

National Federation of Voluntary Service Providers Pension and Life Assurance Scheme
Investment Market and Funds Update – to 30 June 2026

Most investment markets have generated positive returns over the past twelve months. Equities have generated strong gains despite volatility associated with uncertainty over US tariff policies, the recent war in Iran and the potential impact from both on growth and inflation. European government bonds have recorded more modest, positive returns. Over the past year, the US and global economies have been resilient, supported by monetary and fiscal policy easing. While equity markets fell in late February and March on stagflation fears linked to higher oil prices following the conflict in the Middle East, they have since recovered to new all-time highs on hopes that a resolution would be found, allowing energy flows through the Strait of Hormuz waterway to resume. A positive corporate earnings backdrop and still-robust economic environment, particularly in the US, have also supported markets.

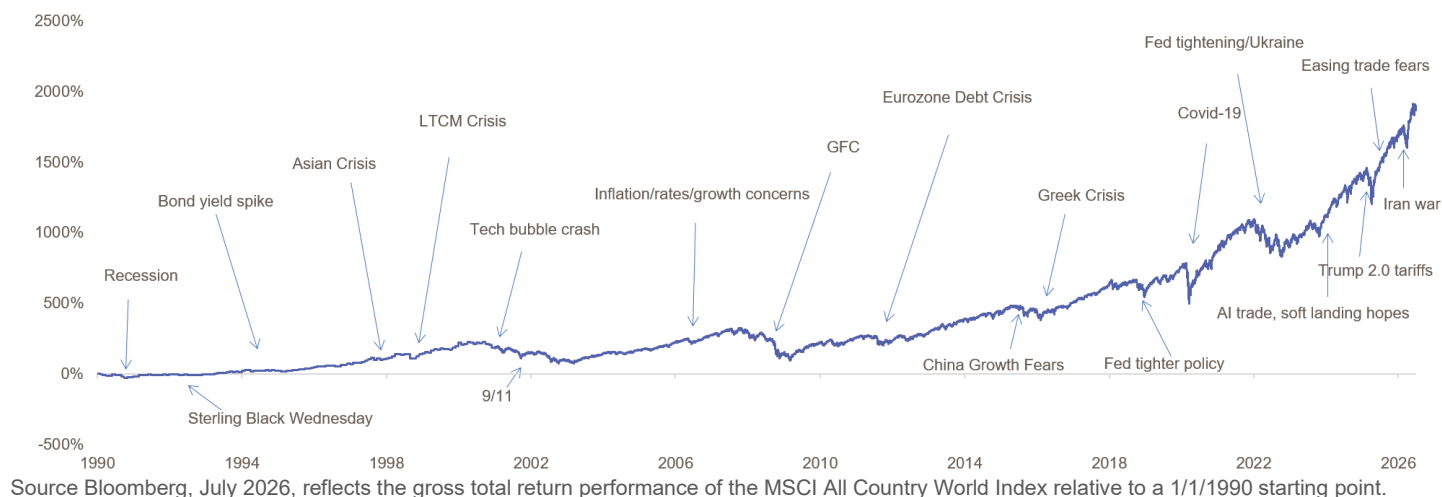
In the Middle East, the announcement of a ceasefire and more recently, the signing of a Memorandum of Understanding (MoU) between the US and Iran in June led to a reopening of the Strait of Hormuz and oil prices falling back to pre-war levels, easing inflation pressures. These developments have helped the positive fundamental backdrop to reassert itself, which has been supportive of markets. Corporate earnings in the US have surprised to the upside and forecasts have been revised higher for 2026 and 2027. The artificial intelligence (AI) theme has also been supportive of the overall equity market and some individual large-cap stocks, although in 2026 investors have become more discerning between potential winners and losers from the AI theme. Market performance has begun to broaden out beyond the US and large-cap stocks as the global growth backdrop improved and the benefits of AI spread to the companies which are beginning to adopt it.

Despite the recent uncertainty related to the Iran war, the outlook for equities on a 12-month view remains constructive. The signing of the MoU has allowed oil prices to fall and recent fears around growth and inflation to fade. A still resilient economic backdrop and positive company earnings can provide support for further gains in equity markets. Additionally, the AI theme is expected to remain supportive over the short and medium term. Any short-term volatility in markets is likely to be offset by the above factors, with positive returns expected on a 12-month timeframe.

In terms of interest rates, the US central bank in June signalled a more cautious stance on further near-term monetary easing as policymakers assessed the implications of the conflict and higher oil prices for inflation and growth. In Europe, the ECB raised interest rates by 0.25% to 2.25% in June, its first increase in almost three years, in response to higher inflation seen as a result of higher energy prices. Over the next year, we believe government bond yields can fall as recent inflation concerns ease, particularly if tensions in the Middle East and oil prices remain contained. In the event of growth disappointing, central banks would be able to cut rates more aggressively to support the economy, which would be positive for bonds and, within a diversified portfolio, would help offset any weakness in equities from a slower growth backdrop.

