

Pension Funded Status Tracker

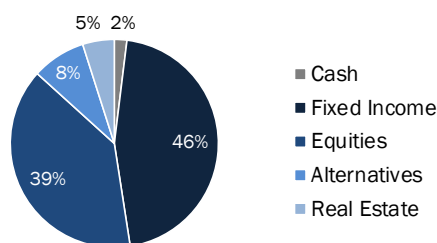
May 2021

ASSET MANAGEMENT | REPORT

Over May 2021, the average corporate defined benefit pension plan's funded status improved from 95.2% to 95.9% funded.

- » The asset portfolio saw positive returns across asset classes over the month:
 - Foreign equities witnessed the best performance while local equities had marginal gains
 - Fixed income assets also outperformed as yields overall fell marginally.
- » Liabilities witnessed a small increase, as a function of the decrease in rates:
 - The small decrease in rates was accompanied with some high quality spread tightening
 - As a result, the effective discount rate decreased by 3 basis points in May.

Asset Allocation



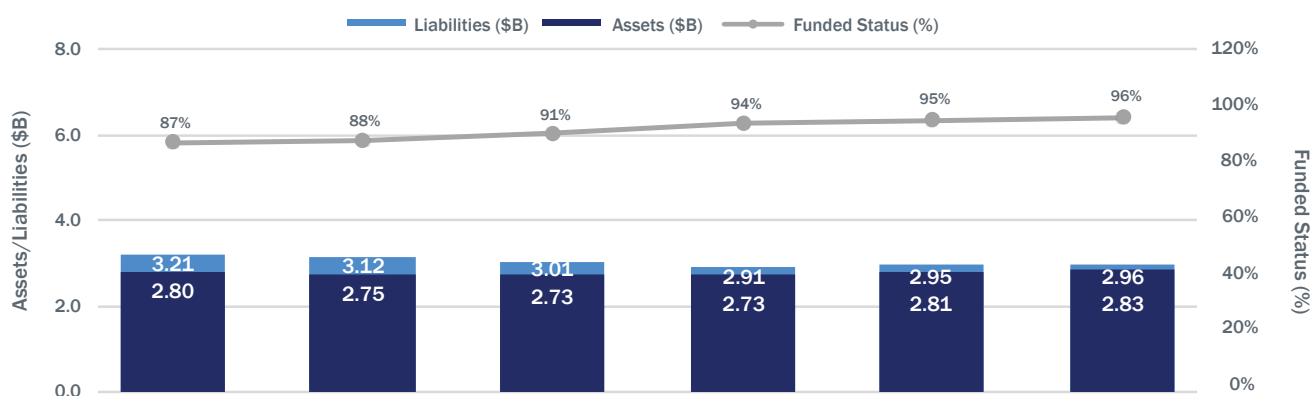
Prepared by Conning, Inc. Source: ©2021 Bloomberg, L.P. As of May 31, 2021.

Key Metrics

Pension Plan	Assets	Liabilities†	Funded Status†
Valuation (\$B)	2.83	2.96	96%
Duration (Yr)	6.4	12.8	Interest Rate Hedge Ratio
Dollar Duration (\$mm)	1.8	3.8	
Yield* / Discount Rate	2.7%	2.8%	48%

Prepared by Conning, Inc. Source: ©2021 Bloomberg L.P. May 31, 2021. *Yield quoted is duration-weighted yield † Funded Status is hypothetical and calculated according to the Data and Methodology section outlined on Page 3. Refer to the Hypothetical Model Disclosures (page 3) for more important information.

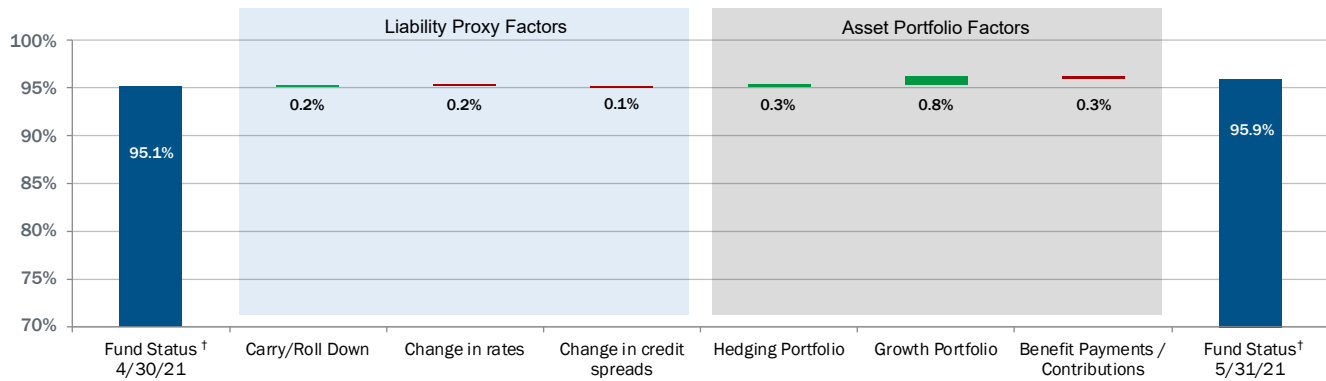
Pension Plan Tracker (May 31, 2021)†



	Dec'20	Jan	Feb	Mar	Apr	May'21
Funded Status (%)	87%	88%	91%	94%	95%	96%
Assets (\$B)	2.80	2.75	2.73	2.73	2.81	2.83
Liabilities (\$B)	3.21	3.12	3.01	2.91	2.95	2.96
Discount Rate (GAAP)	2.2%	2.4%	2.7%	2.9%	2.8%	2.7%

