



TNS Sifo Prospera

Fondbolagens förening

SWEDISH INVESTMENT FUND ASSOCIATION

2014 Fund Saver Survey

TNS Sifo Prospera has conducted 1,500 telephone interviews of a random selection of Swedes aged between 18 and 76 who have declared an income for tax purposes. The interviews were conducted during the period from 9 January to 14 March 2014, inclusive.

The survey has been conducted biennially since 1990. The selection in previous surveys has comprised persons aged between 18 and 74.



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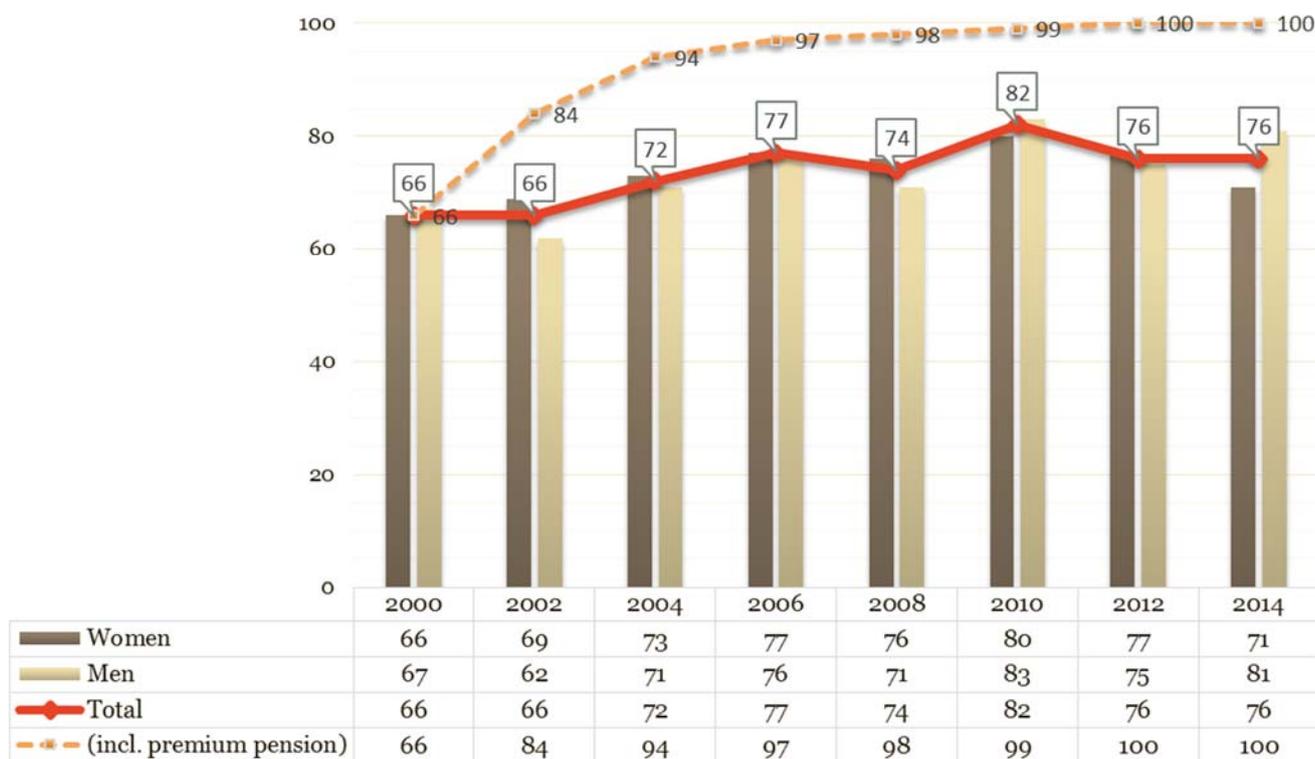
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Saving in funds

76 per cent of those aged between 18 and 76 in Sweden save in funds, either privately or via an occupational pension – a figure on par with that noted in 2012. The corresponding figures in 2010 and 2008 were 82 per cent and 74 per cent, respectively. When premium pensions are included, 100 per cent save in funds.

Percentage who save in funds, %



Source: TNS Sifo Prospera 2014

81 per cent of men and 71 per cent of women have savings in funds. The percentage of women in the eldest age group (aged 63-76) with fund-based savings has fallen in comparison with previous years, but 83 per cent of women in the 43-62 age bracket have savings in funds (excluding premium pensions).

The percentage with investment savings accounts (ISK) has increased to 17 per cent, in comparison with 3 per cent in the previous survey, when ISK were a completely new savings format. ISK also account, in part, for the difference between men and women, in that a higher percentage of men have funds in ISK – 20 per cent of men and 14 per cent of women.

The percentage with an ISK has increased from 3% to 17%.

The percentage who state that they have fund-based savings through their occupational pension has risen since the previous survey, from 41 per cent to 47 per cent. The percentage with private fund-based savings and/or unit-linked funds (IPS) has also increased, from 31 per cent to 41 per cent.

Overall, the percentage with savings in funds (excluding premium pensions) is the same as in the survey conducted two years ago, but those who save now have, on average, more fund-based savings alternatives than before.

