

Equities

Global equity markets rose by 3.7% (in local currency terms) in May, making a recovery from the negative dip in performance observed in the preceding month.

One of the key contributors to the positive return experienced was around investor optimism on the anticipated start of interest rate cuts throughout major regions in the coming months.

Bonds

Eurozone inflation rose for the first time this year, climbing to 2.6%. However, the ECB has signalled that it plans to cut interest rates from their recent relative highs in early June, making it the first major central bank to ease monetary policy since the inflation surge started three years ago.

Bond yields rose over May with long-dated core Eurozone bond prices falling by 1.0% over the month and the yield on the AAA Eurozone 15+ Year Index finishing the month at 2.8% p.a. Prices fell by 0.5% on the Euro Broad Sovereign 10+ Year Index, with its yield rising to 3.5% by the end of May.

Annuity Prices

Annuity prices decreased over the month of May 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 increased to 104% as its assets increased more than its liabilities (calculated using a Funding Standard proxy) over May.

Sample DC Schemes

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

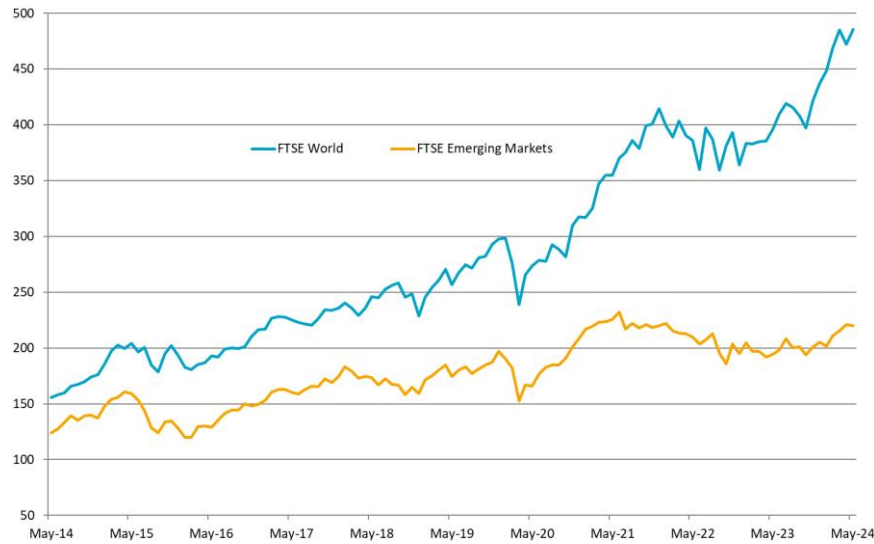
All returns are in € terms	May' 24	3 Months	YTD	1 Year	3 Years	5 Years	10 Years
	%	%	%	%	% pa	% pa	% pa
Equities							
FTSE World	2.7	3.5	11.1	22.4	10.9	13.5	11.9
FTSE World (€ Hedged)	3.7	4.3	10.6	24.6	7.6	12.9	10.3
FTSE Eurozone	3.1	5.9	11.6	20.0	8.1	10.4	10.7
FTSE World ex Eurozone	2.7	3.3	11.0	22.7	11.2	13.8	12.4
FTSE North America	3.2	3.3	12.6	25.6	13.0	16.0	14.8
FTSE Emerging Markets	-0.4	4.3	7.0	13.1	-0.2	5.2	6.1
Bonds							
Euro Sovereign AAA (15+ yr)	-1.0	-3.3	-8.0	-3.3	-13.1	-7.8	-0.2
Euro Broad Sovereign (10+ yr)	-0.5	-1.5	-4.4	1.8	-10.3	-4.5	0.9
Euro Inflation Linked	-1.3	-1.1	-2.2	-1.9	-5.6	-1.8	-0.2
Euro Corporate (5+ yr)	0.1	0.3	-1.2	5.8	-4.6	-1.5	1.0
Other							
Commodities	-1.9	3.9	9.5	18.4	13.7	8.9	-3.1
Fund of Hedge Funds	0.0	3.8	6.0	10.9	4.9	6.1	4.3
€/\$	1.6	0.4	-1.7	2.0	-3.9	-0.6	-2.3
€/£	-0.3	-0.5	-1.8	-0.9	-0.4	-0.7	0.5

Bond Index Yields	Apr' 24	May' 24	Change
	%	%	%
iBoxx Euro Sovereign AAA (15+ yr)	2.76	2.83	0.08
iBoxx Euro Broad Sovereign (10+ yr)	3.39	3.45	0.06
iBoxx Euro Corporates (5+ yr)	3.86	3.91	0.05

	Cost of a €10k Pension	Change in annuity prices						
		May-24	3 months	YTD	1 year	3 year	5 year	10 Year
		%	%	%	%	%	%	%
Annuity cost - 65 year old; no increases	€178k	-0.8%	-2.4%	-5.0%	-1.7%	-28.5%	-26.6%	-11.7%
Annuity cost - 65 year old; 2% increases	€225k	-0.9%	-2.8%	-5.6%	-1.9%	-31.7%	-29.6%	-13.2%
Annuity cost - 65 year old; CPI max 4%	€251k	-0.9%	-2.9%	-5.8%	-2.0%	-30.7%	-30.5%	-13.6%

