

Asset Price Monitor

Local Equity Markets

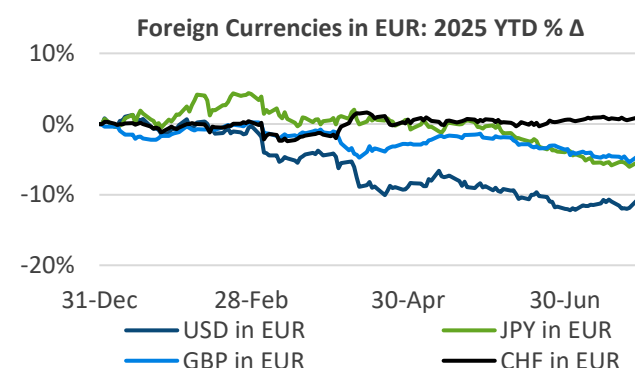
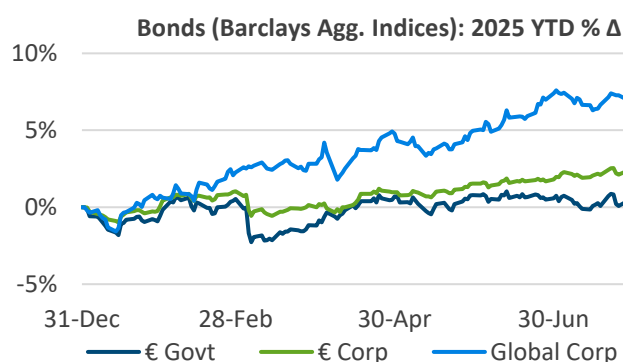
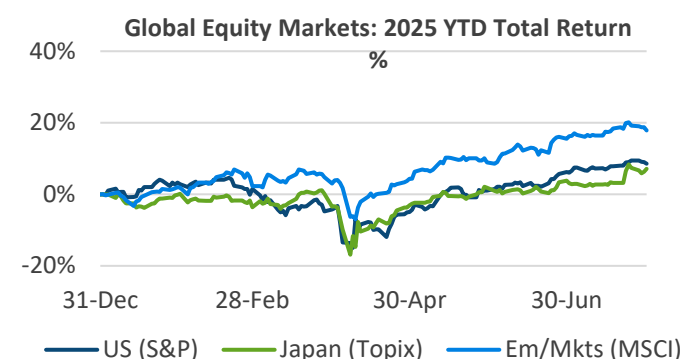
- Most global equity markets had a positive performance in July, as the announcement of several tariff agreements by the US administration reduced the risks of a trade war escalating.
- Euro Stoxx 50 ended the month up 0.5%.
- The FTSE 100 returned 4.3%.

Global Equity Markets

- The S&P 500 was up 2.2% and the Japanese Topix gained 3.2%.
- The MSCI Emerging Markets index ended the month up 2.0%.

Bond/FX Markets

- The European government bond index ended the month down 0.2%.
- Conversely, the European corporate bond index was up 0.5%.
- The Euro had a mixed performance in July, gaining 1.4% against the Japanese Yen, and 0.7% against the British Pound, but losing 3.0% against the US Dollar.