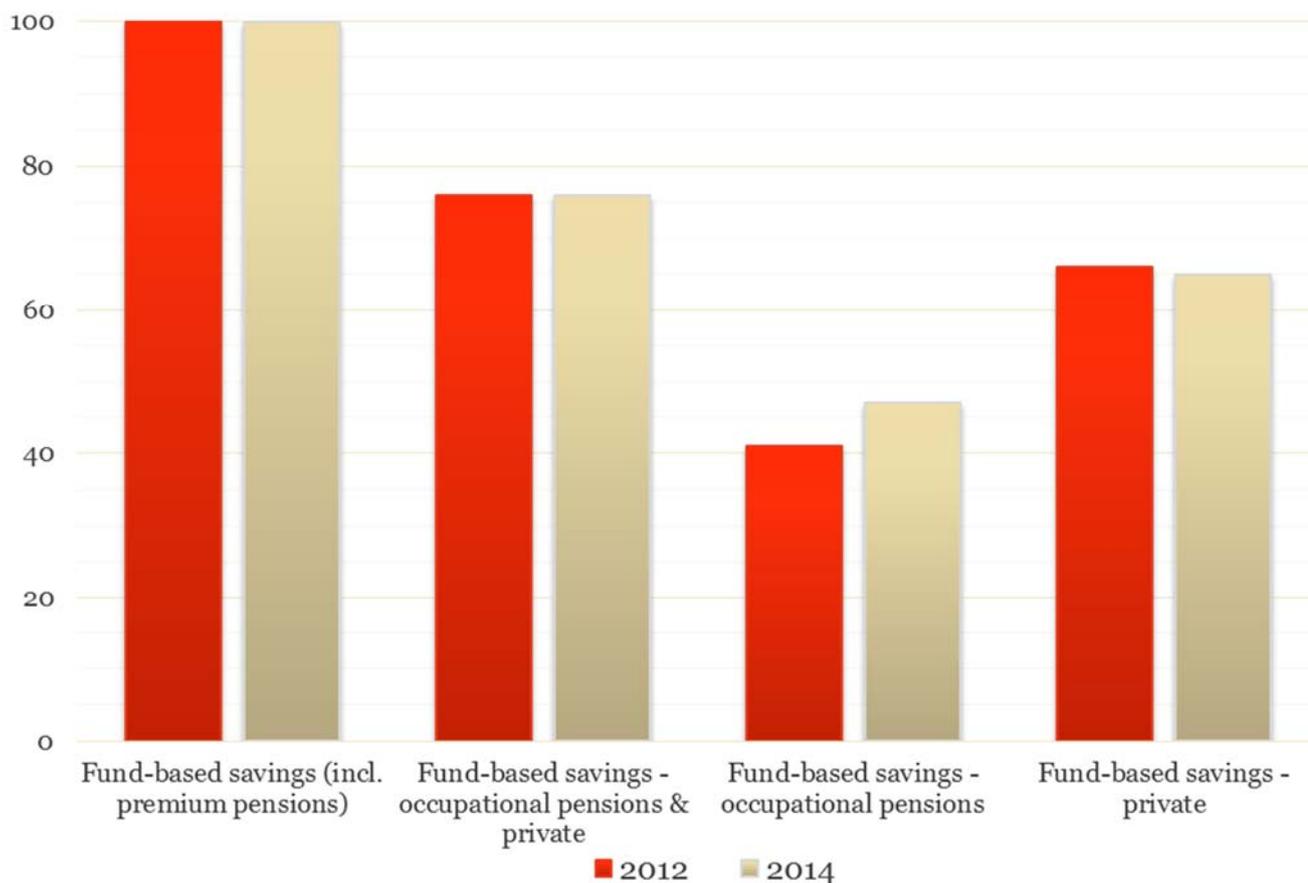
Just over one quarter of those with private fund-based savings have invested up to SEK 50,000 in funds, while each quarter of the remaining three quarters have invested between SEK 50,000 and SEK 100,000, between SEK 100,000 and SEK 250,000, and over SEK 250,000.

Men generally have a higher fund capital than women.

65 per cent of those surveyed save regularly, on a monthly basis. 55 per cent of the women who save and 40 per cent of the men save less than SEK 1,000 per month, while 40 per cent of the women and almost 60 per cent of the men save a larger amount.

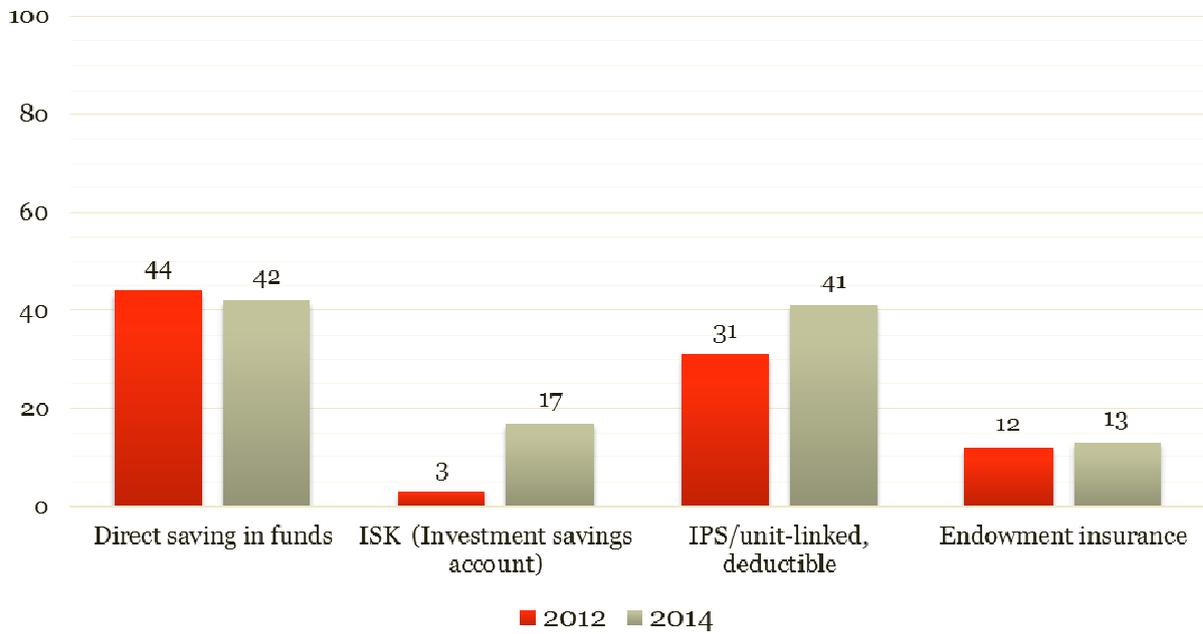
65% save regularly, on a monthly basis.

