Pension Funding Status

June 2026

Pension Funded Status Decreases in June

MetLife Investment Management (MIM), the institutional asset management business of MetLife, Inc., estimates that the average U.S. corporate pension funded status fell to 105.7%, down 1.5% from 107.2% as of May 31, 2026. MIM has over $736 billion in total assets under management, including over $30 billion of long duration and liability driven investments1.[1]

Monthly funded status and primary drivers:

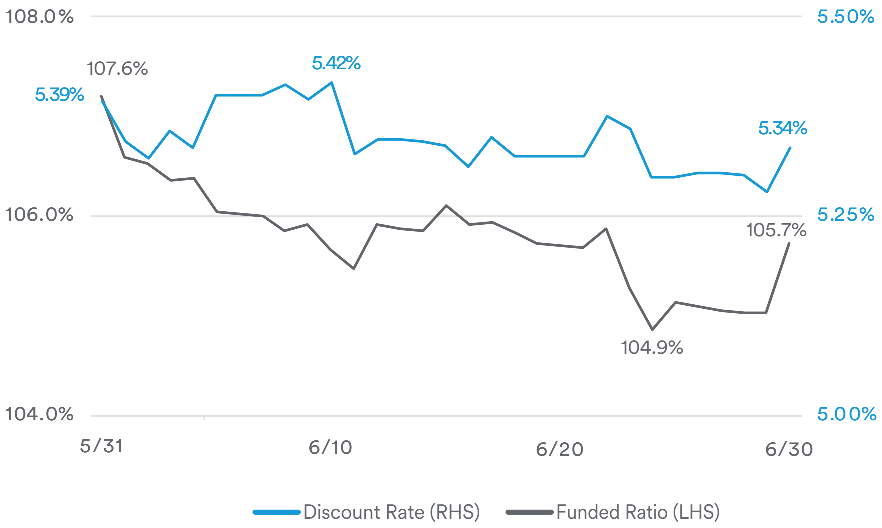
- **March 31:** 104.9%
- **April 30: 106.7%**, equity and alternative investments drove funded status improvements
- **May 31: 107.2%**, equities and bonds drove funded status improvements
- **June 30: 105.7%**, investment losses and falling discount rates drove the decrease

Pension Volatility

Pension funded status experiences daily volatility. During June, funded status started at 107.2%, fell to a low of 104.9% on June 24th before recovering slightly to 105.7%. Discount rates began the month at 5.39% and rose to a high of 5.42% on June 10th before falling to 5.34% on June 30th.

Chart 1 | Daily Volatility

Average Funded Ratio and Discount Rate



Sources: Bloomberg, MIM analysis. Data as of June 30, 2026.

"Pension investment returns were mixed in June as stocks lost value and bonds gained. Real Estate and Hedge Funds posted positive returns while Private Equity and Commodities sold off sharply"

—Steve Mullin, CFA

Head of Investment Grade Strategies

"In June, discount rates fell from 5.39% to 5.34%, driving liabilities higher and decreasing funded status."

—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 June asset return for U.S. corporate pension plans to be -0.2%.

Asset Class	Index	Average Allocation	Returns June 2026
Domestic Equities	FTSE Russell 3000 Index	13	-0.4%
International Equities	MSCI EAFE USD	9	-0.7%
Long Bonds	Bloomberg U.S. Long Government/Credit	42	1.7%
Core Bonds	Bloomberg Aggregate	12	0.7%
Hedge Funds	Bloomberg All Hedge Fund	7	1.3%
Private Equity	S&P Listed Private Equity	6	-6.5%
Commodities	Bloomberg Commodity	6	-8.8%
Com. Real Estate	FTSE NAREIT/NCREIF NFI-ODCE	2	1.9%
Cash	U.S. Treasury Three-month bill	2	0.3%
Total		**100**	**-0.2%**

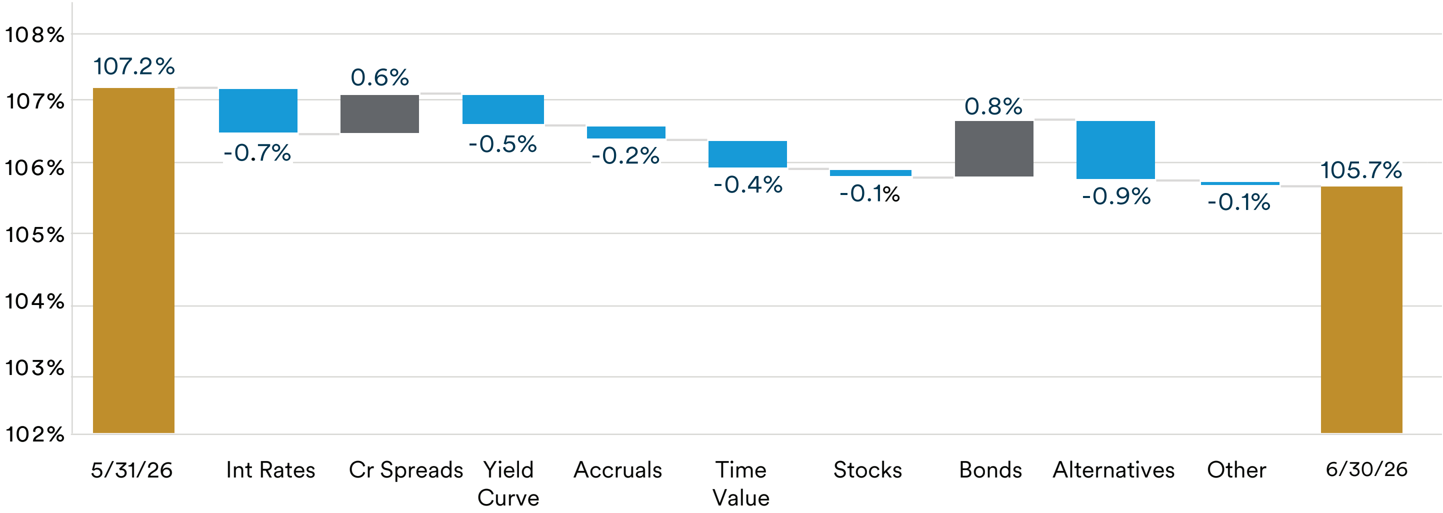
Sources: Bloomberg, MIM analysis, figures rounded. Data as of June 30, 2026.

Sources of Volatility

Pension funded status decreased due to investment and liability losses. Stocks and Alternatives both experienced losses in June. Discount rates ended the month lower by 5 basis points at 5.34%. This is the result of a decrease of 7 basis points in 10-year US Treasury yields offset by AA-rated long corporate bond spread widening of 6 basis points and other discount curve decreases of 5 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.

Chart 2 | Funded Status June 2026

Sources of Change



Sources: Bloomberg, MIM analysis, figures rounded. Data as of June 30, 2026.

Historical Context

Over the past 10 years, pension funded status was lowest on July 5, 2016 at 75.9% and peaked on May 19, 2026 at 108.0%.

Chart 3 | Daily Funded Status

10-year History

Sources: Bloomberg, MIM analysis. Data as of June 30, 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 data as of March 31, 2026. At estimated fair value. For further information, see https://investments.metlife.com/about/.

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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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NCREIF Fund Index - Open-End Diversified Core Equity is a fund-level capitalization weighted, time-weighted return index and includes property investments at ownership share, cash balances and leverage (i.e., returns reflect the fund's actual asset ownership positions and financing strategy). Our Commercial Real Estate returns include this at a 50% weighting. Returns are available quarterly with a one-month lag.

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