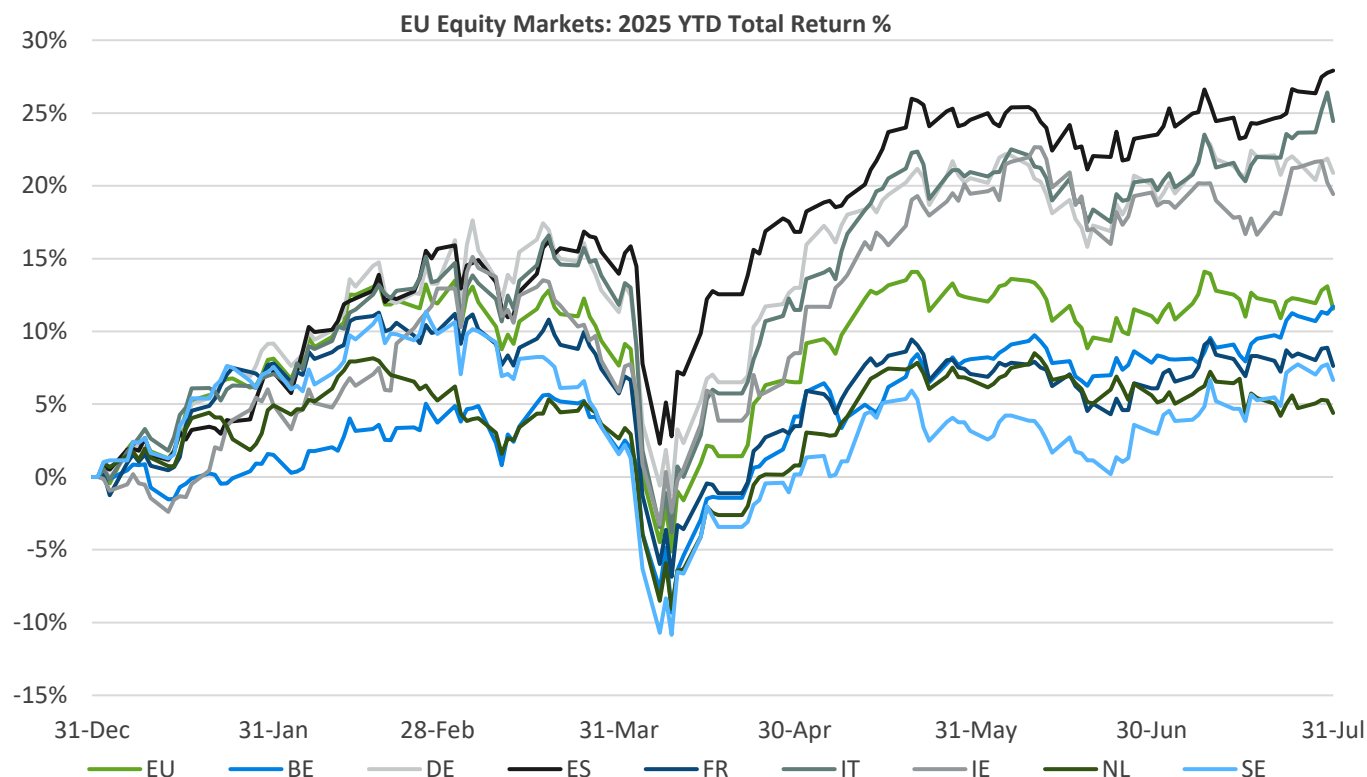


Total Returns as of July 31, 2025

	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	0.5%	4.3%	-0.7%	2.2%	3.2%	2.0%	-0.2%	0.5%	0.7%	3.0%	-1.4%	-0.7%
3 Month	4.7%	8.4%	-2.0%	14.2%	10.6%	12.9%	-0.3%	1.3%	0.6%	-0.6%	-5.9%	-1.5%
1 Year	12.6%	13.2%	-0.8%	16.3%	8.0%	17.9%	2.0%	4.8%	2.6%	-5.4%	-5.5%	-2.5%
YTD	11.6%	14.2%	5.1%	8.6%	7.1%	17.9%	0.4%	2.3%	1.2%	-9.4%	-5.4%	-4.3%

Eurozone Equity

- Most major European equity markets were up in July, except for the Dutch and Irish markets which lost 1.1% and 0.1%, respectively.
- The Belgian and Spanish equity markets gained the most, both up 3.6%. The latter remained the best performer year-to-date, having returned 27.9% during this period.
- The Dutch equity index is the laggard performer year-to-date having gained 4.4% in 2025 so far.

