

# Ilmarinen's Interim Report

1 January to 30 September 2022



ILMARINEN

# Premiums written growing strongly, return on investments negative, solvency remained good

## January–September performance in brief:

- The return on Ilmarinen's investment portfolio was -8.0 (10.5) per cent, i.e. EUR 4.9 billion negative due to falling stock prices and rising interest rates. The market value of investments fell to EUR 55.8 (60.8) billion. The long-term average return on investments was 5.7 per cent. This corresponds to an annual real return of 3.9 per cent.
- As a result of the negative return on investment operations, the total result for January–September fell to EUR -4.8 (2.9) billion.
- Premiums written rose by as much as 12 per cent to EUR 5.0 (4.4) billion thanks to strong growth in payrolls and the 0.45 percentage point increase made in TyEL contributions. EUR 4.9 (4.7) billion was paid in pensions.
- Net customer acquisition was EUR 159 (230) million and customer retention was 97.7 (97.9) per cent.
- Loading profit was EUR 45 (45) million and the ratio of operating expenses to expense loading components improved to 62 (64) per cent, despite the 9.5 per cent reduction in the expense loading rate. Operating expenses financed using loading income fell by EUR 7 million to EUR 73 (81) million.
- Solvency capital was EUR 11.8 (16.5) billion and the solvency ratio was 126.3 (136.7) per cent.
- Outlook: Ilmarinen's premiums written are expected to grow in 2022, due to higher payrolls and the 0.45 percentage point increase in the TyEL contribution. Loading income will decrease as a result of the lowering of the premium rate in the insurance contribution's administrative cost component. The loading profit is nevertheless expected to grow thanks to increasing cost-effectiveness.

Key figures	1-9/2022	1-9/2021	2021
Premiums written, EUR million	4,967	4,429	5,922
Pensions paid, EUR million	4,948	4,736	6,309
Operating expenses covered by loading income, EUR million	73	81	126
Loading profit, EUR million	45	45	42
Ratio of operating expenses to expense loading components, %	62	64	75
Return on investments, %	-8.0	10.5	15.3
Total result at current value, EUR million	-4,751	2,856	4,179
Value of investment assets, EUR million	55,775	58,371	60,773
Solvency capital, EUR million	11,801	15,361	16,539
Solvency ratio, %	126.3	135.0	136.7

The interim report result comparison figures are the figures for the corresponding period of 2021. Unless otherwise indicated, the comparison figures for the balance sheet and other cross-sectional items are the figures for the end of 2021.

## PRESIDENT AND CEO JOUKO PÖLÖNEN'S REVIEW



This year has been a very challenging one on the investment markets due to accelerating inflation, central banks' tightening monetary policy and the war begun by Russia. Ilmarinen's return on investments in January–September was -8 per cent, i.e. EUR 4.9 billion negative. Solvency remained at a good level despite the challenging market situation, premiums written grew strongly and cost-effectiveness improved.

Stock prices fell extensively across all main market areas, interest rates continued to rise and credit risk margins widened. The return on equity investments in Ilmarinen's investment portfolio was -12.8 per cent and the return on fixed income investments was -5.7 per cent. The return on real estate investments was 4.0 per cent, but rising interest rates are also putting downward pressure on real estate valuations. The return on other investments was -3.3 per cent. The long-term average nominal return on investments was 5.7 per cent, corresponding to a 3.9 per cent average annual real return since 1997. The solvency ratio remained good at 126.3 per cent and the solvency capital was EUR 11.8 billion. The solvency buffers built up through long-term funding and investing protect pension assets during market volatility.

Premiums written grew by as much as 12 per cent to EUR 5.0 billion. Behind the strong growth is the almost 10 per cent increase in the payroll of employees insured with Ilmarinen and the 0.45 percentage point

increase made in the pension contribution. The fixed-term increase is used to collect back the temporary discount made in employers' insurance contributions during the Covid crisis. The number of employees in the companies belonging to Ilmarinen's business cycle index increased by +3.9 per cent year-on-year during January–September. Employment recovery has been strong especially in the hospitality and restaurant sector and in staff leasing services, which suffered from the Covid crisis.

We paid EUR 4.9 billion in pensions to around 454,000 pensioners. Due to the high inflation, an exceptional 6.8 per cent index increment will be applied to current pensions at the turn of the year. Pensioners will benefit from the increment if their pension has begun this year, at the latest at the start of December. The increment also applies to partial early old-age pension, for which the number of applications grew by more than 80 per cent year-on-year in September. During October, the number of applications has grown even faster. Old-age pension applications have also increased.

