

The LCP Monthly Brief – August 2025

Investment Update

Equities

Global equities rose by 2.1% (in local currency terms) in August, with Eurozone markets rising by 0.5% and North America declining by 0.2% (in EUR terms). The US dollar weakened against the Euro over the month, negatively impacting the returns on unhedged US assets.

European equities experienced modest gains in August, supported by favourable macroeconomic signals. The manufacturing PMI rose to 51.1, signalling expansion in manufacturing activity for the first time in over three years, while the unemployment rate fell to a record low of 6.2%. Attractive valuations further underpinned demand, though political uncertainty particularly in France, tempered overall performance.

U.S. equity markets maintained a positive momentum in August despite some intra month volatility. Weakness early in the month was driven by downward revisions to July's non-farm payroll report. Positive performance was supported by strong corporate earnings, particularly in the tech sector and optimism over a rate cut in September.

Bonds

The ECB held rates steady in August. In the U.S., Fed Chair Jerome Powell signalled a potential rate cut at the September meeting, citing a subdued July inflation release and a weakening labour market. In Europe, French government bonds underperformed amid political turbulence, raising questions about the country's ability to achieve fiscal consolidation.

Core Euro government bond prices fell in August with the Euro Sovereign AAA 15+ year and Euro Broad Sovereign 10+ Year Indices down 2.1% and 1.8% respectively over the month.

Annuity Prices

Annuity prices experienced a slight fall in August as bond prices fell.

Sample DB Scheme

The funding level of our sample DB scheme fell slightly during the month, holding steady at c.105%. (calculated using a Funding Standard proxy).

Sample DC Schemes

Our High Risk DC strategy posted positive returns over the month while the Medium Risk & Pension Purchase DC strategies experienced a fall.

All returns are in € terms	Aug-25 %	3 Months %	YTD %	1 Year %	3 Years % pa	5 Years % pa	10 Years % pa
Equities							
FTSE World	0.3	5.5	1.7	10.8	12.2	13.6	11.5
FTSE World (€ Hedged)	2.1	8.4	12.0	16.6	17.1	13.2	11.9
FTSE Eurozone	0.5	0.9	15.9	15.1	17.0	12.7	8.4
FTSE World ex Eurozone	0.3	5.9	0.5	10.5	11.8	13.7	11.8
FTSE North America	-0.2	6.3	-1.4	11.6	12.8	14.8	13.8
FTSE Emerging Markets	-0.2	5.6	3.3	12.3	5.9	6.6	7.3
Bonds							
Euro Sovereign AAA (15+ yr)	-2.1	-4.4	-9.2	-9.0	-6.6	-9.8	-2.2
Euro Broad Sovereign (10+ yr)	-1.8	-3.0	-4.6	-3.7	-2.2	-6.9	-0.5
Euro Inflation Linked	-1.2	-1.4	-1.2	-0.6	-2.6	-2.8	-0.6
Euro Corporate (5+ yr)	-0.1	0.7	1.8	4.1	4.1	-1.1	1.4
Other							
Commodities	-0.2	8.0	5.4	7.9	-0.1	16.4	3.7
Fund of Hedge Funds*	0.0	2.6	4.3	6.7	6.9	7.3	4.6
Euro Cash Fund	0.1	0.3	0.5	1.5	2.6	2.8	1.4
€/£	2.3	3.0	12.9	5.4	5.3	-0.4	0.4
€/£	0.2	2.7	4.7	3.0	0.4	-0.6	1.8

Bond Index Yields	Jul' 25 %	Aug' 25 %	Change %
iBoxx Euro Sovereign AAA (15+ yr)	3.14	3.28	0.14
iBoxx Euro Broad Sovereign (10+ yr)	3.65	3.80	0.15
iBoxx Euro Corporates (5+ yr)	3.54	3.60	0.06

