



Contact: Zorast Wadia  
Milliman, Inc.  
Tel: +1 646 473 3315  
[zorast.wadia@milliman.com](mailto:zorast.wadia@milliman.com)

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FOR IMMEDIATE RELEASE

**Press Release**

## **Milliman analysis: Corporate pensions experience back-to-back monthly gains with \$7 billion improvement in October**

**Robust investment returns spur Milliman 100 PFI funded ratio to climb to 84.7%**

SEATTLE – NOVEMBER 8, 2017 – Milliman, Inc., a premier global consulting and actuarial firm, today released the results of its latest Pension Funding Index (PFI), which analyzes the 100 largest U.S. corporate pension plans. In October, these pensions' funded status experienced a \$7 billion uptick, increasing for the second month in a row and bringing the total funded status gain to \$32 billion since August 31. October's improvement was the result of robust 1.19% investment returns, which saw the Milliman PFI plans' funded ratio climb to 84.7% for the month. Cumulative investment gains in 2017 are 9.57% year-to-date; by comparison, the 2017 Milliman Pension Funding Study reported that the monthly median expected investment return during 2016 was 0.57% (7.0% annualized).

"While October's investment returns are well above expectations, funded status gains were partially offset by the continued low discount rate environment," said Zorast Wadia, co-author of the Milliman 100 PFI. "It will be interesting to see what, if any, changes are in store to interest rate strategy with the nomination of a new Fed chair."

Looking forward, under an optimistic forecast with rising interest rates (reaching 3.76% by the end of 2017 and 4.36% by the end of 2018) and asset gains (11.0% annual returns), the funded ratio would climb to 87% by the end of 2017 and 100% by the end of 2018. Under a pessimistic forecast (3.56% discount rate at the end of 2017 and 2.96% by the end of 2018 and 3.0% annual returns), the funded ratio would decline to 84% by the end of 2017 and 77% by the end of 2018.

To view the complete Pension Funding Index, go to <http://us.milliman.com/PFI>. To see the 2017 Milliman Pension Funding Study, go to <http://us.milliman.com/PFS/>. To receive regular updates of Milliman's pension funding analysis, contact us at [pensionfunding@milliman.com](mailto: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](http://milliman.com).

### **About the Milliman Pension Funding Study**

For the past 17 years, Milliman has conducted an annual study of the 100 largest defined benefit pension plans sponsored by U.S. public companies. The results of the Milliman 2017 Pension Funding Study are based on the pension plan accounting information disclosed in the footnotes to the companies' annual



reports for the 2016 fiscal year and for previous fiscal years. These figures represent the GAAP accounting information that public companies are required to report under Financial Accounting Standards Board Accounting Standards Codification Subtopics 715-20, 715-30, and 715-60. In addition to providing the financial information on the funded status of their U.S. qualified pension plans, the footnotes may also include figures for the companies' nonqualified and foreign plans, both of which are often unfunded or subject to different funding standards from those for U.S. qualified pension plans. The information, data, and footnotes do not represent the funded status of the companies' U.S. qualified pension plans under ERISA.

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