

Ilmarinen's Interim Report

1 January to 30 June 2021



ILMARINEN

Return on investments was 8.9 per cent, solvency capital grew to more than EUR 15 billion and customers' payrolls started to rise

January–June in brief:

- The return on Ilmarinen's investment portfolio was 8.9% (-2.0%) or EUR 4.7 billion thanks to the strong performance of the equity markets. The market value of investments grew to EUR 57.5 (53.3) billion. The long-term average return on investments was 6.1 per cent. This corresponds to an annual real return of 4.6 per cent.
- Thanks to the good performance of investment activities, the total result for January–June grew to EUR 2.6 (-1.1) billion.
- Premiums written grew to EUR 2.9 (2.7) billion as customers' payrolls started to rise. EUR 3.2 (3.1) billion was paid in pensions.
- Net customer acquisition rose to EUR 116 (76) million thanks to excellent customer retention and successful customer acquisition.
- Loading profit improved to EUR 28 (21) million and the ratio of operating expenses to expense loading components to 66 (74) per cent. Improved cost-effectiveness reduced operating expenses to EUR 55 (61) million.
- Solvency capital strengthened to EUR 15.1 (12.5) billion, and the solvency ratio to 134.6 (130.2) per cent.
- Future prospects: Following the recovery of the economy and the expiry of the temporary reduction in TyEL contributions, Ilmarinen's premiums written are expected to increase clearly in 2021. The rise in payroll is expected to improve loading income and the loading profit compared to last year.

Key figures	1-6/2021	1-6/2020	2020
Premiums written, EUR million	2,916	2,747	5,220
Pensions paid, EUR million	3,151	3,100	6,116
Operating expenses covered by loading income, EUR million	55	61	119
Loading profit, EUR million	28	21	43
Ratio of operating expenses to expense loading components, %	66	74	73
Return on investments, %	8.9	-2.0	7.1
Total result at current value, EUR million	2,562	-1,099	1,769
Value of investment assets, EUR million	57,536	48,834	53,284
Solvency capital, EUR million	15,051	9,649	12,542
Solvency ratio, %	134.6	124.0	130.2

The interim report result comparison figures are the figures for the corresponding period of 2020. Unless otherwise indicated, the comparison figures for the balance sheet and other cross-sectional items are the figures for the end of 2020.

PRESIDENT AND CEO JOUKO PÖLÖNEN'S REVIEW



“The first half of the year was strong for Ilmarinen, both with regard to investment activities and customer acquisition, and customers’ payrolls began to grow. In January–June, Ilmarinen’s return on investments was 8.9 per cent, or EUR 4.7 billion, the solvency capital rose to more than EUR 15 billion and investment assets came to EUR 57.5 billion.

The momentum on the investment markets was strong in H1. The dramatic global economic recovery from the downturn caused by the coronavirus, companies’ strong earnings performance, and massive financial and monetary policy stimulus measures have supported the positive performance of the equity markets. Of the main asset classes in Ilmarinen’s investment portfolio, equity investments generated the best return at 16.9 per cent. The return on fixed income investments was 2.6 per cent, on real estate investments 2.1 per cent and -0.5 per cent on other investments. The long-term average nominal return on investments was 6.1 per cent, corresponding to a 4.6 per cent annual real return.

Premiums written grew to EUR 2.9 billion. The decline in employment caused by the coronavirus pandemic still weakened premiums written early on in the year, but from April onward, the payroll and premiums written of client companies switched to a strong growth trajectory compared to the previous year. Employment is on the rise as the coronavirus pandemic eases: Ilmarinen’s customer com-

panies included in Ilmarinen’s business cycle index had 4.8 per cent more employees in June than a year ago. The strongest growth took place in the hospitality sector, where the number of employees also fell the sharpest at the start of the pandemic.

We paid EUR 3.2 billion in pensions to around 458,000 pensioners. The number of disability pension applicants fell and 13 per cent fewer disability pension decisions were made compared to the previous year. Disability statistics do not yet show illnesses caused by the coronavirus: during H1, Ilmarinen processed two disability pension applications in which the main diagnosis was disability resulting from the coronavirus. For the time being, no permanent disability pensions have been granted based on Covid-19.

Net customer acquisition rose to EUR 116 million and customer retention was on an excellent level, at 97.2 per cent. Thanks to improved cost-effectiveness, the loading profit rose to EUR 28 million and the ratio of operating expenses to expense loading components improved to 66 per cent. Ilmarinen’s operating expenses financed using loading income came to EUR 55 million, i.e. EUR 6 million less year-on-year.

