

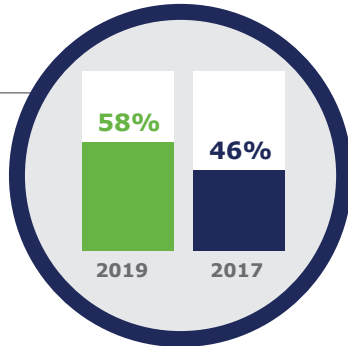


CORPORATE PENSION FUNDED STATUS IMPROVES, DESPITE DECLINING DISCOUNT RATES

BASED ON NEPC'S 2019 DEFINED BENEFIT TRENDS SURVEY

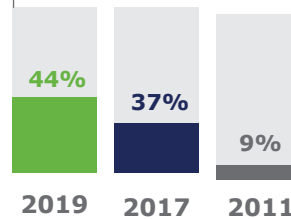
FUNDED RATIOS HAVE IMPROVED

58%
of plans have funded status above 90%



LDI ALLOCATIONS HAVE INCREASED

Of plans that use LDI, **44%** have an allocation of 51% or higher



CONCERNS ON THE MARKET ENVIRONMENT



84% of respondents predict a recession in the next 3 years



58% have a bearish view of stock market over the next 12 months compared to only 44% in 2017

Percentage of respondents that expect discount rates to be higher over the next 12 months



ALTERNATIVES REMAIN POPULAR

65% of respondents have an allocation to alternatives

- 40%** utilize hedge funds
- 38%** invest in private equity
- 33%** allocate to real assets

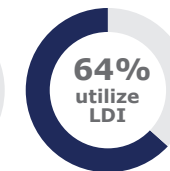
RETURN ASSUMPTIONS ARE DECLINING

2019
34%

2017
20%

had a long-term rate of return assumption of **6% or less**

MAJORITY OF PLANS STILL ACCRUING BENEFITS



However, these plans have a higher average allocation to equity and alternatives compared to their frozen counterparts

About the Survey This NEPC survey was conducted online by the Corporate Defined Benefit Group in September 2019. The survey had 121 respondents across plans of different sizes and focus including corporations, healthcare organizations, and others. Copyright is held by NEPC.

About NEPC, LLC NEPC is an independent investment consultant and private wealth advisor with more than 30 years' experience creating research-based, bespoke investment portfolios that align to the goals of its clients and their constituencies. Combining a proprietary research team dedicated to the long-term challenges facing institutional and high-net-worth investors with our unique client-centric model, NEPC builds investment portfolios defining the future of finance. We service over 380 retainer clients with \$1.1 trillion in assets from our offices in Boston, Atlanta, Charlotte, Chicago, Detroit, Las Vegas, Portland, and San Francisco with a forward-thinking approach to solving the most complex challenges facing the investment industry.