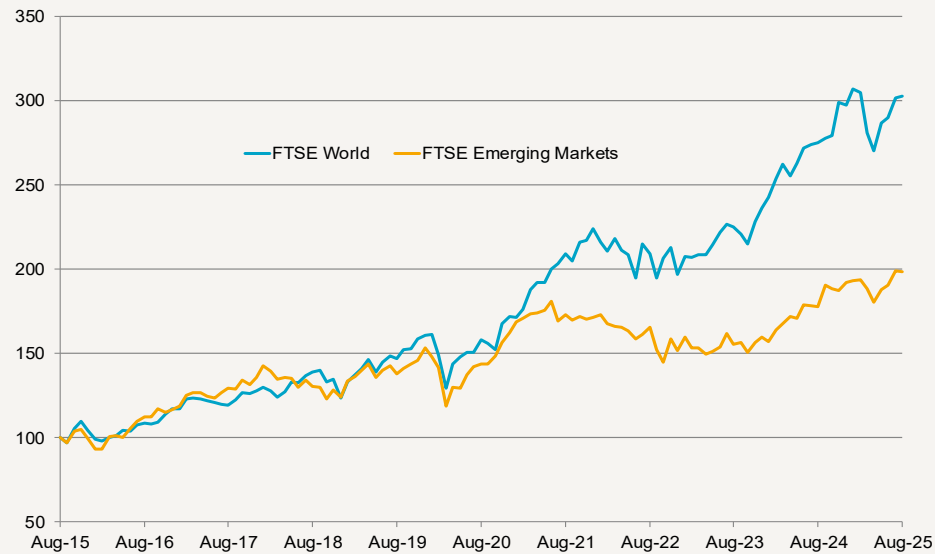
	Cost of a €10k Pension	Aug-25 %	3 months %	Change in annuity prices YTD %	1 year %	3 year %	5 year %	10 Year %
Annuity cost - 65 year old; no increases	€177k	-0.8%	-1.8%	-3.8%	-4.5%	-11.4%	-31.0%	-17.5%
Annuity cost - 65 year old; 2% increases	€224k	-0.9%	-2.0%	-4.2%	-5.1%	-12.9%	-34.4%	-19.5%
Annuity cost - 65 year old; CPI max 4%	€249k	-0.9%	-2.1%	-4.4%	-5.3%	-13.4%	-33.5%	-20.1%

Sample Pension Schemes	Aug-25 %	3 Months %	Year to Date %	1 Year %	3 Years % pa	5 Years % pa
DB Schemes						
Assets	-0.7	0.9	-3.3	1.2	3.7	2.4
Liabilities	-0.1	0.1	0.9	2.5	3.0	1.1
Change in Funding Level	-0.6	0.8	-4.2	-1.3	0.7	1.3
DC Schemes						
High Risk Strategy	0.2	4.3	0.2	6.8	8.8	8.3
Medium Risk Strategy	-0.5	1.6	-2.3	2.2	4.4	3.2
Pension Purchase Strategy	-1.5	-3.2	-5.4	-6.3	-4.2	-7.0

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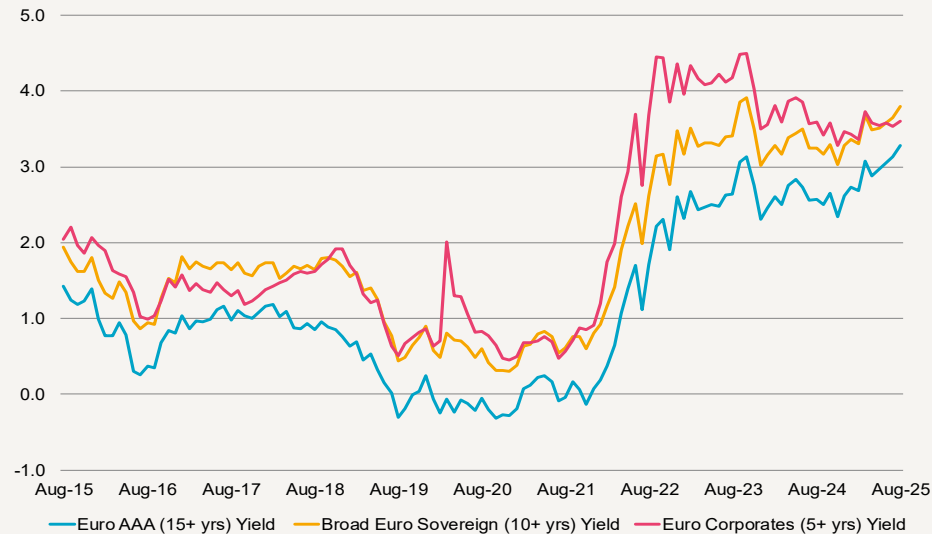
Equity Market Performance



