

BALANCE OF PAYMENT AND FINANCIAL MARKET

REPORT 2015:1

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Statistiska centralbyrån Statistics Sweden

# Swedish portfolio holdings 2014

## Foreign equity securities and debt securities





# **Swedish portfolio holdings**

## **Foreign portfolio equities and debt securities**

# **2014**

Statistics Sweden  
2015

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## Foreign portfolio equities and debt securities

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2015

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# Foreword

This study is part of the International Monetary Fund's (IMF's) comprehensive international survey and measures Swedish holdings of foreign portfolio assets as of 31 December.

The Riksbank has participated in the survey since 2001. Statistics Sweden, as commissioned by the Riksbank, has produced the survey since September 2007. The publication has been produced at Statistics Sweden by the Unit for Balance of Payments and Financial Market Statistics.

Portfolio assets are broken down into shares, investment fund shares and debt securities. There is also a geographical distribution of the investments and a breakdown per holder sector. Finally, there are issuer and currency breakdowns for securities.

This report covers the outcome for 2014.

Statistics Sweden, September 2015

Folke Carlsson

Ebba Hartzell

## **Statistics Sweden would like to thank**

our respondents – custodians, enterprises, foundations, fund management companies and other institutions – who make it possible for Statistics Sweden to produce reliable and timely statistics that meet the demands for information from society.



# Contents

<b>Foreword</b>	<b>1</b>
<b>Summary</b>	<b>6</b>
<b>1 Swedish portfolio holdings of foreign securities, 2014</b>	<b>7</b>
1.1 Shares and Investment fund shares.....	9
1.2 Debt securities.....	11
<b>2 Geographical distribution</b>	<b>13</b>
2.1 Shares and Investment fund shares.....	14
2.2 Debt securities.....	15
<b>3 Sector breakdown</b>	<b>17</b>
3.1 Shares and investment fund shares.....	18
3.2 Debt securities.....	18
<b>4 Issuer sector</b>	<b>19</b>
<b>5 Currency distribution</b>	<b>21</b>
<b>Background to the survey</b>	<b>22</b>
<b>Facts about the statistics</b>	<b>23</b>

## Summary

The value of Swedish investors foreign portfolio assets amounted to SEK 4 162 billion at the end of 2014. Thus, the assets increased by 13 percent from the previous year. The holdings in foreign shares and investment fund shares amounted to SEK 2 974 billion, which represents an increase of 11 percent from the previous year. The rise in assets is mostly due to an upturn in the stock markets together with a weakening of the Swedish krona.

SEK billion	2010	2011	2012	2013	2014
<b>1 Portfolio holdings</b>	3 307	3 026	3 287	3 690	4 162
<b>1.1 Shares and investment fund shares</b>	2 240	2 037	2 312	2 690	2 974
<b>1.2 Debt securities</b>	1 067	989	975	1 001	1 188

Source: Statistics Sweden

The holdings in debt securities increased by 19 percent during 2014, and amounted to SEK 1 188 billion at the end of the year. The holdings in debt securities consist of 97 percent in long-term securities, which at the end of 2014 had a value of SEK 1 159 billion.

Sweden's foreign portfolio investments are dominated by holdings in the United States, Luxembourg, and the United Kingdom. At year-end 2014, these three countries accounted for 51 percent of the total holdings of foreign portfolio assets. The largest increase was in the United States, where holdings increased by SEK 307 billion or 37 percent from the previous year.

A breakdown by holder sector shows that the sector Other financial institutions had holdings corresponding to 57 percent. The Social insurance and MFI sectors <sup>1</sup> represented 18 percent and 15 percent respectively of total portfolio investments.

The holdings in foreign debt securities issued by foreign governments amounted to SEK 486 billion, while holdings of debt securities issued by other institutions amounted to SEK 773 billion.

<sup>1</sup> The Monetary Financial Institutions (MFI) sector consists of banks and mortgage institutions.



# 1 Swedish portfolio holdings of foreign securities, 2014

The value of Swedish investors' foreign portfolio assets totalled SEK 4 162 billion at the end of 2014.<sup>2</sup> This can be compared with year-end 2013 when the value of the assets amounted to SEK 3 690 billion, thus representing an increase of SEK 472 billion or 13 percent.

