

# Quarterly Investment Update

## EMPOWER Master Trust Q3 2025



### Q3 Investment Insight



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This year investors have been grappling with the implications of shifting US tariff policy and global trade tensions. Since the announcement of the far reaching tariffs by the US in April, which were perceived as severe by investors, developments around tariffs have been generally constructive. A softer stance post April brought some relief and eased tensions, while Q3 saw the US make a number of trade deals with certain trading partners, including the EU. Resilient economic data and stimulus measures introduced in the US also supported this broadly positive environment for global financial assets over the quarter.

Against this improving backdrop equities have continued to recover, recouping the heavy losses experienced from the market lows in April and moving persistently higher into positive territory. Strong reported company earnings, renewed optimism around the AI theme and a resumption of interest rate cuts in the US further supported equity performance. Additional US interest rate cuts are expected over the coming months, although they will be influenced by labour market dynamics and economic data. The softer tariff stance and trade deals have helped remove some market uncertainty, but investors remain attuned to tariff news flow and how any re-escalation of trade tensions could impact global growth and financial markets.

Despite the tariff related concerns the US economy has been resilient over the past 12 months, supported by robust consumer spending. Eurozone economic activity has continued to improve, and a tariff deal with the US has also removed some uncertainty. For China, the easing of trade tensions with US has helped offset some economic weakness. Overall, reduced trade tensions and resilient economic data has supported a more positive outlook for the global economy.

As always, short term bouts of volatility may well be experienced in both equity and bond markets depending on prevailing headlines. However, the assets in which we invest your retirement savings are well placed to continue to allow us to deliver on the long-term investment objectives we have set for each individual fund as per the table below.

The table below outlines the returns achieved by each of the standard funds available to the Irish Life EMPOWER Master Trust members to 30 September 2025. The returns are quoted before the application of fund management fees which are specific to each participating employer. Each fund's risk and return expectations are also outlined.

| Fund Type    | Fund Name                                      | Long Term Return Objective          | Risk Rating★ | 10 Year p.a. | 5 Year p.a. | 3 Year p.a. | 1 Year | Year to Date | 3 Month |
|--------------|------------------------------------------------|-------------------------------------|--------------|--------------|-------------|-------------|--------|--------------|---------|
| Multi Asset  | EMPOWER High Growth Fund                       | 4.5% p.a. over the return from cash | 5            | 7.9%         | 9.2%        | 12.0%       | 9.0%   | 5.3%         | 6.1%    |
| Multi Asset  | EMPOWER Growth Fund                            | 4.0% p.a. over the return from cash | 4            | 6.8%         | 7.8%        | 10.5%       | 7.1%   | 4.3%         | 4.4%    |
| Multi Asset  | EMPOWER Cautious Growth Fund                   | 3.0% p.a. over the return from cash | 3            | 5.2%         | 5.4%        | 8.3%        | 5.6%   | 3.5%         | 3.1%    |
| Multi Asset  | EMPOWER Stability Fund                         | 2.0% p.a. over the return from cash | 2            | 3.4%         | 3.2%        | 6.2%        | 4.2%   | 2.8%         | 1.9%    |
| Equity Only  | New World Indexed Emerging Market Equity Fund* | Emerging equity market returns      | 7            | -            | -           | 9.2%        | 9.3%   | 10.5%        | 10.9%   |
| Equity Only  | New World Indexed All Country Equity Fund*     | Global equity market returns        | 6            | -            | -           | 15.8%       | 10.7%  | 4.2%         | 7.7%    |
| Equity Only  | Indexed World Equity Fund                      | Developed equity market returns     | 6            | 11.9%        | 14.5%       | 16.6%       | 11.5%  | 3.6%         | 7.2%    |
| Fixed Income | EMPOWER Annuity Objective Fund                 | Protect 'Annuity Purchasing Power'  | 4            | -0.9%        | -7.4%       | 0.5%        | -5.5%  | -5.0%        | -1.1%   |
| Fixed Income | New World Indexed Euro Corporate Bond Fund**   | Euro corporate bond market returns  | 3            | -            | -           | 5.7%        | 3.6%   | 2.8%         | 0.9%    |
| Cash         | EMPOWER Cash Fund                              | Institutional cash return           | 1            | 0.6%         | 1.6%        | 3.0%        | 2.7%   | 1.8%         | 0.5%    |

Source: Irish Life Investment Managers 30 September 2025. \*Fund launched in June 2021. \*\*Fund launched in March 2021. ★Funds are rated from a risk or volatility viewpoint from 1 (lowest risk) to 7 (highest risk). Further information on all of the available funds can be found at [www.irishlifeemployersolutions.ie](http://www.irishlifeemployersolutions.ie)

# What to expect from the Funds into the future

The long term return objectives for each of the funds are called out in the table overleaf. Each multi asset fund’s strategic asset allocation is formally reviewed on an annual basis to ensure they remain positioned to achieve these goals over time. This process determines how much each fund is invested in various equities, fixed income, cash, property and alternative assets. While in the short term, investment markets and, in turn, funds’ returns can be volatile and perform quite differently to their long term expectations, the longer an investment time horizon, the more certain we can be from an expected returns viewpoint.



**Fund returns in the short term may be volatile, but the longer the investment horizon, the more certain we can be of expected returns.**



In addition to the four multi asset funds, three equity funds are provided to members who wish to manage their own investment journeys. They are positioned as the funds with the strongest long term return potential within the Master Trust range, but they come with the caveats that they are also expected to have the highest levels of short term risk and volatility. Two of the equity funds are managed to a formal Environmental, Social and Governance (ESG) overlay, while the other gives a general world equity market exposure.

Two fixed income funds are also provided. The EMPOWER Annuity Objective Fund is provided for members coming close to retirement and wishing to ‘lock in’ their annuity purchasing power for an element of their retirement savings. The New World Indexed Euro Corporate Bond Fund is offered as a relatively defensive, growth investment option for members.

The EMPOWER Cash Fund is the lowest risk fund provided within the Master Trust fund range, and seeks to place Euro-based deposits with highly-rated banks with a core focus on security. The fund will generate an ongoing return in line with the deposit rates paid by these banks to institutional investors.



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**Securities Lending:** The assets in these funds (except the Cash Fund) may be used for the purposes of securities lending in order to earn an additional return for the fund. While securities lending increases the level of risk within the fund it also provides an opportunity to increase the investment.

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Source: Irish Life Investment Managers 30 September 2025.

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