

Equities

Global equity markets fell by 1.9% (in local currency terms) in August as mixed economic data from the US pointed markets lower over the month. The Euro weakened against the dollar over the month which has a positive impact for non-hedged investors. This resulted in a fall of 0.9% in Euro terms for investors.

European markets experienced a 3.1% decline in the past month. This was influenced by unfavourable economic data originating from China (one of Europe's significant trading partners), with fear growing around the country's economic growth stalling post pandemic.

Bonds

The lack of movement in bond markets has been influenced by a growing sentiment that policy makers, such as the ECB and the Fed, are adopting a more hawkish stance moving forward, potentially signalling a halt to the regular interest rate increases seen over the last year.

Long-dated core Eurozone bond prices finished the month near where they started dropping slightly by 0.1% with the yield on the AAA Eurozone 15+ Year Index remaining broadly steady at 2.6%. Prices on the Euro Broad Sovereign 10+ Year Index remained the same at month end.

Annuity Prices

Annuity prices decreased marginally over the month of August.

Sample DB Scheme

The funding level of our sample DB scheme fell to 99.8% as its assets decreased and its liabilities increased (calculated using an MFS proxy) over August.

Sample DC Schemes

All strategies posted negative returns for the month of August.

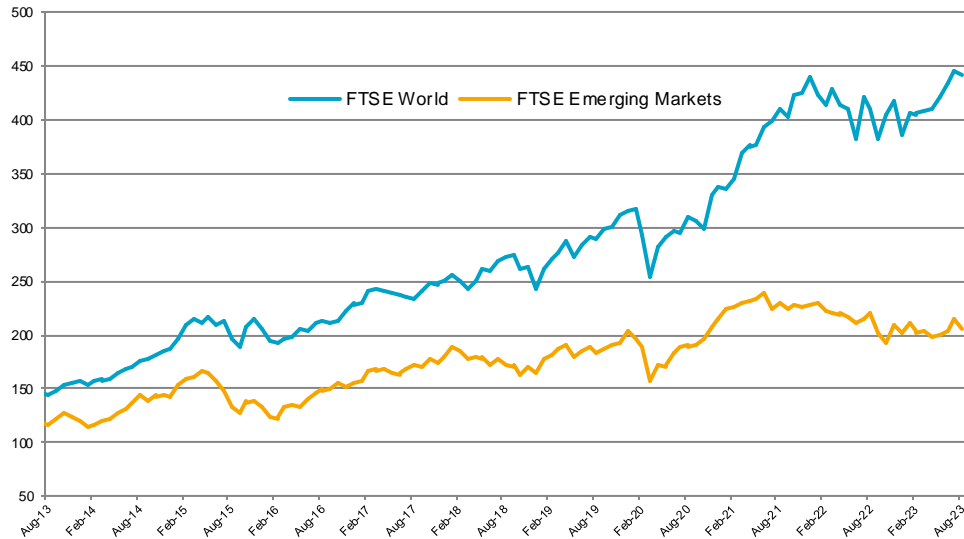
All returns are in € terms	Aug' 23 %	3 Months %	YTD %	1 Year %	3 Years % pa	5 Years % pa	10 Years % pa
Equities							
FTSE World	-0.9	4.9	14.2	7.4	12.3	10.1	11.6
FTSE World (€ Hedged)	-1.9	6.6	15.5	13.8	9.3	8.7	10.2
FTSE Eurozone	-3.1	2.7	14.5	21.0	11.1	6.3	9.0
FTSE World ex Eurozone	-0.7	5.1	14.1	6.3	12.5	10.5	12.0
FTSE North America	-0.2	6.3	16.6	6.9	13.4	12.4	14.5
FTSE Emerging Markets	-3.9	2.8	2.6	-6.2	3.3	3.9	6.0
Bonds							
Euro Sovereign AAA (15+ yr)	-0.1	-2.0	0.8	-13.3	-14.2	-5.7	0.9
Euro Broad Sovereign (10+ yr)	0.0	-0.5	3.4	-7.7	-11.7	-3.2	2.1
Euro Inflation Linked	-0.6	-0.9	2.3	-5.9	-4.0	-1.4	0.6
Euro Corporate (5+ yr)	-0.1	0.6	4.2	0.6	-5.7	-1.6	1.4
Other							
Commodities	0.6	16.3	3.0	-1.8	26.2	5.5	-3.3
Fund of Hedge Funds	0.0	2.9	3.2	3.4	6.0	4.7	4.2
€/£	-1.5	1.9	1.2	7.8	-3.2	-1.4	-2.0
€/£	0.0	-0.3	-3.3	-1.0	-1.4	-0.9	0.0

