

Equities

Global equity markets rose by 0.1% (in € terms) in April after rising significantly in March. The Euro continued to climb against the dollar – recording a return of 1.7% over the month. Hedged Euro investors benefited from this rise, experiencing returns of 1.5%.

Global market returns by region were mixed over the month. Europe – the leading market – recorded a rise of 1.6%. Excluding Europe, global markets contracted by 0.1% (in € terms). North America witnessed a fall of 0.2% (in € terms). Emerging Markets fell by 2.6% (in Euro terms), fuelled by concerns over China's ever-increasing military confrontations in the Taiwan Strait.

Bonds

Inflation remains a persistent issue across the Eurozone. As a result, investors priced in a further hike in interest rates by the ECB leading to a fall in Eurozone bond market values during April.

Long-dated core Eurozone bond prices fell by 0.5% over the month, with the yield on the AAA Eurozone 15+ Year Index rising to 2.47% by month-end. Prices fell by 0.6% on the Euro Broad Sovereign 10+ Year Index, with its yield remaining around 3.3% by the end of April.

Annuity Prices

Annuity prices remained broadly unchanged over the month of April, across all sample annuity costs.

Sample DB Scheme

The funding level of our sample DB scheme decreased by 0.4% to 98.3% as its assets decreased whilst liabilities (calculated using an MFS proxy) increased over April.

Sample DC Schemes

Our three sample DC strategies all experienced varying returns. The pension purchase strategy produced a negative return in contrast to its peers due to the higher allocation to bonds.

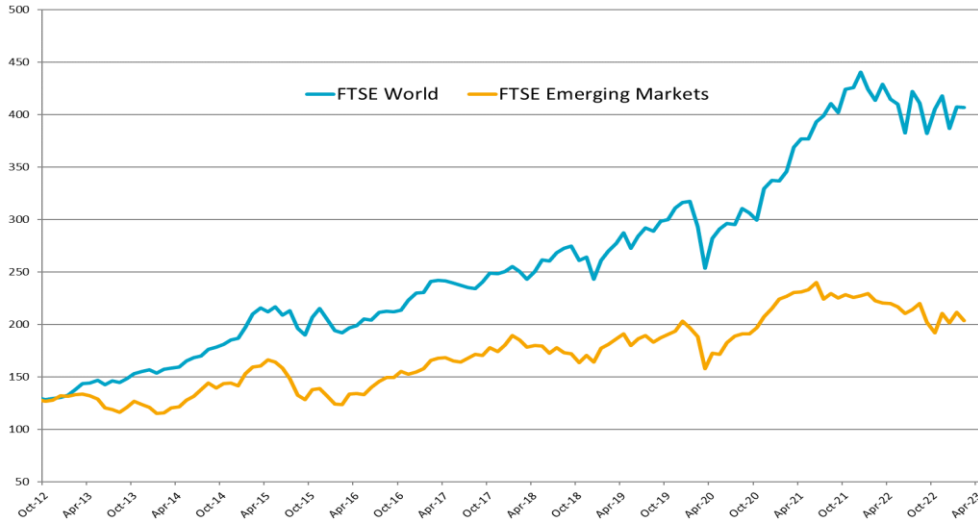
All returns are in € terms	Apr '23	3 Months	YTD	1 Year	3 Years	5 Years	10 Years
	%	%	%	%	% pa	% pa	% pa
Equities							
FTSE World	0.1	0.6	5.9	-1.2	13.2	10.1	10.8
FTSE World (€ Hedged)	1.5	2.0	8.6	2.9	13.1	8.5	9.7
FTSE Eurozone	1.6	3.9	13.8	11.8	15.5	6.0	n/a
FTSE World ex Eurozone	-0.1	0.3	5.2	-2.4	12.9	10.6	11.1
FTSE North America	-0.2	0.7	5.5	-2.6	13.9	13.1	13.7
FTSE Emerging Markets	-2.6	-6.2	-1.4	-9.9	5.5	2.2	4.4
Bonds							
Euro Sovereign AAA (15+ yr)	-0.5	-2.2	3.0	-20.9	-14.6	-4.4	0.2
Euro Broad Sovereign (10+ yr)	-0.6	-1.3	3.5	-16.5	-11.0	-3.6	1.5
Euro Inflation Linked	-0.8	1.1	3.2	-14.8	-2.4	-2.1	0.3
Euro Corporate (5+ yr)	0.9	0.1	3.4	-6.9	-4.7	-1.8	1.0
Other							
Commodities	-0.8	-5.6	-5.7	-15.1	34.7	3.7	-3.4
Fund of Hedge Funds	0.0	-1.7	0.2	-1.3	7.7	4.2	3.8
€/\$	1.7	1.4	2.9	4.5	0.2	-1.9	-1.8
€/£	-0.3	-0.5	-1.0	4.5	0.3	-0.1	0.3

Bond Index Yields	Mar '23	Apr '23	Change
	%	%	%
iBoxx Euro Sovereign AAA (15+ yr)	2.43	2.47	0.04
iBoxx Euro Broad Sovereign (10+ yr)	3.27	3.32	0.05
iBoxx Euro Corporates (5+ yr)	4.17	4.09	-0.08

