

## Equities

Global equity markets fell by 2.6% (in local currency terms) in April.

This move has been primarily driven by US equities falling with S&P 500 dropping 4.2% in April, representing its biggest monthly loss since September. US inflation has remained persistent relative to Europe, driving expectations that the Fed will hold interest rates elevated for longer than other global central banks. The ‘magnificent seven’ which have performed so strongly in recent months demonstrated mixed results in April with Meta, Microsoft and Nvidia experiencing losses.

## Bonds

Bond yields rose over April with long-dated core Eurozone bond prices falling by 4.2% over the month and the yield on the AAA Eurozone 15+ Year Index finishing the month at 2.8% p.a. Prices fell by 2.8% on the Euro Broad Sovereign 10+ Year Index, with its yield rising to 3.4% by the end of April.

Inflation in the eurozone has remained steady in April, potentially clearing the path for the ECB to begin monetary easing. Expectations are currently for the first rate cut to be made at their 6 June meeting but will depend on the data released in the interim.

## Annuity Prices

Annuity prices decreased over the month of April as a result of rising bond yields. All annuity rates are 5 year guarantee and single life.

## Sample DB Scheme

The funding level of our sample DB scheme decreased to 103% as its assets decreased more than its liabilities (calculated using an MFS proxy) over April.

## Sample DC Schemes

Our three sample DC strategies were negative for the month with negative returns across the main asset classes.

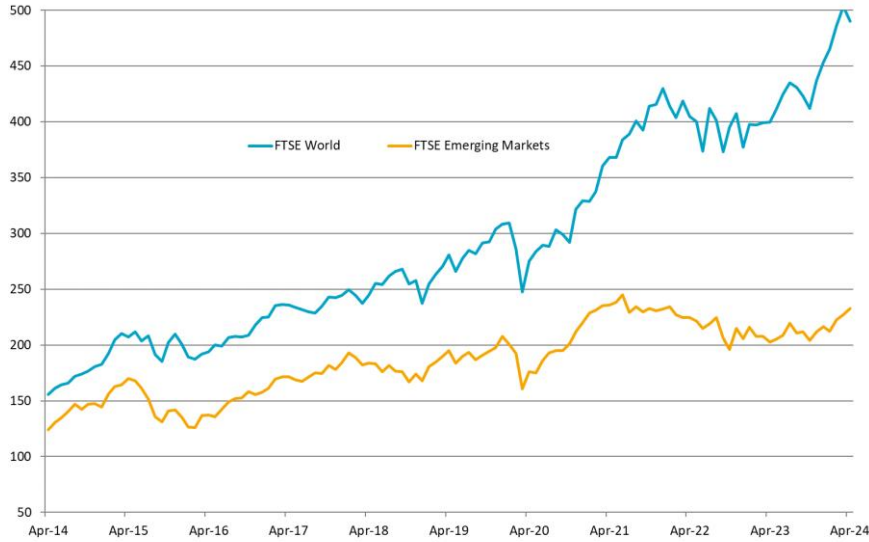
All returns are in € terms	Apr' 24	3 Months	YTD	1 Year	3 Years	5 Years	10 Years
	%	%	%	%	% pa	% pa	% pa
<b>Equities</b>							
FTSE World	-2.6	5.4	8.1	22.5	9.9	11.7	12.0
FTSE World (€ Hedged)	-2.6	5.3	6.6	19.9	6.8	10.8	10.1
FTSE Eurozone	-1.7	6.1	8.3	14.0	8.0	8.5	10.4
FTSE World ex Eurozone	-2.7	5.3	8.1	23.3	10.1	12.1	12.5
FTSE North America	-3.1	5.7	9.1	26.5	11.5	14.0	14.9
FTSE Emerging Markets	2.6	9.6	7.5	14.9	0.2	4.0	6.7
<b>Bonds</b>							
Euro Sovereign AAA (15+ yr)	-4.2	-4.7	-7.0	-2.5	-12.9	-6.9	0.1
Euro Broad Sovereign (10+ yr)	-2.8	-2.4	-3.9	2.7	-10.2	-3.9	1.2
Euro Inflation Linked	-1.2	-0.4	-0.9	-0.6	-5.2	-1.7	0.0
Euro Corporate (5+ yr)	-1.5	-1.1	-1.3	6.0	-4.7	-1.6	1.2
<b>Other</b>							
Commodities	1.2	6.9	11.6	13.3	15.4	7.5	-2.9
Fund of Hedge Funds	1.7	5.3	6.0	11.3	5.8	6.4	4.3
€/£	-1.0	-1.6	-3.3	-3.1	-3.9	-1.0	-2.6
€/£	-0.1	0.1	-1.5	-2.6	-0.6	-0.1	0.4

Bond Index Yields	Mar' 24	Apr' 24	Change
	%	%	%
iBoxx Euro Sovereign AAA (15+ yr)	2.50	2.76	0.26
iBoxx Euro Broad Sovereign (10+ yr)	3.17	3.39	0.22
iBoxx Euro Corporates (5+ yr)	3.60	3.86	0.27

	Cost of a €10k Pension	Change in annuity prices						
		Apr-24	3 months	YTD	1 year	3 year	5 year	10 Year
		%	%	%	%	%	%	
Annuity cost - 65 year old; no increases	€180k	-3.0%	-2.7%	-4.2%	-0.6%	-29.3%	-22.9%	-10.1%
Annuity cost - 65 year old; 2% increases	€227k	-3.5%	-3.0%	-4.8%	-0.6%	-32.6%	-25.6%	-11.3%
Annuity cost - 65 year old; CPI max 4%	€253k	-3.6%	-3.2%	-5.0%	-0.7%	-31.6%	-26.4%	-11.7%