Together with our client companies, we launched the Tulevaisuuden laboratorio (Lab of the future) project, designed to identify, develop and share good work ability management practices. As part of Ilmarinen’s 60-year anniversary Mielellään töissä (Happy at work) project, we awarded the Tulevaisuuden työnantaja (Employer of the future) award to the Balanco Accounting group, which has not only grown its business but also helped young people find work and engage in working life. The theme of our anniversary year is youth and working life – especially supporting young people in engaging in working life, preventing disability pensions resulting from mental health issues and extending careers.

Ilmarinen’s personnel has to a great extent worked remotely in the first half of the year

because of the coronavirus restrictions. Our personnel's work energy has remained at an excellent level and the employee Net Promoter Score (eNPS) rose to 43 in June. We released our own Paluu tulevaisuuteen (Back to the future) plan in June: after the pandemic our goal is to transfer to a hybrid model, combining the best parts of in-office and remote work. Mostly, at least half of the work will be carried out as in-office work to ensure a sense of community and well-being, and otherwise, personnel can select where they want to work. Departments and teams will also have significant leeway to decide and agree on how work will be arranged.

Ilmarinen's goal is to achieve a carbon-neutral investment portfolio by the end of 2035. Ilmarinen co-operates with other investors and, in the spring, joined the international Institutional Investors Group on Climate Change (IIGCC) network in which investor organisations work to develop measures for achieving carbon neutral portfolios. Ilmarinen is also part of the Climate Leadership Coalition (CLC) initiative related to the global pricing of carbon and a signatory in the investors' call to ramp up governments' climate measures. In April, Ilmarinen joined its asset management partner in a new low-carbon

corporate bond fund as a pioneer investor with a sum of EUR 170 million.

A low birth rate, a decline in the number of working-age people and a zero interest rate environment are still creating pressure on pension financing in the longer term. The global economy is experiencing strong growth after the coronavirus crisis, and it is important for Finland to benefit from that growth, accelerate investments and open up travel. At the same time, we must find solutions that enable us to close the fiscal sustainability gap, and increase employment and Finland's competitiveness also in the longer term. Financing well-being and pensions requires that we retain a competent workforce also in the future, and to achieve this we need to focus on developing competence, maintaining work ability and increasing work-based immigration. Work-based immigration should be made easier and we need to entice skilled labour and foreign students to come to Finland and make sure that they become engaged in working life. The latest pension barometer shows that half of Finns support increasing work-based immigration in order to strengthen the financing of the earnings-related pension system."

Current information about the pension system

The government's proposal on reforming survivors' pension was submitted to the Parliament on 22 April 2021. The Act is awaiting approval and its entry into force is under preparation. The reform means that earnings-related pension will provide greater security to families with children as of 2022. Key changes include the increase in the age limit for child's pension from 18 to 20 years, the extension of the surviving spouse's pension to cover common law spouses in addition to married spouses when they have an underaged child together, and making the surviving spouse's pension fixed term. The surviving spouse's pension would be paid for a fixed term of 10 years or until the youngest

child turns 18. The 10-year fixed-term period would apply to surviving spouses born in 1975 or thereafter. Surviving spouse's pensions granted before the entry into force of the Act will not change; they will continue to be paid based on the current legislation.

The working group of the Ministry of Social Affairs and Health is preparing a reform to self-employed persons' pension insurance. Underlying the need for reform is the transformation taking place in working life and entrepreneurship, self-employed persons' low confidence in the pension system and the growing share of state financing. One of the key problems that has been identified is determining entrepreneurs' YEL income and the related underinsurance. FIN-FSA's theme evaluation on the confirmation of self-emp-

loyed persons' YEL income was completed on 24 June 2021 and it confirmed the insight of the Ministry of Social Affairs and Health's working group on the problems involved in determining YEL income. According to the Self-employed Persons' Pension Act, YEL income should match the monetary value of the entrepreneur's work input. The earnings-related pension sector is ready to implement changes to remedy the matter, and hopes that legislative adjustments will be made as quickly as possible to achieve an unambiguous definition of YEL income.

The Finnish Centre for Pensions published a global comparison of pension funds' investment returns in May. The majority of the pension investors included in the comparison achieved a real return of 5–10 per cent despite the exceptional Covid-19 year. The best return was achieved by buffer funds with higher risk investments. There was greater variation between the investment incomes of Finnish pension investors than usual. Ilmarinen achieved the best investment returns out of all of the pension insurance companies. In a longer-term comparison, the investment returns of Finnish investors are slightly below those of global benchmarks. The pension sector has looked into opportunities to improve expected investment returns by boosting risk-bearing capacity and improving solvency regulation. The identified issues are related to, among other things, the short-sightedness and pro-cyclicality of solvency regulation. In June, the pension negotiation group decided to propose to the Ministry of Social Affairs and Health that a working group for increasing the flexibility of funding regulation should be launched. The significance of investment returns for the financing of pensions will increase in the future when the working-age population declines. For this reason, it is important to develop regulation to make it possible to achieve the best possible return on investments in the long run.