Percentage who save in funds, %

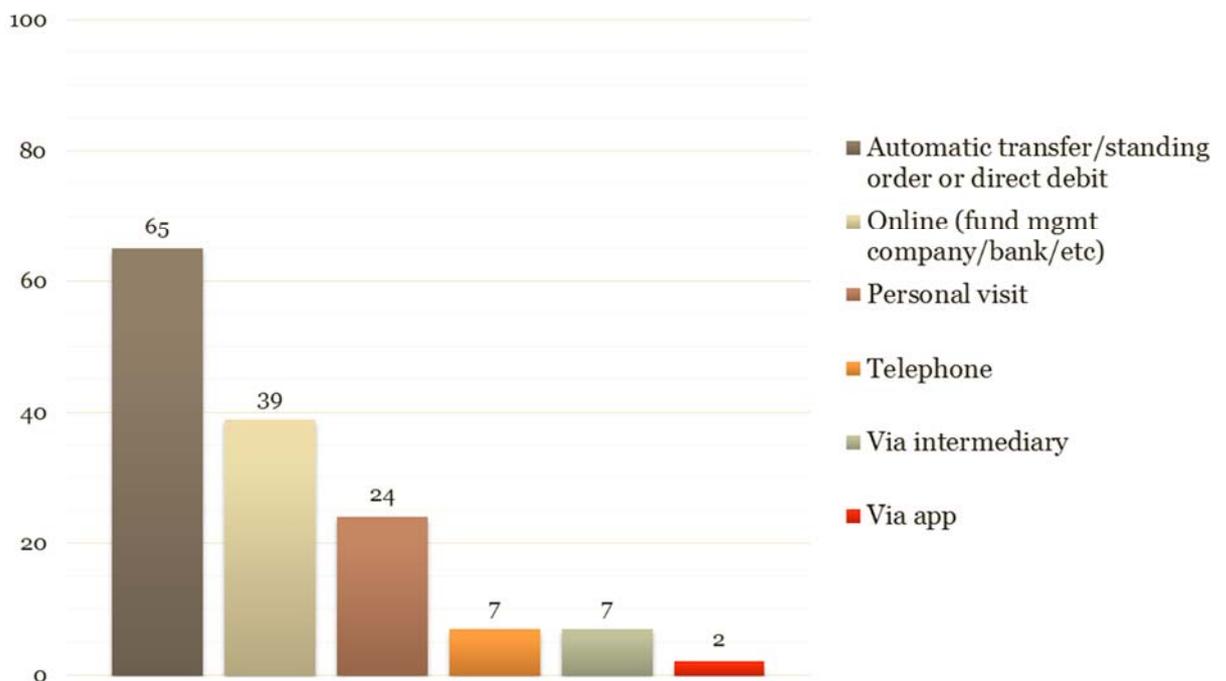


Source: TNS Sifo Prospera 2014

Fund-based savings - private, %



How we buy funds, %

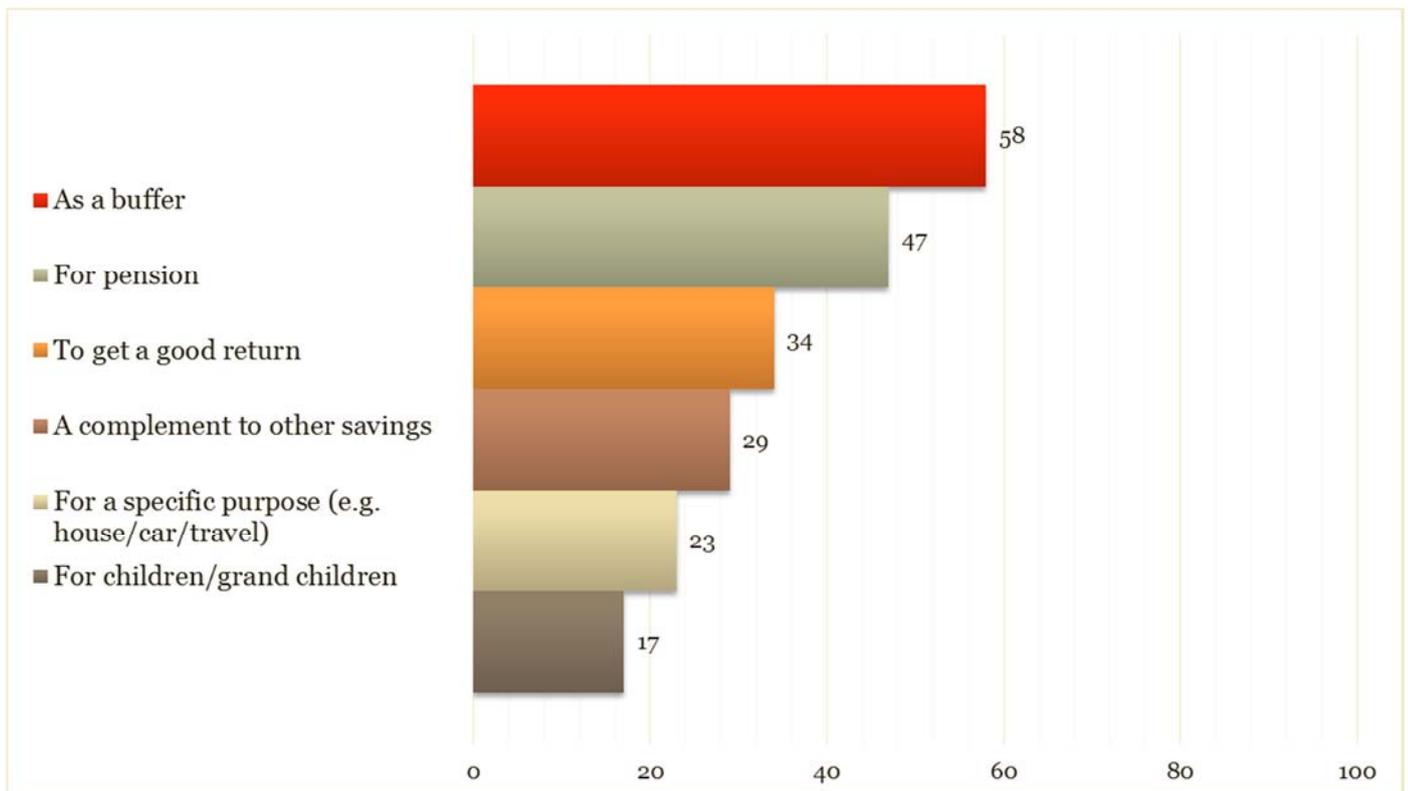


Source: TNS Sifo Prospera 2014

Reasons for saving in funds

58 per cent save directly in funds, in endowment insurance, or ISK with the aim of creating a buffer, while 47 per cent save towards their pension. One third of respondents regard fund-based saving as a way of achieving a good return or as a complement to other forms of saving, while one quarter mention saving for a specific purpose, such as a house, a car or travel.

