

Asset Price Monitor

Local Equity Markets

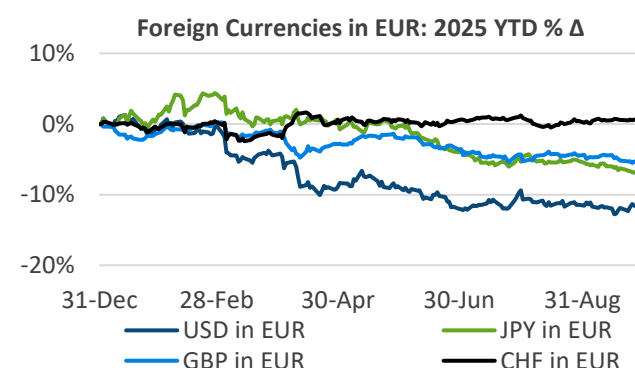
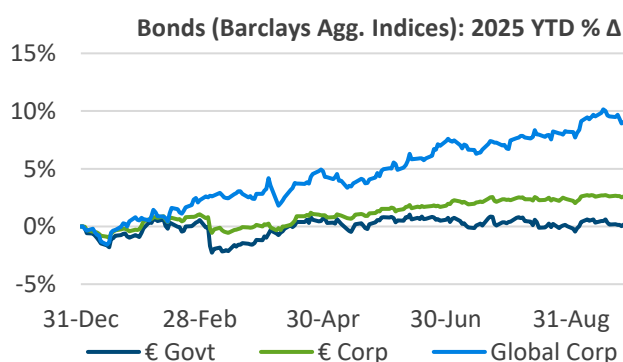
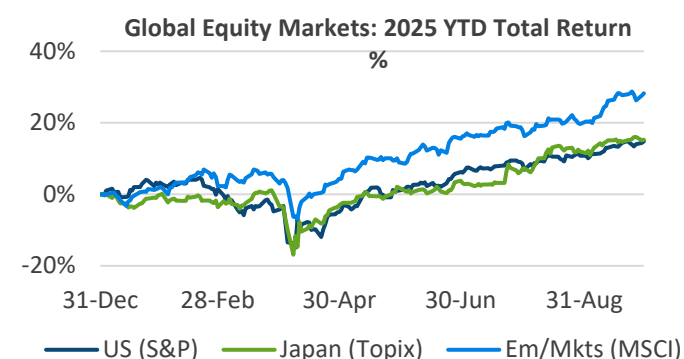
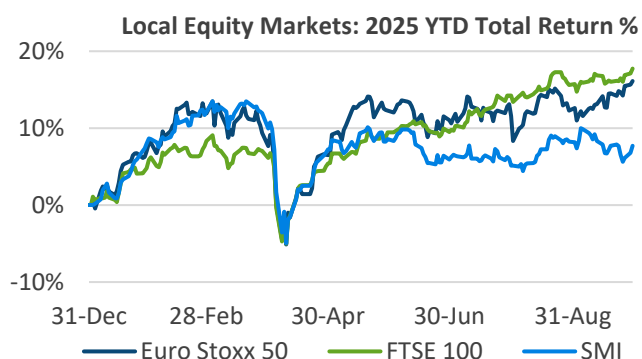
- Most major equity markets had a positive performance in September, as the Federal reserve delivered its first rate cut of the year and signalled further easing ahead, while AI euphoria continued.
- The Euro Stoxx 50 gained 3.4%.
- The FTSE 100 was up 1.8%.

Global Equity Markets

- The S&P 500 was up 3.6% and the Japanese Topix returned 3.0%.
- The MSCI Emerging Markets index ended the month up 7.2%.

Bond/FX Markets

- Both the European government and the European corporate bond indices ended the month up by 0.4%.
- The Euro had a strong performance in September, gaining 1.1% against the Japanese Yen, 0.9% against the British Pound and 0.6% against the US Dollar.