The loading profit for January–September was EUR 45 million and the ratio of operating expenses to expense loading components, measuring cost-effectiveness, improved to 62 per cent. Operating expenses financed using loading income came to EUR 73 million, i.e. EUR 7 million less year-on-year.

As a responsible real estate investor, Ilmarinen is taking the exceptional energy market situation into account in its operations. The temperature in the business premises owned by Ilmarinen will be lowered by 1–2 degrees and premises that are used less will have their temperature adjusted to the minimum level. We will additionally optimise ventilation systems and reduce lighting. The measures are expected to achieve more than 3,200 megawatt-hours in energy savings annually.



Alongside climate change, biodiversity loss impacts the economy and thus also investment operations. We published a Biodiversity Roadmap, which describes the steps through which we increase understanding of the impacts of biodiversity loss, analyse the investment portfolio's impacts on and risk exposures to biodiversity, identify measures and ways to make a difference, and develop our reporting.

The Finnish Financial Supervisory Authority (FIN-FSA) completed a multi-year process, which was a thorough look into Ilmarinen's disability risk management. There was no need for an administrative sanction and we are pleased that the case has now been closed also on the part of FIN-FSA. There is no legal regulation concerning the management of disability risk, and some of the guidelines provided by FIN-FSA have been

open to various interpretations. It is important to Ilmarinen that our operations comply with regulations and that we can help our customers prevent disability. Each disability pension prevented is not only important on a human level but also benefits employers, society and the pension system.

In October, the Finnish Centre for Pensions released updated long-term calculations of the development of statutory pension expenditure, the level of benefits and financing. According to the Finnish Centre for Pensions, the long-term outlook for financing pensions has improved from the previous projection made in 2019 due to good return on investments. A low birth rate and decline in the number of working-age people continue to present a challenge to the financing of the pension system and the entire welfare state.

## Current information about the pension system

An exceptionally large 6.8 per cent index increment will be made to earnings-related pensions at the start of next year, in order to protect the purchasing power of pensions from accelerating inflation. The earnings-related pension index is made up of the consumer price index (80 per cent) and the earnings level index (20 per cent). The exceptionally large index increment has awakened people's interest in applying for pension.

The reform of pension legislation concerning self-employed persons has been undergoing parliamentary proceedings since June. The government proposal includes clarifications on the determination and adjustment of YEL income. The goal of the reform is for a self-employed person's YEL income to correspond more closely to the value of the entrepreneur's work input, both at the start of the self-employment and when the activities continue. The basis for determining YEL income will be clarified and the amount of YEL income will in future be monitored regularly and adjusted at least every three

years. The goal of the reform is to improve self-employed persons' pension provision and ensure that they receive social security that corresponds to the value of their work input already during their career.

The administrative cost component included in the earnings-related pension insurance contribution will be determined on a company-specific basis as of the start of 2023. The legislative amendment entered into force in summer. The amendment will improve the transparency and clarity of insurance management costs. The amendment is expected to increase cost competition between pension institutions, creating even stronger incentives to increase operational efficiency.

Based on the long-term calculations released by the Finnish Centre for Pensions in October, the long-term outlook for financing pensions has improved from the previous projection made in 2019. Based on the calculations, the long-term pressure on pension insurance contributions to rise has eased. While the projected pension contribution level for 2080 was 30 per cent in the 2019 calculations, the contribution level in the updated

calculations is only around 26 per cent. This change is largely a consequence of the unusually strong performance of pension investments in recent years. However, the shrinking of the working-age population and the low birth rate further complicate the financing of the pension system and the entire welfare state.

Finland's pension system was rated as the fifth best in the international Mercer CFA Institute Global Pension Index comparison published on 11 October 2022. Forty-four countries were included in the comparison. Finnish pension cover was selected as the most reliable and transparent for the ninth consecutive time.

