

# Ilmarinen's Interim Report

1 January to 30 June 2024

Well prepared for tomorrow.

# Ilmarinen's Interim Report 1 January to 30 June 2024: Return on investments was 4.9 per cent, solvency strengthened and cost-effectiveness improved

## January–June performance in brief:

- The return on Ilmarinen's investment portfolio was 4.9 (3.7) per cent, or EUR 2.9 billion. The market value of investments grew to EUR 61.1 (58.9) billion. The long-term average return on investments was 5.8 per cent as of 1997. This corresponds to an annual real return of 3.9 per cent.
- The total result rose to EUR 995 (605) million.
- Premiums written rose by 2 per cent to EUR 3,551 (3,493). Pensions paid rose by 7 per cent to EUR 3,845 (3,594) million.
- Net customer acquisition was EUR 51 (70) million and rolling customer retention for the previous 12 months was 96.6 (96.4) per cent.
- Operating expenses financed using loading income decreased 6 per cent to EUR 47 (50) million and were 0.33 (0.35) per cent of the TyEL payroll and YEL income of the insured.
- Solvency capital increased to EUR 13.2 (12.2) billion, and the solvency ratio strengthened to 126.7 (125.4) per cent.
- Future prospects: Ilmarinen's premiums written are expected to grow as the earnings level rises.

Key figures	1–6/2024	1–6/2023	2023
Premiums written, EUR million	3,551	3,493	6,822
Pensions paid, EUR million	3,845	3,594	7,173
Operating expenses covered by loading income, EUR million	47	50	94
TyEL payroll and YEL income, EUR mill.	14,489	14,232	27,791
Operating expenses financed using loading income of payroll and YEL income, %	0.33	0.35	0.34
Return on investments, %	4.9	3.7	5.8
Total result at current value, EUR million	995	605	579
Value of investment assets, EUR million	61,144	58,218	58,923
Solvency capital, EUR million	13,225	12,401	12,226
Solvency ratio, %	126.7	126.4	125.4



The interim report result comparison figures are the figures for the corresponding period of 2023. Unless otherwise indicated, the comparison figures for the balance sheet and other cross-sectional figures are the figures for the end of 2023.

## President and CEO Jouko Pölönen's review

Ilmarinen's return on investment was 4.9%, investment assets rose to EUR 61.1 billion and the solvency ratio rose to 126.7%. Cost-effectiveness continued to improve as premiums written grew 2 per cent and operating expenses fell 6 per cent. Our improved cost-effectiveness means lower premiums for our customers.

Global economic growth has been slow but steady in the first half of the year and is expected to be around 3.2% this year. The slower-than-expected slowdown in inflation has delayed central bank interest rate cuts and kept monetary policy restrictive to economic growth. Geopolitical tensions and the potential escalation of armed conflicts continue to cast a shadow over growth prospects for the global economy and add to market turmoil. Finland's economy was in a downturn in the first quarter of the year and forecasts show that we will be back on a growth trajectory at the end of the year. Especially weakly positioned is the construction sector where new construction starts and new construction permits, which describe the sector's activity level, are at a lower level than in the financial crisis.

Employment in Finland has weakened since last summer. The number of employees in the companies belonging to Ilmarinen's business cycle index fell by 2.8 per cent year-on-year during January–June. Positive developments have been seen for some time in the employment of people aged 55–64, which has already reached the average employment rate. Unfortunately, at the same time, youth employment rates have declined and the downturn has led to fewer summer jobs for young people than before. We hired a record number of summer workers at Ilmarinen and this summer we have 52 of them.

The return on Ilmarinen's investment portfolio was 4.9 per cent, or EUR 2.9 billion. Positive investment returns were driven by the listed equity market. Equity market returns were generally positive globally. However, there were large regional and sectoral differences in returns. Positive developments were concentrated in the US stock market and the technology sector. The weaker return on the Finnish equity market in Q2 was the

result of muted earnings performance. Interest rates on government bonds were on the rise at the beginning of the year. In June, however, growing political uncertainty in Europe and concerns over early elections in France weighed on risk-free long rates.

Ilmarinen's long-term average return on investments was 5.8 per cent as of 1997. This corresponds to an annual real return of 3.9 per cent. The solvency ratio rose to 126.7%, and solvency capital rose to EUR 13.2 billion.

Premiums written rose by 2 per cent to EUR 3,551. The growth in premiums written was due to the increase in customers' payroll. Pension paid increased by 7% to EUR 3,845 million and pensions were paid to around 450,000 pensioners.

The cost-effectiveness of Ilmarinen's operations improved further. In January–June, the operating expenses financed using loading income decreased by 6 per cent to EUR 47 million, which was 0.33 per cent of the payroll. Ilmarinen's profitability has improved strongly as the annual costs for managing pension insurance have been reduced by a third, or almost EUR 50 million, since 2018, while premiums written have increased by 34 per cent over the same period. Productivity improvements are reflected in lower premiums for customers. We have applied to the Ministry of Social Affairs and Health for an average 10 per cent lower tariff for the administrative cost component from the beginning of next year.