Reasons for saving in funds, %



Source: TNS Sifo Prospera 2014

Saving for children

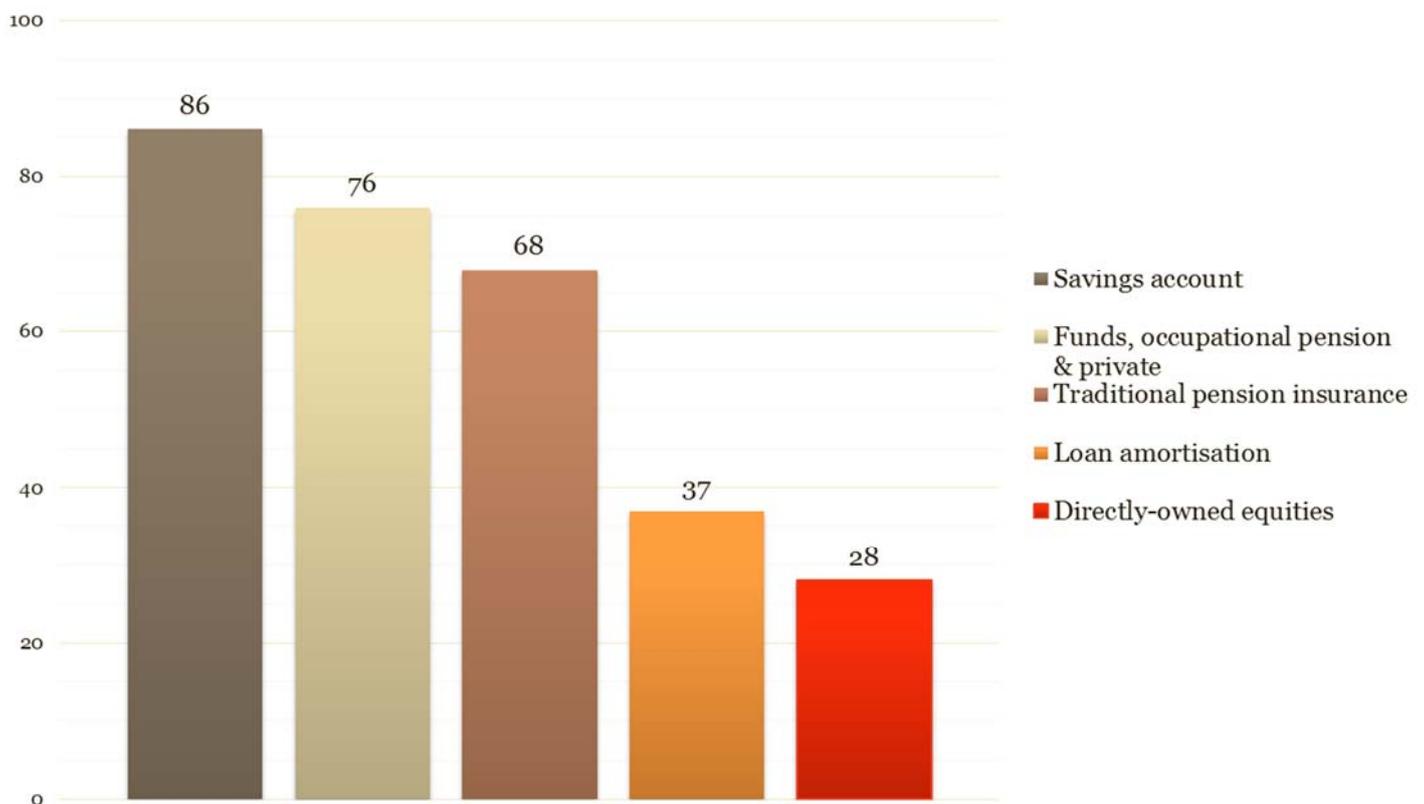
89 per cent of households where the children under the age of 18 are still living at home are saving for their children.

56 per cent of the children who save have funds and 49 per cent have savings accounts.

Other types of savings

Savings accounts are the most widely used savings format, with 86 per cent of respondents having savings of this kind, followed by savings in occupational pension and private funds, where the corresponding figure is 76 per cent. 68 per cent have traditional pension insurance, corresponding to a decline from 84 per cent in the previous survey. 37 per cent are paying off loans, and 28 per cent save directly in equities.

Different savings formats, %



Source: TNS Sifo Prospera 2014

Men are more likely to invest directly in equities than women, at 36 per cent and 21 per cent, respectively, and are more likely to amortise loans, at 44 per cent and 29 per cent, respectively.

Private pension saving

55 per cent of all those who are not pensioners, i.e. 60 per cent of women and 51 per cent of men, say that they need to complement their pension with private pension savings.

50 per cent of all respondents save privately in funds for their pensions. 26 per cent have IPS savings and 27 per cent have deductible unit-linked funds, while 24 per cent state that they have alternative private fund-based savings with the aim of boosting their pensions. 65 per cent of those aged between 43 and 62 have deductible private pension savings in IPS, unit-linked funds, or traditional pension insurance.

61 per cent of men and 38 per cent of women think that they are sufficiently well-informed to influence their pensions.

Fund type selection

75 per cent of those who specified a fund type have equity funds, corresponding to a slight decline since the previous survey. 39 per cent have balanced funds, while 28 per cent have fixed income funds. Both of these figures constitute increases since the previous survey.