We can see from the period below that staying invested delivered very strong returns for longer term investors despite the many temptations to sell. Equity markets will experience short term ups and downs, but it is time in the market, rather than timing the market, that is important for long-term returns. For most members, pensions savings are a long term investment and that is important to remember.

Long Term Investing



Warning: Past performance is not a reliable guide to future performance.

We know that when it comes to investing, uncertainty is uncomfortable for most people. Equity market highs and lows can often prompt short-term emotional decision making and actions to buy or sell when perhaps the right thing to do is nothing. That is why we have specifically designed our investment solutions to make the journey smoother. There are two ways we do this.

Diversification

This means spreading investments, so the performance of your fund is not over exposed to any one company, asset class, sector, geography, currency, manager or strategy. The funds invest in a mix of equities, bonds, property and cash.

Risk Management

Growing retirement savings over time means investing in some higher growth but higher risk assets like equities. Our core competence is managing the risks associated with these assets in a variety of ways to reduce the peaks and troughs you might otherwise experience. These include specialist investment strategies like the Equity Option Strategy or science-based risk management like the Dynamic Share to Cash strategy.

So, whether you are choosing the lifestyle strategy where we do the thinking for you or you are choosing your own funds, take comfort that we can support you with solutions to help you stay invested and get the pension you deserve.

The below table shows the performances of all the funds available in the National Federation of Voluntary Service Providers Pension & Life Assurance Scheme, against their long-term benchmarks over shorter- and longer-term periods to the end of June 2026. It shows positive returns were recorded for the majority of funds over most periods.

Performance of funds in the Scheme to 30 June 2026	3 Months	Year to Date	1 Year	3 Years per annum (p.a.)	5 Years per annum (p.a.)	10 Years per annum (p.a.)
*EMPOWER High Growth Fund	13.3%	12.0%	22.4%	14.0%	8.0%	8.2%
Cash Deposit Rate + 4.5%	1.6%	3.2%	6.5%	7.5%	6.5%	5.3%
*EMPOWER Moderate Growth Fund	9.3%	8.7%	16.3%	11.4%	6.6%	6.8%
Cash Deposit Rate + 4%	1.5%	2.9%	6.0%	7.0%	6.0%	4.8%
**EMPOWER ARF Matching Fund	6.5%	6.2%	11.4%	8.8%	4.5%	5.0%
Cash Deposit Rate + 3%	1.2%	2.5%	5.0%	6.0%	5.0%	3.8%
*EMPOWER Stability Fund	4.1%	3.7%	6.8%	6.3%	2.5%	3.1%
Cash Deposit Rate + 2%	1.0%	2.0%	4.0%	5.0%	4.0%	2.8%
**EMPOWER Cash Fund (Lifestyle)	0.5%	0.8%	1.8%	2.7%	1.7%	0.5%
3-Month EURIBID Rate	0.5%	1.0%	2.0%	2.8%	2.0%	0.7%
**EMPOWER Annuity Objective Fund	2.6%	2.4%	-0.7%	-0.1%	-6.9%	-2.6%
Composite Benchmark	2.7%	2.6%	-0.5%	0.1%	-6.8%	-2.4%
EMPOWER Cautious Growth Fund	6.5%	6.2%	11.4%	8.8%	4.5%	5.0%
Cash Deposit Rate + 3%	1.2%	2.5%	5.0%	6.0%	5.0%	3.8%
New World Indexed All Country Equity Fund***	17.0%	14.5%	27.5%	17.5%	11.4%	♦
ILIM New World Global Mkt Eqty Index	16.9%	14.5%	27.5%	17.6%	11.5%	♦
**EMPOWER Cash Fund	0.5%	0.9%	1.9%	2.8%	1.8%	0.6%
3-Month EURIBID Rate	0.5%	1.0%	2.0%	2.8%	2.0%	0.7%

* Available individually and also used as part of the Personal Lifestyle Strategy

** Available only as part of the Personal Lifestyle Strategy

*** This is a new fund so only short-term returns are available

♦ Historic information unavailable

Source of information: Irish Life Investment Managers past performance is not a reliable guide to future performance. Fund returns are shown net of all fees and expenses as at 30.6.2026.

Warning: The value of your investment may go down as well as up.

Warning: If you invest in this fund you may lose some or all of the money you invest.

Warning: These funds may be affected by changes in currency exchange rates.

Warning: Past performance is not a reliable guide to future performance.

