January 2026

National Federation of Voluntary Service Providers Pension and Life Assurance Scheme
Investment Market and Funds Update – to 31 December 2025

Most investment markets have generated positive returns over the past 12 months, despite volatility associated with uncertainty over tariff policies in the US and their potential impact on growth. The US and global economies have been resilient and shown stronger than expected growth, supported by monetary and fiscal policy easing. Market gains have been focused mainly within equity markets and are reflected in positive performance for the funds in which your retirement savings are invested over the 12 months to the end of December.

Concerns and uncertainty around the impact of US tariffs and heightened global trade tensions weighed on markets earlier in 2025, but these worries faded as trade deals were agreed with lower levels of tariffs than threatened on ‘Liberation Day’ in early April, helping to avoid the recession which had been feared by many at that time.

Global equity markets rose by 8.3% (in euro terms) in the 12 months to 31st December, despite headwinds that contributed to heightened volatility during the year. These headwinds were mainly centred around concerns over the impact of US tariff policies on growth and inflation. However, economies have proven to be more resilient than expected, avoiding recession with inflation in most regions outside the US falling over the past 12 months. In the US, the tariff impact on inflation has been less than expected and is anticipated to fade through 2026. The resumption of interest rate cuts by the US Federal Reserve in recent months to protect against perceived downside risks in the labour market has supported growth. Corporate earnings profits in the US surprised to the upside in recent quarters and forecasts have been revised higher for 2026 which highlights corporates and analysts growing confidence in the outlook. The artificial intelligence (AI) theme has also been supportive of the overall equity market and some individual large cap stocks in particular.

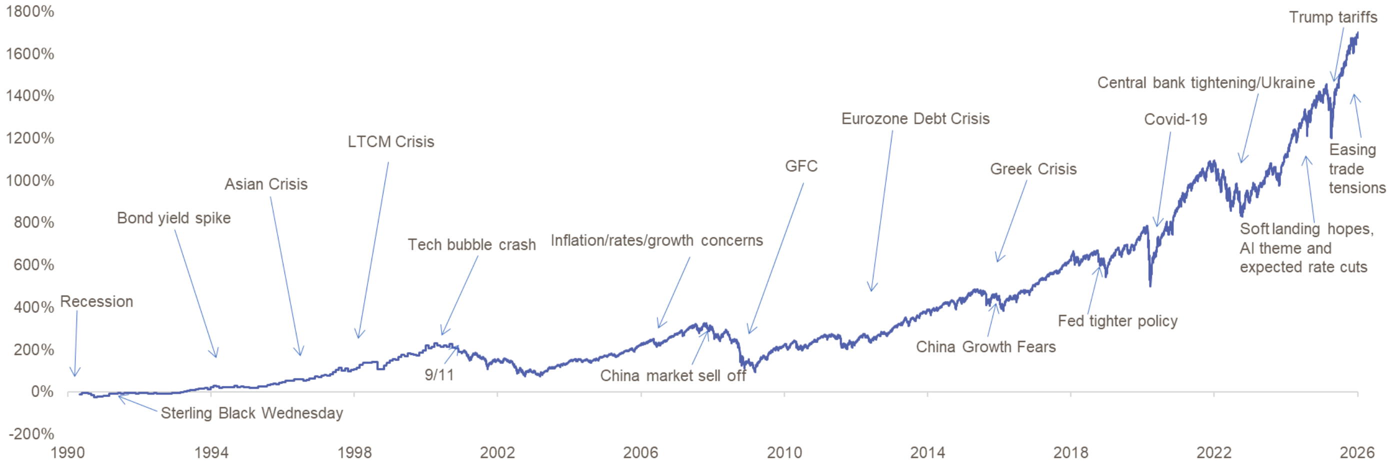
Fixed income markets have been more mixed over the last 12 months with Eurozone 5year+ sovereign government bonds down slightly by -0.6% as German bond yields rose following the announcement of a large fiscal stimulus programme to boost growth. Corporate bonds, however, have performed better with investment grade European corporate bonds rising 3.0% as they offer higher yields and benefitted from an improving growth backdrop. Other fixed income categories such as high yield corporate bonds and emerging market debt have also performed well, generating high single to double digit returns, partly due to the higher yield or income stream they offer investors.

Despite equities appearing fully valued, the outlook on a 12-month view is constructive. The economic and earnings growth backdrops are expected to remain strong. Additional central bank interest rate cuts amidst a positive fundamental backdrop can also contribute to further gains. 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 conditions supportive of achieving positive returns over the next year.

On a 12-month view, we believe government bond yields will fall as inflation remains close to central bank targets and further interest rate cuts are possible. In the event of growth disappointing, central banks would be able to cut rates more aggressively to support growth 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



Source Bloomberg, January 2026, reflects the gross total return performance of the MSCI All Country World Index relative to a 1/1/1990 starting point.

