Pension Funding Status

February 2026

Pension Funded Status Decreases in February

MetLife Investment Management (MIM), the institutional asset management business of MetLife, Inc., estimates that, as of February 28, 2026, the average U.S. corporate pension funded status fell to 105.3%. This was down 1.5% from 106.8% as of January 31, 2026. MIM has more than $742 billion in total assets under management, including over $30 billion of long duration and liability driven investments.[1]

Monthly funded status and primary drivers:

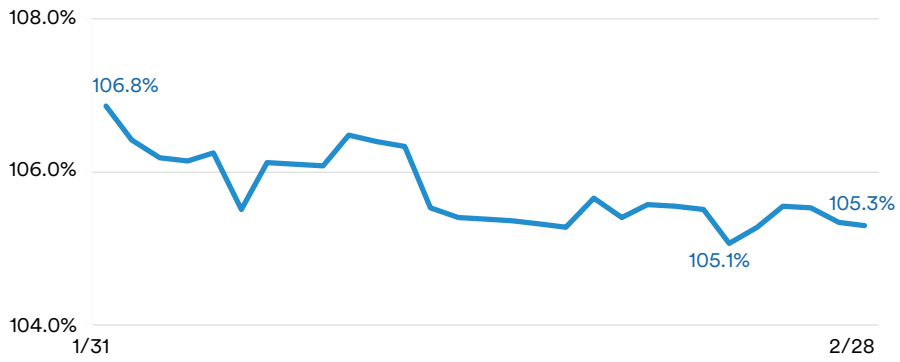
- **September 30**: 105.3%
- **October 31**: 105.3%, modest stock returns offset service and interest costs
- **November 30**: 105.2%, bond and alternatives returns offset service and interest costs
- **December 31**: 106.0%, liabilities fell because of a 15 bps increase in discount rates
- **January 31**: 106.8%, assets outpaced liabilities, led by stocks and alternatives
- **February 28**: 105.3%, discount rates fell causing liability increases to outpace asset gains

Pension Volatility

Pension funded status experiences daily volatility. During February, average pension funded status had its high point at the beginning of the month and hit its low on February 23rd at 105.1%. Discount rates began the month at 5.34%, which was the highest level. They finished at the monthly low point of 5.10% on February 27th.

Chart 1 | Daily Volatility

Average Funded Ratio



Sources: Bloomberg, MIM analysis. Data as of February 28, 2026.

"February continued the trend of strong asset performance. Bonds, international equities and commercial real estate led investments with strong returns in the month. These gains more than offset losses in U.S. stocks and private equity."

—Steve Mullin, CFA
Head of Investment Grade Strategies

"Discount rates fell during February driving the decrease in funded ratio."

—Jeff Passmore, CFA
Lead LDI Solutions Strategist

MetLife Investment Management

Asset Performance

MIM estimates that the average pension allocation for Russell 3000 companies is 22% equities, 56% bonds and 22% alternatives. Within these broad asset classes, we have estimated allocations to market segments, associated each with an index and calculated the average February asset return for U.S. corporate pension plans to be 1.5%.

Asset Class	Index	Average Allocation	Returns Feb 2026
Domestic Equities	FTSE Russell 3000 Index	13	-0.6%
International Equities	MSCI EAFE USD	9	4.5%
Long Bonds	Bloomberg U.S. Long Government/Credit	42	3.2%
Core Bonds	Bloomberg Aggregate	12	1.6%
Hedge Funds	Bloomberg All Hedge Fund	7	2.8%
Private Equity	S&P Listed Private Equity	6	-11.1%
Commodities	Bloomberg Commodity	6	0.8%
Commercial Real Estate	FTSE NAREIT/NCREIF NFI-ODCE	2	3.9%
Cash	U.S. Treasury Three-month bill	2	0.3%
Total		**100**	**1.5%**

Sources: Bloomberg, MIM analysis, figures rounded. Data as of February 28, 2026.