The pension liabilities of the pension fund for the traffic services sector, Liikennepalvelualojen eläkekassa Viabek, which was declared bankrupt, were transferred to pri-

vate sector employment pension insurance companies on 30 June 2021. Around EUR 64 million in pension liabilities, 773 current pensions, and pension benefits earned by employees and entrepreneurs transferred to Ilmarinen. The agreement will have no impact on pensioners' and insured persons' benefits. The impact of the arrangement on Ilmarinen's solvency ratio was -0.06 percentage points. The earnings-related pension sector wishes that the legislation governing the liquidation and bankruptcy of earnings-related pension insurance providers be clarified for future reference.

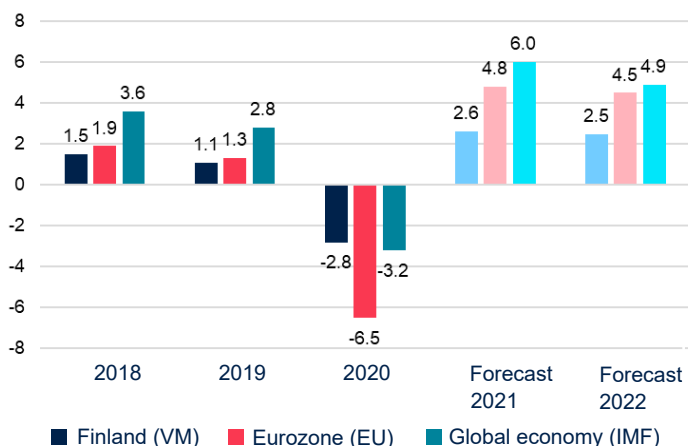
Operating environment and investment market

The impacts of the coronavirus pandemic on the global economy began to take a back seat in the first half of the year, especially in developed economies. The recovery of economies' activity, the increase in vaccination coverage, and significant monetary and fiscal policy stimulus measures have propelled global economic growth to near-record levels, and earnings development has been strong. The outlook of recovery from the Covid-19 situation is twofold, however: while optimism has flooded developed economies, the virus continues to cause concern in many emerging economies. An additional concern is the so-called delta variant, as it has weakened the pandemic situation also in areas with good vaccination coverage.

The European Central Bank (ECB) and the US central bank, the Fed, have continued their exceptionally expansionary monetary policy measures. Inflation has surged more than expected, particularly in the USA, where the rise in consumer prices was more than 5 per cent year-on-year in June. The rapid surge in inflation is partly explained by the muted price development last year and this underlying effect will fade away significantly during the second half of the year.

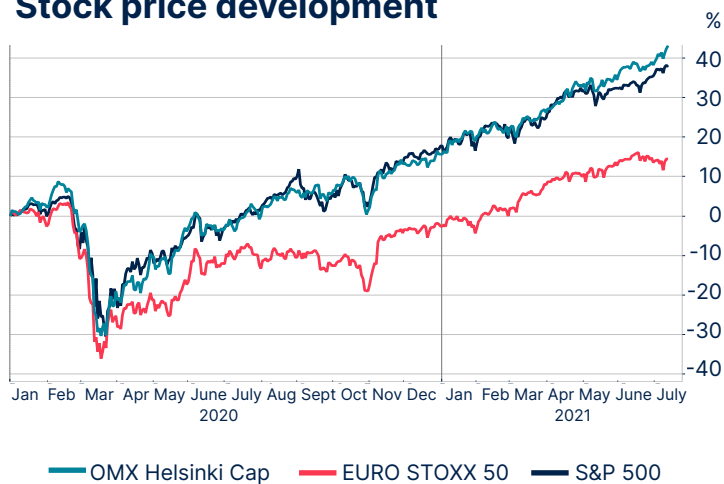
Finland's economy is recovering from last year's recession and economic growth and employment have both improved, and in the second quarter, companies' payrolls took a

