

Ilmarinen's Interim Report

1 January to 31 March 2021



ILMARINEN

Return on investments was 4.8 per cent, solvency and net customer acquisition strengthened

January–March performance in brief:

- The return on Ilmarinen's investment portfolio was +4.8% (-7.5%) or EUR 2.5 billion thanks to the positive performance of the equity markets. The market value of investments grew to EUR 55.4 (53.3) billion. The long-term average return on investments was 6.0 per cent. This corresponds to an annual real return of 4.5 per cent.
- Thanks to the good performance of investment activities, the total result for January–March grew to EUR 1.4 (-2.6) billion.
- Premiums written declined to EUR 1.4 (1.5) billion as customers' payrolls decreased due to the impacts of Covid-19. EUR 1.5 (1.6) billion was paid in pensions.
- Net customer acquisition was EUR 93 (35) million as the net transfer rose to an excellent level due to good customer retention and successful customer acquisition.
- The decline in Ilmarinen's customers' payrolls reduced loading income by EUR 2 million and the loading profit weakened to EUR 11 (13) million. Operating expenses financed using loading income amounted to EUR 29 (29) million.
- Solvency capital strengthened to EUR 13.9 (12.5) billion, and the solvency ratio to 132.8 (130.2) per cent.
- Outlook: Following the recovery of the economy and the expiry of the temporary reduction in TyEL contributions, Ilmarinen's premiums written are expected to increase clearly in 2021. The rise in payroll is expected to improve loading income and the loading profit compared to last year.

Key figures	1-3/2021	1-3/2020	2020
Premiums written, EUR million	1,382	1,485	5,220
Pensions paid, EUR million	1,545	1,621	6,116
Operating expenses covered by loading income, EUR million	29	29	119
Loading profit, EUR million	11	13	43
Ratio of operating expenses to expense loading components, %	72	69	73
Return on investments, %	4.8	-7.5	7.1
Total result at current value, EUR million	1,403	-2,649	1,769
Value of investment assets, EUR million	55,425	46,403	53,284
Solvency capital, EUR million	13,923	8,112	12,542
Solvency ratio, %	132.8	120.7	130.2

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

PRESIDENT AND CEO JOUKO PÖLÖNEN'S REVIEW



“Strong performance in Ilmarinen’s investment activities and customer acquisition continued during the first quarter. In January–March, the return on Ilmarinen’s investment portfolio was 4.8 per cent, i.e. EUR 2.5 billion. Solvency strengthened to 132.8 per cent and investment assets grew to EUR 55 billion.

The coronavirus pandemic is still spreading globally and, regardless of the ongoing vaccinations, economic restriction measures have been continued in many countries. The expansionary monetary policy of central banks has kept key interest rates at a low level, and stock prices in both the USA and Europe rose sharply during the first months of the year. In January–March, Ilmarinen’s equity investments produced a return of 9.1 per cent, fixed income investments yielded 2.0 per cent and real estate investments 0.8 per cent. The return on other investments was -3.2 per cent. The long-term average nominal return on investments was 6.0 per cent, corresponding to a 4.5 per cent annual real return.

Due to a decline in employment, premiums written for January–March fell to EUR 1.4 billion, which was EUR 103 million less than a year ago. The number of employees at the customer companies in Ilmarinen’s business cycle index in March was 5.5 per cent smaller than a year ago. The decline has been particularly sharp in the hospitality sector and in staff leasing services.

Ilmarinen’s competitiveness has developed positively by all key indicators, and last year

we became the most solvent employment pension insurance company. Net customer acquisition rose to EUR 93 million in January–March. Measured in premiums written, insurance transfers from competitors to Ilmarinen amounted to EUR 52 million net, and customer retention was on an excellent level, at 97.2 per cent. The customer experience has also continued to develop positively despite the exceptional circumstances.

In January–March, we paid EUR 1.5 billion in pensions to around 458,000 pensioners. We made 17,232 pension decisions. It is a good idea to take an interest in one’s pension security already during one’s career and regularly check the pension record in our online service, which provides up-to-date information. In February, we published a survey conducted among pensioners. Based on the results, the respondents consider their financial situation to be reasonable and most had also financially prepared for their retirement. However, more than a third of the respondents were worried about their financial situation. According to the survey, two thirds of pensioners would be interested in engaging in gainful employment after retirement, and one out of three has actually done so. Meaningful work was the main source of motivation, but improving their income level was also considered important, especially among women.

In January–March, Ilmarinen’s operating expenses financed using loading income were on a par with last year, at EUR 29 million. Due to a declining payroll, the loading profit for the first quarter fell to EUR 11 million and the ratio of operating expenses to expense loading components, measuring cost-effectiveness, was 72 per cent.