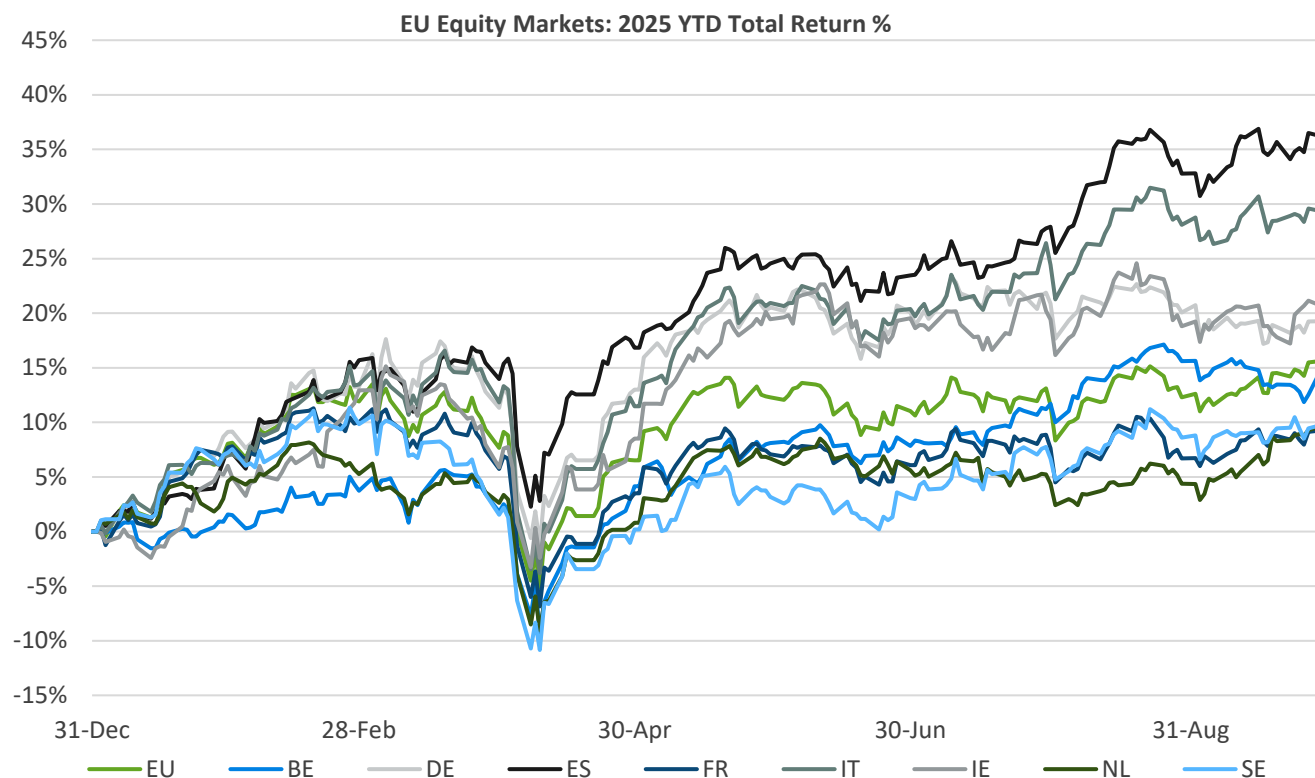


Total Returns as of September 30, 2025

	Euro Stoxx 50	FTSE 100	SMI	US (S&P)	Japan (Topix)	Em/Mkts (MSCI)	€ Govt	€ Corp	CHF in EUR	USD in EUR	JPY in EUR	GBP in EUR
1 Month	3.4%	1.8%	-0.5%	3.6%	3.0%	7.2%	0.4%	0.4%	0.1%	-0.6%	-1.1%	-0.9%
3 Month	4.6%	7.5%	1.7%	8.1%	11.0%	10.9%	-0.1%	0.9%	0.0%	0.1%	-2.3%	-1.8%
1 Year	14.1%	17.5%	2.7%	17.6%	21.5%	18.2%	0.4%	3.6%	0.8%	-5.2%	-8.1%	-4.8%
YTD	16.1%	17.7%	7.7%	14.8%	15.3%	28.2%	0.4%	2.8%	0.6%	-12.0%	-6.2%	-5.4%

Eurozone Equity

- All major European equity markets were up in September, except for the Germany equity market which ended the month relatively flat.
- The Dutch equity market was the outperformer of the month, up 5.2%.
- The Spanish equity index remained the best performer year-to-date, having returned 37.6% during this period.
- The French equity index is the laggard performer year-to-date, having gained 9.5% in 2025 so far.