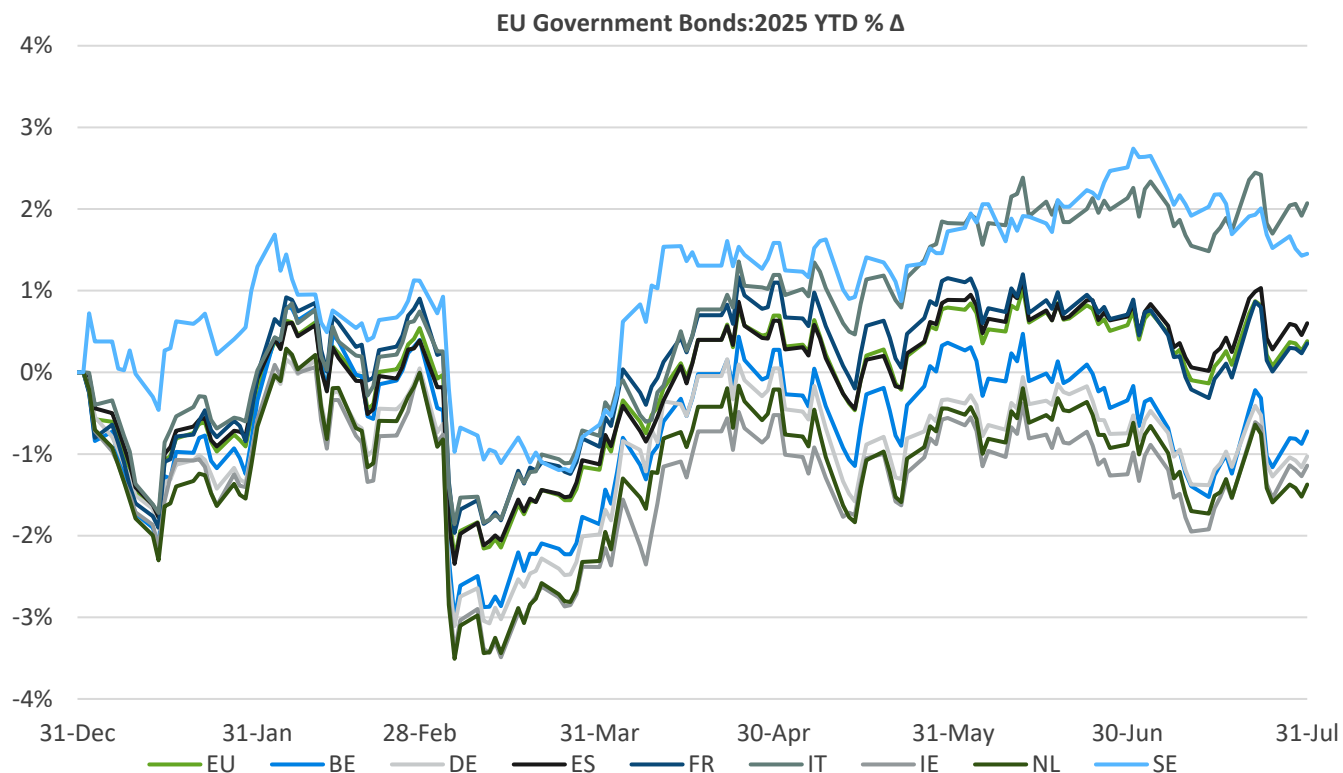


Equity Returns as of July 31, 2025

	EU	Belgium	Germany	Spain	France	Italy	Ireland	Netherlands	Sweden
1 Month	0.5%	3.6%	0.7%	3.6%	1.5%	3.4%	-0.1%	-1.1%	3.5%
3 Month	4.7%	7.3%	7.0%	9.5%	4.0%	11.6%	10.1%	3.6%	6.5%
QTD	0.5%	3.6%	0.7%	3.6%	1.5%	3.4%	-0.1%	-1.1%	3.5%
YTD	11.6%	11.7%	20.9%	27.9%	7.6%	24.4%	19.4%	4.4%	6.7%

Eurozone Government Bonds

- Most major European government bond indices fell in July, except for Ireland which was relatively flat at month-end.
- The Swedish government bond index saw the largest losses for the month, down 1.0%.
- This Italian government bond index is best performing index in the region year-to-date, having gained 2.1% during this period.
- The Dutch government bond index is the worst performing government bond index year-to-date, down 1.4% in 2025 so far.



