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FOR IMMEDIATE RELEASE

Press Release

Milliman analysis: Corporate pension funding status improves for third straight month in July

Investment gains and higher discount rates push Milliman 100 PFI funded ratio to 103.6%

SEATTLE – AUGUST 7, 2023 – Milliman, Inc., a premier global consulting and actuarial firm, today released the results of its latest Milliman 100 Pension Funding Index (PFI), which analyzes the 100 largest U.S. corporate pension plans.

During July, the Milliman 100 PFI funding ratio rose from 102.5% at the end of June to 103.6% as of July 31. This increase was partly due to a 5-basis-point rise in monthly discount rates, from 5.20% in June to 5.25% in July, which lowered the plans' projected benefit obligation by \$9 billion to \$1.307 trillion. July's investment return of 0.84% also contributed to the plans' improved funding status, boosting the PFI plan assets by \$5 billion, to \$1.354 trillion as of July 31.

"July was a win-win for pension funding," said Zorast Wadia, author of the PFI. "Investment returns were better than expected, while the higher discount rates meant that liabilities declined, leading to a funded status improvement of \$14 billion."

Looking forward, under an optimistic forecast with rising interest rates (reaching 5.50% by the end of 2023 and 6.10% by the end of 2024) and asset gains (9.8% annual returns), the funded ratio would climb to 109% by the end of 2023 and 122% by the end of 2024. Under a pessimistic forecast (5.00% discount rate at the end of 2023 and 4.40% by the end of 2024 and 1.8% annual returns), the funded ratio would decline to 100% by the end of 2023 and 91% by the end of 2024.

To view the complete Pension Funding Index, go to www.milliman.com/pfi. To see Milliman's full range of annual Pension Funding Studies, go to <https://www.milliman.com/en/retirement-and-benefits/pension-funding-studies>. To receive regular updates of Milliman's pension funding analysis, contact us at pensionfunding@milliman.com.

About Milliman

Milliman is among the world's largest providers of actuarial and related products and services. The firm has consulting practices in healthcare, property & casualty insurance, life insurance and financial services, and employee benefits. Founded in 1947, Milliman is an independent firm with offices in major cities around the globe. For further information, visit milliman.com.

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