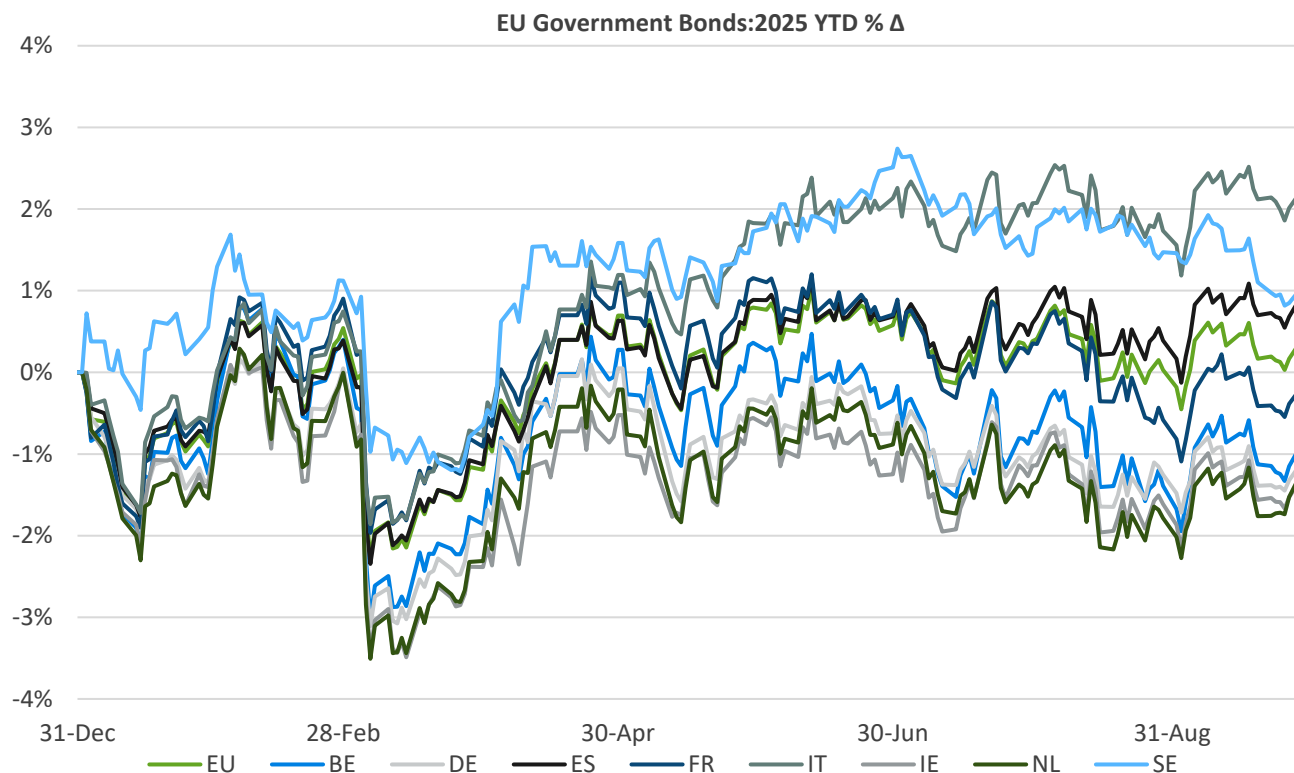


Equity Returns as of September 30, 2025

	EU	Belgium	Germany	Spain	France	Italy	Ireland	Netherlands	Sweden
1 Month	3.4%	0.5%	-0.1%	3.6%	2.6%	1.3%	3.1%	5.2%	1.5%
3 Month	4.6%	7.7%	-0.1%	11.5%	3.2%	7.8%	2.5%	4.0%	6.9%
QTD	4.6%	7.7%	-0.1%	11.5%	3.2%	7.8%	2.5%	4.0%	6.9%
YTD	16.1%	16.1%	19.9%	37.6%	9.5%	29.8%	22.5%	9.8%	10.2%

Eurozone Government Bonds

- Most major European government bond indices made gains in September, except for the Swedish government bond index which fell 0.3%.
- The Belgian, Spanish and Dutch government bond indices saw the largest gains for the month, all three up 0.6%.
- This Italian government bond index remained the best performing index in the region year-to-date, having gained 2.3% during this period.
- The Irish government bond index is the worst performing government bond index year-to-date, down 1.3% in 2025 so far.



