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FOR IMMEDIATE RELEASE

Press Release

Milliman analysis: Economic recovery for public pensions continues in May, with funded ratio climbing back to 71.3%

Milliman PPFi plans' funded status improves by \$72 billion; plans see a 2.68% investment return

SEATTLE – JUNE 11, 2020 – Milliman, Inc., a premier global consulting and actuarial firm, today released a special May edition of its Public Pension Funding Index (PPFI) in light of the COVID-19 pandemic and resulting market volatility. Milliman's PPFi consists of the nation's 100 largest public defined benefit pension plans.

Our latest analysis shows funding for public pensions in May continued to rebound from the first quarter of 2020 with an aggregate investment return of 2.68% for the month, the second month of improvement for these plans after a dismal February and March. In fact, the Milliman PPFi funded ratio has climbed over five percentage points since the end of Q1, increasing from 66% at the end of March to 71.3% as of May 31. We estimate that the aggregate deficit shrank from \$1.619 trillion at the end of April 2020 to \$1.547 trillion at the end of May 2020, a \$72 billion improvement.

"Most sectors of the market continued their recovery in May, providing positive movement for public pensions," said Becky Sielman, author of the Milliman 100 Public Pension Funding Index. "As the economy reopens across the U.S., plan sponsors will continue to monitor asset classes with delayed reporting so as to prepare for any remaining fall-out from Q1's market volatility."

To view the Milliman 100 Public Pension Funding Index, go to <http://www.milliman.com/ppfi/>. To receive regular updates of Milliman's pension funding analysis, contact us at pensionfunding@milliman.com.

About Milliman

Milliman is among the world's largest providers of actuarial and related products and services. The firm has consulting practices in healthcare, property & casualty insurance, life insurance and financial services, and employee benefits. Founded in 1947, Milliman is an independent firm with offices in major cities around the globe. For further information, visit milliman.com.

About the Milliman Public Pension Funding Index

Since 2012, Milliman has conducted an annual study of the 100 largest defined benefit plans sponsored by government jurisdictions in the U.S. The Milliman 100 Public Pension Funding Index projects the funded status for pension plans included in our study, reflecting the impact of actual market returns, utilizing the actual reported asset values, liabilities, and asset allocations of the pension plans. The results of the Milliman 100 Public Pension Funding Index are based on the pension plan financial reporting information disclosed in the plan sponsors' Comprehensive Annual Financial Reports, which reflect measurement dates ranging from June 30, 2016, to December 31, 2018. This information was



summarized as part of the Milliman 2019 Public Pension Funding Study, which was published on January 20, 2020.

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