

Ilmarinen's Interim Report

1 January to 31 March 2023



ILMARINEN

Ilmarinen's Interim Report 1 January to 31 March 2023: Positive return on investments, premiums written grew and cost-effectiveness improved

January–March performance in brief:

- The return on Ilmarinen's investment portfolio was +2.2 (-2.2) per cent, i.e. EUR 1.3 billion, as a result of rising stock prices. The market value of investments grew to EUR 57.5 (56.3) billion. The long-term average return on investments from 1997 onwards was 5.8 per cent. This corresponds to an annual real return of 3.8 per cent.
- Thanks to the good performance of investment activities, the total result for January–March grew to EUR 0.4 (-1.3) billion.
- Premiums written grew by 7 per cent to EUR 1.66 (1.56) billion. EUR 1.75 (1.63) billion was paid in pensions.
- Net customer acquisition was EUR 70 (55) million and rolling customer retention for the previous 12 months was 97.1 (97.2) per cent.
- Operating expenses financed using loading income decreased by three per cent to EUR 25 (26) million and were 0.37 (0.40) per cent of the TyEL payroll and YEL income of the insured.
- Solvency capital increased to EUR 12.2 (11.8) billion and the solvency ratio to 126.3 (125.8) per cent.
- Outlook: Ilmarinen's premiums written are expected to grow on the back of payroll growth, but the growth pace is expected to slow down from the previous year.

Key figures	1-3/2023	1-3/2022	2022
Premiums written, EUR million	1,660	1,556	6,558
Pensions paid, EUR million	1,754	1,635	6,606
Operating expenses covered by loading income, EUR million	25	26	99
TyEL payroll and YEL income, EUR mill.	6,778	6,355	26,630
Operating expenses financed using loading income of payroll and YEL income, %	0.37	0.40	0.37
Return on investments, %	2.2	-2.2	-6.6
Total result at current value, EUR million	407	-1,267	-4,592
Value of investment assets, EUR million	57,489	59,149	56,264
Solvency capital, EUR million	12,199	15,265	11,777
Solvency ratio, %	126.3	134.0	125.8

The interim report result comparison figures are the figures for the corresponding period of 2022. Unless otherwise indicated, the comparison figures for the balance sheet and other cross-sectional items are the figures for the end of 2022.

PRESIDENT AND CEO JOUKO PÖLÖNEN'S REVIEW



“Last year, Ilmarinen became the most cost-effective earnings-related pension company and saw its efficiency improve further as expenses decreased and premiums written increased. Despite increasing uncertainty in the investment markets, the return on investments in the early part of the year rose to 2.2 per cent and solvency strengthened.

The year started on a positive note in the investment markets, with stock prices rising and interest rates falling. The collapse of Silicon Valley Bank and the takeover of Credit Suisse by UBS led to a lack of confidence in the banking sector, unnerving the financial markets and dimming the economic outlook. The transition from keeping the threat of deflation at bay to tackling high inflation has proved to be challenging for central banks, and it is expected to take quite some time to bring inflation back to the price stability target.

Central banks have continued to hike policy rates in an effort to lower the persistently high inflation rate, which is slowing economic growth. The rapid rise in interest rates and tightening of financing conditions are causing challenges and increasing financial costs for indebted governments, companies and households. The rising interest rate level affects the valuations of all asset classes and has a particular impact on the highly leveraged real estate sector.

Ilmarinen's return on investments in January–March was +2.2 per cent thanks to the

positive return on equities and shares in the early part of the year. The long-term average nominal return on investments was 5.8 per cent, corresponding to a 3.8 per cent average annual real return since 1997. The solvency ratio rose to 126.3 per cent and solvency capital to EUR 12.2 billion. The solvency buffers built up through long-term funding and investing protect pension assets against market volatility.

Premiums written grew by 7 per cent to EUR 1,660 million following the increase in the payroll for employees insured with Ilmarinen. The number of employees in the companies belonging to Ilmarinen's business cycle index increased by 2.1 per cent year-on-year during January–March. We paid EUR 1,754 million in pensions to around 456,000 pensioners. The average pension in 2022 rose to EUR 1,845 and an index increase of 6.8 per cent was made to pensions at the turn of the year.

The cost-effectiveness of Ilmarinen's operations has improved significantly, and last year Ilmarinen became the most cost-effective company in the industry, measured by the ratio of operating expenses to expense loading components. In January–March, the operating expenses financed using loading income decreased by 3 per cent to EUR 25 million and were 0.37 per cent of the payroll. Earnings-related pension companies started applying company-specific expense loading rates as of the beginning of the year. Following this change, our customers will see the benefits of improved cost-effectiveness directly in their insurance contributions.

