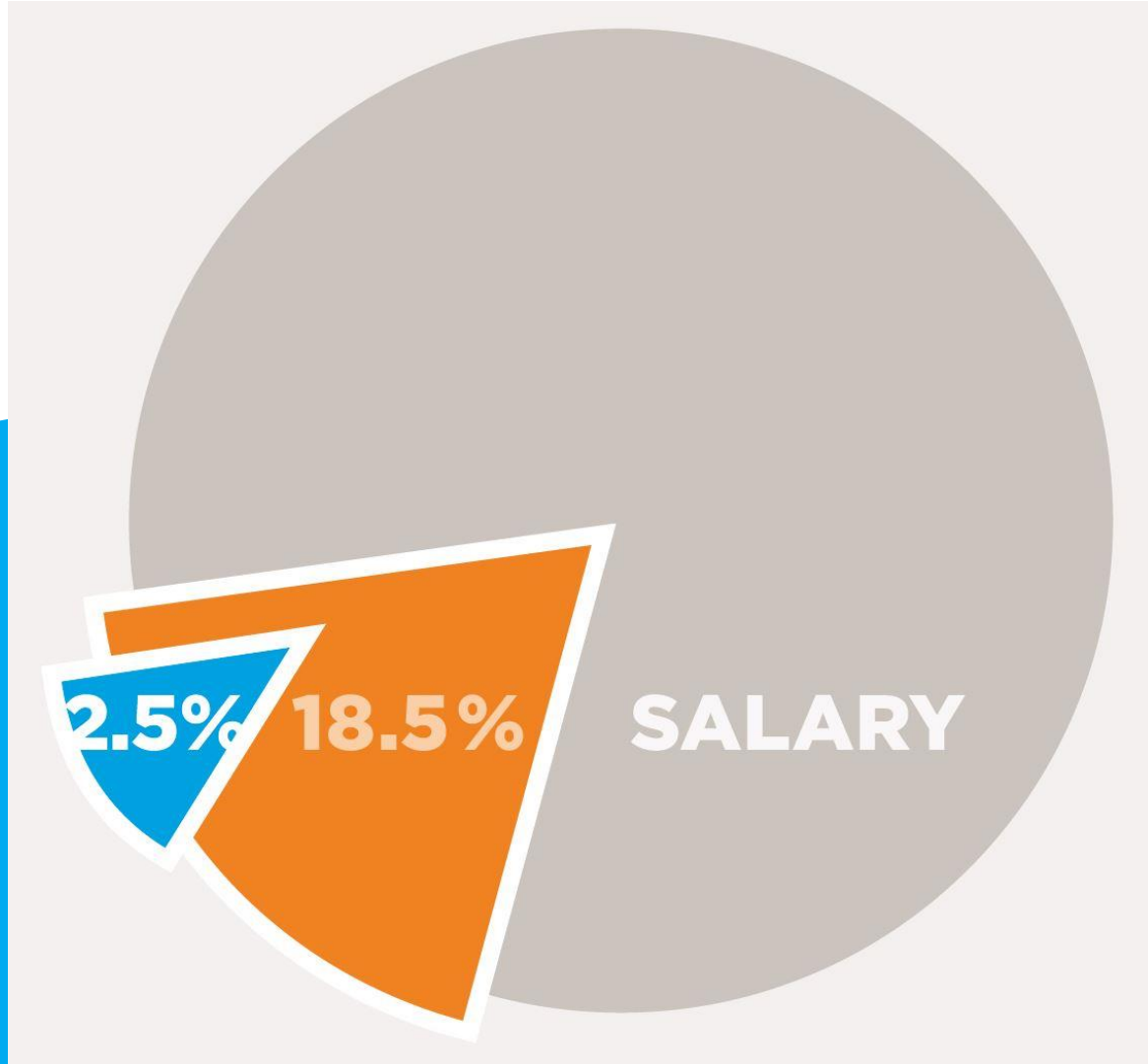


Short about us



- Acts as the default fund within the defined contribution system which is a part of the government pension plan
- AUM 900 Billion kronor (40% of the capital)
- 5 million savers (Half of the savers)







The Mission

Good pension from generation to generation



AP7 wants to be leading in..

- Global diversified Equity fund with leverage
- Tailor made life cycle product for premium pension
- ESG and governance
- Low fees and cost efficient
- Transparency and Openness
- Green investments



