

Asset Price Monitor

Local Equity Markets

- Global equity indices had a strong performance in May as trade tensions eased.
- The Euro Stoxx 50 gained 5.4%.
- The FTSE 100 was up 3.8%.

Global Equity Markets

- The S&P 500 ended the month up 6.3%, and the Topix gained 5.1%.
- The MSCI Emerging Markets index returned 4.3%.

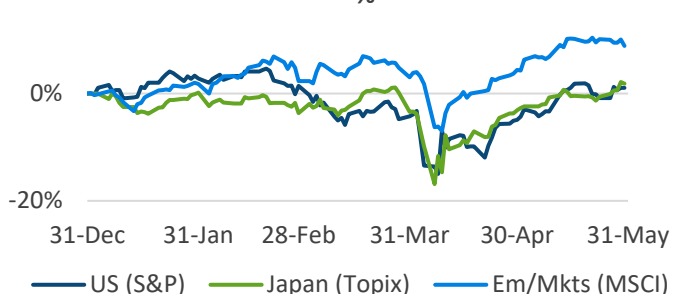
Bond/FX Markets

- The European government bond index ended the month relatively flat.
- The European corporate bond index was up 0.5%.
- The Euro had a mixed performance in May, gaining 0.9% against the Japanese Yen, while weakening by the same amount against the British Pound. The Euro was flat against the US Dollar.

Local Equity Markets: 2025 YTD Total Return %



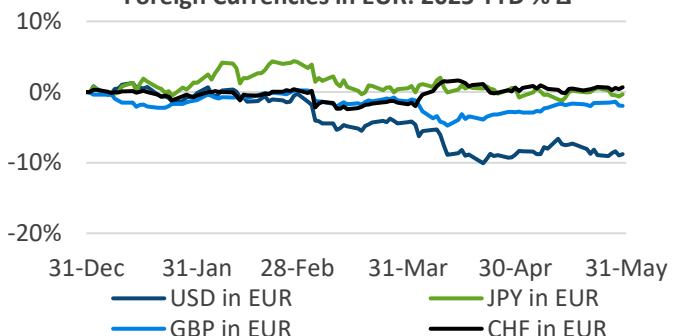
Global Equity Markets: 2025 YTD Total Return %