## Operating environment and investment market

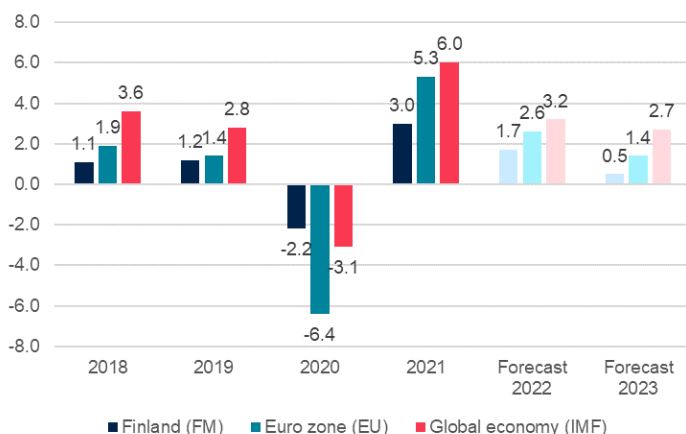
High inflation, tightening monetary policy and high energy prices are weakening the global economic outlook. Inflation has proven to be a more persistent problem than expected. It has been faster than predicted during the summer and autumn in both the euro zone and the USA. This has maintained the need to tighten monetary policy and central banks have communicated their concerns over price stability and the tightening of monetary policy required to achieve it. Economic growth has slowed and it appears likely that economies will slide into a recession.

In the USA, consumer prices rose more than eight per cent year-on-year in September, and in the euro zone, inflation accelerated to ten per cent. In the euro zone, rising prices are primarily impacted by the rise in the price of energy, accelerated by the war in Ukraine, while in the USA a key factor underlying inflation is the tight labour markets and increased wage pressure. In the USA, inflation has slowed somewhat over the past few months, but core inflation, excluding the impact of the price of energy and food on rising prices, has continued to rise. Core inflation has been raised in particular by the increase in the price of services, underlain by rising payroll costs.

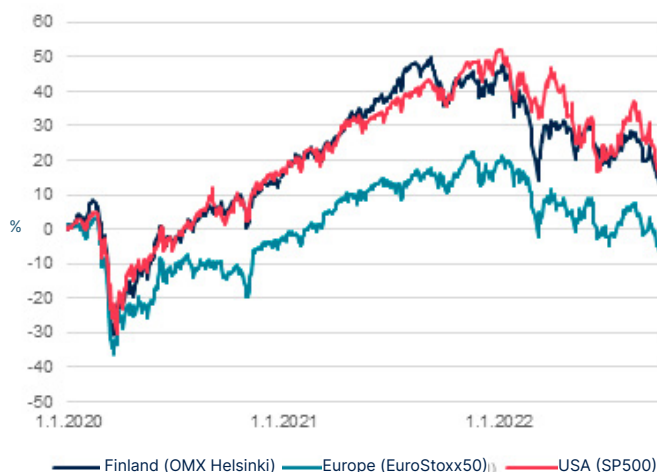
Finland's economy developed positively in the first part of the year and employment has continued to grow. Economic growth was accelerated by pent-up demand and recovery from the Covid pandemic. Exports were weakened by the stalling of exports to Russia. In the future, economic growth will be set back by the negative impacts of inflation and higher interest rates on purchasing power and investment appetite. The confidence of consumers and industry in the economy has fallen dramatically during the autumn.

The capital markets' performance was soft in January–September. Stock prices fell and interest rates and credit risk margins rose. The US equity markets (S&P 500 index) fell

## Economic growth and forecasts



## Stock price development



in January–September by 24 per cent, the broad European stock index (Stoxx Europe 600) fell by 18 per cent, and the Finnish equity market fell 22 per cent. The volatility of stock prices was higher than normal.

Short-term interest rates rose in both the USA and the euro zone when expectations of the tightening of monetary policy strengthened further. The US Fed raised its key interest rates by three percentage points during the first part of the year, to between 3 and 3.25 per cent. The Fed’s balance sheet, which grew to a record size during the pandemic, took a slight downward turn. The ECB raised its deposit rate from -0.50 per cent by a total of 1.25 percentage points twice during the summer and autumn. Central banks’ interest rate hikes are expected to continue in order to achieve the price stability target.

Fixed income market yield curves have flattened and have partially taken a downward path, with short-term interest rates rising faster than long-term rates. Government 10-year interest rates grew by 2.3 percentage points from January to September in both

Germany and the USA. The 10-year interest rate differential between Italian and German government bonds has risen by almost one percentage point year-to-date.