Bond Returns as of September 30, 2025

	EU	Belgium	Germany	Spain	France	Italy	Ireland	Netherlands	Sweden
1 Month	0.4%	0.6%	0.2%	0.6%	0.4%	0.5%	0.3%	0.6%	-0.3%
3 Month	-0.1%	-0.5%	-0.3%	0.3%	-0.8%	0.1%	0.0%	-0.4%	-1.4%
QTD	-0.1%	-0.5%	-0.3%	0.3%	-0.8%	0.1%	0.0%	-0.4%	-1.4%
YTD	0.4%	-0.8%	-1.1%	1.0%	-0.1%	2.3%	-1.3%	-1.2%	1.1%

Liability Valuation Monitor

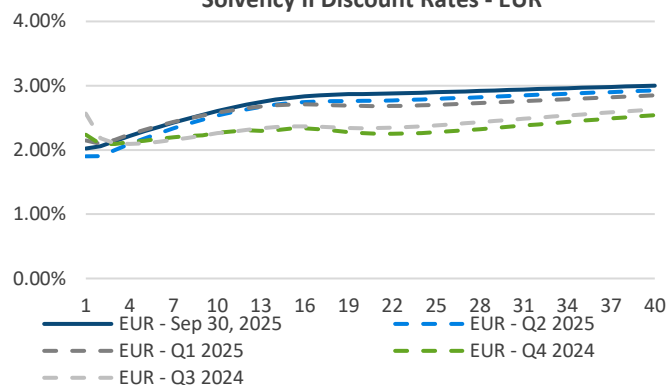
Risk Free Rates

- EUR risk-free rates rose at the short-end but experienced modest declines at the longer tenors.
- The 5-year EUR risk-free rate increased by 7 basis points, while the 30-year rate fell by 3 basis points.

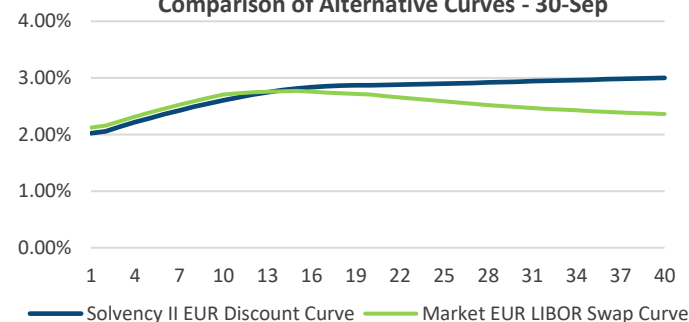
Corporate Bonds

- Global corporate bond yields fell by 7 basis points, while their European counterparts rose by 1 basis point.
- Both global and European corporate bond spreads tightened by 5 basis points.
- The small rise in medium-term risk-free rates, offset by the tightening in European corporate bond spreads, resulted in gains for the European corporate bond index.

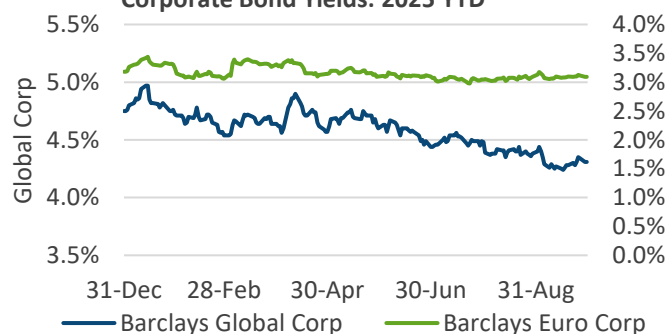
Solvency II Discount Rates - EUR



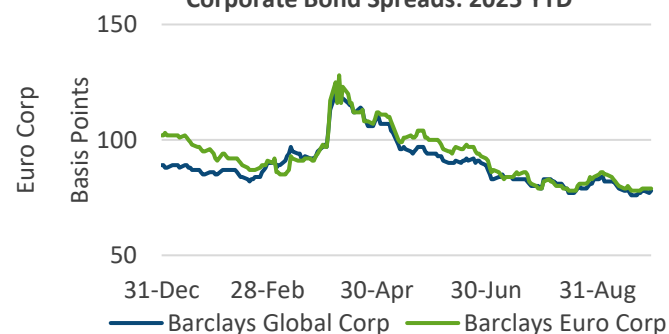
Comparison of Alternative Curves - 30-Sep



