

The Ryanair UK Pension Plan

Chairman's Review

for the year ended 31 December 2018

2018 was a volatile year for equity markets with leading global indices delivering negative returns in both local currency and sterling terms. Global equity markets actually posted positive returns up to the end of the third quarter, driven by strong performance in the US. Markets then fell sharply during the final three months of 2018 as concerns over the global economy, present over much of 2018, came to the fore.

The past year has continued to be dominated by domestic politics and the continuing uncertainty about what Brexit will actually mean. The economic impact of Brexit can't be ignored. Sterling depreciated sharply following the referendum result and is proving particularly volatile in response to the ever evolving picture. Consumers are nervous, the outlook for the housing market has deteriorated, workers in certain industries are increasingly hard to come by and businesses are delaying spending plans.

Against the background of uncertainty, we have continued to monitor the performance of the Plan assets and the overall funding position of the DB section of the Plan, following completion of the valuation last year. The Company continued to make deficit repair contributions of £452,000 per annum into the DB section of the Plan and pays all expenses and levies.

Following the review of the investment strategy in place for both the DB and DC sections of the Plan in 2018, we are currently consulting with the Company about some changes that might be appropriate to mitigate risk in the DB section and to provide better value and additional lifestyle strategies for members in the DC section as a result of Pension Freedom. We anticipate that this will progress later in 2019 and we will update members once agreed.

As Trustee, we will continue to ensure that the Plan remains well governed and focusses on the security of the members' current and future pensions.

APT Workplace Pensions Limited