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FOR IMMEDIATE RELEASE

Press Release

Milliman analysis: Corporate pensions' funding status boosted by January investment gains, funding ratio at 91%

At 3.35%, Milliman 100 PFI plans' monthly investment gain hits twelve-month high

SEATTLE – FEBRUARY 8, 2019 – 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 January, these pensions experienced a \$19 billion increase in funded status thanks to healthy investment gains. In fact, January's asset return of 3.35% was greater than any prior monthly asset return in 2018. The funding ratio for the Milliman 100 PFI plans rose from 89.7% at the end of December to 91.0% as of January 31, and the funding status deficit narrowed from \$167 billion to \$148 billion during the same time period.

"Despite the market turbulence over the past few months, corporate pension funding is back to the same level it was in January 2018," said Zorast Wadia, co-author of the Milliman 100 PFI. "It feels like déjà vu: just like in 2018, the year is off to a great start, with strong asset performance and discount rates above 4%. If both hold we'll be heading in the direction of full funding, but as history has shown, any uncertainty or market volatility could make this year another bumpy ride."

Looking forward, under an optimistic forecast with rising interest rates (reaching 4.61% by the end of 2019 and 5.21% by the end of 2020) and asset gains (10.8% annual returns), the funded ratio would climb to 104% by the end of 2019 and 121% by the end of 2020. Under a pessimistic forecast (3.51% discount rate at the end of 2019 and 2.91% by the end of 2020 and 2.8% annual returns), the funded ratio would decline to 85% by the end of 2019 and 79% by the end of 2020.

To view the complete Pension Funding Index, go to <http://us.milliman.com/PFI>. To see the 2018 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.

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.

About the Milliman Pension Funding Study

For the past 18 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 2018 Pension Funding Study are



based on the pension plan accounting information disclosed in the footnotes to the companies' annual reports for the 2017 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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