The personnel’s work energy has remained on a good level, regardless of the exceptional circumstances and extensive remote work due to the pandemic, and the employee Net Promoter Score, eNPS, was 34 in January–March. We have looked after our personnel’s well-being and ability to cope during the

exceptional circumstances in a number of ways. Early in the year, the Finnish Olympic Committee granted us 'Finland's most active workplace' certification for our successful approach to providing physical activity for employees.

Ilmarinen was ranked as Finland's most responsible pension company in a broad survey for the fourth consecutive time. We reached almost all of the climate targets we had set for the period 2016–2020. The carbon footprint of real estate owned by Ilmarinen decreased 14 per cent, investments in sustainable development nearly doubled and the carbon sinks of forest investments grew 44 per cent. However, we did not reach the target of aligning the investment portfolio with the below-two-degree scenario under the Paris Agreement. The work continues, and our goal is to achieve a carbon neutral investment portfolio by the end of 2035.

During the first quarter, the Financial Supervisory Authority sent Ilmarinen a letter where it touched on some observations it had made in its supervisory work during 2015–2020. Ilmarinen's Board of Directors has responded to the Financial Supervisory Authority's letter. Ilmarinen's governance is reliable and sound. It is important to us that our operations comply with regulations and guidelines. In recent years, we have significantly renewed and developed our governance and ways of operating. We engage in a continuous dialogue with the Financial Supervisory Authority and take its guidelines and recommendations into account in our operations.

This year marks the 60th anniversary of Ilmarinen as a provider of pension security for Finns and as a partner for working life. The theme of the anniversary year is supporting young people to engage in working life and that way extending careers. Disability pensions among young people have shown a worrying growth trend in recent years, with an increase in mental health issues being a key factor. This trend is a cause for concern for both the pension system and society at large. With our anniversary project *Mielellään töissä* we wish to draw attention to the prevention of marginalisation of young people and to find ways in which both the young people themselves and companies can make it easier for them to enter working life. Our partners in the project are Youth Academy, Youth Mental Health Association – Yeesi and MIELI Mental Health Finland.

An ageing population, a low birth rate and a zero interest rate environment are still creating pressure on pension financing in the longer term. Right now, it is important to get the population vaccinated quickly so that we can lift the Covid-19 restrictions and re-open the economy at a fast pace. The global economy is expected to experience strong growth after the coronavirus crisis, and it is important for Finland to benefit from that growth and accelerate investments. At the same time, we must find solutions that enable us to close the sustainability gap and increase employment and Finland's competitiveness also in the longer term."

Current information about the pension system

In 2020, EUR 29.7 billion was paid in the Finnish pension system and around EUR 22.1 billion was collected in pension contributions. The return on pension assets was EUR 10.2 billion and the value of pension assets grew to EUR 225 billion. Since the Finnish pension system is based on partial funding, however, the amount of accumulated pension liabilities is significantly larger than the amount of col-

lected pension assets, i.e. approximately EUR 800 billion.

The nominal return on pension institutions' investment assets in 2020 was 4.8 per cent. The earnings-related sector is working on alternatives to strengthen the risk-bearing capacity of pension institutions and improve the expected return on investments. The objective is for the risk-bearing capacity to be sufficient even in economic crisis situations, which would eliminate the need to realise

the riskiest investments in the portfolio at an adverse time. The possibility for a company-specific expense loading rate and the renewal of the contribution category model are also being discussed.

The Ministry of Social Affairs and Health's working group is planning a reform of the pension system for the self-employed. This is driven by the transformation of how work is performed and the objective is to find solutions for, among other things, underinsurance and reducing the share of the state. Regarding underinsurance, solutions are being sought in the area of the YEL income that determines a self-employed person's pension security. It should be possible to calculate it in real time based on the unambiguous work input of the self-employed person, which would make it easier to keep it on the correct level. A more precise definition of the YEL income in legislation would help.

Last year, the average monthly pension of Finns rose by close to EUR 50 to EUR 1,762. Women's average pension was a fifth smaller than men's. Men's average pension was EUR 1,983 while women's was EUR 1,579.

Operating environment and investment market

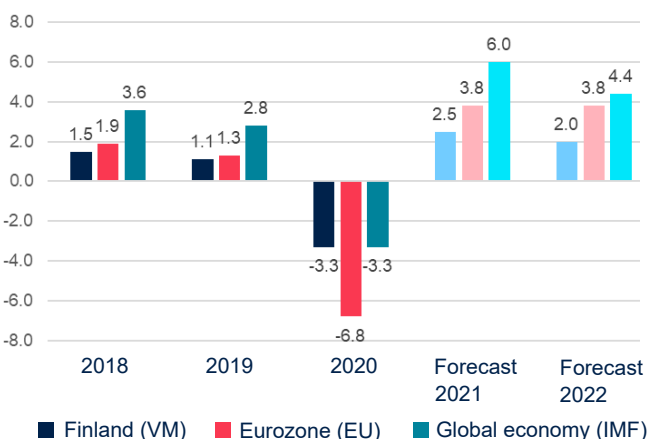
The Covid-19 pandemic and its consequences continued to be the main factor affecting economies and capital markets in the first three months of the year. Vaccinations began in many countries at the start of the year.