The Finnish economy is expected to decline this year, and the long-term outlook gives rise to concern. The indebtedness of the government has increased strongly in recent years, and rising interest rate expenses are adding to the financial challenges. At the same time, the working-age population is shrinking and the number of pensioners is growing. The birth rate has been decreasing for a long time, and Finland registered the lowest

number of births in 150 years last year. Financing the services of a welfare state will be a huge challenge for future governments, and one that will require measures to support not only the economy and employment but also the birth rate and labour immigration. These measures and, more specifically,

the long-term real returns on pension assets, will play a major role also in the financing of the pension system. The solvency framework for earnings-related companies must be reshaped so as to enable them to seek better long-term returns.”

Current information about the pension system

Retirement on old-age pension has been significantly delayed after the 2017 pension reform, says a study conducted by the Finnish Centre for Pensions in early 2023. Last year, however, retirement took place a couple of months earlier compared to the previous year. This was due to the large number of people transitioning on old-age pension in late 2022. An exceptional index increase of 6.8 per cent to earnings-related pensions led to a large influx of applications. Finns retired on earnings-related pension at the age of 62.2 years on average in 2022.

The administrative cost component included in the earnings-related pension insurance contribution became company-specific as of the start of 2023. Now every pension company has its own contribution criteria for the administrative cost component. The amendment is expected to increase competition between pension institutions, creating even stronger incentives to increase operational efficiency.

The act on more detailed specifications on determining entrepreneurs' YEL income and reviewing the YEL income for existing insurance policies came into force as of the start of 2023. In 2023, the earnings-related pension insurance providers will review the YEL incomes of entrepreneurs with an annual YEL income of less than EUR 15,000, if no material changes have been made to it for the past three years. The reviews will be started during spring. On the earnings-related insurance provider's initiative, YEL income can

be raised by a maximum of EUR 4,000 in a review to ensure that the rise in an entrepreneur's monthly insurance contribution remains reasonable, at no more than EUR 85. The YEL income may also remain unchanged or fall. The objective of the amendment is to improve entrepreneurs' pension and social security and to support the implementation of the Self-Employed Persons Pensions Act. There is still a need for a more substantial renewal of the pension and social security system for the self-employed.

Operating environment and investment market

The global economic growth outlook is muted due to high inflation and the central banks' tightened monetary policy. The IMF expects the global economy to grow 2.8 per cent, the US economy to grow 1.6 per cent and growth in the euro zone to be just 0.8 per cent in 2023.

Inflation has slowed during the early part of the year as the impact of the rapid rise in energy prices seen in the previous year has gradually diminished. Core inflation, which means inflation less energy and food prices, has turned out to be persistently high, however. In the USA, the year-on-year rise in consumer prices was some five per cent and around seven per cent in the euro zone. In the euro zone, rising prices are primarily impacted by the rise in the price of food, while in the USA a key factor underlying inflation is the continued tight labour market and wage pressures especially in the services sector.

The persistently high core inflation has

encouraged the central banks in the euro zone and the USA to continue tightening their monetary policies and raising their interest rates. That said, the US Federal Reserve has already started to anticipate the strengthening of disinflationary factors, which has bolstered the markets' expectations that the inflation rate will stabilise over the current year and next year.

Isolated problems were seen in the banking sector, with Silicon Valley Bank collapsing and Credit Suisse being taken over by UBS. The tightening of monetary policy and the problems in the banking sector have increased concerns over economic growth, and the rising interest rates are causing challenges for many sectors that use a lot of debt, such as the real estate sector.

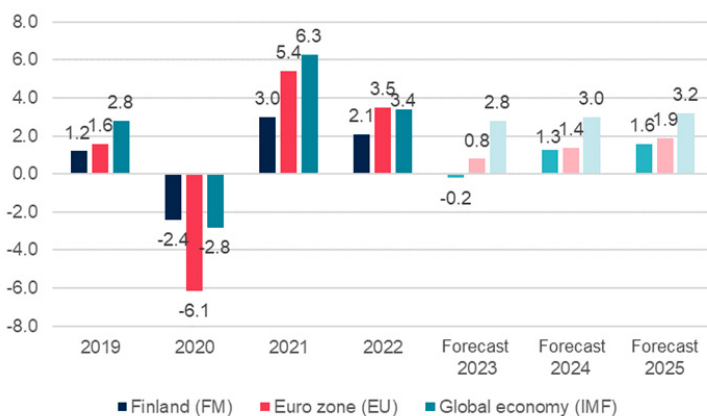
The Finnish economy contracted during the latter half of the year, and the growth outlook is weaker compared to the rest of the euro zone. Consumer confidence improved in the early part of the year but continues to be very weak in relation to the long-term average. Employment has developed favourably despite the weak economic outlook. The payroll of Ilmarinen's customer base increased by 7.1 per cent in the first months of the year and in the business cycle index, the number of employees grew by 2.1 per cent from the previous year.

