

## Equities

Global equity markets continued their strong start to the year and rose by 4.6% (in local currency terms) in February.

Artificial Intelligence enthusiasm continued, as US indices rallied in response to strong earnings posted from technology stocks, namely chipmaker Nvidia, which boosted investor sentiment globally. Japan's benchmark stock index, the Nikkei 225, surged, setting a new all-time record exceeding its previous peak from 1989.

The Euro weakened slightly against the dollar and strengthened against other currencies over the month, translating in a gain of 4.6% for non-hedged investors in Euro terms.

## Bonds

Yields rose across the board again over the month. Eurozone inflation fell to 2.6% in February however the ECB remain hesitant to cut interest rates due to pressure around wage growth - noting it is still too quick to start unwinding policy.

The ECB are due to meet in March which is seen as an opportunity to discuss rate cuts over the following months. Investors are coming around to this message, as expectations for large cuts in 2024 have receded this month.

Long-dated core Eurozone bond prices fell by 2.4% over the month, with the yield on the AAA Eurozone 15+ Year Index rising to 2.6% by month-end. Prices decreased by 1.4% on the Euro Broad Sovereign 10+ Year Index, with its yield increasing to 3.3% by month-end.

## Annuity Prices

Annuity prices fell over the month of February as yields rose. All annuity rates are 5-year guaranteed and single life.

## Sample DB Scheme

The funding level of our sample DB scheme increased by 1.5% over the month with an increase in its assets and a decrease in its liabilities (calculated using an MFS proxy).

## Sample DC Scheme

Our High and Medium Risk DC strategies posted positive returns over the month, with the Pension Purchase Strategy falling in value over the month.

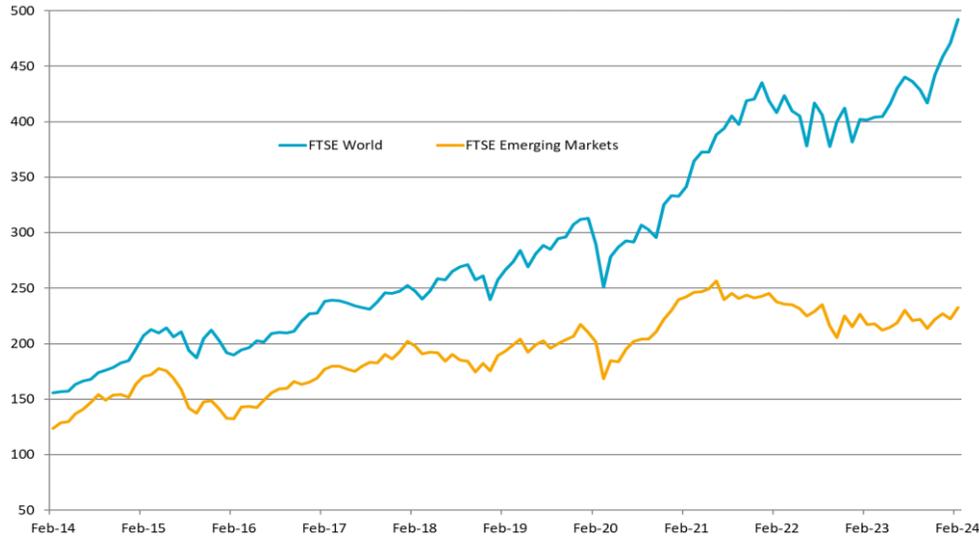
All returns are in € terms	Feb' 24	3 Months	YTD	1 Year	3 Years	5 Years	10 Years
	%	%	%	%	% pa	% pa	% pa
<b>Equities</b>							
FTSE World	4.6	11.3	7.3	23.5	11.8	12.8	12.0
FTSE World (€ Hedged)	4.6	10.2	6.0	23.9	8.4	11.7	10.2
FTSE Eurozone	3.2	8.7	5.4	13.8	9.5	9.2	10.1
FTSE World ex Eurozone	4.7	11.5	7.5	24.4	12.1	13.2	12.6
FTSE North America	5.6	12.7	9.0	28.7	14.1	15.5	15.0
FTSE Emerging Markets	4.6	5.0	2.6	5.3	-1.6	4.2	6.6
<b>Bonds</b>							
Euro Sovereign AAA (15+ yr)	-2.4	3.3	-4.8	4.9	-13.2	-5.8	0.6
Euro Broad Sovereign (10+ yr)	-1.4	4.2	-2.9	8.1	-11.0	-3.0	1.6
Euro Inflation Linked	-0.6	1.6	-1.1	0.1	-5.0	-1.2	0.3
Euro Corporate (5+ yr)	-1.4	2.7	-1.5	8.9	-4.9	-1.0	1.4
<b>Other</b>							
Commodities	0.9	1.9	5.4	3.9	15.8	7.4	-3.4
Fund of Hedge Funds	0.0	2.2	0.7	4.9	4.3	5.5	3.7
€/\$	-0.5	-0.8	-2.2	1.3	-3.6	-1.0	-2.4
€/£	0.3	-0.8	-1.3	-3.5	-0.4	-0.1	0.4