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.

Irish Life

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 December 2025. It shows positive returns were recorded for the majority of funds over most periods.

Performance of funds in the Scheme to 31 December 2025	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**	**3.1%**	**8.3%**	**8.3%**	**12.3%**	**7.8%**	**7.2%**
Cash Deposit Rate + 4.5%	*1.6%*	*6.8%*	*6.8%*	*7.6%*	*6.3%*	*5.2%*
***EMPOWER Moderate Growth Fund**	**2.6%**	**6.7%**	**6.7%**	**10.4%**	**6.7%**	**6.1%**
Cash Deposit Rate + 4%	*1.5%*	*6.3%*	*6.3%*	*7.1%*	*5.8%*	*4.7%*
****EMPOWER ARF Matching Fund**	**1.8%**	**5.1%**	**5.1%**	**8.1%**	**4.5%**	**4.6%**
Cash Deposit Rate + 3%	*1.2%*	*5.3%*	*5.3%*	*6.1%*	*4.7%*	*3.7%*
***EMPOWER Stability Fund**	**1.1%**	**3.8%**	**3.8%**	**5.9%**	**2.4%**	**3.0%**
Cash Deposit Rate + 2%	*1.0%*	*4.2%*	*4.2%*	*5.1%*	*3.7%*	*2.7%*
****EMPOWER Cash Fund (Lifestyle)**	**0.5%**	**2.1%**	**2.1%**	**2.8%**	**1.4%**	**0.4%**
3-Month EURIBID Rate	*0.5%*	*2.1%*	*2.1%*	*3.0%*	*1.7%*	*0.6%*
****EMPOWER Annuity Objective Fund**	**-1.9%**	**-7.1%**	**-7.1%**	**0.2%**	**-8.5%**	**-1.3%**
Composite Benchmark	*-1.9%*	*-6.8%*	*-6.8%*	*0.3%*	*-8.4%*	*-1.1%*
EMPOWER Cautious Growth Fund	**1.8%**	**5.1%**	**5.1%**	**8.1%**	**4.5%**	**4.6%**
Cash Deposit Rate + 3%	*1.2%*	*5.3%*	*5.3%*	*6.1%*	*4.7%*	*3.7%*
New World Indexed All Country Equity Fund***	**3.5%**	**7.6%**	**7.6%**	**16.6%**	♦	♦
ILIM New World Global Mkt Eqty Index	*3.5%*	*7.7%*	*7.7%*	*16.7%*	♦	♦
****EMPOWER Cash Fund**	**0.5%**	**2.2%**	**2.2%**	**2.9%**	**1.5%**	**0.5%**
3-Month EURIBID Rate	*0.5%*	*2.1%*	*2.1%*	*3.0%*	*1.7%*	*0.6%*

* 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 31.12.2025.

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.

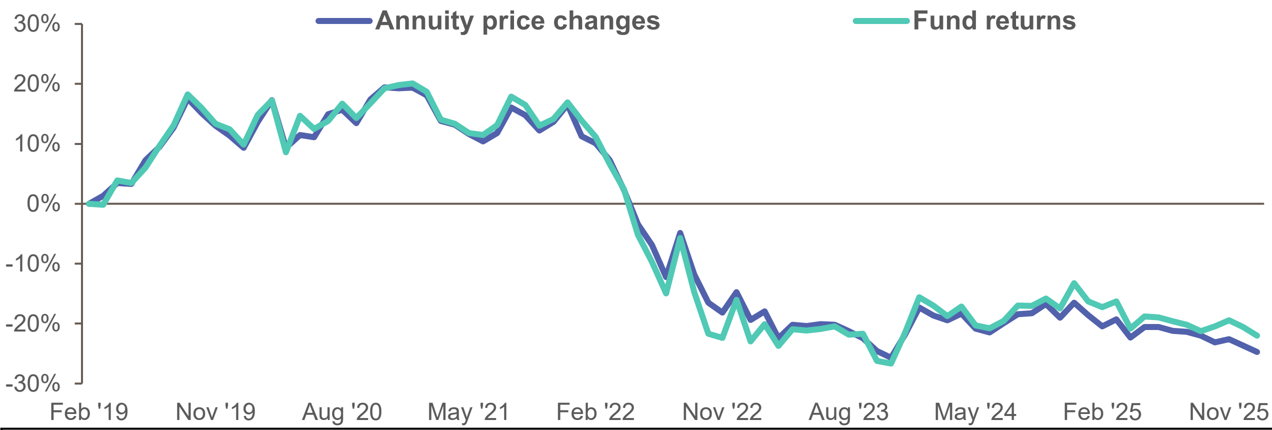
Self-Select funds

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 negative over a 1-year period to 31 December 2025, reflecting the increase in bond yields and the decrease in bond fund values 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 31 December 2025

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)