

BALANCE OF PAYMENT AND FINANCIAL MARKET

RAPPORT 2016:1

SCB

Statistics Sweden

Statistiska centralbyrån

**SAVINGS**

# Swedish portfolio holdings 2015

Foreign equity securities and debt securities



BALANCE OF PAYMENT AND FINANCIAL MARKET

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## **Foreign equity securities and debt securities**

# **2015**

Statistics Sweden  
2016

Balance of payment and financial market

## Svenskt portföljinnehav 2015 Utländska portföljaktier och räntebärande värdepapper

## Swedish portfolio holdings 2015 Foreign portfolio equities and debt securities

Statistiska centralbyrån  
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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 and 30 June. The survey presents holdings up to and including 31 December 2014, but as of 2015 data is collected twice a year and the figures are thus published on 30 June also. The publication is released once a year.

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 developed at the Statistics Sweden by the Unit for Foreign Trade and Balance of Payments.

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

This report includes the results from 2015-12-31.

Statistics Sweden, September 2016

Cecilia Hertzman

Nadia von Unge

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

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# Summary

The value of foreign portfolio assets of Swedish investors amounted to SEK 4 378 billion at the end of 2015; this is a decrease of SEK 228 billion compared to the results in June 2015 when assets amounted to SEK 4 606 billion. Swedish investors reduced their foreign holdings in shares, investment fund shares and debt securities.

Holdings in foreign shares decreased by SEK 129 billion compared to June 2015 and holdings at the end of 2015 amounted to SEK 2 145 billion. Holdings in investment fund shares dropped slightly by SEK 3 billion and amounted to SEK 1 157 billion in December 2015. Assets in debt securities amounted to SEK 1 076 billion and thus decreased by SEK 95 billion compared to the end of June 2015.

SEK billions	2011	2012	2013	2014	2015-06	2015-12
<b>1 Portfolio holdings</b>	3 026	3 201	3 669	4 308	4 606	4 378
<b>1.1 Shares and investment fund shares</b>	2 037	2 232	2 675	3 109	3 434	3 302
<b>1.2 Debt securities</b>	989	969	994	1 198	1 172	1 076

Source: Statistics Sweden

The main part of Sweden's foreign portfolio investments are in the United States, Luxembourg and the United Kingdom. At the end of 2015 these three countries accounted for nearly 54 percent of the total holdings of foreign portfolio investments.

The distribution of the holder sectors shows that other financial institutions, with an ownership share corresponding to 60 percent of SEK 2 608 billion, continues to be the sector that owns the largest share of portfolio investments abroad. The social insurance sector passed the MFI<sup>1</sup> sector in the second half of 2015 and is now the second largest holder sector with 16 percent of the total foreign portfolio investments. The ownership share of MFIs amounted to 13 percent.

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

The survey shows Swedish investors owned debt securities issued by foreign governments at the end of 2015 for a value of SEK 430 billion, of which 99 percent comprised long term debt securities. At the same time Swedish investors owned debt securities from other issuers than governments corresponding to SEK 646 billion, of which 95 percent consisted of long term debt securities.

The currency distribution of Swedish investors' holdings of debt securities were denominated in USD, EUR and SEK.



# 1 Swedish portfolio holdings of foreign securities 2015

The value of Swedish investors' foreign portfolio assets totalled SEK 4 378 billion at the end of 2015.<sup>2</sup> This can be compared to the end of June of 2015 when the value of assets amounted to SEK 4 606 billion, a decrease of SEK 228 billion or 5 percent.

Table 1.1  
Swedish investors' foreign portfolio holdings, SEK billions

SEK billions	2011	2012	2013	2014	2015-06	2015-12
<b>1 Portfolio holdings</b>	3 026	3 201	3 669	4 308	4 606	4 378
<b>1.1 Shares and investment fund shares</b>	2 037	2 232	2 675	3 109	3 434	3 302
<b>1.2 Debt securities</b>	989	969	994	1 198	1 172	1 076

Source: Statistics Sweden

<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.