Personal Lifestyle Strategy

Most members of the National Federation of Voluntary Service Providers Pension & Life Assurance Scheme are invested in the Irish Life EMPOWER Personal Lifestyle Strategy (PLS).

PLS puts you in funds designed to achieve investment growth while at the same time balancing investment risk. From 20 years to retirement your pension fund will switch on a gradual basis into funds with lower risk and return expectations than from the early growth stage. From 6 years from your retirement date, PLS moves your pension fund into investments that best match how you are most likely to draw down your pension benefits on retirement. It does all the work for you. Please go to <http://www.fedvol.ie> (pensions tab) for the flyer on PLS.



Irish Life

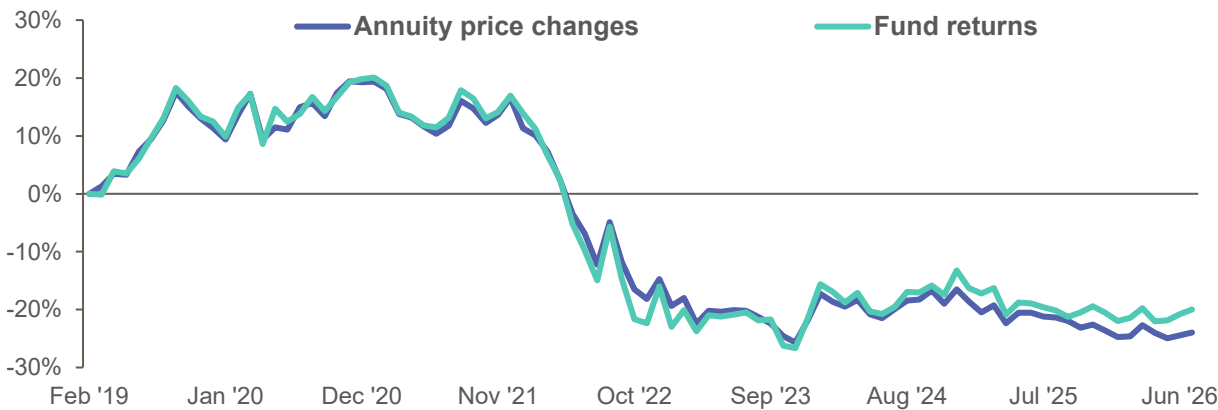
Self-Select funds

However, you don't have to participate in PLS and can instead select a fund or mix of funds that suit you best from the six standalone funds available. We typically see people make selections based on how long they have until retirement or when they will need the money. When that period is 10 years or more, it may be more appropriate to consider funds with higher long-term expected growth although these funds also carry higher short-term risks. It is prudent to consider moving to lower risk funds as you get closer to needing the money.

When self-selecting funds, it is particularly important to understand and consider your appetite for risk and tolerance for loss i.e., how much negative performance will you or can you endure. It is also crucial to be aware of the impact that volatile stock markets can have on your decision making. Market highs and lows can often prompt investors to act when it is ultimately detrimental to their long-term interests, whether over confidence when markets are strong or no confidence when they are weak.

Close relationship between annuity prices and annuity fund returns

As illustrated below, returns of the EMPOWER Annuity Objective Fund were slightly negative over a 1-year period to 30 June 2026, reflecting the increase in bond yields and the decrease in bond values in the fund that occurred over this period. The fund returns tracked annuity prices over the period, which are also linked to bond yields. This meant the purchasing power for members' funds who are most likely to purchase an annuity was broadly maintained. A close relationship between annuity price changes and annuity fund returns has been shown to exist over time as illustrated in the chart below, which shows how changes in annuity prices have closely matched the returns from the EMPOWER Annuity Objective Fund since the start of 2019. This is why the EMPOWER Annuity Objective Fund is used in the Irish Life EMPOWER PLS.



Source: Irish Life Investment Managers. Period is January 2019 to 30 June 2026

Benefits of Monthly Contributions

Buying when prices are lower makes sense. With monthly contributions you continue to buy units during periods of equity market weakness when unit prices fall which means you get more units for your contribution. The benefit is that your fund value will increase faster as equity markets recover.

Switching when equity markets are performing negatively

In times of uncertainty or equity market volatility, it can be tempting to switch some or all of your retirement savings to lower risk funds or even cash. While this is provided as a free option, it is worth remembering that even professional investors find it difficult, if not impossible, to consistently time when markets will rise or fall. More often, people are driven by sentiment and may exit funds when they have already fallen only to buy them back later at a higher price when stock markets have recovered. This simply erodes the value of your savings over time. Being invested and staying invested has been shown to be the most effective strategy over time.

Source: Irish life Investment Managers (ILIM)



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