Bonds (Barclays Agg. Indices): 2025 YTD % Δ



Foreign Currencies in EUR: 2025 YTD % Δ

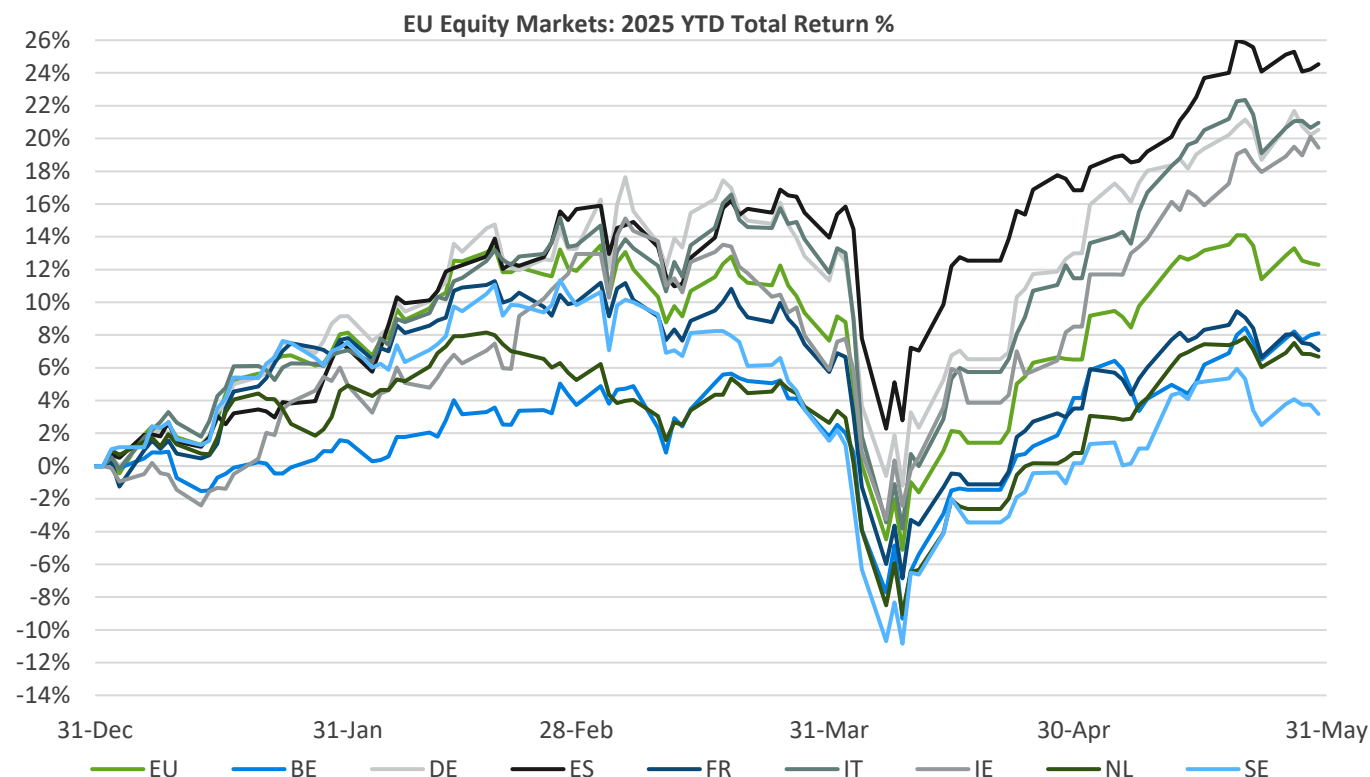


Total Returns as of May 30, 2025

	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	5.4%	3.8%	1.3%	6.3%	5.1%	4.3%	0.1%	0.5%	0.0%	0.1%	-0.9%	0.9%
3 Month	0.3%	1.0%	-3.1%	-0.4%	5.7%	6.4%	0.2%	0.5%	0.4%	-8.6%	-4.4%	-2.2%
1 Year	11.1%	10.1%	5.1%	13.5%	3.6%	13.6%	4.9%	6.5%	4.9%	-4.4%	4.4%	1.0%
YTD	12.3%	9.4%	8.6%	1.1%	1.8%	8.9%	0.8%	1.5%	0.7%	-8.8%	-0.3%	-2.0%

Eurozone Equity

- Major European equity markets made strong gains in May.
- The Irish equity market outperformed, up 10.1%.
- The Spanish equity index remained the best performer year-to-date, having returned 24.5% during this period.
- The Swedish equity market was the laggard performer in May, up 3.0%. The index remained the laggard performer year-to-date having gained 3.2% in 2025 so far.

