

Information about investment plan

| | |
|---------------------|-------------------------------|
| Fund manager: | Luminor Asset Management IPAS |
| Plan asset manager: | Arturs Andronovs, 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 | 31.03.2023 | 30.06.2023 |
|------------------|------------|------------|
| Unit value, EUR | 1,4702 | 1,535 |
| Asset value, EUR | 23 033 766 | 24 323 037 |

Investment plan units and value of plan assets



Return on investment plan**

| | |
|------------------|-------|
| 3 months | 4,41% |
| 6 months | 7,01% |
| 12 months | 5,25% |
| 5 years* | 2,70% |
| 10 years* | 3,78% |
| Since Inception* | 3,73% |

* 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 Q2 2023 increased by 4.41%. 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 quarterly performance of the Plan was positively impacted by both bond and equity price growth. Inflation rates have continued to decline gradually, but are still above what ECB and US Federal Reserve officials would have hoped for, as shown by their comments and their determination to do everything possible to achieve the inflation targets previously set. Market participants are already forecasting that central banks could raise rates even higher and hold them at these levels for longer than they were forecast 2-3 months ago, which slightly reduces the chances of an imminent "turn" towards a looser monetary policy, moving the moment a little further ahead, especially given that, at least so far, the US economy has managed to show quite good resilience in a high interest rate environment. Nevertheless, expectations of looser monetary policy continued to prevail among market participants, which also contributed to the rise in equity prices and the decline in bond credit risk premia, and falling inflation rates as well as relatively strong macroeconomic indicators provide a good basis for this. As a result, the value of the MSCI World equity index of developed countries in euro terms increased by 6.4%, while the value of the MSCI Emerging Markets equity index of developing countries increased by 0.5%. At the same time, investment-grade bonds on average returned +0.2%, high-yield bonds +1.6% and emerging market bonds +0.7%.

TOP 10 investments

| | |
|---|--------|
| iShares Developed World ESGScreened Index Fund (IE)Inst Acc | 14,63% |
| iShares Core MSCI World UCITS ETF | 14,59% |
| iShares Developed World Index Fund (IE)Inst Acc | 14,51% |
| iShares North America Index Fund | 10,64% |
| iShares Emerging Markets Index Fund (IE) | 7,57% |
| iShares Core MSCI EM UCITS ETF | 6,11% |
| iShares Euro Investment Grade Corporate Bond Index Fund | 2,95% |
| iShares Europe Equity Index Fund (LU) | 2,70% |
| iShares ESGScreened Euro Corporate Bond Index Fund (IE) | 2,51% |
| iShares J.P.Morgan EM Bond Hedged UCITS ETF | 2,50% |

Geographical allocation

| | |
|------------------------------|--------|
| Global | 23,62% |
| European Union (ex. Baltics) | 18,27% |
| Baltic states (ex. Latvia) | 5,70% |
| Latvia | 2,26% |
| North America | 29,81% |
| Asia | 1,06% |
| Emerging Countries | 19,26% |

Asset type allocation

| | |
|-------------------|--------|
| Bond funds | 18,21% |
| Equity funds | 71,82% |
| Corporate bonds | 3,16% |
| Government bonds | 5,17% |
| Real estate funds | 0,83% |
| Cash | 0,81% |

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 31.12.2022.

Annual indirect costs 0,33%

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.

Developments in global equity markets are expected to continue to have a moderate impact on the Plan's performance in the coming quarters, given the proportion of the Plan's investments in equity markets and the volatility of equity markets. Emerging market equities, despite a disappointing first half of the year, still show good potential for further growth, given the potential recovery of the Chinese economy after the removal of COVID-19 restrictions, relatively looser and stimulative monetary policy, and expectations of lower interest rates in the near future.

After falling in value in 2022, the expected yields on bonds have risen significantly. In the scenario that the slowdown in economic growth does bring inflation back to lower levels and central bank policies are soon less tight, they have the potential to recover and deliver higher yields in the future.