

Ilmarinen's interim report

1 January to 30 September 2020



ILMARINEN

Return on investments turned positive, cost-effectiveness of operations continued to improve

January–September performance in brief:

- The return on Ilmarinen's investment portfolio was 1.1 (8.2 per cent), i.e. EUR 0.6 (3.7) billion. The third-quarter investment portfolio return was 3.2 per cent, driven by the continued positive development in the investment markets. At the end of September, the market value of investments stood at EUR 50.3 billion (31 Dec 2019: EUR 50.5 billion).
- Total result in January–September was EUR -107 million (EUR 1,324 million in 1 Jan–30 Sep 2019). The third-quarter result was EUR 992 million.
- Premiums written fell to EUR 4.0 (4.3) billion as a result of an increase in temporary layoffs and a temporary 2.6 per cent discount in the employers' TyEL contribution. Measured in premiums written, net customer acquisition was EUR 149 (174) million. A total of EUR 4.6 (4.5) billion was paid in pensions to 457,937 pensioners.
- Operating expenses financed using loading income fell EUR 16 million and the loading profit was EUR 38 (42) million. The ratio of operating expenses to expense loading components improved to 69 (71) per cent thanks to the strong development of cost-effectiveness.
- The long-term average nominal return on investments was 5.7 per cent, corresponding to an annual real return of 4.2 per cent.
- Solvency capital was EUR 10,605 (10,792) million and the solvency ratio was 126.1 (126.6) per cent.
- Outlook: Owing to growing unemployment and the temporary discount on employers' TyEL contributions, premiums written will fall considerably year-on-year. The declining premiums written and the reduction in the expense loading rate for 2020 will weaken Ilmarinen's loading income and thus the loading profit and the ratio of operating expenses to expense loading components compared to the year before. Thanks to the improvement in cost-effectiveness, loading profit is expected to be at the same level or better in H2 than it was in H1.

Key Figures	1–9/2020	1–9/2019	2019
Premiums written, EUR mill.	3,983	4,347	5,758
Pension expenditure, EUR mill.	4,625	4,519	6,078
Operating expenses covered by loading income, EUR mill.	85	101	130
Loading profit, EUR mill.	38	42	55
Ratio of operating expenses to expense loading components, %	69	71	70
Return on investment, %	1.1	8.2	11.8
Total result at current value, EUR mill.	-107	1,324	2,040
Value of investment assets, EUR mill.	50,307	49,105	50,528
Solvency capital, EUR mill.	10,605	10,105	10,792
Solvency ratio, %	126.1	125.4	126.6

The interim report result comparison figures are the figures for the corresponding period of 2019. Unless otherwise indicated, the comparison figures for the balance sheet and other cross-sectional items are the figures for the end of 2019.

PRESIDENT AND CEO JOUKO PÖLÖNEN'S REVIEW



“In January–September, the return on Ilmarinen’s investment portfolio rose to 1.1 per cent, i.e. EUR 0.6 billion, and solvency strengthened to 126.1 per cent as the investment markets recovered from the sharp stock price plunge caused by the coronavirus pandemic earlier in the year. The third-quarter return was 3.2 per cent, i.e. approximately EUR 1.6 billion. During summer, the measures to contain the spread of coronavirus were successful and made it possible to re-open economies. Central banks and governments have continued their massive stimulus measures, providing extensive support for economies and the investment markets. As a result, economic forecasts have been revised slightly up from the worst-case scenarios, but the IMF’s latest projections expect the world economy to decline by -4.4 per cent. The acceleration of the re-spread of the coronavirus in the course of autumn has led to the introduction of containment measures, casting increased uncertainty over the economic outlook.

The return on equity investments in January–September was 1.4 per cent and the return on real estate investments was 1.1 per cent. At 14.9 per cent, other investments generated the best return. The return on fixed income investments was -2.1 per cent. The long-term average nominal return on investments was 5.7 per cent, corresponding to a 4.2 per cent annual real return. Our responsible investment and climate work garnered international recognition when Ilmarinen was named in the PRI Leaders’ Group for its ex-

emplary reporting on climate measures.