Corporate Bond Yields: 2025 YTD



Corporate Bond Spreads: 2025 YTD



	Change in Solvency II Discount (bps)						Change in Corporate Bond Yields (bps)		Change in Corporate Bond Spreads (bps)	
	1Y	Y5	Y10	Y20	Y30	Y40	Global Corp	Euro Corp	Global Corp	Euro Corp
Since Q2 2025	12	11	7	11	9	7	-13	0	-11	-13
Since Q1 2025	-12	-2	2	19	18	15	-33	-22	-19	-19
Since Q4 2024	-21	15	34	61	57	46	-44	-9	-11	-23
Since Q3 2024	-55	19	34	53	47	37	-2	-12	-22	-38

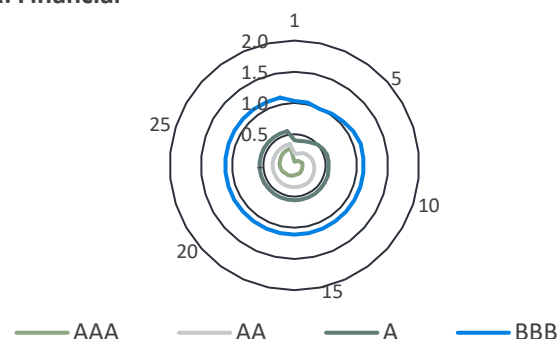
Solvency II Monitor - Spreads

Fundamental Spreads

- The fundamental spread data shown is for the end of August.
- There were no material changes since the last report.

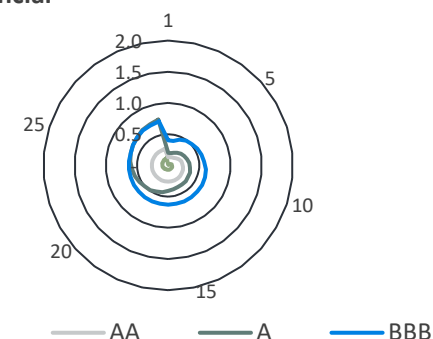
Fundamental Spreads %

EUR: Financial



EUR Financial Fundamental Spread %					
	1Y	Y5	Y10	Y20	Y30
AAA	0.06	0.10	0.13	0.19	0.28
AA	0.19	0.26	0.33	0.35	0.35
A	0.40	0.50	0.56	0.56	0.56
BBB	1.03	1.05	1.11	1.11	1.11
EUR Financial 'Before Floor' %					
	1Y	Y5	Y10	Y20	Y30
AAA	0.00	0.04	0.11	0.19	0.28
AA	0.04	0.07	0.11	0.18	0.25
A	0.05	0.11	0.17	0.29	0.39
BBB	0.11	0.19	0.28	0.41	0.51

EUR: Non-Financial



EUR Non-Financial Fundamental Spread %					
	1Y	Y5	Y10	Y20	Y30
AAA	0.01	0.03	0.07	0.08	0.12
AA	0.13	0.17	0.25	0.26	0.27
A	0.20	0.28	0.37	0.50	0.75
BBB	0.40	0.51	0.62	0.63	0.72
EUR Non-Financial 'Before Floor' %					
	1Y	Y5	Y10	Y20	Y30
AAA	0.00	0.01	0.04	0.08	0.12
AA	0.00	0.04	0.09	0.17	0.27
A	0.04	0.15	0.27	0.50	0.75
BBB	0.10	0.21	0.33	0.53	0.72