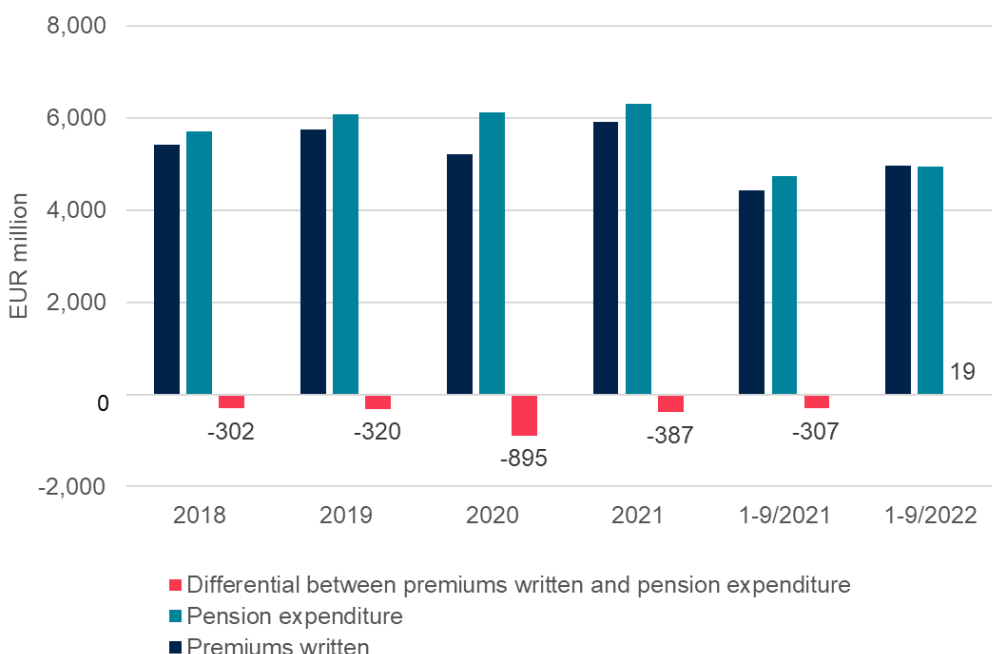
During the year, uncertainty has grown on the credit risk markets. Credit risk margins have widened in both low and high credit risk bonds. The rise in financing costs has begun impacting companies’ investment appetite and earnings outlook.

The US dollar appreciated against the euro by around 16 per cent in January–September, which had a positive impact on dollar-denominated investment returns.

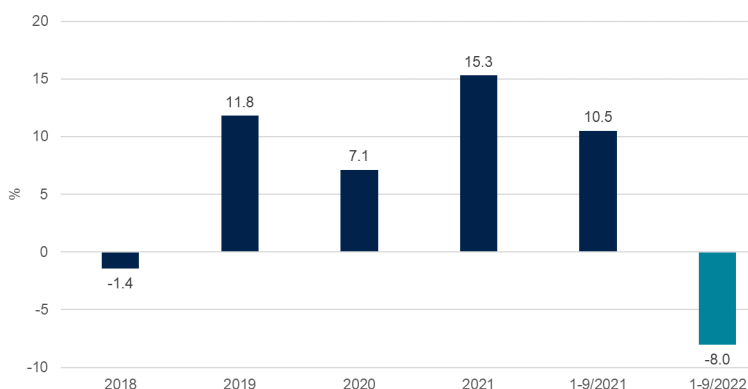
### Insurance operations

The January–September payroll for employees insured with Ilmarinen grew by 9.9 per cent to EUR 18,849 (17,157) million. The strong growth is partly explained by the downward impact that Covid restrictions had on employment and the payroll in the comparison period. When the restrictions were lifted, especially the hospitality and restaurant sector and staff leasing have recovered dramatically.

## Premiums written and pension expenditure January–September 2022



## Return on investments 2018-Q3/2022



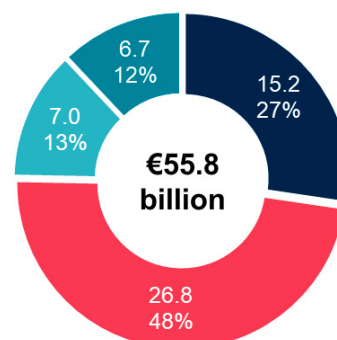
Average nominal return on investments over 5 years 4.9% and real return 2.3%.

Premiums written rose to EUR 4,967 (4,429) million in January–September. In addition to customers' growing payroll, premiums written grew thanks to the 0.45 percentage point increase in the TyEL contribution percentage. The number of insurance policies fell and totalled 138,878 (145,103) at the end of September. Measured in premiums written, net customer acquisition was EUR 159 (230) million. Customer retention was 97.7 per cent in the first part of the year.