Economic growth and forecasts



Sources: Statistics Finland, World Bank (EU) and IMF

Stock price development



MACROBOND

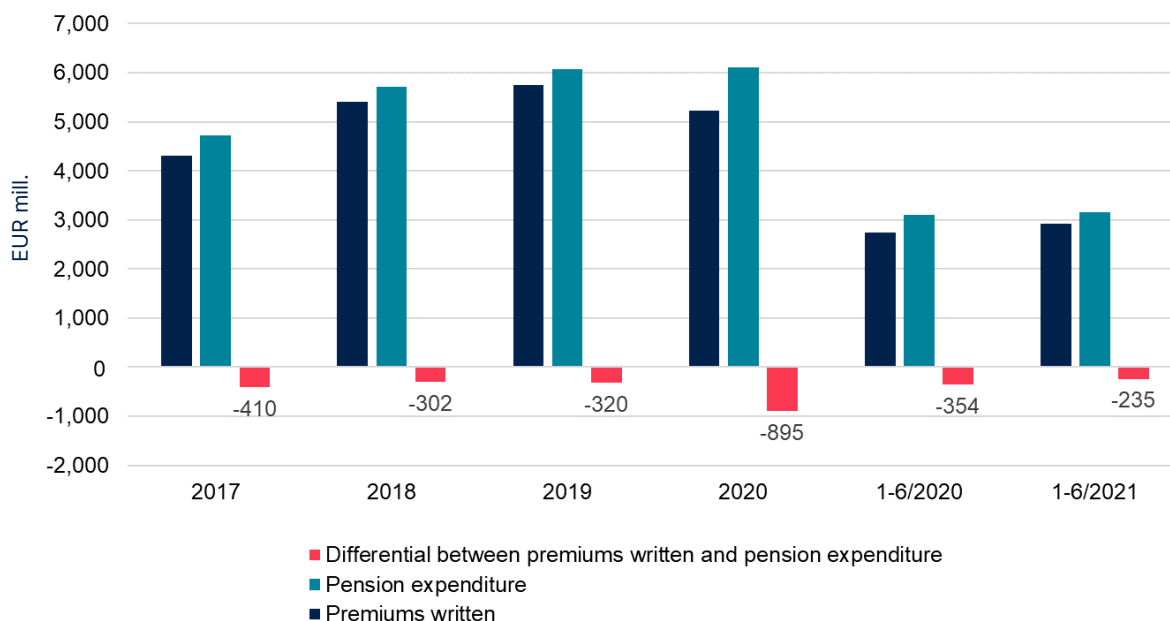
strong growth trajectory compared to the previous year.

The underlying sentiment on the equity markets has been positive in H1 thanks to economic growth, companies' earnings performance and stimulus measures. The acceleration of inflation and rapid recovery of economies have, however, at times, increased concerns about the possible tightening of monetary policies. The positive sentiment on the markets swayed momentarily when the Fed communicated a possible need

to downsize the security purchase programmes. The dramatic increase in long-term interest rates has died down and, during the second quarter, the United States' 10-year government bond rate fell. The accelerating inflation suppressed the real interest rate to a record-low level.

On the equity markets, development has been extremely strong in the first half of the year. In the USA, stock prices have risen 20 per cent in H1. In Europe, the rise in stock prices remained a few percentage points below this.

Premiums written and pension expenditure January–June 2021



During the year, the US dollar has appreciated against the euro. While at the start of the year, the euro–US dollar exchange rate was around 1.22, at the end of the second quarter it was around 1.19. The appreciation of the dollar has had a positive impact on dollar-denominated investment returns.

Insurance operations

The January–June payroll for employees insured with Ilmarinen grew by 4 per cent to EUR 11.3 (10.9) billion. Premiums written increased to EUR 2.9 (2.7) billion. The number of insurance policies came to a total of 147,070 (147,056) at the end of June. Measured in premiums written, net customer acquisition rose to EUR 116 (76) million and customer retention was 97.2 per cent at an annual level.

At the end of June, Ilmarinen had altogether 457,964 (458,936) pensioners, to whom a total of EUR 3.2 (3.1) billion was paid in benefits since the start of the year. Ilmarinen made a total of 17,976 (19,078) new pension decisions in January–June. The number of disability pension decisions made was 4,345 (5,005), down 13 per cent year-on-year. The number of new rehabilitation decisions made was 2,195 (2,401). The total number of new and continued pension decisions made was 33,646 (36,292).

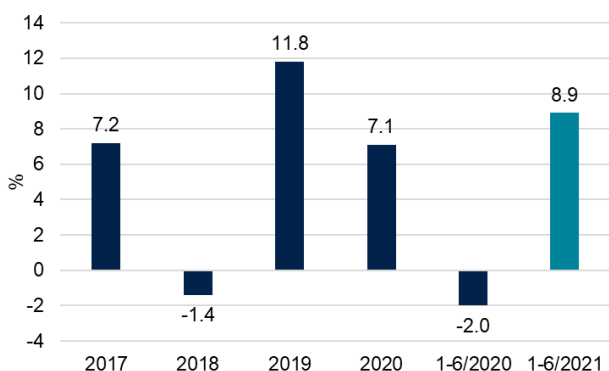
Pension processing times shortened further. During the period under review, the processing time of disability pension applications was 38 days (44) on average and that of old-age pension applications was 10 days (11).

Return on investments

At the end of June, Ilmarinen's total investments at current value were EUR 57.5 billion (53.3). The return on investments at current value was 8.9 (-2.0) per cent, or EUR 4.7 billion (-1.0). Calculated at current value, the average annual return over the last five years has been 7.8 per cent, which corresponds to an average annual real return of 6.7 per cent. Calculated from 1997, the average annual returns at current value for Ilmarinen's investments have been 6.1 per cent per annum. This corresponds to an annual real return of 4.6 per cent.

