

The Monthly Pension Review: June 2025

The U.S. Federal Reserve held interest rates steady in June; U.S. equities hit all time highs.

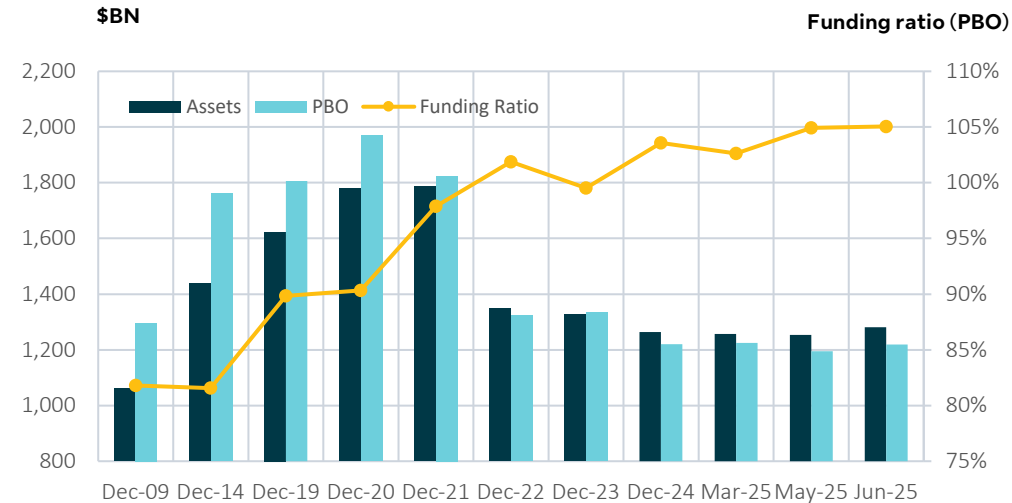


June Market Summary

- **Funded status improved by 0.20% for the month** – Assets returned 2.6% while liabilities returned 2.5%.¹
- **The S&P 500 Index rose by 4.96%** – The index reached an all time high in June, with the information technology and communication services sectors being the top contributors.
- **The Long Credit Index yield fell by 0.22% in June** – Long Treasury yields also fell by 0.16%.

Market Watch	Dec-23	Dec-24	May-25	Jun-25
Funded Status (1)	99.5%	103.6%	104.9%	105.1%
FTSE Discount Rate	4.76%	5.44%	5.54%	5.35%
Long Credit Yield (2)	5.22%	5.81%	5.95%	5.72%
US 30Y TSY Yield	4.03%	4.78%	4.93%	4.77%
S&P 500	4,770	5,882	5,912	6,205

Milliman Pension Funding Index (June 2025)¹

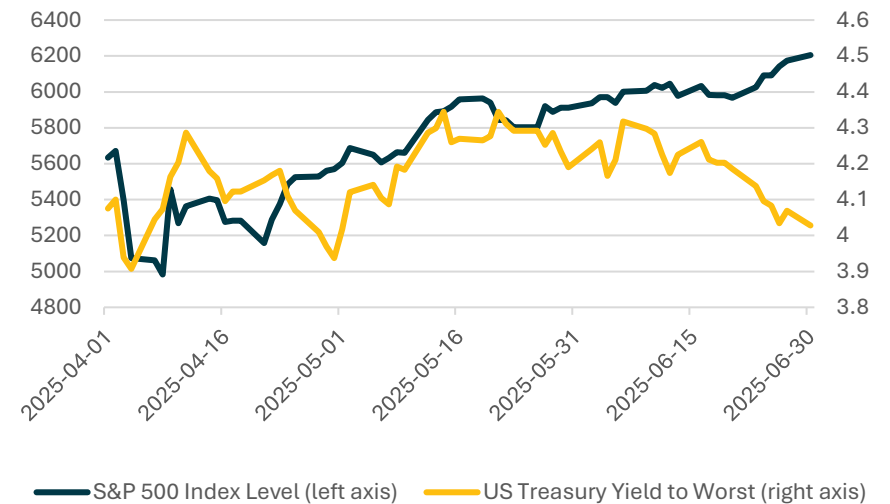


LDI strategies hold up as rates fall during a volatile June

While liabilities rose over the month due to falling yields and credit spreads, the funded status of plans continued to improve over the month of June as equity markets reached new highs. Plans that employed liability-driven investment (LDI) may have benefited more than average, as increases in liabilities were more than matched by increases in fixed income, generally in line with plans' interest and credit hedge ratios.

LDI strategies continue to help provide a hedge during these times of higher interest rate volatility. As equity markets continue to hit all time highs, and uncertainty looms, continually high funded ratio levels provide plans with an opportunity to review asset allocations and risk characteristics of their investment portfolios and to consider further derisking or diversification.

S&P 500, Treasury Movements: April–June 2025²



¹Data from reference Bloomberg indices. Funded status is in reference to Pension Funding Index of the top 100 U.S. corporate pension plans sourced from Milliman. FTSE Discount Rate source: FTSE. Long credit, US 30Y TSY yield, S&P 500 Index value source: Bloomberg.

²Data from Bloomberg, S&P Index and US Treasury Total Return Unhedged Index.

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Market chart indices:

- AAA Non-Agency CMBS and A Corporate source: Index data from Bloomberg.

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