Due to a decline in employment and the temporary 2.6 per cent discount granted on employers’ pension contributions, premiums written for January–September fell to EUR 4.0 billion, which was EUR 363 less than a year ago. The number of employees at Ilmarinen’s customer companies in September was almost 5 per cent smaller than a year ago. The decline has been particularly sharp in the hospitality sector and in staff leasing services. This information can be found in Ilmarinen’s monthly business cycle index.

Ilmarinen’s net customer acquisition in January–September was EUR 149 million. Customer retention is at a very good level, at 96.3 per cent and, measured in premiums written, new customers worth EUR 102 million transferred to Ilmarinen. The customer experience has developed positively despite the exceptional circumstances.

We paid EUR 4.6 billion in pensions to around 460,000 pensioners. Pension processing times have shortened further, and an increasing proportion of pension applications are submitted in electronic format via the online service. In early October, we participated in the celebration of the national Week of Older People and awarded, together with the Finnish Association for the Welfare of Older People, the Senior Deed of the Year. This year, the award was granted to Etelä-Pohjanmaan Muistiyhdistys for its project to make the region’s services more memory- and age-friendly by training local entrepreneurs based on the needs of older people and those suffering from memory disorders.

Our cost-effectiveness has improved as planned and the operating expenses financed using loading income declined by EUR 16 million from the comparison period. The decline in loading income compared to last year is due to lower premiums written as a result of declining payrolls and the 6.9 per cent reduction in the expense loading rate. The loading profit for January–September was EUR 38

million and the ratio of operating expenses to expense loading components was 69 per cent.

Ilmarinen's operations have proceeded well despite the coronavirus crisis. Our employees have largely worked from home, and we have supported them in many different ways during the exceptional situation. Our personnel's work energy remained at an excellent level, the employee experience improved and the employee Net Promoter Score (eNPS) rose to a record level of +51 (on a scale of -100 – +100).

Regardless of the challenging operating environment, we have managed to improve Ilmarinen's operations in terms of all of our strategic indicators. Early in the year, Ilmarinen became the most solvent pension company and our loading profit is the best in the industry. Growth continued and both the customer experience and the employee experience developed in a positive direction. A warm thank you to our customers for their

trust and to our personnel for their excellent work despite the exceptional circumstances.

To us, responsible management of pension cover means that we want to continuously improve our operations and our efficiency. This is in the interest of the entire pension system and society at large. The decline in the employment rate due to the coronavirus crisis, uncertain economic prospects and the zero interest rate environment are putting pressure on the financing of pensions – in the future even more so as the population is ageing. What is required now is responsible action and close collaboration involving the whole of society in order for us to rein in the pandemic without extensive lockdown measures, which would further exacerbate the economic crisis and unemployment. In the longer term, we will also need measures to improve employment and strengthen our competitiveness. It is the only way to secure well-being and the financing of pensions also for future generations."

Operating environment and investment market

During summer, the number of coronavirus cases decreased materially from the peak figures in spring, and the re-opening of economies continued in Europe and the US. In China, the impacts of the virus on the economy were already minor. Optimism concerning the recovery of economies started to gain ground, largely paving the way for more favourable economic forecasts. During the autumn, the spread of the coronavirus has re-escalated, which has partly weakened the economic outlook and increased uncertainty. The IMF raised its economic growth forecast for 2020 to -4.4 per cent, while at the same time lowering its forecast for 2021 slightly, to +5.2 per cent.

The European Central Bank (ECB) and the US central bank Fed, continued their exceptionally expansionary monetary policy measures adopted in spring. Fiscal policy measures have also stimulated the economy es-

pecially in the US, where even a momentary rise has been seen in households' income and savings rates as a result of direct financial aid targeted at citizens.