At the end of September, Ilmarinen had altogether 453,591 (457,154) pensioners, to whom a total of EUR 4,948 (4,736) million was paid in benefits. Ilmarinen made 27,961 (25,977) new pension decisions in January–September. The number of new disability pension decisions made was 7,131 (6,525), up 9 per cent year-on-year. From January to September, 2,642 (2,492) persons transitioned on a disability pension or cash rehabilitation benefit, which is 6 per cent more than last year. New rehabilitation decisions totalled 2,818 (3,145).

Old-age pension application processing times shortened considerably. During the period under review, the average processing time for old-age pension applications was 3 (9) days and for disability pension applications 35 (41) days.

## Breakdown of investments, 30 September 2022



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

## Return on investments

At the end of September, Ilmarinen's total investments at current value were EUR 55,775 (60,773) million. The return on investments at current value was -8.0 (10.5) per cent. Calculated at current value, the average annual return over the last five years has been 4.9 per cent, which corresponds to an average annual real return of 2.3 per cent. Calculated from 1997, the average annual return at current value for Ilmarinen's investments has been 5.7 per cent. This corresponds to an annual real return of 3.9 per cent.

Fixed income investments accounted for 27.3 (30.1) per cent of the investment portfolio and their return at current value was -5.7 (3.5) per cent. Their total market value was EUR 15,248 (18,292) million. Bonds accounted for 23.1 (23.4) per cent of Ilmarinen's investment assets and their return was -7.2 (3.8) per cent. The modified duration of bonds was 2.5 (0.6) years.

Listed and non-listed equities and shares as well as private equity investments made up 48.0 (50.1) per cent of all investments. Their value at the end of September stood at EUR 26,761 (30,476) million. In the risk breakdown, listed equities and shares accounted for 29.3 (36.0) per cent. Finnish equities made up 28.5 (30.4) per cent of listed equity

investments. The return on equities, calculated at current value, was -12.8 (19.2) per cent. The return on listed equity investments was -18.6 (15.7) per cent.

Real estate investments at the end of September stood at EUR 7,048 (6,491) million. They accounted for 12.6 (10.7) per cent of all investments, with the total return at 4.0 (4.2) per cent.

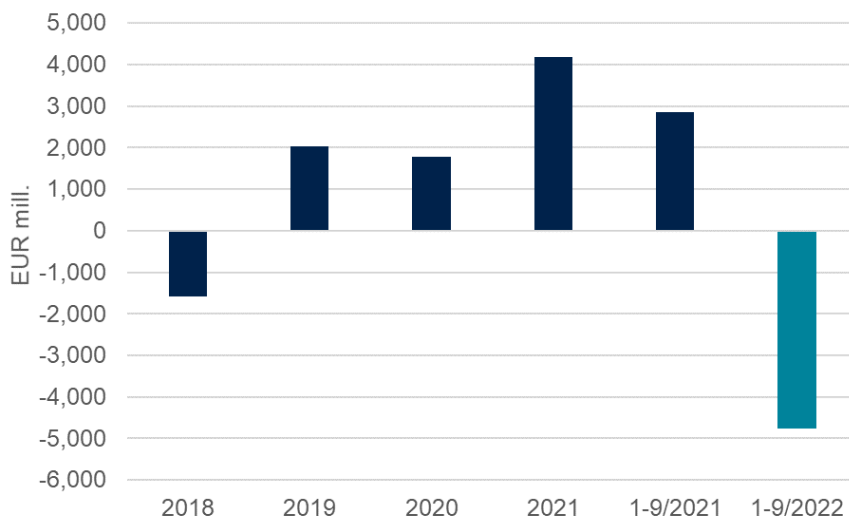
Investments in hedge funds and commodities and other investments made up 12.0 (9.1) per cent of the market value of the investments at the end of September. Their

total return was -3.3 (-1.7) per cent and their value at the end of September was EUR 6,719 (5,514) million.

