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BlackRock

U.S. LDI Pension MarketWatch

April 2024





April 2024 Highlights

01

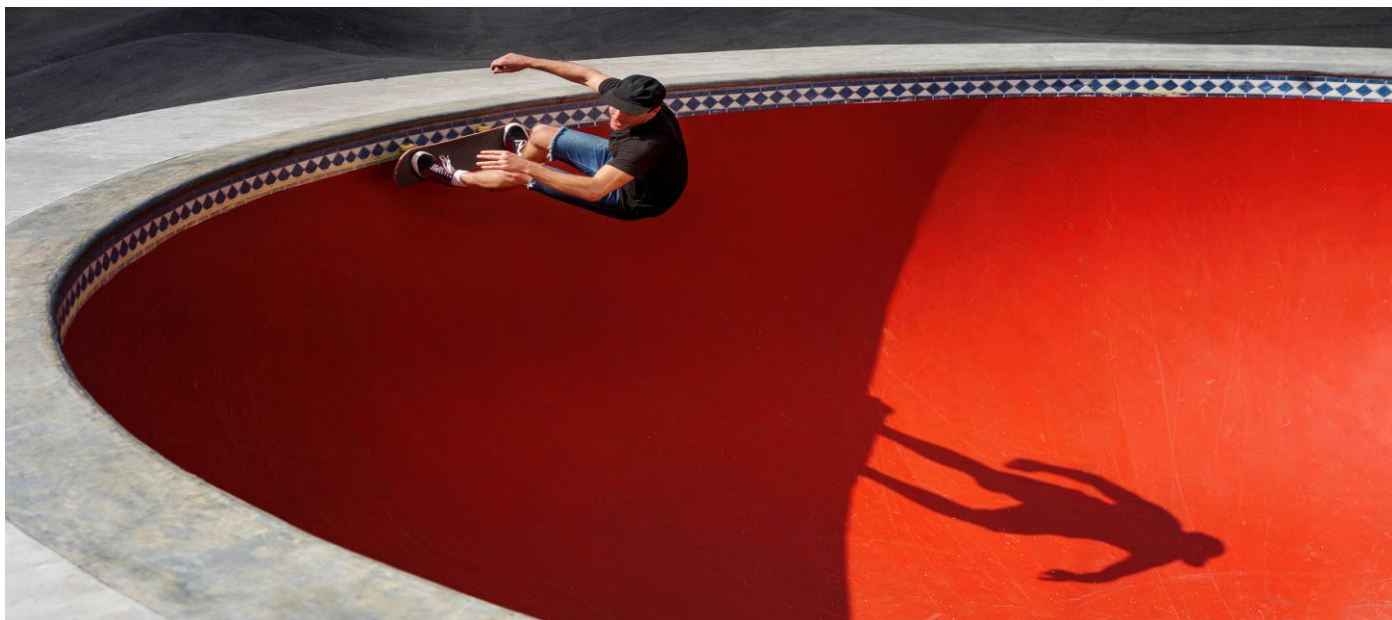
Our funded status estimate (total assets / liability present value) decreased 0.1% in April, bringing our estimate to 104.0%.*

02

Yields spiked higher in April, with the 10yr Treasury rate increasing 48 basis points (“bps”) and the 30yr Treasury rate increasing 43 bps.**

03

Equity markets saw their first negative returns for the year, with Global Equity and US Equity returns down 3.3% and 4.1% respectively.**