**Table 1.2**  
**Change from previous measurement period in Swedish investors'**  
**foreign portfolio holdings**

Percent	2011	2011	2013	2014	2015-06	2015-12
<b>1 Portfolio holdings</b>	-8%	6%	15%	17%	7%	-5%
<b>1.1 Shares and investment fund shares</b>	-9%	10%	20%	16%	10%	-4%
<b>1.2 Debt securities</b>	-7%	-2%	3%	21%	-2%	-8%

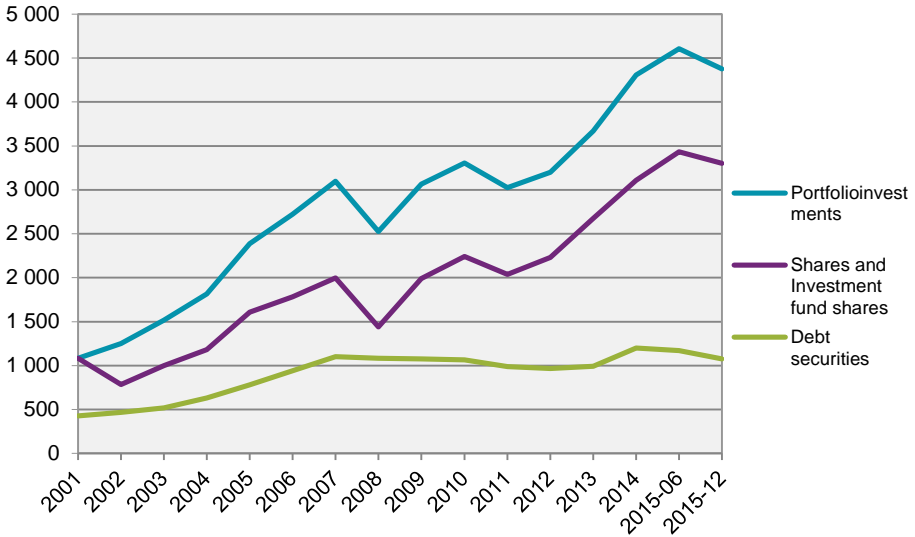
Source: Statistics Sweden

Holdings in shares, investment fund shares and debt securities all contributed to the decrease during the second half of 2015.

Assets in shares and investment fund shares comprise the largest part of portfolio investments. The results for the survey on 31 December show that shares and investment fund shares comprised 75 percent of foreign holdings of Swedish investors. Shares and investment fund shares also contributed to the largest changes in portfolio holdings. At the end of 2015, holdings of foreign shares and investment fund shares decreased by SEK 132 billion compared to June 2015. This decrease was largely due to the downturn on stock markets around the world during the last six months of 2015.

Sweden's holdings in foreign debt securities comprised about 25 percent of portfolio assets abroad and amounted to SEK 1 076 billion at the end of 2015. This is a decrease of SEK 95 billion or 8 percent from the previous outcome. Holdings of both long term and short term debt securities decreased compared to June 2015.

**Figure 1.1**  
**Swedish investors' foreign portfolio holdings, 2001 to 2015, SEK billions**



Source: Statistics Sweden

With the exception of 2008 and 2011, total Swedish holdings of foreign portfolio investments show a rising trend beginning in 2001, when this survey was published for the first time.

In 2005 Swedish holdings of foreign portfolio holdings increased by roughly SEK 573 billion, the largest increase since 2001. The main reason for the increase was that the stock markets rose sharply during the year; the weaker Swedish krona was another reason for this.

During 2008 stock markets of the world dropped, which explains the drop in foreign portfolio holdings. Holdings in shares and investment fund shares decreased by 28 percent, while investments in the debt securities remained relatively unchanged. During 2009 Sweden's holdings in shares and investment fund shares made a recovery after the sharp downturn, partly as a result of the rise in the stock market.

## 1.1 Shares and investment fund shares

Shares comprised 49 percent of Swedish total holdings of foreign portfolio investments. At the end of 2015, the value of foreign assets in shares amounted to SEK 2 145 billion, a decrease of SEK 129 billion or 6 percent compared to the first half of 2015. This is a shift because foreign assets in shares have increased during the most recent surveys. Assets increased in 2014 compared to 2013 by nearly SEK 330 billion, or 19 percent. During the first six months of 2015 assets in shares also increased by SEK 200 billion. The stock market rose somewhat in the beginning of 2015, and then fell quite considerably during the second six months of 2015. This is reflected in holdings of shares and investment fund shares that increased during the first six months and decreased at the end of the year.

