

IR+M LDI Monitor

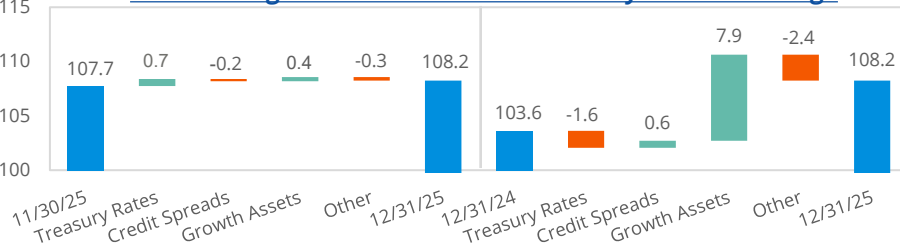
December 31, 2025

IR+M Funded Status Monitor

- Our sample Average Plan funded status increased by 0.5% to 108.2% in December, due to higher discount rates and positive returns on growth assets. 2025 was another strong year for growth assets, driving a 4.6% annual increase in funded status for our sample Average Plan.
 - Discount rates¹ increased by 0.12% in December, from 5.10% to 5.22%.
- The S&P 500 experienced some intra-month volatility and ended 0.1% below its November level. The Federal Reserve delivered its third consecutive 25bp rate cut this year and the Treasury curve steepened during the month in response.
- December long corporate issuance totaled \$8.2 billion, a relatively quiet month following a notably active couple of months. Issuance reached \$267.8 billion for calendar year 2025, approximately 4% higher than in 2024.

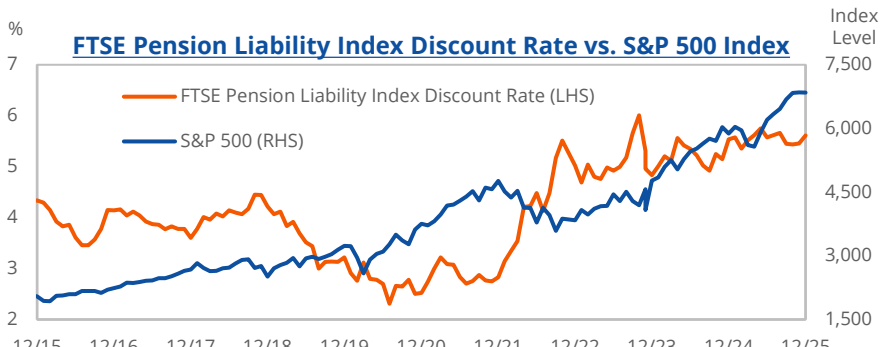
	12/25	11/25	MoM Change	12/24	YTD Change
IR+M Average Plan Funded Status (%)	108.2	107.7	0.5	103.6	4.6
IR+M End Stage Plan Funded Status (%)	112.0	111.9	0.1	108.6	3.4
IR+M Young Plan Funded Status (%)	98.3	97.5	0.8	93.6	4.7
IR+M Average Plan Discount Rate (%) ¹	5.22	5.10	0.12	5.36	(0.14)

IR+M Average Plan Funded Status Monthly and YTD Change



*Other includes contributions, expenses, benefit accruals, and liability profile changes.

FTSE Pension Liability Index Discount Rate vs. S&P 500 Index



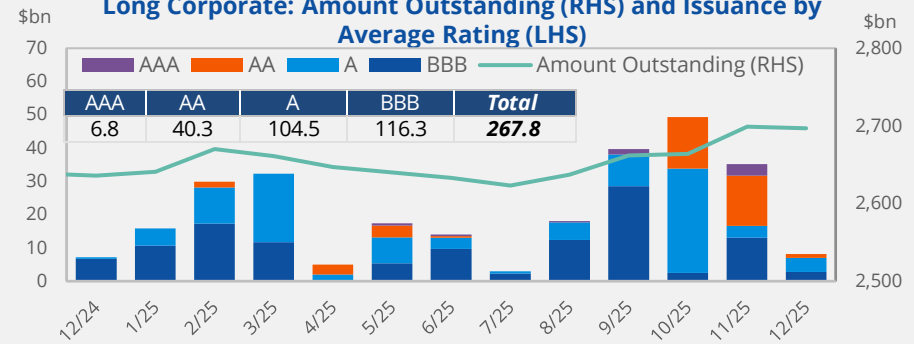
Long Corporate Insights – Fourth Quarter in Review