Despite the ongoing vaccinations, a new wave of the virus increased infections broadly, as a result of which some of the key restrictions affecting economic activity have been continued. The effect of the vaccinations can already be seen especially in the countries with the highest vaccination rates. However, the spread of the virus has continued in many emerging countries. The development has been a cause for concern in India and Turkey, among other countries.

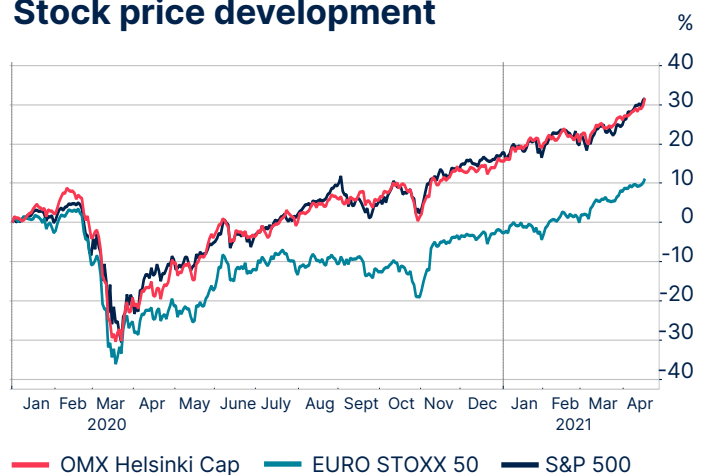
Expansionary fiscal policy is supporting global economic recovery and the United States, for example, is implementing a major stimulus programme related to the development of infrastructure. Fiscal policy also has a substantial impact on companies' earnings growth expectations. In the euro zone, vaccinations and economic recovery have progressed at a slower pace than in the United States. The recovery of Finland's economy continued during the first quarter, although the acceleration of the spread of the coronavirus weakened economic growth during the winter. Companies' payroll in January–March was lower than in the corresponding period a year ago. The decrease in payroll reduces pension institutions' premiums written and loading income.

The European Central Bank (ECB) and the US central bank, the Fed, have continued their exceptionally expansionary monetary policy measures adopted last year. However, capital market participants are already

Economic growth and forecasts



Stock price development



worried that the accelerating inflation will throw the economy off balance. The ECB and especially the Fed have repeatedly communicated to the markets that the acceleration of inflation is temporary and has to do with last year's exceptional comparison period and the recovery of economies. Long-term interest rates have risen particularly in the United States, where the 10-year government bond rate grew by close to one percentage point to 1.7 per cent during the first months of the year. Although this interest rate level is still low, historically speaking, the rise in long-term interest rates can be considered to be significant.

The capital markets' underlying sentiment has been favourable early in the year. Stock prices (S&P500 index) rose by more than five per cent during the first quarter. Unlike last year, the stock prices of large technology companies rose only a little. The technology-heavy Nasdaq index gained one per cent. Europe's stock price rise has been on a par with that of the United States, with the broad European stock index, for example, rising by more than five per cent during the first quarter. The strengthening of the economic cycle in the wake of Covid-19 has favoured cyclical stocks as well as bank stocks, whose weight

