

Information about investment plan

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

Investment policy

The objective of the Plan is to ensure the growth in value of the investment plan in the long run, by investing up to 75% of the Plan assets in capital securities (equities), alternative investment funds and investment funds, which are allowed to invest in capital securities or financial instruments of comparable risk. The investment plan follows a long-term strategy, which allows for significant short-term fluctuations in the value of the investment plan.

Performance indicators

Investment plan units and value of plan assets

Period	30.09.2022	31.12.2022
Unit value, EUR	1,4305	1,4345
Asset value, EUR	21 719 474	22 201 503

Investment plan units and value of plan assets



Return on investment plan**

3 months	0,28%
6 months	-1,64%
12 months	-15,10%
5 years*	1,00%
10 years*	3,13%
Since Inception*	3,27%

* 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 0.28%, and in 2022 in total decreased by 15.1%. 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

TOP 10 investments

iShares Developed World Index Fund (IE)Inst Acc	12,03%
iShares Developed World ESGScreened Index Fund (IE)Inst Acc	11,93%
iShares North America Index Fund	10,38%
iShares Core MSCI World UCITS ETF	7,93%
iShares Core MSCI EM UCITS ETF	6,47%
iShares Emerging Markets Index Fund (IE)	6,38%
iShares Euro Investment Grade Corporate Bond Index Fund	3,18%
iShares J.P.Morgan EM Bond Hedged UCITS ETF	2,74%
iShares Europe Equity Index Fund (LU)	2,67%
Neuberger Berman Emerging Market Debt FundI3Acc Class Hedged	2,48%

Geographical allocation

Global	19,92%
European Union (ex. Baltics)	19,60%
Baltic states (ex. Latvia)	5,88%
Latvia	2,95%
North America	27,51%
Asia	1,06%
Emerging Countries	23,08%

Asset type allocation

Bond funds	27,95%
Equity funds	63,17%
Corporate bonds	3,39%
Government bonds	3,25%
Real estate funds	0,92%
Cash	1,32%

Fees

Annual asset management fee

Fixed fees	0,95%
incl. Pension fund	0,45%
incl. Fund manager	0,43%
incl. Custodian bank	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 0,39%

Indirect costs are costs included in the daily prices of investment and alternative funds, which are not 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.

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.

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.