

### Information about investment plan

Fund manager:	Luminor Asset Management IPAS
Plan asset manager:	Ivo Ailis, CFA
Custodian bank:	Luminor Bank AS
Date of inception:	21.10.2011

### Investment policy

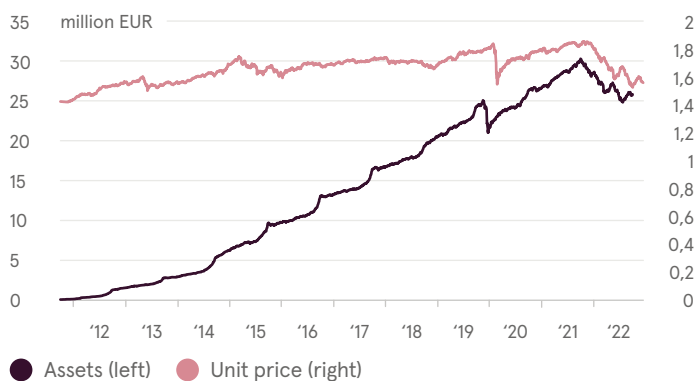
The objective of the Plan is to provide a long-term increase in the value of the investment plan through a balanced investment strategy by investing up to 25% of the investment plan's assets in equity securities and other financial instruments comparable to them in terms of risk.

### Performance indicators

#### Investment plan units and value of plan assets

Period	30.09.2022	31.12.2022
Unit value, EUR	1,5462	1,5581
Asset value, EUR	25 113 704	25 810 858

#### Investment plan units and value of plan assets



### Return on investment plan\*\*

3 months	0,77%
6 months	-2,17%
12 months	-15,43%
5 years*	-2,07%
10 years*	0,04%
Since Inception*	0,81%

\* 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 in Q4 2022 increased by 0.77%, and in 2022 in total decreased by 15.43%. When evaluating the profitability indicators of investment plans, it should be remembered that they fluctuate, so they can be objectively compared only over a longer period of time.

The Plan performance in 2022 was negatively affected by the decline in both bond and stock prices. Rising inflation rates forced central banks to implement increasingly tighter monetary policy – to raise interest rates faster and signal a higher interest rate trajectory in the future. By pricing in higher future interest rates, the value of bonds declined. Restricting monetary policy is raising concerns about a slowdown in economic growth, which has contributed to lower stock prices and higher bond credit risk premiums. This was reinforced by the uncertainty related to the war in Ukraine, the consequences of the imposed sanctions and the risks of access to energy resources in Europe. As a result, MSCI World's stock index in Euro terms decreased by 12.8% during the year, while MSCI Emerging Markets' stock index decreased by 14.9%. On the other hand, investment grade bonds performed at an average of -17.2% return, high yield bonds -10.2% and emerging market bonds -17.8%.

It is expected that processes of next quarters in the global stock markets will continue to have a significant impact on performance of the Plan, considering the ratio of investments of the Plan in stock markets and fluctuations of stock markets. In order to reduce the negative impact of the price increase of energy resources, a part of the Plan's funds have been tactically invested in the shares of the energy sector companies, which gain from the price increase of these resources. Similarly, in order to reduce the negative consequences of slowing economic growth, a part of the Plan's funds have been tactically invested in the shares of utilities and primary consumer goods companies. Demand for these goods and services is more stable, which has historically allowed these stocks to perform relatively better in low-growth and recessionary environments.

### TOP 10 investments

iShares Euro Investment Grade Corporate Bond Index Fund	7,55%
Neuberger Berman Emerging Market Debt FundI3Acc Class Hedged	5,30%
iShares J.P.Morgan EM Bond Hedged UCITS ETF	5,10%
iShares Core Euro Government Bond UCITS ETF	5,07%
iShares J.P.Morgan EM Bond UCITS ETF	4,81%
iShares Core MSCI World UCITS ETF	4,70%
Robeco Euro Credit Bond Fund	4,17%
Nordea European High Yield Bond Fund	3,93%
iShares Euro Government Bond Index Fund	3,86%
iShares Core Euro Corporate Bond UCITS ETF	3,66%

### Geographical allocation

Global	8,00%
European Union (ex. Baltics)	36,53%
Baltic states (ex. Latvia)	13,77%
Latvia	8,03%
North America	9,04%
Emerging Countries	24,64%

### Asset type allocation

Bond funds	59,20%
Equity funds	18,87%
Corporate bonds	9,47%
Government bonds	9,18%
Real estate funds	1,56%
Cash	1,72%

### Fees

#### Annual asset management fee

Fixed fees	0,95%
<i>incl. Pension fund</i>	0,45%
<i>incl. Fund manager</i>	0,43%
<i>incl. Custodian bank</i>	0,07%

#### Transaction execution costs and other commissions covered from the investment plan funds

Transaction costs associated with buying, selling and settling financial instruments. 12-month costs as at 31.12.2021.

**Annual indirect costs** 0,35%

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

After falling in value in 2022, the expected yields on bonds have risen significantly. Under the scenario that a slowdown in economic growth will bring inflation back to lower levels, they have the potential to recover and provide higher yields in the future.