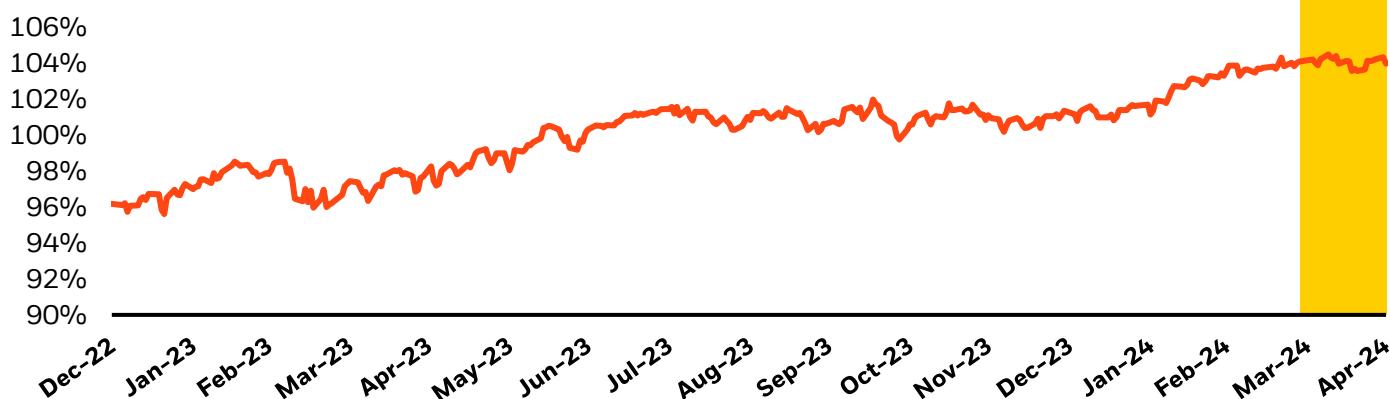
Source: ICE Bank of America Merrill Lynch, Barclays LIVE and BlackRock. All data as of market close at 4/30/2024. *The asset class weights are based on 10-K data from the top 200 public corporate pension plans as of 12/31/2023. The data was sourced using Capital IQ and subsequently aggregated and categorized into asset classes by BlackRock. Using the 10-K asset and liability data sourced by Capital IQ, the funded ratio of the top 200 corporate pension plans was estimated to be 101.37% as of 12/31/2023. ** ICE Bank of America Merrill Lynch spot curves published as of 4/30/2024. ***As measured by MSCI Developed – US Gross TR Index and MSCI All Country World Net TR Index. Indices are unmanaged. One cannot directly invest in an index. **Past performance does not guarantee future returns.**

Pension Funding Update

In April 2024, BlackRock estimates the average funded status for the top 200 U.S. corporate pension plans* was:

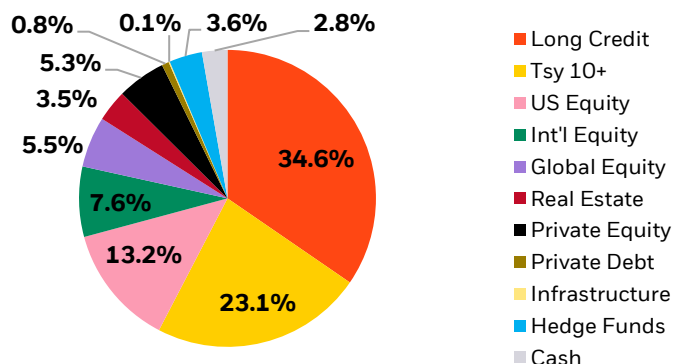
104.0% **- 0.1% MTD*****
+ 2.6% YTD***

Highlighted portion denotes current month



Est. Return**	Apr 24	YTD
Assets	-4.42%	-3.16%
Fixed Income	-5.37%	-7.54%
Equity	-3.48%	4.82%
Alternatives/Cash	-2.60%	-0.09%
Liabilities	-4.30%	-5.61%
Funded Status	-0.13%	2.59%

Estimated pension asset allocation*



Highlights

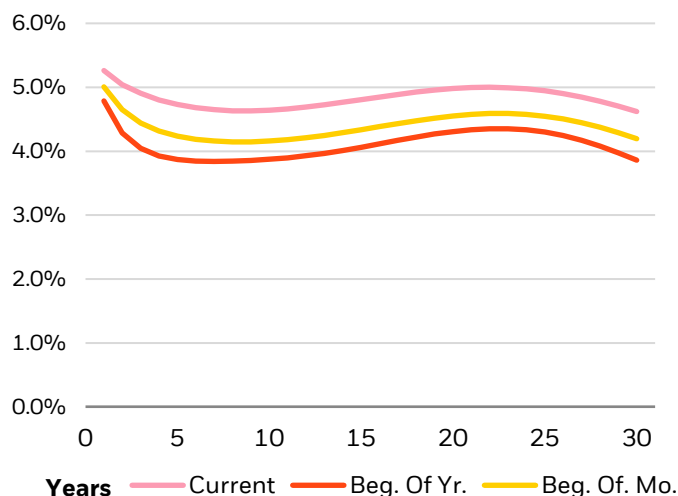
- The average funded status for a top 200 U.S. corporate pension plan is now 104.0%.*
- Funded status decreased modestly in the month of April, down 0.1% from March**
- Returns across asset classes were negative in April, led by Fixed Income at -5.37%. Equity saw its first negative return this year (-3.48%) and Alternatives were down -2.60%, erasing YTD gains.**