What we can invest in today

- Equities
- Bonds
- A part in private equity

New guidelines from the government 2023

- Real estate
- Infrastructure



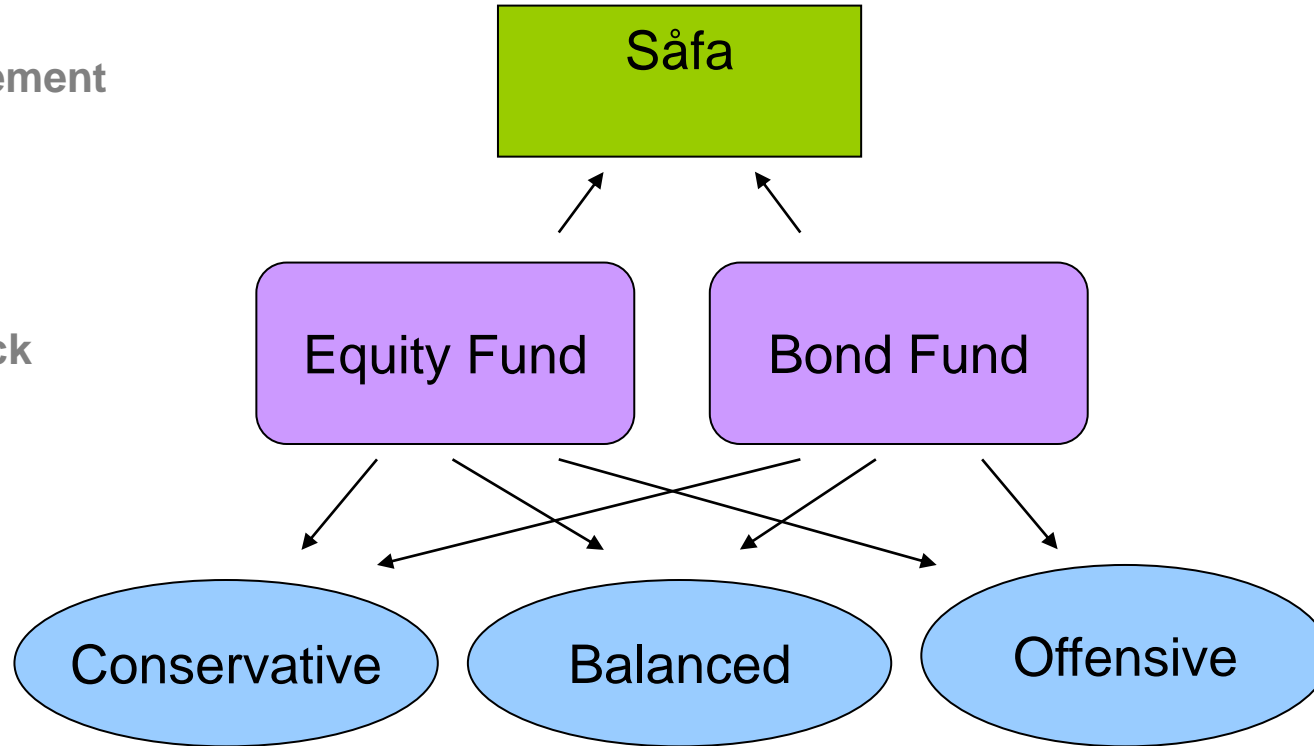
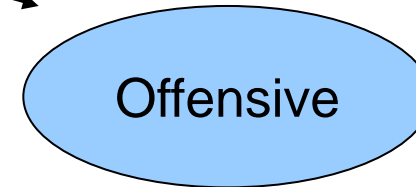
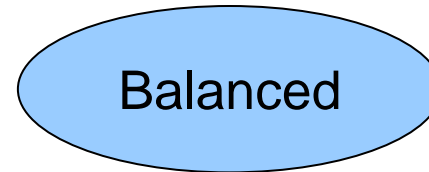
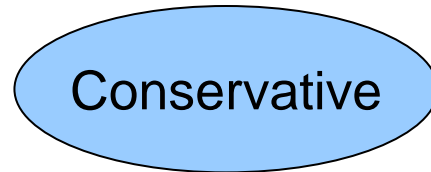
Products