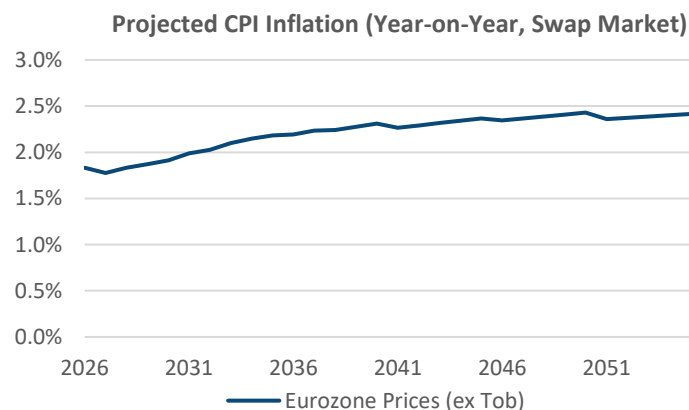
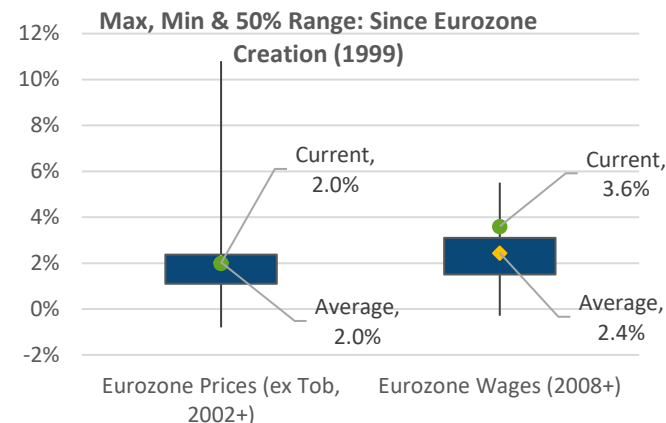
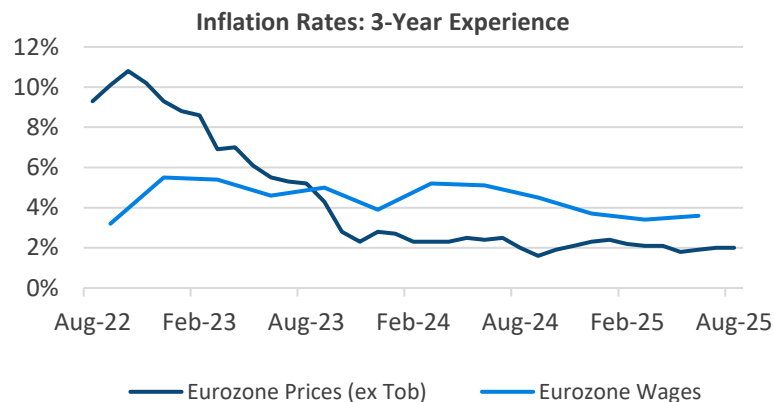
The **Solvency II risk-free discount rates** are based on applying the Smith-Wilson Extrapolation to LIBOR swap rates sourced from Bloomberg (current curve is for 30/09/25) and applying the Credit Risk Adjustment as defined in the Technical Specs. For the official published curves please refer to the [EIOPA](#) website.

The **Credit Risk Adjustment** is a component of the risk-free discount curve defined by EIOPA. It is calculated from actual experience in the 'LIBOR-OIS' spread (3 months for EUR), and is bounded between 0.10 and 0.35. We show actual LIBOR-OIS spread levels and the defined CRA, for EUR.

EIOPA fundamental spreads show the credit spread corresponding to the risk of default or downgrading of an asset. This is shown here across financial and non-financial assets, credit quality steps 0-3 and durations of 1-30 years. The data is provided by EIOPA and as of 31/08/25. **Fundamental spread** = maximum (probability of default + cost of downgrade; 35% of long-term average spread). In the tables we show the **'before floor'** measure = probability of default + cost of downgrade.