The pension reform will be prepared in accordance with the Government Programme with key labour market organisations in negotiations by the end of January 2025. The goal is to ensure the financial sustainability of the pension system and to secure an adequate level of benefits. Due to the record-low birth rate, investment returns are becoming increasingly significant from the perspective of the pension system's financial sustainability, which is why the solvency framework for earnings-related companies should be reshaped so as to enable them to seek better long-term returns. Finns' confidence in the pension system has remained high. According to the June 2024 Pension Barometer published by the Finnish Centre for Pensions, 70 per cent of respondents have confidence in the pension system and two out of three think that pension assets are managed reliably.

## Current information about the pension system

The average pension of Finns rose to EUR 1,977 in 2023, compared to EUR 1,845 in the previous year, according to the statistics of the Finnish Centre for Pensions and the Social Insurance Institution of Finland. Men's average pension was EUR 2,216 per month while women's was EUR 1,779. All in all, more than 60 per cent of the approximately 1.6 million pension recipients received less than EUR 2,000 in monthly pension and some 2 per cent received more than EUR 5,000 in monthly pension.

The contribution category model for disability pensions was reformed at the start of 2024. The reform will be implemented gradually and will be fully in force in 2029. The changes are aimed at improving, among other things, access to employment for older people and people who have difficulty finding employment. The reform encourages employers to anticipate work ability risks and take better care of their employees' work ability.

Reviews of self-employed persons' YEL income levels begun in 2023 in line with the new legislation are continuing. The review in 2024 will target entrepreneurs whose YEL income is below EUR 24,000 per year and has not been adjusted in three years. 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 decrease. 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.

The pension reform will be prepared in accordance with the Government Programme by key labour market organisations by the end of January 2025. The goal is to prepare the changes in earnings-related pension leg-

islation to ensure financial sustainability and the benefit level. Changes are needed due to the declining dependency ratio and the uncertainty related to economic development, returns on pension fund asset investments and future growth in contributions. The preparatory work must find, based on the assessment carried out jointly by the Ministry of Finance and the Finnish Centre for Pensions, methods for the long-term stabilisation of the pension insurance contribution level and significant reinforcing of public finances as a whole over a sustained period using a rule-based fiscal stabilisation system. The amendments must strengthen public finances in the long term by approximately 0.4 percentage points in relation to the GDP, representing some one billion euros. The Government Programme also states that an evaluation of the need to develop the Self-employed Persons' Pensions Act (YEL) system will be initiated. As part of the evaluation, the possibility of directing YEL contributions to the Farmers' Social Insurance Institution Mela will be investigated.

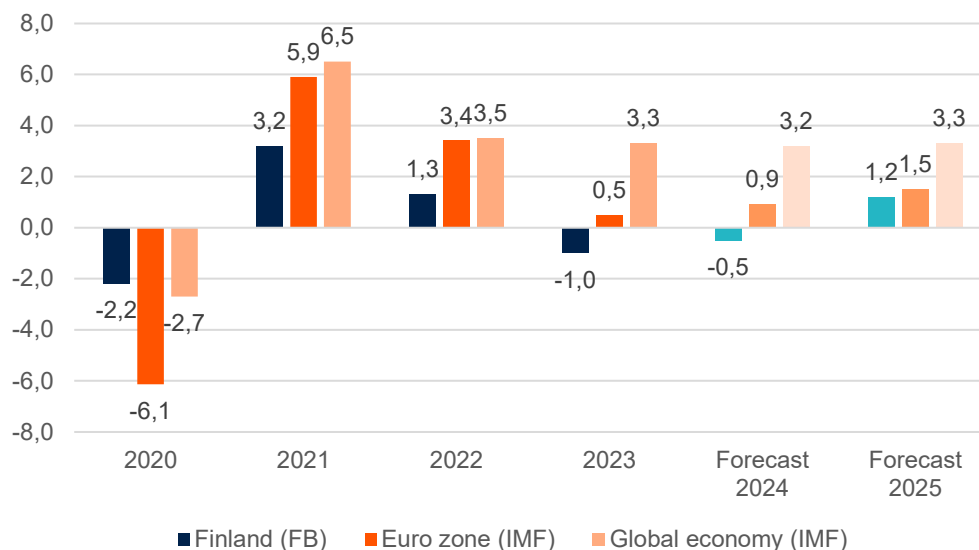
Finns' confidence in the pension system has remained high. According to the June 2024 Pension Barometer published by the Finnish Centre for Pensions, 70 per cent of respondents have confidence in the pension system and two out of three think that pension assets are managed reliably. Confidence has remained at the same level as in the corresponding survey a year ago.