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

SEK billions	2011	2012	2013	2014	2015-06	2015-12
<b>Shares</b>	1 231	1 413	1 745	2 074	2 274	2 145
<b>Investment fund shares</b>	806	819	930	1 035	1 160	1 156

Source: Statistics Sweden

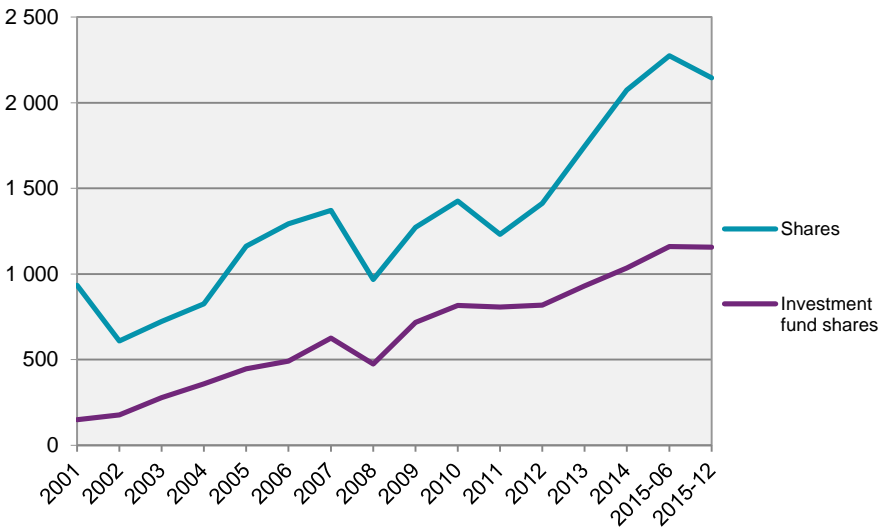
**Table 1.1.2**  
**Change from the previous measuring period in Swedish investments in foreign shares and investment fund shares**

Percent	2011	2012	2013	2014	2015-06	2015-12
<b>Shares</b>	-14%	15%	23%	19%	10%	-6%
<b>Investment fund shares</b>	-1%	2%	14%	11%	12%	0%

Source: Statistics Sweden

Investment fund shares comprised roughly 26 percent of Swedes' total holdings of foreign portfolio investments. Holdings of foreign investment fund shares amounted to SEK 1 157 billion and decreased by SEK 3 billion during the first half of 2015. The largest change consisted of holdings of investment funds registered in Ireland, where the decrease of Swedish-owned investment fund shares amounted to roughly SEK 11 billion. Other countries where Sweden decreased its holdings of foreign registered funds were the United States and Finland. Investment fund holdings in Luxembourg increased by SEK 17 billion and thus counteracted the decrease somewhat.

**Figure 1.1.1**  
**Swedish investments in shares and investment fund shares, 2001 to 2015 in SEK billions**



Source: Statistics Sweden

## 1.2 Debt securities

Long term debt securities comprised nearly 25 percent of Swedes' total foreign portfolio investments. At the end of 2015 these investments amounted to SEK 1 039 billion, which corresponds to a decrease of SEK 83 billion or 7 percent from the result in June 2015.

Holdings of foreign short term debt securities amounted to SEK 37 billion and decreased by SEK 13 billion or 25 percent from June 2015. Short term debt securities comprise a small part of the total holdings of foreign debt securities, and accounted for roughly 1 percent at the end of 2015. The short maturity means that holdings vary to a greater extent between the different survey periods.