Bond Index Yields	Jul' 23 %	Aug' 23 %	Change %
iBoxx Euro Sovereign AAA (15+ yr)	2.62	2.64	+0.02
iBoxx Euro Broad Sovereign (10+ yr)	3.39	3.41	+0.02
iBoxx Euro Corporates (5+ yr)	4.12	4.18	+0.06

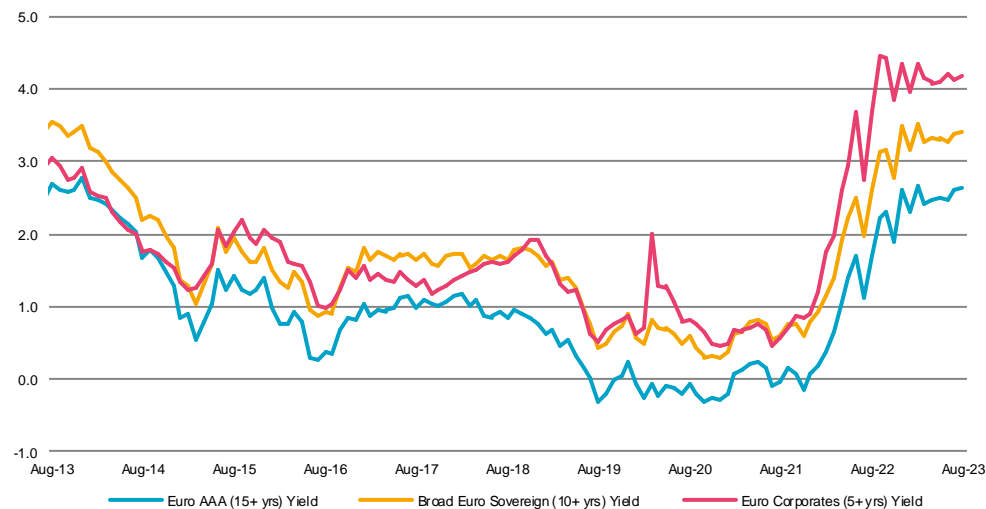
	Cost of a €10k Pension	Change in annuity prices						
		Aug-23 %	3 months %	YTD %	1 year %	3 year % pa	5 year % pa	10 Year % pa
Annuity cost - 65 year old; no increases	€178k	-0.2%	-1.7%	-2.6%	-10.8%	-11.4%	-5.1%	-0.6%
Annuity cost - 65 year old; 2% increases	€225k	-0.2%	-1.9%	-2.9%	-12.2%	-12.9%	-5.8%	-0.6%
Annuity cost - 65 year old; CPI max 4%	€251k	-0.3%	-2.0%	-3.0%	-12.7%	-12.5%	-6.0%	-0.7%

Sample Pension Schemes	Aug-23 %	3 Months %	Year to Date %	1 Year %	3 Years % pa	5 Years % pa
DB Schemes						
Assets	-0.6	1.4	6.6	-2.2	-0.5	2.6
Liabilities	0.4	0.6	3.5	0.4	-1.0	2.4
Change in Funding Level	-0.9	0.7	3.0	-2.6	0.6	0.2
DC Schemes						
High Risk Strategy	-1.0	2.2	6.3	2.9	5.9	5.6
Medium Risk Strategy	-0.7	1.3	5.0	-2.0	0.9	2.6
Pension Purchase Strategy	-0.1	-1.5	0.5	-10.0	-11.3	-4.2