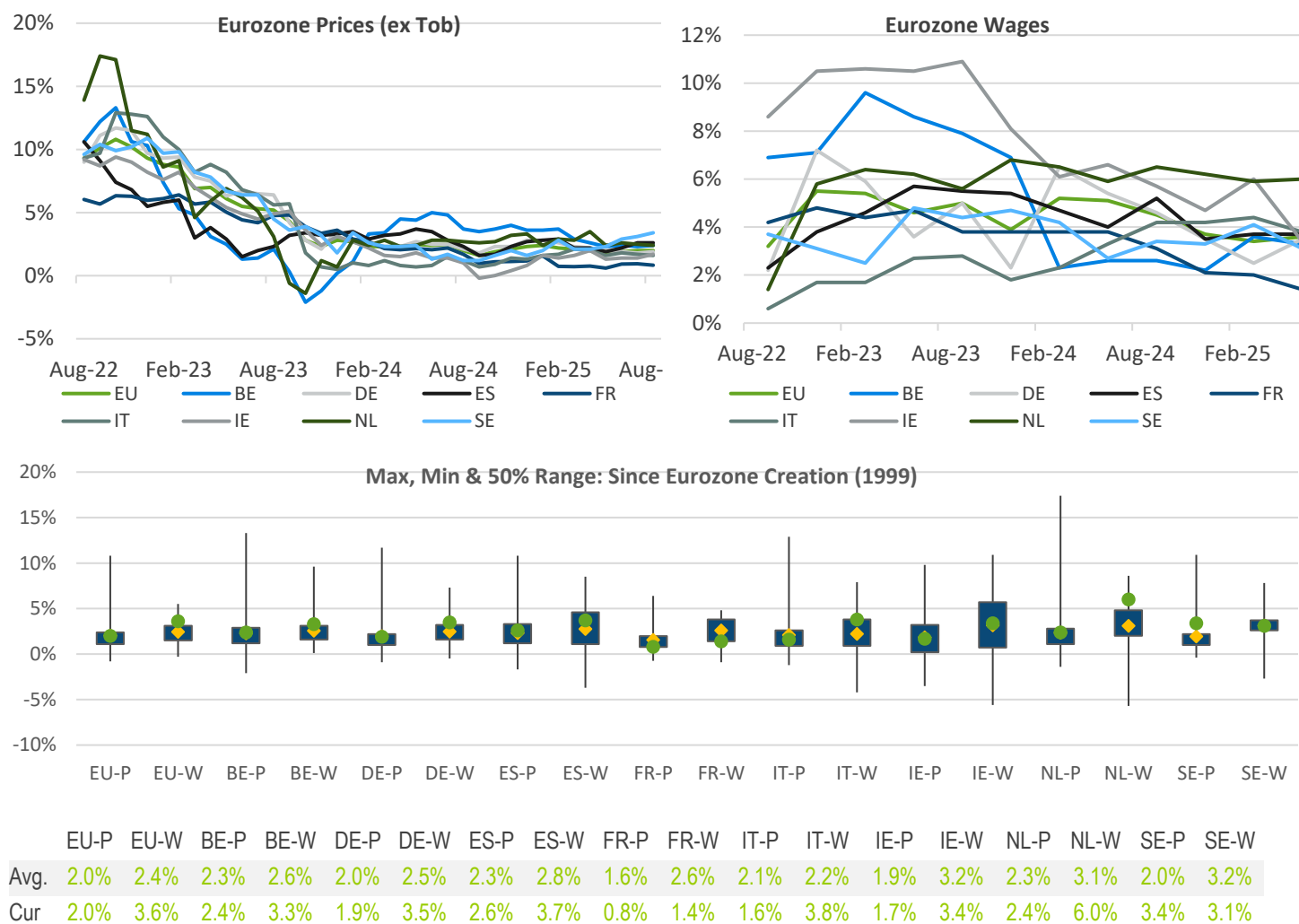
Inflation Monitor

- Eurozone price inflation was unchanged at 2.0% in August.
- The Eurozone projected CPI curve was relatively unchanged in comparison to the previous month.
- Eurozone Q2 2025 wage inflation rose by 20 basis points to 3.6%.



Inflation Monitor

- Major European economies had mixed movements in their price inflation in August.
- Sweden and Ireland's price inflation increased the most, rising by 30 basis points to 3.4% and 1.7%, respectively. The former remained the highest reading in the region.
- France, Italy and the Netherlands all saw a 10 basis point drop in their price inflation in August. France's price inflation remained the lowest reading in the region at 0.8%.
- Q2 2025 wage inflation rates were generally mixed for major European economies.
- Germany witnessed the largest increase in Q2 2025 wage inflation, rising by 100 basis points to 3.5%.
- The Netherlands posted the highest wage inflation reading in the region at 6.0%.
- Ireland saw the largest decline in Q2 2025 wage inflation, decreasing by 260 basis points to 3.4%, after the previous quarter's reading was revised higher by 80 basis points.
- France posted the lowest reading of the region for Q2 2022 wage inflation at 1.4%.