*The asset class weights are based on 10-K data from the top 200 public corporate pension plans as of 12/31/2023. The data was sourced using Capital IQ and subsequently aggregated and categorized into asset classes by BlackRock. Using the 10-K asset and liability data sourced by Capital IQ, the funded ratio of the top 200 corporate pension plans was estimated to be 101.37% as of 12/31/2023. Neither asset allocation nor diversification can guarantee profit or prevent loss. **All data as of market close at 4/30/2024. No allowance has been made for active management or costs. Asset returns are based on the historical levels of indices modeled on Page 7. Returns are calculated by taking a weighted average of the asset allocation weights and the returns of the underlying indices listed on Page 7. Liability returns are based on the historical levels of the Bank of America Merrill Lynch Mature U.S. Pension Plan AAA-A Index. Asset and liability returns are rolled forward on a daily basis based on underlying returns to calculate an estimated funded status for the top 200 plans using the estimated pension asset allocation above. ***MTD and YTD changes are based on 12/31/2023 asset allocation weights rolled forward.

Past performance does not guarantee future returns. Models are for illustrative purposes only, hypothetical, based on assumptions, and subject to significant limitations. Models should not be relied upon as actual results may vary significantly. Indexes are unmanaged and one cannot invest directly in an index.

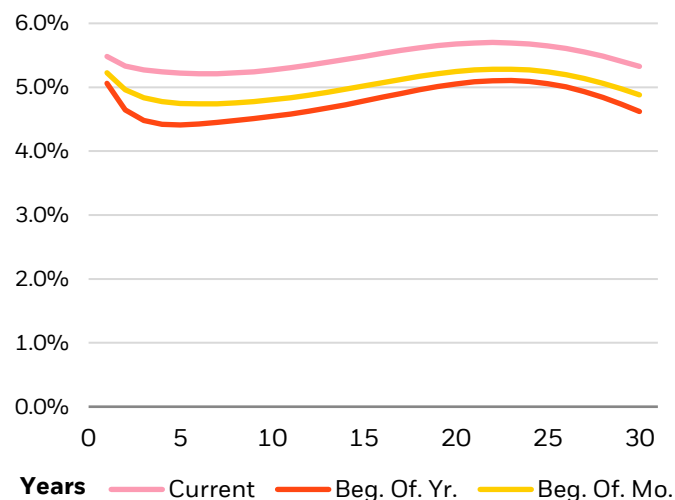
Treasury market and corporate yield curves

Treasury Yield Curves - Spot



Yields (%)	5 yr	10 yr	20 yr	30 yr
Beg. of Yr.	3.87	3.87	4.31	3.86
Beg. Of. Mo.	4.24	4.16	4.55	4.20
Current	4.73	4.64	4.98	4.62

ML AA Corporate Yield Curves



Yields (%)	5 yr	10 yr	20 yr	30 yr
Beg. of Yr.	4.41	4.54	5.05	4.62
Beg. Of. Mo.	4.75	4.81	5.25	4.88
Current	5.22	5.27	5.68	5.33

Data shown in the tables is a numerical representation of the yield curve charts and highlights the yield at a specific tenor of the yield curve. "Current" represents the yield curve as of 4/30/2024. "Beg. Of. Mo." represents the yield curve as of 3/28/2024. "Beg. Of. Yr." represents the yield curve as of 12/29/2023.