## Operating environment and investment market

Economic growth has been slow but stable in the first half of the year and inflation continues to fall slowly. The International Monetary Fund (IMF) forecasts global economic growth of 3.2% in 2024. The IMF forecasts inflation in developed countries to fall to 2.7% in 2024. Central banks in the West have gradually started to move towards a less growth-constraining monetary policy.

The slow drop in inflation closer to the central banks' target levels has continued globally as supply bottlenecks are easing up and

## Economic growth and forecasts



Sources: Statistics Finland, Bank of Finland (6/2024), IMF 7/2024, VM 6/2024

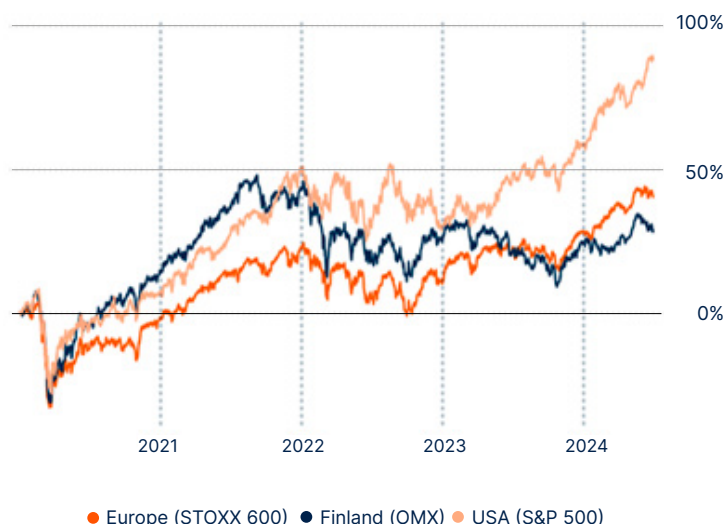
as a result of a monetary policy designed to slow economic activity. The resilience of the US economy and the slower-than-expected decline in inflation have delayed the Fed's rate cuts. In the euro zone, inflation has fallen more or less in line with expectations, but core inflation indicators are still high compared to the ECB's price stability target. The curbing of the energy shock in the euro zone and lower inflation support the growth of real income and the IMF forecasts real growth of 0.9 per cent for 2024. China's economic growth has been more subdued than expected, raising expectations with regard to a monetary and financial policy supporting growth. However, the structural problems of the Chinese economy, including those related to the construction sector and debt, are severe and will also affect the longer-term global growth picture.

Growth prospects have strengthened moderately and inflation has slowed. The year-on-year change in consumer prices in June was 2.5 per cent in the euro zone and core inflation, less energy and food prices, was 2.9 per cent. Positive inflation developments allowed the ECB to cut its policy rate by 0.25 percentage points at its June meeting. In the United States, the recovery of inflation towards the central bank's target level

has been slower; the year-on-year change in consumer prices in March was 3.0 per cent and core inflation 3.3 per cent. Since the third quarter of last year, the US Federal Reserve's policy rates have remained unchanged at 5.25–5.5 per cent, while the European Central Bank's deposit rate fell to 3.75 per cent.

Interest rate expectations moderated significantly during the first half of the year. At the turn of the year, central banks were expected to reduce their key interest rates by

## Return development of the equity markets



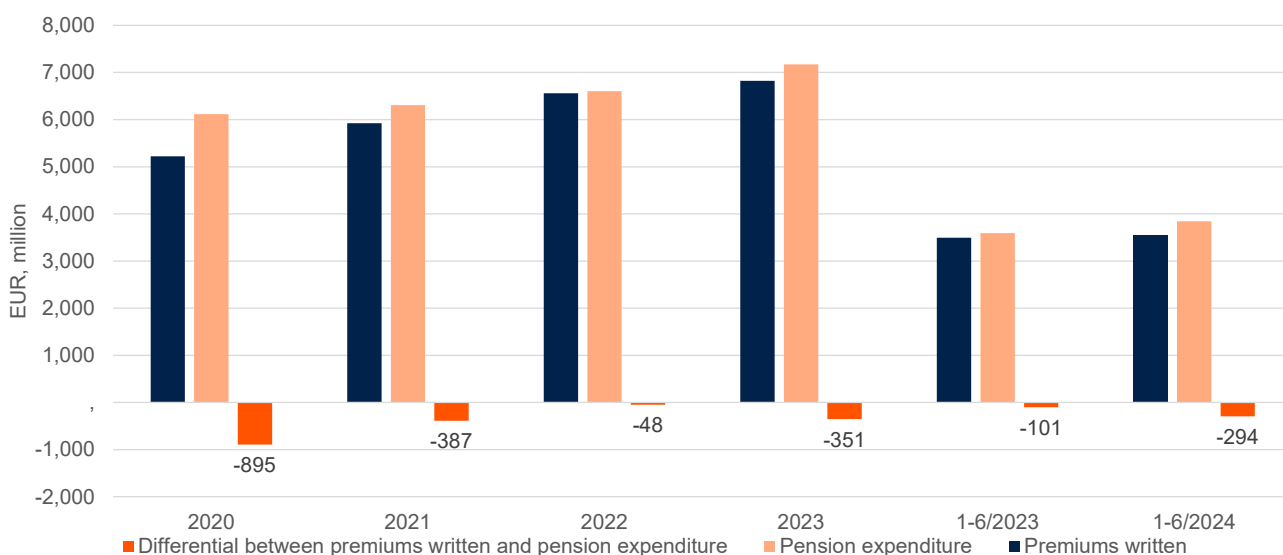
some 1.5 percentage points starting from the first quarter. In June, interest rate cuts of just under 0.5 percentage points were expected for the rest of the year by both the ECB and the Fed.