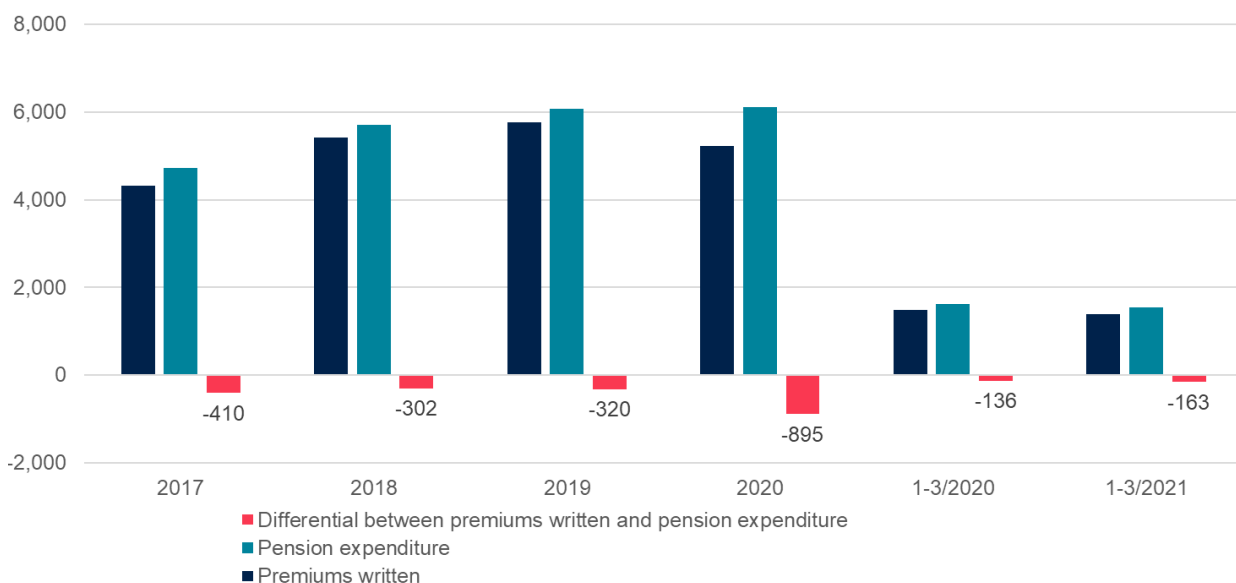
in European indices is significant. The Finnish equity markets have continued to experience a strong rise, with the OMX Helsinki's portfolio index gaining eight per cent in the period under review. During Q1, the credit risk margins on corporate bonds remained largely on the same level as at the turn of the year.

Insurance operations

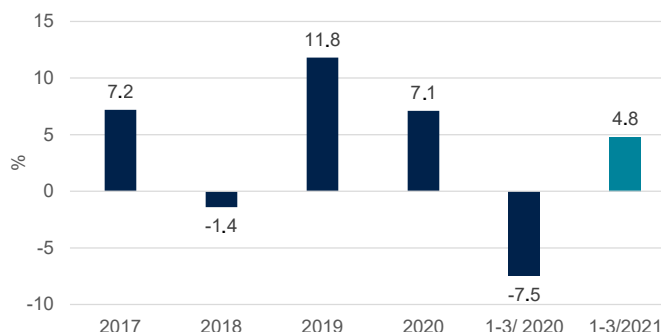
The January–March payroll of employees insured with Ilmarinen was EUR 5.2 (5.4) billion, which is 2.1 per cent lower than in the comparison period. In January–March, the company's premiums written stood at EUR 1.4 (1.5) billion. The number of insurance policies fell and totalled 146,036 (146,565) at the end of March. Measured in premiums written, net customer acquisition was EUR 93 (35) million. Customer retention was 97.4 per cent year-on-year.

At the end of March, Ilmarinen had altogether 457,516 (459,187) pensioners, to whom a total of EUR 1,545 (1,621) million was paid in benefits since the start of the year. Ilmarinen made a total of 9,120 (10,079) new pension decisions in January–March. The number of disability pension decisions made was 2,218 (2,540), down 13 per cent year-on-year. New rehabilitation decisions totalled 1,125 (1,325).

Premiums written and pension expenditure January–March 2021



Return on investments 2017-Q1/2021



Average nominal return on investments over 5 years 7.1% and real return 6.1%.

The total number of pension decisions made was 17,232 (19,356).

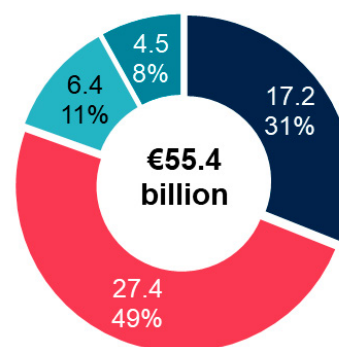
Pension processing times continued to shorten for disability pension decisions. During the period under review, the processing time of disability pension applications was 37 days (47) on average and that of old-age pension applications was 10 days (12).

Return on investments

At the end of March, Ilmarinen's total investments at current value were EUR 55,425 million (53,284). The return on investments at current value was 4.8 (-7.5) per cent. Calculated at current value, the average annual return over the last five years has been 7.1 per cent, which corresponds to an average annual real return of 6.1 per cent. Calculated from 1997, the average annual returns at current value for Ilmarinen's investments have been 6.0 per cent per annum. This corresponds to an annual real return of 4.5 per cent.

Fixed income investments accounted for a total of 31.1 (33.4) per cent of the investment portfolio and their return at current value was 2.0 (-6.9) per cent. Their market value totalled EUR 17,212 (17,799) million. Bonds accounted for a total of 25.4 (26.0) per cent of Ilmarinen's investment assets and their return was 2.1 (-7.9) per cent. Other financial market instruments and deposits accounted for

Breakdown of investments, 31 Mar 2021



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

2.3 (4.2) per cent of the investment assets, and their return was 1.4 (0.1) per cent. Loan receivables made up 3.3 (3.3) per cent of the investment assets, with a return of 1.5 (0.5) per cent. The modified duration of bonds was 0.5 (1.7) years.

