

Equities

Equities posted their second positive month in a row with a 3.1% rise in November (in € terms). The hedged euro investors experienced a higher return of 6.3% with a weakening in the value of the US dollar over the month.

Investors reacted favourably to lower than expected inflation data in the US. Minutes from the Federal Reserve policy meeting suggested potential easing of interest rate hikes may be considered. Optimistic economic data from across the European Union further contributed to the positive performance over the month.

November saw the British Government launch a significant reset to their Fiscal policy. The UK's newly appointed Chancellor of the Exchequer, Jeremy Hunt, released the British Government's latest budget. The market reacted calmly to the announcement, as plans were drawn up for expenditure cuts, tax hikes and increases to both the state-pension and household benefits.

Bonds

Longer-dated Eurozone bond prices rose by 7.7% over the month, with the yield on the AAA Eurozone 15+ Year Index falling by 0.4% to 1.9% by month-end. The Euro Broad Sovereign 10+ Year Index increased by 6.3%, with its yield falling to 2.8% by the end of November.

During the month, several Central banks raised interest rates further with the ECB raising rates to 1.5%. Inflation was recorded at 10% for November which, although still at very high levels, was the first decline in seventeen months. Recessionary risk however remains a prominent concern within Europe.

Sample DB Scheme

The funding level of our sample DB scheme increased to 101.8% as its assets increased by more than its liabilities (calculated using an MFS proxy) over November.

Sample DC Schemes

All three of our sample DC Strategies produced positive returns as all asset classes were positive for the month.

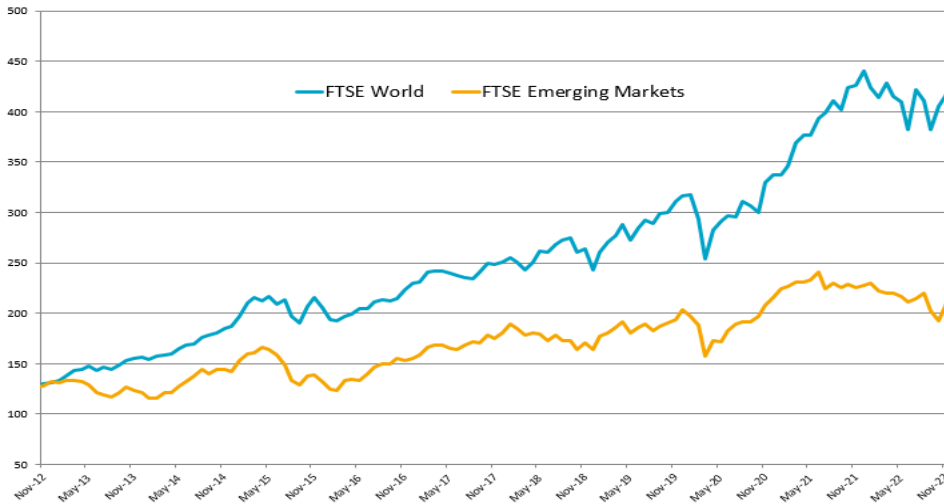
All returns are in € terms	Nov '22	3 Months	Year to Date	1 Year	3 Years	5 Years	10 Years
	%	%	%	%	% pa	% pa	% pa
Equities							
FTSE World	3.1	1.6	-5.1	-1.9	10.2	10.6	12.2
FTSE World (€ Hedged)	6.3	3.3	-11.2	-7.8	8.2	8.0	10.7
FTSE Eurozone	8.3	9.4	-9.0	-4.7	4.3	4.3	n/a
FTSE World ex Eurozone	2.7	0.9	-4.8	-1.6	10.8	11.4	12.7
FTSE North America	1.3	0.9	-5.0	-2.1	13.1	13.9	15.4
FTSE Emerging Markets	9.5	-4.4	-7.5	-6.9	3.5	4.1	5.4
Bonds							
Euro Sovereign AAA (15+ yr)	7.7	-2.9	-27.9	-30.6	-10.4	-2.8	1.6
Euro Broad Sovereign (10+ yr)	6.3	-1.2	-25.0	-27.5	-8.8	-2.1	2.8
Euro Inflation Linked	2.3	-1.7	-13.2	-14.0	-2.7	-1.2	0.9
Euro Corporate (5+ yr)	4.7	-0.3	-18.0	-18.3	-5.8	-2.0	1.4
Other							
Commodities	-1.7	-3.3	27.7	37.4	13.5	7.7	-3.2
Fund of Hedge Funds	0.0	-0.1	0.7	2.6	5.6	4.4	4.4
€/\$	4.3	2.6	-9.3	-8.8	-2.2	-2.8	-2.3
€/£	0.2	-0.1	2.7	1.3	0.5	-0.4	0.6