Capital market performance was varied during the first quarter, but positive overall, and stock prices rose. The US equity markets (S&P 500 index) rose in January–March by around 7.5 per cent, and the broad European stock index (Stoxx Europe 600) rose by 8.5 per cent. The rise in the Finnish equity market was more moderate, at around two per cent.

The short-term two-year interest rates fell in the USA, whereas in the euro zone, interest rates changed very little in the end. The US Fed raised its key interest rates by 0.75 percentage points during the first part of the year, to between 4.75 and 5.00 per cent. The Fed's balance sheet, which shrunk as monetary policy tightened at the end of last year, began to grow again when the Fed started to support the US banking sector by increasing liquidity. During the first quarter of the year, the European Central Bank raised its key interest rate by one percentage point to 3.5 per cent. The markets are expecting a slowdown in the tightening of monetary policy and, as for the USA, even an easing during the current year, although several central bankers have signalled that they consider the markets' expectations to be premature.

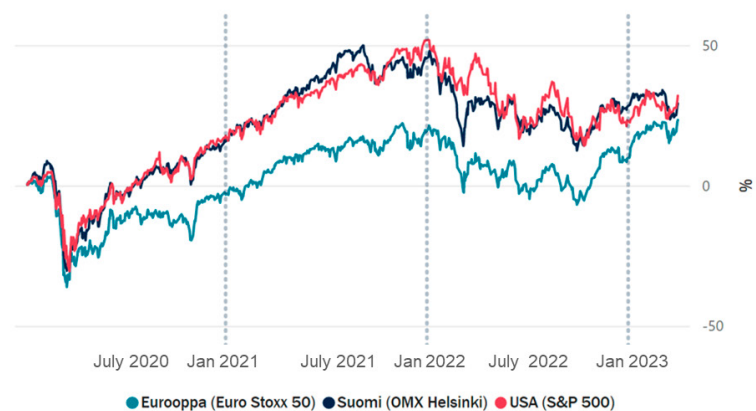
The yield curves in the fixed income markets have remained inverted in both US and euro zone government bonds. This can be

Economic growth and forecasts



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

Stock price development



interpreted to anticipate a slowdown in economic growth and a turning point in monetary policy.

Credit spreads were more or less on a par with the level at the beginning of the year, although the early part of the year saw strong movements in the markets and more specifically in the banking and real estate sectors. Many surveys show that lending criteria have tightened and demand for loans has decreased.

In January–March, the euro appreciated against the US dollar by more than one per cent to 1.07. The Swedish krona dropped to its lowest level in relation to the euro since the financial crisis.

Insurance operations

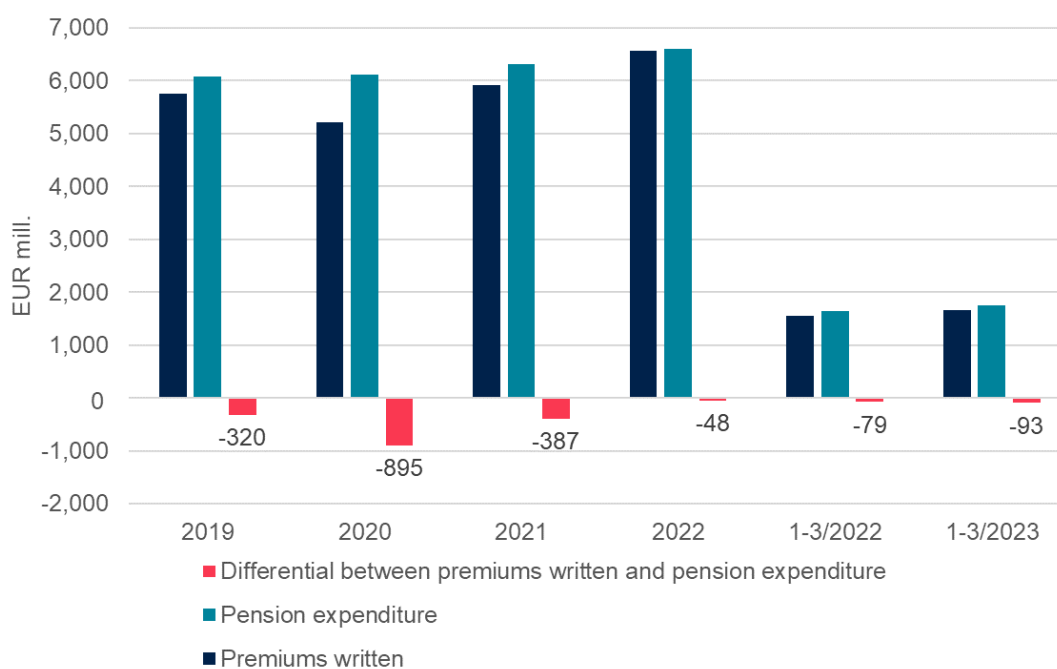
Premiums written rose to EUR 1,660 (1,437) million in January–March. The growth in premiums written was due to the increase in customers' payroll. The January–March payroll for employees insured with Ilmarinen grew by 7.1 per cent to EUR 6,252 (5,836)