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

SEK billions	2011	2012	2013	2014	2015-06	2015-12
<b>Long term</b>	954	930	963	1 168	1 122	1 039
<b>Short term</b>	35	38	31	31	50	37

Source: Statistics Sweden

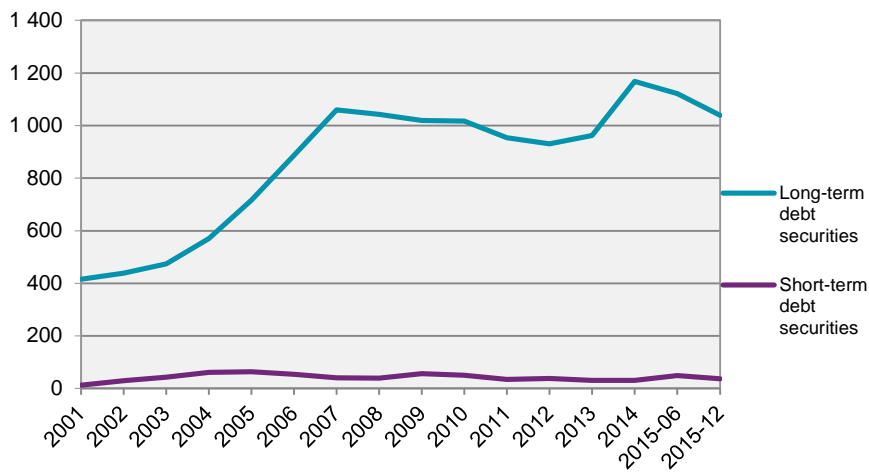
**Table 1.2.2**  
**Change from previous years in Swedish investments in foreign debt securities**

Percent	2011	2012	2013	2014	2015-06	2015-12
<b>Long term</b>	-6%	-2%	3%	21%	-4%	-7%
<b>Short term</b>	-30%	9%	-17%	-3%	62%	-25%

Source: Statistics Sweden

From the start of the survey in 2001 until 2007, a clear upswing is seen in Swede's holdings of foreign long term debt securities. Afterwards, holdings have fluctuated and decreased relatively sharply between 2014 and 2015. Holdings of short term debt securities appear to be more even over time.

**Figure 1.1.2**  
**Swedish investments in foreign debt securities, 2001 to 2015, SEK billions**

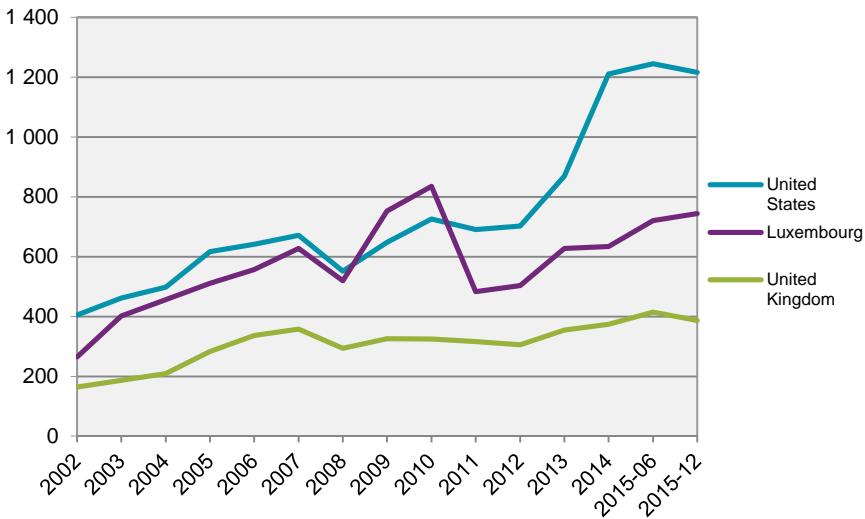


Source: Statistics Sweden

## 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. Swedish foreign portfolio investments are dominated by holdings in the United States, Luxembourg, and the United Kingdom. At the end of 2015, holdings in these countries accounted for more than half of the total Swedish foreign portfolio investments.

**Figure 2.1**  
**Swedish portfolio investments in the United States, Luxembourg, and the United Kingdom, 2002 to 2015, SEK billions**



Source: Statistics Sweden

Portfolio holdings in the United States amounted to roughly SEK 1 216 billion at the end of 2015, which is a decrease of SEK 28 billion compared with June 2015. Holdings of American shares, investment fund shares and long term debt securities decreased, while Swedes' holdings in American short term debt securities increased marginally. Swedish



investors' holdings of American portfolio investments comprised roughly 28 percent of the total holdings, of which shares comprised the largest part in the absolute amount.