Bond Index Yields	Jan' 24	Feb' 24	Change
	%	%	%
iBoxx Euro Sovereign AAA (15+ yr)	2.45	2.60	+0.15
iBoxx Euro Broad Sovereign (10+ yr)	3.16	3.28	+0.12
iBoxx Euro Corporates (5+ yr)	3.56	3.81	+0.25

	Cost of a €10k Pension	Change in annuity prices						
		Feb-24	3 months	YTD	1 year	3 year	5 year	10 Year
		%	%	%	%	% pa	% pa	% pa
Annuity cost - 65 year old; no increases	€183k	-1.0%	2.9%	-2.6%	3.8%	-10.8%	-4.4%	-0.7%
Annuity cost - 65 year old; 2% increases	€232k	-1.2%	3.4%	-3.0%	4.3%	-12.2%	-5.0%	-0.8%
Annuity cost - 65 year old; CPI max 4%	€258k	-1.2%	3.5%	-3.0%	4.5%	-11.7%	-5.1%	-0.9%

Sample Pension Schemes	Feb-24	3 Months	Year to Date	1 Year	3 Years	5 Years
	%	%	%	%	% pa	% pa
<b>DB Schemes</b>						
Assets	1.2	6.9	1.5	12.1	0.3	3.8
Liabilities	-0.3	2.1	-0.6	6.1	-0.4	2.3
Change in Funding Level	1.5	4.6	2.1	5.6	0.7	1.4
<b>DC Schemes</b>						
High Risk Strategy	2.7	7.5	4.2	13.5	6.8	7.8
Medium Risk Strategy	1.3	6.5	1.8	11.3	1.2	4.1
Pension Purchase Strategy	-1.8	2.8	-3.4	3.3	-9.5	-4.3

## Equity Market Performance



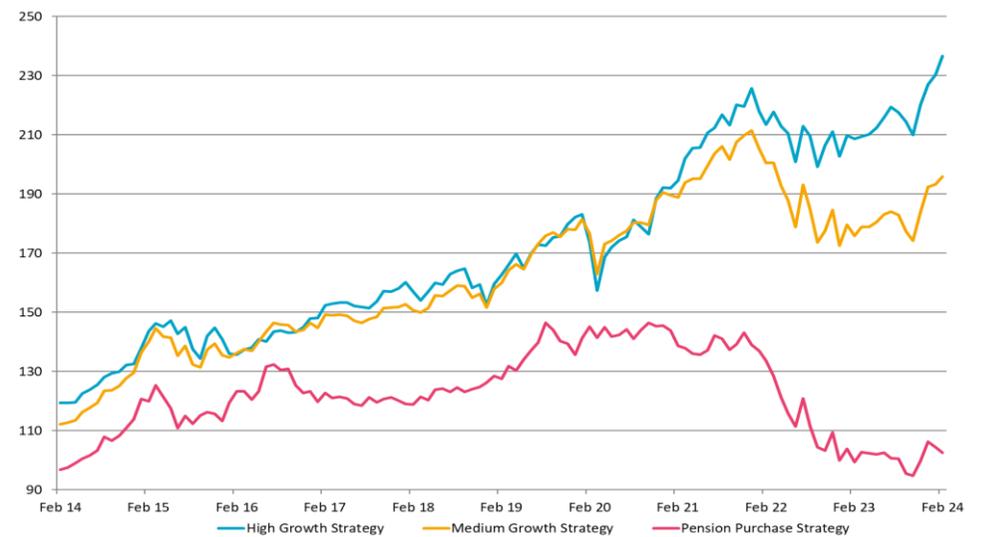
## Sample DB Funding Level Progression (MFS Proxy Basis)



## Historical Bond Yields



## Sample DC Scheme Performance





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