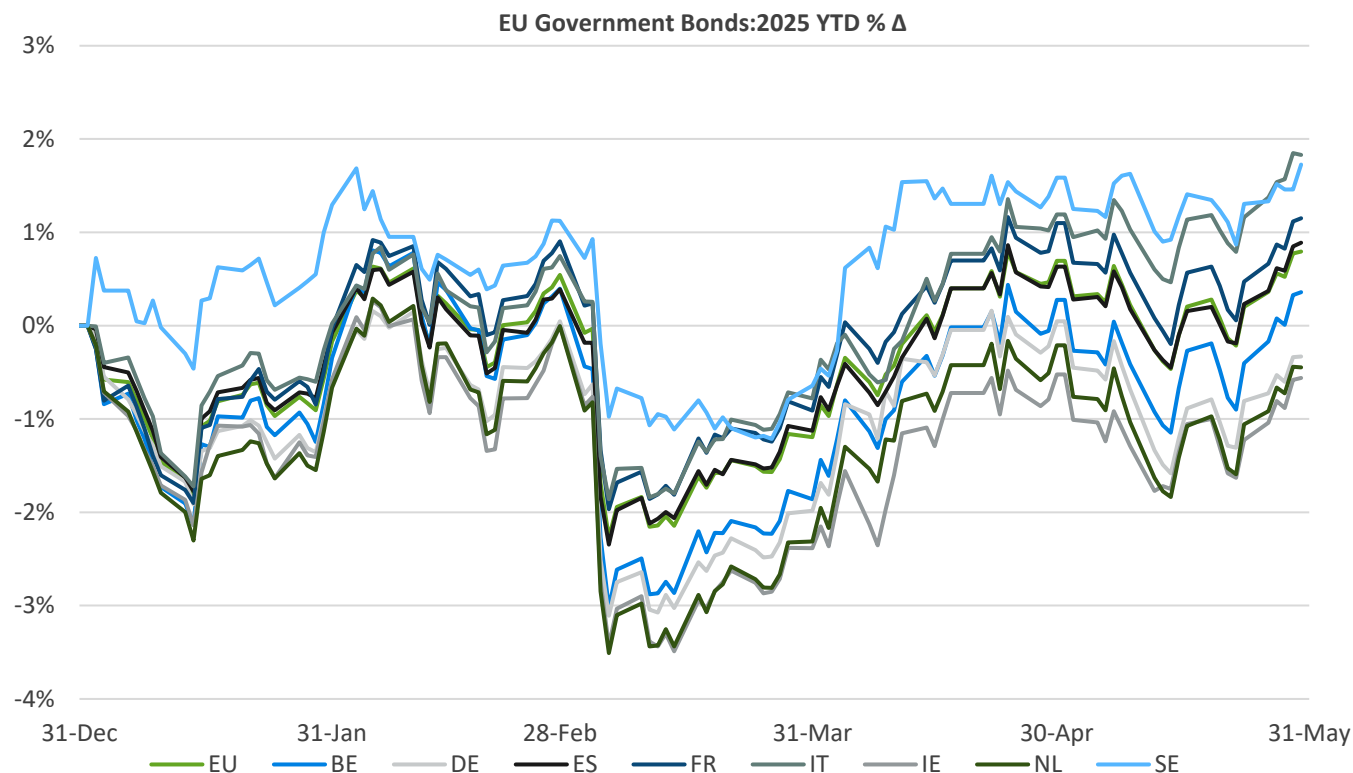


Equity Returns as of May 30, 2025

	EU	Belgium	Germany	Spain	France	Italy	Ireland	Netherlands	Sweden
1 Month	5.4%	3.8%	6.7%	6.6%	3.4%	8.5%	10.1%	5.8%	3.0%
3 Month	0.3%	4.2%	6.4%	7.7%	-2.7%	6.6%	5.7%	1.4%	-6.1%
QTD	4.3%	6.2%	8.3%	9.3%	1.3%	8.2%	12.8%	4.0%	1.6%
YTD	12.3%	8.1%	20.5%	24.5%	7.1%	21.0%	19.4%	6.7%	3.2%

Eurozone Government Bonds

- Major European government bond indices were mixed in May.
- The Italian government bond index saw the largest gains for the month, up 0.6%. This made it the best performing government bond index in the region year-to-date, having gained 1.8% during this period.
- The German government bond index underperformed its peers in May, down 0.4%.
- The Irish government bond index remained the worst performing government bond index year-to-date, down 0.6% in 2025 so far.



Bond Returns as of May 30, 2025

	EU	Belgium	Germany	Spain	France	Italy	Ireland	Netherlands	Sweden
1 Month	0.1%	0.1%	-0.4%	0.3%	0.1%	0.6%	0.0%	-0.2%	0.1%
3 Month	0.2%	0.0%	-0.4%	0.5%	0.2%	1.1%	-0.6%	-0.4%	0.6%
QTD	2.0%	2.3%	1.7%	2.0%	2.1%	2.6%	1.9%	1.9%	2.4%
YTD	0.8%	0.4%	-0.3%	0.9%	1.2%	1.8%	-0.6%	-0.4%	1.7%

Liability Valuation Monitor

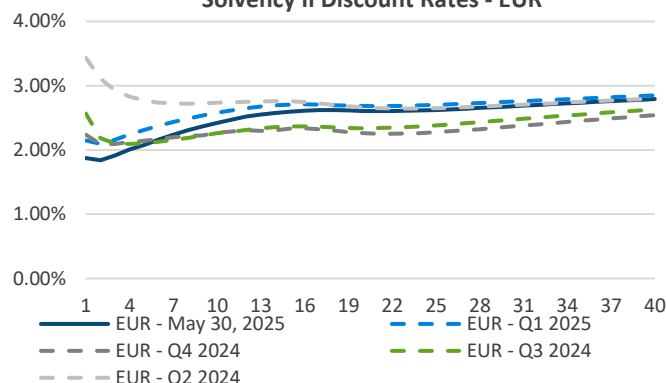
Risk Free Rates

- EUR risk-free rates rose at all terms in May, with the increases more pronounced at the long end.
- The 20 and 30-year rates increased by 13 and 14 basis points, respectively.