- During the fourth quarter, long corporate issuance totaled \$92 billion, marking the most active quarter since 2020. More than half of the supply was issued or backed by mega-cap technology companies who borrowed across the maturity spectrum.
 - Long corporate bonds accounted for approximately 26% of all investment-grade corporate issuance during the quarter and roughly 15% of total issuance for the year.
- Estimates for the coming year suggest that AI-related supply could increase materially across the yield curve, supported by the tax bill's stimulus measures. A steepening Treasury curve may also present a tailwind to investor demand for long corporate bonds due to persistently attractive all-in yield.
- Long corporate spreads widened by 4bps during the quarter, ending at 94bps, and only slightly wide to the all-time lows of 87bps. Looking ahead, increased long-end supply in 2026 could place additional pressure on spreads, though demand for duration from pension funds and insurance companies is expected to remain robust.

Long Market Statistics

	12/25	11/25	MoM Change	12/24	YTD Change
Bloomberg Long Corp Yield (%)	5.64	5.52	0.12	5.80	(0.16)
Bloomberg Long Corp A+ Yield (%)	5.46	5.34	0.12	5.61	(0.15)
Bloomberg Long Corp BBB Yield (%)	5.87	5.77	0.10	6.02	(0.15)
Long Corp Spreads (bps)	94	97	(3)	98	(4)
Curve (Long Corp - Int Corp) (bps)	25	24	1	27	(2)

Long Corporate: Amount Outstanding (RHS) and Issuance by Average Rating (LHS)



¹The single effective discount rate shown is for the IR+M Sample Average Plan, calculated from the FTSE Pension Discount Curve. Long issuance sourced from Bloomberg. Long issuance figures exclude 10-year bonds. The table in the long issuance chart shows the 12-month running total investment grade issuance by rating, through 12/31/25 in USD billions. Totals may not sum due to rounding.

IR+M Disclosure Statement

Disclosures:

Sources: Moody's PFaroe, FTSE Russell (formerly Citigroup), and Bloomberg. All data in the above commentary is as of 12/31/2025. Yields are represented as of the aforementioned date and are subject to change. The views contained in this report are those of Income Research + Management ("IR+M") and are based on information obtained by IR+M from sources that are believed to be reliable but IR+M makes no guarantee as to the accuracy or completeness of the underlying third-party data used to form IR+M's views and opinions. This report is for informational purposes only and is not intended to provide specific advice, recommendations, or projected returns for any particular IR+M product. Investing in securities involves risk of loss that clients should be prepared to bear. More specifically, investing in the bond market is subject to certain risks including but not limited to market, interest rate, credit, call or prepayment, extension, issuer, and inflation risk. "Bloomberg®" and Bloomberg Indices are service marks of Bloomberg Finance L.P. and its affiliates, including Bloomberg Index Services Limited ("BISL"), the administrator of the index (collectively, "Bloomberg") and have been licensed for use for certain purposes by IR+M. Bloomberg is not affiliated with IR+M, and Bloomberg does not approve, endorse, review, or recommend the products described herein. Bloomberg does not guarantee the timeliness, accurateness, or completeness of any data or information relating to any IR+M product. Moody's Analytics PFaroe® product used by IR+M includes market data and other information sourced from third parties under license. Certain licensors require Moody's Analytics to make disclosures to, or to obtain acknowledgements or agreements from, IR+M and parties receiving the information from IR+M, which is effected by the disclosures and disclaimers available at <https://static.pfaroe.com/DisclosuresAndDisclaimers/index.html>. This material may not be reproduced in any form or referred to in any other publication without express written permission from IR+M.

IR+M Funded Status Monitor Assumptions:

Detailed methodology and assumptions for the IR+M Funded Status Monitor can be found at: [IRM-Funded-Status-Monitor-Whitepaper-2026.pdf](#)

	End Stage	Average	Young
Target Liability Duration (Years)	6-8	9-11	12-14
Recalibrated Funded Ratio at 12/31/2024	109%	104%	94%
	End Stage	Average	Young
Asset Allocations			
US All Cap Equity	8%	25%	38%
International Equity	2%	14%	22%
US REITS	0%	2%	5%
Private Equity	0%	4%	5%
Growth Assets Allocation	10%	45%	70%
Long Government Fixed Income	5%	10%	15%
Long Credit Fixed Income	28%	30%	15%
Intermediate Government Fixed Income	5%	5%	0%
Intermediate Credit Fixed Income	52%	10%	0%
Fixed Income Allocation	90%	55%	30%