MetLife Investment Management



FIXED INCOME | OCTOBER 2026

Pension Funding Status

Pension Funded Status Increases in October

MetLife Investment Management (MIM), the institutional asset management business of MetLife, Inc., estimates that the average U.S. corporate pension funded status rose to 110.1% as of October 31, 2026, up 0.4% from 109.7% at the end of September. MIM has over $748 billion in total assets under management, including over $30 billion of long and liability driven investments.[1]

Monthly funded status and primary drivers:

- July 31, 108.5%, rising discount rates and gains in alternatives more than offset bond losses.
- August 31, 110.0%, strong returns across most asset classes drove the increase.
- September 30, 109.7%, asset losses drove funding lower partially offset by a decrease in liabilities.

"Pension assets had positive returns in October mainly due to falling interest rates. This rally in rates drove an increase in bond values. Returns for stocks were mildly negative and alternatives had a small gain."



Stephen Mullin, CFA
Head of Investment Grade Portfolio Management, Fixed Income

"Pension discount rates fell during October as a consequence of falling interest rates, driving liabilities higher and offsetting some of the asset gains."



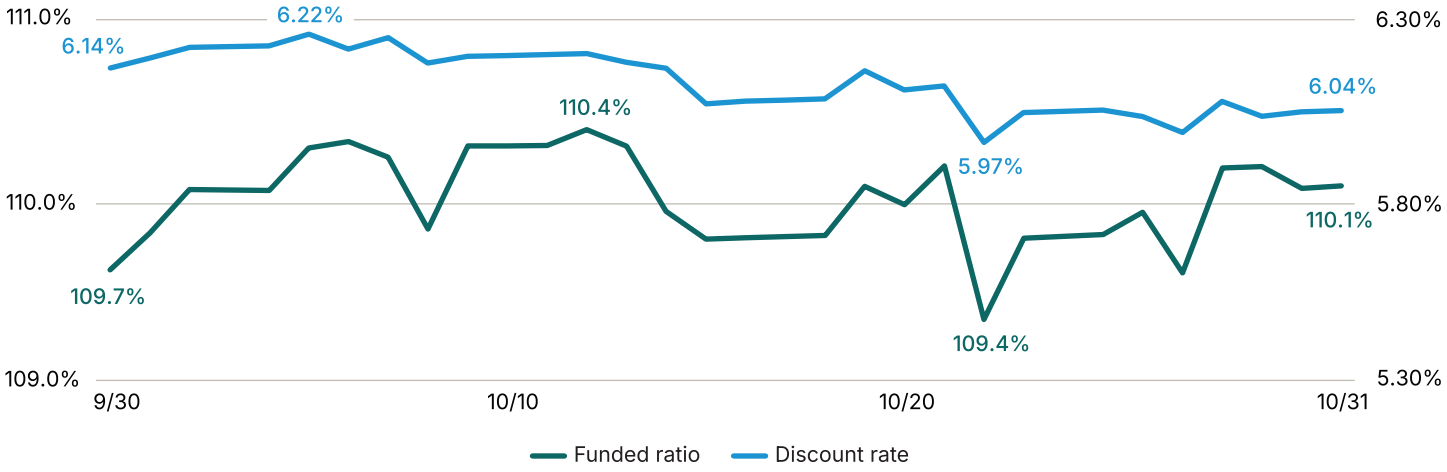
Jeffrey Passmore, CFA
Lead LDI Strategist

Pension volatility

During October, funded status started at 109.7%, hit a high of 110.4% on October 12th and a low of 109.4% on October 22, before finishing the month at 110.1%. Discount rates began the month at 6.14%, rose to a high of 6.22% on October 5th, fell to a month low of 5.97% on October 22nd and finished at 6.04% at month-end.

Chart 1 | Daily volatility

Average funded ratio and discount rates



Sources: MetLife Investment Management using data from Bloomberg. Data as of October 31, 2026.

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 October asset return for U.S. corporate pension plans to be 2.1%.

Asset class	Index	Average allocation	Returns October 2026
Domestic equities	FTSE Russell 3000 Index	13	-0.7%
International equities	MSCI EAFE USD	9	-0.8%
Long bonds	Bloomberg U.S. Long Government/Credit	42	4.4%
Core bonds	Bloomberg Aggregate	12	2.4%
Hedge funds	Bloomberg All Hedge Fund	7	-0.6%
Private equity	S&P Listed Private Equity	6	1.9%
Commodities	Bloomberg Commodity	6	-0.4%
Com. real estate	FTSE NAREIT/NCREIF NFI-ODCE	2	2.6%
Cash	U.S. Treasury Three-month bill	2	0.4%
Total		100	2.1%