Cohort management



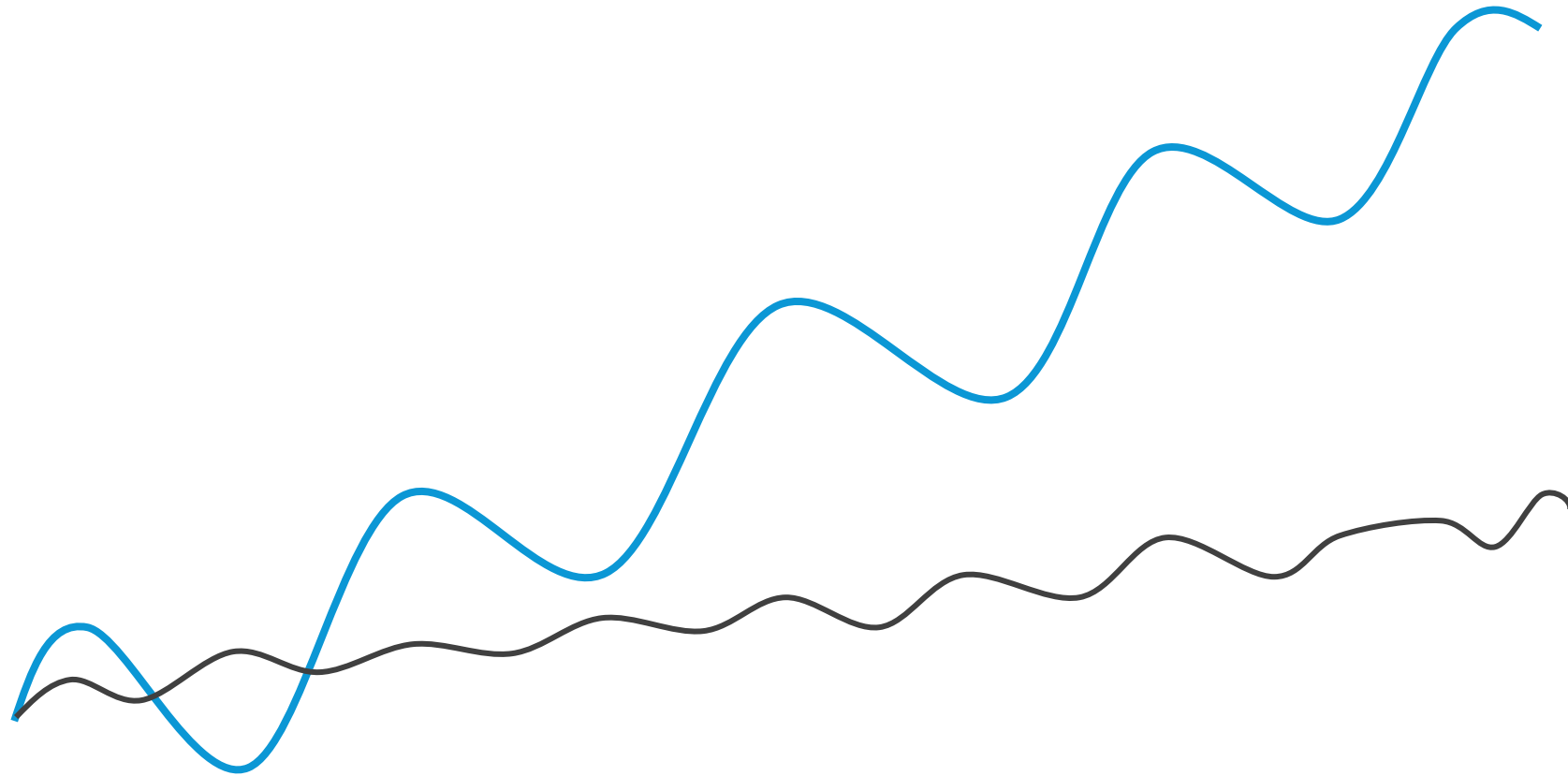
Building block
Funds

Government
