

Information about investment plan

Fund manager:	Luminor Asset Management IPAS
Plan asset manager:	Arturs Andronovs, CFA
Custodian bank:	Luminor Bank AS
Date of inception:	03.03.2009

Investment policy

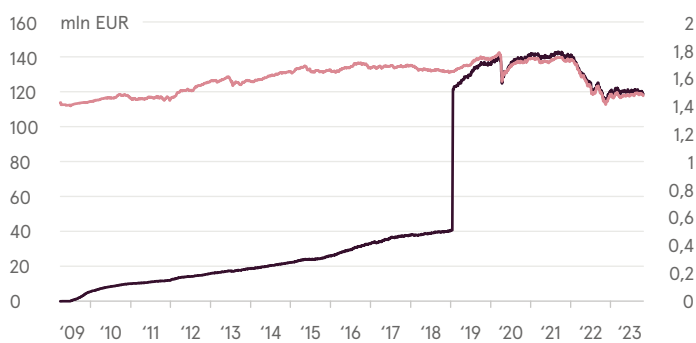
The main objective of the plan is to ensure long-term growth of its assets. To achieve this goal, the plan funds may be invested in financial instruments with fixed income such as bonds and deposits. It is expected that the long-term capital gains will be achieved in accordance with a well-organized and disciplined investment process.

Performance indicators

Investment plan units and value of plan assets

Period	30.06.2023	29.09.2023
Unit value, EUR	1,4802097	1,4716703
Asset value, EUR	120 380 385	118 629 746

Investment plan units and value of plan assets



● Assets (left) ● Unit price (right)

Return on investment plan**

	Return	Industry average
3 months	-0,58%	-0,84%
6 months	0,03%	0,35%
12 months	2,54%	3,24%
5 years*	-2,31%	-1,50%
10 years*	-0,64%	-0,07%
Since Inception*	0,23%	-

* Calculated in annual terms using the ACT/365 convention.

** Past performance does not guarantee similar results in the future.

Investment plan manager's comment

The value of the Plan decreased by 0.58% in the third quarter of 2023. When evaluating the yield indicators of investment plans, it should be noted that they fluctuate and can therefore be objectively compared only over a longer period.

Following a quite successful first half of the year, both stock markets, and fixed income markets showed negative return in Q3. This period was a mirror image of the year 2022. Raw materials, namely, oil, surpassed the traditional asset classes thanks to considerable decrease in demand. Although prices of raw materials increased, inflation continued to fall. At the end of the quarter, the consumer price index in the euro area was 4.3%, which is the lowest indicator since October 2021. Also the latest data from US was favourable as the annual core inflation decreased from 4.3% in July to 3.9% in August of this year. It is worth noting that a major part of the increase of stock prices this year is related to the growing optimism about economic resilience. However, the indicators of economic data were weak in Q3 both in service, and manufacturing industry. On a quarterly basis, the ISM institute purchasing managers' index (PMI) in euro area showed a drop in all three months, whereas US indicators showed minimal increase as the demand for services increased slightly.

Players of the financial market finally took into account the message of central banks that interest rates will be "higher for a longer period". Loss on bond markets in Q3 occurred during the period when US 10-year government bond yield, which is the global benchmark of loan costs, increased by approximately 75 base points, reaching slightly over 4.6%. Whereas the German 10-year Bund yield reached almost 3% at the end of Q3, which is

TOP 10 investments

iShares Euro Investment Grade Corporate Bond Index Fund	10,49%
iShareseb .rexx Government Germany 2.5 5.5yr UCITS ETF (DE)	9,41%
iShares ESGScreened Euro Corporate Bond Index Fund (IE)	9,33%
SPDR Bloomberg Barclays Euro High Yield Bond Ucits ETF	8,18%
OBL0% 10/09/26	7,27%
iShares J.P.Morgan EM Bond Hedged UCITS ETF	6,99%
Neuberger Berman Emerging Market Debt FundI2Acc	6,76%
Robeco Euro Credit Bond Fund	5,74%
iShares Emerging Markets Government Bond Index Fund (IE)	5,14%
Ignitis 2% 07/14/27	4,29%

Geographical allocation

European Union (ex. Baltics)	53,34%
Baltic states (ex. Latvia)	16,64%
Latvia	10,52%
Emerging Countries	19,50%

Asset type allocation

Bond funds	65,43%
Corporate bonds	13,47%
Government bonds	20,36%
Cash	0,74%
SFDR funds*	22,40%

* In accordance with Articles 6, 8 and 9 of the [EU Regulation 2019/2088](#) of 27 November 2019 on sustainability-related disclosures in the financial services sector.

Fees

Annual asset management fee

Fixed fees	0,50%
<i>incl. Fund manager</i>	0,43%
<i>incl. Custodian bank</i>	0,07%
Variable fee	does not apply

Transaction execution costs and other

commissions covered from the investment plan funds	0,06%
Transaction costs associated with buying, selling and settling financial instruments. 12-month costs as at 31.12.2022.	

Annual indirect costs

Incirect costs are costs included in the daily prices of investment and alternative funds, which are no seperately covered from the invesment plan's assets and which are weighted by the share of the respective fund in the investment plan at the end of the period.	0,27%
---	-------

the highest indicator in the last 12 years. Such developments triggered negative yield among bonds included in pension fund portfolios, where the weakest link was government bonds. During the quarter, investment category bond prices dropped by 1.6% on average, bonds of developing countries decreased by 3.1%, whereas high yield bonds increased by 1.6%. Since the global government bond market is negative for the third consecutive year, the future looks much brighter. There is a linear correlation between the initial yield and future yield of bonds. And, the yield of bonds reaching the highest level in several years, the possibility of higher profit of fixed income instruments increased significantly.