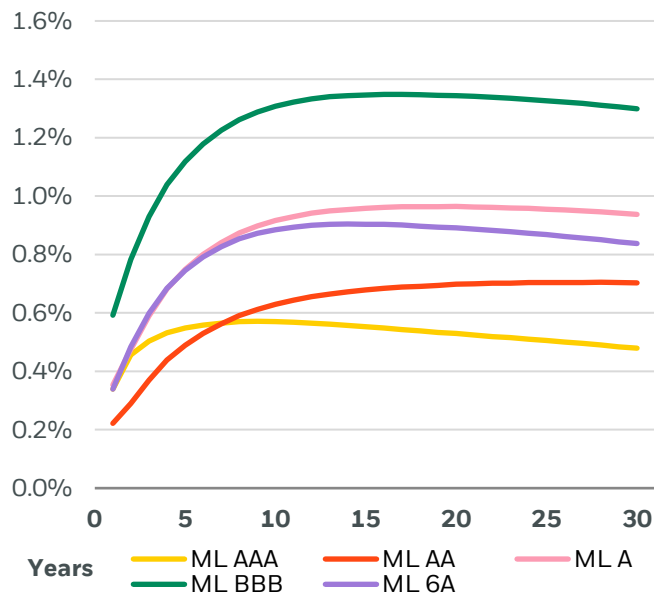
Highlights

- Stronger than expected March economic data (released in April) led to dramatic repricing across the yield curve with 5yr up +50bps, 10yr up +48bps and 30yr up +43bps.*
- Given the modestly higher moves in the front end, the curve flattened with 5s30s further inverting, now at -9bps.*
- Corporate yields moved in a similar manner in April, with 5yr and 10yr points up 47bps and 20yr and 30yr points up 43bps and 45bps respectively. The modestly higher move in the front end led to some flattening in the corporate curve.*

Source: *ICE Bank of America Merrill Lynch spot curves published as of 4/30/2024. All yields are spot rates. All data as of market close at 4/30/2024. Indexes are unmanaged and one cannot invest directly in an index. **Past performance does not guarantee future returns.**

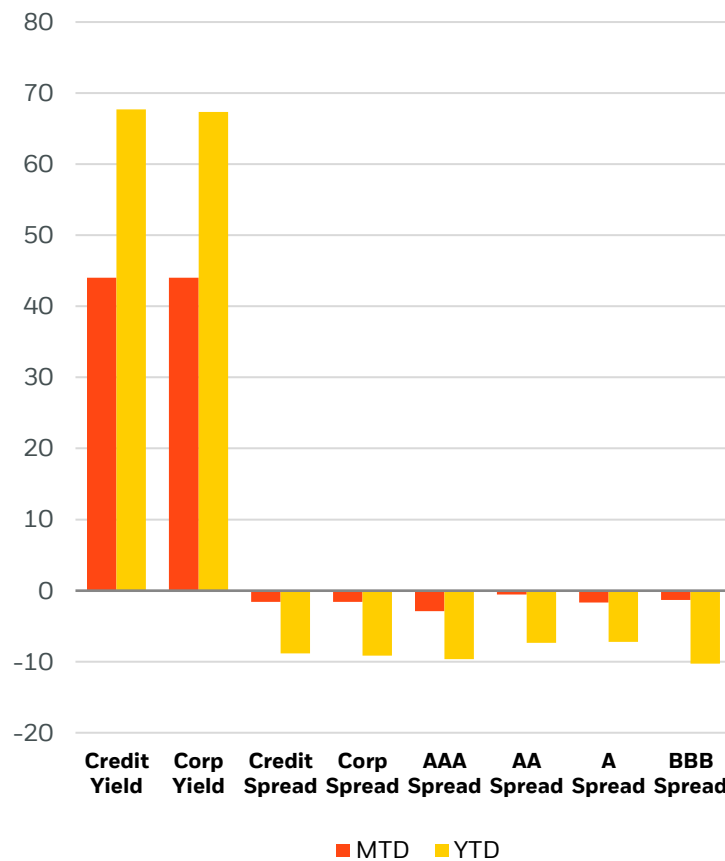
Credit market

Credit spread curves



Term Yr	ML AAA	ML AA	ML A	ML BBB	ML 6A
5	0.55%	0.49%	0.75%	1.12%	0.75%
10	0.57%	0.63%	0.92%	1.31%	0.89%
20	0.53%	0.70%	0.96%	1.34%	0.89%
30	0.48%	0.70%	0.94%	1.30%	0.84%

Change of 10+yr bond index maturities (in bps)



Data shown in table is a numerical representation of the credit spread curves chart.* The table highlights the yield of a particular spread curve at a specific tenor.*

Highlights

- Despite some tightening in corporate spreads, corporate yields moved higher in aggregate, driven by the rate component.*
- Tightening in spreads were largely uniform across the investment grade capital stack. This follows the pattern largely in 2024 of tightening spreads overshadowed by rising yields, driving overall corporate yields higher.*

*Source: ICE Bank of America Merrill Lynch yield curves; Barclays 10+ year bond maturity indices. All data as of market close at 4/30/2024. Indices are unmanaged. One cannot directly invest in an index. **Past performance does not guarantee future returns.**