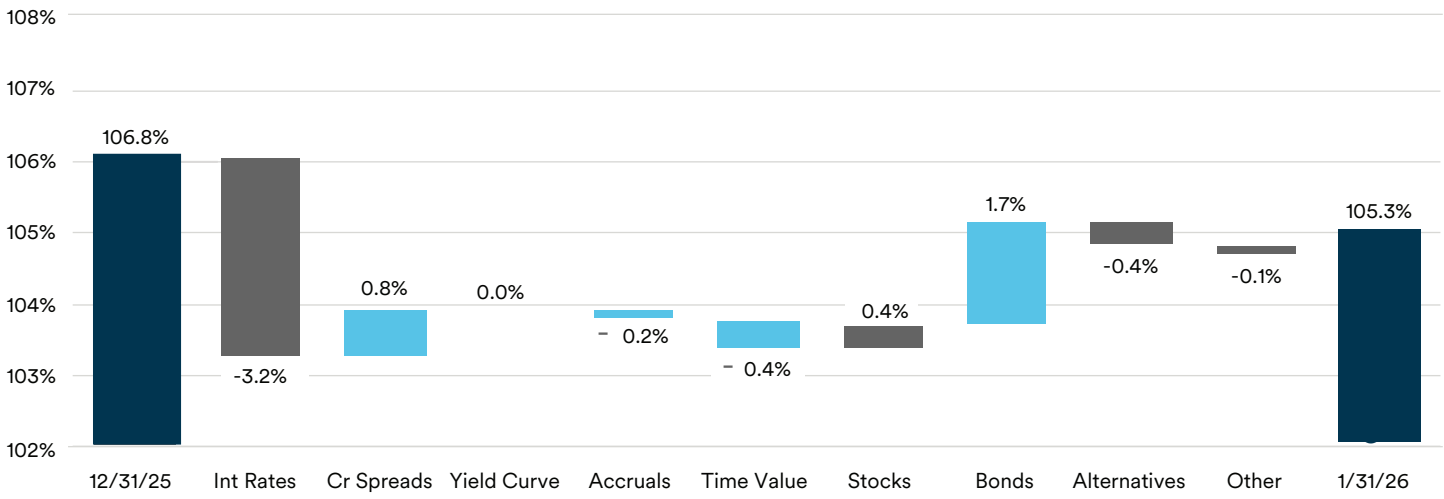
Sources of Volatility

Pension funded status decreased due to falling discount rates. Discount rates decreased by 24 basis points with a decrease of 32 basis points in 10-year US Treasury yields offset by AA-rated long corporate bond spread widening of 8 basis points. Benefit accruals decreased funded status by 0.2% (2.3% annually) and interest cost decreased funded status by 0.4% (5.3% annually). Interest cost is the change in the time value of pensions.

Asset gains were strong but did not keep pace with liability increases. Equities increased funded status by 0.4% while bonds increased funded status by 1.7%. Alternatives decreased funded levels by 0.4%.

Chart 2 | Funded Status February 2026

Sources of Change



Sources: Bloomberg, MIM analysis, figures rounded. Data as of February 28, 2026.

Historical Context

Over the past 10 years, pension funded status was lowest on June 27, 2016 at 74.7% and peaked on February 18, 2025 and again January 29, 2026 at 107.2%.

Chart 3 | Daily Funded Status

10-year History

Sources: Bloomberg, MIM analysis. Data as of February 28, 2026.

About MetLife Investment Management

MetLife Investment Management, the institutional asset management business of MetLife, Inc. (NYSE: MET), is a global public fixed income, private capital and real estate investment manager providing tailored investment solutions to institutional investors worldwide. MetLife Investment Management provides public and private pension plans, insurance companies, endowments, funds and other institutional clients with a range of bespoke investment and financing solutions that seek to meet a range of long-term investment objectives and risk-adjusted returns over time.

Stephen Mullin iis the head of Investment Grade fixed income for MetLife Investment Management (MIM) and leads the Long Duration and LDI strategies team. He is a member of the firm's Public Fixed Income Investment Committee, a portfolio manager on the investment grade credit team and a managing director in the firm's Philadelphia office. Steve joined MIM in September 2017, in connection with the acquisition of Logan Circle Partners (LCP) by MetLife and has over 20 years of industry experience. He received a Bachelor of Science degree with a double major in finance and accounting from Fairfield University. He is a CFA® charterholder.

Jeffrey Passmore is Lead LDI Strategist for the Long Duration and LDI strategies team at MetLife Investment Management (MIM). He is a credentialed pension and investment actuary and liability driven investment strategist. Jeff joined MIM in 2022 and has over 30 years of industry experience. Jeff received a Bachelor of Science degree in math from the University of Texas. He is a Fellow of the Society of Actuaries, a Member of the American Academy of Actuaries, a CFA® charterholder, the two-time past chairperson of the Investment Section of the Society of Actuaries and a former member of the Pension Section of the SOA.

Disclosures

[1]All AUM data as of December 31, 2025. Total Assets Under Management ("Total AUM") is comprised of MIM GA AUM plus Institutional Client AUM (each, as defined below).

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Our analysis is based on SEC Form 10-K information for over 500 companies in the Russell 3000 companies reporting pensions.

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