

The LCP Monthly Brief – November 2025

Investment Update

Equities

Global equities rose slightly by 0.1% (in local currency terms) in November, with Eurozone markets rising by 0.3% and North America falling by -0.3% (in EUR terms). The U.S. dollar weakened against the Euro over the month.

European equities posted a modest gain in November, supported by attractive valuations relative to the U.S. market. The Eurozone PMI fell to 49.6 down from 52.2 in October. Investor sentiment remained subdued amid mixed macro signals and expectations that the ECB would hold rates steady in December, with inflation prospects still uncertain given volatile global trade conditions and cautious policy guidance.

U.S. equity markets were volatile in November, with early losses reversing after a late-month rally. The rebound was supported by optimism around resilient earnings, even as tech stocks faced sharp mid-month corrections amid concerns of an AI valuation bubble. Broader markets strengthened after the U.S. government shutdown was resolved. Investor sentiment improved on rising expectations for a December Fed rate cut and more upbeat earnings outside the major tech names.

Bonds

Bond markets were steady in November as the ECB maintained its pause, signalling policy was “in a good place” with inflation slightly above 2%, reinforcing expectations of no rate change in December. U.S. yields declined as markets priced in a strong likelihood of another Fed rate cut by year-end, prompted by softer labour market data.

Eurozone government bonds came under pressure late in the month as yields rose sharply amid a global sell-off triggered by surging Japanese bond yields. The jump in Japanese yields has raised concerns about a potential unwinding of the yen carry trade - the practice of borrowing yen cheaply to invest in higher-yielding assets.

Core Euro government bond prices fell in November with the Euro Sovereign AAA 15+ year and Euro Broad Sovereign 10+ Year Indices down -1.5% and -0.4% respectively over the month.

Annuity Prices

Annuity prices experienced a fall in November as bond prices fell.

Sample DB Scheme

The sample DB scheme's funding level slipped to c.107% during the month, reflecting a decline in asset values. (calculated using a Funding Standard proxy).

Sample DC Schemes

Our High Risk, Medium Risk & Pension Purchase DC strategies all experienced negative returns over the month.

All returns are in € terms	Nov' 25 %	3 Months %	YTD %	1 Year %	3 Years % pa	5 Years % pa	10 Years % pa
Equities							
FTSE World	-0.4	7.1	8.9	8.8	16.2	13.8	11.3
FTSE World (€ Hedged)	0.1	6.7	19.5	18.2	19.8	13.3	12.1
FTSE Eurozone	0.3	5.6	22.4	25.1	16.3	12.1	8.3
FTSE World ex Eurozone	-0.4	7.2	7.8	7.5	16.1	13.9	11.6
FTSE North America	-0.3	7.2	5.7	5.5	17.5	15.4	13.4
FTSE Emerging Markets	-2.1	7.6	11.1	14.1	12.4	6.4	7.4
Bonds							
Euro Sovereign AAA (15+ yr)	-1.5	0.8	-8.5	-12.1	-4.9	-10.4	-2.5
Euro Broad Sovereign (10+ yr)	-0.4	2.5	-2.2	-5.0	-0.5	-7.4	-0.8
Euro Inflation Linked	-0.1	1.4	0.2	-1.7	-1.5	-3.2	-0.9
Euro Corporate (5+ yr)	-0.5	1.0	2.9	2.2	5.0	-1.5	1.3
Other							
Commodities	-0.1	1.9	7.4	10.8	4.5	15.9	5.1
Fund of Hedge Funds*	-0.3	3.1	8.1	9.9	8.0	8.0	5.2
Euro Cash Fund	0.1	0.3	0.5	2.0	2.2	2.9	1.5
€/£	0.5	-0.7	12.1	9.9	3.8	-0.6	0.9
£/€	-0.1	1.3	6.0	5.4	0.5	-0.5	2.2

Bond Index Yields	Oct' 25 %	Nov' 25 %	Change %
iBoxx Euro Sovereign AAA (15+ yr)	3.18	3.29	0.11
iBoxx Euro Broad Sovereign (10+ yr)	3.65	3.70	0.05
iBoxx Euro Corporates (5+ yr)	3.48	3.61	0.13

	Cost of a €10k Pension	Nov-25 %	3 months %	Change in annuity prices YTD %	1 year %	3 year %	5 year %	10 Year %
Annuity cost - 65 year old; no increases	€174k	-1.3%	-2.1%	-5.8%	-8.4%	-10.3%	-35.8%	-20.2%
Annuity cost - 65 year old; 2% increases	€218k	-1.5%	-2.4%	-6.5%	-9.5%	-11.7%	-39.6%	-22.5%
Annuity cost - 65 year old; CPI max 4%	€243k	-1.5%	-2.5%	-6.7%	-9.9%	-12.1%	-38.9%	-23.2%

Sample Pension Schemes	Nov-25 %	3 Months %	Year to Date %	1 Year %	3 Years % pa	5 Years % pa
DB Schemes						
Assets	-0.8	3.9	0.4	-0.8	5.2	2.2
Liabilities	0.1	1.5	2.4	1.5	3.4	0.8
Change in Funding Level	-0.8	2.4	-1.9	-2.2	1.7	1.4
DC Schemes						
High Risk Strategy	-0.3	5.5	5.8	7.5	10.5	8.6
Medium Risk Strategy	-0.7	4.0	1.7	1.1	5.9	3.1
Pension Purchase Strategy	-1.1	0.7	-4.7	-9.1	-3.3	-7.4