The outlook for the economy and employment in Finland also improved during summer and autumn, but economic growth in 2020 will still remain clearly negative. According to Ilmarinen's business cycle index, the number of employees fell by around 5 per cent in January–September year-on-year. The greatest negative impact caused by the restrictions was seen in businesses operating in the hospitality sector.

Liquidity in the markets has remained good and capital markets have functioned as normal despite the coronavirus. A monetary policy that supports economic activity and the capital markets has kept interest rates at a low level. The eurozone's key interest rate is still at zero and the ECB has set its deposit rate at -0.5 per cent. In the US, the Fed's discount rate is 0.25 per cent. Long-term interest

rates in the US were clearly lower than at the start of the year, while in the eurozone they were only slightly lower. Credit risk margins are still clearly broader than in the early part of the year.

In addition to the stimulating impacts of central bank and fiscal policies, the markets have been fixated on the spread of the coronavirus and the development of treatments for it. In summer, the spread of the coronavirus came to a halt and expectations of an effective vaccine against the virus being found soon rose. In September, there were around ten vaccine candidates in the final phase of clinical testing worldwide. Based on historical data, the statistical probability of achieving an effective vaccine is very high, but on the other hand, vaccines specifically against coronaviruses have never been produced before.

The capital markets' underlying sentiment was favourable in summer, especially in the US. Stock prices (S&P500 index) rose more than eight per cent during the third quarter of this year, with especially large technology companies' stock prices experiencing a substantial rise. The technology-heavy Nasdaq index gained 11 per cent. The rise in stock prices was much more modest in Europe than in the US; the broad European equity index, for example, only rose slightly during the third quarter. The main reasons for this relatively modest performance are, among other things, the predominance of the banking sector among the sectors of European listed companies compared to the US and the weak relative earnings performance of European companies. The Finnish equity markets have experienced a strong rise, with the OMX Helsinki's portfolio index gaining close to eight per cent in the third quarter.

Impacts of the coronavirus crisis on pension system legislation

The coronavirus crisis impacts the financing of the pension system through both premiums written and return on investments. The crisis weakens employment and payroll development, reducing pension institutions'

premiums written. As a result of the crisis, several changes were made to the earnings-related pension system and pension contributions in the first half of the year.

Due to the change in insurance terms and conditions, it was possible to receive for pension contributions falling due between 20 March and 30 June 2020 a term of payment that is three months longer than normal. In addition, there is a temporary 2.6 percentage point discount on employers' TyEL contributions between 1 May and 31 December 2020. The cost impact on the whole pension system is some EUR 1.05 billion, and it will be financed from the earnings-related pension system's provision for pooled claims. The contribution reduction will be compensated for by raising employers' contributions in 2022–2025.

Employment pension insurance companies will refrain from paying client bonuses to customer companies during the period in which the employers' contribution is reduced. The client bonus for 2020 will thus only be a third of a normal year's client bonus. These bonuses will be paid in 2021.

Insurance terms and conditions were changed also for TyEL premium loans starting on 1 April 2020. The possibility to restrict premium lending in order to secure liquidity was added to the terms and conditions. In a challenging economic situation, declining premiums written and growing demand for premium loans are putting pressure on pension companies' liquidity.

The Ministry of Social Affairs and Health has been preparing temporary reliefs on the solvency regulations in a bid to avoid employment pension insurance companies having to sell their investment assets in an unfavourable market situation. A draft bill will be presented to Parliament if the financial market development requires it. The time frame granted to pension institutions potentially facing solvency problems for preparing a plan to improve their financial position was extended from the current one year to three years. The change came into force as of 27 March 2020.

Insurance operations

As a result of the shrinking economy, the employment rate and payroll took a downward turn. The January–September payroll of employees insured with Ilmarinen was EUR 16.2 (16.6) billion, which is 2.0 per cent lower than in the comparison period. The January–September premiums written stood at EUR 4.0 (4.3) billion. The number of insurance policies fell and was a total of 147,866 (152,873) at the end of September. Measured in premiums written, net customer acquisition was EUR 149 (174) million. Customer retention was 96.3 per cent year-on-year.