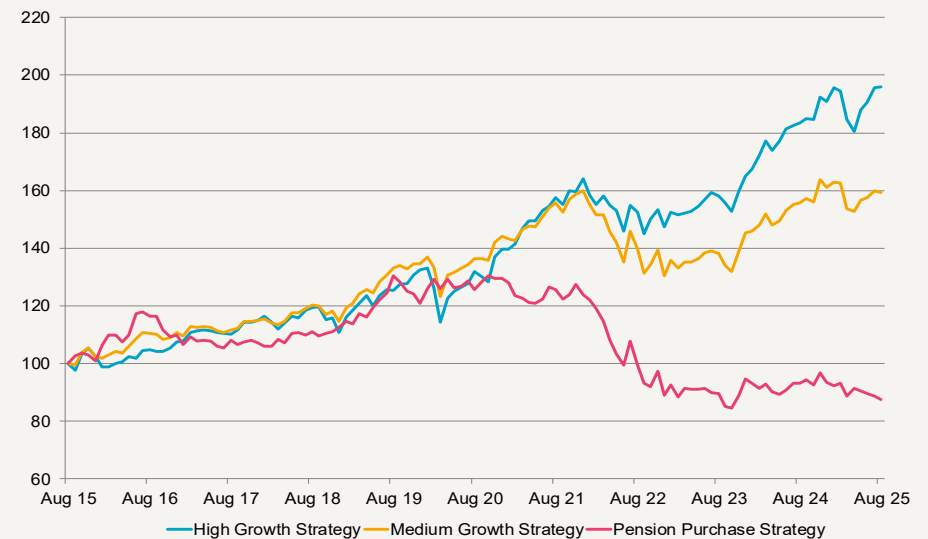
Sample DB Funding Level Progression (MFS Proxy Basis)



Historical Bond Yields



Sample DC Scheme Performance

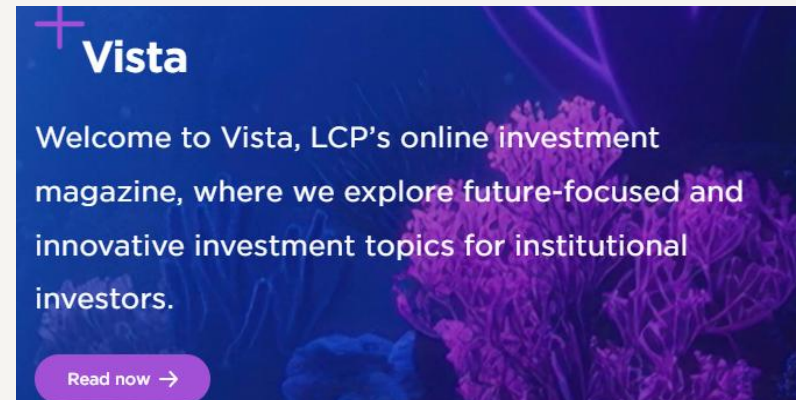


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LCP Ireland Master Trust Survey 2025



LCP Vista 2025



Investment Essentials webinar series

Effective oversight of implementation, fiduciary and OCIO services

Event Details

📅 Date

17 September 2025

🕒 Time

2p.m.

📍 Location

Webinar

[Register here](#)



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