**Table 1.1**  
**Swedish investors' foreign portfolio holdings, SEK billion**

SEK billion	2010	2011	2012	2013	2014
<b>1 Portfolio holdings</b>	3 307	3 026	3 287	3 690	4 162
<b>1.1 Shares and investment fund shares</b>	2 240	2 037	2 312	2 690	2 974
<b>1.2 Debt securities</b>	1 067	989	975	1 001	1 188

Source: Statistics Sweden

**Table 1.2**  
**Change from the previous year in Swedish investors' foreign portfolio holdings**

Percent	2010	2011	2012	2013	2014
<b>1 Portfolio holdings</b>	8%	-8%	9%	12%	13%
<b>1.1 Shares and investment fund shares</b>	13%	-9%	13%	16%	11%
<b>1.2 Debt securities</b>	-1%	-7%	-1%	3%	19%

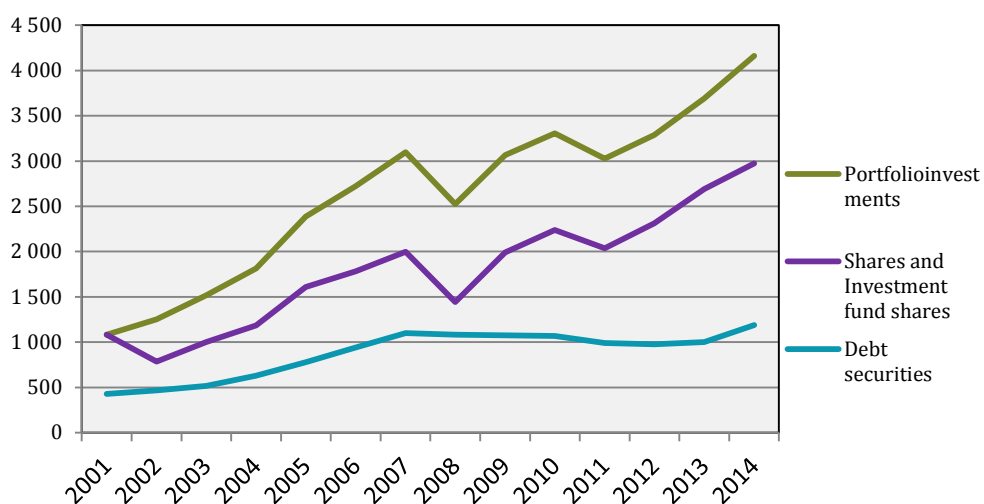
Source: Statistics Sweden

Portfolio assets consist mainly of shares and investment fund shares, which contribute most to fluctuations in the holdings. At the end of 2014, Swedish holdings of foreign shares and investment fund shares amounted to SEK 2 974 billion. This is an increase of SEK 285 billion or nearly 11 percent compared with the previous year. The increase in shares and investment fund shares is mostly due to a sharp upturn in the stock markets along with a weakening of the Swedish krona, which resulted in an increase in value measured in Swedish kronor.

Investments in foreign debt securities amounted to SEK 1 188 billion at the end of 2014, which represents an increase of SEK 187 billion or 19 percent compared with the previous year. Statistics on Sweden's balance of payments show that Swedish investors made net purchases of foreign debt securities amounting to SEK 135 billion; however, the increase is primarily due to a weakening of the Swedish krona.

<sup>2</sup> Portfolio holdings include shares (where ownership in a company is less than 10 percent of the equity or voting shares), investment fund shares and debt securities.

**Figure 1.1**  
**Swedish investor's foreign portfolio holdings 2001-2014, SEK billion**



Source: Statistics

Sweden

With exceptions for 2008 and 2011, Swedish holdings of foreign portfolio investments have increased since 2001, when this survey was produced for the first time.

In 2005, Swedish holdings of foreign portfolio investments increased by just over SEK 573 billion, which is the largest increase since 2001. The increase was primarily due to a sharp upturn in stock markets during the year combined with a weakening of the Swedish krona.

Global stock markets plunged in 2008, which explains the fall in the foreign portfolio holdings. The holdings in shares and investment fund shares fell by 28 percent, while investments in debt securities remained relatively unchanged. In 2009, Sweden's foreign holdings of shares and investment fund shares mainly recovered following the sharp decline, partly as a result of Sweden having made net purchases of foreign shares and investment fund shares for SEK 125 billion, and partly due to an upturn in the stock market.

## 1.1 Shares and Investment fund shares

The value of Swedish investors' foreign share assets at the end of 2014 amounted to SEK 1 944 billion, which is an increase of SEK 287 billion or 17 percent compared with the previous year. The increase in holdings in shares is primarily due to an upturn in the stock market along with a weakening of the Swedish krona. Statistics on the balance of payments show that Swedish investors made net sales of foreign shares for just under SEK 7 billion. Shares accounted for just under 47 percent of Swedes' holdings of foreign securities.