Bond Returns as of July 31, 2025

	EU	Belgium	Germany	Spain	France	Italy	Ireland	Netherlands	Sweden
1 Month	-0.2%	-0.4%	-0.3%	-0.1%	-0.3%	-0.1%	0.1%	-0.5%	-1.0%
3 Month	-0.3%	-1.0%	-1.1%	0.0%	-0.7%	0.9%	-0.6%	-1.2%	-0.1%
QTD	-0.2%	-0.4%	-0.3%	-0.1%	-0.3%	-0.1%	0.1%	-0.5%	-1.0%
YTD	0.4%	-0.7%	-1.0%	0.6%	0.4%	2.1%	-1.1%	-1.4%	1.5%

Liability Valuation Monitor

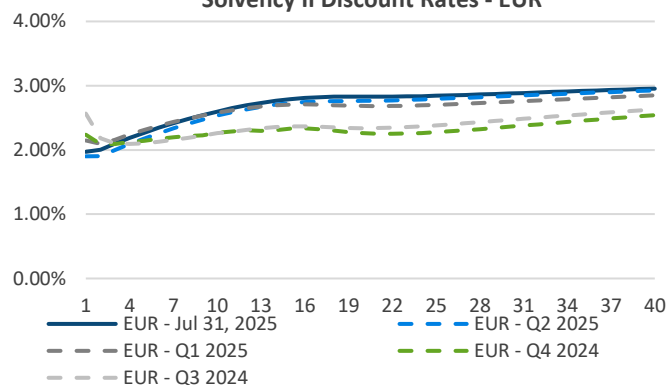
Risk Free Rates

- EUR risk-free rates rose at all terms in July.
- The 5 and 1-year risk-free rates rose by 9 and 7 basis points, respectively.

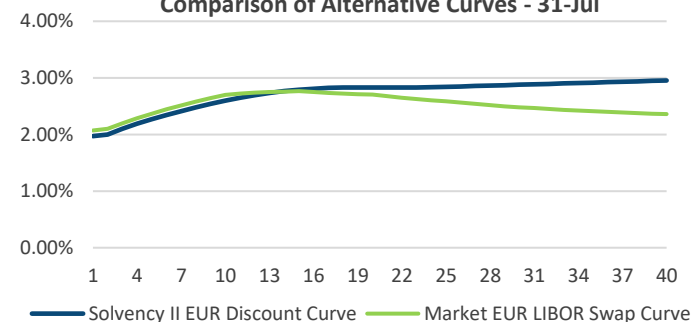
Corporate Bonds

- Global corporate bond yields rose by 4 basis points, while their European counterparts fell by 5 basis points.
- Global and European corporate bond spreads tightened by 10 and 13 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.

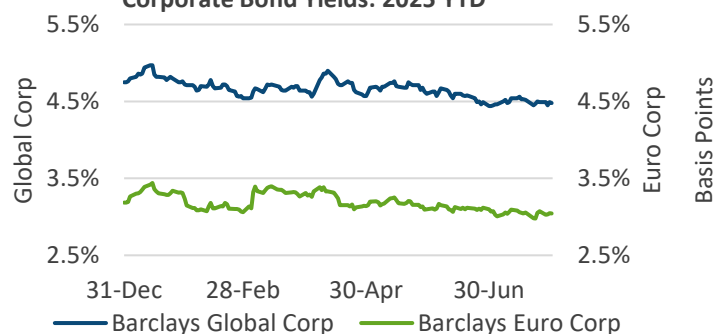
Solvency II Discount Rates - EUR



Comparison of Alternative Curves - 31-Jul



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 Q2 2025	7	9	6	7	4	3	4	-5	-10	-13
Since Q1 2025	-18	-4	2	14	13	10	-16	-26	-18	-19
Since Q4 2024	-26	13	33	57	52	41	-27	-14	-10	-23
Since Q3 2024	-60	16	34	49	41	32	15	-17	-21	-38

