

EMPOWER

Investment Update

March 2026

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 broad across asset classes, with equities performing well, and are reflected in positive performance for the funds in which your retirement savings are invested over the 12 months to the end of February.

Concerns and uncertainty around the impact of US tariffs and heightened global trade tensions weighed on markets early 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. While the US Supreme Court has ruled that most of the tariffs imposed by the Trump administration were illegal, President Trump has indicated he will use the 1974 Trade Act to effectively replicate the levies. Several geopolitical events in the early part of 2026 were largely ignored by markets as it was thought they would have minimal impact on the positive fundamental backdrop, although the US-Israel attacks on Iran at the end of February were believed to represent a greater risk to markets given the potential for higher oil prices.

Global equity markets as represented by the MSCI All Country World Index* rose by 9.9% (in euro terms) in the 12 months to 28th February, despite headwinds that contributed to heightened volatility during the period. These headwinds were mainly centred around concerns over the impact of US tariff policies on growth and inflation. However, economies proved to be more resilient than expected, avoiding recession with inflation in most regions outside the US falling over the past 12 months; but even in the US, the tariff impact on inflation has been less than expected. The resumption of interest rate cuts by the US Federal Reserve late in 2025 to protect against perceived downside risks in the labour market also supported growth. Corporate earnings in the US surprised to the upside in recent quarters and forecasts have been revised higher for 2026, highlighting corporate and analyst 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, although more recently investors have become more discerning between potential winners and losers from the AI theme. Market performance has

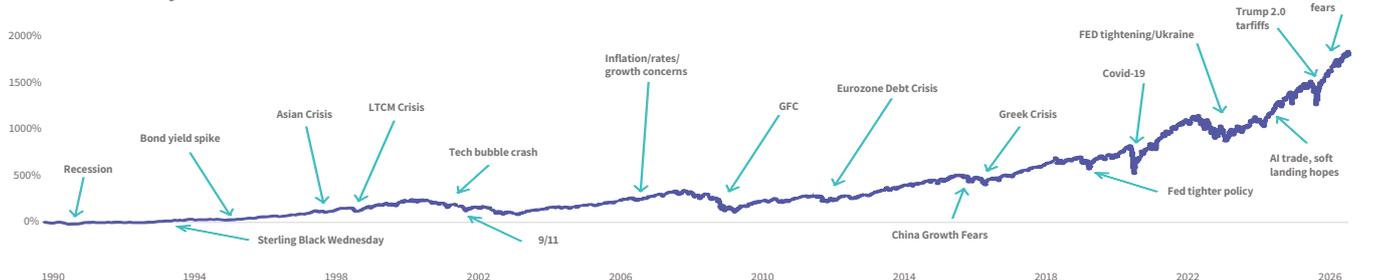
begun to broaden out beyond the Magnificent 7 and large-cap stocks as the growth backdrop has improved, and as the benefits of AI spread to those companies who are beginning to adopt it.

The Eurozone 5 year+ sovereign bond index rose by 1.8% over the period, despite German bond yields rising following the announcement of a large fiscal stimulus programme. The positive return was due to the income stream from attractive yield levels and the narrowing of peripheral and French spreads. Corporate bonds have performed better, with investment-grade European corporate bonds rising 3.2% given their higher yields, while yield spreads have narrowed in the improving growth backdrop. Other fixed income categories such as high-yield corporate bonds and emerging market debt have also performed well, generating high single-digit returns, partly due to the higher yield 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. If the recent conflict in Iran and associated rise in oil prices prove to be short lived, the impact on growth and inflation should be minimal. Additional US interest rate cuts in 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 positive returns expected on a 12-month time frame.

Over the next year we believe government bond yields will fall as inflation remains close to central bank targets and further interest rate cuts are possible. Recent concerns about higher inflation linked to rising oil prices can fade if tensions in the Middle East can deescalate quickly. In the event of growth disappointing, central banks could be able to cut rates more aggressively, which would be positive for bonds. For diversified portfolios, lower rates would help offset any weakness in equities from a slower growth backdrop.

MSCI All Country World Index*



Source: FactSet, March 2026, reflects the price performance of the MSCI All Country World Index Gross Total Return relative to a 1/1/1990 starting point.
*Gross Total Return

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 the desire 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 overexposed to any one company, asset class, sector, geography, currency, manager or strategy. In practice, this means that, if equities are falling, for example, your fund can still benefit from other assets, like bonds, going up. This reduces the overall impact of any fall.



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 in knowing that we can support you with solutions to help you stay invested and get the pension you deserve.

The tables below shows both the total and annualised long-term performances of the EMPOWER Multi Asset funds against their longer-term benchmarks from February 2015, when they were established, to the end of February 2026. They show long-term performances remain positive for the funds used in the Personal Lifestyle Strategy.



Total Performances	EMPOWER Stability fund	EMPOWER Cautious Growth fund	EMPOWER Growth fund	EMPOWER High Growth fund
EMPOWER Fund Performance	42.0%	67.7%	94.5%	113.7%
Long-Term Benchmarks	33.0%	48.1%	64.6%	73.5%

Annualised Performances	EMPOWER Stability fund	EMPOWER Cautious Growth fund	EMPOWER Growth fund	EMPOWER High Growth fund
EMPOWER Fund Performance	3.2%	4.8%	6.2%	7.1%
Long-Term Benchmarks	2.6%	3.6%	4.6%	5.1%

Source: Irish Life Investment Managers, performance is gross of fees, charges and tax. Period is 28 February 2015 to 28 February 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.

Lifestyle Strategy

Our retirement savings plans offer lifestyle strategies that manage the level of risk you are exposed to when approaching retirement. In the strategy, you invest in growth-style funds when you're a long way from retirement, and gradually move into funds with lower risk and return expectations as you approach your retirement date. Growth funds are better for returns but are more likely to experience short-term falls from which your fund needs time to recover. When closer to your retirement date, our Lifestyle strategies typically move your pension fund into investments that best match how you are most likely to draw down your pension benefits upon retirement. The investment strategy does all the work for you.



Self-select funds

However, you don't have to participate in the Lifestyle Strategy and can instead select the fund or mix of funds that suit you best. We typically see people make selections based on how long they have until retirement or when they will need the money. When that time frame 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 you will, or you can, 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 due to over-confidence when markets are strong or no confidence when they are weak.



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. Getting invested and staying invested has been shown to be the most effective strategy over time.

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