At the end of September, Ilmarinen had altogether 457,937 (459,551) pensioners, to whom a total of EUR 4,625 (4,519) million was paid in benefits. Ilmarinen made 27,247 (28,266) new pension decisions in January–September. The number of disability pension decisions made was 7,428 (8,135), down 9 per cent year-on-year. The number of new rehabilitation decisions made was 3,440 (3,519). Altogether, Ilmarinen made 51,685 (49,662) pension decisions.

Pension processing times shortened significantly in both disability pensions and old-age pensions. During the period under review, the

processing time of disability pension applications was 40 days (73) on average and that of old-age pension applications was 11 days (28).

Return on investments

At the end of September, Ilmarinen's total investments at current value were EUR 50,307 million (50,528). The return on investments at current value was (1.1) 8.2 per cent. Inflation during the period under review was 0.1 per cent, and the real return on Ilmarinen's investments came to 1.0 per cent in January–September. Calculated at current value, the average annual return over the last five years has been 5.2 per cent, which corresponds to an average annual real return of 4.4 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 4.2 per cent.

Fixed income investments accounted for 32.9 (33.7) per cent of the investment portfolio and their return at current value was -2.1 (4.2) per cent. Their market value totalled EUR 16,547 (17,015) million. Bonds accounted for 26.0 (29.7) per cent of Ilmarinen's invest-

New pension decisions 1 January–30 September 2020

	1-9/2020	1-9/2019	Change, %
Old-age pensions	10,117	10,213	-1 %
Early old-age pensions	2,574	2,533	2 %
Disability pensions	7,428	8,135	-9 %
Years-of-service pensions	25	23	9 %
Survivors' pensions	3,663	3,843	-5 %
Right to rehabilitation	3,440	3,519	-2 %
New pension decisions, total	27,247	28,266	-4 %

ment assets and their return was -2.3 (4.5) per cent. Other financial market instruments and deposits accounted for 3.8 (1.8) per cent of the investment assets, and their return was -1.6 (3.0) per cent. Loan receivables made up 3.1 (2.2) per cent of the investment assets, with a return of 0.0 (2.8) per cent. The modified duration of bonds was 2.1 (2.0) years.

Listed and non-listed equities and shares as well as private equity investments made up 46.6 (47.0) per cent of all investments. Their value at the end of September stood at EUR 23,428 (23,736) million. In the risk breakdown, listed equities and shares accounted for 33.5 (36.6) per cent. Finnish equities made up 28.3 (28.0) per cent of listed equity investments. The return on equity investments at current value was 1.4 (14.4) per cent. Return on listed equity investments was 0.7 (15.3) per cent.

Real estate investments at the end of September stood at EUR 6,440 (6,386) million. They accounted for 12.8 (12.6) per cent of all investments, with indirect investments making up 1.2 (1.2) percentage units. The total return on real estate investments was 1.1 (3.4) per cent. The return on direct real estate

investments was 1.5 (3.5) per cent.

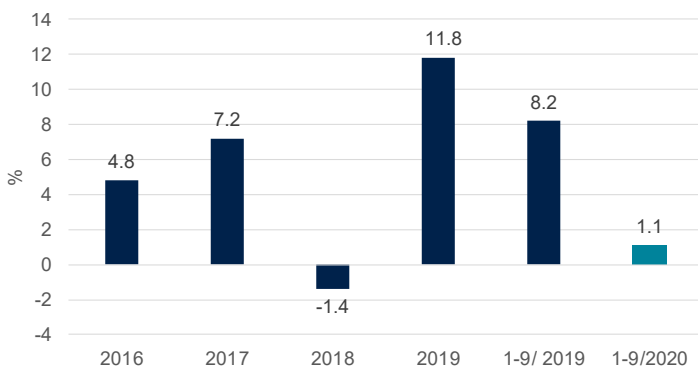
Investments in hedge funds and commodities and other investments made up 7.7 (6.7) per cent of the market value of the investments at the end of September. Their total return was 14.9 (-1.1) per cent, and their value at the end of September was EUR 3,892 (3,391) million.