The Finnish economy has been in recession since the beginning of the year. According to the Bank of Finland, GDP will contract by 0.5 per cent in 2024, but is forecast to grow again in 2025. Higher interest rate and price levels have reduced consumption and investments, and weakened companies' and households' confidence in the general economic situation. Especially weakly positioned is the construction sector where new construction starts and new construction permits, which describe the sector's activity level, are at a lower level than in the financial crisis. Exports have contracted, due to, for example, the weak performance of Germany, a key export country for Finland. There are risks linked to labour market development, among other things, as a result of lay-offs and the labour market situation. Inflation has slowed quickly, and the short reference rates widely used in Finland have fallen from last year's peak levels. The growth forecast for the economy will be driven by gradually recovering confidence and the improving purchasing power of consumers as real earnings grow.

Equity market returns were generally positive globally. However, there were large regional and sectoral differences in returns. The US stock market (S&P 500 index) returned 15 per cent in January-June. The positive performance focused on the technology sector. The strong performance of technology companies has further reinforced the optimism around AI. In Europe, where France's early parliamentary elections sent share prices lower towards the end of the quarter, the STOXX 600 index's January-June return was 9 per cent. The Helsinki stock exchange's return on investments for Q1 fell short of the main markets, returning 3.5 per cent in January-June. The weaker return on the Finnish equity market in Q2 was the result of muted earnings performance.

Interest rates on government bonds were on the rise at the beginning of the year. In June, however, growing political uncertainty in Europe and concerns over early elections in France weighed on risk-free long rates. The interest rate differential between French and German government bonds widened to 80 basis points, the highest since the euro crisis of the last decade. The US 10-year government bond's interest rate was 4.4 per cent at the end of June, i.e. 0.5 percentage points higher than at the turn of the year. The

## Premiums written and pension expenditure January–June 2024



German 10-year government bond's interest rate was 2.5 per cent, 0.5 percentage points higher than at the turn of the year.

Investor demand for securities with credit risk has remained strong. Credit risk premiums have remained reasonably low and stable during the first half of the year. Following the prolonged zero interest rate environment, companies will have significant needs in the coming years with regard to refinancing, especially when it comes to high credit risk. For now, problems related to refinancing and overindebtedness have remained company- and sector-specific, with a focus on the real estate sector.

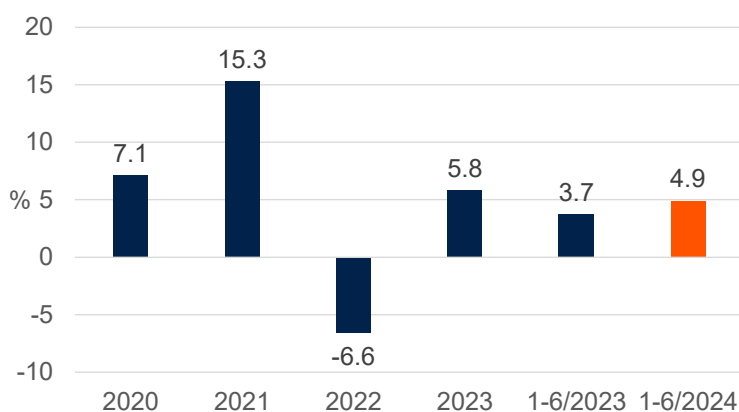
On the currency market, movements were moderate in the first half of the year. The euro/US dollar exchange rate fluctuated in a narrow band of 1.06–1.10. Differences in monetary policy expectations are a key driver of currency movements at the moment. The Japanese yen continued to fall in H1 despite the Japanese central bank hiking its key interest rate by 10 basis points to a positive level and officially abandoning its yield curve control policy. At the end of June, the yen was at its weakest level in 40 years against the US dollar.