million. The number of insurance policies fell and totalled 135,165 (140,290) at the end of March. Measured in premiums written, net customer acquisition was EUR 70 (55) million and customer retention was 97.1 (97.2) per cent in the first quarter of the year.

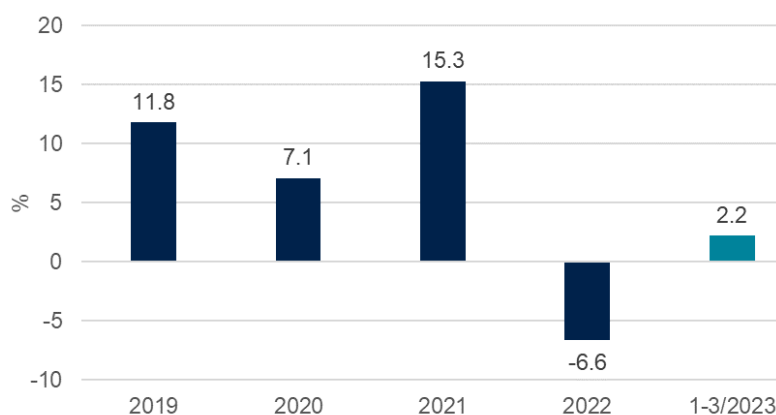
At the end of March, Ilmarinen had altogether 456,120 (454,628) pensioners. They were paid a total of EUR 1,754 (1,635) million in benefits as of the beginning of the year. In January–March, a total of 7,912 (9,590) new pension decisions were made, which was 17 per cent less than in the previous year. The number of new disability pension decisions made was 2,361 (2,540), down 7 per cent year-on-year. In January–March, 916 (959) persons transitioned on a disability pension or cash rehabilitation benefit, which is 4 per cent less than last year. The number of new rehabilitation decisions made was 852 (1,082).

The average processing time for old-age pension applications was 9 (3) days and for disability pension applications 37 (37) days.

Premiums written and pension expenditure January–March 2023

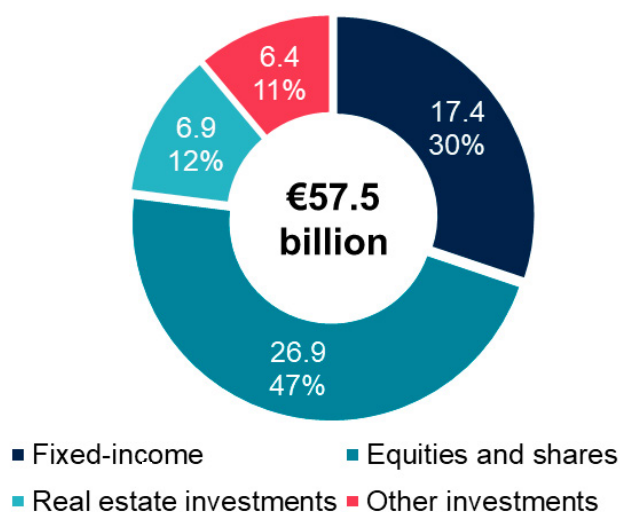


Return on investments 2019-Q1/2023



Average nominal return on investments over 5 years 5.4% and real return 2.0%.