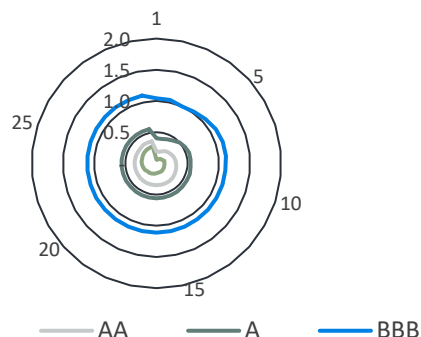
Solvency II Monitor - Spreads

Fundamental Spreads

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

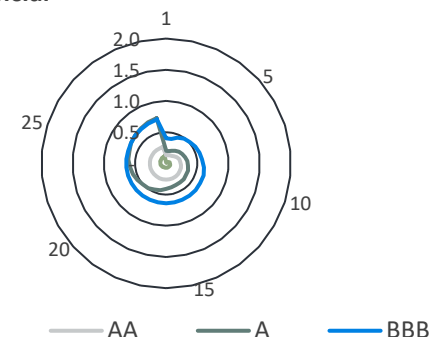
Fundamental Spreads %

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	0.36
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	0.11	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	0.74
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	0.12
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

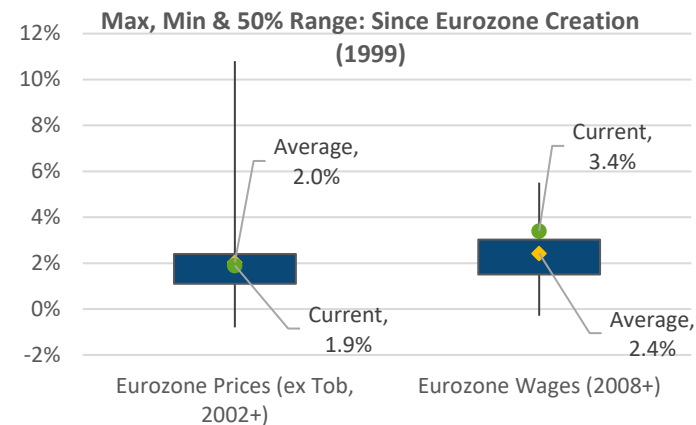
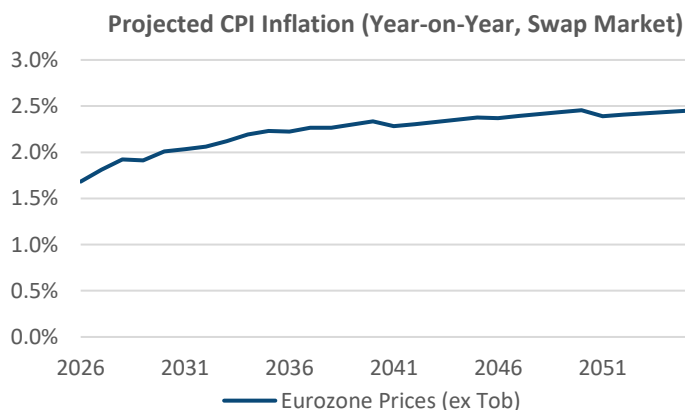
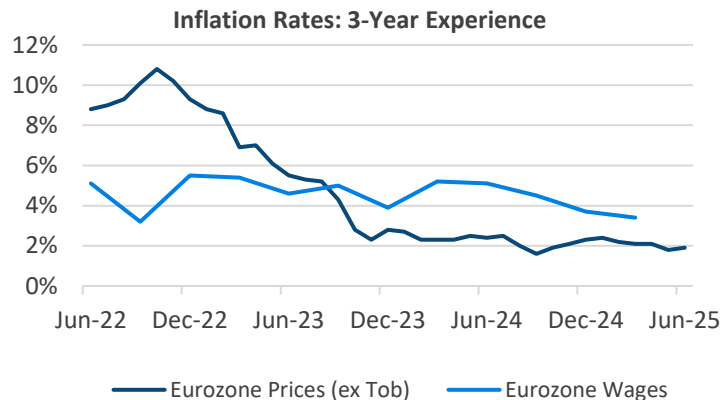
The **Solvency II risk-free discount rates** are based on applying the Smith-Wilson Extrapolation to LIBOR swap rates sourced from Bloomberg (current curve is for 31/07/25) and applying the Credit Risk Adjustment as defined in the Technical Specs. For the official published curves please refer to the [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 30/06/25. **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.