Listed and non-listed equities and shares as well as private equity investments made up 49.4 (47.2) per cent of all investments. Their value at the end of March stood at EUR 27,392 (25,162) million. In the risk breakdown, listed equities and shares accounted for 36.9 (35.6) per cent. Finnish equities made up 29.1 (29.2) per cent of listed equity investments. The return on equity investments at current value was 9.1 (-12.8) per cent. The return on listed equity investments was 8.2 (-18.2) per cent.

Real estate investments at the end of March stood at EUR 6,352 (6,246) million. They accounted for 11.5 (11.7) per cent of all investments, with indirect investments making up 1.1 (1.1) percentage units. The total return on real estate investments was 0.8 (1.7) per cent. The return on direct real estate investments was 0.9 (1.8) per cent.

Investments in hedge funds and commodities and other investments made up 8.1 (7.7) per cent of the market value of the investments at the end of March. Their total return was -3.2 (8.1) per cent and their value at the end of March was EUR 4,469 (4,076) million.

Result and solvency

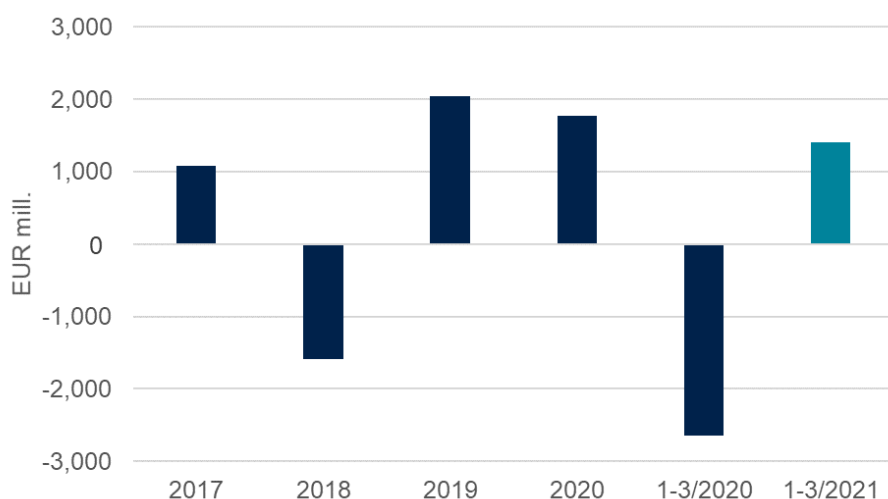
Ilmarinen's total result at current value at the end of the first quarter was EUR 1,403 (-2,649) million. Investment income at current value was EUR 1,398 (-2,654) million, the underwriting result was EUR -6 (-8) million, and the loading profit was EUR 11 (13) million. The ratio of operating expenses to expense loading components, measuring cost-effectiveness, was 72 (69) per cent in January–March.

At the end of March, the solvency ratio was 132.8 (130.2) per cent and solvency capital stood at EUR 13,923 (12,542) million.

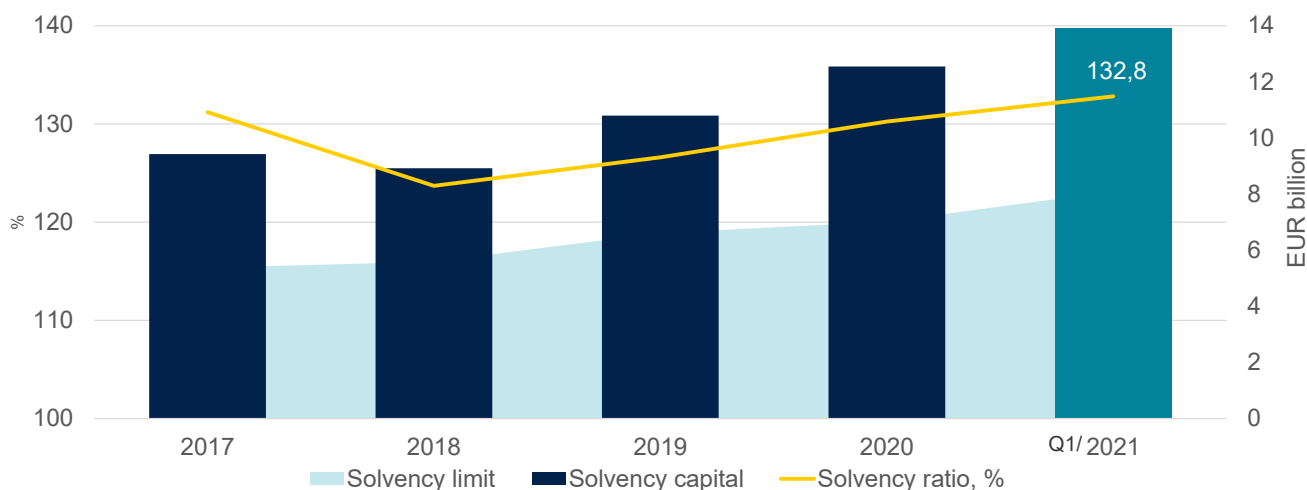
Capital and reserves included in the solvency capital were EUR 193 (191) million, the valuation difference between current and book values was EUR 12,776 (10,354) million, and the provision for future bonuses was EUR 994 (2,041) million.