Breakdown of investments, 31 March 2023



Return on investments

At the end of March, Ilmarinen's total investments at current value were EUR 57,489 million (56,264). The return on investments at current value was +2.2 (-2.2) per cent. Calculated at current value, the average annual return over the last five years has been 5.4 per cent, which corresponds to an average annual real return of 2.0 per cent. Calculated from 1997, the average annual returns at current value for Ilmarinen's investments have been 5.8 per cent per annum. This corresponds to an annual real return of 3.8 per cent.

Fixed income investments accounted for a total of 30.2 (29.8) per cent of the investment portfolio and their return at current value was 2.3 (-1.7) per cent. Their total market value was EUR 17,355 (16,748) million. Bonds accounted for a total of 25.7 (23.8) per cent of Ilmarinen's investment assets and their return was 2.5 (-2.1) per cent. The modified duration of bonds was 4.1 (2.1) years.

Listed and non-listed equities and shares as well as private equity investments made up 46.8 (46.6) per cent of all investments.

Their value at the end of March stood at EUR 26,905 (26,232) million. In the risk breakdown, listed equities and shares accounted for 31.1 (28.5) per cent. Finnish equities made up 28.8 (29.8) per cent of listed equity investments. The return on equity investments at current value was 2.9 (-3.5) per cent. The return on listed equity investments was 4.3 (-6.4) per cent.

Real estate investments at the end of March stood at EUR 6,850 (6,834) million. They accounted for 11.9 (12.1) per cent of all investments, with the total return at 0.8 (0.6) per cent.

Investments in hedge funds and commodities and other investments made up 11.1 (11.5) per cent of the market value of the investments at the end of March. Their total return was 0.8 (-0.5) per cent and their value at the end of March was EUR 6,380 (6,450) million.

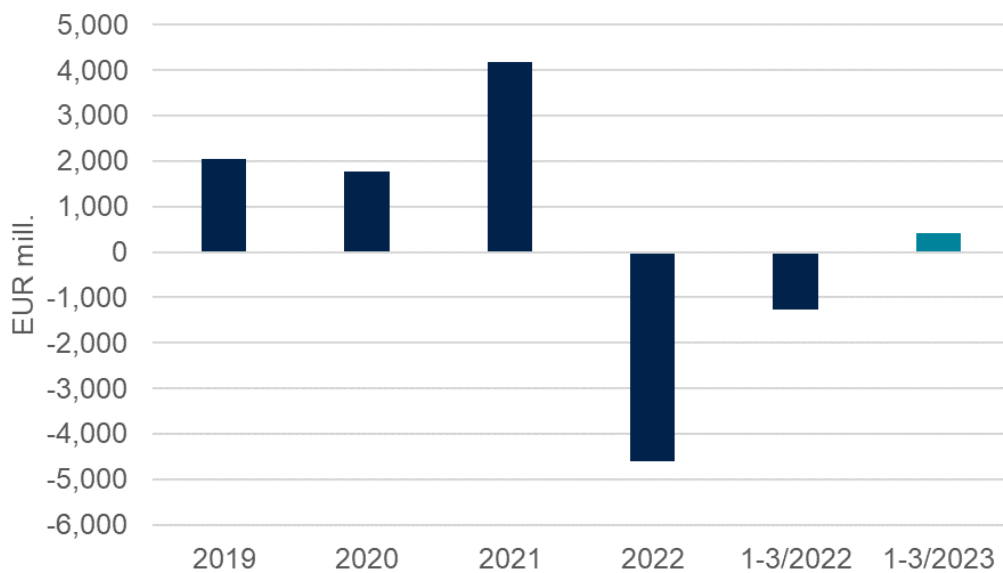
Result and solvency

Ilmarinen's total result at current value at the end of the first quarter was EUR 407 (-1,267) million. Investment income at current value

