

# The LCP Monthly Brief

## April 2026 Investment Update

### Equities

Global equities rose by 9.3% (in local currency terms) in April, with Eurozone markets rising by 6.5% and North America rising by 8.3% (in EUR terms). The U.S. dollar weakened against the Euro over the month.

Global equities staged a strong risk-on rally in April, with major indices reaching new highs despite persistent geopolitical tensions surrounding the US–Iran conflict.

European and US equities posted strong gains, supported by robust corporate earnings and a resilient economic backdrop. Improving investor sentiment further fuelled the advance, with a notable rotation back into AI-related stocks. Growth stocks significantly outperformed value, reflecting continued investor conviction in companies positioned to benefit from the AI investment cycle. Oil prices remained volatile throughout the month.

### Bonds

Fixed income markets delivered more nuanced returns in April. Rising yields caused by elevated oil prices, mounting inflation and fiscal sustainability concerns weighed on government bonds, while robust earnings and risk-on sentiment drove investment-grade spreads tighter. Major central banks globally kept interest rates unchanged; however, markets increasingly began pricing in the possibility of renewed rate hikes later in the year.

Returns for core Euro government bonds were down -0.7%, while broad Euro government bonds were up 0.2%. Euro corporate bonds returned 1.2% over the month.

### Annuity Prices

Annuity prices fell in April, reflecting decreasing bond prices.

### Sample DB Scheme

The sample DB scheme's funding level rose to c.109% during the month, reflecting an increase in asset values (calculated using a Funding Standard proxy).

### Sample DC Schemes

Our High Risk and Medium Risk DC strategies experienced positive returns over the month, while the Pension Purchase strategy experienced negative returns.

All returns are in € terms	Apr' 26	3 Months	YTD	1 Year	3 Years	5 Years	10 Years
	%	%	%	%	% pa	% pa	% pa
<b>Equities</b>							
FTSE World	8.5	5.8	7.7	29.1	18.7	12.6	13.0
FTSE World (€ Hedged)	9.3	4.1	6.7	31.4	20.3	12.1	13.3
FTSE Eurozone	6.5	0.9	3.8	20.2	14.8	10.8	10.1
FTSE World ex Eurozone	8.7	6.3	8.0	30.0	19.0	12.8	13.3
FTSE North America	8.3	5.7	5.6	26.7	19.4	13.3	14.8
FTSE Emerging Markets	8.4	2.9	7.4	27.5	15.5	6.2	8.7
<b>Bonds</b>							
Euro Sovereign AAA (15+ yr)	-0.7	-0.1	0.1	-7.1	-3.1	-9.2	-3.1
Euro Broad Sovereign (10+ yr)	0.2	-1.2	-0.2	-2.3	0.9	-6.2	-1.2
Euro Inflation Linked	0.5	0.9	2.8	1.5	0.2	-3.0	-0.7
Euro Corporate (5+ yr)	1.2	-1.1	-0.1	1.8	4.6	-1.3	1.0
<b>Other</b>							
Commodities	6.4	35.7	49.0	66.2	21.0	19.2	9.6
Fund of Hedge Funds*	-2.2	1.7	2.6	10.1	9.2	6.8	6.0
Euro Cash Fund	0.2	0.5	0.6	1.9	2.9	1.7	0.5
€/\$	1.6	-1.1	-0.1	3.3	2.1	-0.5	0.2
€/£	-1.1	-0.3	-1.0	1.5	-0.5	-0.2	1.0

Bond Index Yields	Mar' 26	Apr' 26	Change
	%	%	%
iBoxx Euro Sovereign AAA (15+ yr)	3.44	3.49	0.06
iBoxx Euro Broad Sovereign (10+ yr)	3.93	3.94	0.00
iBoxx Euro Corporates (5+ yr)	4.09	3.97	-0.12

Annuity cost – 65 year old	Cost of a €10k Pension	Change in annuity prices						
		Apr-26	3 months	YTD	1 year	3 year	5 year	10 Year
		%	%	%	%	%	%	%
<b>No increases</b>	€171k	-1.2%	-0.4%	-0.3%	-5.5%	-5.7%	-33.0%	-26.8%
<b>2% increases</b>	€214k	-1.3%	-0.5%	-0.4%	-6.2%	-6.5%	-36.5%	-30.0%
<b>CPI max 4% increases</b>	€238k	-1.4%	-0.5%	-0.4%	-6.5%	-6.7%	-35.8%	-30.9%

