

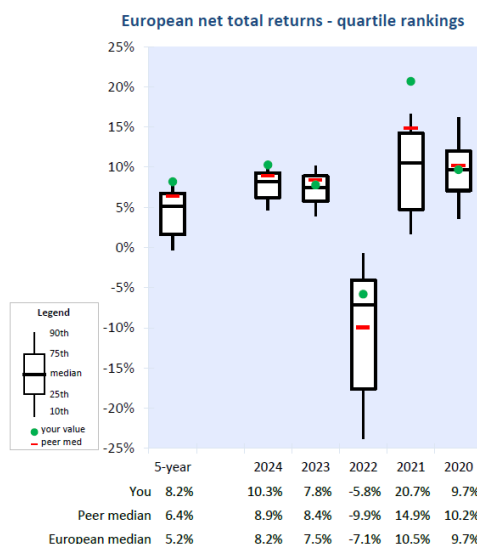
Examples graphs from CEM Benchmarking report (for the 5-year period ending December 31, 2024)

Your 5-year net total return of 8.2% was above both the European median of 5.2% and the peer median of 6.4%.

Total returns, by themselves, provide little insight into the reasons behind relative performance. Therefore, we separate total return into its more meaningful components: policy return and value added.

	Your 5-year
Net total fund return	8.2%
- Policy return	5.3%
= Net value added	2.9%

This approach enables you to understand the contribution from both policy mix decisions (which tend to be the board's responsibility) and implementation decisions (which tend to be management's responsibility).

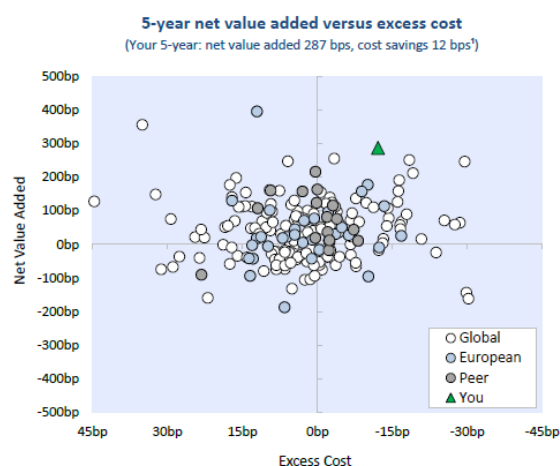


Returns are reported in local currency.

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Your 5-year performance placed in the positive value added, low cost quadrant of the cost-effectiveness chart.



1. Your 5-year savings of 12.1 basis points is the average of your peer-based savings for the past 5 years.

	5-year ¹	2024	2023	2022	2021	2020
Net value added	287.1bp	100.0bp	(470.0) bp	843.0bp	560.0bp	290.0bp
Excess cost	(12.1) bp	(12.0) bp	(13.8) bp	(14.0) bp	(11.8) bp	(9.1) bp

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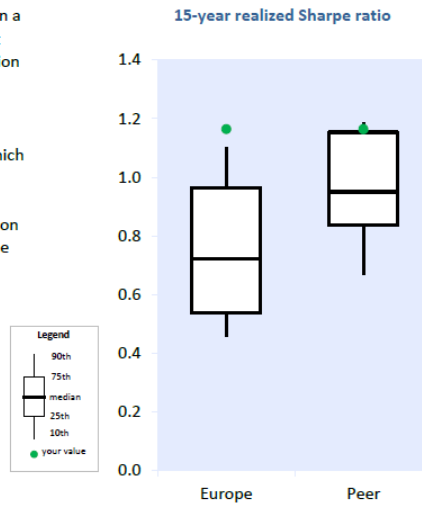
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Your 15-year realized Sharpe ratio of 1.2 was above the European median of 0.7.

Realized Sharpe ratio measures your portfolio's performance on a risk-adjusted basis. It is calculated as your portfolio's actual net return, minus the risk-free rate, divided by the standard deviation (often called volatility) of your portfolio's excess return.

Sharpe ratios tend to be positive when equity markets have positive returns. Your 15-year realized Sharpe ratio was 1.2, which was higher than the Europe universe median of 0.7.

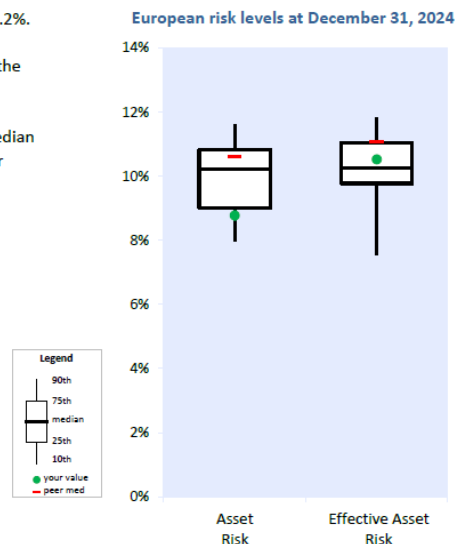
A higher Sharpe ratio can be obtained through some combination of higher net returns and lower volatility. Lower volatility can be the result of either having less risky assets or having better diversification.



Your asset risk of 8.8% was below the European median of 10.2% and your effective asset risk of 10.5% was above the European median of 10.3%.

Your asset risk of 8.8% was below the European median of 10.2%. Asset risk is the standard deviation of your policy return. It is based on the historical variance of, and covariance between, the asset classes in your policy mix.

Your effective asset risk of 10.5% was above the European median of 10.3%. Effective asset risk is the standard deviation of your policy return. It is based on the historical variance of, and covariance between, the assets classes in your asset mix.



Net value added is the component of total return from active management. Your 5-year net value added was 2.9%.

Net value added equals total net return minus policy return.

Value added for Tredje AP-fonden

Year	Net return	Policy return	Net value added
2024	10.3%	9.3%	1.0%
2023	7.8%	12.5%	-4.7%
2022	-5.8%	-14.2%	8.4%
2021	20.7%	15.1%	5.6%
2020	9.7%	6.8%	2.9%
5-Year	8.2%	5.3%	2.9%

Your 5-year net value added of 2.9% compares to a median of 0.8% for your peers and 0.2% for the European universe.

Your 2.9% 5-year value added translates into approximately 59.9 kr billion of cumulative value added over 5 years.

To enable fairer comparisons, the value added for each participant was adjusted to reflect private equity benchmarks based on investable public market indices.

European net value added - quartile rankings