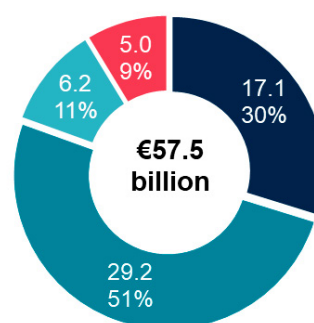
Fixed income investments accounted for a total of 29.8 (33.4) per cent of the investment portfolio and their return at current value was 2.6 (-2.9) per cent. Their total market value was EUR 17.1 (17.8) billion. Bonds accounted for a total of 24.4 (26.0) per cent of Ilmarinen's investment assets and their return was 2.8 (-3.2) per cent. Other financial market instruments and deposits accounted for 2.1 (4.2) per cent of the investment assets, and their return was 0.8 (-1.2) per cent. Loan

Return on investments 2017-Q2/2021



Average nominal return on investments over 5 years 7.8% and real return 6.7%.

Breakdown of investments, 30 June 2021



■ Fixed income ■ Equities and shares
■ Real estate investments ■ Other investments

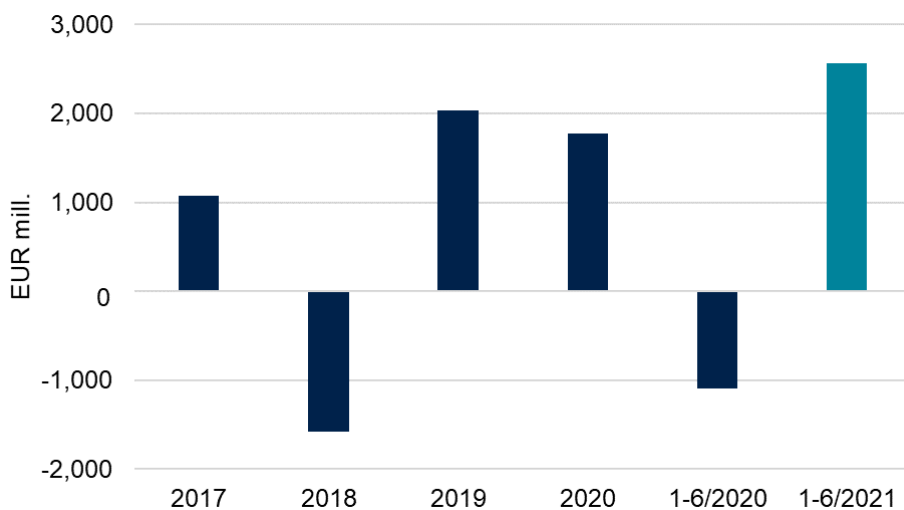
receivables made up 3.3 (3.3) per cent of the investment assets, with a return of 2.3 (-1.0) per cent. The modified duration of bonds was 0.4 (2.0) years.

Listed and non-listed equities and shares as well as private equity investments made up 50.7 (47.2) per cent of all investments. At the end of June, their value was EUR 29.2 (25.2) billion. In the risk breakdown, listed equities and shares accounted for 37.7 (35.6) per cent. Finnish equities made up 30.1 (29.2) per cent of listed equity investments. The return on equity investments at current value was 16.7 (-4.2) per cent. The return on listed equity investments was 15.4 (-5.0) per cent.

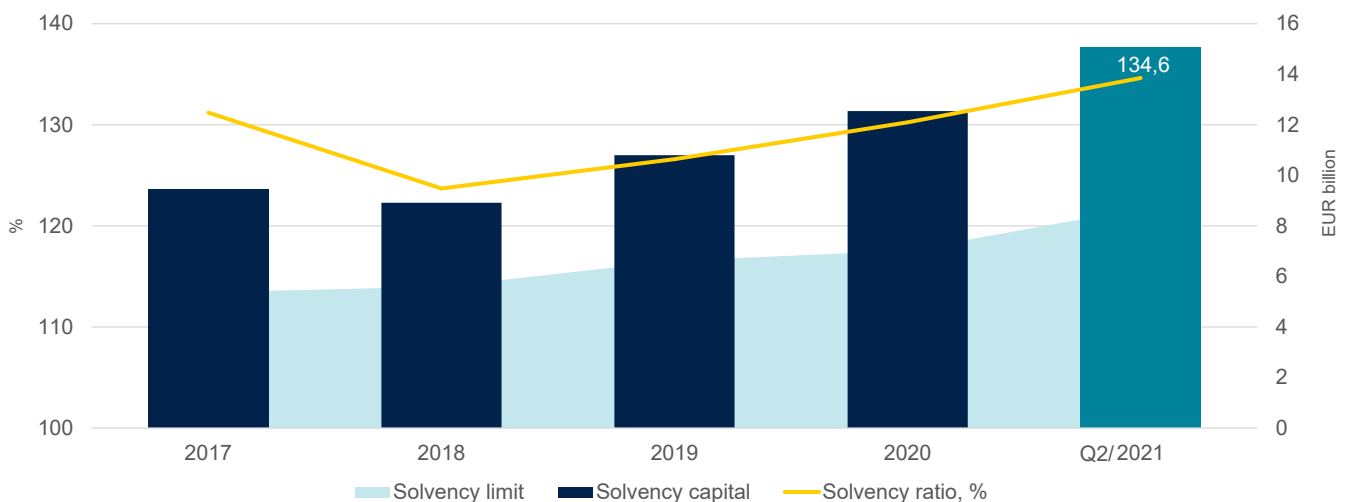
At the end of June, the value of real estate investments was EUR 6.2 (6.2) billion. They accounted for 10.8 (11.7) per cent of all investments, with indirect investments making up 1.0 (1.1) percentage points. The total return on real estate investments was 2.1 (1.8) per cent. The return on direct real estate investments was 1.9 (2.1) per cent.

