

IR+M LDI Monitor

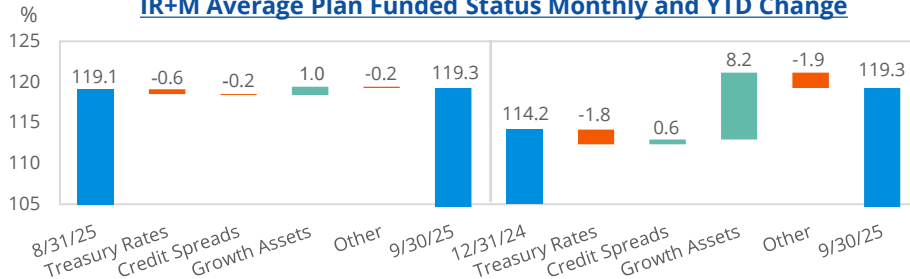
September 30, 2025

IR+M Funded Status Monitor

- Our sample Average Plan funded status increased by 0.2% to 119.3% in September, driven by positive returns in growth assets.
 - Discount rates¹ decreased by 0.16% in September, from 5.29% to 5.13%.
- The S&P 500 rose by 3.5% and the Treasury curve flattened as longer-term yields declined in response to signs of weakening employment data.
- An indication of strong investor demand for long duration fixed income, stripping activity in the long-end remained robust last month, with nearly \$8 billion of 20+ year Treasuries stripped.

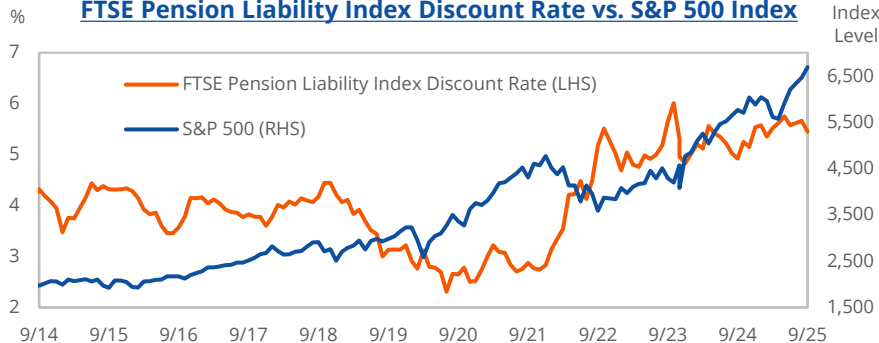
	09/25	08/25	MoM Change	12/24	YTD Change
IR+M Average Plan Funded Status (%)	119.3	119.1	0.2	114.2	5.1
IR+M End Stage Plan Funded Status (%)	112.7	112.0	0.7	110.7	2.0
IR+M Young Plan Funded Status (%)	107.4	108.3	(0.9)	102.9	4.5
IR+M Average Plan Discount Rate (%) ¹	5.13	5.29	(0.16)	5.36	(0.23)

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



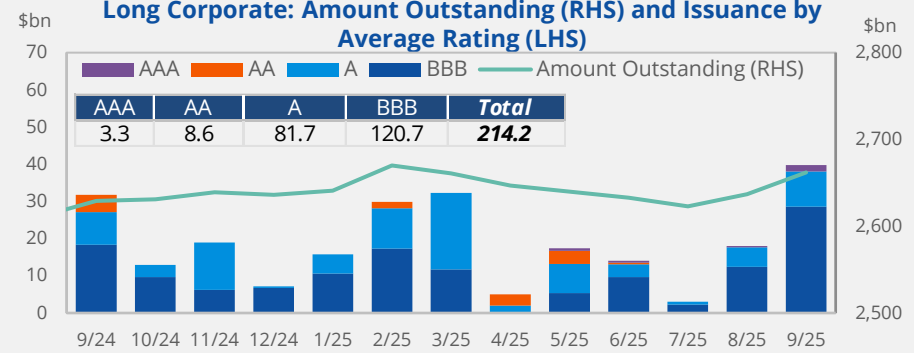
Long Corporate Insights – Third Quarter in Review

- Long supply totaled \$60 billion during the third quarter, with September representing the most active month of long issuance for the year. Year-to-date, total long corporate supply stands at \$175 billion, 19% behind last year's pace.
 - Long corporate bonds accounted for about 14% of all deals for the quarter. Issuance remained subdued throughout the year, as elevated rates continued to favor shorter duration financing.
- M&A could become a key driver of increased long corporate supply in the coming quarters. Easing regulations and stronger post-deleveraging balance sheets has increased the expected pipeline of M&A-related issuance.
- Long corporate spreads reached a multi-decade tight of 87bps in mid-September before ending the quarter slightly wider at 90bps; September marked the fifth consecutive month of spread tightening. Spreads have been anchored by a need for duration from pensions and insurance companies and, to a lesser extent recently, from overseas investors.
- Lower quality long corporates outperformed higher quality counterparts as the spread basis between BBB- and A-rated issues tightened 2bps to 40bps.

Long Market Statistics

	09/25	08/25	MoM Change	12/24	YTD Change
Bloomberg Long Corp Yield (%)	5.53	5.74	(0.21)	5.80	(0.27)
Bloomberg Long Corp A+ Yield (%)	5.36	5.56	(0.20)	5.61	(0.25)
Bloomberg Long Corp BBB Yield (%)	5.75	5.96	(0.21)	6.02	(0.27)
Long Corp Spreads (bps)	90	94	(4)	98	(8)
Curve (Long Corp - Int Corp) (bps)	24	22	2	27	(3)

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 9/30/25 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 9/30/2025. 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:

<https://www.incomeresearch.com/wp-content/uploads/IRM-Funded-Status-Monitor-Whitepaper-2025.pdf>

	End Stage	Average	Young
Target Liability Duration (Years)	6-8	9-11	12-14
Funded Ratio at Inception (i.e., 12/31/2019)	100.0%	89.8%	80.0%
Asset Allocations	End Stage	Average	Young
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%