Inflation and breakevens

Real Yields



Term Yr	Treasury Yield (%)	Real Yield (%)	BE Inflation (%)
5	4.73	2.26	2.47
10	4.64	2.29	2.35
20	4.98	2.47	2.51
30	4.62	2.42	2.20

Periodic Change (in bps)

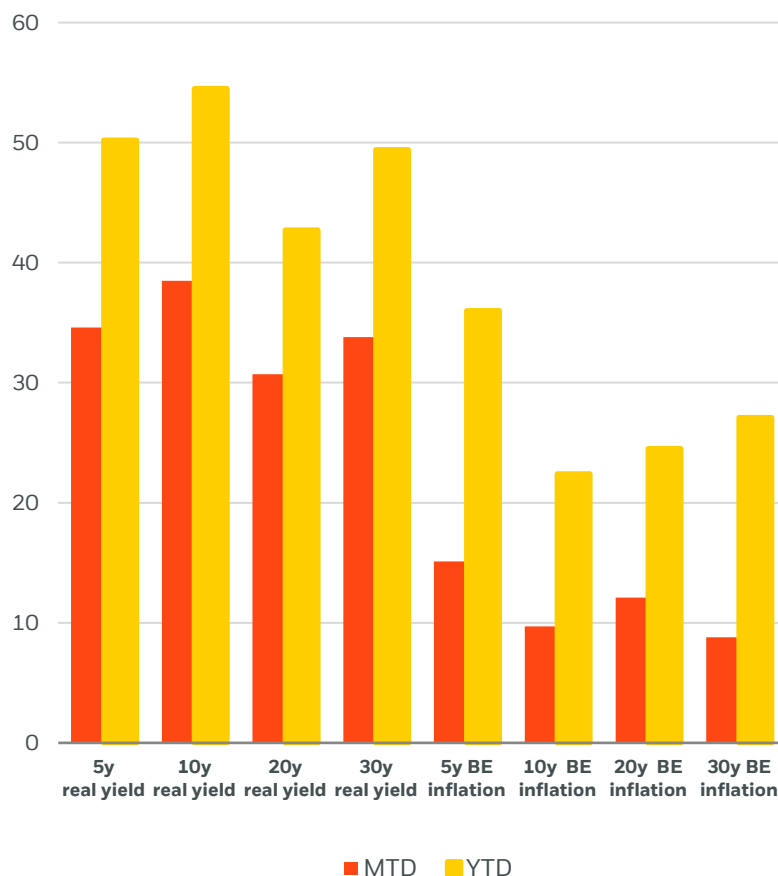


Table is a numerical representation of the chart above, which highlights the Treasury yield, breakeven inflation level and real yield at a specific term.**

Highlights

- Core Consumer Price Index (“CPI”) came in at 0.36% MoM for March (released April 10, 2024). This was the third consecutive rounded 0.4% MoM figure and YoY Core CPI was unchanged at 3.8%.*
- Breakeven inflation levels moved higher MoM, with the 5yr and 10yr breakeven levels up 15bps and 10bps, respectively.**
- Real yields, the interest rate adjusted to remove the effects of inflation, were also higher across the curve.**

Source: *Bureau of Labor Statistics. **ICE Bank of America Merrill Lynch. All yields are spot rates. All data as of market close at 4/30/2024. **Past Performance is not a reliable indicator of future results.** BE = breakeven.

Modeling assumptions for Pension Funding Update

Asset allocation mapping for funding ratio calculation on Page 3

Type	Asset Class	Index Assumption	Weight
Fixed Income	Long Credit	BBG U.S. Long Credit Index	34.6%
	Tsy 10+	BBG Treasury 10+ Yr Index	23.1%
Equity	U.S. Equity	MSCI Developed – U.S. Gross TR Index	13.2%
	Int'l Equity	MSCI World Ex U.S. Index	7.6%
	Global Equity	MSCI All Country World Net TR Index	5.5%
Alts/Cash	Real Estate	Dow Jones U.S. Real Estate Index	3.5%
	Private Equity	S&P Listed Private Equity Index	5.3%
	Private Debt	BBG Private Debt 10+ Years Custom Index	0.8%
	Infrastructure	Dow Jones Brookfield Global Infrastructure Index	0.1%
	Hedge Funds	HFRX Global Hedge Fund Index	3.6%
	Cash	BBG T-Bill 1-3 Month Index	2.8%
		Liability	

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