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Press Release

Milliman analysis: Corporate pension funded status drops by \$22 billion in August

Massive investment losses in August extinguish all 2015 asset gains, drop funded ratio to 83.4%

Seattle – September 9, 2015 – Milliman, Inc., a premier global consulting and actuarial firm, today released the results of its latest Pension Funding Index, which analyzes the 100 largest U.S. corporate pension plans. In August, these pension plans experienced a \$22 billion decrease in funded status based on a \$42 billion decrease in asset values and a \$20 billion decrease in pension liabilities. The funded status for these pensions decreased from 84.9% to 83.4%.

“Most of the time, interest rate movements drive pension funded status, but the stock market volatility we saw in August stole the show,” said John Ehrhardt, co-author of the Milliman 100 Pension Funding Index. “For the year, these pensions had performed well on the asset side, but August erased all those gains.”

Looking forward, under an optimistic forecast with rising interest rates (reaching 4.43% by the end of 2015 and 5.03% by the end of 2016) and asset gains (11.3% annual returns), the funded ratio would climb to 87% by the end of 2015 and 100% by the end of 2016. Under a pessimistic forecast (4.03% discount rate at the end of 2015 and 3.43% by the end of 2016 and 3.3% annual returns), the funded ratio would decline to 81% by the end of 2015 and 74% by the end of 2016.

To view the complete Pension Funding Index, go to <http://us.milliman.com/PFI>. To see the 2015 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 15 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 2015 Pension Funding Study are based on the pension plan accounting information disclosed in the footnotes to the companies' annual reports for the 2014 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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