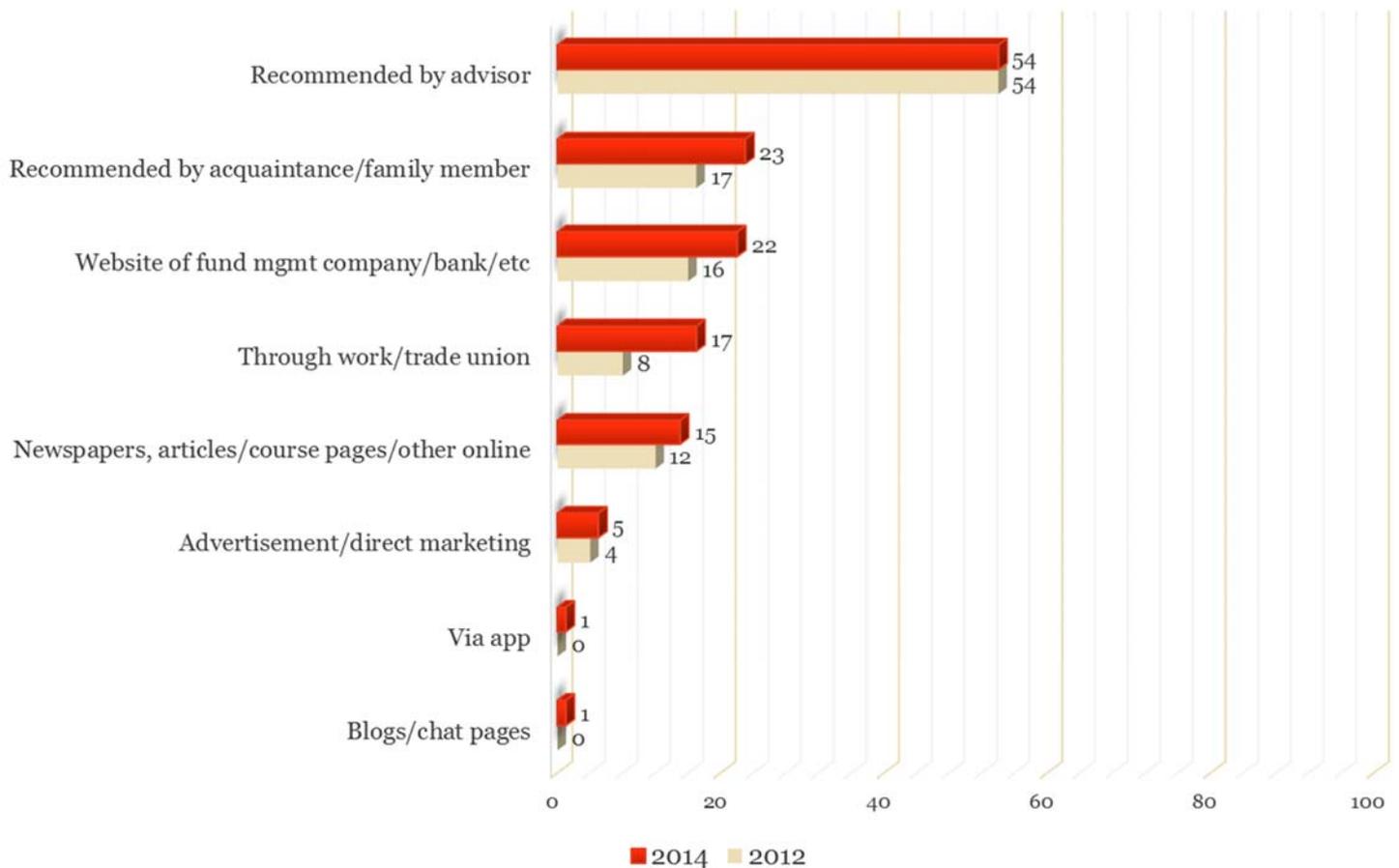
The most common type of equity funds are Sweden funds (37 per cent), followed by global funds (31 per cent) and emerging market funds (31 per cent). The percentage with emerging market funds has fallen, while the percentage for Europe funds, global funds and North America funds have, by contrast, risen. The percentage of respondents saving in index funds has increased from 11 to 19 per cent.

Percentages for different fund types, %

| | 2012 | 2014 |
|---------------------------|------|------|
| Equity funds | 81 | 75 |
| - Sweden | 31 | 37 |
| - Nordic region | 19 | 20 |
| - Europe/euro zone | 21 | 29 |
| - North America | 8 | 13 |
| - Japan | 8 | 8 |
| - Emerging markets | 37 | 31 |
| - Global | 26 | 31 |
| - Sector funds | 16 | 13 |
| - Index funds | 11 | 19 |
| Balanced funds | 31 | 39 |
| Fixed income funds | 24 | 28 |
| Fund of funds | 5 | 5 |
| Hedge funds | 3 | 4 |
| Ethical funds | 6 | 11 |

Fund selection

Reason for choosing a specific fund, %



Source: TNS Sifo Prospera 2014

Advice

Recommendations from advisors are the most common reason given for choosing a particular fund, at 54 per cent. Just over 20 per cent have seen information online, corresponding to an increase on previous levels. There has also been an increase in the percentage who based their choice on information received through work/a trade union, from 8 per cent to 17 per cent.

Four out of every ten respondents state that they have received advice on investment funds in the past two years and would, on average, rate the advice they received at 3.7 on a scale from 1 to 5.

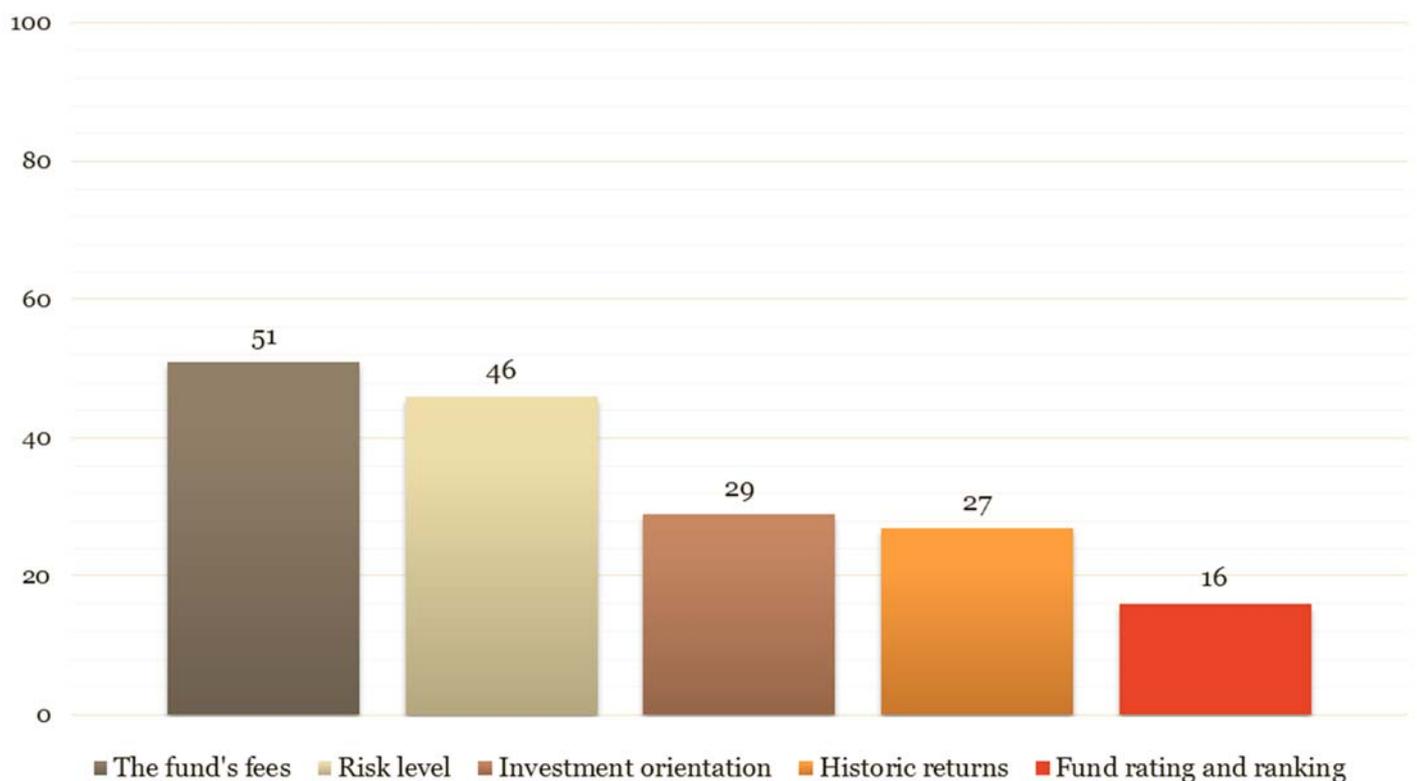
28 per cent would consider paying for independent advice. This tendency is more pronounced amongst younger people, at 35 per cent of all respondents aged between 18 and 42 in comparison with 16 per cent for those aged 63 or above.