Equity Market Performance



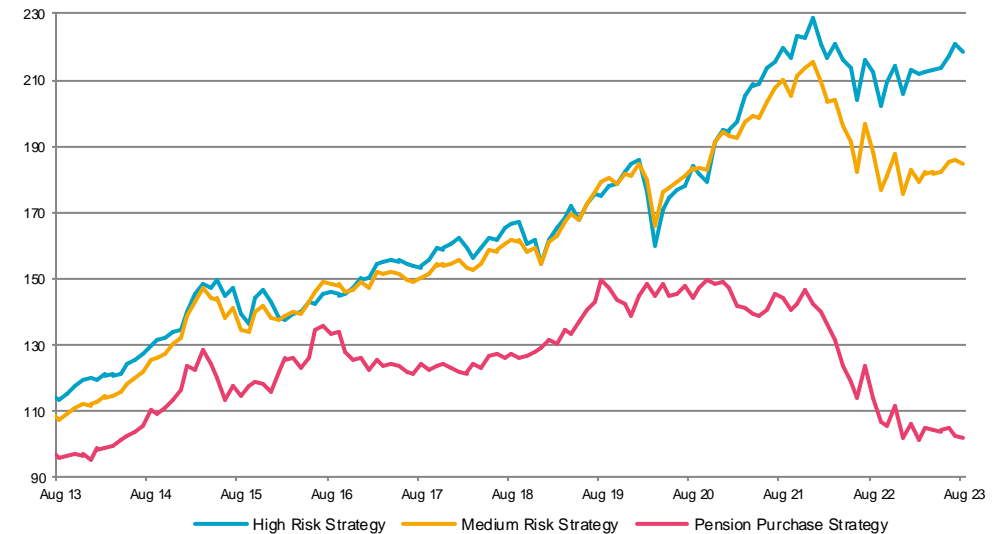
Historical Bond Yields



Sample DB Funding Level Progression (MFS Proxy Basis)



Sample DC Scheme Performance



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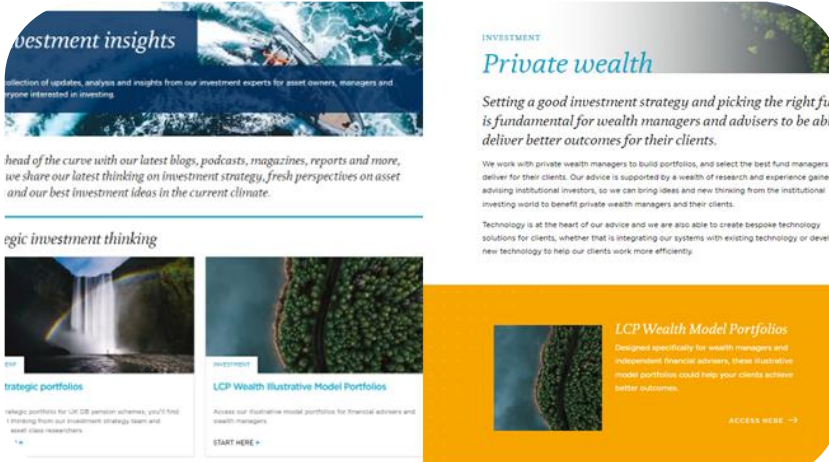
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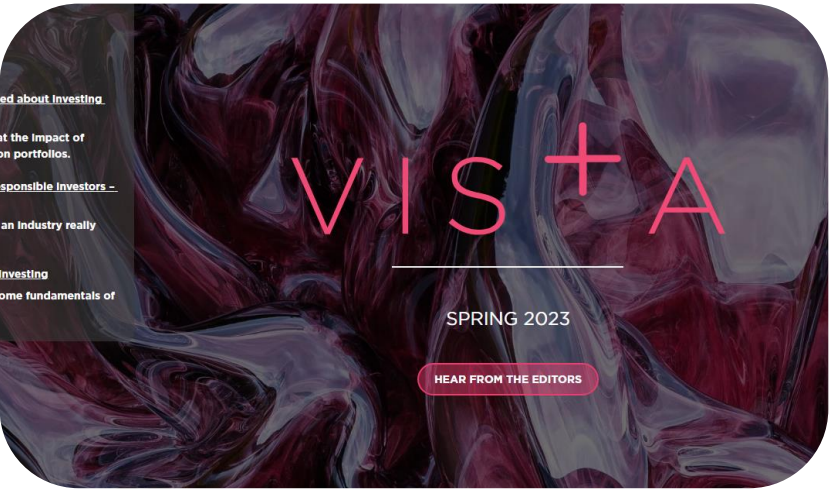
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