

The Monthly Pension Review: April 2025

April was the third straight losing month for both the S&P 500 and Dow Jones.

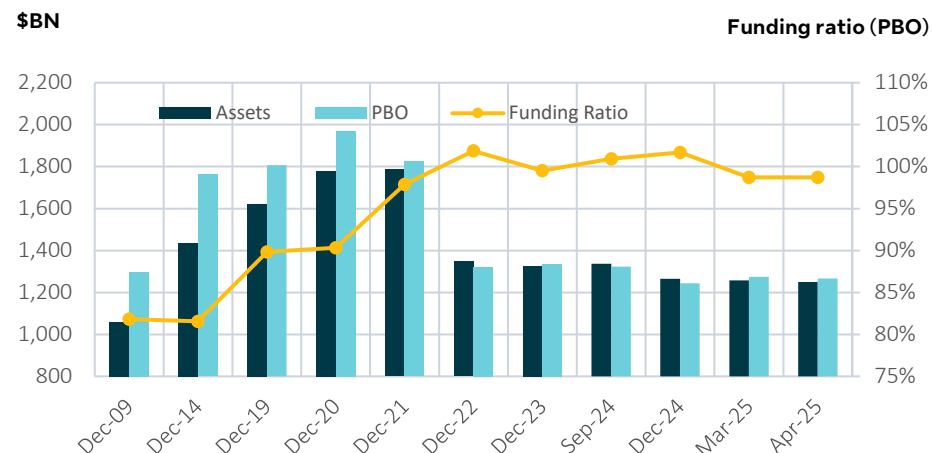


April Market Summary

- **Funded status rose slightly by 0.03% in April** – Assets returned -0.8% while liabilities returned -0.7%.¹
- **The S&P 500 Index fell by 0.8%** – Continued uncertainty over economic growth and tariffs led to a fall in the stock market.
- **The Long Credit Index yield rose by 0.13% in April** – Long Treasury yields also rose by 0.1%.

Market Watch	Dec-23	Dec-24	Mar-25	Apr-25
Funded Status ⁽¹⁾	99.5%	101.7%	98.70%	98.73%
FTSE Discount Rate	4.76%	5.44%	5.44%	5.41%
Long Credit Yield ⁽²⁾	5.22%	5.81%	5.73%	5.86%
US 30Y TSY Yield	4.03%	4.78%	4.57%	4.68%
S&P 500	4,770	5,882	5,612	5,569

Milliman Pension Funding Index (April 2025)¹



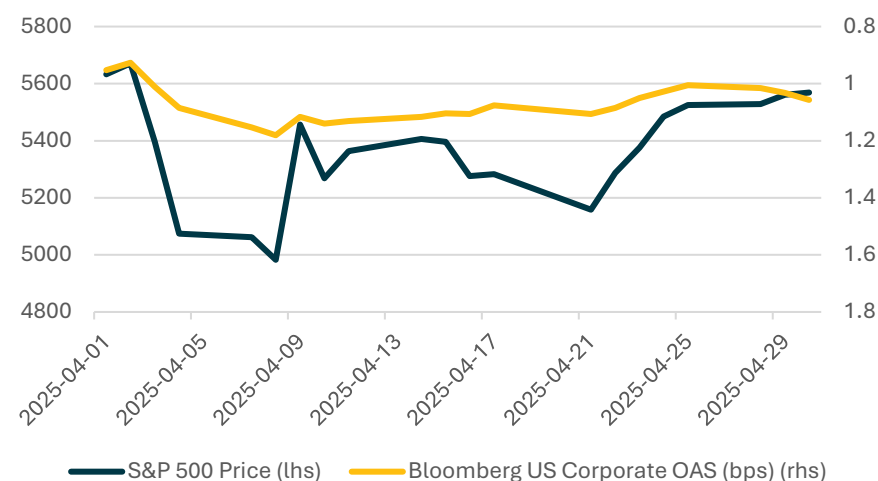
PUTTING MARKET VOLATILITY INTO CONTEXT FOR LDI STRATEGIES

Short-term market shocks such as the ones we have seen in the past month may cause concern among plan sponsors. We believe these shocks should be considered in the context of the long-term objectives of the liability-driven investment (LDI) strategy in place for the plan. In general, the market shocks that have occurred are largely not ones that have impacted the effectiveness of LDI strategies. More specifically:

- While interest rates have been volatile over the past month, the interest rate hedge ratios of LDI strategies have aided in mitigating funded status volatility.
- While credit spreads initially widened, this move partially reversed and in general was relatively muted compared to movements within equity markets over the month.
- Furthermore, the impact of broad market credit spread movements on a pension plans' corporate bond assets is typically reflected in the rates used to discount plan liabilities, mitigating the impact of such a move on a plan's funded status.
- While company-specific downgrades and defaults can affect a plan's corporate bonds in a way that is not reflected in liabilities, we believe current market shocks have not yet resulted in the company-specific default concerns of the Global Financial Crisis or the regional bank crisis.

At this time, we believe LDI strategies continue to be a viable strategy to weather the period of increased market volatility we're currently experiencing.

U.S. equity prices vs. U.S. corporate spreads



¹ Data 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, except for most recent month which is estimated based the return for representative pension plan asset allocation and prior month's liabilities adjusted for duration and change in discount rate. FTSE Discount Rate source: FTSE. Long credit, US 30Y TSY yield, S&P 500 Index value source: Bloomberg.

² Bloomberg US Corporate Index was used to obtain yield and spread information, using monthly data from 9/30/2002 through 3/31/2025. Return for periods greater than one year are annualized.

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Market chart indices:

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

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