Holdings in Luxembourg increased from the previous year by SEK 24 billion and comprised roughly 17 percent of the total foreign investments. Thus these holdings gain in popularity compared to the advantage of the United States holdings for Sweden's holdings in foreign portfolio investments.

Sweden's holdings in debt securities from the United Kingdom amounted to SEK 387 billion, which corresponds to 9 percent of total foreign investments. Holdings in the United Kingdom comprised mainly of shares, followed by long term debt securities.

## **2.1 Shares and investment fund shares**

The distribution of Swedish investors' holdings in foreign shares and investment fund shares broken down to geographic zones has followed the same development in recent years. Europe, where the main share of investments are found, has decreased somewhat from the first half of 2015. At the end of 2015, investments within Europe amounted to SEK 1 834 billion, which comprises slightly less than 56 percent of the total investments in shares and investment fund shares.

The United States is the largest single recipient country of the Swedish investments in shares, and accounted for 40 percent of of Swedes' total foreign investments in shares. Share holdings in the United States dropped compared to the first six months of 2015 by SEK 18 billion, and amounted to SEK 861 billion at the end of the year.

Holdings in investment fund shares comprise the absolutely highest proportion of Swedish investors' holdings of portfolio investments in Luxembourg. Holdings in investment fund shares amounted to SEK 673 billion in December 2015, 90 percent of portfolio investments in Luxembourg. The fact that Luxembourg accounts for such a large

percentage of the total Swedish holdings of foreign funds is largely due to how investment fund shares are dealt with in the survey.<sup>3</sup>

Holdings of US investment fund shares decreased by SEK 6 billion and the US was the second largest recipient country for Swedish fund investments.

**Table 2.1.1**  
**Swedish investors' holdings of foreign shares, by geographical distribution, 2011 to 2015, SEK billions**

Shares	2011	2012	2013	2014	2015-06	2015-12
<b>USA</b>	403	450	594	817	879	861
<b>United Kingdom</b>	169	189	226	220	235	225
<b>Japan</b>	63	66	98	118	148	128
<b>Switzerland</b>	93	106	150	163	168	122
<b>Germany</b>	49	77	82	112	110	122

Source: Statistics Sweden

<sup>3</sup> Foreign registered funds are allocated to the country in which the fund is registered and are reported as funds regardless of what kind of securities the fund invests in. Luxembourg's large share of the holdings in funds is due to an increasing number of fund management companies choosing to register their funds there, mainly because of the country's more favourable tax regulations.

**Table 2.1.2**  
**Swedish investors' holdings of foreign investment fund shares, by geographical distribution, 2011 to 2015, SEK billions**

Investment fund shares	2011	2012	2013	2014	2015-06	2015-12
<b>Luxembourg</b>	429	441	556	568	657	673
<b>USA</b>	96	101	91	125	121	115
<b>Ireland</b>	47	58	77	95	115	104
<b>Cayman Islands</b>	32	33	49	67	73	76
<b>Finland</b>	104	98	57	57	66	61

Source: Statistics Sweden

## 2.2 Debt securities

The downturn in Swedish investors' holdings in debt securities is mainly due to reduced holdings in debt securities from Europe. Holdings from Europe decreased by SEK 87 billion from June of the same year. Above all, Norwegian and British long term debt securities decreased by SEK 22 billion and 16 billion respectively.

As in previous years, Swedes have their largest holdings in the Europe and North America. The United States is the largest single recipient country of Swedish investments in debt securities, where holdings amounted to nearly SEK 241 billion at the end of 2015. Swedish investors' holdings in debt securities from Europe amounted to SEK 764 billion. German debt securities dominated with a value corresponding to SEK 120 billion, followed by the United Kingdom and Denmark with SEK 117 and 108 billion respectively.

The geographical distribution of holdings in foreign debt securities differs between short term and long term debt securities. The

geographical distribution of short term securities also varies more from one year to the next, which can partly be due to their short maturity period. Another reason for the variations is that holdings of short term securities are smaller compared to long term securities, which means that acquisitions or sales by individual institutes can have considerable effects on the statistics.