Fund
portfolios



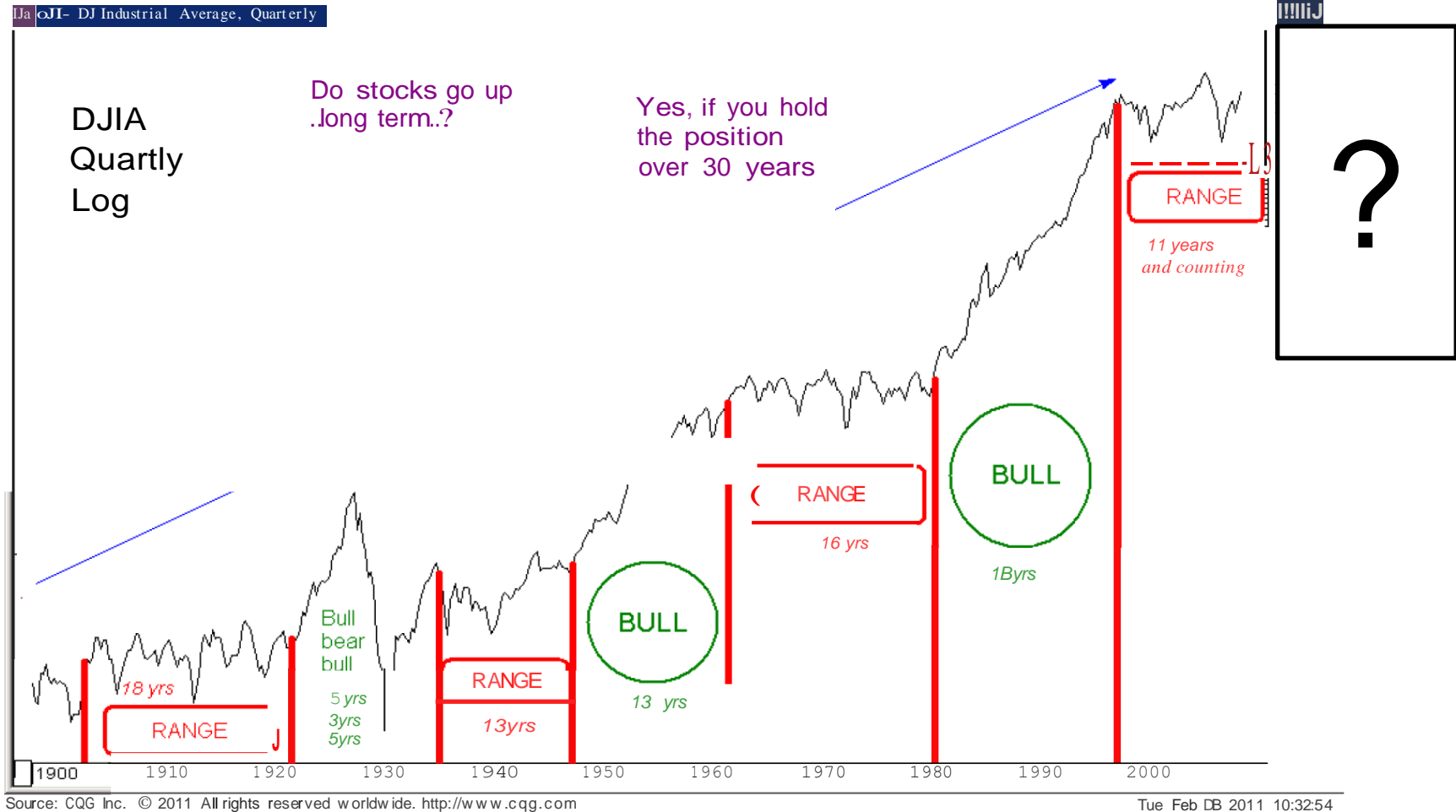


Good pension or low volatility?