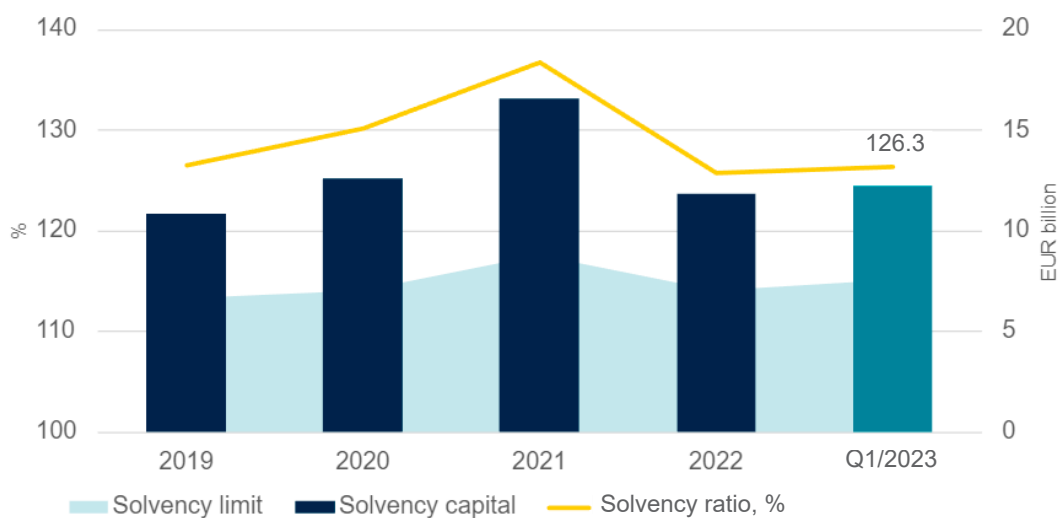
was EUR 403 (-1,299) million, the underwriting result was EUR 3 (20) million, and the loading profit was EUR 1 (12) million. The ratio of operating expenses to expense loading components, a measure of cost-effectiveness, improved to 0.37 (0.40) per cent in the first quarter of the year and operating expenses per pensioner and insured decreased to EUR 22 (23).

The solvency ratio rose to 126.3 (125.8) per cent and solvency capital to EUR 12,199 (11,777) million. Capital and reserves included in the solvency capital were EUR 216 (213) million, the valuation difference between current and book values was EUR 12,391 (12,134) million, and the provision for future bonuses was EUR -398 (-559) million.

Total result 2019-Q1/2023



Solvency 2019-Q1/2023



The technical provisions amounted to EUR 45,913 (45,198) million. The EUR 46,443 (45,728) 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–March was 576 (583). Personnel's energy level is monitored through the Työvire pulse survey, which is implemented every other month. The energy level is excellent (4.3 on a scale of 1–5). In January–March, the average employee Net Promoter Score (eNPS) was +43 (up +3 from the end of 2022) on a scale of -100 to +100.

After the pandemic, work practices have been reassessed at Ilmarinen together with personnel. In January–March, open workshops were organised to discuss the changed demands concerning work practices, workspaces and tools and how these changes should be addressed. A number of changes were made to the workspaces based on the ideas from the workshops. We tested, among other things, new kinds of technological solutions in hybrid meetings. We still have a hybrid work model in place, where at least 40 per cent of work is done at the office.

Ilmarinen's equality and equal opportunities plan was updated in early 2023. As a whole, equality and equal opportunity are implemented well at Ilmarinen. The targets set for equality and equal opportunities in the previous plan have been largely met. When it comes to remuneration, equality is implemented better than in the industry on average. At Ilmarinen, women's pay is an average of 82 per cent of men's pay. There are no gender-based differences in pay for the same job other than normal pay variations. The targets set for the next period are related to embedding a genuinely equal and inclusive workplace culture into daily work.

Our customers are going increasingly digital. This leads to changes in our organisations that serve private customers in pension mat-

ters. Change negotiations were conducted in February–March 2023 at Ilmarinen concerning pension and customer service jobs. The objective is to improve service for private customers and renew our service model to cater even better to our customers' needs. The most essential change was to integrate customer service into the process of managing private customers' pension matters instead of having a separate customer service team. Customer service will become smoother and more efficient when personnel can take care of all of a customer's matters in one go. Based on the change negotiations, jobs were modified but the number of personnel was not reduced.

Our personnel had few absences due to illness during the first quarter. Our sick leave rate was 1.82% (2.16%). We have inspired our personnel to take care of their own and the work community's well-being by participating in a playful game where employees get to learn about the practices and principles of work ability management through assignments carried out in groups. In February–March, we also participated in the Finnish Olympic Committee's Liikkumalla hyvää project, within which close to 200 Ilmarinen employees promoted an active lifestyle and increased daily physical activity through small actions and by encouraging each other to be active. During the four-week project, our personnel moved more than 22,000 kilometres.

The Finnish Swimming Teaching and Lifesaving Federation (SUH) granted four Ilmarinen employees lifesaving medals for exemplary action. They saved a person who had fallen in the water in September 2022 while having a planning day for their department.

Changes in Ilmarinen's governance

Ilmarinen's Annual General Meeting on 27 March 2023 elected **Heikki Vuorenmaa**, President and CEO of YIT Corporation, to replace **Markku Moilanen** on the Supervisory Board. The other members will continue in office.

