

# Pension Funding Status

January 2026

## Pension Funded Status Increases in January

MetLife Investment Management (MIM), the institutional asset management business of MetLife, Inc., estimates that, as of January 31, 2026, the average U.S. corporate pension funded status rose to 106.8%. This was up 0.8% from 106.0% as of December 31, 2025. MIM has more than \$700 billion in total assets under management, including over \$30 billion of long duration and liability driven investments.<sup>1</sup>

### Monthly funded status and primary drivers:

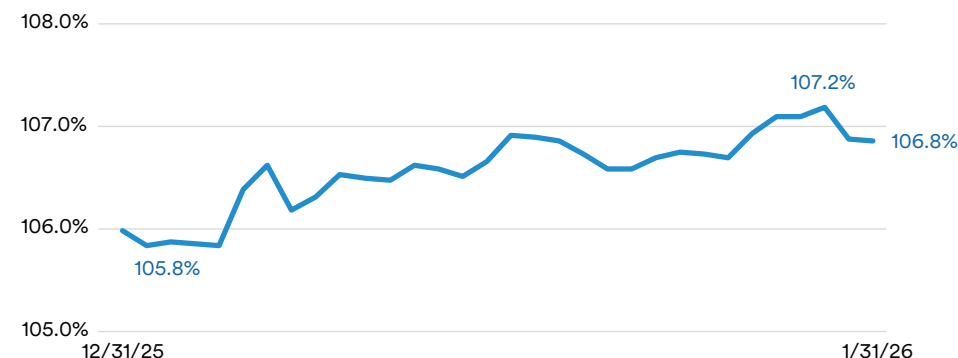
- September 30: 105.3%.
- October 31: 105.3%, modest stock returns offset service and interest costs.
- November 30: 105.2%, bond and alternatives returns offset service and interest costs.
- December 31: 106.0%, liabilities decreased as a result of a 15 bps increase in discount rates.
- January 31: 106.8%, assets outpaced liabilities, led by stocks and alternatives

### Pension Volatility

Pension funded status experiences daily volatility. During January, average pension funded status hit its low as of January 1st at 105.8% and reached its high of 107.2% on January 29th. Discount rates began the month at 5.32%. They fell to their low of 5.27% on January 14th then rose to their high of 5.39% on January 20th. They finished the month at 5.34%.

### Chart 1 | Daily Volatility

Average Funded Ratio



Sources: Bloomberg, MIM analysis. Data as of January 31, 2026.

“January continued the trend of strong asset performance. Commodities and international equities led returns and stocks and alternatives generally performed well in the month. Positive returns across most asset classes continued to improve pension balance sheets in January.”

—Steve Mullin, CFA  
Head of Investment Grade Strategies

“Discount rates rose slightly during the month helping keep pension liabilities in check.”

—Jeff Passmore, CFA  
Lead LDI Solutions Strategist

## 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 January asset return for U.S. corporate pension plans to be 1.3%.

Asset Class	Index	Average Allocation	Returns Jan 2026
Domestic Equities	FTSE Russell 3000 Index	13	1.5%
International Equities	MSCI EAFE USD	9	5.2%
Long Bonds	Bloomberg U.S. Long Government/Credit	42	-0.2%
Core Bonds	Bloomberg Aggregate	12	0.1%
Hedge Funds	Bloomberg All Hedge Fund	7	1.0%
Private Equity	S&P Listed Private Equity	6	-1.1%
Commodities	Bloomberg Commodity	6	10.0%
Real Estate	FTSE NAREIT	2	2.8%
Cash	U.S. Treasury Three-month bill	2	0.3%
<b>Total</b>		<b>100</b>	<b>1.3%</b>

Sources: Bloomberg, MIM analysis, figures rounded. Data as of January 31, 2026.