**Table 1.1.1**  
Swedish investments in foreign shares and investment fund shares, SEK billion

SEK billion	2010	2011	2012	2013	2014
Shares	1 425	1 231	1 379	1 657	1 944
Investment fund shares	815	806	933	1 032	1 030

Source: Statistics Sweden

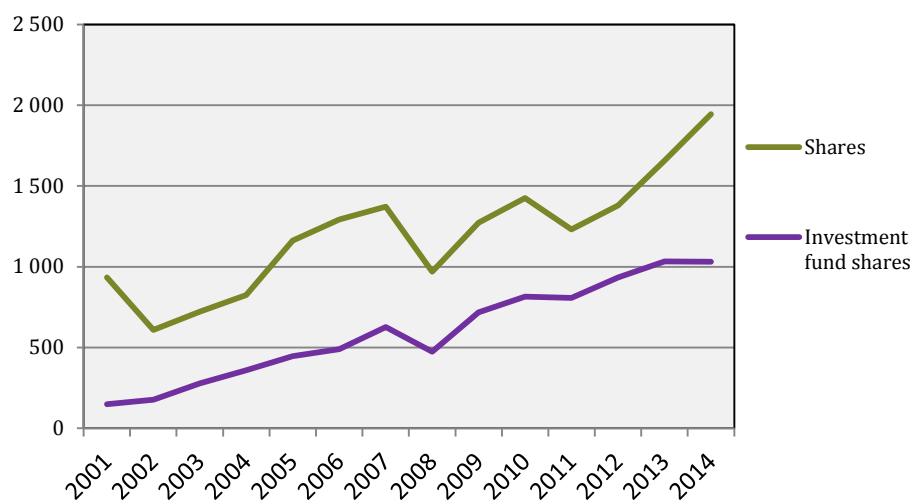
**Table 1.1.2**  
Change from the previous year in Swedish investments in foreign shares and investment fund shares

Percent	2010	2011	2012	2013	2014
Shares	12 %	-14 %	12 %	20 %	17 %
Investment fund shares	14 %	-1 %	16 %	11 %	-0.2 %

Source: Statistics Sweden

Holdings of foreign investment fund shares amounted to SEK 1 030 billion and decreased by SEK 2 billion from 2013. Statistics on Sweden's balance of payments show that Swedish investors made net purchases of foreign investment fund shares during 2014. The reduced holdings of foreign investment fund shares are probably due to the new tax regulations beginning 1 January 2012. The new regulations removed the tax on Swedish-registered investment fund shares. Previously, it was advantageous to register investment fund shares abroad because of more favourable tax regulations. With the new tax regulations, Swedish fund management companies no longer have the same incentives for registering investment fund shares abroad. Thus, one explanation for the reduced holdings in foreign-registered investment fund shares may be that these funds have moved back to Sweden.

**Figure 1.1.1**  
**Swedish investments in foreign shares and investment fund shares**  
**2001-2014, SEK billion**



Source: Statistics Sweden

## 1.2 Debt securities

Investments in foreign long-term securities at the end of 2014 amounted to SEK 1 159 billion, which represents an increase of SEK 189 billion, or nearly 20 per cent compared with the previous year. This is the largest increase in holdings of long-term securities since 2001 in terms of total amounts.

Holdings of foreign short-term securities amounted to SEK 29 billion and decreased by SEK 2 billion, or nearly 7 percent from 2013. Short-term securities represent a very small percentage of the total holdings of foreign debt securities, making up less than 3 percent in 2014. This, combined with the short maturity period, means that the holdings of these debt securities change considerably in percentage terms from one year to the next.

**Table 1.2.1**  
**Swedish investments in foreign debt securities, SEK billion**

SEK billion	2010	2011	2012	2013	2014
<b>Long-term</b>	1 017	954	940	969	1 159
<b>Short-term</b>	50	35	35	31	29

Source: Statistics Sweden

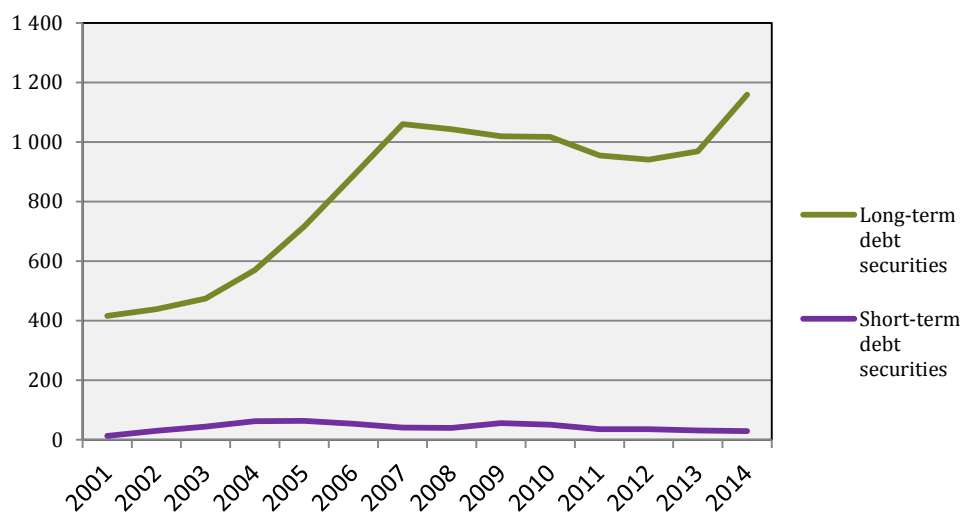
**Table 1.2.2**  
**Change from the previous year in Swedish investments in foreign debt securities**