**Table 2.1.3**  
**Swedish investors' holdings of long term securities, geographical distribution, 2011 to 2015, SEK billions**

<b>Long term debt securities</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015-06</b>	<b>2015-12</b>
<b>USA</b>	180	146	180	264	238	234
<b>Germany</b>	155	162	168	175	126	117
<b>United Kingdom</b>	109	84	94	114	131	116
<b>Denmark</b>	114	108	101	103	116	102
<b>Norway</b>	59	79	76	95	100	78

Source: Statistics Sweden

**Table 2.1.4**  
**Swedish investors' holdings of short term securities, geographical distribution, 2011 to 2015, SEK billions**

<b>Short term debt securities</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015-06</b>	<b>2015-12</b>
<b>USA</b>	11	5	4	4	7	7
<b>Denmark</b>	7	8	3	2	11	5
<b>Norway</b>	4	8	7	4	8	5
<b>Finland</b>	1	1	1	2	4	5
<b>Germany</b>	2	4	1	1	4	3

Source: Statistics Sweden

The total value of Swedish holdings in long term debt securities amounted to roughly SEK 1 039 billion at the end of 2015, which can be compared to June 2015 when holdings amounted to SEK 1 122 billion. The geographical distribution of long term debt securities has been relatively stable over the years. The United States is the largest recipient country of Swedish investments in foreign long term debt securities where holdings comprised roughly 22 percent of total holdings at the end of 2015. During the last six months of 2015, Swedish investments in American long term debt securities decreased by SEK 4 billion.

The second largest country in which Sweden invested in long term debt securities was Germany, where Swedish holdings amounted to roughly SEK 117 billion. The United States and Germany are followed by the United Kingdom and Denmark with Swedish holdings corresponding to SEK 116 and 102 billion respectively.

The total value of Swedish holdings in short term debt securities amounted to roughly 37 billion at the end of 2015, which can be

compared to June 2015 when holdings amounted to SEK 50 billion. The outcome for December 2015 shows that it is mainly short term securities from the United States, Denmark and Norway that dominates. Together these three countries comprise 46 percent of total Swedish holdings in short term debt securities.

## 3 Sector breakdown

Besides geographical distribution, the survey also shows foreign portfolio investments broken down by the holder sector, that is, which Swedish sectors own the foreign assets. The sectors' relative shares of total assets have changed relatively little over the years and this is also the case in this year's survey.

The Other financial institutions holder sector, which mainly comprises fund management companies, insurance companies and other types of securities companies, continues to be the sector that holds the largest proportion of foreign portfolio investments. At the end of 2015 the holdings of this sector amounted to SEK 2 608 billion, which is a decrease of five percent compared to the first six months of 2015. Other financial institutions primarily own shares and fund shares, but the sector also has had the largest ownership share of debt securities since the end of 2011.

The social insurance sector, which consists of social security funds, owned 16 percent or SEK 719 billion of Sweden's total foreign portfolio holdings at the end of 2015 and is the second largest holder sector. Monetary Financial Institutions (MFIs) reduced their holdings in foreign portfolio investments. At the end of 2015 their foreign portfolio holdings amounted to SEK 581 billion, compared to SEK 675 billion during the first half of 2015.

**Table 3.1**  
**Sector breakdown in SEK billions, 2015**

Sector	Total	Shares	Investment fund shares	Long-term debt securities	Long-term debt securities
General government	12	4	5	2	0
MFIs	581	181	126	256	18
Municipalities	1	0	1	0	0
Other financial institutions	2608	1522	590	481	16
Non-financial corporations	111	21	48	38	4
Households	346	61	266	19	0
Social insurance	719	356	119	243	0
<b>Total</b>	<b>4 378</b>	<b>2 145</b>	<b>1 156</b>	<b>1 039</b>	<b>37</b>