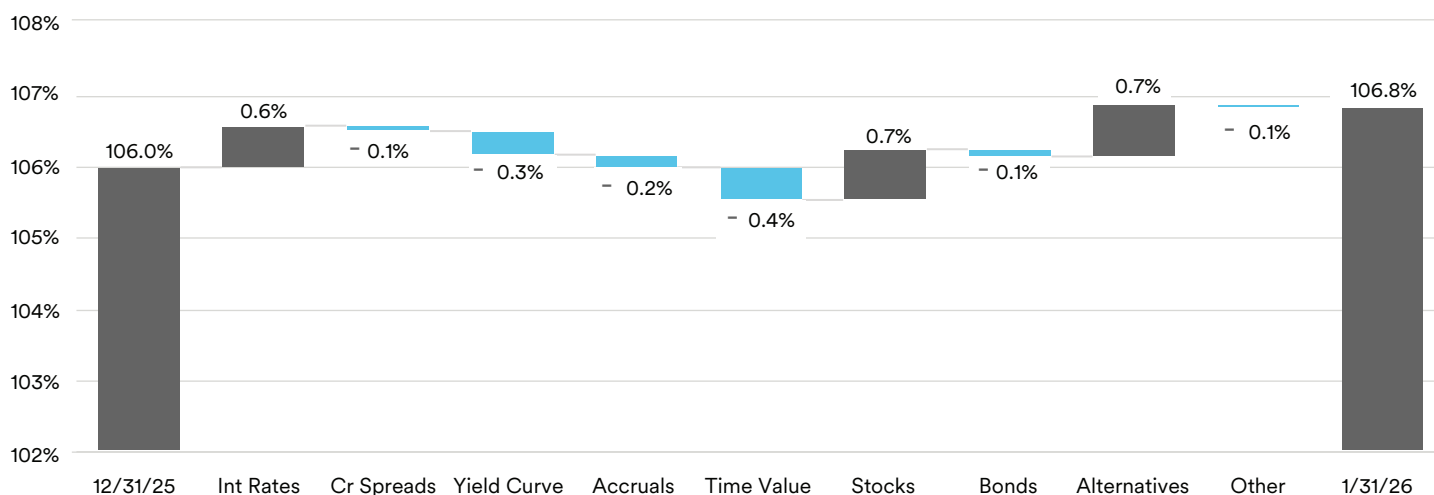
## Sources of Volatility

Pension funded status increased slightly thanks to strong asset returns and rising rates. Discount rates increased by 2 basis points with an increase of 6 basis points in 10-year US Treasury yields offset by AA-rated long corporate bond spread tightening of 1 basis point. Changes in the discount yield curve accounted for 3 basis points of further tightening. 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 outpaced small liability increases resulting in improved funded status. Equities and alternatives both increased funded status by 0.7% while bonds decreased funded status by 0.1%.

## Chart 2 | Funded Status January 2026

Sources of Change



Sources: Bloomberg, MIM analysis, figures rounded. Data as of January 31, 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 January 31, 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** is 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** 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

<sup>1</sup> All data as of September 30, 2025. Total assets under management (Total AUM) represents the pro forma combined assets managed or advised by MetLife Investment Management and PineBridge Investments, at estimated fair value, as if the acquisition had occurred as of September 30, 2025. For further information, see MetLife's 3Q25 Pro Forma Total AUM Fact Sheet, which may be accessed through MetLife's Investor Relations web page at <https://investor.metlife.com>.

This report is for general discussion purposes only. It is not a solicitation for investment and is not intended as a recommendation or advice. Information used in the preparation of this report has been obtained from publicly and commercially available sources and is believed to be accurate. It has been checked for reasonableness but has not been verified.

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

All opinions included in this report are those of the authors and are subject to change without notice. Past performance is not indicative of future results.

Indexes used in the preparation of this report are the property of their respective owners. MetLife has no affiliation with any of these indexes or owners.

**Bloomberg Long Government/Credit Bond Index** is an index of bonds with maturities greater than 10 years and is comprised of U.S. Treasury, U.S. Corporate and Non-Corporate Credit bonds that are dollar denominated. It is maintained by Bloomberg Finance LP (Bloomberg).

**Bloomberg U.S. Aggregate Bond Index** is a broad-based index and is often used to represent the universe of investment grade bonds being traded in United States. It is maintained by Bloomberg.

**Bloomberg Commodity Index** aims to provide broadly diversified representation of commodity markets as an asset class. It comprises exchange-traded futures on physical commodities, each are weighted to account for economic significance and market liquidity. It is maintained by Bloomberg.

**FTSE Russell 3000 Index** is a capitalization-weighted stock market index that represents the performance of the 3,000 largest (based on market capitalization) publicly held companies incorporated in the U.S. It represents approximately 98% of the U.S. public equity market. It is a copyright of the London Stock Exchange Group, PLC.

**FTSE Russell NAREIT Equity Index** is an index that contains all equity REITs not designated as timber REITs or infrastructure REITs and is a copyright of the London Stock Exchange Group, PLC.

