

# Markets Roar Ahead

May 2026

Bank of Ireland Investment Markets

Bank of Ireland Life

## May 2026 in a sentence:

A broadly positive and resilient investor sentiment **saw markets roar ahead in May**, underpinned by strong company earnings, particularly from AI\* focused companies, however investors continued to keep a watchful eye on inflation, interest rates and geopolitical risks\*.

## Asset classes in May at a glance



## May 2026 market activity\*

- Some major equity **markets^ hit new all-time highs in May**, primarily driven by a rally in Technology stocks, led by AI focussed stocks (semiconductor companies in particular).
- **US** and **Emerging Market** equity markets were particularly strong, given their heavier share of AI stocks.
- US company **Q1 2026 earnings** were **impressive**.
- Oil prices remained high as the **Middle East conflict** continued and global inflation levels rose.
- Investors now expect the next move by key **Central Banks** will be to **raise interest rates**.
- **European equity markets** were **boosted** by progress in negotiations for a US-Iran peace deal.

## Key highlights



AI momentum & company earnings drove returns.



Inflation and interest rate expectations rose.



Diversification continues to remain key.

## Looking ahead

- The **Strait of Hormuz remains closed** and continues to be critical to global economic prospects. As global oil stockpiles continue to run down, reports of progress towards a US-Iran peace deal are welcome. In our opinion:
  - Continued closure poses an increasing risk to energy prices, inflation, and global economic growth.
  - Until a lasting peace deal is reached, market volatility may remain higher as the potential of re-escalation lingers.
- While Technology stocks have rallied, **other sectors are likely to be constrained** if energy prices remain high and economic growth prospects soften.
- Investors have demonstrated **continued strong sentiment**. Should a lasting end to hostilities be agreed, we expect markets to look through temporary disruptions to oil markets and the rally to broaden out.
- We continue to expect **Central Banks** to continue to **wait** before their next interest rate move.
- Uncertainty remains high and this is why we believe that **diversification**, by asset class and geography, is key for investment resilience.

\* Artificial intelligence (AI). \* Source: Bloomberg, 01.06.26. ^ Major markets reaching new highs in May included: S&P 500 and Nasdaq Composite, the Nikkei 225, the Dow Jones Industrial Average, the KOSPI.

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

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

# Performance snapshot of our core risk managed funds

## Fund performance highlights

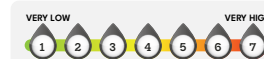


- May saw broadly positive returns for funds amid new all-time highs being reached in major equity markets.
- **iFunds** delivered strong returns, primarily driven by strong equity performance.
- **PRIME Funds** benefitted from rising equity markets, as the funds had full exposure to developed markets.
- The **Goodbody Dividend Income** funds delivered positive returns, performance continues to be impacted by less exposure to the rally in Tech stocks.
- **Sentinel II Fund's** performance recovery continued, with equity exposure gradually rising.
- **PruFunds** continued to provide a smoother return in line with the funds' objectives.

## Gross performance as at 02 June 2026

(Figures as at 02.06.26 are quoted gross of tax & charges)

Bank of Ireland Life Risk Rating



Risk Rating	Asset Class	iFunds	1 Mth	3 Mth	1 Yr	3 Yrs p.a.*	5 Yrs p.a.	10 Yrs p.a.	Investment Manager/ Advisor
3	Multi-Asset	iFunds 3	1.9%	1.6%	10.9%	7.6%	4.0%	3.3%	Bank of Ireland Investment Markets
4	Multi-Asset	iFunds 3 Alpha	1.9%	1.6%	10.4%	8.0%	4.9%	4.8%	
4	Multi-Asset	iFunds 4	3.1%	4.0%	17.4%	11.1%	6.7%	6.1%	
4	Multi-Asset	iFunds 4 Alpha	3.2%	4.0%	16.8%	11.2%	7.2%	7.2%	
5	Multi-Asset	iFunds 5	4.3%	6.3%	23.5%	15.0%	9.8%	9.3%	
6	Equities	iFunds Equities	5.7%	8.6%	28.5%	18.9%	12.8%	12.5%	

Risk Rating	Asset Class	PRIME funds	1 Mth	3 Mth	1 Yr	3 Yrs p.a.	5 Yrs p.a.	10 Yrs p.a.	Investment Manager/ Advisor
3	Multi-Asset	PRIME 3	2.1%	2.2%	8.9%	6.6%	4.0%	3.7%	STATE STREET INVESTMENT MANAGEMENT
4	Multi-Asset	PRIME 4	4.0%	5.2%	17.7%	11.3%	7.4%	6.8%	
5	Multi-Asset	PRIME 5	5.0%	6.8%	21.6%	14.2%	9.7%	8.9%	
6	Equities	PRIME Equities	5.9%	8.4%	26.6%	17.9%	11.8%	11.7%	

Risk Rating	Asset Class	PruFunds	1 Mth	3 Mth	1 Yr	3 Yrs p.a.	5 Yrs p.a.	10 Yrs p.a.	Investment Manager/ Advisor
3	Multi-Asset	PruFund Cautious	0.4%	1.4%	5.6%	5.9%	-	-	M&G Investments
4	Multi-Asset	PruFund Growth	0.5%	1.6%	10.0%	8.0%	-	-	

Risk Rating	Asset Class	Sentinel Fund	1 Mth	3 Mth	1 Yr	3 Yrs p.a.	5 Yrs p.a.	10 Yrs p.a.	Investment Manager/ Advisor
3	Multi-Asset	Sentinel II Fund	1.8%	-0.2%	8.7%	6.5%	2.8%	-	Bank of Ireland Investment Markets

\* P.A. - per annum. Source: Longboat Analytics. Performance as at 02.06.26, calculated using close of market prices from the previous working day, is quoted gross of tax and charges.

An additional management charge above standard applies to the following funds:

- 0.10% p.a. applies to iFunds 3, 0.15% p.a. applies to iFund 3 Alpha, iFunds 4 and iFunds 5, 0.20% p.a. applies to iFunds 4 Alpha and iFunds Equities.
- 0.25% p.a. applies to PruFund Cautious and 0.35% p.a. applies to PruFund Growth.

**Warning: If you invest in these funds, you may lose some, or all, of the money you invest.**

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

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

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

As always, we encourage you to talk to an Advisor before making any change to your investment portfolio.

## Next Steps

To keep up to date with fund performance, visit



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Bank of Ireland Life reserves the right to review the risk categorisation of its funds at any time.

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