Result and solvency

Ilmarinen's total result at current value at the end of the third quarter came to EUR -107 (1,324) million. Investment income at current value was EUR -132 (1,322) million, the underwriting result was EUR -13 (-41) million, and the loading profit was EUR 38 (42) million. The ratio of operating expenses to expense loading components, measuring cost-effectiveness, was 69 (71) per cent in January–September.

The solvency ratio at the end of September was 126.1 (126.6) per cent and solvency capital was EUR 10,605 (10,792) million. The equity included in the solvency capital was EUR 189 (183) million, the valuation difference between current and book values was EUR 8,669 (9,084) million, and the provision for future bonuses EUR 1,791 (1,573) million.

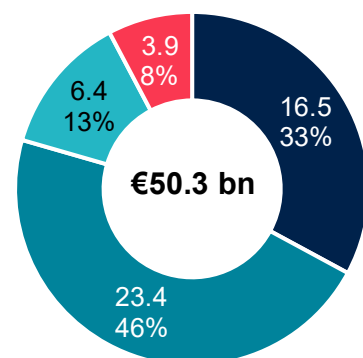
Return on investments 2016–Q3/2020



Average nominal return on investments over 5 years 5.2% and real return 4.4%.

Breakdown of investments

30 September 2020, €50.3 bn



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

Technical provisions amounted to EUR 42,131 (42,150) million. The EUR 40,579 (40,550) 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.