**Bloomberg All Hedge Fund Index** is designed to be representative of the overall composition of the hedge fund universe. It is comprised of all eligible hedge fund strategies. It is maintained by Bloomberg. It replaced the HFRX Global Hedge Fund Index, which was used for periods prior to July 1, 2023. This index includes strategies that are asset weighted based on the distribution of assets in the hedge fund industry. It is a trademark of HFR, Inc.

**MSCI EAFE Index** is a market-capitalization weighted stock market index that is designed to measure the performance of developed equity markets outside of the U.S. & Canada. It is a copyright of MSCI Inc.

**S&P Listed Private Equity Index** comprises the leading listed private equity companies that meet specific size, liquidity, exposure, and activity requirements. The index is designed to provide tradable exposure to the leading publicly listed companies that are active in the private equity space. It is a copyright of the S&P Dow Jones Indices LLC, a division of S&P Global Inc.

**This document has been prepared by MetLife Investment Management, LLC, a U.S. Securities and Exchange Commission (SEC) registered investment adviser. Registration with the SEC does not imply a certain level of skill or that the SEC has endorsed the investment adviser.**

The firm is part of MetLife Investment Management (MIM), which is MetLife Inc.'s institutional investment management business. MIM is a group of international companies that provides investment advice and markets asset management products and services to clients around the world. The various global teams referenced in this document, including portfolio managers, research analysts and traders are employed by the various legal entities that comprise MIM.

**No money, securities or other consideration is being solicited.** This document has been provided to you solely for informational purposes and does not constitute a recommendation regarding any investments or the provision of any investment advice, or constitute or form part of any advertisement of, offer for sale or subscription of, solicitation or invitation of any offer or recommendation to purchase or subscribe for any securities or investment advisory services. Subsequent developments may affect the information contained in this document materially, and MIM shall not have any obligation to update, revise or affirm. It is not MIM's intention to provide, and you may not rely on this document as providing, a complete or comprehensive analysis of MIM's investment portfolio, investment strategies or investment recommendations.

**Confidentiality.** This document and the information contained herein is strictly confidential (and by receiving such information you agree to keep such information confidential) and are being furnished to you solely for your information and may not be used or relied upon by any other party, or for any other purpose, and may not, directly or indirectly, be forwarded, published, reproduced, disseminated or quoted to any other person for any purpose without the prior written consent of MIM. This reminder should not be read to limit, in any way, the terms of any confidentiality agreement you or your organization may have in place with MIM. Any forwarding, publication, distribution or reproduction of this document in whole or in part is unauthorized. Any failure to comply with this restriction may constitute a violation of applicable securities laws.

**Risk of loss.** An investment in the strategy described herein is speculative and there can be no assurance that the strategy's investment objectives will be achieved. Investors must be prepared to bear the risk of a total loss of their investment. Your capital is at risk, investing in the strategies discussed herein are subject to various risks which must be considered prior to investing. **No tax, legal or accounting advice.** This document is not intended to provide, and should not be relied upon for, accounting, legal or tax advice or investment recommendations. Any statements of U.S. federal tax consequences contained in this document were not intended to be used and cannot be used to avoid penalties under the U.S. Internal Revenue Code or to promote, market or recommend to another party any tax-related matters addressed herein.

**Forward-Looking Statements.** This document may contain or incorporate by reference information that includes or is based upon forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements give expectations or forecasts of future events. These statements can be identified by the fact that they do not relate strictly to historical or current facts. They use words and terms such as "anticipate," "estimate," "expect," "project," "intend," "plan," "believe," "will," and other words and terms of similar meaning, or are tied to future periods in connection with a discussion of future performance. Forward-looking statements are based upon MIM's assumptions and current expectations, which may be inaccurate, and on the current economic environment which may change. These statements are not guarantees of future performance. They involve a number of risks and uncertainties that are difficult to predict. Results could differ materially from those expressed or implied in the forward-looking statements. Risks, uncertainties and other factors that might cause such differences include but are not limited to: (1) difficult conditions in the global capital markets; (2) changes in general economic conditions, including changes in interest rates or fiscal policies; (3) changes in the investment environment; (4) changed conditions in the securities or real estate markets; and (5) regulatory, tax and political changes. MIM does not undertake any obligation to publicly correct or update any forward-looking statement if it later becomes aware that such statement is not likely to be achieved.

02-28 5180162-[MIM, LLC (US)]