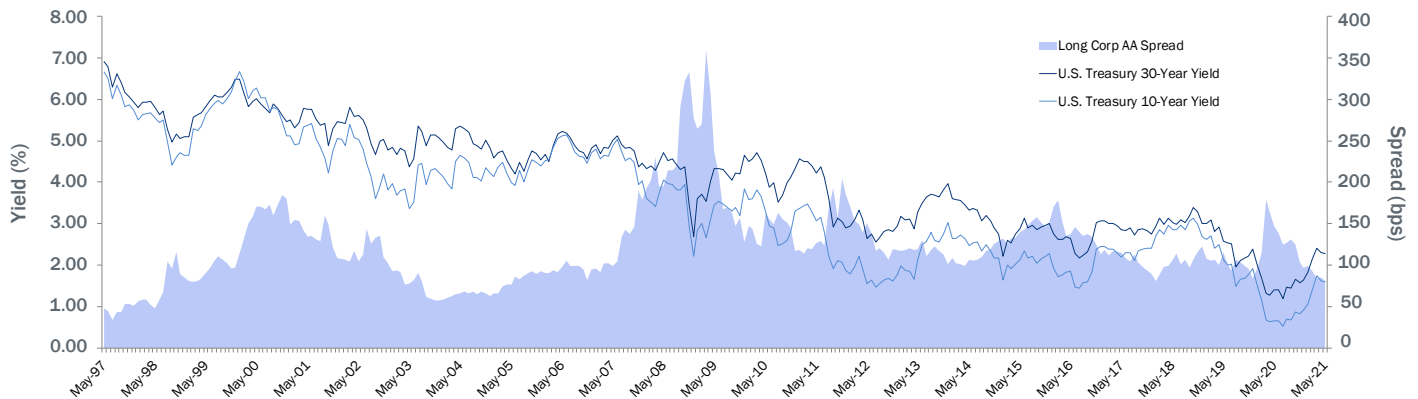
† Pension Plan Tracker results presented do not reflect actual performance. The results are hypothetical, and are generated according to the Data and Methodology section outlined on Page 3. Refer to the Hypothetical Model Disclosures (page 3) for more important information. Prepared by Conning, Inc. for illustrative purposes only. Source: ©2020-2021 Bloomberg, L.P.

Funded Status Attribution (April 30, 2021 – May 31, 2021)



† Funded Status Attribution presented does not reflect actual performance. The results are hypothetical, and are generated according to the Data and Methodology section outlined on Page 3. Refer to the Hypothetical Model Disclosures (page 3) for more important information. Chart shows the liability proxy and asset portfolio factors that contributed to the change in funded status over the month. Prepared by Conning, Inc., for illustrative purposes only. Source: ©2021 Bloomberg, L.P.

Yields and Corporate Spreads



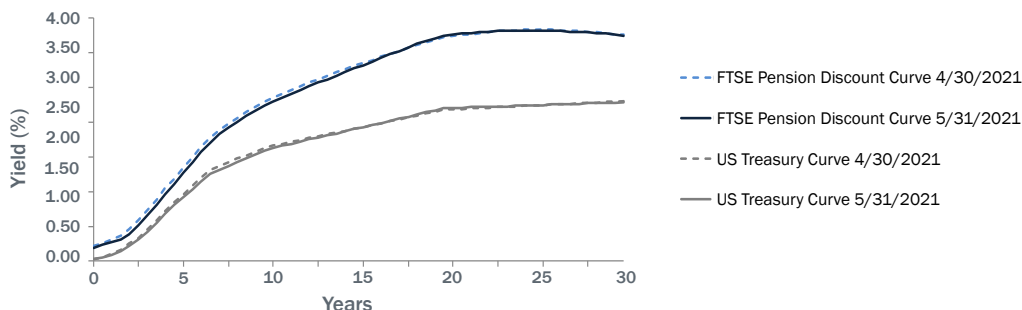
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Market Performance (May 31, 2021)

	MTD	QTD	YTD	
Equities	S&P 500	0.7%	6.1%	12.6%
	Russell 2000	0.2%	2.3%	15.3%
	MSCI World ACWI	1.6%	6.1%	11.1%
	EAFE	3.3%	6.5%	10.4%
	MSCI Emerging Markets	2.3%	4.9%	7.2%
Alternatives	Private Equity	3.0%	13.1%	25.5%
	Hedge Funds	1.7%	3.9%	9.9%
	Real Estate	1.0%	9.2%	17.6%
Fixed Income	High Yield	0.3%	1.4%	2.2%
	US Aggregate	0.3%	1.1%	-2.3%
	US Long Gov/Credit	0.8%	2.8%	-7.9%
	US Long Credit	1.0%	2.8%	-5.8%
	US Long Corporate AA	0.9%	3.0%	-7.2%
	US Treasury 10 Yrs	0.6%	1.8%	-5.4%
	US Treasury 30 Yrs	0.7%	3.4%	-12.9%