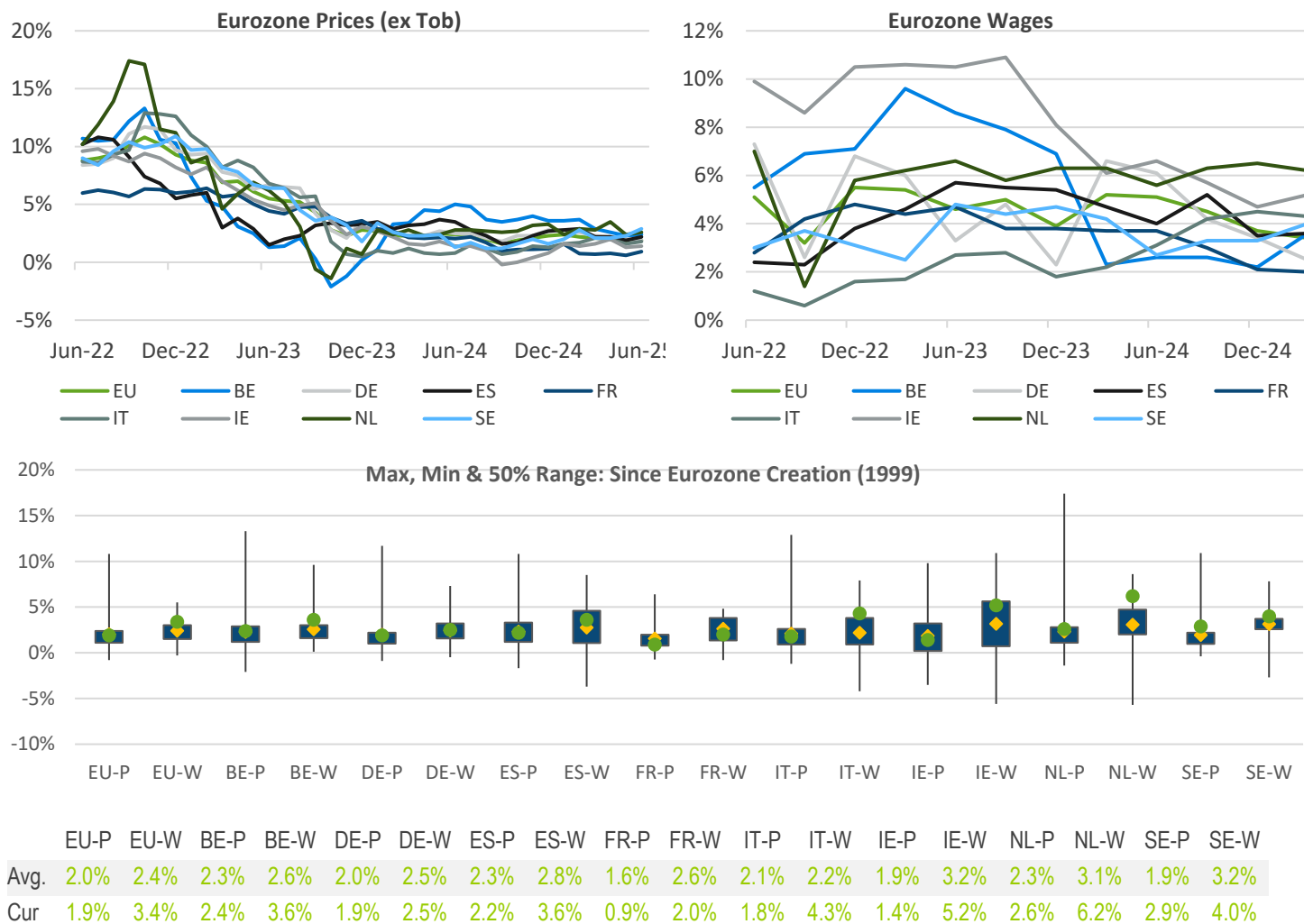
Inflation Monitor

- Eurozone price inflation rose by 10 basis points to 1.9% in June.
- 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

- Most major European economies saw their price inflation increase in June, except for Germany which witnessed a 10 basis points decline in its price inflation to 1.9%
- Swedish price inflation increased the most, rising by 60 basis points to 2.9%, which was also the highest reading in the region.
- France's price inflation remained the lowest reading in the region at 0.9%.