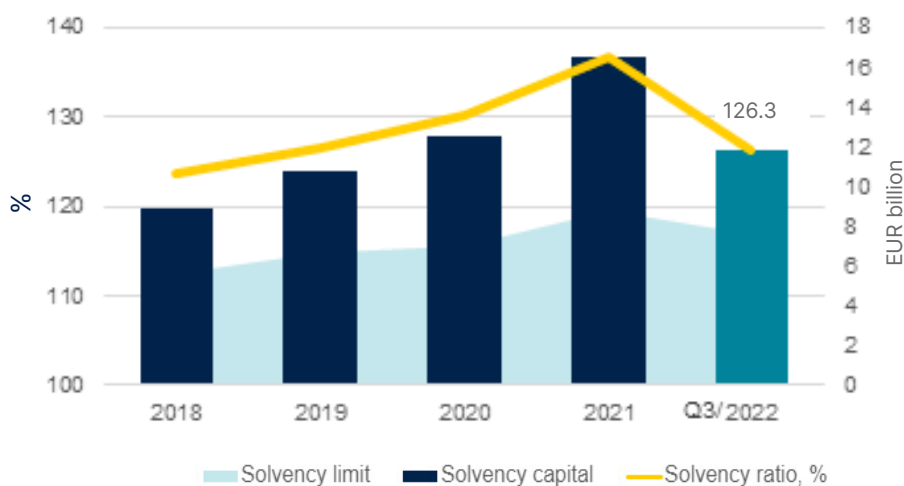
## Result and solvency

Ilmarinen's total result at current value at the end of the third quarter was EUR -4,751 (2,856) million. Investment income at current value was EUR -4,865 (2,798) million, the underwriting result was EUR 70 (14) million, and the loading profit was EUR 45 (45) million. The ratio of operating expenses to expense loading components, measuring cost-effec-

### Total result 2018-Q3/2022



### Solvency 2018-Q3/2022





tiveness, was 62 (64) per cent in January–September.

At the end of September, the solvency ratio was 126.3 (136.7) per cent and solvency capital stood at EUR 11,801 (16,539) million. Capital and reserves included in the solvency capital were EUR 210 (201) million, the valuation difference between current and book values was EUR 15,049 (15,500) million, and the provision for future bonuses was EUR -3,442 (858) million.

The technical provisions amounted to EUR 45,815 (46,004) million. The EUR 44,952 (45,117) million in solvency technical provisions does 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–September was 595 (604). The energy level of Ilmarinen’s personnel has been monitored closely through the Työvire pulse survey, which is implemented every other month. According to the surveys, personnel’s work energy remained at an excellent level (4.2 on a scale of 1–5). The employee Net Promoter Score (eNPS) was +42 in January–September (on a scale of -100 to +100), up +2 from the end of Q2.

At the start of May, we transferred to hybrid work, in which at least 40 per cent of work is performed at the office. The Covid-19 pandemic is still taken into consideration at Ilmarinen. For example, enhanced cleaning will be continued at least over the autumn’s influenza season and the personnel have access to hand disinfectant and masks in the workplace’s shared premises. Ilmarinen’s absences due to illness have come to 2.1 per cent on average after the first three quarters of the year, which is slightly higher than normal.

At the start of the year, we asked more than a hundred new Ilmarinen employees for their view of Ilmarinen. Over the summer, we asked the same from more than a hundred employees who have been with Ilmarinen for more than twenty years, i.e. seasoned pro-

fessionals. The observations made by both groups were very similar. They considered Ilmarinen to be a dynamic and competitive company and an excellent employer. Areas for improvement identified by the employees included prioritisation and reducing bureaucracy and meetings.

Following the lengthy break due to Covid, we were finally able to celebrate the work anniversaries of employees with longstanding careers at Ilmarinen. The longest careers at Ilmarinen currently span 48 years.

Our goal is to manage our daily work systematically through the Ilmarinen Way model that we developed. The goal of the model is to harmonise our operations and to remind us of what matters most in everyday leadership. Central to the model are ensuring the right direction, leading a team game, monitoring and assessing results, and continuous improvement and learning. The model has been reviewed together with both supervisors and the entire personnel, as leadership does not occur only in the supervisory role.

We combined exercise and fighting climate change once again by participating in the “Kilometrikisa” bicycle competition organised by Pyöräilykuntien verkosto (Network of Finnish Cycling Municipalities). More than 100 active Ilmarinen employees cycled more than 61,000 kilometres. The competition helped us save around 4,300 litres of petrol and more than 10,700 kilograms of CO<sub>2</sub> emissions. At the same time, we collected funds through the bicycle competition for the Finnish Red Cross’s Chain Reaction fundraising campaign, where every 25 kilometres cycled by each person meant a donation of one euro to the campaign. Chain Reaction provides assistance in preparing for climate change and adapting to its impacts both in Finland and across the globe. Ilmarinen supports the personnel’s bicycle commuting, for instance, by providing spacious and high-quality staff facilities, arranging bicycle maintenance at the workplace, and through the opportunity to buy a company bicycle.