Sample Pension Schemes	Apr-26	3 Months	YTD	1 Year	3 Years	5 Years
	%	%	%	%	% pa	% pa
<b>DB Schemes</b>						
Assets	4.0	2.7	4.0	10.8	7.8	2.2
Liabilities	0.2	1.2	1.7	3.3	4.3	1.6
Change in Funding Level	3.8	1.5	2.3	7.3	3.4	0.6
<b>DC Schemes</b>						
High Risk Strategy	6.4	3.2	6.0	21.8	12.9	8.0
Medium Risk Strategy	4.3	2.5	4.3	12.5	8.3	3.1
Pension Purchase Strategy	-0.5	0.0	0.3	-4.9	-1.6	-6.5

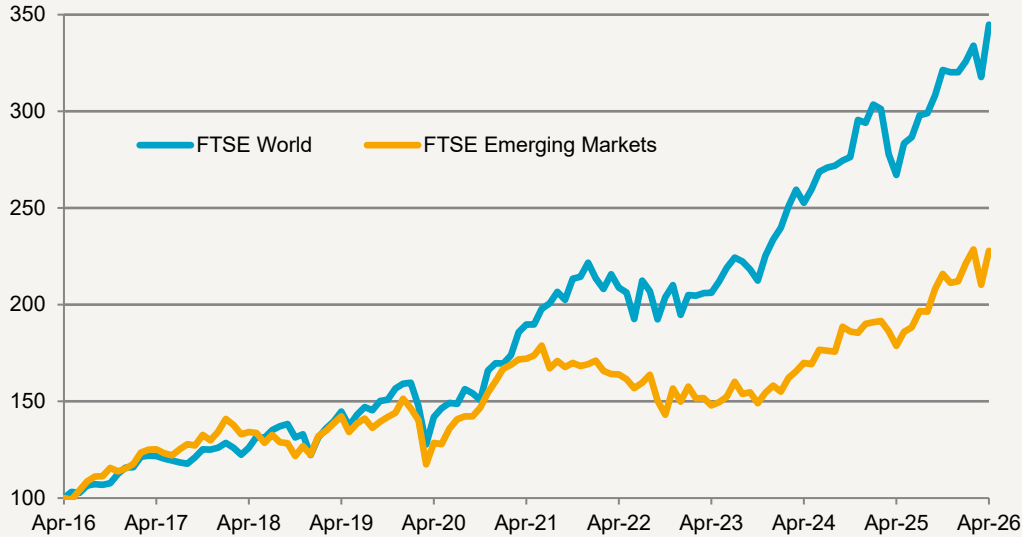
Sources: LCP, Bloomberg, Reuters, MarketWatch, FT, Markit, Irish Life and iBoxx