Investments in hedge funds and commodities and other investments made up 8.7 (7.7) per cent of the market value of the investments at the end of June. Their total return was -0.5 (10.6) per cent and their value at the end of June was EUR 5.0 (4.1) billion.

Total result 2017-Q2/2021



Solvency 2017-Q2/2021



Result and solvency

Ilmarinen's total result at current value at the end of the second quarter was EUR 2,562 (-1,099) million. Investment income at current value was EUR 2,536 (-1,099) million, the underwriting result was EUR -2 (-21) million, and the loading profit was EUR 28 (21) million. The ratio of operating expenses to expense loading components, a measure of cost-effectiveness, improved to 66 (74) per cent in the first half of the year.

The solvency ratio rose to 134.6 (130.2) per cent and the solvency capital to EUR 15.1 (12.5) billion. Capital and reserves included in the solvency capital were EUR 195 (191) million, the valuation difference between current and book values was EUR 13,563 (10,354) million, and the provision for future bonuses was EUR 1,331 (2,041) million.

The technical provisions amounted to EUR 45,529 (43,539) million. The EUR 43,461 (41,472) million in solvency technical provisions do not include the provision for future bonuses or the earnings-related pension contributions that remain open receivables in the basic insurance under YEL.

Personnel

The average number of personnel (person years) in January–June was 609 (618). The energy level of Ilmarinen's personnel has been monitored closely through the Työviire pulse survey. According to the surveys, personnel's energy level has remained excellent despite the exceptional circumstances caused by the coronavirus epidemic (4.3 on a scale of 1–5). The employee Net Promoter Score (eNPS) improved to +43 in June (on a scale of -100 to +100).

Ilmarinen's operations have proceeded well despite the coronavirus crisis and the number of absences due to illness has been lower than normal. More than 80 per cent of personnel had no absences due to illness during the first six months of the year.

At the start of the summer, Ilmarinen created its own coronavirus exit plan with the theme "Back to the future". The plan is to return to a new type of working life as the

Covid-19 situation improves, combining the best parts of in-office and remote work to achieve our goals. The new cornerstones of working life are trust, a sense of community and clear ground rules. However, the only way to discover what our new working life will be like is to live it. If needed, we can adjust practices along the way.

Agile ways of working and continuous improvement are one Ilmarinen's company-wide focal areas for 2021. In line with the theme, a project was initiated at the start of the year to train 39 Ilmarinen employees to be champions of continuous improvement. The first group of champions started their training at the start of the year and a second group during Q2. Those participating in the champion training will form the core team in charge of bringing about a cultural change towards continuous improvement. They will carry out concrete development trials to incorporate a culture of continuous improvement into the organisation. In addition to the champions, all Ilmarinen employees will receive training in continuous improvement and will have the chance to participate in the trials.

For the fifth time, the childcare centre organised by Ilmarinen for its employees in June offered temporary assistance to help personnel combine their work and family life. The month of June can be a difficult time to arrange childcare or company for children for the duration of the workday, if suitable camps or social networks are unavailable. The childcare centre was designed to help in these types of situations. In addition, the centre enables families to spend more of their holidays together. The childcare centre is predominantly for kids in preschool and elementary school for whom it can be hard to arrange suitable care.

Ilmarinen has long been part of the Responsible Summer Job campaign (in Finnish). The campaign challenges employers to offer more high-quality summer jobs to young people.