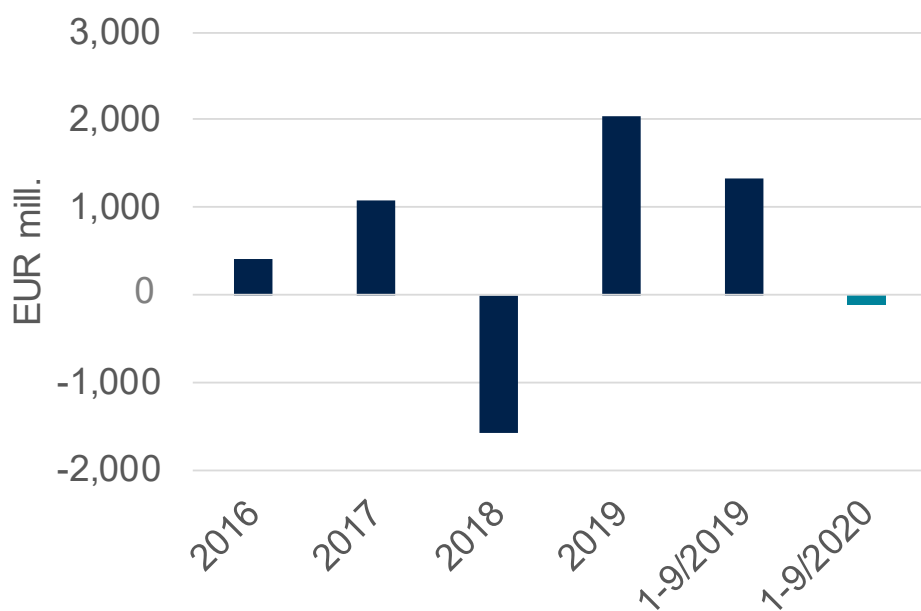
Personnel

The average number of personnel in January–September was 617 (653). The energy

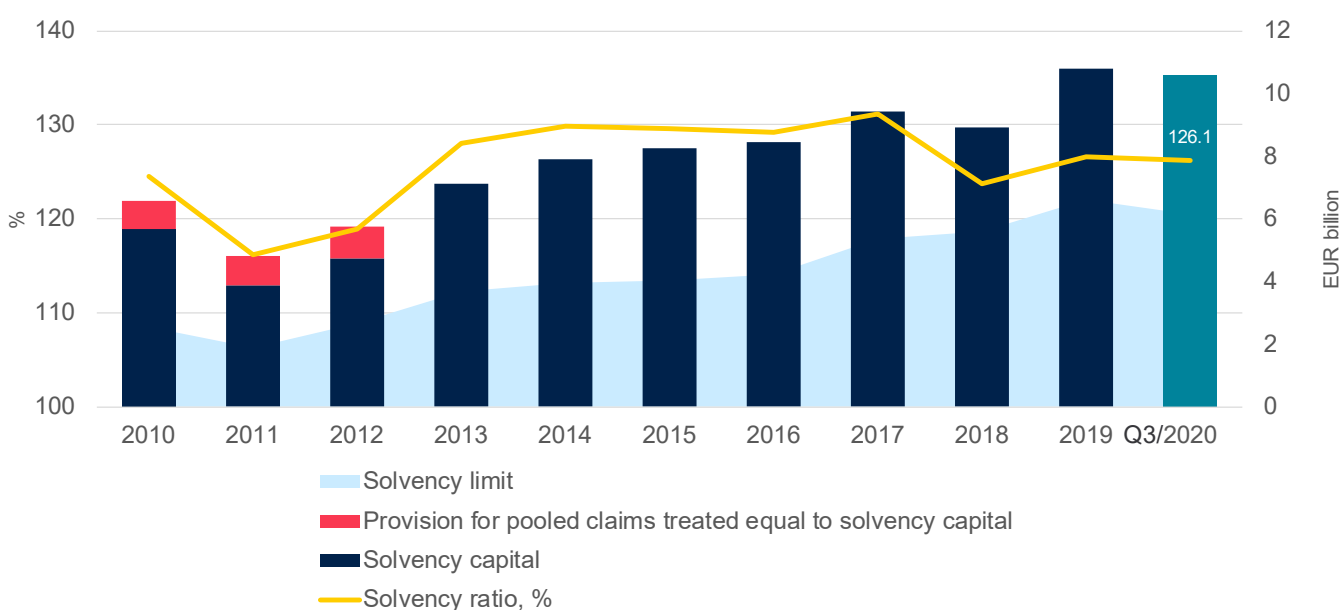
level of Ilmarinen’s personnel has been monitored closely through the Työvire pulse survey. According to the surveys, personnel’s energy level has remained excellent despite the exceptional circumstances caused by the coronavirus epidemic (4.3 on a scale of 1–5). The employee Net Promoter Score (eNPS) improved to +51 (on a scale of -100 to +100).

Ilmarinen’s operations have proceeded well despite the coronavirus pandemic and absences due to illness have been at

Total result 2016–Q3/2020, eur mill.



Solvency 2010–Q3/2020



an exceptionally low level. Personnel have largely worked from home, in keeping with the recommendations. Remote work is nothing new at Ilmarinen and the company has effective tools and practices in place. We supported personnel during the exceptional circumstances in a number of ways, including offering them the opportunity to have their workplace lunches delivered to their homes, arranging a remote childcare centre to help combine work and family and by acquiring hand sanitizer and face masks for personnel. Supervisors were offered support and training in remote management. Experiences of remote work have been largely positive. Many people have felt that the flexibility and efficiency of work has improved.

Ilmarinen is renewing its IT service production operating models. Within this process, co-determination negotiations were initiated in October concerning the IT operations and related functions. The goal is to further focus and harmonise the operating and steering models of IT service production and development. According to a preliminary estimate, the changes could lead to the termination of around 8–9 employment contracts, if no alternative tasks can be found for those who will be made redundant.

Tiina Nurmi, M.Sc (Math), Qualified Actuary, eMBA, was appointed Head of Insurance and Pension Services and member of Ilmarinen's Executive Group as of 1 October 2020. Nurmi previously held the position of Director, Insurance Services. Sini Kivihuhta continues as the Deputy CEO and the Chief Operating Officer. As she announced earlier, she will be leaving Ilmarinen in February 2021.

