

# Annual Report

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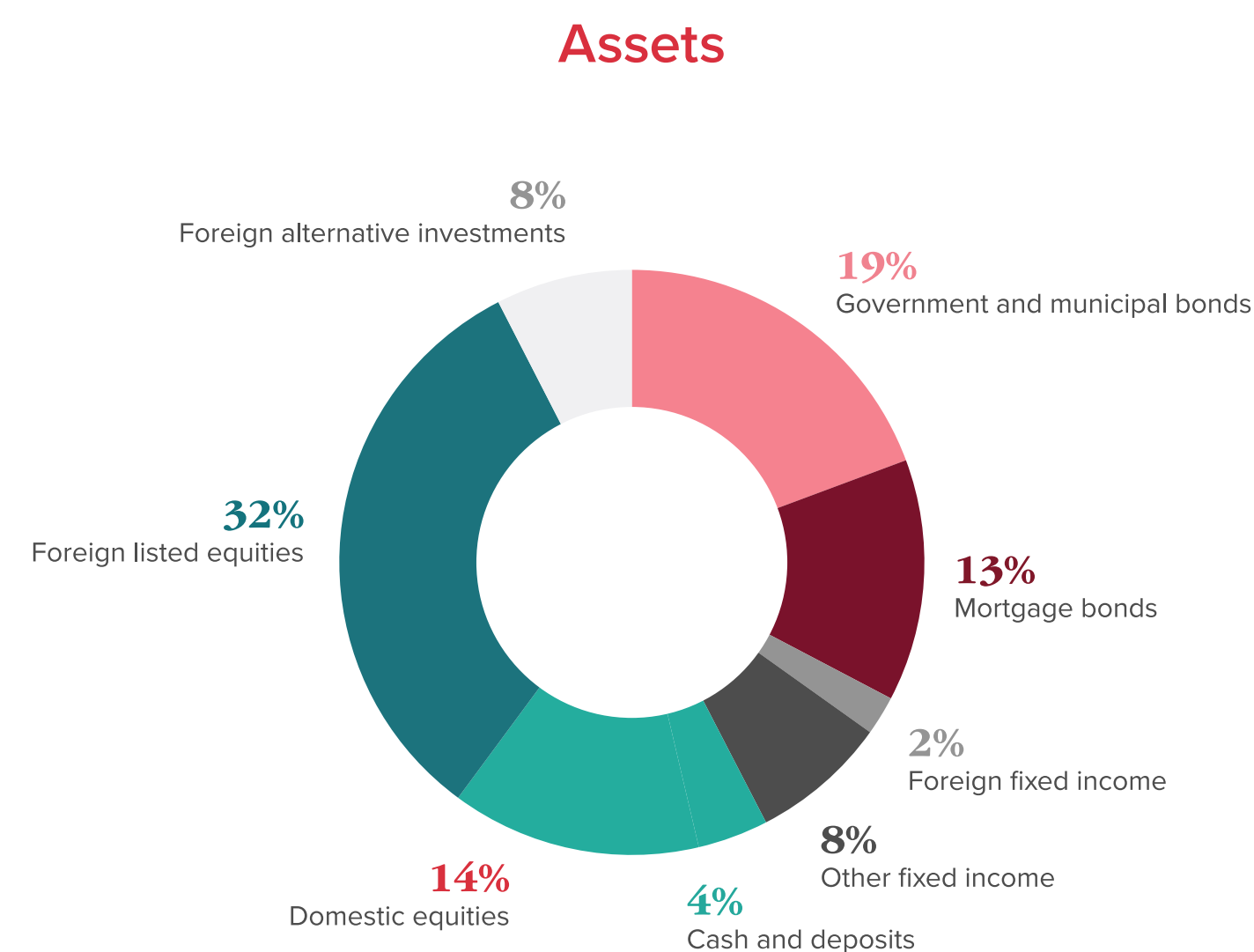




## Overview

### Role of the fund

The principal role of LSR is to pay pensions to its members upon retirement and throughout their lives and to ensure their families with a pension following a loss of income due to an impaired ability to work or due to death. The fund receives contributions and invests them in order to meet the liability regarding old-age pension, disability pension, spouse's pension and children's allowance. Furthermore, the fund grants loans against a mortgage to fund members and accepts and invests voluntary pension savings.



<b>Assets</b>	<b>(m.ISK)</b>
	<b>Total</b>
Government and municipal bonds	271,283
Government bonds	233,953
Municipal bonds	37,331
Mortgage bonds	187,744
Member loans	122,781
Mortgage bonds and funds	27,591
Covered bonds	37,372
Foreign fixed income	30,359
Foreign fixed income funds	30,359
Other fixed income	106,125
Corporate bonds	87,160
Financial Institution bonds	13,211
Domestic fixed income funds	5,754
Cash and deposits	54,857
Deposits	47,395
Liquidity funds	7,462
Domestic equities	193,756
Domestic listed equities	177,520
Domestic alternative investments	16,236
Foreign equities	559,886
Foreign listed equities	453,970
Foreign alternative investments	105,916
<b>Total</b>	<b>1,404,011</b>

In 2023, LSR had a total of 31,388 active members and 24,632 members received pensions and other benefits. The fund pays over one-third of all pensions and benefits paid by Icelandic pension funds. LSR operates in three divisions, division A, division B and division S, which is a division for voluntary pension savings. All divisions have the same board but are financially separated from each other.

### Return

	2023	2022
Nominal return	9,2%	-4,6%
Net real return	1,0%	-12,9%
Average five year net real return	4,0%	4,3%
Average ten year net real return	4,4%	4,9%

### Net investments (m.ISK)

	Total
Government and municipal bonds	10,874
Government bonds	6,853
Municipal bonds	4,022
Mortgage bonds	13,093
Member loans	8,945
Mortgage bonds and funds	851
Covered bonds	3,297
Foreign fixed income	696
Foreign fixed income funds	696
Other fixed income	8,822
Corporate bonds	3,821
Financial Institution bonds	5,802
Domestic fixed income funds	(800)
Cash and deposits	667
Deposits	(165)
Liquidity funds	831
Domestic equities	7,133
Domestic listed equities	4,353
Domestic alternative investments	2,780
Foreign equities	9,350
Foreign listed equities	(1,727)
Foreign alternative investments	11,077
<b>Total</b>	<b>50,635</b>