\* Fund performance is 1-month in arrears

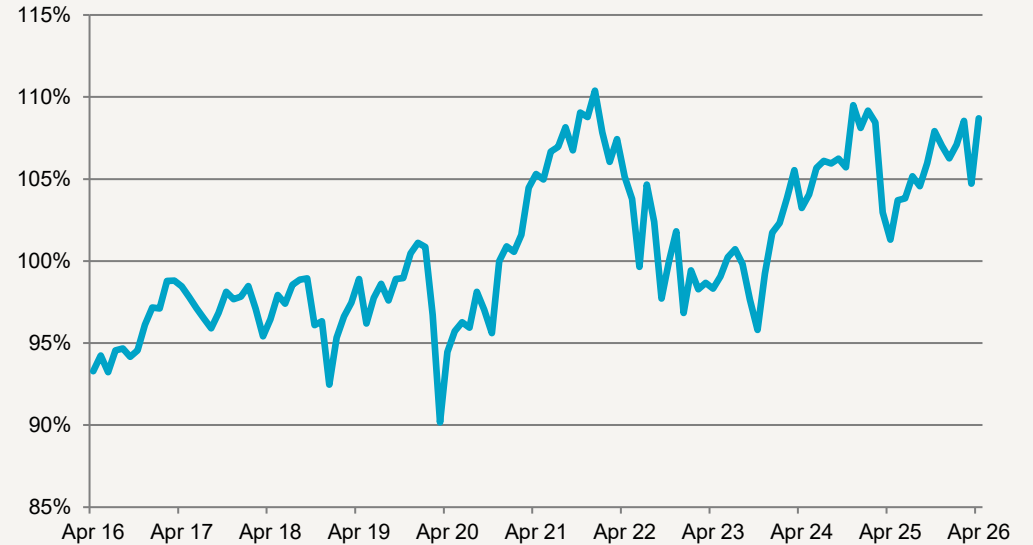
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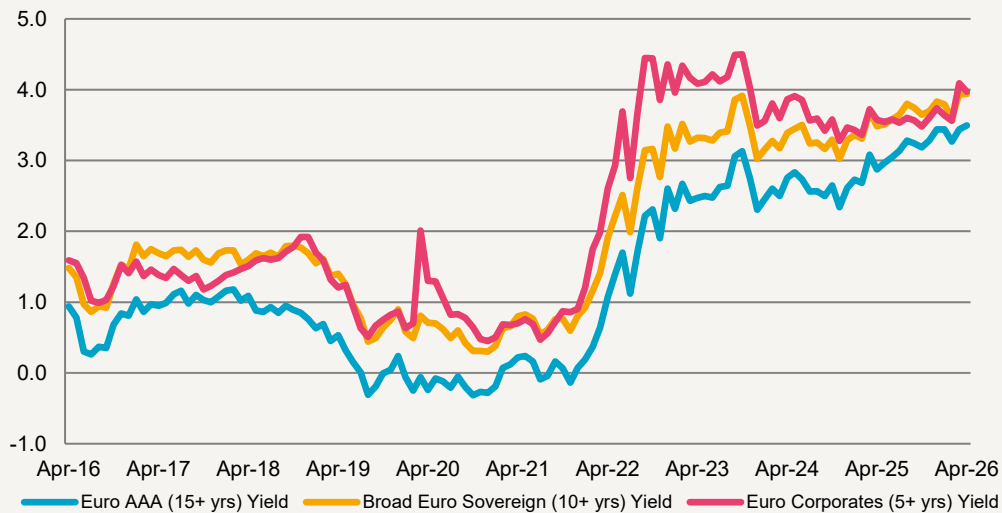
### Equity Market Performance



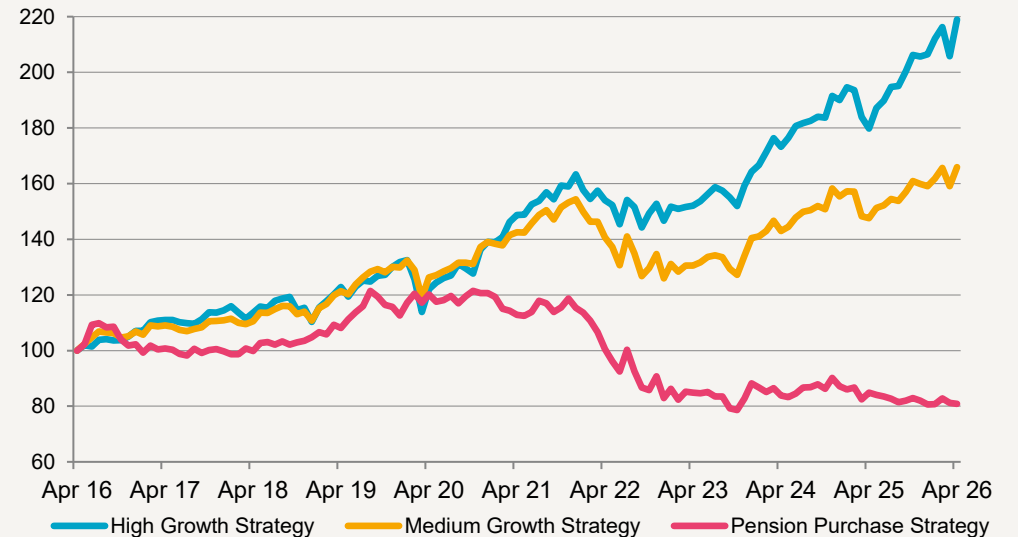
### Sample DB Funding Level Progression (MFS Proxy Basis)



### Historical Bond Yields



### Sample DC Scheme Performance



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