In the long run we are all dead...

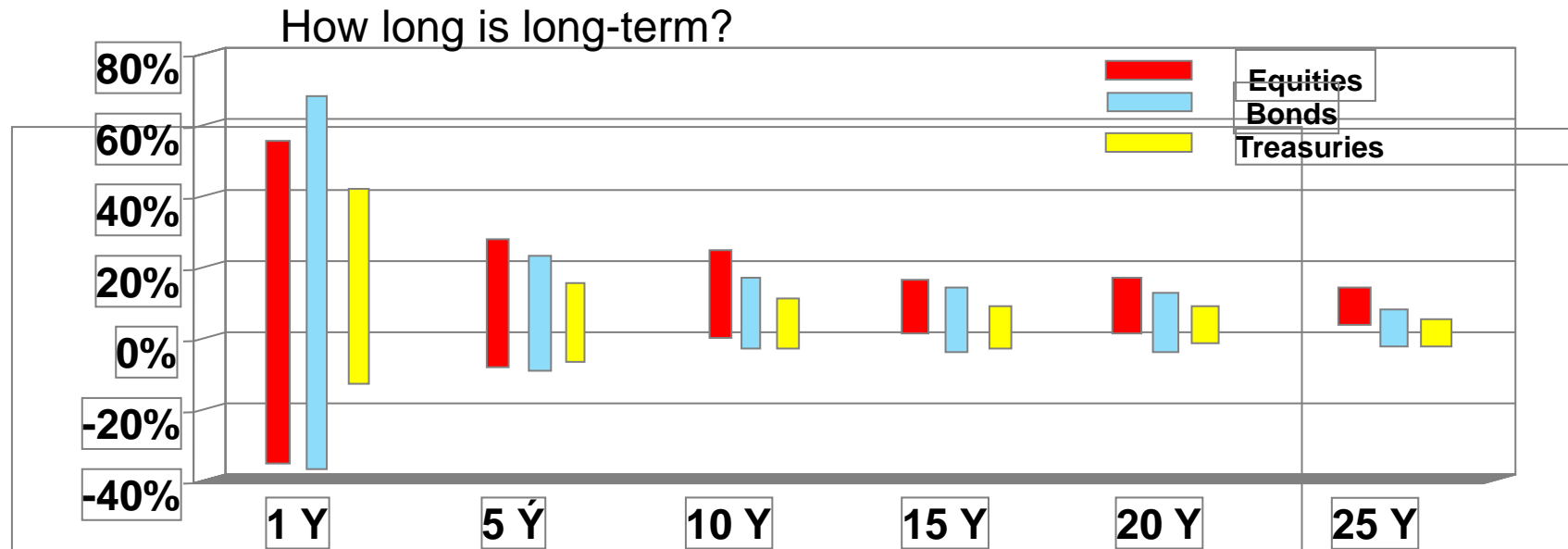




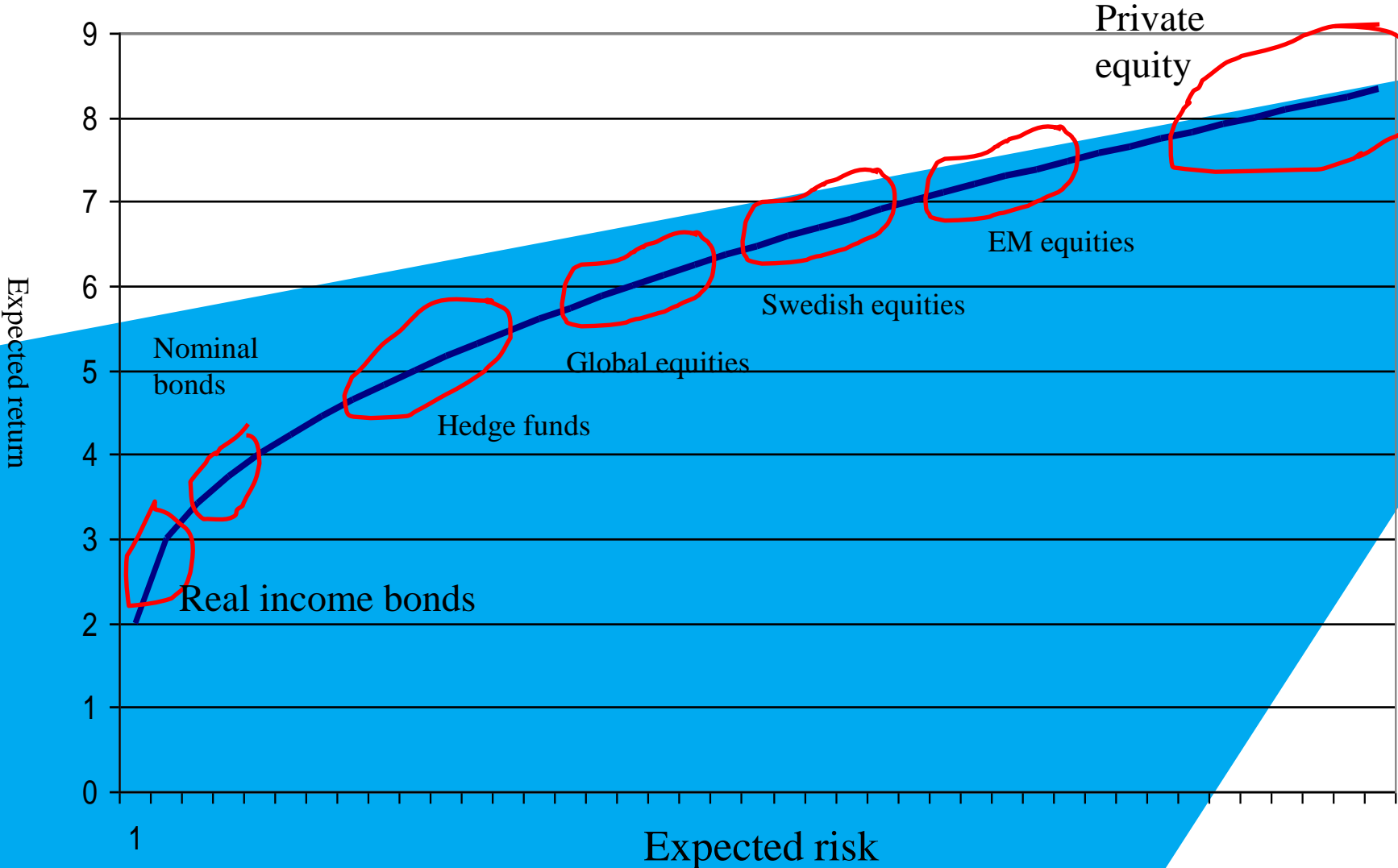
Be long-term!

The time series are impressively stable

Period	Equities	Bonds	Treasuries	Equity risk premium
1802-2004	8,38	3,88	3,02	4,5
1802-1870	8,28	5,11	5,40	3,17
1871-1925	7,92	3,93	3,27	3,99
1926-2004	8,78	2,77	0,75	6,01