Source: Statistics Sweden

**Table 3.2**  
**Sector breakdown in percent, 2015**

Sector, %	Total	Shares	Investment fund shares	Long term debt securities	Long term debt securities
General government	0.3%	0.2%	0.5%	0.2	0
MFIs	13%	8%	11%	25%	48%
Municipalities	0%	0 %	0 %	0%	0 %
Other financial institutions	60%	71%	51%	46%	42%
Non-financial corporations	3%	1%	4%	4%	10%
Households	8%	3%	23%	2%	0 %
Social insurance	16%	17%	10%	23%	0 %
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

Source: Statistics Sweden



### 3.1 Shares and investment fund shares

The Other financial institutions sector was the sector that accounted for the largest decrease of Swedish holdings in shares and investment fund shares, corresponding to SEK 76 billion, while the household sector counteracted the decrease by increasing its holdings in shares and fund shares by SEK 34 billion. The social insurance sector and MFIs show reduced holdings for the second half of 2015 by SEK 57 and 34 billion respectively. Variations in holdings of shares and investment fund shares for the other sectors have been very small compared to the outcome in June.

The Other financial institutions sector had decreased its holdings of foreign fund shares at the end of 2015 by one percentage point and still continued to own the largest holdings in foreign investment fund shares, which corresponded to SEK 590 billion. Households accounted for the relatively largest increase in holdings of foreign investment fund shares; holdings increased by SEK 22 billion and amounted to SEK 266 billion. The social insurance sector decreased its holdings by SEK 20 billion and thus lost its third place in foreign holdings of investment funds to monetary finance institutions, whose foreign fund holdings corresponded to SEK 126 billion at the end of 2015.

### 3.2 Debt securities

The Other financial institutions sector was also the largest holding sector for debt securities, followed by MFIs. This was the case, even though the sectors reduced their holdings by SEK 56 and SEK 57 billion respectively.

Holdings of the Other financial institutions sector amounted to roughly SEK 481 billion, which accounts for 46 percent of total holdings. MFIs had a share corresponding to 25 percent or 256 billion, which is followed by social insurance, which increased its holdings of foreign long term debt securities by 9 percentage points or SEK 243 billion, compared to the last half of 2015.

The MFI sector and the Other financial institutions sector dominated with holdings corresponding to SEK 48 and 42 percent respectively. Holdings of MFIs amounted to SEK 18 billion at the end of 2015, while holdings of

the Other financial institutions sector amounted to SEK 16 billion. Non-financial corporations is the third largest holder sector with holdings of SEK 4 billion.

## 4 Issuer sector

One part of the survey entails showing the breakdown by 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 2015, Swedish investors owned SEK 430 billion in foreign government securities, of which SEK 426 billion comprised long term debt securities and roughly 4 billion comprised short term debt securities. Total holdings in foreign government securities is largely unchanged compared to the first six months of 2015.

At the end of 2015, Swedish investors owned roughly SEK 646 billion in debt securities issued by another issuer than the government. Holdings in both long term and short term foreign debt securities decreased compared to the first half of 2015 by 89 and slightly less than 4 billion respectively. Total holdings of foreign debt securities issued by other issuers than the government decreased by slightly less than 13 percent compared to the first six months of 2015.

**Table 4.1**

### Issuer sector distribution in percent and SEK billions, 2015

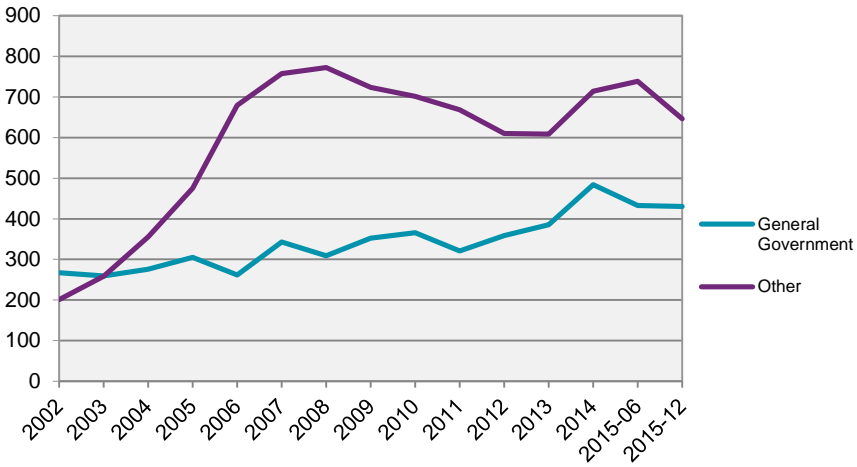
Debt securities	Long term		Short term		Total	Percentage
		Percentage		Percentage		
<b>General government</b>	426	41%	4	12%	430	40%
<b>Other</b>	613	59%	33	88%	646	60%