## Insurance operations

Premiums written rose to EUR 3,551 (3,493) million in January–June. The growth in premiums written was due to the increase in customers' payroll. The January–June payroll and work income for employees insured with Ilmarinen grew by 2 per cent to EUR 14,489 (14,232) million. The number of insurance policies fell and totalled 126,700 (134,155) at the end of June. Measured in premiums written, net customer acquisition was EUR 51 (70) million and customer retention was 96.6 (96.4) per cent.

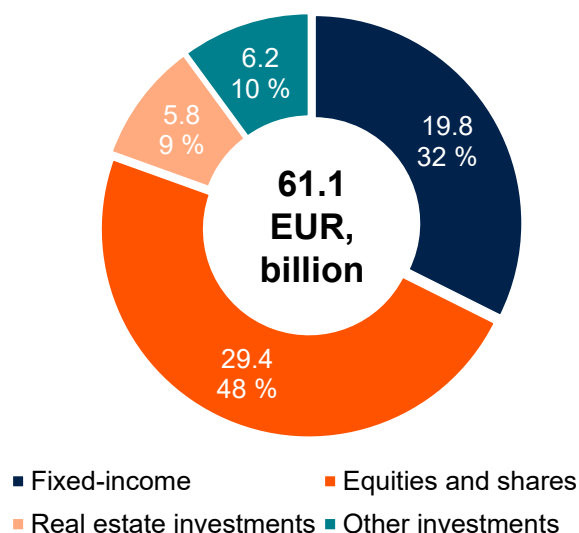
At the end of June, Ilmarinen had a total of 453,559 (454,950) pension recipients. They were paid a total of EUR 3,845 (3,594) million in pensions since the beginning of the year. In January–June, a total of 19,641 (16,679) new pension decisions were made, which was 18 per cent more than in the previous year. There were 3,637 new decisions on partial early old-age pension (1,960), an increase of 86% from one year ago. The number of new disability pension decisions made was 5,179 (4,738), up 9 per cent year-on-year. There were 1,752 (1,702) new rehabilitation decisions, of which 43% were positive. In Janu-

## Return on investments 2020-Q2/2024

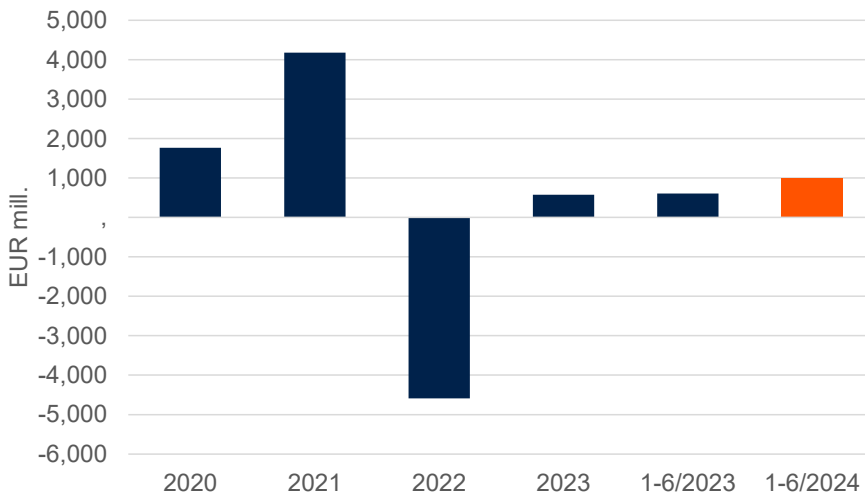


Average nominal return on investments over 5 years 6.2 per cent and real return 2.7 per cent.

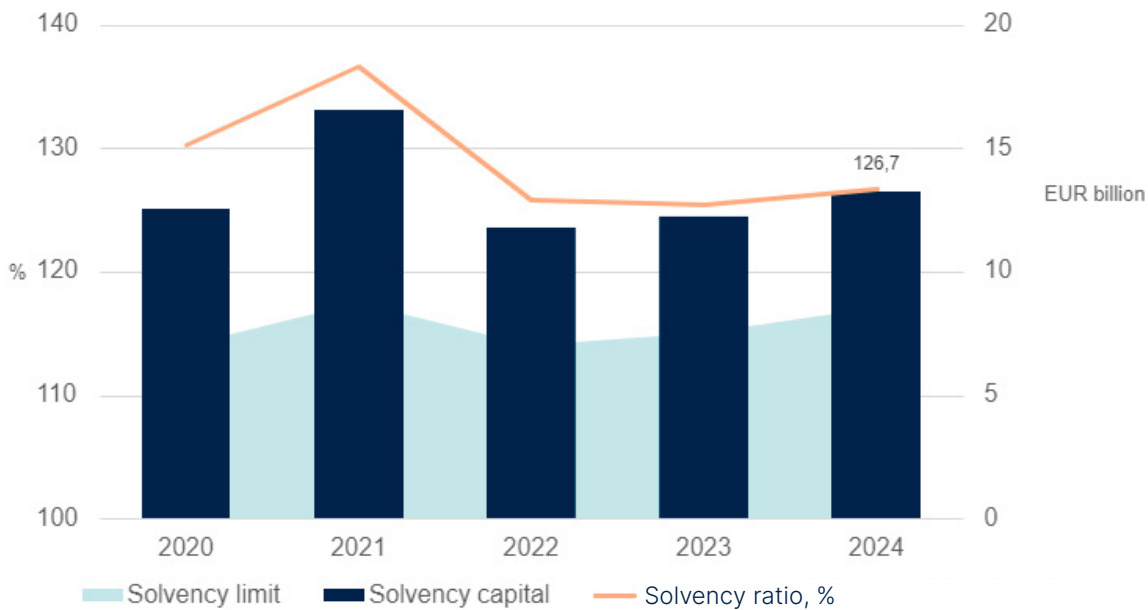
## Breakdown of investments, 30 June 2024