Percent	2010	2011	2012	2013	2014
<b>Long-term</b>	-0.3 %	-6 %	-2 %	3 %	20 %
<b>Short-term</b>	-11 %	-30 %	0.1 %	-10 %	-7 %

Source: Statistics Sweden

There is a clear upward trend in Swedish holdings of foreign long-term securities from the start of the survey in 2001 up to 2007. The holdings are thereafter relatively stable but decrease slightly each year until 2013, when the holdings increase once again.

**Figure 1.1.2**  
**Swedish investments in foreign debt securities, 2001 to 2014, SEK billion**

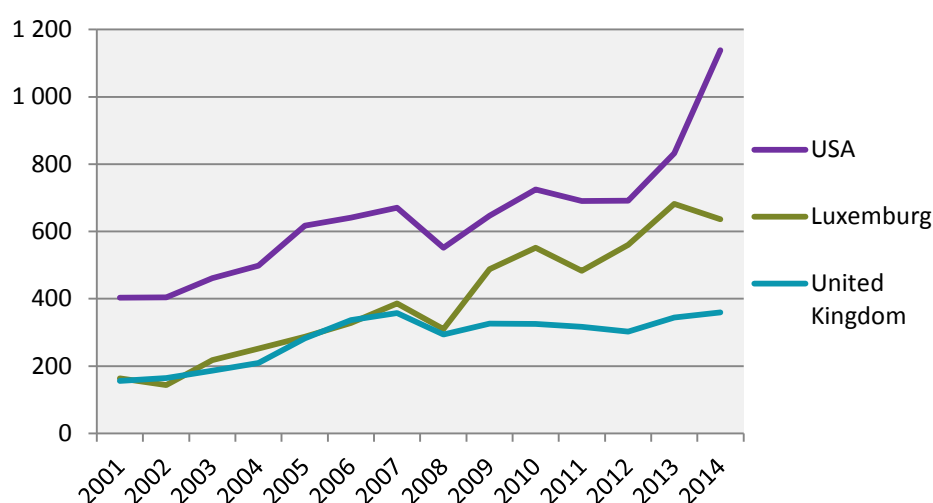


Source: Statistics Sweden

## 2 Geographical distribution

The survey also presents a geographical distribution of the portfolio investments. The survey shows a relatively stable geographical distribution over the years. The three countries with the largest investments have been the same since 2001. Sweden's foreign portfolio investments are dominated by holdings in the United States, Luxembourg, and the United Kingdom. At the end of 2014, holdings in these countries made up just over one-half of total Swedish foreign portfolio investments.

**Figure 2.1**  
**Swedish portfolio investments in the United States, Luxembourg, and the United Kingdom, 2001 to 2014, SEK billion**



Source: Statistics Sweden

Portfolio investments in the United States amounted to SEK 1 139 billion at the end of 2014. This represents an increase of SEK 307 billion compared with the previous year. The stock market upturn in the United States is a major reason for the increase. Swedish investors' holdings of American securities comprised over 27 percent of total holdings, of which shares accounted for the largest proportion. Holdings in Luxembourg fell from the previous year to SEK 46 billion, which represented slightly more than 15 percent of total foreign investments. Holdings in investment fund shares accounted for the largest portion of those holdings. Sweden's holdings of securities from the United Kingdom accounted for 9 percent of foreign investments and consisted mainly of shares, followed by long-term debt securities.

## 2.1 Shares and Investment fund shares

The distribution of Swedish investors' holdings of foreign shares and investment fund shares broken down by geographical zone has followed the same trend in recent years. The EU zone, where most of the investments are located, decreased slightly from the previous year. At the end of 2014, investments within the EU amounted to SEK 1 351 billion, which represents just over 45 percent of the total investments in shares and investment fund shares.

The United States is the largest individual recipient country of Swedish share investments, while Swedish holdings in Luxembourg predominantly consist of investment fund shares. The fact that Luxembourg accounts for such a large percentage of the total Swedish holdings of foreign investment fund shares is largely due to how investment fund shares are dealt with in the survey.<sup>3</sup>

**Table 2.1.1**  
Swedish investors' holdings of foreign shares, by geographical distribution, 2010 to 2014, SEK billion

Shares	2010	2011	2012	2013	2014
USA	422	403	439	556	746
United Kingdom	189	169	186	215	208
Switzerland	115	93	105	145	157
Japan	72	63	64	91	108
Germany	51	49	75	73	104

Source: Statistics Sweden

<sup>3</sup> Foreign registered investment fund shares are allocated to the country in which the fund is registered and are reported as investment fund shares regardless of the type of securities that the fund invests in. Luxembourg's large share of holdings in investment fund shares is a result of many fund management companies choosing to register their investment fund shares there, mainly because of the country's previously more favourable tax regulations.