Technical provisions amounted to EUR 44,510 (43,539) million. The EUR 42,442 (41,472) million in solvency technical provisions do not include the provision for future bonuses or the earnings-related pension contributions that remain open receivables in the basic insurance under YEL.

Total result 2017-Q1/2021



Solvency 2017-Q1/2021



Personnel

The average number of personnel (person years) in January–March was 608 (608). The energy level of Ilmarinen’s personnel has been monitored closely through the Työviire pulse survey. According to the surveys, personnel’s energy level has remained excellent despite the exceptional circumstances caused by the coronavirus epidemic (4.2 on a scale of 1–5). The employee Net Promoter Score (eNPS) improved slightly compared to the survey conducted at the end of last year, to +35 (on a scale of -100 to +100).

Ilmarinen’s operations have proceeded well despite the Covid-19 pandemic and absences due to illness have been at a clearly lower level than normally in the first quarter. 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.

The company-wide priorities at Ilmarinen for 2021 include reinforcing competence and highlighting expertise, and integrating operating models geared towards continuous improvement into the daily work of every Ilmarinen employee. Regarding continuous improvement, a project spanning the whole year was initiated to train 39 Ilmarinen employees to be champions of continuous improvement. Those participating in the champion training will form the core team in charge of bringing about a cultural change towards continuous improvement. They will carry out concrete development trials to incorporate a culture of continuous improvement into the organisation. In addition to the champions, all Ilmarinen employees will receive training in continuous improvement and will have the chance to participate in the trials. Supervisors will also be trained in how to make use of continuous improvement in management and in change situations.

Performance, target and development discussions were also conducted at Ilmarinen during the first quarter. These discussions included reviewing performance in 2020, setting the targets for 2021 and preparing a personal development plan for each indi-

vidual to ensure that the organisation’s competence develops in the right direction from the perspective of the company’s strategy. In connection with these discussions, salary discussions referred to in the insurance sector’s collective agreements were also held. In these discussions, part of the pay raise is distributed according to pre-agreed evaluation criteria based on discussions between the supervisor and the employee. The pay raise addressed in the salary discussions was 2.1 per cent of the monthly salaries of the personnel covered by the discussions and a total of 347 persons (60% of personnel) received a raise. In addition, the personnel received a 0.7 per cent raise as a general raise under the insurance sector’s collective agreement on 1 April 2021.

In the beginning of 2021, Ilmarinen was awarded the Finnish Olympic Committee’s certification for Finland’s most active workplace. The certification, given in recognition of successfully managed physical activity for employees, was granted based on the ‘Finland’s most active workplace’ survey which evaluates the state of physical activity for employees. The results of the survey will be used to further develop the supporting of physical activity and well-being of Ilmarinen employees going forward.

Changes in Ilmarinen’s governance

Ilmarinen’s Annual General Meeting was held on 25 March 2021. Metsä Group’s CEO Ilkka Hämmälä started as the new Chairman of Ilmarinen’s Supervisory Board. The Annual General Meeting elected six new members to the Supervisory Board:

- Jussi Herlin, Vice Chair of the Board, Kone Corporation
- Turkka Kuusisto, President and CEO, Posti Group Corporation
- Markku Moilanen, President and CEO, YIT Corporation
- Jukka Moisio, President and CEO, Nokian Tyres Plc
- Minea Pyykönen, Director of Service Sector, Trade Union Pro
- Jani Ylälehto, Chairman, Finnish Transport and Logistics SKAL.

The following persons started as new members of Ilmarinen's Board of Directors:

- Marja-Liisa Rajakangas, Director, Communications, Organisation and HR, STTK
- Jukka Erlund, Executive Vice President, CFO, Kesko Oyj
- Vesa-Pekka Kangaskorpi, President and CEO, Mediahouse Keski-suomalainen.