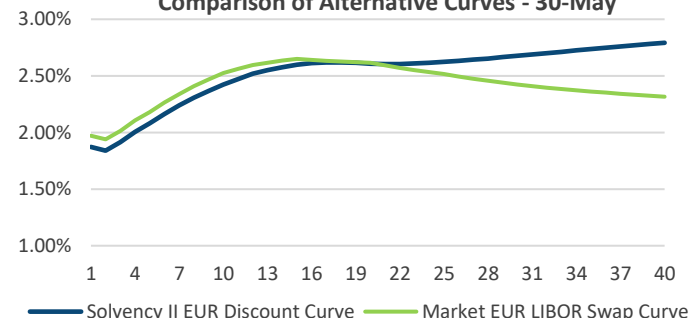
Corporate Bonds

- Global corporate bond yields rose by 3 basis points, while their European counterparts fell by 4 basis points.
- Global and European corporate bond spreads tightened by 16 and 12 basis points, respectively.
- The rise in risk-free rates, largely offset by the tightening in European corporate bond spreads, resulted in gains for the European corporate bond index.

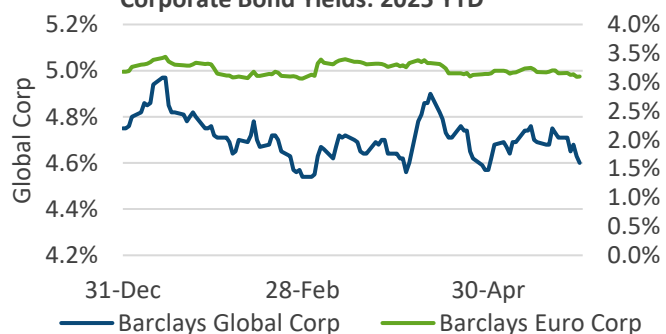
Solvency II Discount Rates - EUR



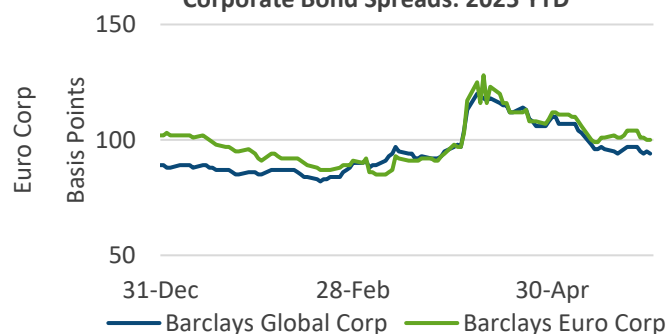
Comparison of Alternative Curves - 30-May



Corporate Bond Yields: 2025 YTD



Corporate Bond Spreads: 2025 YTD



Change in Solvency II Discount (bps)

	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 Q1 2025	-27	-23	-16	-8	-7	-6	-4	-21	-3	2
Since Q4 2024	-36	-6	16	35	32	25	-15	-9	5	-2
Since Q3 2024	-69	-2	16	27	21	16	27	-12	-6	-17
Since Q2 2024	-156	-69	-31	-5	-2	-1	-44	-73	-10	-20

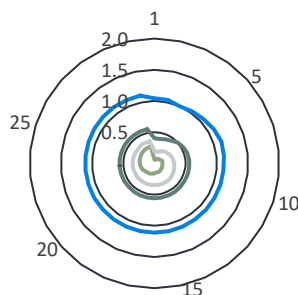
Solvency II Monitor - Spreads

Fundamental Spreads

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

Fundamental Spreads %

EUR: Financial



— AAA — AA — A — BBB

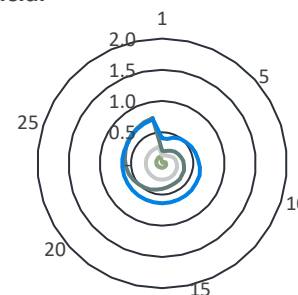
EUR Financial Fundamental Spread %

	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	0.36
A	0.40	0.50	0.56	0.56	0.56
BBB	1.04	1.06	1.11	1.11	1.11