**Table 2.1.2**  
**Swedish investors' holdings of foreign investment fund shares, by geographical distribution, 2010 to 2014, SEK billion**

Fonder	2010	2011	2012	2013	2014
Luxembourg	466	429	496	609	569
USA	88	96	100	91	125
Ireland	51	47	57	75	90
Cayman Islands	17	32	33	49	67
Finland	105	104	158	108	57

Source: Statistics Sweden

In comparison with 2013, the same five countries comprise the largest recipient countries of shares and investment fund shares respectively. Investment fund holdings from Luxembourg have fallen slightly compared with the previous year, from SEK 609 billion to SEK 569 billion. In contrast, investment fund shares from the United States increased by SEK 34 billion, making it the next largest recipient country for Swedish investment funds. Holdings of shares from the United States increased by SEK 190 billion during 2014, which represents 38 percent of the Swedes' total foreign share investments.

## 2.2 Debt securities

Holdings of debt securities increased by a total of SEK 187 billion or 19 percent between 2013 and 2014. The increase was primarily due to an increase in holdings of securities from North America and the EU zone. Holdings from these areas have increased by SEK 95 billion and SEK 74 billion respectively from the previous year. The largest single increase occurred in American long-term securities, which increased by 45 percent.

As in previous years, Swedes have their largest holdings in the EU zone and North America. The United States is the largest individual recipient country of Swedish investments in debt securities, where the holdings amounted to SEK 268 billion in 2014. Germany dominates within the EU zone, with holdings equivalent to SEK 176 billion, followed by the United Kingdom and Denmark, with SEK 113 billion and SEK 103 billion respectively.

The country breakdown for the holdings of debt securities differs between the short-term and long-term securities. The geographical distribution of short-term securities also varies more from one year to the next, which is primarily due to their shorter maturity period. Another reason for the variations is that the holdings of short-term securities are smaller than holdings in long-term securities, which means that the purchases or sales by individual institutions can have a large impact on the statistics.

**Table 2.1.3**  
**Swedish investors' holdings of short-term securities, geographical distribution, 2010 to 2014,**  
**SEK billion**

Short-term securities	2010	2011	2012	2013	2014
Norway	12	4	8	7	4
Canada	0	0	1	1	4
USA	9	11	2	4	4
Netherlands	3	2	6	4	3
Luxembourg	1	1	2	6	2

Source: Statistics Sweden

**Table 2.1.4**  
**Swedish investors' holdings of long-term securities, geographical distribution, 2010 to 2014,**  
**SEK billion**

Long-term securities	2010	2011	2012	2013	2014
USA	206	180	151	182	264
Germany	201	155	162	168	175
United Kingdom	102	109	85	95	113
Denmark	121	114	108	101	102
Norway	71	59	79	76	95

Source: Statistics Sweden

At the end of 2014, the total value of the holdings of short-term securities amounted to SEK 29 billion, compared with the previous year when the holdings amounted to SEK 31 billion. Short-term securities from Canada, Norway and the United States largely dominated in 2014. These three countries together account for 43 percent of the holdings.

The decrease in holdings of short-term securities was primarily attributable to holdings from Luxembourg, which decreased by SEK 4 billion or 72 percent. This can be compared with the previous year when the holdings of short-term securities from Luxembourg grew by SEK 4 billion. The largest increase from the previous year came from holdings from Canada, which increased from SEK 600 million to SEK 4 billion.

The country breakdown of holdings of foreign long-term securities has been relatively stable over the years. In 2014, Swedish investors increased their holdings of American long-term securities by SEK 82 billion. The United States is the largest recipient country of long-term securities and the holdings constitute 23 percent of total holdings. Germany is the second largest recipient country with holdings corresponding to SEK 175 billion, 15 per cent of the total holdings. It is followed by the United Kingdom with SEK 113 billion and Denmark with SEK 102 billion.

### 3 Sector breakdown

In addition to the geographical breakdown, the survey also shows foreign portfolio investment by holder sectors, i.e. which Swedish sectors own the foreign securities. The sectors' relative shares of total assets have changed relatively little over the years, which is also the case in this year's survey.

The holder sector Other financial institutions, which consists mainly of insurance companies and fund management companies, heavily dominates with an ownership share of just over 57 percent. It has been the largest holder sector since 2001, when the survey was conducted for the first time. Other financial institutions own primarily shares and investment fund shares, but the sector also has the largest ownership share of debt securities since the end of 2011.