The same persons will continue as the Chairman and Deputy Chairmen of the Board of Directors. Valmet Oyj's President and CEO Pasi Laine acts as the Chairman of the Board of Directors and Jarkko Eloranta, President of the Central Organisation of the Finnish Trade Unions SAK, and Jyri Häkämies, Director General of the Confederation of Finnish Industries EK, act as Deputy Chairmen.

The Nomination and Compensation Committee comprises Pasi Laine (Chairman), Jarkko Eloranta and Jyri Häkämies. The Audit and Risk Management Committee comprises Seppo Parvi (Chairman), Jukka Erlund, Matti Harjuniemi and Timo Kokkila.

Events after the period under review

The situation related to the pension fund for the traffic services sector, Liikennepalvelu-alojen eläkekassa Viabek, which was declared bankrupt, has been resolved and Viabek's pension liabilities have been agreed to be transferred to private sector employment pension insurance companies. In accordance with the agreement, the current pensions paid by Viabek and the pension benefits earned by employees and self-employed persons will transfer to employment pension insurance companies. The agreement will have no impact on pensioners' and insured persons' benefits.

As a result of the arrangement, around EUR 63 million in liabilities will transfer to Ilmarinen, weakening its solvency ratio by 0.05 per cent. To cover the liabilities, the undisputed assets will be transferred from Viabek and the missing part of the assets will be provided by all private sector earnings-related pension insurers together based on joint liability in a bankruptcy. Any assets that will be recovered from Viabek's outstanding disputed receivables will be paid to the earnings-related pension provi-

ders through joint liability. The earnings-related pension sector wishes that the legislation governing the liquidation and bankruptcy of earnings-related pension insurance providers be clarified for future reference.

Future prospects and key uncertainties

The global economy is recovering from the deep recession of 2020, and recovery from the crisis takes time. However, the global economy is expected to grow by roughly 6 per cent in 2021. Finland's economic growth is expected to settle at around 3 per cent.

Following the recovery of the economy and the expiry of the temporary reduction in TyEL contributions, Ilmarinen's premiums written are expected to increase clearly in 2021. The rise in payroll is expected to improve loading income and the loading profit compared to last year.

Central banks and governments are expected to continue their stimulus measures to support markets, and inflation is expected to remain low, although positive, despite an exceptionally light monetary policy. The economic outlook is still uncertain and unrest in the markets can quickly increase if the vaccinations and prevention of the spread of the coronavirus do not bring the desired results. Other key uncertainties include the escalation of geopolitical crises or the faster-than-expected acceleration of inflation. The long-term return expectation on investment assets is low, especially due to a low interest rate level and the high valuation level of risky asset classes.

The key risks affecting Ilmarinen's operations and the earnings-related pension system are related to the development of employment and payroll, changes in disability pension incidence, uncertainty in the investment markets and the development of demographics and the birth rate. The birth rate has been exceptionally low in recent years.

For more information, please contact:

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

Tables

Key figures in brief	1.1.–31.3.2021	1.1.–31.3.2020	1.1.–31.12.2020
Premiums written, EUR mill.	1,382	1,485	5,220
Net return on investments at fair value, EUR mill.	2,545	-3,786	3,529
ROCE, %	4.8	-7.5	7.1
	31.3.2021	31.3.2020	31.12.2020
Technical provisions, EUR mill.	44,510	40,847	43,539
Solvency capital, EUR mill. ¹⁾	13,923	8,112	12,542
in relation to solvency limit	1.7	1.5	1.8
Pension assets, EUR mill. ²⁾	56,365	47,392	54,014
as a percentage of technical provisions	132.8	120.7	130.2
TyEL payroll, EUR mill. ³⁾	22,150	21,090	21,505
YEL payroll, EUR mill. ³⁾	1,660	1,598	1,676

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

Solvency capital and limits	31.3.2021	31.3.2020	31.12.2020
Solvency limit, EUR mill.	8,098.7	5,528.9	7,015.9
Maximum solvency capital, EUR mill.	24,296.1	16,586.6	21,047.7
Solvency capital, EUR mill.	13,922.7	8,112.2	12,542.3
Solvency ratio, % ¹⁾	132.8	120.7	130.2
Solvency position ²⁾	1.7	1.5	1.8

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

Result analysis, eur mill.	1.1.–31.3.2021	1.1.–31.3.2020	1.1.–31.12.2020
Source of profit			
Technical underwriting result	-6	-8	-3
Return on investments at fair value	1,398	-2,654	1,726
+ Net return on investments at fair value	2,545	-3,786	3,529
- Return requirement on technical provisions	-1,147	1,131	-1,803
Loading profit	11	13	43
Other profit	0	0	3
Total result	1,403	-2,649	1,769

