

Annual Report



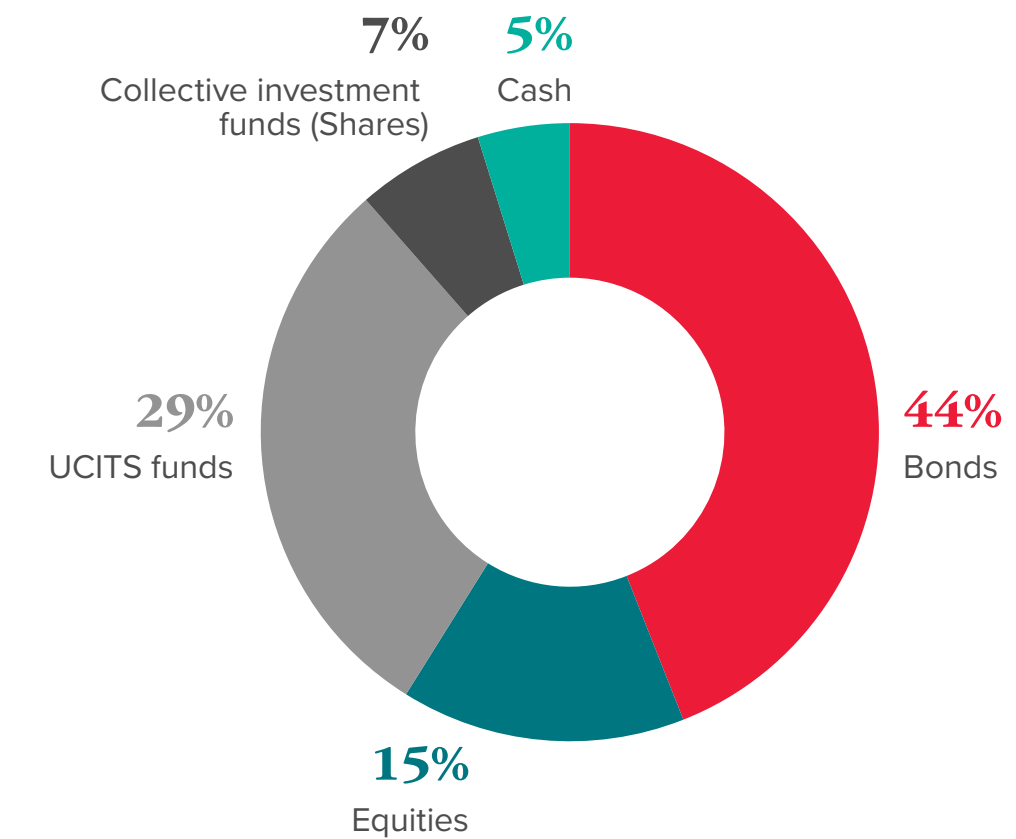
Overview

Role of the fund

The 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 premiums 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.

In 2019, LSR had a total of 32,837 active members and 27,093 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 independent.

Assets



Assets

m. ISK

	Total
Government bonds	228,314
Mortgage bonds	130,647
Municipal bonds	29,770
Cash and deposits	56,133
Covered bonds	39,762
Financial Institution bonds	6,568
UCITS funds	345,464
Corporate bonds	64,766
Bonds issued by other funds for collective investment	13,716
Equities	173,579
Shares issued by other funds for collective investment	77,658
Real Estate	0
Derivatives	355
Total	1,166,731

Net investments	m. ISK
	Total
Government bonds	5,456
Mortgage bonds	(3,156)
Municipal bonds	6,104
Covered bonds	12,051
Financial Institution bonds	3,051
UCITS funds	(4,271)
Corporate bonds	10,055
Bonds issued by other funds for collective investment	784
Equities	3,515
Shares issued by other funds for collective investment	13,025
Total	46,614

Return

	2020	2019
Nominal return	14.9%	16.6%
Net real return	10.9%	13.4%
Average five year net real return	6.4%	5.6%
Average ten year net real return	6.5%	5.6%

 [The annual account](#)