Future prospects and key uncertainties

According to the forecast published by the IMF in October, the global economy is expected to shrink by 4.4 per cent year-on-year during 2020. The forecast is 0.6 percentage points more positive than the forecast published in June. On the other hand, the growth expectation for 2021 has declined by 0.2 percentage points to 5.2 per cent. What is key in terms of the economic outlook is how well

the spread of the coronavirus can be inhibited without major lockdown measures. Uncertainty linked to forecasts remains significant.

In Finland, the economy is expected to contract by 4.5 per cent during this year (Ministry of Finance 5 Oct 2020). Owing to growing unemployment and the temporary discount on employers' TyEL contributions, premiums written will fall considerably year-on-year. The declining premiums written and the reduction in the expense loading rate for 2020 will weaken Ilmarinen's loading income and thus the loading profit and the ratio of operating expenses to expense loading components compared to the year before. Thanks to the improvement in cost-effectiveness, loading profit is expected to be at the same level or better in H2 than it was in H1.

The uncertainty in the investment markets is expected to continue until the spread of the coronavirus is under control and confidence in economic recovery has been restored. Uncertainty in the investment market is also fuelled by the US presidential election, the uncertainty surrounding the continuation of the US's expansionary fiscal policy and the possible escalation of geopolitical and trade policy crises. Central banks and governments are expected to continue their stimulus measures to support markets.

The key risks affecting Ilmarinen's operations and the earnings-related pension system in the longer term are still related to the development of employment and payroll, the ascending trend in disability prevalence, performance of the investment markets and the development of demographics and the birth rate, which has been exceptionally low in recent years.

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Tables

Key figures in brief	1.1.–30.9.2020	1.1.–30.9.2019	1.1.–31.12.2019
Premiums written, EUR mill.	3,983	4,347	5,758
Net return on investments at fair value, EUR mill.	575	3,739	5,375
ROCE, %	1.1	8.2	11.8
	30.9.2020	30.9.2019	31.12.2019
Technical provisions, EUR mill.	42,131	42,722	42,150
Solvency capital, EUR mill. ¹⁾	10,605	10,105	10,792
in relation to solvency limit	1.7	1.5	1.6
Pension assets, EUR mill. ²⁾	51,184	49,871	51,342
as a percentage of technical provisions	126.1	125.4	126.6
TyEL payroll, EUR mill. ³⁾	21,397	22,031	21,923
YEL payroll, EUR mill. ³⁾	1,673	1,674	1,678

- 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	30.9.2020	30.9.2019	31.12.2019
Solvency limit, EUR mill.	6,130	6,655	6,615
Maximum solvency capital, EUR mill.	18,391	19,964	19,844
Solvency capital, EUR mill.	10,605	10,105	10,792
Solvency ratio, % ¹⁾	126.1	125.4	126.6
Solvency position ²⁾	1.7	1.5	1.6

- 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.–30.9.2020	1.1.–30.9.2019	1.1.–31.12.2019
Source of profit			
Technical underwriting result	-13.0	-40.8	-50.3
Return on investments at fair value	-131.7	1,322.0	2,062.6
+ Net return on investments at fair value	574.6	3,739.1	5,375.4
- Return requirement on technical provisions	-706.3	-2,417.0	-3,312.8
Loading profit	37.6	42.2	54.5
Other profit	0.0	0.4	-27.1
Total result	-107.1	1,323.7	2,039.7