## Total result 2020-Q2/2024



## Solvency 2020-Q2/2024



ary–June, 1,889 (1,791) persons transitioned on a disability pension or cash rehabilitation benefit, which is 5 per cent more than last year.

The average processing time for old-age pension applications was 7 (6) days and for disability pension applications 44 (39) days.

## Return on investments

At the end of June, Ilmarinen’s total investments at current value were EUR 61,144 million (58,923). The return on investments at current value was 4.9 (3.7) per cent. Calculated at current value, the average annual return



over the last five years has been 6.2 per cent, which corresponds to an average annual real return of 2.7 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 3.9 per cent.

Fixed income investments accounted for a total of 32.4 (33.6) per cent of the investment portfolio and their return at current value was 1.4 (3.7) per cent. Their total market value was EUR 19,797 (19,803) million. Bonds accounted for a total of 29.7 (27.6) per cent of Ilmarinen's investment assets and their return was 1.2 (4.1) per cent. The modified duration of bonds was 4.8 (4.0) years.

Listed and non-listed equities and shares as well as private equity investments made up 48.1 (46.0) per cent of all investments. Their value at the end of June stood at EUR 29,422 (27,113) million. In the risk breakdown, listed equities and shares accounted for 33.7 (31.1) per cent. Finnish equities made up 27.2 (29.0) per cent of listed equity investments. The return on equity investments at current value was 9.3 (5.7) per cent. The return on listed equity investments was 11.4 (7.6) per cent.

Real estate investments at the end of June stood at EUR 5,767 (5,816) million. They accounted for 9.4 (9.9) per cent of all investments, with the total return at -0.6 (0.1) per cent.

Investments in hedge funds and commodities and other investments made up 10.1 (10.5) per cent of the market value of the investments at the end of June. Their combined return was 1.4. (-1,0) per cent and the value at the end of June was EUR 6,159 (6,192) million.

## Result and solvency

Ilmarinen's total result at current value was EUR 995 (605) million. Investment income at current value was EUR 988 (587) million, the underwriting result was EUR 8 (16) million, and the loading profit was EUR -1 (2) million. The ratio of operating expenses to the payroll and YEL income, a measure of cost-effectiveness, improved to 0.33 (0.35) per cent in the

first three months of the year, and operating expenses per pensioner and insured were EUR 41 (43). The administrative cost component of the TyEL contribution became company specific at the start of 2023. A surplus was formed in 2023, which is used to lower the level of the administrative cost component for the next years.

The solvency ratio strengthened to 126.7 (125.4) per cent. Solvency capital rose to EUR 13,225 (12,226) million. Capital and reserves were EUR 229 (224) million, the valuation difference between current and book values was EUR 12,782 (10,862) million, and the provision for accumulated accounting profit was EUR 228 (1,157) million.

The technical provisions amounted to EUR 49,705 (49,267) million. The EUR 49,447 (48,080) 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–June was 587 (587). In the summer season 2024, Ilmarinen will employ 52 summer workers. The energy level of the personnel is excellent (4.2 on a scale of 1–5). The employee Net Promoter Score (eNPS) was +45 (on a scale of -100 to +100) on average year to date. Our sickness absence rate was 1.5 per cent (1.7 per cent).

Between September 2023 and April 2024, we ran a pilot project on age management to look for best practices in career management. We want to make sure that people of all ages can enjoy working at Ilmarinen, and find ways to support their attachment to working life, maintain their work ability and help them continue in working life. The pilot project looked at groups of young people under 30 and older professionals over 58, to find best practices to address the specific challenges of each age group. Based on the results of the pilot project and combining the results with those of Ilmarinen's Long Careers Survey, we will create a career model for

Ilmarinen that can be adapted to different life situations. The aim is to provide support and tools for people at different stages of their careers and their supervisors, both for ourselves and for our customers.