28% would consider paying for independent advice.

Pre-purchase information

Approximately half of all respondents stated that the fund's fees constitute very important information when preparing to choose a fund. The same was true of information about the fund's risk level. Just under one third of respondents (29%) stated that information about the fund's investment orientation is very important, and just over one quarter (27%) stated that historic returns constituted very important information, while half (53%) think that it is fairly important.

Pre-purchase information about the fund regarded as very important, %



Source: TNS Sifo Prospera 2014

Risk tolerance

As was the case in previous surveys, men are more willing to take risks than women. 59 per cent of all men would consider taking a greater risk to reap a greater return, in comparison with 42 per cent of women. 52 per cent of women think that a low risk is most important, while only 35 per cent of men share this view. There is a greater risk tolerance amongst both men and women in the younger age groups than the older ones.

Sustainability issues

For women, it is very important that the fund management companies offer funds orientated towards ethical, environmental and responsible investments. On a scale from 1 to 5, they give this an importance rating of 4.2, in contrast to the 3.6 rating given by men.

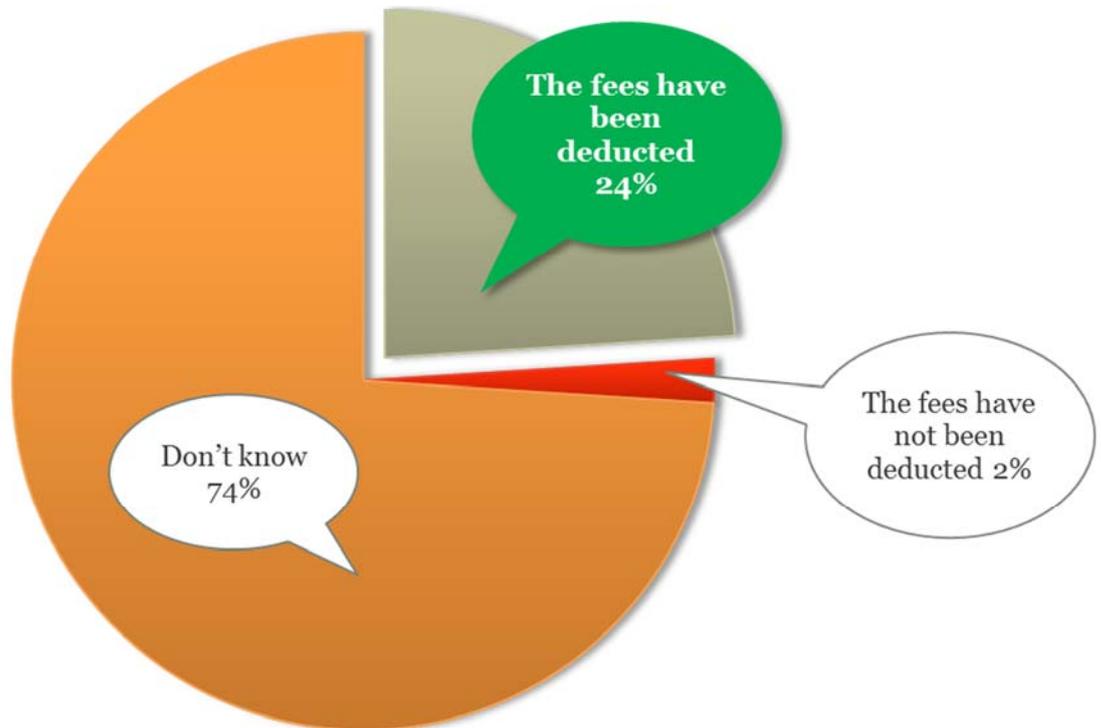
58 per cent of all respondents believe that it is very important that fund management companies are active owners of the companies in which the funds invest.

Women are more interested in funds that consider ethical/environmental factors.

Fees

One quarter of fund savers state that they always check the fund fees before buying – the same number who say that they sometimes do. 40 per cent say that they do not usually check the fee before buying a fund – a figure that has remained unchanged from previous years. One out of four fund savers say that they know that the management fee has already been deducted when the fund's value is reported and this figure, too, is the same as in previous years.

Percentage who know that the fee has already been deducted when the return is shown, %