The monetary financial institutions (MFIs), which consist of banks and mortgage institutions, was the second largest holder sector in the previous year after Other financial institutions with an ownership share corresponding to 17 percent. At the end of 2014, MFIs accounted for 15 percent of the holdings, a decrease of SEK 5 billion to the favour of the Social insurance sector, which increased its holdings primarily in long-term securities.

**Table 3.1**  
**Sector breakdown in SEK billion, 2014**

<b>Sector</b>	<b>Total</b>	<b>shares</b>	<b>investment fund shares</b>	<b>long-term securities</b>	<b>short-term securities</b>
General					
government	11	5	3	2	0
MFIs	638	170	116	339	12
Municipalities	1	0	1	0	0
Other financial institutions	2 365	1 313	515	533	4
Non-financial corporations	100	14	42	32	12
Households	280	47	222	10	1
Social insurance	767	394	131	242	0
<b>Total</b>	<b>4 162</b>	<b>1 944</b>	<b>1 030</b>	<b>1 159</b>	<b>29</b>

Source: Statistics Sweden

**Table 3.2**  
**Sector breakdown in percent, 2014**

Sector, %	Total	Shares	Investment		
			fund shares	Long-term securities	Short-term securities
General government	0%	0%	0%	0%	1%
MFI's	15%	9%	11%	29%	43%
Municipalities	0%	0%	0%	0%	0%
Other financial institutions	57%	68%	50%	46%	15%
Non-financial corporations	2%	1%	4%	3%	40%
Households	7%	2%	22%	1%	2%
Social insurance	18%	20%	13%	21%	1%
Total	100%	100%	100%	100%	100%

Source: Statistics Sweden

### 3.1 Shares and investment fund shares

The increase in holdings of foreign shares by nearly SEK 287 billion in 2014 occurred mainly in the sector Other financial institutions whose holdings increased by SEK 229 billion. At the end of 2014, the sector's holdings amounted to SEK 1 313 billion and the ownership share was 68 percent, which is an increase of three percentage points over the previous year. The variations in ownership share compared with the previous year have been very small for the other sectors. Social insurance was the second largest holder of foreign shares with an ownership share of 20 percent.

The sector Other financial institutions was also the largest holder of foreign investment fund shares and accounted for 50 per cent of the total holdings. The sector increased its holdings from SEK 402 billion in 2013 to SEK 515 billion in 2014. The Household sector's holdings decreased from the previous year by slightly more than SEK 136 billion and amounted to SEK 222 billion in 2014. During the 2014 survey, the Household ownership share fell by 13 percentage points to 22 percent. The Social insurance sector's holdings increased during the period. The sector is now the third largest holder of investment fund shares with 13 percent of the holdings at the expense of the MFI sector, whose shares fell by two percentage points to 11 percent compared with the previous year.

### 3.2 Debt securities

Other financial institutions was also the largest holder sector of long-term securities followed by Monetary financial institutions. The holdings of Other financial institutions holdings amounted to slightly less than SEK 533 billion, which is 46 percent of the total holdings. The sector Monetary financial institutions decreased its holdings from SEK 268 billion in the previous year to SEK 259 billion in 2014 and has an ownership share of 30 percent. The Social insurance sector increased its holdings of long-term securities by five percentage points to 21 percent.

For short-term securities, the sectors Monetary financial institutions and Non - financial corporations were predominant and their holdings amounted to 43 percent and 40 percent respectively.

## 4 Issuer sector

One part of the survey is to report the issuer of debt securities. This breakdown makes it possible to distinguish government issued debt securities from securities issued by others regarding foreign debt security holdings. At the end of 2014, Swedish investors owned SEK 486 billion in foreign government securities, which corresponds to a share of just under 41 percent. The corresponding amount and percentage for 2013 was SEK 388 billion and just under 39 percent. The value of non-government debt securities increased by more than SEK 89 billion in 2014 and amounted to SEK 702 billion at the end of 2014.