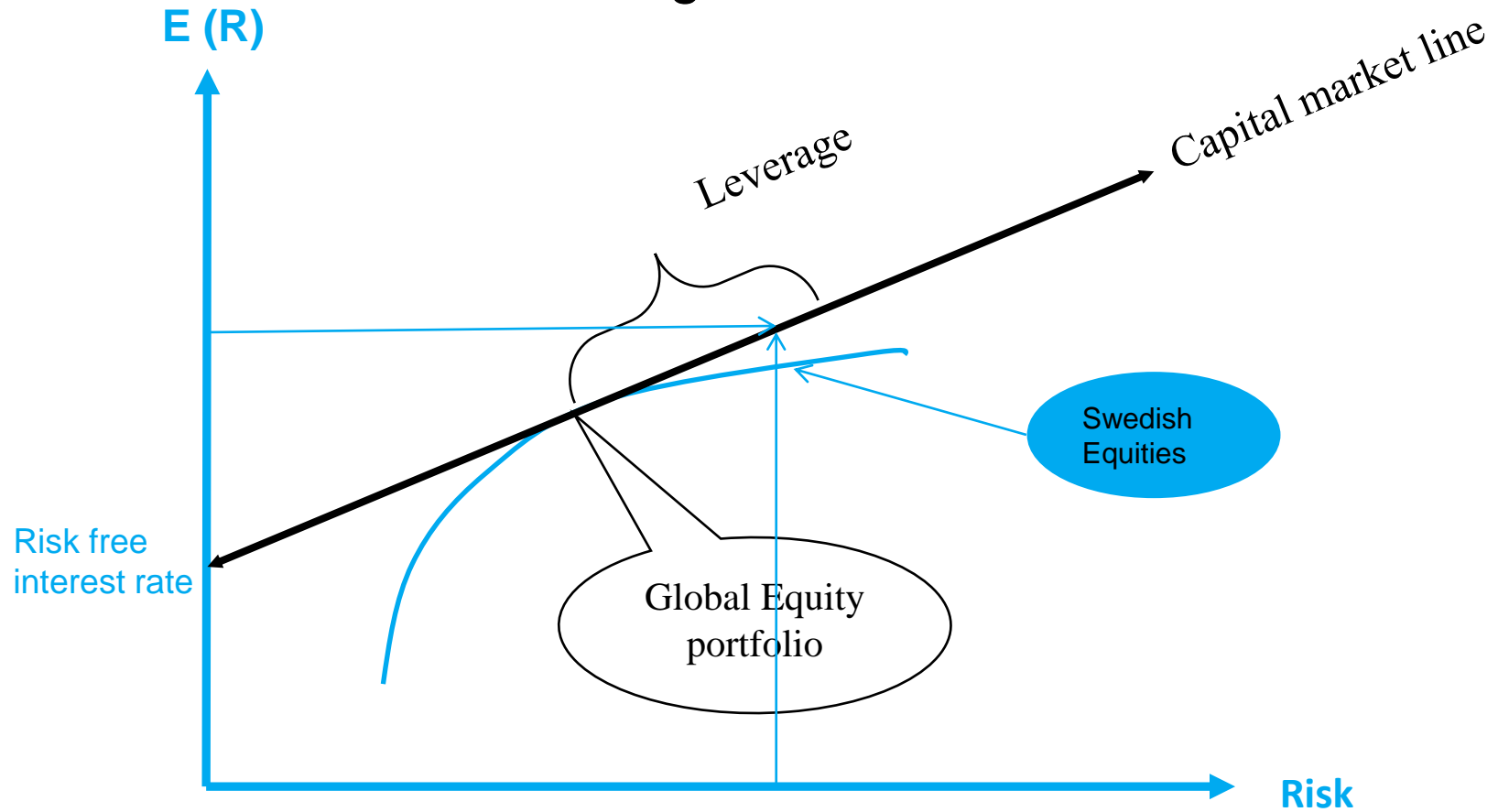


Den efficient frontier





The thinking behind the AP7 Såfa



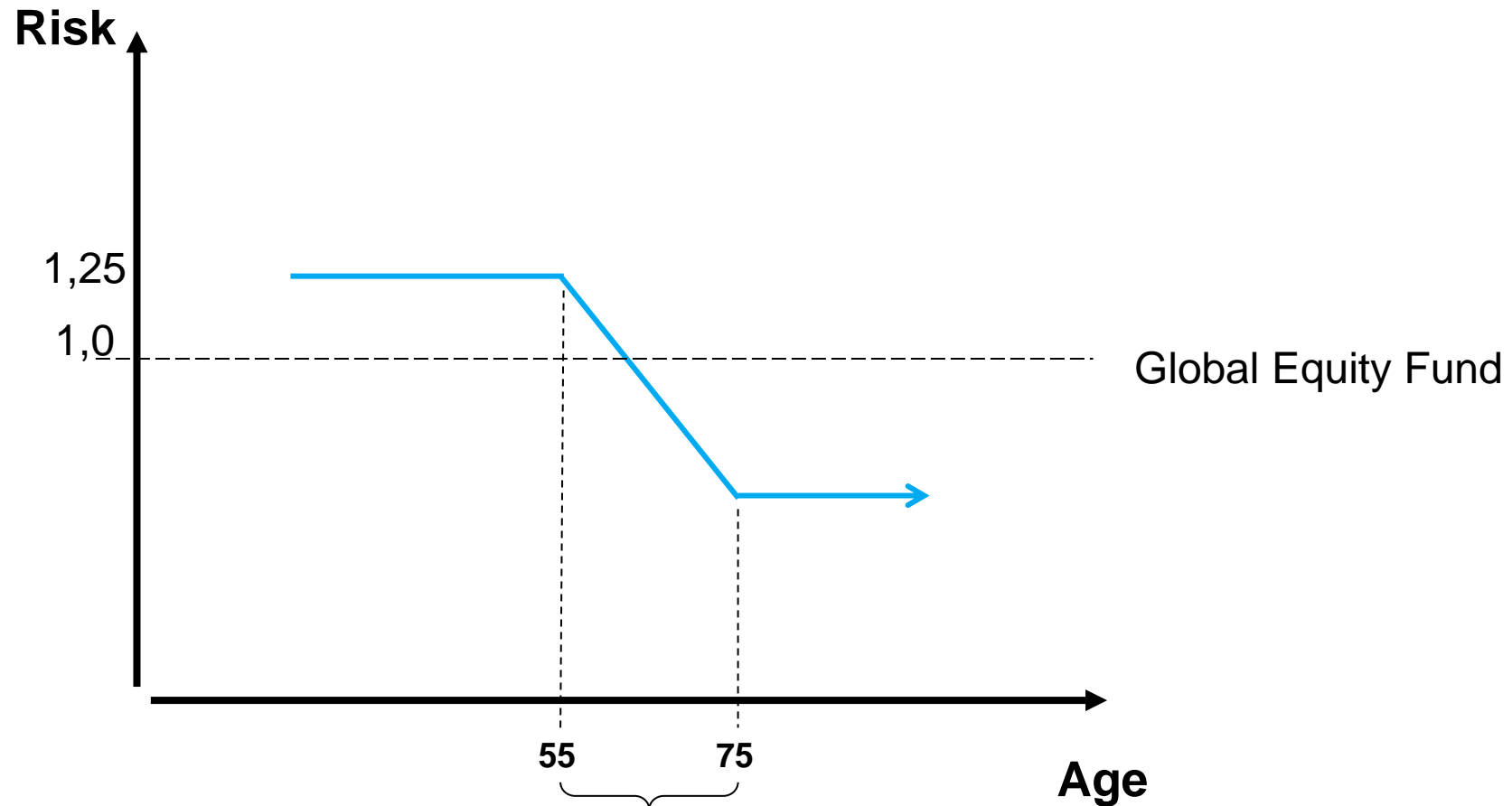


Diversification in the overall government pension

