

Equities

Global equity markets rose 2.9% in August (in € terms), with some indices hitting record highs early in the month after the release of strong economic data and corporate earnings. Investors also welcomed the passing by the U.S. Senate of the \$1 trillion infrastructure package, and the release of lower-than-expected U.S. inflation data.

Markets were jittery mid-month with the continuing rise of Covid Delta cases, even if both hospitalisations and deaths are much lower than in previous waves. U.S. retail sales and housing data were also mixed and the U.S. Federal Reserve meeting minutes stated that most of its members favoured relaxing monetary support measures in 2021, earlier than investors had expected (although Fed Chair Powell reassured investors somewhat in his Jackson Hole speech).

Markets then finished the month strongly, with some indices again hitting record highs, with Pfizer getting full approval for its Covid vaccine from the U.S. FDA and the release of solid economic data in both the U.S. and Europe.

Bonds

Longer-dated Eurozone bond prices fell 1.0% over the month, with the yield on the AAA Eurozone 15+ Year Index rising to -0.04% by month-end. The Euro Broad Sovereign 10+ Year Index fell 1.1% with its yield rising to 0.61% by month-end.

Longer-dated bond yields were flat for most of the month over fears that the rising Covid case numbers could stall economic growth but yields then rose sharply at month-end after stronger-than-expected German and Eurozone inflation data, with the economic recovery from the pandemic leading to many supply shortages.

Sample DB Scheme

The funding level of our sample DB scheme increased to 108.2% as its assets rose and its liabilities (calculated using a MFS proxy) fell over August.

Sample DC Schemes

Two of our three sample DC Strategies rose over the month as most asset classes were up.

All returns are in € terms	Aug '21	3 Months	Year to Date	1 Year	3 Years	5 Years	10 Years
	%	%	%	%	% pa	% pa	% pa
Equities							
FTSE World	2.9	9.0	21.8	32.3	14.7	13.8	14.4
FTSE World (€ Hedged)	2.6	5.5	17.5	29.1	14.6	14.8	13.2
FTSE Eurozone	2.5	5.1	20.6	33.4	9.8	10.5	n/a
FTSE World ex Eurozone	3.0	9.5	21.9	32.2	15.2	14.2	14.9
FTSE North America	3.2	11.6	25.4	33.1	17.8	16.7	18.1
FTSE Emerging Markets	2.3	-1.5	6.7	20.3	9.7	8.9	7.1
Bonds							
Euro Sovereign AAA (15+ yr)	-1.0	5.3	-4.0	0.1	5.7	2.1	6.8
Euro Broad Sovereign (10+ yr)	-1.1	3.9	-4.2	1.2	7.7	3.1	7.8
Euro Sovereign Inflation Linked	-0.5	2.0	1.9	6.0	3.8	1.7	3.4
Euro Corporate (5+ yr)	-0.6	2.0	0.1	3.6	4.4	2.6	5.4
Other							
Commodities	-2.3	3.5	30.4	43.9	-2.1	3.3	-6.6
Fund of Hedge Funds	0.0	-0.4	6.3	12.0	5.8	5.3	4.4
€/£	-0.5	-3.4	-3.3	-1.1	0.6	1.1	-1.9
€/£	0.6	-0.2	-3.9	-3.8	-1.4	0.2	-0.3

Bond Index Yields	31 July '21	31 Aug '21	Change (b.p.)
iBoxx Euro Sovereign AAA (15+ yr)	-0.09	-0.04	0.05
iBoxx Euro Broad Sovereign (10+ yr)	0.54	0.61	0.07
iBoxx Euro Corporates (5+ yr)	0.47	0.56	0.09

Sample Pension Schemes	Aug '21	3 Months	Year to Date	1 Year	3 Years	5 Years
	%	%	%	%	% pa	% pa
DB Schemes						
Assets	1.0	6.3	8.1	14.6	9.7	7.6
Liabilities	-0.1	3.2	0.8	4.0	6.5	4.8
Change in Funding Level	1.1	3.0	7.2	10.2	3.0	2.7
DC Schemes						
High Risk Strategy	2.0	5.4	12.8	19.6	9.7	8.5
Medium Risk Strategy	1.1	5.6	8.2	14.3	9.0	7.1
Pension Purchase Strategy	-0.8	4.0	-3.1	0.0	4.2	1.6

Sources: LCP, Bloomberg, Reuters, MarketWatch, Markit and iBoxx

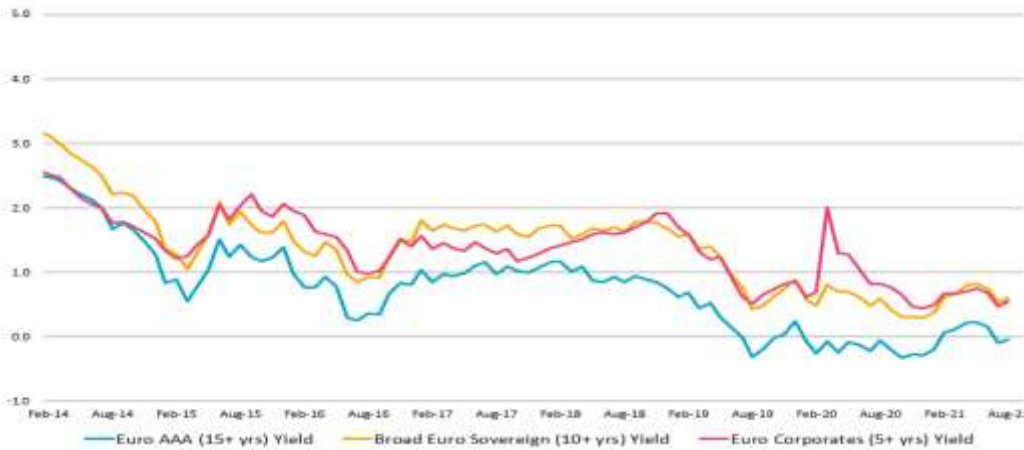
Equity Market Performance



Sample DB Funding Level Progression



Historical Bond Yields



Sample DC Scheme Performance



This generic note should not be relied upon for detailed advice or taken as an authoritative statement of the law. If you would like any assistance or further information on the contents of this generic note, please contact the partner who normally advises you.

All rights to this document are reserved to Lane Clark & Peacock Ireland Limited ("LCP"). This document may be reproduced in whole or in part, provided prominent acknowledgement of the source is given.

We accept no liability to anyone to whom this document has been provided (with or without our consent). Lane Clark & Peacock Ireland Limited is registered in Ireland with registered number 337796 at Office 2, Grand Canal Wharf, South Dock Road, Dublin 4.