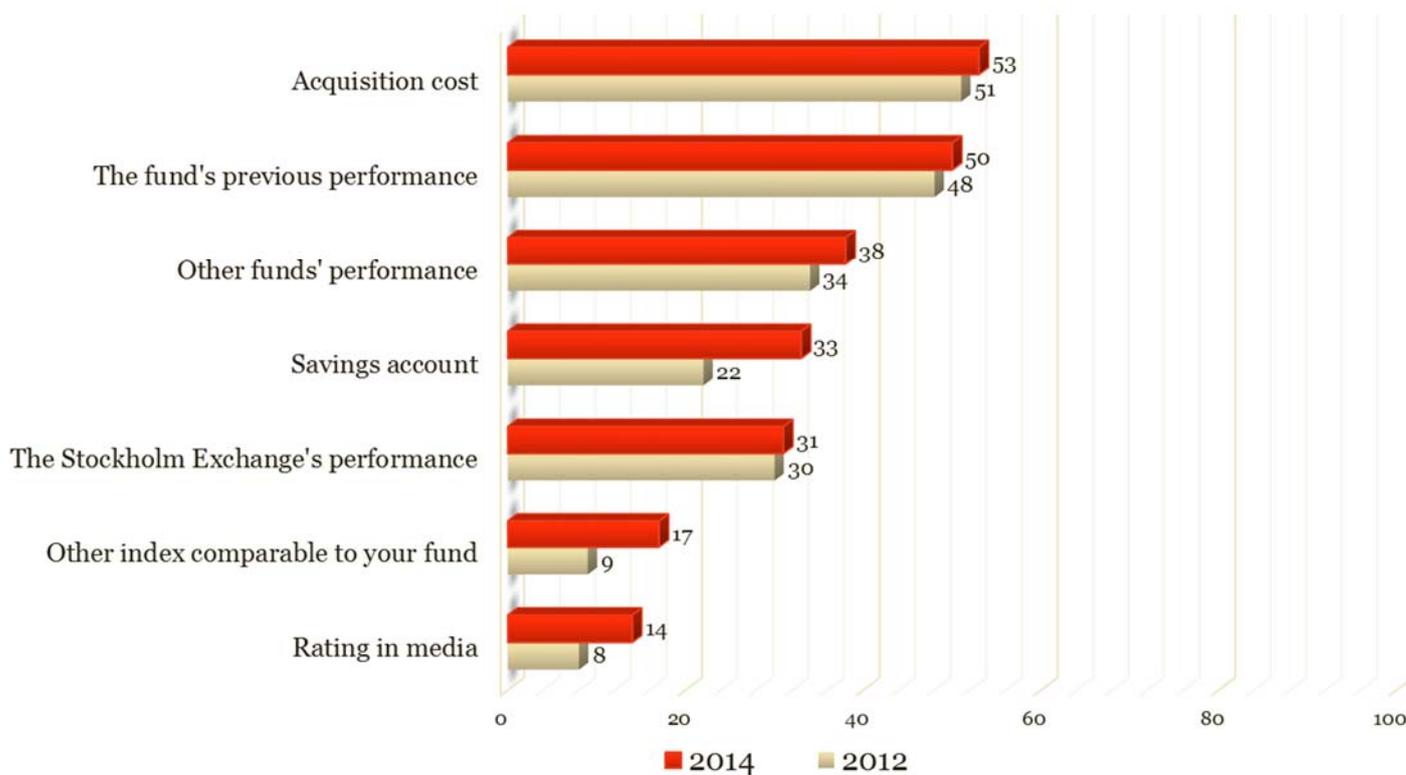


Source: TNS Sifo Prospera 2014

Benchmarks

The acquisition cost is the benchmark most commonly used (by 53%) as a means of evaluating funds. Almost as many use the fund's previous performance (50%) as a benchmark, while just over one third make comparisons with other funds' performance, and three out of every ten make comparisons with the stock market performance and savings accounts. 17 per cent make comparisons with another fund-comparable index, corresponding to an increase from 9 per cent two years ago.

Comparison metrics used by fund savers, %

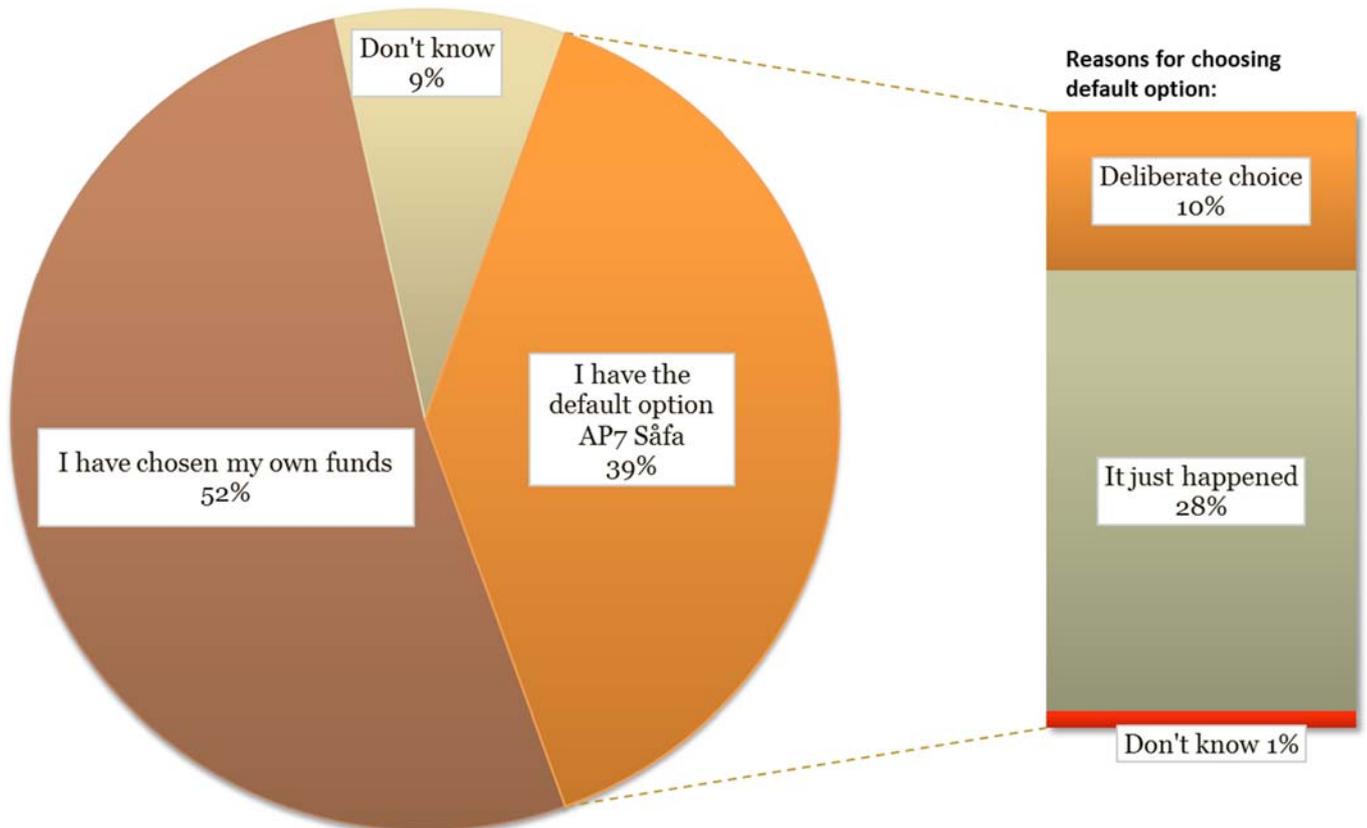


Source: TNS Sifo Prospera 2014

Premium pensions

Over half of the respondents have made their own choices when it came to funds for their premium pension. Four out of every ten have AP7 Såfa, with one in ten choosing the fund deliberately and three in ten saying that “it just happened”.

