

# Annual Report



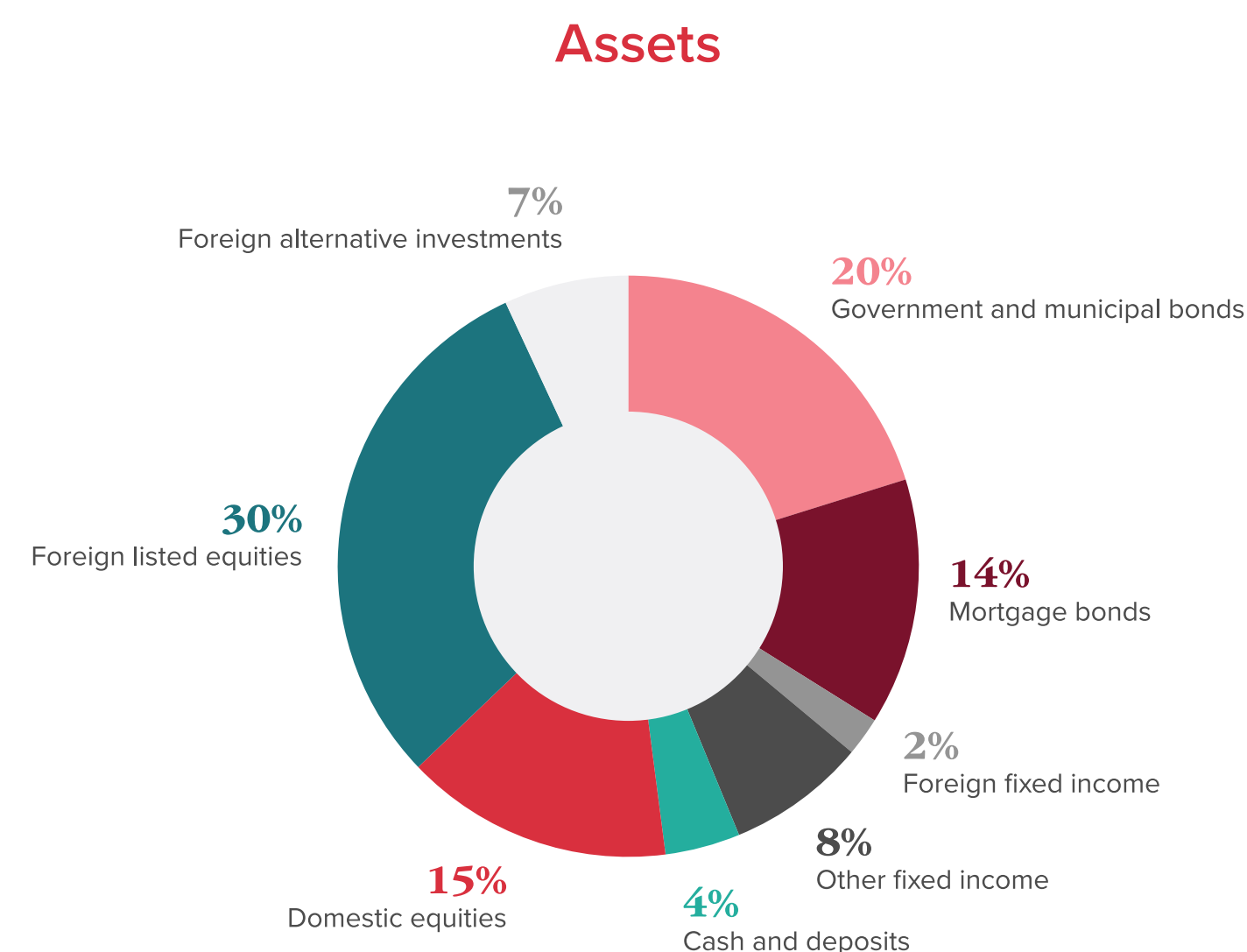
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## Overview

### 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>	(m.ISK)
	<b>Total</b>
Government and municipal bonds	260,775
Government bonds	225,153
Municipal bonds	35,623
Mortgage bonds	177,391
Member loans	114,059
Mortgage bonds and funds	25,990
Covered bonds	37,342
Foreign fixed income	27,734
Foreign fixed income funds	27,734
Other fixed income	99,897
Corporate bonds	83,683
Financial Institution bonds	9,877
Domestic fixed income funds	6,337
Cash and deposits	53,986
Deposits	47,929
Liquidity funds	6,056
Domestic equities	192,690
Domestic listed equities	179,630
Domestic alternative investments	13,060
Foreign equities	480,053
Foreign listed equities	390,430
Foreign alternative investments	89,623
<b>Total</b>	<b>1,292,525</b>

In 2022, LSR had a total of 30,590 active members and 24,244 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

	2022	2021
Nominal return	-4,6%	15,5%
Net real return	-12,9%	10,0%
Average five year net real return	4,3%	8,3%
Average ten year net real return	4,9%	7,3%

Net investments	(m.ISK)
	Total
Government and municipal bonds	7,945
Government bonds	3,935
Municipal bonds	4,010
Mortgage bonds	4,663
Member loans	1,929
Mortgage bonds and funds	749
Covered bonds	1,985
Foreign fixed income	4,499
Foreign fixed income funds	4,499
Other fixed income	15,039
Corporate bonds	13,618
Financial Institution bonds	2,277
Domestic fixed income funds	(856)
Cash and deposits	(113)
Deposits	278
Liquidity funds	(391)
Domestic equities	12,898
Domestic listed equities	9,348
Domestic alternative investments	3,550
Foreign equities	27,860
Foreign listed equities	15,146
Foreign alternative investments	12,714
<b>Total</b>	<b>72,790</b>