## Future prospects and key uncertainties

The faster-than-expected hike in inflation, expectations of slowing economic growth and Russia's assault on Ukraine are clouding the growth prospects of the global economy, and growth forecasts have been downgraded further. The global economic growth rate is expected to be 3.2 per cent and Finland's growth 1.7 per cent in 2022.

Ilmarinen's premiums written are expected to grow in 2022, due to higher payrolls and the 0.45 percentage point increase in the TyEL contribution.

Loading income will decrease as a result of the lowering of the premium rate in the insurance contribution's administrative cost component. The loading profit is nevertheless expected to grow thanks to increasing cost-effectiveness.

Faster than expected acceleration of inflation, tightening central bank policies, rising interest rates and companies' increasing cost pressures all contribute to uncertainty on the markets. The exacerbation of the economic impacts and impacts related to the availability and price of energy stemming from Russia's war on Ukraine and the escalation of other geopolitical tensions are fuelling market restlessness.

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

## For more information, please contact:

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## Tables

Key figures in brief	1.1.–30.9.2022	1.1.–30.9.2021	1.1.–31.12.2021
Premiums written, EUR mill.	4,967	4,429	5,922
Net return on investments at fair value, EUR mill.	-4,868	5,567	8,086
ROCE, %	-8.0	10.5	15.3
	30.9.2022	30.9.2021	31.12.2021
Technical provisions, EUR mill.	45,815	45,955	46,004
Solvency capital, EUR mill. <sup>1)</sup>	11,801	15,361	16,539
in relation to solvency limit	1.6	1.7	1.9
Pension assets, EUR mill. <sup>2)</sup>	56,726	59,245	61,656
as a percentage of technical provisions	126.3	135.0	136.7
TyEL payroll, EUR mill. <sup>3)</sup>	24,933	22,581	22,874
YEL payroll, EUR mill. <sup>3)</sup>	1,702	1,671	1,677

- 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	30.9.2022	30.9.2021	31.12.2021
Solvency limit, EUR mill.	7,576.0	8,946.0	8,728.0
Maximum solvency capital, EUR mill.	22,728.0	26,838.1	26,184.1
Solvency capital, EUR mill.	11,801.0	15,361.4	16,539.1
Solvency ratio, % <sup>1)</sup>	126.3	135.0	136.7
Solvency position <sup>2)</sup>	1.6	1.7	1.9

- 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.–30.9.2022	1.1.–30.9.2021	1.1.–31.12.2021
Source of profit			
Technical underwriting result	70	14	44
Return on investments at fair value	-4,865	2,798	4,104
+ Net return on investments at fair value	-4,868	5,567	8,086
- Return requirement on technical provisions	3	-2,769	-3,982
Loading profit	45	45	42
Other profit	0	0	-11
Total result	-4,751	2,856	4,179