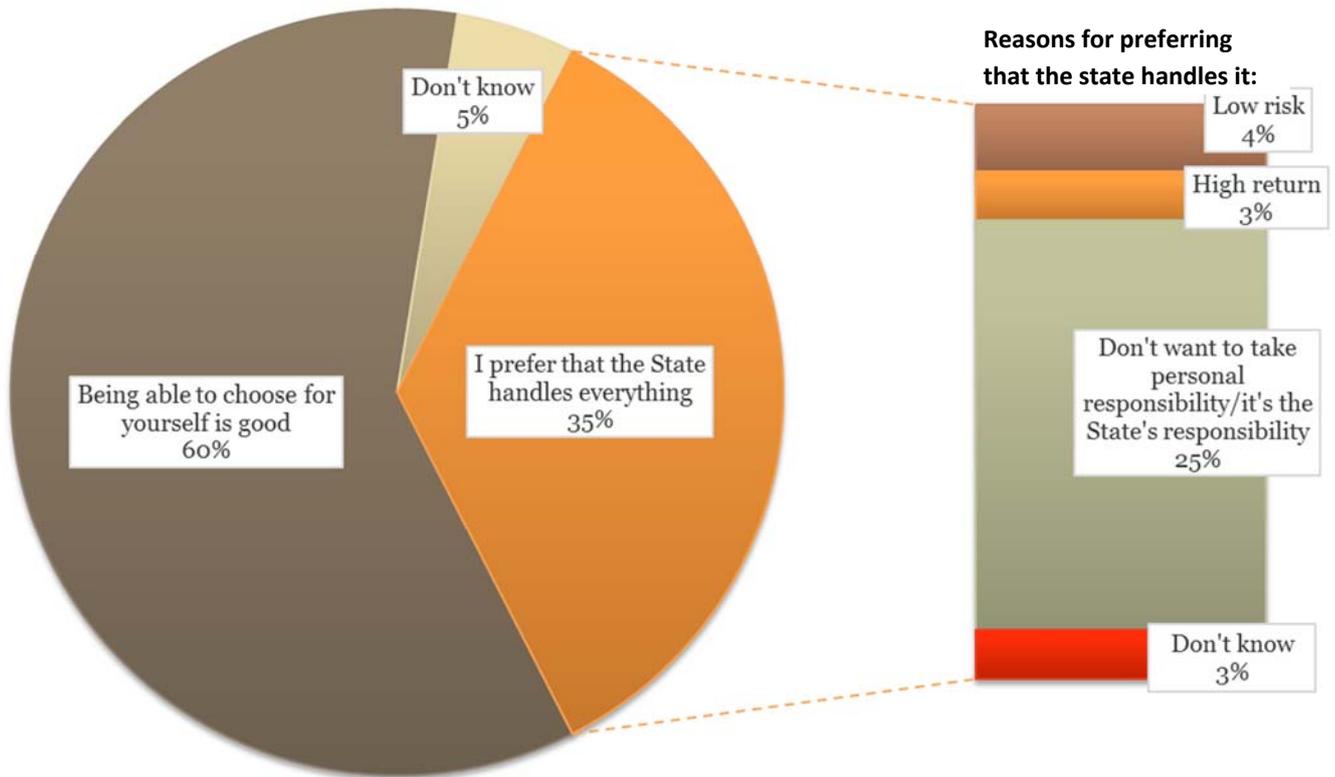
Percentage who have made their own choice for their premium pension, %



Source: TNS Sifo Prospera 2014

60 per cent like having the option to choose their own funds for their premium pension. 35 per cent prefer that “the State handles everything”. This group tends to regard pension management as the State’s responsibility.

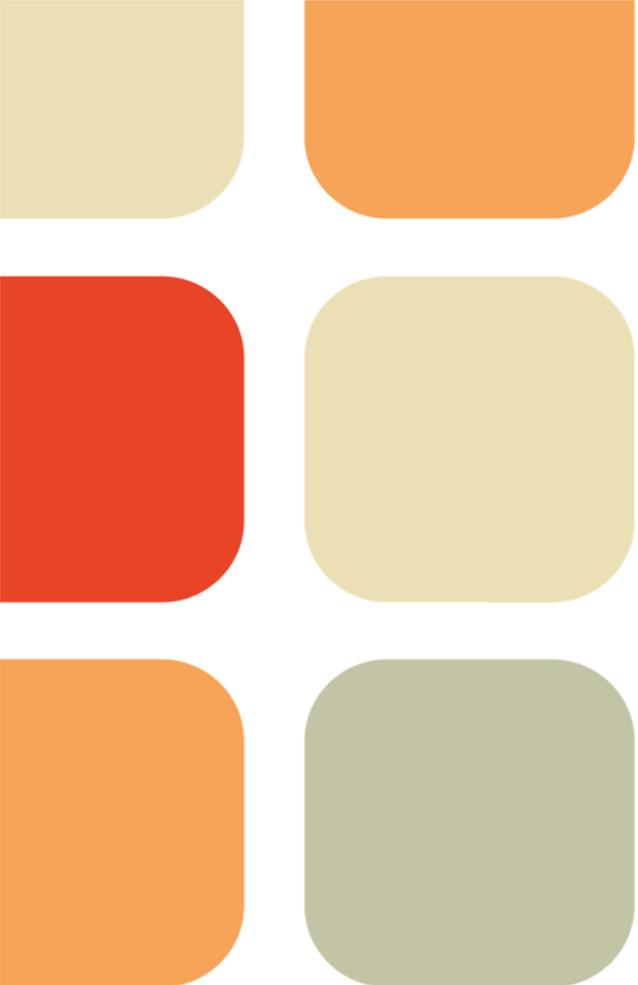
I like being able to choose for myself/I prefer that the State handles it, %



Source: TNS Sifo Prospera 2014

Only 11 per cent (15 per cent of men and 8 per cent of women) know that they get a discount on the fund fee in the premium pension fund system.

Only 11 per cent know about the premium pension fund discounts.



More reports about funds and saving in funds
available here:

www.fondbolagen.se/en/Studies/Studies--surveys/

For more information, please contact:

Pia Nilsson, CEO Fondbolagens förening/Swedish Investment Fund Association
pia.nilsson@fondbolagen.se

Fredrik Pettersson, chief analyst Fondbolagens förening/Swedish Investment
Fund Association
fredrik.pettersson@fondbolagen.se



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