

Pension Funding Status

May 2026

Pension Funded Status Increases in May

MetLife Investment Management (MIM), the institutional asset management business of MetLife, Inc., estimates that, as of May 19, 2026, the average U.S. corporate pension funded status hit a high of 108.0%, the highest since the financial crisis, before falling modestly to finish the month at 107.2%. This was up 0.5% from 106.7% as of April 30, 2026. MIM has over \$736 billion in total assets under management, including over \$30 billion of long duration and liability driven investments.¹

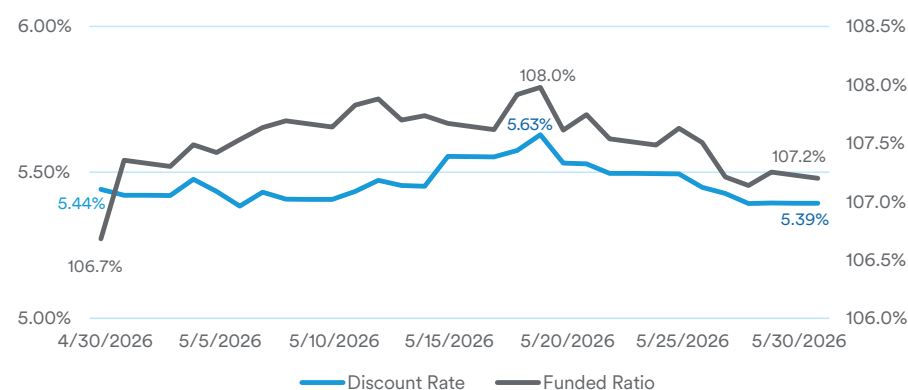
Monthly funded status and primary drivers:

- **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
- **March 31:** 104.9%, discount rates rose offsetting much of the funded status impact of stock and bond losses
- **April 30:** 106.7%, equity and alternative investments drove funded status improvements
- **May 21:** 107.2%, equities and bonds drove funded status improvements

Pension Volatility

Pension funded status experiences daily volatility. During May, funded status rose to a high of 108.0% on May 19th before falling to finish the month at 107.2%. Discount rates began the month at 5.44% and rose to a high of 5.63% on May 19th before falling to 5.39% on May 31.

Chart 1 | Discount Rates and Funded Ratio — May



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

“Pension investments posted strong returns in May, continuing the trend driving funded status improvement. Equities and bonds posted positive returns for the month while alternatives were mixed.”

—Steve Mullin, CFA

Head of Investment Grade Strategies

“In May, discount rates initially rose, contributing to the achievement of the all-time high funded ratio of 108.0% on May 19th. From there, they fell, driving liabilities higher and offsetting some of the improvement in funded status.”

—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 May asset return for U.S. corporate pension plans to be 1.2%.

Asset Class	Index	Average Allocation	Returns May 2026
Domestic Equities	FTSE Russell 3000 Index	13	4.9%
International Equities	MSCI EAFE USD	9	2.6%
Long Bonds	Bloomberg U.S. Long Government/Credit	42	1.0%
Core Bonds	Bloomberg Aggregate	12	0.3%
Hedge Funds	Bloomberg All Hedge Fund	7	3.5%
Private Equity	S&P Listed Private Equity	6	-2.3%
Commodities	Bloomberg Commodity	6	-3.8%
Com. Real Estate	FTSE NAREIT/NCREIF NFI-ODCE	2	0.2%
Cash	U.S. Treasury Three-month bill	2	0.3%
Total		100	1.2%

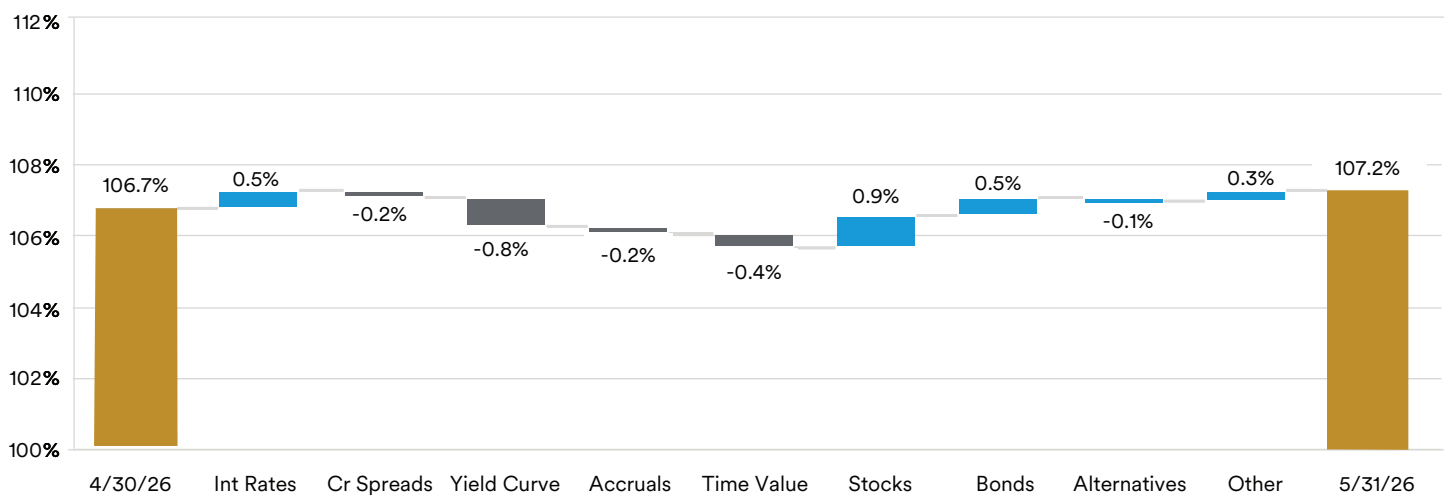
Sources: Bloomberg, MIM analysis, figures rounded. Data as of May 31, 2026.

Sources of Volatility

Pension funded status increased due to investment gains. Stocks and Bonds both experienced strong performance in May. Discount rates ended the month lower by 5 basis points at 5.39%. This is the result of an increase of 5 basis points in 10-year US Treasury yields offset by AA-rated long corporate bond spread tightening of 2 basis points and other discount curve decreases 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.

Chart 2 | Funded Status May 2026

Sources of Change



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

Historical Context

Over the past 10 years, pension funded status was lowest on June 27, 2016 at 74.7% and peaked on May 19, 2026 at 108.0%.

Chart 3 | Daily Funded Status

10-year History



Sources: Bloomberg, MIM analysis. Data as of May 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 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

'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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