

March 2009: First gain in funded status since July



Funded status increases by \$48 billion during March

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For the first time since last summer, funded status improved during March 2009. The assets of the largest 100 corporate pension plans, as measured by the Milliman 100 Pension Funding Index, posted moderate investment gains (\$30 billion) during March. The asset gains were coupled with liability decreases of roughly \$18 billion due to increases in discount rates. The net result is that the funded status for the pensions sponsored by these companies improved by \$48 billion during March. As of Mar. 31, the funded ratio had increased to 77.7%, just trailing the 78.2% at the end of 2008.

March's \$30 billion increase in market value raises the total pension asset value in the Milliman 100 Index from \$883 billion to \$913 billion. The monthly asset return was approximately 3.83%. By comparison, the companies' expected monthly asset return rate is 0.65% (8.10% annualized).

At the same time, the projected benefit obligation (PBO), or pension liabilities, decreased by \$18 billion during March, moving from \$1.193 trillion to \$1.175 trillion. The decrease in PBO was primarily attributable to the rise in the monthly discount rate from 6.76% for February to 7% for March.

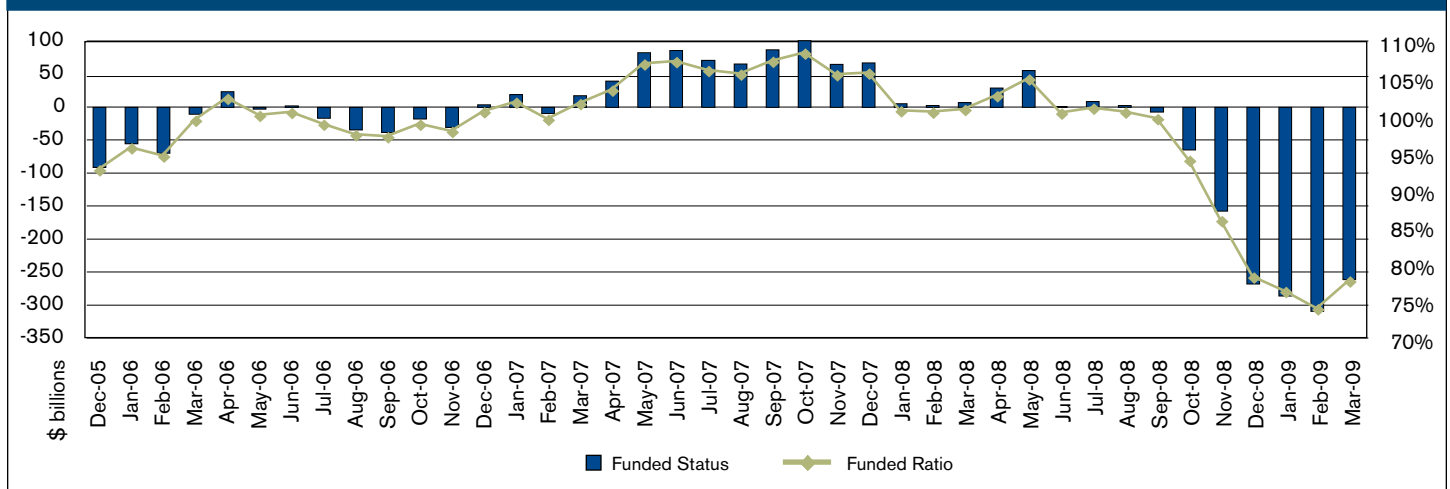
Over the last 12 months (April 2008–March 2009), the cumulative asset return has been -20.81% and the funded status has fallen by \$269 billion. For these 12 months, the funded ratio of the Milliman 100 companies has fallen from 100.6% to 77.7%.

WHAT TO EXPECT FOR THE REST OF 2009

With an expected return of 8.1% and a discount rate of 7% for the balance of 2009, the funded status of the Milliman 100 pension plans is projected to slightly decrease, with a projected pension deficit of \$260 billion and a funded ratio of 78.2% on Dec. 31. However, if asset returns are 0% for the rest of 2009, the projected deficit will grow to \$314 billion, resulting in a funded ratio of 73.6% at the end of the year.

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FIGURE 1: MILLIMAN 100 PENSION FUNDING INDEX PENSION SURPLUS/DEFICIT AND PENSION FUNDED RATIO



ABOUT THE MILLIMAN 100 MONTHLY PENSION FUNDING INDEX

For the past eight years, Milliman has conducted an annual study of the 100 largest defined benefit pension plans sponsored by U.S. public companies. The Milliman 100 Pension Funding Index projects the funded status for pension plans included in our study, reflecting the impact of market returns and interest-rate changes on pension funded status, utilizing the actual reported asset values, liabilities, and asset allocations of the companies' pension plans.