Metsä Group's CEO **Ilkka Hämälä** will continue as Chair of the Supervisory Board. **Salla**

Luomanmäki, Director, Akava Special Branches, will continue as the Deputy Chair and primary deputy to the Chair of the Supervisory Board. **Juhapekka Joronen**, Board Chair, SOL Palvelut Oy, will continue as the second Deputy Chair.

Ilmarinen's Supervisory Board elected to the Board of Directors, as of 27 March 2023, **Minna Ahtiainen**, Director, Collective Bargaining and Representation of Interests, STTK, to replace **Marja-Liisa Rajakangas** and **Jyrki Ojanen**, Head of Legal, Finnish Construction Trade Union, to replace **Matti Harjuniemi**. The other members will continue in office.

The Board of Directors constituted itself after the Annual General Meeting. No changes were made to the chairs of the Board of Directors. The Board of Directors will continue to be chaired by Valmet Oyj's President and CEO **Pasi Laine**. **Jarkko Eloranta**, President, Central Organization of the Finnish Trade Unions SAK, will continue as the Deputy Chair and primary deputy to the Chair of the Board of Directors. **Jyri Häkämies**, Director General, Confederation of Finnish Industries EK, will continue as the second Deputy Chair.

The Board's Nomination and Compensation Committee will continue to be comprised of **Pasi Laine**, President and CEO, Valmet Corporation, as the Chair and **Jarkko Eloranta**, President, Central Organization of the Finnish Trade Unions SAK and **Jyri Häkämies**, Director General, Confederation of Finnish Industries EK, as members. The Audit and Risk Management Committee will be comprised of **Seppo Parvi**, Chief Financial Officer, Stora Enso Oyj, as the Chair and **Jukka Erlund**, Executive Vice President, CFO, Kesko Oyj and **Timo Kokkila**, CEO, Pontos Oy as existing members, and **Jyrki Ojanen**, Head of Legal, Finnish Construction Trade Union, as a new member.

Events after the period under review

On 28 April 2023, Ilmarinen's Board of Directors appointed **Kaisa Ala-Laurila** as Head of Communications and Corporate Responsibility and **Mira Kauppi** as Head of Finance and Risk Management.

Future prospects and key uncertainties

Prolonged inflation, the weakening of consumers' purchasing power and Russia's war in Ukraine are casting a shadow over the global economic growth outlook. The global economic growth rate is expected to be 2.8 per cent and Finland's economy is projected to contract by 0.2 per cent in 2023.

Ilmarinen's premiums written are expected to grow on the back of payroll growth, but the growth pace is expected to slow down from the previous year.

Prolonged inflation, the tightening of central bank monetary policy and the weakening of companies' earnings prospects are causing uncertainty in the markets. The prolongation of Russia's war of aggression and the possible escalation of other geopolitical tensions are increasing 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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- **Annukka Lalu**, acting Executive Vice President, Communications and Corporate Responsibility, tel. +358 50 563 4211

Tables

Key figures in brief	1.1.–31.3.2023	1.1.–31.3.2022	1.1.–31.12.2022
Premiums written, EUR mill.	1,660	1,556	6,558
Net return on investments at fair value, EUR mill.	1,252	-1,352	-4,009
ROCE, %	2.2	-2.2	-6.6
	31.3.2023	31.3.2022	31.12.2022
Technical provisions, EUR mill.	45,913	45,823	45,198
Solvency capital, EUR mill. ¹⁾	12,199	15,265	11,777
in relation to solvency limit	1.6	1.7	1.7
Pension assets, EUR mill. ²⁾	58,642	60,201	57,505
as a percentage of technical provisions	126.3	134.0	125.8
TyEL payroll, EUR mill. ³⁾	26,420	23,675	24,924
YEL payroll, EUR mill. ³⁾	1,723	1,701	1,705

- 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	31.3.2023	31.3.2022	31.12.2022
Solvency limit, EUR mill.	7,557	8,919	6,990
Maximum solvency capital, EUR mill.	22,670	26,757	20,970
Solvency capital, EUR mill.	12,199	15,265	11,777
Solvency ratio, % ¹⁾	126.3	134.0	125.8
Solvency position ²⁾	1.6	1.7	1.7

- 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.–31.3.2023	1.1.–31.3.2022	1.1.–31.12.2022
Source of profit			
Technical underwriting result	3	20	132
Return on investments at fair value	403	-1,299	-4,801
+ Net return on investments at fair value	1,252	-1,352	-4,009
- Return requirement on technical provisions	-849	53	-792
Loading profit	1	12	58
Other profit	0	0	18
Total result	407	-1,267	-4,592