	Cost of a €10k Pension	Change in annuity prices						
		Apr '23	3 months	YTD	1 year	3 year	5 year	10 Year
		%	%	%	%	% pa	% pa	% pa
Annuity cost - 65 year old; no increases	€181k	-0.2%	-2.9%	-1.2%	-17.0%	-10.5%	-4.8%	-1.1%
Annuity cost - 65 year old; 2% increases	€229k	-0.3%	-3.3%	-1.4%	-19.1%	-11.9%	-5.5%	-1.3%
Annuity cost - 65 year old; CPI max 4%	€255k	-0.3%	-3.4%	-1.5%	-19.7%	-11.4%	-5.7%	-1.3%

Sample Pension Schemes	Apr '23	3 Months	Year to Date	1 Year	3 Years	5 Years
	%	%	%	%	% pa	% pa
DB Schemes						
Assets	-0.1	-0.6	4.1	-9.2	-0.1	3.2
Liabilities	0.2	0.5	2.5	-2.9	-1.5	2.8
Change in Funding Level	-0.4	-1.1	1.5	-6.5	1.4	0.4
DC Schemes						
High Risk Strategy	0.3	0.2	3.7	-1.3	7.6	6.0
Medium Risk Strategy	0.0	-0.4	3.7	-7.2	1.1	3.4
Pension Purchase Strategy	-0.4	-1.6	2.3	-15.6	-11.0	-3.2

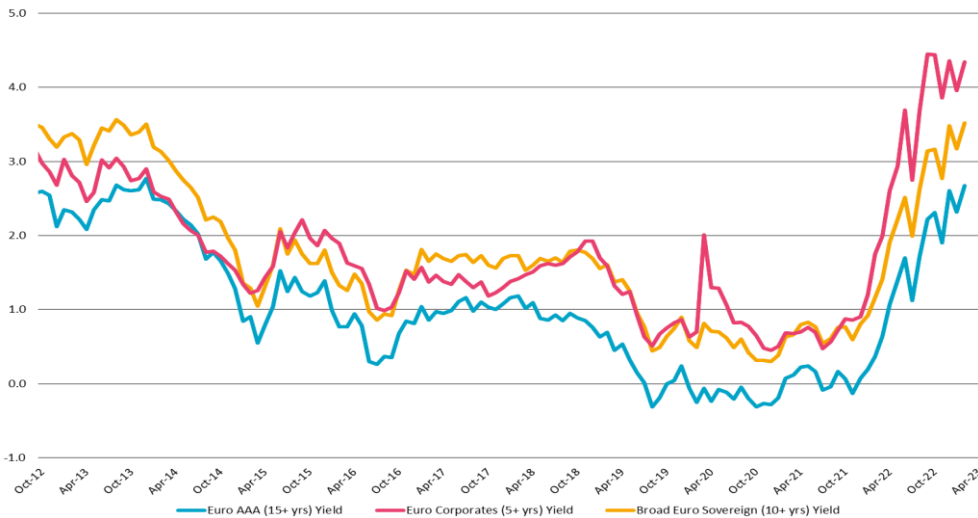
Equity Market Performance



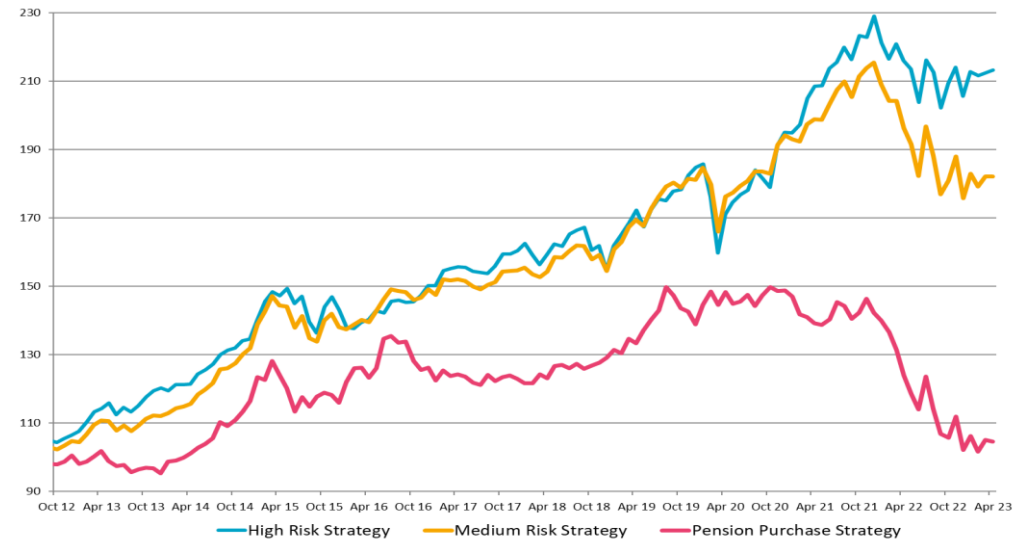
Sample DB Funding Level Progression (MFS Proxy Basis)



Historical Bond Yields



Sample DC Scheme Performance



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