

7 July, 2022

# Press release

Embargo period: Thursday, July 7, 2022, 12:00 p.m.

## **KENFO: Strong Increase of Business Results in 2021**

Diversification strengthens crisis resistance of investments

- Positive performance on financial assets in 2021 of 10.4% (2020: 8.3%)
- Foundation result increased to 248 million euros in 2021 (2020: 120 million euros)
- Situation in financial markets in 2022 is a major challenge

**Berlin. "2021 was a very successful year for KENFO. With a 10.4% return on financial assets and 248 million euros in business results, we are very satisfied." stated the CEO and CIO of KENFO – German Nuclear Waste Management Fund, Anja Mikus, at the presentation of the annual report 2021 in Berlin.**

KENFO has invested around EUR 4.8 billion in new assets in 2021 alone, thus completing the phase of gradually building up its investments. "Particularly in the current situation, our strategy of broad diversification and balance in terms of asset classes and internationality is paying off." emphasized Mikus. The foundation's assets totalled 25.5 billion euros at the end of 2021. Since the foundation was set up, around 2.4 billion euros have been disbursed for disposal purposes. At the end of 2021, approx. 50 percent of the assets were invested in global equities and REITs, corporate and emerging market bonds accounted for slightly more than 35 percent as well as about 10% in government bonds, 3% in alternative investments, and 2% were held in cash holdings. The portfolio build-up of unlisted investments continued steadily by capital commitments in the amount of just under 1.3 billion euros in Private Equity, Infrastructure and Private Debt. "KENFO has set the course for the challenges of alternative investments successfully, and we are proud

of the recruitment of new employees with high financial expertise" explained Mikus further. KENFO now has 40 employees, including members of the Board of Managing Directors.

Since the beginning of 2022, rising energy prices, the invasion by the Russian Federation of Ukraine, high inflation rates, the reversal of the trend in interest rates, supply chain shortages and the lockdown in China have caused turmoil on the financial markets. KENFO needs to face up to this difficult market environment. "We have strategically aligned the portfolio to more difficult times through a balanced asset and risk structure and strengthened its crisis resistance so that periods of weakness can be overcome. The long investment horizon helps in this regard." emphasized Mikus. "In view of high inflation risks, we reduced risks at the beginning of 2022 for tactical considerations, and shortly before the war in Ukraine, we increased cash and short-dated bond holdings to 15% of the portfolio." said the KENFO CEO and CIO.

The annual calls for funds to finance the interim and final storage of radioactive waste amount to a mid-three-digit million-euro sum. "Looking at our asset allocation, we have no problems to meet the liquidity requirements even in difficult times." explained the head of KENFO.

KENFO also had a successful year in sustainability: In decarbonizing its equity and corporate bond portfolio, Germany's first sovereign fund has committed to a reduction target of 20% by the end of 2024 compared to the end of 2019 and is currently on track. In the reporting period, KENFO has also received the "Institutional Assets Award" for the "ESG Criteria Implementation 2020 & 2021" by an independent jury of experts.

Chief Financial and Risk Officer, Dr. Thomas Bley, reported on the further increase in the operating result to 248 million euros, after the foundation was able to report a positive result of 129 euros already in the previous year. This was based on a significant increase in income of almost 100 million Euro in conjunction with lower expenses of EUR 28 million. Due to the shrinking cash position as investment progressed, KENFO had to pay negative interest of EUR 23 million to the Bundesbank in the reporting year - EUR 30 million less than in the previous year. The Foundation's administrative expenses amounted to 9.4 million euros, 2.1 million higher than in the previous year because of the continued portfolio build-up. For 2022, KENFO is cautiously optimistic that despite the challenging environment it will achieve its targets and continue to slightly increase returns.

## **About KENFO**

On 16 June 2017 the German Nuclear Waste Disposal Financing Act came into force, establishing the "German Nuclear Waste Management Fund" (KENFO) being set up as a public-law endowment. On 3 July 2017 the operators of all of the 25 German nuclear power plants fulfilled their legal obligation to fund the endowment with a one-off payment of in total EUR 24.1 billion. The purpose of the fund is to ensure the financing of the interim and final disposal of radioactive waste resulting from the commercial exploitation of nuclear energy to produce electricity in Germany. Its resources may only be used to fulfil this purpose. As such it reimburses the federal government for the costs being incurred for the safe disposal of radioactive waste. With approximately 24 billion Euros in assets under management KENFO is Germany's largest public endowment and first sovereign fund.

KENFO is managed by a three-member board with Anja Mikus as chairperson. It is under the supervision of the Board of Trustees encompassing members of the Bundestag and the Federal Government. Additional legal oversight is provided by the Federal Ministry for Economic Affairs and Energy, the Federal Ministry of Finance and the Federal Ministry for the Environment, Nature Conservation and Nuclear Safety.

KENFO's head office is located in Berlin.

## **Contact**

Dr. Johannes Blankenheim  
Head of Communication

T: +49 (0)30 40818858-20  
M: +49 (0)1525 9639405  
johannes.blankenheim@kenfo.de

Kurfürstenstraße 87  
10787 Berlin