Bond Index Yields	31 Oct '22	30 Nov '22	Change (b.p.)
	%	%	%
iBoxx Euro Sovereign AAA (15+ yr)	2.31	1.90	-0.41
iBoxx Euro Broad Sovereign (10+ yr)	3.16	2.77	-0.39
iBoxx Euro Corporates (5+ yr)	4.44	3.86	-0.58

Sample Pension Schemes	Nov '22	3 Months	Year to Date	1 Year	3 Years	5 Years
	%	%	%	%	% pa	% pa
DB Schemes						
Assets	4.6	-0.4	-14.7	-14.5	0.5	4.1
Liabilities	2.7	0.2	-7.5	-8.6	0.1	3.3
Change in Funding Level	1.8	-0.6	-7.8	-6.4	0.4	0.8
DC Schemes						
High Risk Strategy	2.3	0.7	-6.5	-3.9	5.5	6.1
Medium Risk Strategy	3.9	-0.2	-12.7	-12.1	1.2	4.0
Pension Purchase Strategy	5.8	-2.0	-21.4	-23.6	-7.8	-2.0

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

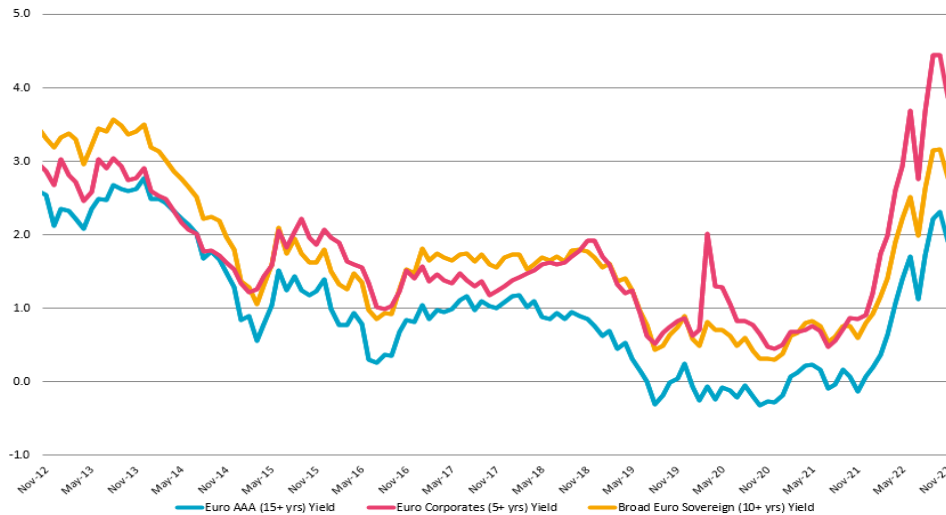
Equity Market Performance



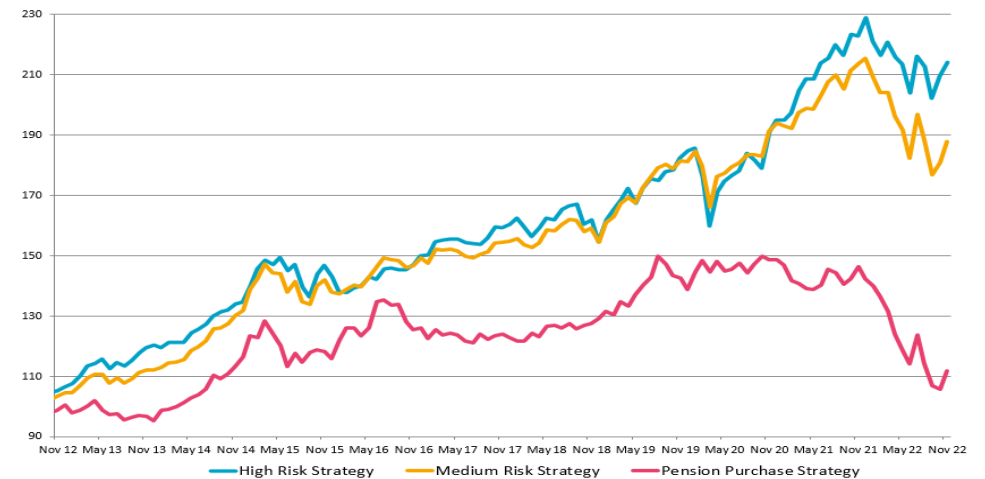
Sample DB Funding Level Progression



Historical Bond Yields



Sample DC Scheme Performance



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