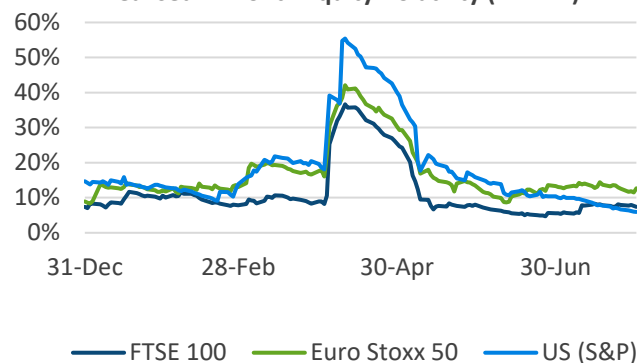


Volatility and Hedging Cost Monitor

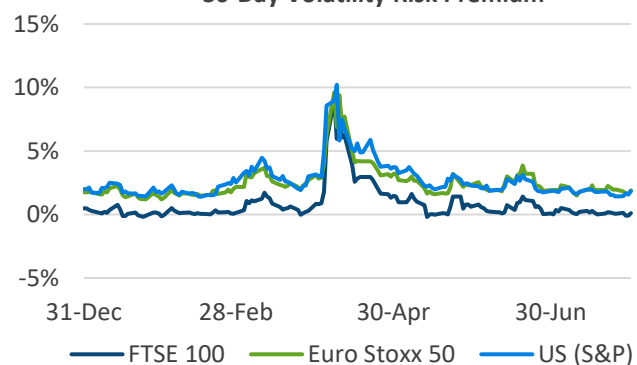
- Realised volatilities on major indices declined, except for the FTSE 100 which saw a small increase but remained well below historical averages.
- The FTSE 100 ended the month with a realised volatility of 7.4%. The same measure stood at 12.7% and 5.9% on the Euro Stoxx 50 and the S&P 500, respectively.
- Volatility risk premiums on major indices were relatively unchanged. The FTSE 100 had a volatility risk premium of 0.1% at month-end. The volatility risk premium on the Euro Stoxx 50 and S&P 500 was 1.9% and 1.8%, respectively.

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

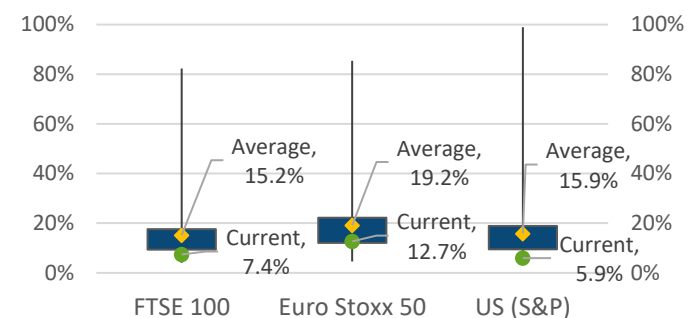
Realised 1-Month Equity Volatility (EWMA)



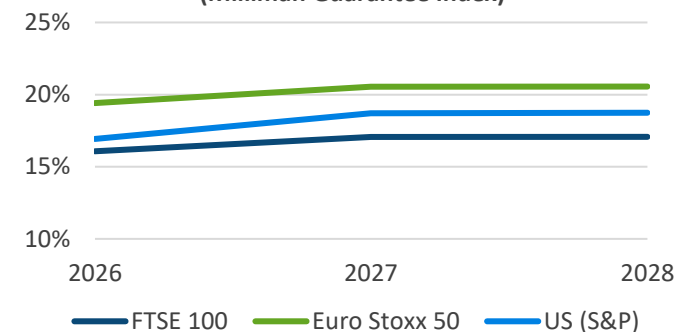
30-Day Volatility Risk Premium



Max, Min and 50% Range: Last 25 Years



Expected Volatility
(Milliman Guarantee Index)





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Established in 1998, the practice includes professionals operating from three trading platforms around the world (Chicago, London and Sydney).

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