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Liability Discount Curve



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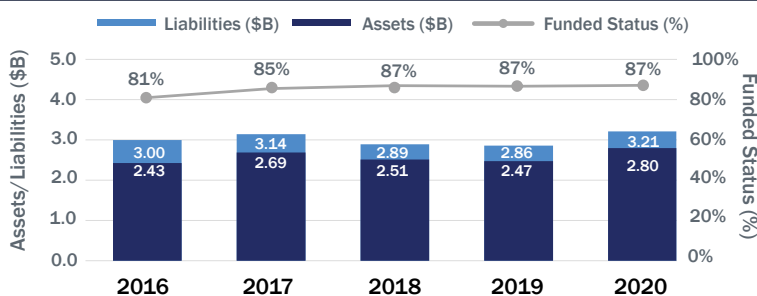
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Pension Plan Tracker (Annual 2016 - 2020)



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Contact us at LDI@conning.com

	2016	2017	2018	2019	2020
Funded Status (%)	81%	85%	87%	87%	87%
Assets (\$B)	2.43	2.69	2.51	2.47	2.80
Liabilities (\$B)	3.00	3.14	2.89	2.86	3.21
Discount Rate (GAAP)	3.9%	3.6%	3.8%	3.0%	2.2%

Prepared by Conning, Inc. Source: ©2016-2020 Bloomberg, L.P.

About Conning®

Conning (www.conning.com) is a leading investment management firm with almost \$200 billion in global assets under management as of March 31, 2021.* With a long history of serving the insurance industry, Conning supports institutional investors, including insurers and pension plans, with investment solutions, risk modeling software, and industry research. Founded in 1912, Conning has investment centers in Asia, Europe and North America.

*As of March 31, 2021, represents the combined global assets under management for the affiliated firms under Conning Holdings Limited and Cathay Securities Investment Trust Co., Ltd. ("SITE"). SITE reports internally into Conning Asia Pacific Limited, but is a separate legal entity under Cathay Financial Holding Co., Ltd. which is the ultimate controlling parent of all Conning Holdings Limited controlled entities.

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Data and Methodology

Conning's Funded Status Tracker is a monthly publication that tracks the performance of the average defined benefit pension plan (the "Plan") of select corporate sponsors comprising a subset of the Russell 3000 Index. The data in this monthly review was reported in the 10-Ks of 563 publicly traded companies from the Russell 3000 index for the 2020 year-end.† Further, the Funded Status Tracker was updated retroactively to reflect published 10-K data for the 2020 year-end. All months of 2021 have been restated to account for the, now known, 2020 year-end position. In addition, the annual tracking of the 10-K data for the years 2016-2020 have been restated to reflect the change of the underlying universe of 583 plans to the current universe of 563 plans. Going forward, the monitoring of 2021 months will continue until 2021 year-end 10-Ks become available, at which point, the same methodology will be applied to include 2021 year-end position with the subsequent 2022 months retroactively updated. Note: these assets may include non-U.S. pension plans. In aggregate, these 563 entities reported \$1.57 trillion in plan assets and \$1.81 trillion in plan liabilities at year end 2020.

The average plan size of the subset of the Russell 3000 index universe outlined above is approximately \$2.80 billion in assets and \$3.21 billion in liabilities, as of December 31, 2020. The Plan's liability is a hypothetical cash flow generated from our proprietary model to reflect a 13.5-year duration and valuation equivalent to the Plan's PBO on a US GAAP valuation basis as at the end of 2021, but allowed to drift with market conditions during the months following in the year.

It is important to note that asset definitions are not uniform. Conning's analysis of companies' financial statements has found that some firms only report individual stocks as equities, while other firms include stock mutual funds. A similar mixing of types occurs in fixed income. In this analysis, Conning has used the allocations as reported by the companies and not adjusted them. Funded status is the percentage of liabilities that are covered by assets. Interest rate hedge ratio is the dollar duration of assets as a percentage of liability dollar duration.

† For the periods 2016-2020, data from 563 publicly traded companies were used. These companies were selected because they had consistently filed pension data every year for the period from 2016 through to 2020.

LDI Hypothetical Model Disclosures

The proprietary model analysis presented herein is for illustrative purposes only. The model relies on a number of assumptions that are generally stated in the Data and Methodology and within the illustrations. The assumptions can be subject to significant uncertainties and contingencies, and such illustrations may change materially in response to small changes in one or more of such assumptions. The data used for this model was obtained from sources deemed reliable, and then organized by Conning, Inc. and was not audited by any third party. Errors could have occurred in the data, in the calculations, or in the preparation of this analysis. Therefore, information contained in this analysis may not be precise. C: 12995957