



Annual Report 2019



Overview

Role of the fund

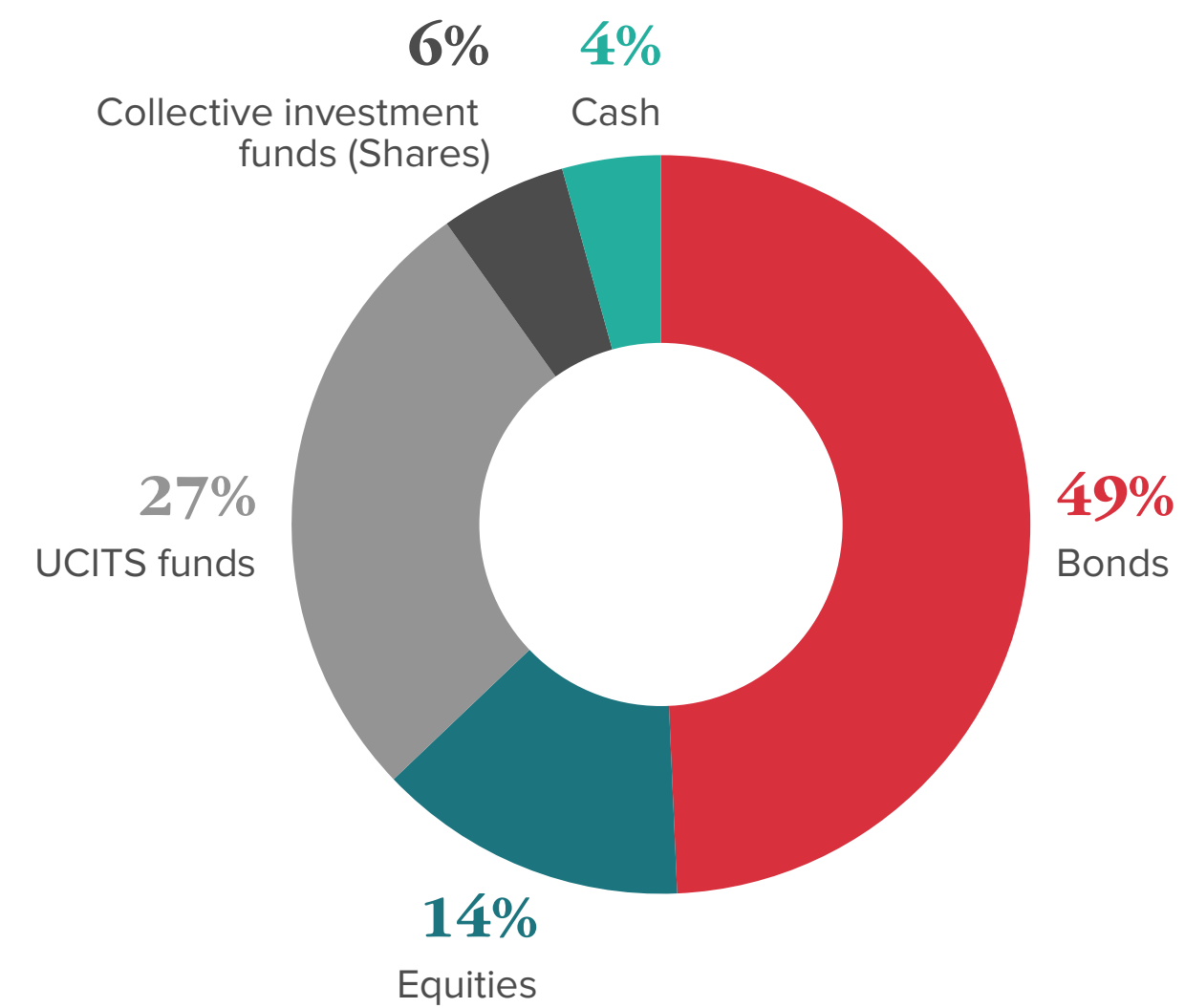
The principal role of LSR is to pay pensions to its members upon retirement and throughout their lives and to ensure their families with a pension following a loss of income due to an impaired ability to work or due to death. The fund receives contributions and invests them in order to meet the liability 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.

In 2019, LSR had a total of 32,128 active members and 25,472 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.

Net investments	m. ISK
	Total
Government bonds	(8,977)
Mortgage bonds	22,587
Municipal bonds	3,024
Covered bonds	5,057
Financial Institution bonds	1,656
UCITS funds	6,780
Corporate bonds	2,511
Bonds issued by other funds for collective investment	4,093
Equities	1,077
Shares issued by other funds for collective investment	9,149
Total	46,958

Assets	m. ISK
	Total
Government bonds	238,953
Mortgage bonds	138,254
Municipal bonds	23,738
Cash and deposits	43,842
Covered bonds	26,240
Financial Institution bonds	4,795
UCITS funds	277,144
Corporate bonds	54,632
Bonds issued by other funds for collective investment	14,507
Equities	138,055
Shares issued by other funds for collective investment	56,261
Real Estate	60
Total	1,016,481

Assets



Return

	2019	2018
Nominal return	16.6%	5.6%
Net real return	13.4%	2.1%
Average 5 year net real return	5.6%	4.7%
Average 10 year net real return	5.6%	4.6%

[The annual account](#)