Breakdown of investments (current value)	Basic breakdown						Risk breakdown			
	30.9.2022		30.9.2021		31.12.2021		30.9.2022		30.9.2021 31.12.2021	
	EUR mill.	%	EUR mill.	%	EUR mill.	%	EUR mill.	%	%	%
<b>Fixed income investments total</b>	<b>15,247.8</b>	<b>27.3</b>	<b>16,813.9</b>	<b>28.8</b>	<b>18,291.6</b>	<b>30.1</b>	<b>12,782.2</b>	<b>22.9</b>	<b>24.1</b>	<b>27.0</b>
Loan receivables <sup>1)</sup>	1,892.3	3.4	1,909.8	3.3	2,009.8	3.3	1,892.3	3.4	3.3	3.3
Bonds	12,903.9	23.1	14,070.1	24.1	14,221.5	23.4	11,679.3	20.9	21.4	25.4
Other money market instruments and deposits <sup>1) 2)</sup>	451.6	0.8	834.0	1.4	2,060.3	3.4	-789.3	-1.4	-0.5	-1.8
<b>Equities and shares total</b>	<b>26,760.6</b>	<b>48.0</b>	<b>29,966.3</b>	<b>51.3</b>	<b>30,476.1</b>	<b>50.1</b>	<b>25,379.1</b>	<b>45.5</b>	<b>51.2</b>	<b>50.0</b>
Listed equities and shares <sup>3)</sup>	17,730.3	31.8	22,070.5	37.8	21,966.6	36.1	16,348.8	29.3	37.6	36.0
Private equity investments <sup>4)</sup>	7,730.9	13.9	6,827.8	11.7	7,270.7	12.0	7,730.9	13.9	11.7	12.0
Non-listed equities and shares <sup>5)</sup>	1,299.4	2.3	1,068.0	1.8	1,238.8	2.0	1,299.4	2.3	1.8	2.0
<b>Real estate investments total</b>	<b>7,047.7</b>	<b>12.6</b>	<b>6,313.8</b>	<b>10.8</b>	<b>6,490.7</b>	<b>10.7</b>	<b>7,108.0</b>	<b>12.7</b>	<b>10.8</b>	<b>10.7</b>
Direct real estate investments	6,338.7	11.4	5,726.4	9.8	5,836.8	9.6	6,382.3	11.4	9.8	9.6
Real estate funds and joint investments	709.0	1.3	587.4	1.0	653.9	1.1	725.7	1.3	1.0	1.1
<b>Other investments total</b>	<b>6,719.4</b>	<b>12.0</b>	<b>5,277.4</b>	<b>9.0</b>	<b>5,514.5</b>	<b>9.1</b>	<b>7,217.6</b>	<b>12.9</b>	<b>9.4</b>	<b>8.2</b>
Hedge fund investments <sup>6)</sup>	4,899.5	8.8	3,925.8	6.7	4,115.5	6.8	4,899.5	8.8	6.7	6.8
Commodity investments	34.2	0.1	123.2	0.2	92.5	0.2	403.4	0.7	-0.1	0.0
Other investments <sup>7)</sup>	1,785.7	3.2	1,228.4	2.1	1,306.5	2.1	1,914.7	3.4	2.8	1.4
<b>Investments total</b>	<b>55,775.5</b>	<b>100.0</b>	<b>58,371.4</b>	<b>100.0</b>	<b>60,772.9</b>	<b>100.0</b>	<b>52,486.9</b>	<b>94.1</b>	<b>95.5</b>	<b>95.9</b>
Effect of derivatives							3,288.6	5.9	4.5	4.1
<b>Investment return at current value total</b>	<b>55,775.5</b>	<b>100.0</b>	<b>58,371.4</b>	<b>100.0</b>	<b>60,772.9</b>	<b>100.0</b>	<b>55,775.5</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

The modified duration of bond investments was 2.5 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 <sup>8)</sup>	Capital employed <sup>9)</sup>	ROCE, %	ROCE, %	ROCE, %
	30.9.2022	30.9.2022	30.9.2022	30.9.2021	31.12.2021
	EUR mill.	EUR mill.	%	%	%
<b>Fixed income investments total</b>	<b>-1,002.9</b>	<b>17,548.7</b>	<b>-5.7</b>	<b>3.5</b>	<b>3.9</b>
Loan receivables <sup>1)</sup>	62.2	1,951.8	3.2	2.8	4.4
Bonds	-1,058.7	14,664.2	-7.2	3.8	4.1
Other money market instruments and deposits <sup>1) 2)</sup>	-6.5	932.6	-0.7	0.8	0.7
<b>Equities and shares total</b>	<b>-3,907.0</b>	<b>30,477.5</b>	<b>-12.8</b>	<b>19.2</b>	<b>28.0</b>
Listed equities and shares <sup>3)</sup>	-4,043.8	21,794.9	-18.6	15.7	23.7
Private equity investments <sup>4)</sup>	56.0	7,461.5	0.8	34.6	44.5
Non-listed equities and shares <sup>5)</sup>	80.8	1,221.1	6.6	7.7	24.4
<b>Real estate investments total</b>	<b>264.0</b>	<b>6,664.2</b>	<b>4.0</b>	<b>4.2</b>	<b>8.8</b>
Direct real estate investments	202.6	6,000.5	3.4	4.0	9.0
Real estate funds and joint investments	61.4	663.7	9.2	6.5	7.1
<b>Other investments total</b>	<b>-198.7</b>	<b>5,958.8</b>	<b>-3.3</b>	<b>-1.7</b>	<b>-2.0</b>
Hedge fund investments <sup>6)</sup>	366.1	4,163.4	8.8	6.7	7.3
Commodity investments	-3.1	80.9	-	-	-
Other investments <sup>7)</sup>	-561.7	1,714.5	-32.8	-24.6	-27.6
<b>Investments total</b>	<b>-4,844.7</b>	<b>60,649.2</b>	<b>-8.0</b>	<b>10.6</b>	<b>15.3</b>
Unallocated income, costs and operating expenses	-23.7	0.0	0.0	0.0	0.0
<b>Investment return at current value total</b>	<b>-4,868.4</b>	<b>60,649.2</b>	<b>-8.0</b>	<b>10.5</b>	<b>15.3</b>

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.