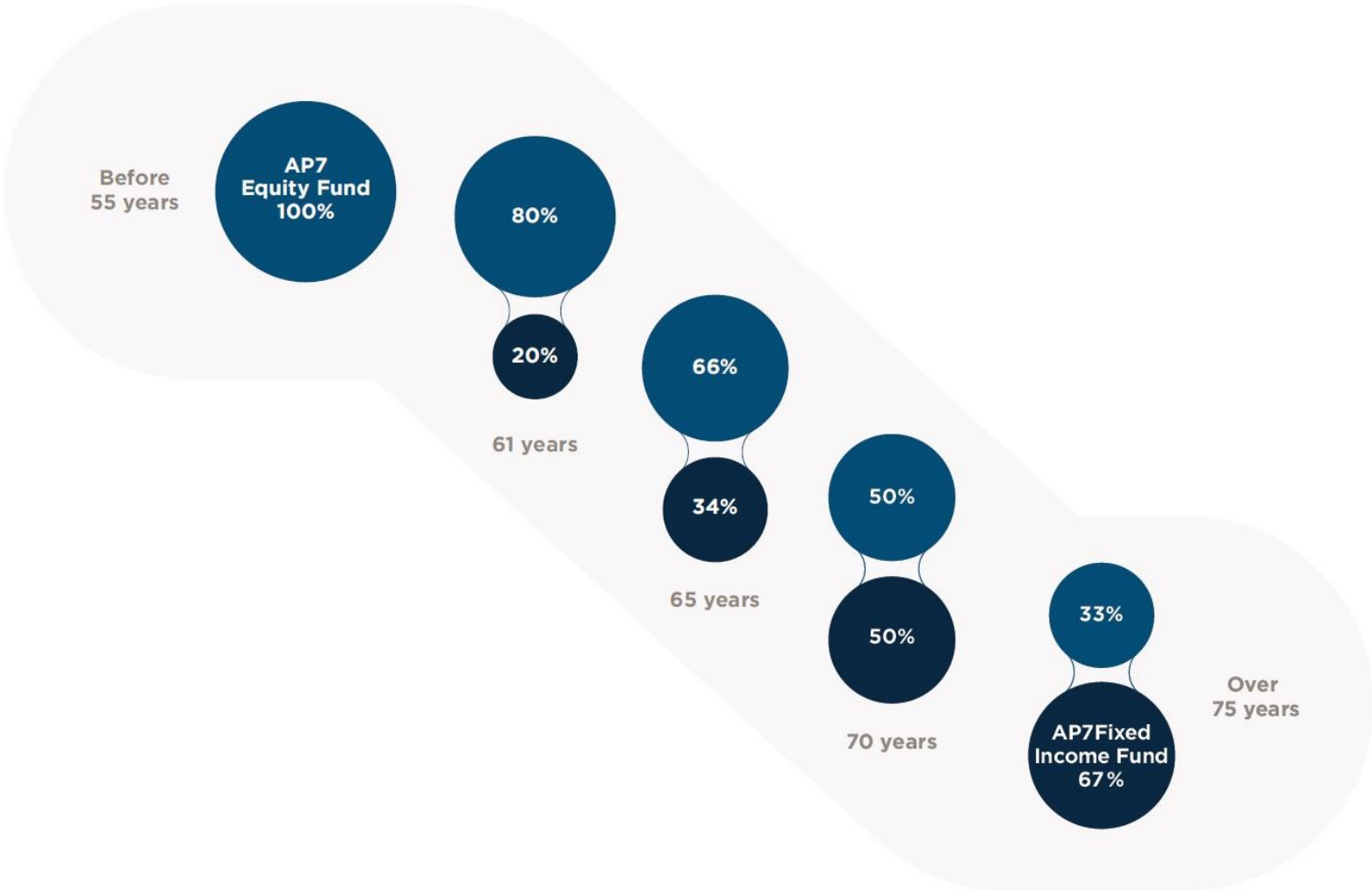
- Life income in swedish kronor
- Incomepension in swedish kronor
- Premiumpension should be diversified into foreign equities