This summer, Ilmarinen has had some 40 summer employees. By offering young people summer jobs, Ilmarinen supports their entry into working life and offers them the chance

to learn a variety of employment pension insurance jobs. Work experience during studies and accumulating competence are major factors when finding work later on. At Ilmarinen, summer employees are also given the chance to perform meaningful and responsible work that has long-term impacts.

Future prospects and key uncertainties

The global economy is recovering from the deep recession of 2020, and recovery from the crisis takes time. However, the global economy is expected to grow by roughly 6 per cent in 2021. Finland's economic growth is forecast to settle at around 3 per cent. Following the recovery of the economy and the expiry of the temporary reduction in TyEL contributions, Ilmarinen's premiums written are expected to increase clearly in 2021. The rise in payroll is expected to improve loading income and the loading profit compared to last year.

Central banks and governments are expected to continue their stimulus measures to support markets. The faster-than-expected acceleration of inflation is believed to be temporary. The economic outlook is still uncertain and unrest in the markets can quickly increase if the risks related to the spread of the coronavirus and its new variants materialise. Other key uncertainties on the equity markets include the escalation of geopolitical crises, and the faster-than-expected acceleration of inflation or rapid rise in real interest rates.

The long-term return expectation on investment assets is low, especially due to a low interest rate level and the high valuation level of risky asset classes. The key risks affecting Ilmarinen's operations and the earnings-related pension system are related to the development of employment and payroll, changes in disability pension incidence, uncertainty in the investment markets and the development

of demographics and the birth rate. The birth rate has been exceptionally low in recent years.

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- Liina Aulin, Executive Vice President, Communications and Corporate Responsibility, tel. +358 40 770 9400

Tables

Key figures in brief	1.1.–30.6.2021	1.1.–30.6.2020	1.1.–31.12.2020
Premiums written, EUR mill.	2,916	2,747	5,220
Net return on investments at fair value, EUR mill.	4,730	-981	3,529
ROCE, %	8.9	-2.0	7.1
	30.6.2021	30.6.2020	31.12.2020
Technical provisions, EUR mill.	45,529	41,825.	43,539
Solvency capital, EUR mill. ¹⁾	15,051	9,649	12,542
in relation to solvency limit	1.7	1.6	1.8
Pension assets, EUR mill. ²⁾	58,513	49,920	54,014
as a percentage of technical provisions	134.6	124.0	130.2
TyEL payroll, EUR mill. ³⁾	22,365	21,309	21,505
YEL payroll, EUR mill. ³⁾	1,665	1,664	1,676

- 1) Calculated according to the regulations in force at the time (the same principle also concerns other solvency key figures).
- 2) Technical provisions + solvency capital in accordance with section 11, item 10, of the Ministry of Social Affairs and Health's decree (614/2008.)
- 3) Estimated TyEL and YEL payroll for the whole year.

Solvency capital and limits	30.6.2021	30.6.2020	31.12.2020
Solvency limit, EUR mill.	8,688.8	5,976.1	7,015.9
Maximum solvency capital, EUR mill.	26,066.5	17,928.4	21,047.7
Solvency capital, EUR mill.	15,051.3	9,648.9	12,542.3
Solvency ratio, % ¹⁾	134.6	124.0	130.2
Solvency position ²⁾	1.7	1.6	1.8

- 1) Pension assets in relation to technical provisions as referred to in Section 11, item 10, of the Ministry of Social Affairs and Health's decree 614/2008.
- 2) Solvency capital in relation to solvency limit.

Result analysis, eur mill.	1.1.–30.6.2021	1.1.–30.6.2020	1.1.–31.12.2020
Source of profit			
Technical underwriting result	-2	-21	-3
Return on investments at fair value	2,536	-1,099	1,726
+ Net return on investments at fair value	4,730	-981	3,529
- Return requirement on technical provisions	-2,194	-118	-1,803
Loading profit	28	21	43
Other profit	0	0	3
Total result	2,562	-1,099	1,769