EUR Financial 'Before Floor' %

	1Y	Y5	Y10	Y20	Y30
AAA	0.00	0.04	0.10	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	0.27	0.41	0.51

EUR: Non-Financial



— AAA — AA — A — BBB

EUR Non-Financial Fundamental Spread %

	1Y	Y5	Y10	Y20	Y30
AAA	0.01	0.02	0.07	0.08	0.11
AA	0.13	0.17	0.25	0.26	0.27
A	0.20	0.28	0.37	0.50	0.74
BBB	0.40	0.51	0.63	0.64	0.72

EUR Non-Financial 'Before Floor' %

	1Y	Y5	Y10	Y20	Y30
AAA	0.00	0.01	0.04	0.08	0.11
AA	0.00	0.04	0.09	0.17	0.27
A	0.04	0.15	0.27	0.50	0.74
BBB	0.10	0.21	0.33	0.53	0.72

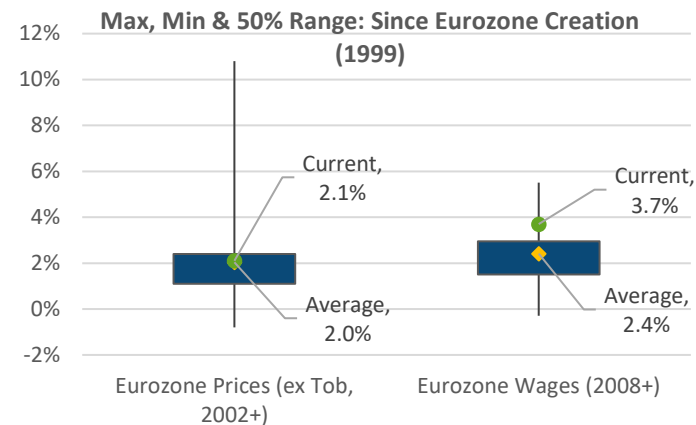
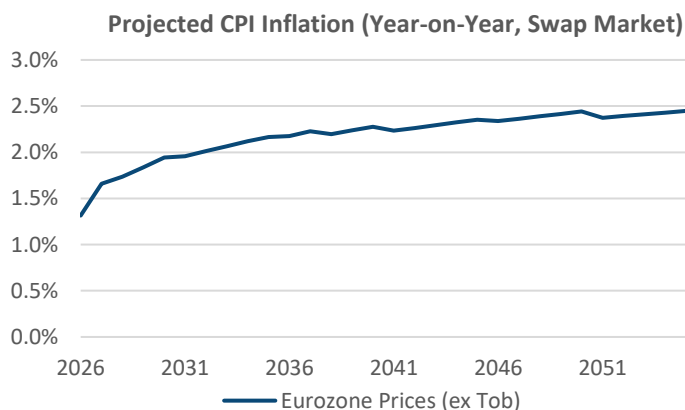
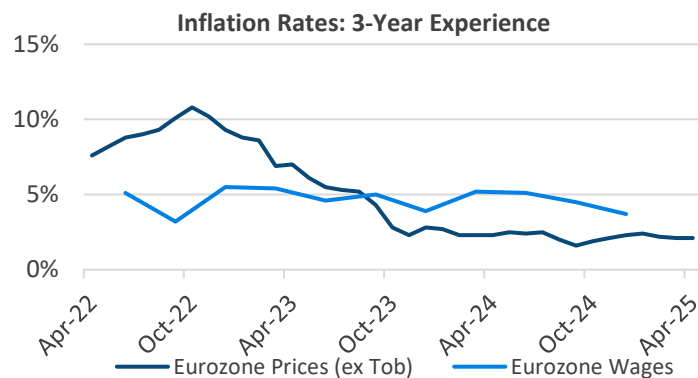
The **Solvency II risk-free discount rates** are based on applying the Smith-Wilson Extrapolation to LIBOR swap rates sourced from Bloomberg (current curve is for 31/05/25) and applying the Credit Risk Adjustment as defined in the Technical Specs. For the official published curves please refer to the [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 30/04/25. **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.