The results of the Milliman 100 Pension Funding Index were based on the actual pension plan accounting information disclosed in the footnotes to the companies' annual reports for the 2008 fiscal year and for previous fiscal years. The 2009 Milliman 100 Pension Funding Study was published on March 24, 2009. In addition to providing the financial information on the funded status of 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. They do not represent the funded status of the companies' U.S. qualified pension plans under ERISA.

MILLIMAN 100 PENSION FUNDING INDEX – MARCH 2009 (ALL DOLLAR AMOUNTS IN MILLIONS)

END OF MONTH	YEAR	MARKET VALUE OF ASSETS	FUNDED STATUS		CHANGE IN FUNDED STATUS	FUNDED RATIO
			PROJECTED BENEFIT OBLIGATION (PBO)	FUNDED STATUS		
MARCH	2008	1,229,202	1,221,728	7,474	4,514	100.6%
APRIL	2008	1,259,501	1,229,676	29,825	22,351	102.4%
MAY	2008	1,262,234	1,206,187	56,047	26,222	104.6%
JUNE	2008	1,197,955	1,196,712	1,242	(54,805)	100.1%
JULY	2008	1,182,227	1,173,011	9,216	7,974	100.8%
AUGUST	2008	1,183,413	1,180,363	3,051	(6,165)	100.3%
SEPTEMBER	2008	1,103,803	1,110,542	(6,739)	(9,790)	99.4%
OCTOBER	2008	983,754	1,048,275	(64,520)	(57,822)	93.8%
NOVEMBER	2008	952,389	1,110,023	(157,634)	(93,114)	85.8%
DECEMBER	2008	967,011	1,235,798	(268,787)	(111,153)	78.2%
JANUARY	2009	926,595	1,213,526	(286,931)	(18,144)	76.4%
FEBRUARY	2009	883,223	1,193,144	(309,921)	(22,990)	74.0%
MARCH	2009	912,903	1,174,616	(261,713)	48,208	77.7%

PENSION ASSETS (ALL DOLLAR AMOUNTS IN MILLIONS)

END OF MONTH	YEAR	CHANGE IN MARKET MONTHLY	VALUE OF ASSETS YEAR-TO-DATE	ASSET RETURNS	
				MONTHLY	YEAR-TO-DATE
MARCH	2008	(13,946)	(82,297)	-0.60%	-4.81%
APRIL	2008	30,299	(51,998)	3.00%	-1.95%
MAY	2008	2,733	(49,265)	0.73%	-1.23%
JUNE	2008	(64,279)	(113,544)	-4.59%	-5.77%
JULY	2008	(15,728)	(129,272)	-0.78%	-6.51%
AUGUST	2008	1,187	(128,086)	0.64%	-5.90%
SEPTEMBER	2008	(79,611)	(207,696)	-6.21%	-11.74%
OCTOBER	2008	(120,049)	(327,745)	-10.34%	-20.87%
NOVEMBER	2008	(31,366)	(359,110)	-2.57%	-22.90%
DECEMBER	2008	14,622	(344,488)	2.19%	-21.21%
JANUARY	2009	(40,416)	(40,416)	-3.77%	-3.77%
FEBRUARY	2009	(43,372)	(83,788)	-4.25%	-7.86%
MARCH	2009	29,680	(54,108)	3.83%	-4.33%

PENSION LIABILITIES (PBO) (ALL DOLLAR AMOUNTS IN MILLIONS)

END OF MONTH	YEAR	DISCOUNT RATE	LIABILITY RETURNS		CHANGE IN PBO	
			MONTHLY	YTD	MONTHLY	YTD
MARCH	2008	6.36%	-0.96%	-0.17%	(18,460)	(21,746)
APRIL	2008	6.28%	1.19%	1.01%	7,948	(13,798)
MAY	2008	6.52%	-1.37%	-0.38%	(23,489)	(37,287)
JUNE	2008	6.63%	-0.24%	-0.61%	(9,475)	(46,762)
JULY	2008	6.89%	-1.43%	-2.03%	(23,702)	(70,463)
AUGUST	2008	6.80%	1.19%	-0.87%	7,352	(63,111)
SEPTEMBER	2008	7.63%	-5.34%	-6.16%	(69,821)	(132,932)
OCTOBER	2008	8.45%	-4.99%	-10.85%	(62,267)	(195,199)
NOVEMBER	2008	7.64%	6.53%	-5.03%	61,748	(133,451)
DECEMBER	2008	6.23%	11.91%	6.28%	125,775	(7,676)
JANUARY	2009	6.52%	-1.39%	-1.39%	(22,272)	(22,272)
FEBRUARY	2009	6.76%	-1.26%	-2.63%	(20,382)	(42,654)
MARCH	2009	7.00%	-1.12%	-3.72%	(18,528)	(61,182)

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