Source: Statistics Sweden

Swedish investors' holdings in foreign government securities show an increasing trend since 2002. However, we see a peak at the previous turn of the year in 2014 when holdings of SEK 484 billion are the highest since the start of the survey in 2001.

Holdings in foreign debt securities issued by other issuers increased sharply from the 2002 measurement until 2008 when holdings amounted to SEK 773 billion. Holdings decreased in the years that followed, but increased again according to the surveys in 2014 and the first half of 2015.

**Figure 4.1**  
**Issuer distribution in SEK billions, 2002 to 2015**



Source: Statistics Sweden

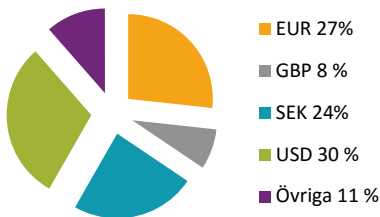
## 5 Currency distribution

The survey shows currency distribution of holdings of Swedish investors in debt securities. The distribution between the different currencies vary for long term and short term debt securities. At the end of 2015 the US dollar, the euro and the Swedish krona dominated among the currencies among Swedish owned foreign debt securities.

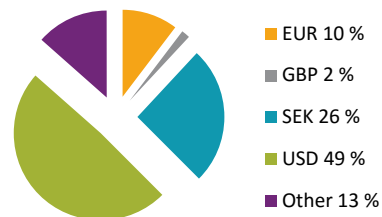
**Figure 5.1**

**Distribution of currency denomination for debt securities in percent, 2015**

Long term debt securities



Short term debt securities



Source: Statistics Sweden

The currency distribution for long term debt securities remains, as in previous years, relatively stable. The US dollar and the euro comprise the largest holdings, followed by the Swedish krona. These three currencies together comprise 81 percent of the holdings.

Holdings of short term debt securities at the end of 2015 were dominated by the US dollar and the Swedish krona by 49 and 26 percent respectively. Holdings issued in euros amounted to 10 percent.

Swedish holdings in foreign short term debt securities comprise only roughly 3 percent of the total Swedish holdings in debt securities.

# 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 both foreign equity securities, investment fund shares and debt securities. Sweden has participated on each occasion since 2001. The purpose of the survey is primarily 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 investment, which also enhances the quality of the statistics.

# Facts about the statistics

The Swedish portfolio holdings survey 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 equity securities and mutual fund units. 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 2015. A new feature starting 2015 is that the survey is conducted every six months. This means that next time the survey will be produced and compiled for holdings per 30 June 2016.

Portfolio assets are broken down into foreign equity securities, 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 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 equity securities, mutual fund units and debt securities.

Data on any direct portfolio holdings that households may have in custody abroad is 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 refer to 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 investment funds registered abroad.

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

### **Long term debt securities**

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

### **Short term debt securities**

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

### **Geographical allocation**

Geographical allocation 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. An exception is made for investment fund shares for which geographical allocation refers to the country where the investment funds are registered.

### **Sector distribution**

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 building societies.

Other financial institutions: fund management companies, insurance companies and other types of securities companies

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

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

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 2015. 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 method**

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. 319 potential Swedish investors have been asked to report their holdings of foreign portfolio assets. Of these, 257 replied that they had 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 has 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 97 percent.

The household sector's total holdings are not fully covered in the survey. It is not possible 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 is constantly reviewed and assessed for plausibility and data from previous years is revised when errors are discovered.

## **Other securities statistics**

Every month, Statistics Sweden publishes Cross-border portfolio investment, flows over both the primary and secondary spot markets.

Position statistics regarding both Swedish and foreign securities are also published as part of the international investment position. Statistics on securities 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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