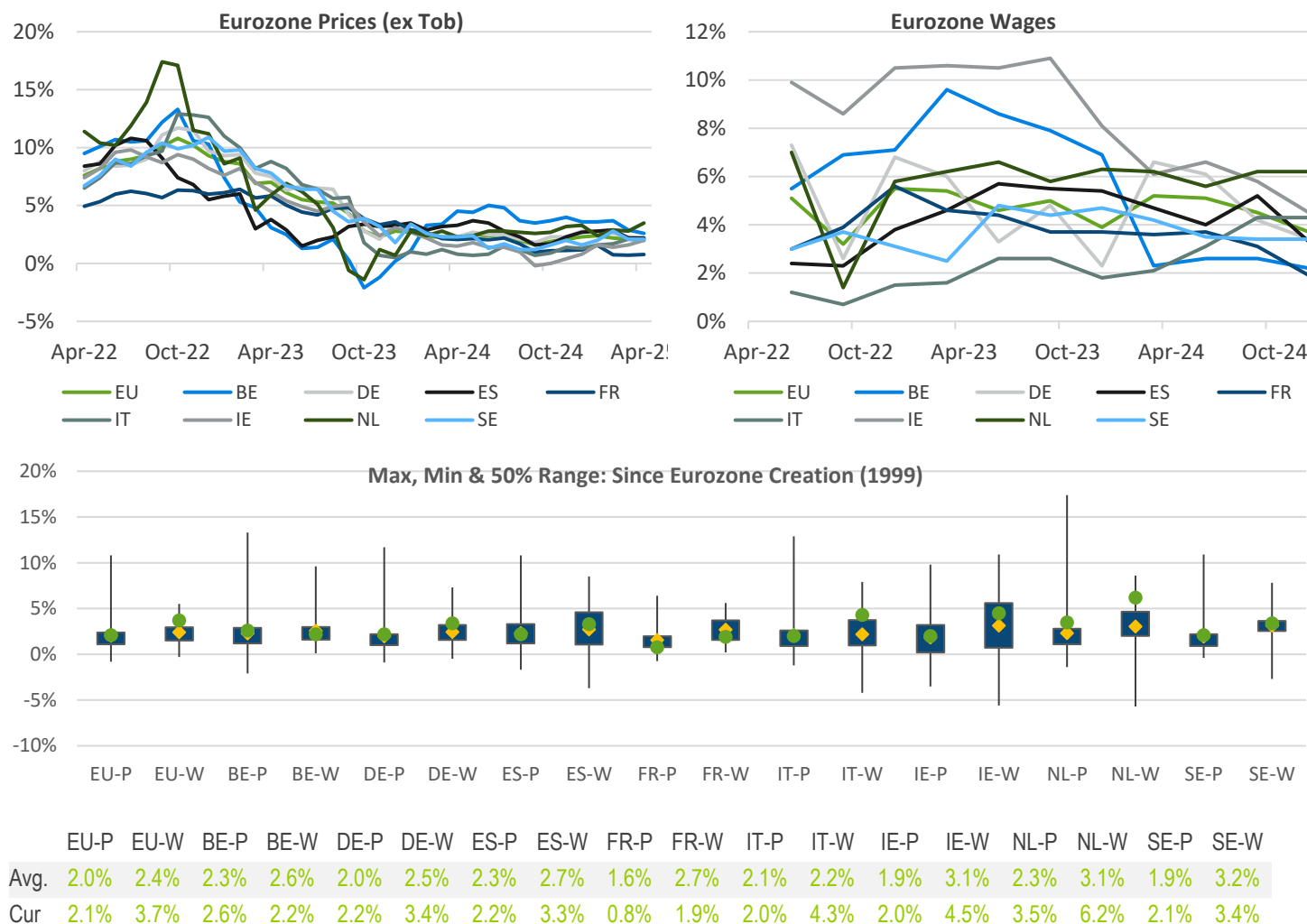
Inflation Monitor

- Eurozone price inflation was unchanged at 2.1% in April.
- The Eurozone projected CPI curve was relatively unchanged in comparison to the previous month.
- There were no updates to the wage inflation figure this month.