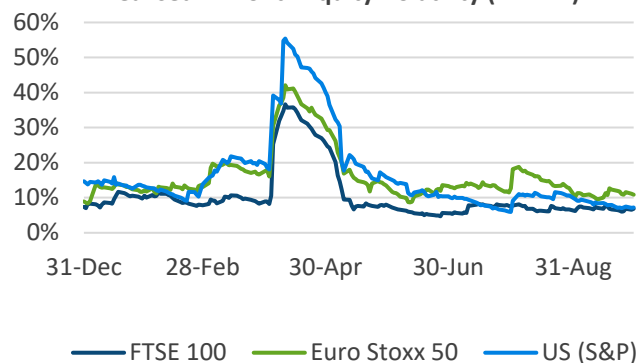


Volatility and Hedging Cost Monitor

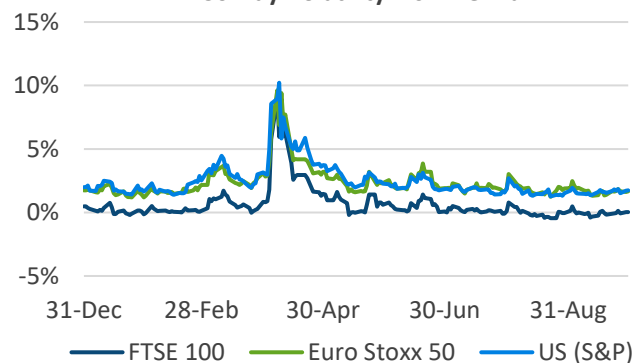
- Realised volatilities on major indices declined in September,
- The FTSE 100 ended the month with a realised volatility of 6.9%. The same measure stood at 10.9% and 7.2% on the Euro Stoxx 50 and the S&P 500, respectively.
- Volatility risk premiums on major indices were relatively unchanged. The FTSE 100 had a volatility risk premium of 0.0% at month-end. The volatility risk premium on both the Euro Stoxx 50 and S&P 500 was 1.7%.

Please contact Milliman for more information on the basis and methodology used for these results.

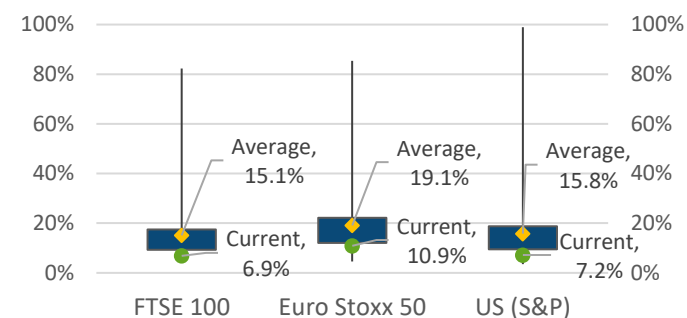
Realised 1-Month Equity Volatility (EWMA)



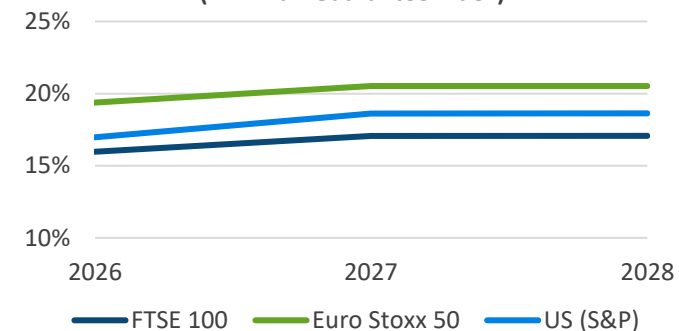
30-Day Volatility Risk Premium



Max, Min and 50% Range: Last 25 Years



Expected Volatility
(Milliman Guarantee Index)





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