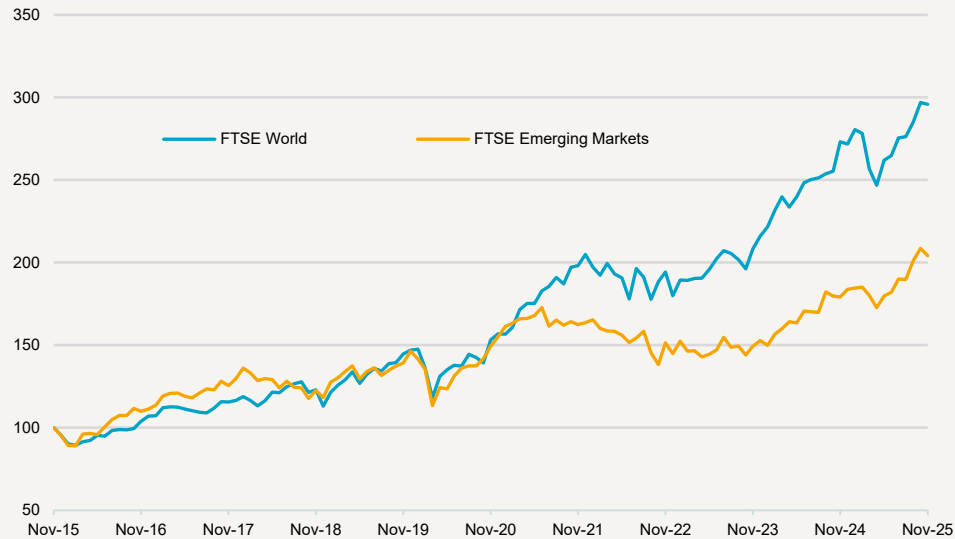
Sources: LCP, Bloomberg, Reuters, MarketWatch, FT, Markit, Irish Life and iBoxx

* Fund performance is 1-month in arrears

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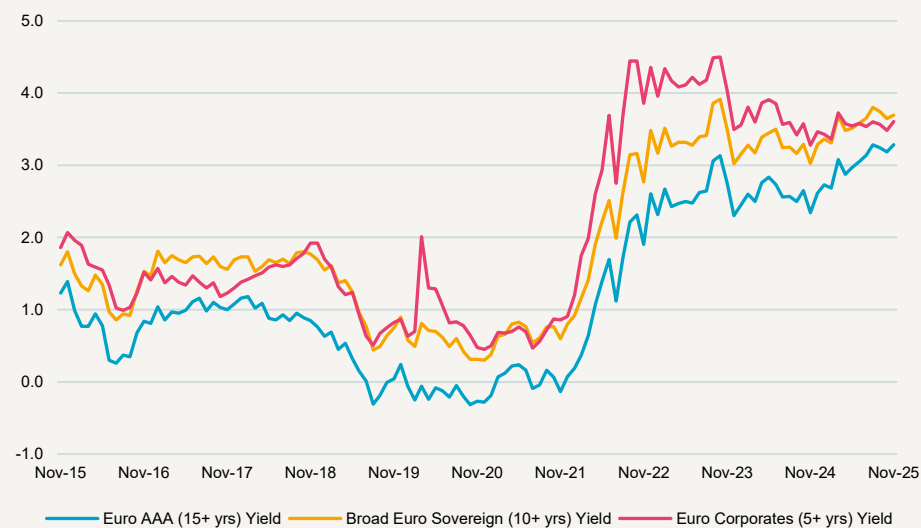
Equity Market Performance



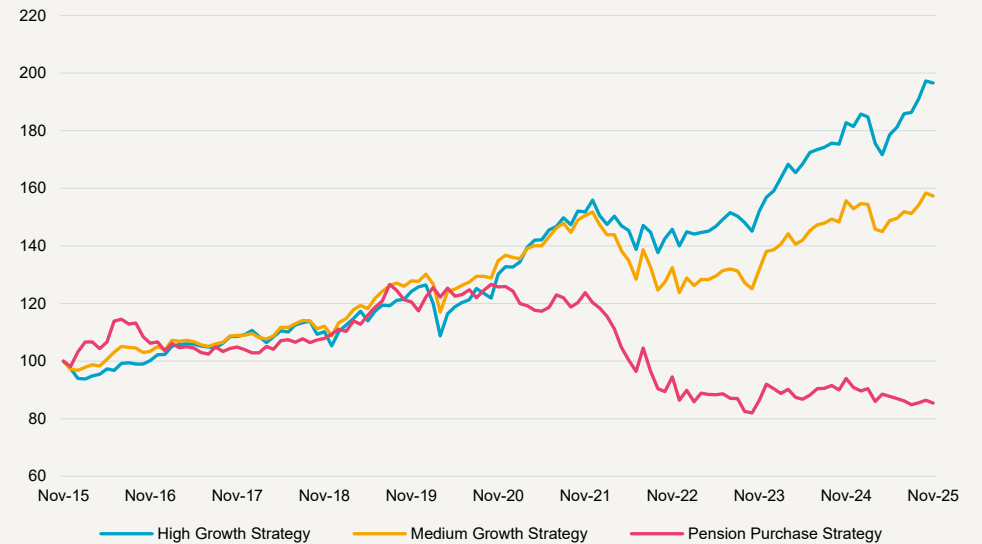
Sample DB Funding Level Progression (MFS Proxy Basis)



Historical Bond Yields



Sample DC Scheme Performance



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