In June 2024, Ilmarinen's Children's Park was open for the eighth time. The purpose of Children's Park is to bring to the company's personnel some relief from the challenges of summer childcare. Children's Park in Ilmarinen's office building is a place for the children of Ilmarinen personnel to be cared for on an occasional basis. In 2023, Ilmarinen's Children's Park was awarded a silver medal in the Oikotie Responsibility Project of the Year competition.

Kaisa Ala-Laurila, Ilmarinen's Executive Vice President, Communications and Corporate Responsibility and a member of the Executive Board, resigned to take up new responsibilities outside the company.

In the summer season 2024, we will again participate in the Kilometre Race cycling challenge between companies and organisations and the Finnish Red Cross Chain Reaction charity event.

## Responsibility

In March, we released our last annual and sustainability report drawn up in line with the Global Reporting Initiative standard. In reporting on climate issues, we used the international Task Force on Climate-related Financial Disclosures framework, and with regard to biodiversity, the Taskforce on Nature-related Financial Disclosures framework. We will report the sustainability data for 2024 in accordance with the European Sustainability Reporting Standards (ESRS) standard as part of our financial statements and Report on Operations.

As an active owner, we participated in person in the general meetings of more than fifty Finnish listed companies included in our investment portfolio during the first half of the year. We paid particular attention to the companies' remuneration policies and reports, i.e. the transparency of remuneration.

We voted in 152 foreign general meetings. At foreign general meetings, we made use of a service provider's voting service and principles that consider ESG aspects.

## Future prospects and key uncertainties

Geopolitical tensions and the lack of confidence of consumers are casting a shadow over the global economic growth outlook. Global economic growth is anticipated to remain at approximately 3.2 per cent this year. Finland's economy is in a downturn and forecasts show that we will be back on a growth trajectory at the end of the year.

The speed at which inflation will slow and the pace at which central banks will ease their monetary policies are a source of uncertainty in the markets. The possible escalation of geopolitical tensions and armed conflicts is adding to nervousness in the markets.

Ilmarinen's premiums written are expected to grow as the earnings level rises.

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 exceptionally low birth rate.

## Further information

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- Kaisa Ala-Laurila, Executive Vice President, Communications and Corporate Responsibility, tel. +358 40 777 9212

Key figures in brief	1.1.–30.6.2024	1.1.–30.6.2023	1.1.–31.12.2023
Premiums written, EUR mill.	3,551	3,493	6,822
Net return on investments at fair value, EUR mill.	2,864	2,061	3,272
ROCE, %	4.9	3.7	5.8
	30.6.2024	30.6.2023	31.12.2023
Technical provisions, EUR mill.	49,705	46,479	49,267
Solvency capital, EUR mill. <sup>1)</sup>	13,225	12,401	12,226
in relation to solvency limit	1.6	1.6	1.6
Pension assets, EUR mill. <sup>2)</sup>	62,672	59,410	60,307
as a percentage of technical provisions	126.7	126.4	125.4
TyEL payroll, EUR mill. <sup>3)</sup>	26,623	26,345	26,050
YEL payroll, EUR mill. <sup>3)</sup>	1,813	1,720	1,740

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

Solvency capital and limits	30.6.2024	30.6.2023	31.12.2023
Solvency limit, EUR mill.	8,528	7,637	7,487
Maximum solvency capital, EUR mill.	25,583	22,911	22,462
Solvency capital, EUR mill.	13,225	12,401	12,226
Solvency ratio, % <sup>1)</sup>	126.7	126.4	125.4
Solvency position <sup>2)</sup>	1.6	1.6	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.–30.6.2024	1.1.–30.6.2023	1.1.–31.12.2023
Source of profit			
Technical underwriting result	8	16	38
Return on investments at fair value	988	587	527
+ Net return on investments at fair value	2,864	2,061	3,272
- Return requirement on technical provisions	-1,876	-1,474	-2,744
Loading profit	-1	2	11
Other profit	0	0	3
Total result	995	605	579