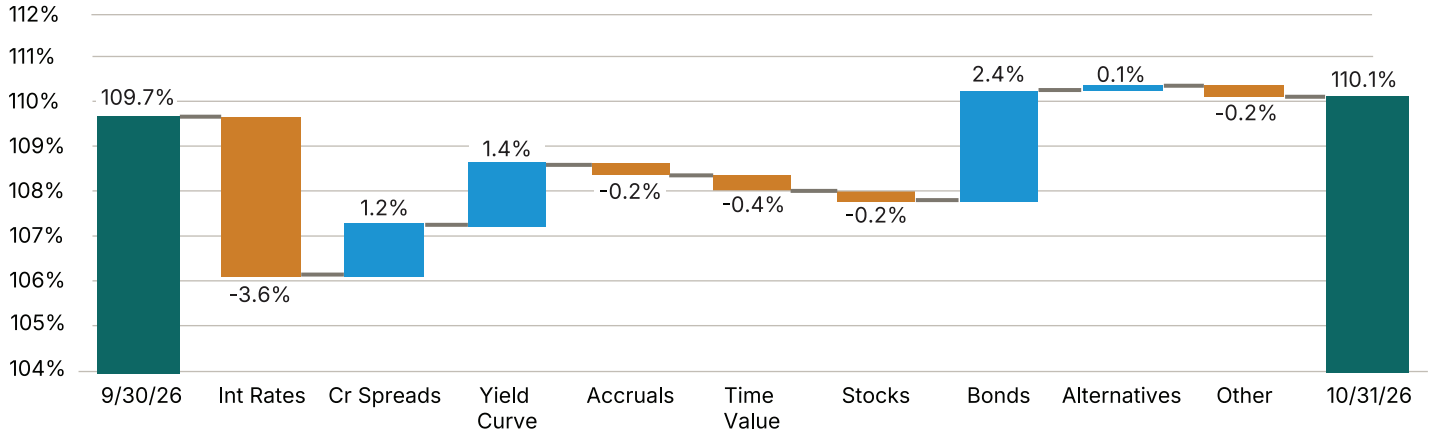
Sources: MetLife Investment Management using data from Bloomberg, figures rounded. Data as of October 31, 2026.

Sources of volatility

Pension funded status increased due to asset gains. Discount rates fell offsetting some of the impact to funded ratios. Bonds and Alternatives all contributed to asset gains. Discount rates ended the month lower by 10 basis points at 6.04%. This is the result of a decrease of 36 basis points in 10-year US Treasury yields combined with AA-rated long corporate bond spread widening of 12 basis points and other discount curve increases of 14 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 October 2026

Sources of Change



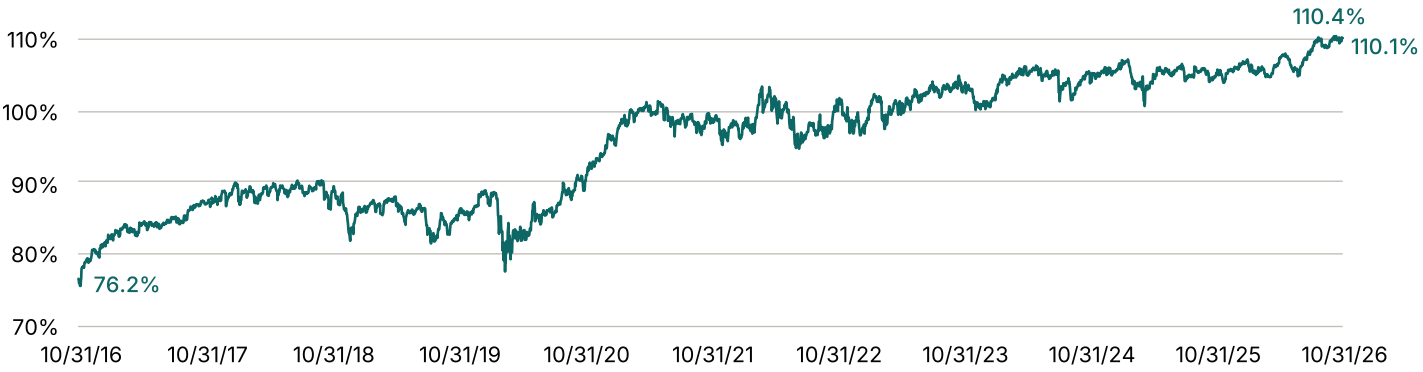
Sources: MetLife Investment Management using data from Bloomberg, figures rounded. Data as of October 31, 2026.

Historical context

Over the past 10 years, pension funded status was lowest on November 4, 2016 at 76.2% and peaked at 110.4% on October 12, 2026.

Chart 3 | Daily funded status

10-year history



Sources: MetLife Investment Management using data from Bloomberg. Data as of October 31, 2026.

Endnote

[1] All data as of June 30, 2026. At estimated fair value. For further information, see https://investments.metlife.com/about/.

About MetLife Investment Management

MetLife Investment Management serves institutional investors, investment consultants, and intermediaries globally by combining deep specialist expertise with the strength and scale of a global platform. We manage $748.1 billion in assets under management.

We are built for conviction: Our specialized investment teams are accessible, accountable and actively engaged in creating solutions for clients. This allows us to deliver thoughtful, tailored portfolios rather than standardized capabilities.

Our history of managing assets, including MetLife's own balance sheet, shapes our disciplined approach to risk and portfolio construction.

By combining specialist expertise, local insight and institutional strength, we aim to deliver differentiated, risk-aware investment solutions. MetLife Investment Management. Built for Conviction.

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All data as of June 30, 2026. At estimated fair value. For further information, see MetLife's 2Q26 Total AUM Fact Sheet, which may be accessed through MetLife's Investor Relations web page at https://investor.metlife.com.

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