Sample Pension Schemes	Apr-24	3 Months	Year to Date	1 Year	3 Years	5 Years
	%	%	%	%	% pa	% pa
<b>DB Schemes</b>						
Assets	-2.9	0.8	1.1	9.5	-0.8	2.8
Liabilities	-0.8	-0.1	-0.4	4.2	-0.2	2.0
Change in Funding Level	-2.2	0.9	1.5	5.0	-0.7	0.9
<b>DC Schemes</b>						
High Risk Strategy	-1.7	4.0	5.5	14.0	5.2	7.1
Medium Risk Strategy	-2.5	1.4	1.8	9.5	0.1	3.3
Pension Purchase Strategy	-3.1	-3.3	-4.9	-1.2	-9.4	-5.0

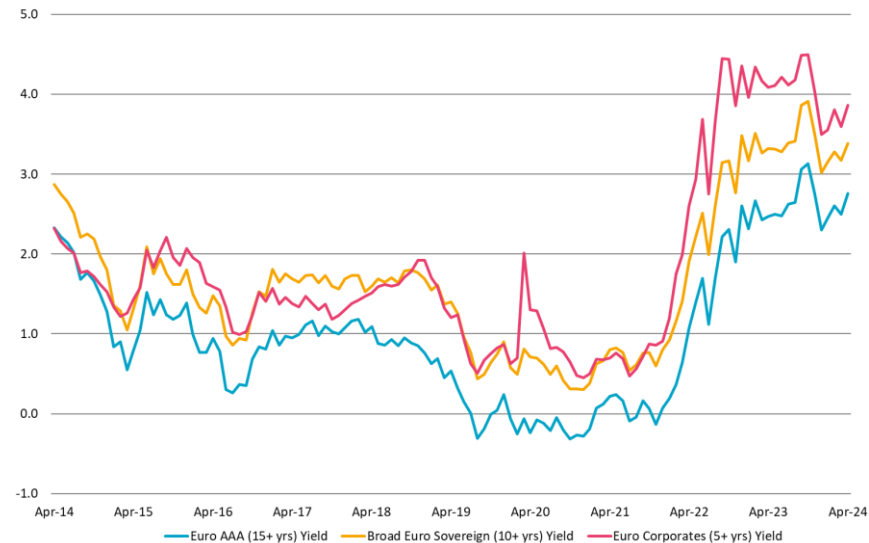
## Equity Market Performance



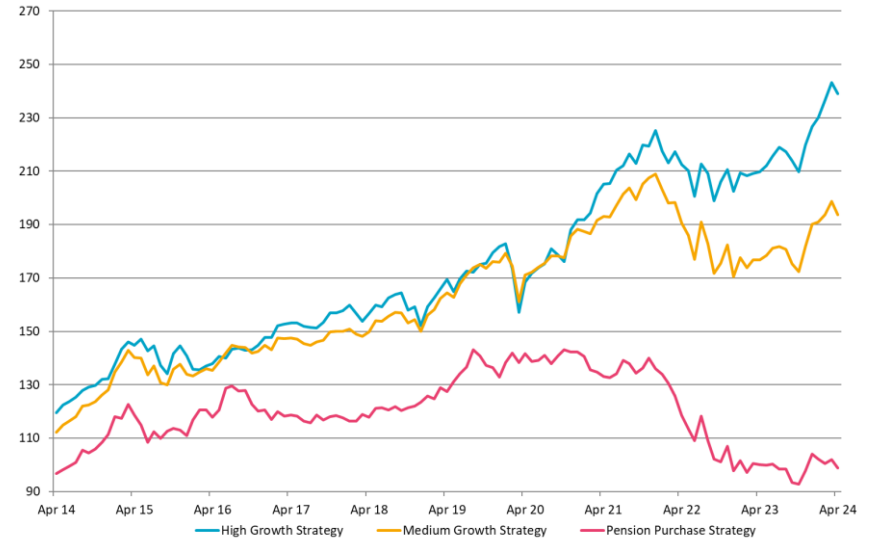
## Sample DB Funding Level Progression (MFS Proxy Basis)



## Historical Bond Yields



## Sample DC Scheme Performance






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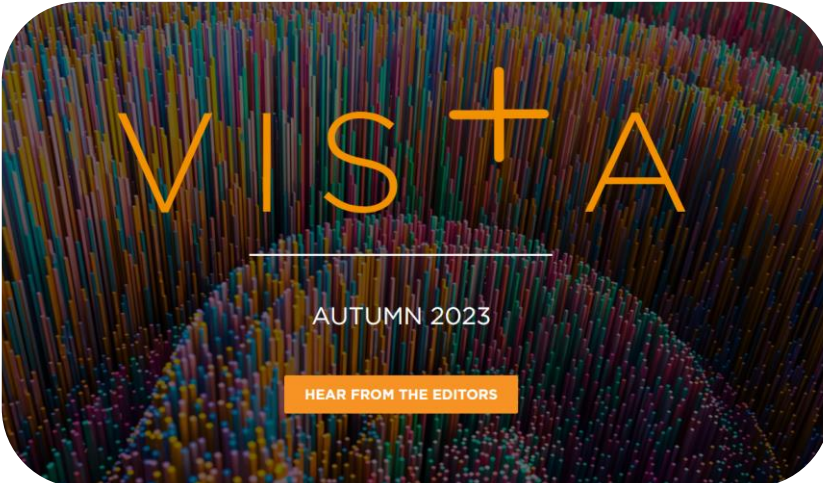
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LCP RI Survey

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