**Table 4.1**  
**Issuer sector distribution in percent and SEK billion, 2014**

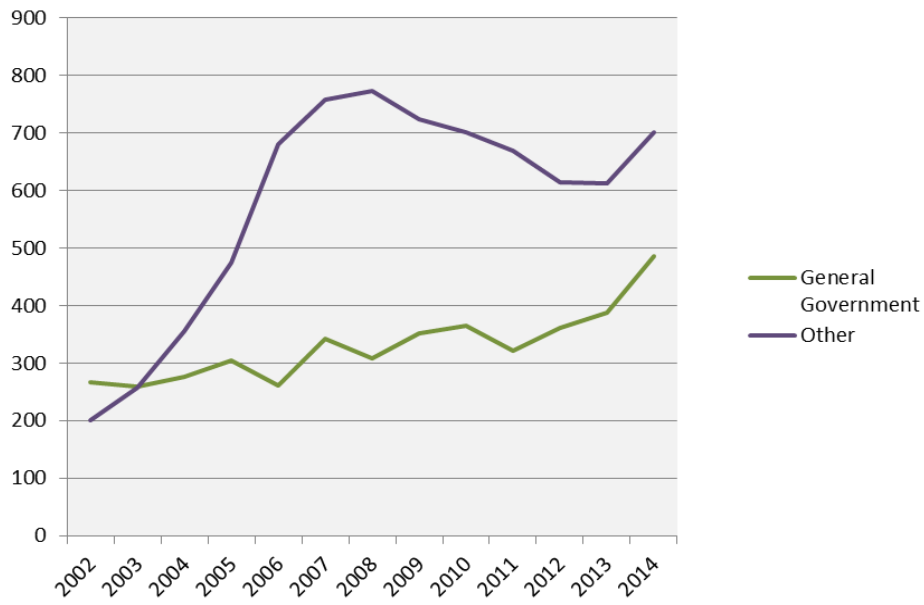
Debt securities	Long-term		Short-term		Total	Percentage
	Percentage	Percentage	Percentage	Percentage		
<b>General government</b>	<b>481</b>	<b>42%</b>	<b>5</b>	<b>16%</b>	<b>486</b>	<b>41%</b>
<b>Other</b>	<b>677</b>	<b>58%</b>	<b>24</b>	<b>84%</b>	<b>702</b>	<b>59%</b>

Source: Statistics Sweden

Swedish investors' holdings in foreign government debt securities show a relatively smooth curve over time. However, these holdings increased in the last survey and the 2014 holdings of SEK 486 billion are the highest since the survey began in 2001. Long-term government securities were predominant in the holdings and amounted to SEK 481 billion, an increase of SEK 97 billion from the previous year.

A clear, upward trend can be seen in the early 2000s in Swedish investors' holdings of debt securities issued by other issuers than governments. After peaking in 2008, the holdings decreased by the equivalent of SEK 773 billion. The trend is now once again rising, as the holdings issued by other issuers has risen by 15 percent from the previous year to SEK 702 billion. The increase took place in long-term securities, which increased by SEK 92 billion compared with the previous year and amounted to SEK 677 billion in this year's survey. The short-term securities issued by other issuers than governments decreased from SEK 27 billion in 2013 to just over SEK 24 billion.

**Figure 4.1**  
**Issuer distribution in SEK billion, 2002 to 2014**

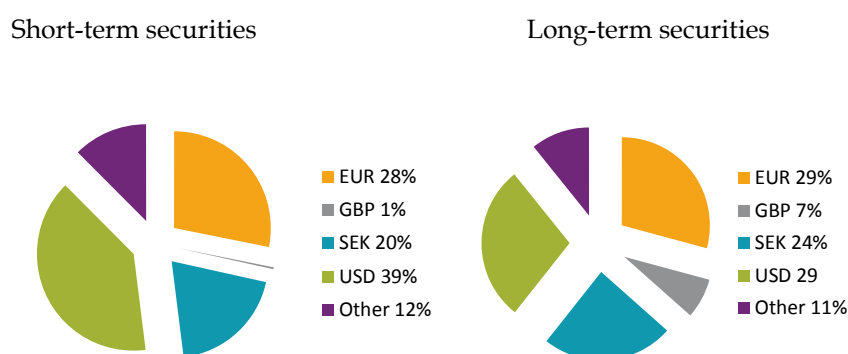


Source: Statistics Sweden

## 5 Currency distribution

The breakdown of the holdings in currencies shows that the currency denomination differs between long-term and short-term securities. At the end of 2014, the euro together with the US dollar and Swedish krona were the predominant currencies. Holdings in long-term securities in the euro and US dollar each amounted to 29 percent of the total holdings. The Swedish krona was the third largest currency and accounted for 24 percent. The currency breakdown for long-term securities has been stable and shows a similar distribution in recent years.

**Figure 5.1**  
**Distribution of currency denomination for debt securities in percent, 2014**



Source: Statistics Sweden

Swedish holdings of foreign short-term securities are not as large compared with foreign long-term securities. This means that changes in the reporting made by individual respondents can have a major impact on holdings of short-term securities, which can also be reflected in the currency distribution. At the end of 2014, the holdings of short-term securities were denominated in the US dollar, which amounted to just over 39 percent. The euro and the Swedish krona accounted for 28 and 20 percent of holdings respectively.

## Background to the survey

A report by the IMF (the Godeaux Report) in 1992 showed large deviations in international portfolio statistics. According to the report, the value of the world's total liabilities exceeded that of its total assets. As a result, the IMF initiated an international survey on foreign portfolio assets, the Coordinated Portfolio Investment Survey (CPIS), in 1997.