Inflation Monitor

- Movements in price inflation were mixed for major European economies in April.
- Belgium's price inflation dropped the most, falling by 30 basis points to 2.6%.
- The Netherlands saw the largest increase in price inflation in April, rising by 70 basis points to 3.5%, which was the highest reading in the region.
- France's price inflation remained the lowest reading in the region at 0.8%.
- There were no updates to the wage inflation figures this month.

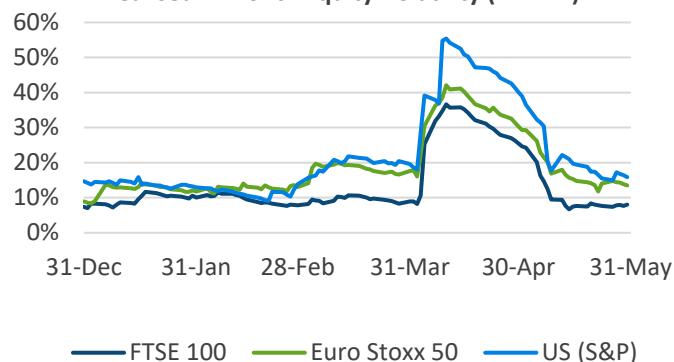


Volatility and Hedging Cost Monitor

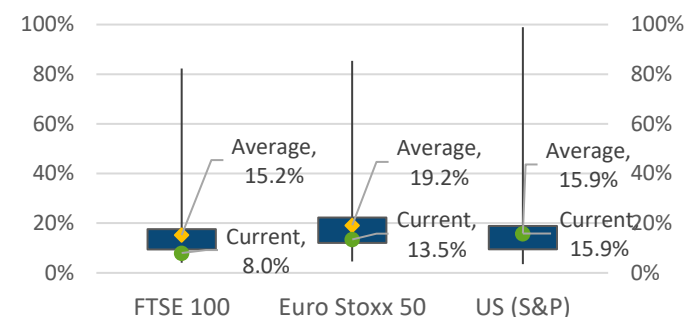
- Realised volatilities on major indices declined sharply back to pre-April levels.
- The FTSE 100 ended the month with a realised volatility of 8.0%. The same measure stood at 13.5% and 15.9% on the Euro Stoxx 50 and the S&P 500, respectively.
- Volatility risk premiums on major indices decreased. The FTSE 100 had a volatility risk premium of 0.6% at month-end. The volatility risk premium on both the Euro Stoxx 50 and S&P 500 was 2.3%.

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

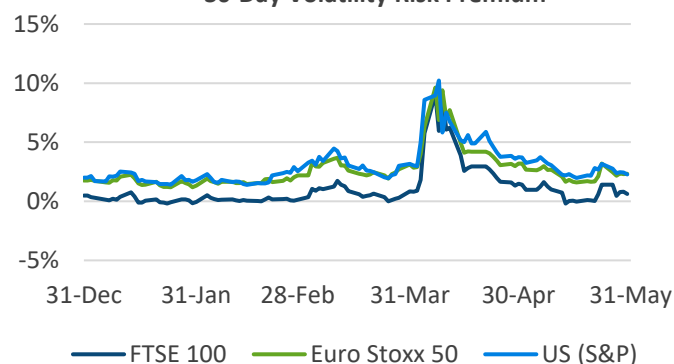
Realised 1-Month Equity Volatility (EWMA)



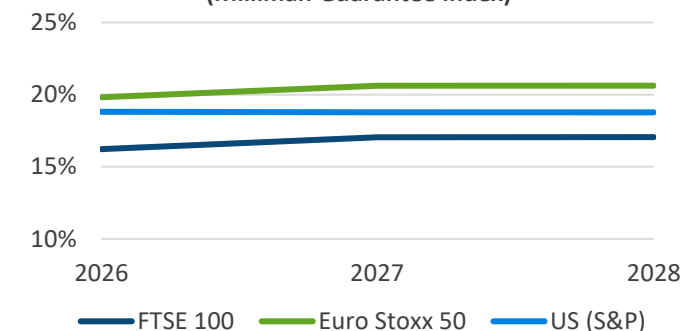
Max, Min and 50% Range: Last 25 Years



30-Day Volatility Risk Premium



Expected Volatility
(Milliman Guarantee Index)





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