Breakdown of investments (current value)	Basic breakdown						Risk breakdown			
	31.3.2023		30.3.2022		31.12.2022		31.3.2023		31.3.2022 31.12.2022	
	EUR mill.	%	EUR mill.	%	EUR mill.	%	EUR mill.	%	%	%
Fixed income investments total	17,354.7	30.2	17,406.5	29.4	16,748.2	29.8	18,608.2	32.4	24.5	26.6
Loan receivables ¹⁾	1,774.6	3.1	2,077.9	3.5	1,778.3	3.2	1,774.6	3.1	3.5	3.2
Bonds	14,758.8	25.7	14,781.7	25.0	13,390.5	23.8	18,287.0	31.8	27.2	31.5
Other money market instruments and deposits ^{1) 2)}	821.3	1.4	546.9	0.9	1,579.4	2.8	-1,453.3	-2.5	-6.2	-8.1
Equities and shares total	26,904.5	46.8	29,314.8	49.6	26,231.9	46.6	26,820.3	46.7	49.7	44.1
Listed equities and shares ³⁾	17,990.8	31.3	20,477.7	34.6	17,419.5	31.0	17,906.6	31.1	34.8	28.5
Private equity investments ⁴⁾	7,432.6	12.9	7,591.2	12.8	7,329.0	13.0	7,432.6	12.9	12.8	13.0
Non-listed equities and shares ⁵⁾	1,481.1	2.6	1,245.9	2.1	1,483.4	2.6	1,481.1	2.6	2.1	2.6
Real estate investments total	6,850.2	11.9	6,705.6	11.3	6,834.0	12.1	6,878.8	12.0	11.4	12.2
Direct real estate investments	6,135.2	10.7	5,999.8	10.1	6,127.4	10.9	6,163.8	10.7	10.2	10.9
Real estate funds and joint investments	715.0	1.2	705.8	1.2	706.6	1.3	715.0	1.2	1.2	1.3
Other investments total	6,379.7	11.1	5,722.4	9.7	6,450.1	11.5	6,518.7	11.3	10.4	12.2
Hedge fund investments ⁶⁾	4,843.1	8.4	4,155.7	7.0	4,817.6	8.6	4,843.1	8.4	7.0	8.6
Commodity investments	11.6	0.0	152.6	0.3	70.3	0.1	94.0	0.2	0.5	0.7
Other investments ⁷⁾	1,524.9	2.7	1,414.0	2.4	1,562.3	2.8	1,581.6	2.8	2.8	3.0
Investments total	57,489.0	100.0	59,149.2	100.0	56,264.2	100.0	58,826.1	102.3	96.1	95.1
Effect of derivatives							-1,337.1	-2.3	3.9	4.9
Investment return at current value total	57,489.0	100.0	59,149.2	100.0	56,264.2	100.0	57,489.0	100.0	100.0	100.0

The modified duration of bond investments was 4.1 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, %
	31.3.2023	31.3.2023	31.3.2023	31.3.2022	31.12.2022
	EUR mill.	EUR mill.	%	%	%
Fixed income investments total	391.7	17,341.0	2.3	-1.7	-5.2
Loan receivables ¹⁾	20.0	1,784.9	1.1	0.8	3.2
Bonds	350.4	14,029.2	2.5	-2.1	-6.4
Other money market instruments and deposits ^{1) 2)}	21.3	1,526.9	1.4	-1.1	-3.5
Equities and shares total	760.1	26,097.4	2.9	-3.5	-10.2
Listed equities and shares ³⁾	747.8	17,249.7	4.3	-6.4	-14.5
Private equity investments ⁴⁾	-14.1	7,366.9	-0.2	4.3	-2.7
Non-listed equities and shares ⁵⁾	26.4	1,480.8	1.8	2.6	21.3
Real estate investments total	52.0	6,817.4	0.8	0.6	1.3
Direct real estate investments	50.9	6,104.2	0.8	0.4	0.8
Real estate funds and joint investments	1.1	713.2	0.2	2.3	6.3
Other investments total	48.4	6,286.8	0.8	-0.5	-1.1
Hedge fund investments ⁶⁾	21.4	4,733.5	0.5	2.6	8.2
Commodity investments	5.1	27.9	-	-	-
Other investments ⁷⁾	21.9	1,525.4	1.4	-10.3	-22.0
Investments total	1,252.1	56,542.6	2.2	-2.2	-6.6
Unallocated income, costs and operating expenses	-0.1	0.0	0.0	0.0	0.0
Investment return at current value total	1,252.0	56,542.6	2.2	-2.2	-6.6

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.