This study is part of the IMF's comprehensive international survey and measures Swedish holdings of foreign portfolio assets with regard to foreign shares, investment fund shares and debt securities. Sweden has participated on each occasion since 2001. The primary purpose of the survey is to improve the quality of the statistics. The survey helps each participant country to obtain a reasonable estimate of foreign portfolio assets at their market value. As all the countries' portfolio assets abroad are broken down by country, it also gives a mirror image of the countries' corresponding liabilities. This provides a more comprehensive picture of the international pattern of portfolio investments, which also enhances the quality of the statistics.



## Facts about the statistics

*The survey Swedish portfolio holdings has been produced and compiled since 1 September 2007 by Statistics Sweden on behalf of the Swedish Riksbank.*

Since 1989, the Swedish Riksbank has conducted an annual survey of Swedish investors' holdings of foreign shares and investment fund shares. The survey in its current form, including shares, investment fund shares and debt securities, has been produced since 2001.

The survey measures Swedish holdings of foreign portfolio assets on 31 December 2014. A new development beginning 2015 is that the survey will be conducted every six months. This means that the survey next time will be produced and compiled with regard to holdings on 30 June 2015.

Portfolio assets are broken down into foreign shares, investment fund shares and debt securities. In addition to a complete geographical distribution, the survey gives a breakdown by Swedish holder category. As regards debt securities there is also a currency denomination breakdown, as well as information concerning the issuing sector (government or other).

The aim of the survey, apart from participating in the international study, is to supply the assets side in the international investment position with stock data on Swedish holdings of foreign shares, investment fund shares and debt securities.

Data on any direct portfolio holdings that households may have in custody abroad are not available. Foreign custodians are not included in the Swedish survey, and the option of asking individual households about their holdings of foreign portfolio investments is not practicable.

### Definitions and explanations

#### Shares and Investment fund shares

Shares are holdings in companies with an ownership share of less than 10 percent of the voting rights or equity. Foreign shares and investment fund shares include foreign depository receipts that are traded in Sweden as well as units in securities investment fund shares registered abroad.

The survey has followed the IMF's instructions in this regard.

#### Long-term securities

Long-term securities are defined as securities with an original maturity period of longer than one year.

#### Short-term securities

Short-term securities are defined as debt securities with an original maturity period of less than one year.

#### Geographical affiliation

Geographical affiliation refers to the issuer's country of domicile, i.e. the country in which the issuer has its address, regardless of the currency in which the securities are denominated or the country in which they are traded and deposited.

Exceptions apply to investment fund shares whose geographical affiliation refers to the country where they are registered.

**Sector breakdown**

The sector breakdown is based on Statistics Sweden's classification of institutional sectors for financial statistics and shows which sector the holder belongs to. The sectors in the survey consist of:

Monetary Financial Institutions (MFIs): Banks and housing credit institutions

Other financial institutions: Investment fund and securities companies.

Social security funds: Social insurance funds such as the National Pension Funds (AP-funds).

Non-financial corporations: Corporations whose main activity is the production of goods or non-financial services.

Households: Private households, their non-profit organisations and the Swedish Church.

General Government: The National Debt Office and other government enterprises

Municipalities: Primary municipalities.

**Valuation**

The assets are reported at the market value and exchange rate applying on 31 December 2014. The exception is unquoted shares, which can be estimated using P/E ratios or the year's dividend, or be reported at nominal value.

## Survey methodology

The Swedish survey has been carried out in the form of a total population survey. For some categories, e.g. insurance companies and foundations, a cut-off has been made. Statistics Sweden has approached three types of participants in the survey: custodians, fund managers and end-investors. About 339 potential Swedish investors have been asked to report their holdings of foreign portfolio assets. Of these, 270 have replied that they have holdings to report. To avoid duplication, the custodians have been instructed to distinguish the household sector from the custody holdings of other sectors when reporting data.

Fund managers have reported their Swedish-registered investment funds holdings of foreign securities. Investors have reported the value of Swedish investors' shares in the fund managers' foreign-registered investment funds.

The reported data have been reviewed and compiled by Statistics Sweden.

## Reliability of the statistics

The statistics are based on data collected from the chosen population. Survey participants are legally obliged to report the relevant data and the final response rate was 96 percent.

The Household sector's total holdings are not fully covered in the survey. The Riksbank is unable to involve foreign custodians in the survey, which means that the survey does not include households' foreign securities that are held on deposit with foreign custodians.

The data are constantly reviewed and assessed for plausibility and data from previous years are revised when errors are discovered.

## Other securities statistics

Every month, Statistics Sweden publishes cross-border portfolio investment, of flows over the primary and secondary spot markets. Position statistics on Swedish and foreign securities are also published as part of the international investment position. Securities statistics are published monthly and include information about debt securities issued by Swedish issuers. Further information on securities statistics can be found online at [www.scb.se](http://www.scb.se).

The International Monetary Fund's summary of all countries' portfolio assets abroad can be found on the IMF website at [www.imf.org](http://www.imf.org)

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