Breakdown of investments (current value)	Basic breakdown						Risk breakdown			
	30.6.2021		30.6.2020		30.6.2020		30.6.2021		30.6.2020 31.12.2020	
	EUR mill.	%	EUR mill.	%	EUR mill.	%	EUR mill.	%	%	%
Fixed income investments total	17,133.6	29.8	15,696.8	32.1	17,799.4	33.4	15,209.9	26.4	31.7	33.2
Loan receivables ¹⁾	1,890.1	3.3	1,352.7	2.8	1,747.3	3.3	1,890.1	3.3	2.8	3.3
Bonds	14,037.9	24.4	12,932.0	26.5	13,838.2	26.0	11,216.9	19.5	18.2	27.2
Other money market instruments and deposits ^{1) 2)}	1,205.7	2.1	1,412.2	2.9	2,213.9	4.2	2,102.9	3.7	10.7	2.8
Equities and shares total	29,179.7	50.7	22,533.1	46.1	25,162.2	47.2	29,032.0	50.5	44.3	47.1
Listed equities and shares ³⁾	21,865.7	38.0	17,254.0	35.3	19,052.1	35.8	21,718.0	37.7	33.5	35.6
Private equity investments ⁴⁾	6,245.8	10.9	4,298.1	8.8	4,985.0	9.4	6,245.8	10.9	8.8	9.4
Non-listed equities and shares ⁵⁾	1,068.2	1.9	980.9	2.0	1,125.2	2.1	1,068.2	1.9	2.0	2.1
Real estate investments total	6,212.6	10.8	6,498.9	13.3	6,246.0	11.7	6,230.9	10.8	13.3	11.8
Direct real estate investments	5,642.1	9.8	5,880.8	12.0	5,657.1	10.6	5,643.7	9.8	12.0	10.6
Real estate funds and joint investments	570.5	1.0	618.1	1.3	589.0	1.1	587.2	1.0	1.3	1.1
Other investments total	5,010.4	8.7	4,105.5	8.4	4,076.4	7.7	4,677.1	8.1	8.9	8.3
Hedge fund investments ⁶⁾	3,757.8	6.5	2,739.9	5.6	2,952.1	5.5	3,757.8	6.5	5.6	5.5
Commodity investments	151.4	0.3	108.3	0.2	93.1	0.2	33.6	0.1	0.3	0.0
Other investments ⁷⁾	1,101.2	1.9	1,257.4	2.6	1,031.2	1.9	885.8	1.5	3.0	2.8
Investments total	57,536.3	100.0	48,834.4	100.0	53,284.1	100.0	55,149.9	95.9	98.2	100.3
Effect of derivatives							2,386.4	4.1	1.8	-0.3
Investment return at current value total	57,536.3	100.0	48,834.4	100.0	53,284.1	100.0	57,536.3	100.0	100.0	100.0

The modified duration of bond investments was 0.4 years.

- 1) Includes accrued interest.
- 2) Includes cash at bank and in hand and consideration receivables and debt.
- 3) Also includes mixed funds unless they can be allocated elsewhere.

4) Includes private equity funds, mezzanine funds and infrastructure investments.

- 5) Also includes unlisted real estate investment companies.
- 6) Includes all types of hedge fund units regardless of the fund's strategy.
- 7) Includes items that cannot be allocated to other investment classes.

Net ROCE of investments	Net investment return market value ⁸⁾	Capital employed ⁹⁾	ROCE, %	ROCE, %	ROCE, %
	30.6.2021	30.6.2021	30.6.2021	30.6.2020	31.12.2020
	EUR mill.	EUR mill.	%	%	%
Fixed income investments total	441.4	17,168.6	2.6	-2.9	-0.4
Loan receivables ¹⁾	40.6	1,803.0	2.3	-1.0	-0.9
Bonds	388.1	13,835.4	2.8	-3.2	0.0
Other money market instruments and deposits ^{1) 2)}	12.7	1,530.1	0.8	-1.2	-3.7
Equities and shares total	4,198.9	25,090.6	16.7	-4.2	12.4
Listed equities and shares ³⁾	2,924.6	18,957.7	15.4	-5.0	11.9
Private equity investments ⁴⁾	1,212.1	5,105.1	23.7	-2.3	12.9
Non-listed equities and shares ⁵⁾	62.3	1,027.8	6.1	3.3	19.0
Real estate investments total	128.3	6,240.9	2.1	1.8	0.4
Direct real estate investments	106.5	5,655.2	1.9	2.1	0.7
Real estate funds and joint investments	21.8	585.7	3.7	-0.6	-2.1
Other investments total	-23.9	4,499.6	-0.5	10.6	20.2
Hedge fund investments ⁶⁾	163.7	3,223.0	5.1	1.9	3.7
Commodity investments	14.3	84.3	-	-	-
Other investments ⁷⁾	-201.9	1,192.3	-16.9	31.1	71.7
Investments total	4,744.7	52,999.6	9.0	-1.9	7.1
Unallocated income, costs and operating expenses	-14.3	0.0	0.0	0.0	0.0
Investment return at current value total	4,730.4	52,999.6	8.9	-2.0	7.1

1) Includes accrued interest.

2) Includes cash at bank and in hand and consideration receivables and debt.

3) Also includes mixed funds unless they can be allocated elsewhere.

4) Includes private equity funds, mezzanine funds and infrastructure investments.

5) Also includes unlisted real estate investment companies.

6) Includes all types of hedge fund units regardless of the fund's strategy.

7) Includes items that cannot be allocated to other investment classes.

8) Change in market value between the beginning and end of the reporting period less cash flows during the period. (Cash flow means the difference between purchases/costs and sales/revenues.)

9) Capital employed = market value at the beginning of the reporting period + daily/monthly time-weighted cash flows.