Breakdown of investments (current value)	Basic breakdown						Risk breakdown			
	31.3.2021		31.3.2020		31.12.2020		31.3.2021		31.3.2020 31.12.2020	
	EUR mill.	%	EUR mill.	%	EUR mill.	%	EUR mill.	%	%	%
Fixed-income investments total	17,212.4	31.1	15,524.5	33.5	17,799.4	33.4	15,017.6	27.1	30.6	33.2
Loan receivables ¹⁾	1,832.4	3.3	1,099.1	2.4	1,747.3	3.3	1,832.4	3.3	2.4	3.3
Bonds	14,090.8	25.4	13,325.5	28.7	13,838.2	26.0	8,766.1	15.8	17.2	27.2
Other money market instruments and deposits ^{1) 2)}	1,289.2	2.3	1,099.9	2.4	2,213.9	4.2	4,419.1	8.0	11.0	2.8
Equities and shares total	27,391.6	49.4	20,291.4	43.7	25,162.2	47.2	27,301.8	49.3	42.3	47.1
Listed equities and shares ³⁾	20,564.3	37.1	14,671.4	31.6	19,052.1	35.8	20,474.5	36.9	30.2	35.6
Private equity investments ⁴⁾	5,773.6	10.4	4,643.6	10.0	4,985.0	9.4	5,773.6	10.4	10.0	9.4
Non-listed equities and shares ⁵⁾	1,053.7	1.9	976.4	2.1	1,125.2	2.1	1,053.7	1.9	2.1	2.1
Real estate investments total	6,351.6	11.5	6,525.0	14.1	6,246.0	11.7	6,369.9	11.5	14.1	11.8
Direct real estate investments	5,762.0	10.4	5,892.8	12.7	5,657.1	10.6	5,763.6	10.4	12.7	10.6
Real estate funds and joint investments	589.6	1.1	632.1	1.4	589.0	1.1	606.3	1.1	1.4	1.1
Other investments total	4,469.0	8.1	4,062.2	8.8	4,076.4	7.7	4,447.9	8.0	9.6	8.3
Hedge fund investments ⁶⁾	3,367.7	6.1	2,636.6	5.7	2,952.1	5.5	3,367.7	6.1	5.7	5.5
Commodity investments	71.6	0.1	67.5	0.1	93.1	0.2	327.1	0.6	0.6	0.0
Other investments ⁷⁾	1,029.8	1.9	1,358.1	2.9	1,031.2	1.9	753.2	1.4	3.3	2.8
Investments total	55,424.6	100.0	46,403.1	100.0	53,284.1	100.0	53,137.2	95.9	96.6	100.3
Effect of derivatives							2,287.4	4.1	3.4	-0.3
Investment return at current value total	55,424.6	100.0	46,403.1	100.0	53,284.1	100.0	55,424.6	100.0	100.0	100.0

The modified duration of bond investments was 0.5 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 ⁸⁾	Capital employed ⁹⁾	ROCE, %	ROCE, %	ROCE, %
	31.3.2021	31.3.2021	31.3.2021	31.3.2020	31.12.2020
	EUR mill.	EUR mill.	%	%	%
Fixed-income investments total	345.9	17,533.0	2.0	-6.9	-0.4
Loan receivables ¹⁾	27.1	1,778.7	1.5	0.5	-0.9
Bonds	293.6	13,961.4	2.1	-7.9	0.0
Other money market instruments and deposits ^{1) 2)}	25.1	1,792.9	1.4	0.1	-3.7
Equities and shares total	2,288.9	25,127.1	9.1	-12.8	12.4
Listed equities and shares ³⁾	1,564.2	18,969.9	8.2	-18.2	11.9
Private equity investments ⁴⁾	703.0	5,114.9	13.7	6.8	12.9
Non-listed equities and shares ⁵⁾	21.7	1,042.3	2.1	2.9	19.0
Real estate investments total	53.3	6,274.1	0.8	1.7	0.4
Direct real estate investments	49.4	5,684.7	0.9	1.8	0.7
Real estate funds and joint investments	4.0	589.4	0.7	1.0	-2.1
Other investments total	-134.3	4,221.4	-3.2	8.1	20.2
Hedge fund investments ⁶⁾	123.8	3,048.4	4.1	1.6	3.7
Commodity investments	0.6	84.6	-	-	-
Other investments ⁷⁾	-258.7	1,088.5	-23.8	23.8	71.7
Investments total	2,553.8	53,155.5	4.8	-7.5	7.1
Unallocated income, costs and operating expenses	-8.7	0.0	0.0	0.0	0.0
Investment return at current value total	2,545.0	53,155.5	4.8	-7.5	7.1

1) Includes accrued interest.

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

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

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

5) Also includes unlisted real estate investment companies.

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

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

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

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