Sample Pension Schemes	May-24	3 Months	Year to Date	1 Year	3 Years	5 Years
	%	%	%	%	% pa	% pa
DB Schemes						
Assets	0.9	0.5	1.7	9.3	-0.5	3.2
Liabilities	0.1	0.3	0.0	4.0	-0.2	1.6
Change in Funding Level	0.8	0.2	1.7	5.0	-0.3	1.6
DC Schemes						
High Risk Strategy	1.8	3.0	5.8	14.8	5.8	8.1
Medium Risk Strategy	1.0	1.0	2.4	9.7	0.5	3.7
Pension Purchase Strategy	-0.7	-2.2	-4.0	-1.7	-9.6	-5.6

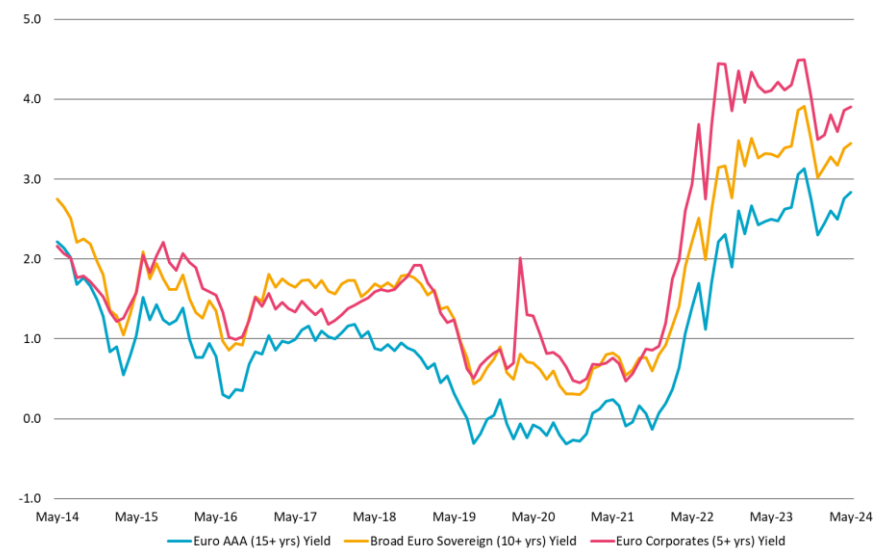
Equity Market Performance



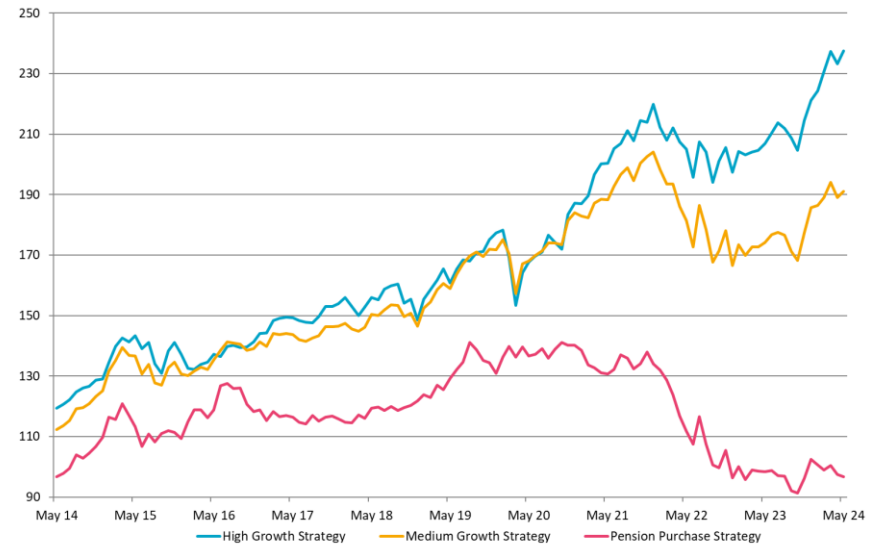
Sample DB Funding Level Progression (MFS Proxy Basis)



Historical Bond Yields



Sample DC Scheme Performance

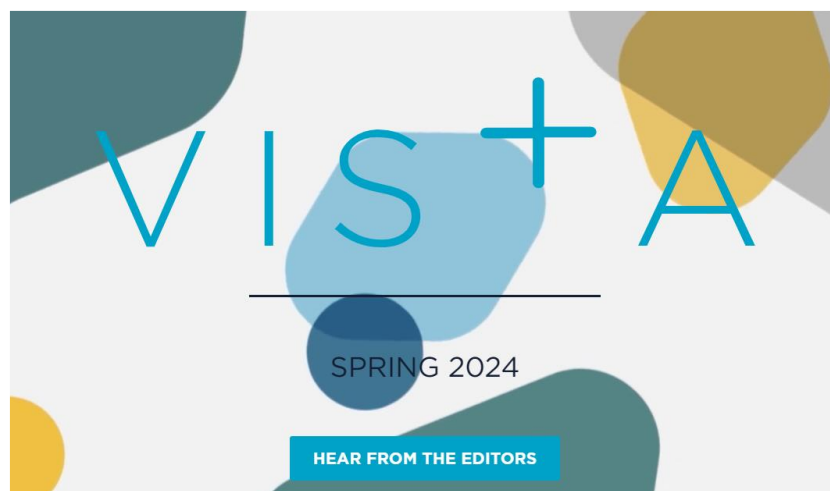




LCP Ireland Master Trust Survey 2024



LCP Investment Uncut Podcast



LCP Vista



LCP RI Survey

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