Breakdown of investments (current value)	Basic breakdown						Risk breakdown			
	30.6.2024		30.6.2023		31.12.2023		30.6.2024		30.6.2023 31.12.2023	
	EUR mill.	%	EUR mill.	%	EUR mill.	%	EUR mill.	%	%	%
<b>Fixed income investments total</b>	<b>19,797</b>	<b>32</b>	<b>17,416</b>	<b>30</b>	<b>19,803</b>	<b>34</b>	<b>20,809</b>	<b>34</b>	<b>34</b>	<b>35</b>
Loan receivables <sup>1)</sup>	1,057	2	1,678	3	1,422	2	1,057	2	3	2
Bonds	18,140	30	14,866	26	16,269	28	23,904	39	32	36
Other money market instruments and deposits <sup>1) 2)</sup>	599	1	871	1	2,111	4	-4,152	-7	-1	-3
<b>Equities and shares total</b>	<b>29,422</b>	<b>48</b>	<b>27,645</b>	<b>47</b>	<b>27,113</b>	<b>46</b>	<b>30,476</b>	<b>50</b>	<b>47</b>	<b>47</b>
Listed equities and shares <sup>3)</sup>	19,529	32	18,497	32	17,761	30	20,583	34	32	31
Private equity investments <sup>4)</sup>	8,265	14	7,641	13	7,766	13	8,265	14	13	13
Non-listed equities and shares <sup>5)</sup>	1,628	3	1,507	3	1,587	3	1,628	3	3	3
<b>Real estate investments total</b>	<b>5,767</b>	<b>9</b>	<b>6,756</b>	<b>12</b>	<b>5,816</b>	<b>10</b>	<b>5,767</b>	<b>9</b>	<b>12</b>	<b>10</b>
Direct real estate investments	5,047	8	6,042	10	5,122	9	5,047	8	10	9
Real estate funds and joint investments	719	1	714	1	694	1	719	1	1	1
<b>Other investments total</b>	<b>6,159</b>	<b>10</b>	<b>6,402</b>	<b>11</b>	<b>6,192</b>	<b>11</b>	<b>6,186</b>	<b>10</b>	<b>11</b>	<b>10</b>
Hedge fund investments <sup>6)</sup>	5,330	9	5,088	9	5,092	9	5,330	9	9	9
Commodity investments	0	0	4	0	0	0	2	0	0	0
Other investments <sup>7)</sup>	828	1	1,311	2	1,100	2	854	1	3	2
<b>Investments total</b>	<b>61,144</b>	<b>100</b>	<b>58,218</b>	<b>100</b>	<b>58,923</b>	<b>100</b>	<b>63,238</b>	<b>103</b>	<b>104</b>	<b>103</b>
Effect of derivatives							-2,093	-3	-4	-3
<b>Investment return at current value total</b>	<b>61,144</b>	<b>100</b>	<b>58,218</b>	<b>100</b>	<b>58,923</b>	<b>100</b>	<b>61,144</b>	<b>100</b>	<b>100</b>	<b>100</b>

The modified duration of bond investments was 4.8 years.

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

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

5) Also includes unlisted real estate investment companies.

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

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

Net ROCE of investments	Net investment return market value <sup>8)</sup>	Capital employed <sup>9)</sup>	ROCE, %	ROCE, %	ROCE, %
	30.6.2024	30.6.2024	30.6.2024	30.6.2023	31.12.2023
	EUR mill.	EUR mill.	%	%	%
<b>Fixed income investments total</b>	<b>282</b>	<b>20,024</b>	<b>1.4</b>	<b>3.7</b>	<b>8.4</b>
Loan receivables <sup>1)</sup>	51	1,361	3.8	2.5	5.3
Bonds	204	17,542	1.2	4.1	9.5
Other money market instruments and deposits <sup>1) 2)</sup>	27	1,120	2.4	0.6	-0.3
<b>Equities and shares total</b>	<b>2,527</b>	<b>27,084</b>	<b>9.3</b>	<b>5.7</b>	<b>10.1</b>
Listed equities and shares <sup>3)</sup>	2,010	17,667	11.4	7.6	13.5
Private equity investments <sup>4)</sup>	450	7,840	5.7	2.0	2.8
Non-listed equities and shares <sup>5)</sup>	67	1,577	4.2	2.3	7.2
<b>Real estate investments total</b>	<b>-33</b>	<b>5,806</b>	<b>-0.6</b>	<b>0.1</b>	<b>-13.5</b>
Direct real estate investments	-12	5,107	-0.2	0.0	-15.0
Real estate funds and joint investments	-21	699	-3.0	0.5	-0.7
<b>Other investments total</b>	<b>86</b>	<b>6,088</b>	<b>1.4</b>	<b>-1.0</b>	<b>1.8</b>
Hedge fund investments <sup>6)</sup>	238	5,046	4.7	1.5	4.5
Commodity investments	0	0	-	-	-
Other investments <sup>7)</sup>	-151	1,042	-14.5	-8.5	-7.5
<b>Investments total</b>	<b>2,864</b>	<b>59,001</b>	<b>4.9</b>	<b>3.7</b>	<b>5.8</b>
Unallocated income, costs and operating expenses	1	0	0.0	0.0	0.0
<b>Investment return at current value total</b>	<b>2,864</b>	<b>59,001</b>	<b>4.9</b>	<b>3.7</b>	<b>5.8</b>

1) Includes accrued interest.

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

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

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

5) Also includes unlisted real estate investment companies.

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

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

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

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