Cohort Management

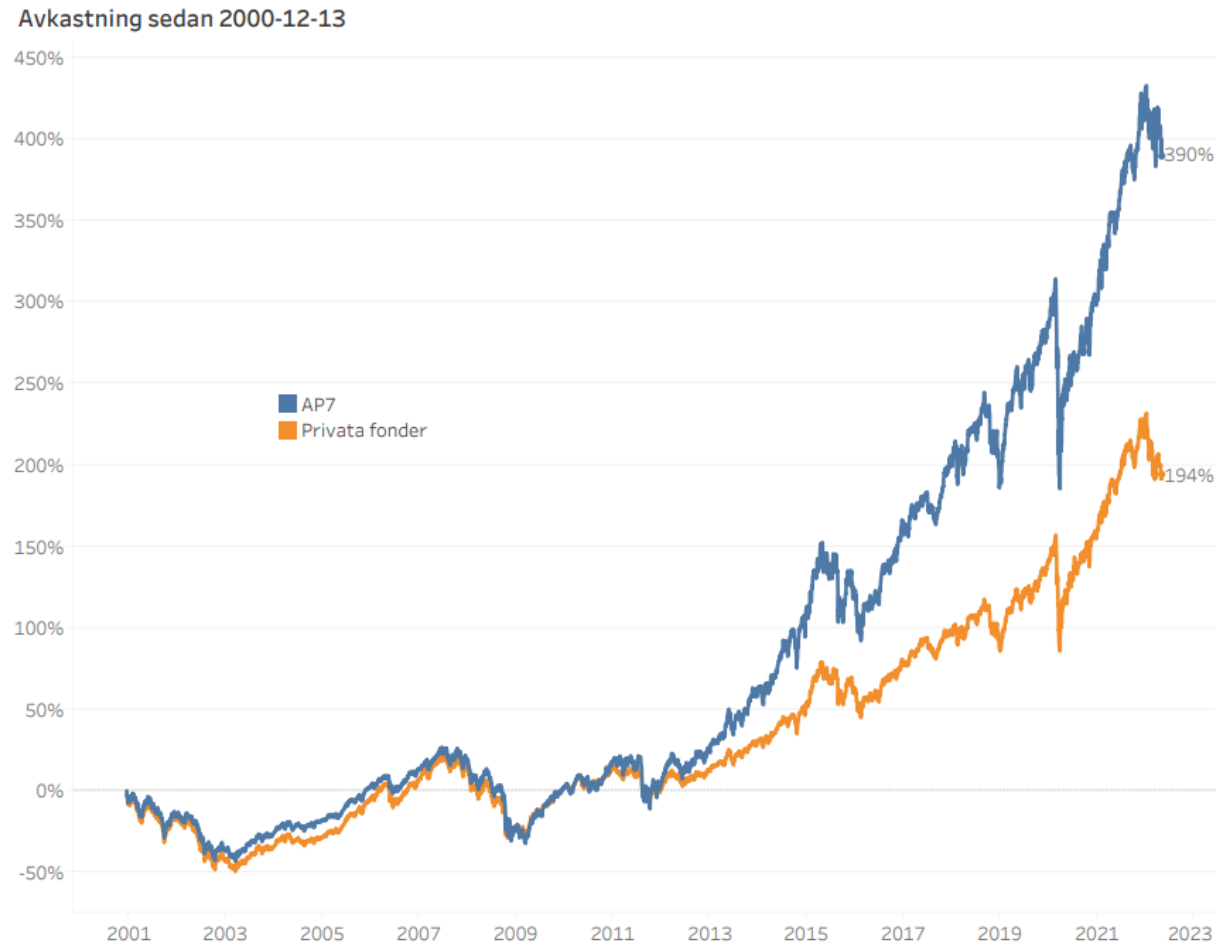


3-4 % yearly decrease in the equity Fund





Performance since inception





Effects on globalization

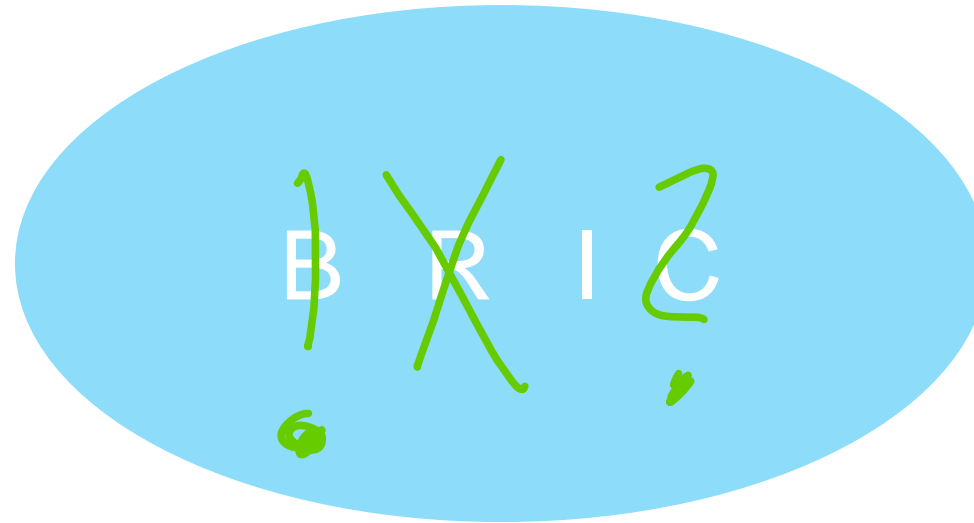
- Since 1990s an open global economy has produced high global growth and low inflation
- Good for poor countries and poor people (40% extremely poor people 1985 now 10%)
- Also good for rich countries and international companies
- Extremely good for global stockmarkets

Are we moving into a new era?

- Economic Isolation
- Higher inflation
- Lower global growth



Does BRIC exist any more





There are good and bad scenarios

- Equities will continue to perform in the long run
- More risk will probably come back into the system
- Risk premia on equities goes back to normal
- The Russian aggression has put focus on global issues and how fragile the globalization is.