

Equities

Global equity markets rose by 2.4% in July as equity markets posted another strong month. In Local terms equity markets rose by 3.2% as the euro strengthen against the dollar over the month.

With resilient GDP data and drops in inflation over the month, forecasters are now increasingly hopeful of a “soft landing”, with this feeding through to positive equity returns.

Bonds

A further 0.25% increase in interest rates was introduced by both the Federal reserve and ECB over the month. For the Fed this represents an 11th rise in 12 meetings to 5.5%, while for the ECB the increase to 3.75% represented a 22 year high.

Christine Lagarde, ECB President hinted at a possible pause of interest rate hikes in September, although she emphasised it may not be the end of interest rate hikes.

Long-dated core Eurozone bond prices fell over the month by 2.4%, with the yield on the AAA Eurozone 15+ Year Index rising to 2.62% by month-end. Prices fell by 1.4% on the Euro Broad Sovereign 10+ Year Index.

Annuity Prices

Annuity prices decreased over the month of July.

Sample DB Scheme

The funding level of our sample DB scheme increased to 100.7% as its assets increased and its liabilities decreased (calculated using an MFS proxy) over July.

Sample DC Schemes

The higher and medium risk strategies posted positive July's while the pension purchase strategy had a negative return over the month.

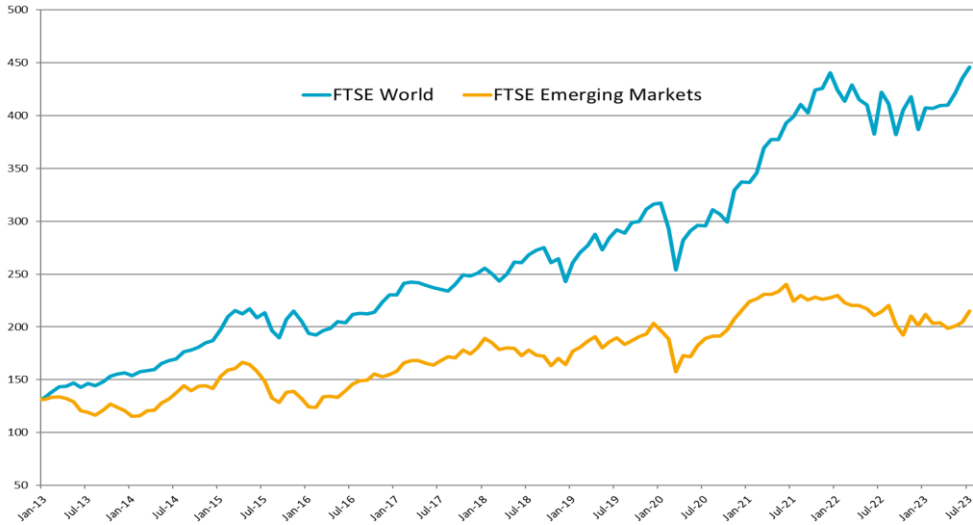
All returns are in € terms	Jul' 23	3 Months	YTD	1 Year	3 Years	5 Years	10 Years
	%	%	%	%	% pa	% pa	% pa
Equities							
FTSE World	2.4	8.8	15.2	5.6	14.6	10.6	11.6
FTSE World (€ Hedged)	3.2	8.5	17.8	12.8	12.1	9.4	10.3
FTSE Eurozone	2.0	3.8	18.1	18.3	13.6	6.4	9.3
FTSE World ex Eurozone	2.4	9.3	15.0	4.5	14.7	11.1	12.0
FTSE North America	2.3	10.7	16.8	4.4	15.8	13.2	14.3
FTSE Emerging Markets	5.1	8.3	6.8	0.3	5.1	4.1	6.2
Bonds							
Euro Sovereign AAA (15+ yr)	-2.4	-2.1	0.9	-22.1	-15.0	-5.4	0.6
Euro Broad Sovereign (10+ yr)	-1.4	-0.2	3.3	-16.0	-12.2	-3.4	1.9
Euro Inflation Linked	0.6	-0.2	3.0	-10.1	-4.0	-1.5	0.6
Euro Corporate (5+ yr)	1.1	0.9	4.3	-5.7	-5.6	-1.6	1.3
Other							
Commodities	10.7	8.5	2.4	-5.0	27.8	5.6	-3.0
Fund of Hedge Funds	0.0	1.4	1.9	2.6	6.1	4.4	4.0
€/£	0.9	-0.1	2.8	7.7	-2.2	-1.2	-1.9
€/£	-0.4	-2.4	-3.3	2.0	-1.7	-0.8	-0.2

Bond Index Yields	Jun' 23	Jul' 23	Change
	%	%	%
iBoxx Euro Sovereign AAA (15+ yr)	2.48	2.62	+0.15
iBoxx Euro Broad Sovereign (10+)	3.28	3.39	+0.12
iBoxx Euro Corporates (5+ yr)	4.22	4.12	-0.10

	Cost of a €10k Pension	Change in annuity prices						
		Jul-23	3 months	YTD	1 year	3 year	5 year	10 Year
		%	%	%	%	% pa	% pa	% pa
Annuities-65 year old; no increases	€179k	-1.3%	-1.1%	-2.3%	-17.1%	-11.9%	-4.8%	-0.8%
Annuities- 65 year old; 2% pa inc	€226k	-1.5%	-1.3%	-2.7%	-19.2%	-13.4%	-5.4%	-0.9%
Annuities- 65 year old; CPI inc	€252k	-1.6%	-1.3%	-2.8%	-19.8%	-13.1%	-5.6%	-0.9%