Breakdown of investments (current value)	Basic breakdown						Risk breakdown			
	30.9.2020		30.9.2019		31.12.2019		30.9.2020		30.9.2019 31.12.2019	
	EUR mill.	%	EUR mill.	%	EUR mill.	%	EUR mill.	%	%	%
Fixed-income investments total	16,547.2	32.9	16,508.5	33.6	17,014.6	33.7	14,857.5	29.5	26.0	25.6
Loan receivables ¹⁾	1,540.0	3.1	1,008.8	2.1	1,096.5	2.2	1,540.0	3.1	2.1	2.2
Bonds	13,073.8	26.0	14,230.4	29.0	14,998.9	29.7	10,486.4	20.8	19.6	18.0
Other money market instruments and deposits ^{1) 2)}	1,933.3	3.8	1,269.4	2.6	919.1	1.8	2,831.1	5.6	4.3	5.4
Equities and shares total	23,427.8	46.6	23,178.2	47.2	23,736.1	47.0	22,460.5	44.6	46.9	47.0
Listed equities and shares ³⁾	17,809.1	35.4	18,115.7	36.9	18,485.3	36.6	16,841.8	33.5	36.6	36.6
Private equity investments ⁴⁾	4,651.1	9.2	4,191.0	8.5	4,305.6	8.5	4,651.1	9.2	8.5	8.5
Non-listed equities and shares ⁵⁾	967.6	1.9	871.5	1.8	945.2	1.9	967.6	1.9	1.8	1.9
Real estate investments total	6,440.2	12.8	6,173.9	12.6	6,385.7	12.6	6,457.8	12.8	12.6	12.7
Direct real estate investments	5,845.7	11.6	5,621.3	11.4	5,777.5	11.4	5,846.6	11.6	11.4	11.4
Real estate funds and joint investments	594.5	1.2	552.7	1.1	608.2	1.2	611.1	1.2	1.2	1.2
Other investments total	3,892.1	7.7	3,244.6	6.6	3,391.3	6.7	4,422.5	8.8	11.1	9.7
Hedge fund investments ⁶⁾	2,769.4	5.5	2,420.9	4.9	2,481.9	4.9	2,769.4	5.5	4.9	4.9
Commodity investments	42.3	0.1	30.7	0.1	20.4	0.0	58.0	0.1	0.2	0.1
Other investments ⁷⁾	1,080.4	2.1	793.0	1.6	889.1	1.8	1,595.1	3.2	6.0	4.7
Investments total	50,307.3	100.0	49,105.3	100.0	50,527.8	100.0	48,198.3	95.8	96.6	95.0
Effect of derivatives							2,109.0	4.2	3.4	5.0
Investment return at current value total	50,307.3	100.0	49,105.3	100.0	50,527.8	100.0	50,307.3	100.0	100.0	100.0

The modified duration of bond investments was 2.1 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, %
	30.9.2020	30.9.2020	30.9.2020	30.9.2019	31.12.2019
	EUR mill.	EUR mill.	%	%	%
Fixed-income investments total	-351.6	16,651.7	-2.1	4.2	4.7
Loan receivables ¹⁾	0.1	1,195.5	0.0	2.8	2.5
Bonds	-330.1	14,098.0	-2.3	4.5	5.0
Other money market instruments and deposits ^{1) 2)}	-21.6	1,358.2	-1.6	3.0	2.6
Equities and shares total	339.6	23,468.0	1.4	14.4	20.8
Listed equities and shares ³⁾	122.1	18,125.2	0.7	15.3	22.5
Private equity investments ⁴⁾	189.5	4,391.9	4.3	12.6	15.6
Non-listed equities and shares ⁵⁾	27.9	950.9	2.9	5.6	13.2
Real estate investments total	66.9	6,343.0	1.1	3.4	8.4
Direct real estate investments	85.8	5,723.4	1.5	3.5	8.8
Real estate funds and joint investments	-18.9	619.6	-3.1	2.7	4.4
Other investments total	542.8	3,644.7	14.9	-1.1	-2.1
Hedge fund investments ⁶⁾	57.6	2,618.7	2.2	7.7	5.3
Commodity investments	6.2	65.6	-	-	-
Other investments ⁷⁾	478.9	960.4	49.9	-21.5	-19.6
Investments total	597.7	50,107.4	1.2	8.3	11.9
Unallocated income, costs and operating expenses	-23.0	0.0	0.0	0.0	0.0
Investment return at current value total	574.6	50,107.4	1.1	8.2	11.8

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.