Sample Pension Schemes	Jul-23	3 Months	Year to Date	1 Year	3 Years	5 Years
	%	%	%	%	% pa	% pa
DB Schemes						
Assets	0.2	3.1	7.3	-6.9	0.1	2.9
Liabilities	-0.3	0.6	3.1	-3.2	-1.5	2.5
Change in Funding Level	0.5	2.4	4.0	-3.8	1.6	0.4
DC Schemes						
High Risk Strategy	1.6	3.6	7.4	2.2	7.4	6.0
Medium Risk Strategy	0.4	2.0	5.7	-5.6	0.9	3.0
Pension Purchase Strategy	-1.8	-1.7	0.6	-16.9	-11.3	-4.0

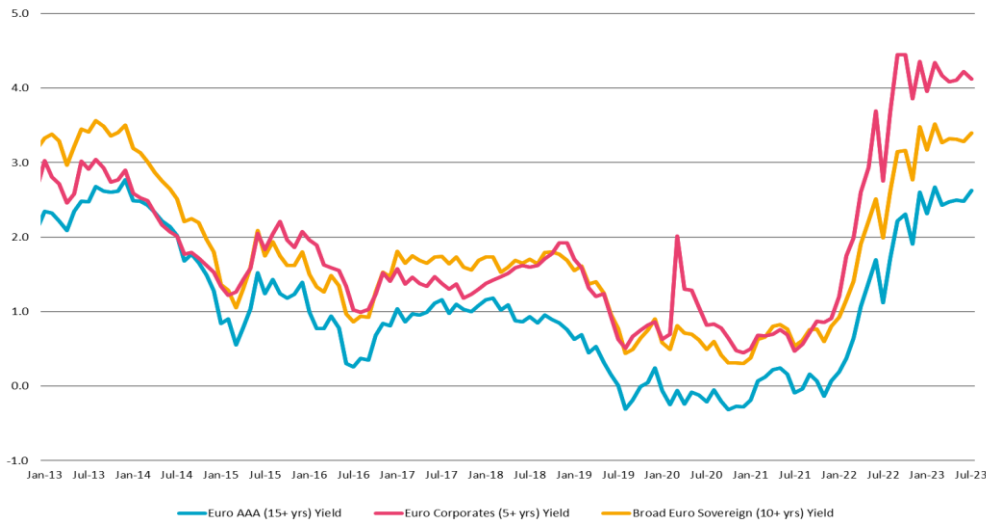
Equity Market Performance



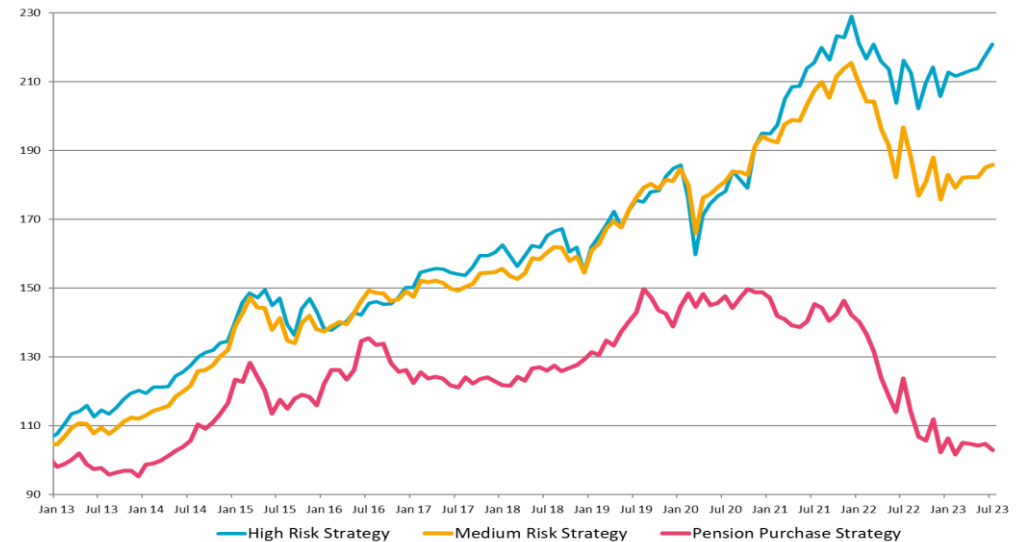
Sample DB Funding Level Progression (MFS Proxy Basis)



Historical Bond Yields



Sample DC Scheme Performance





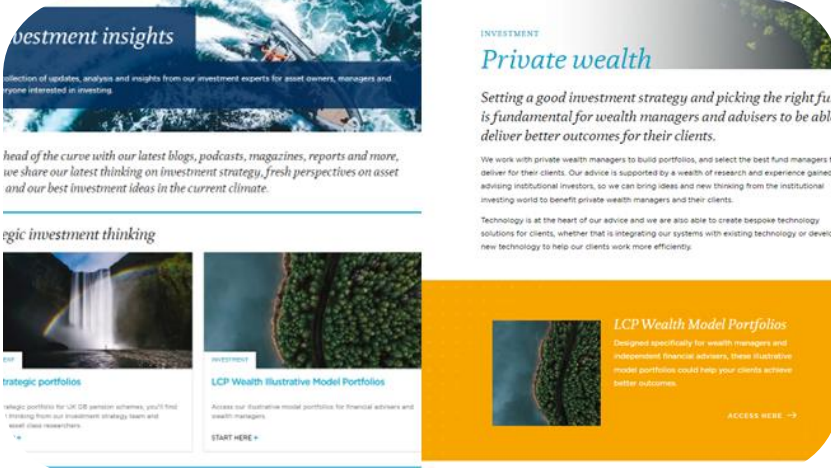
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