

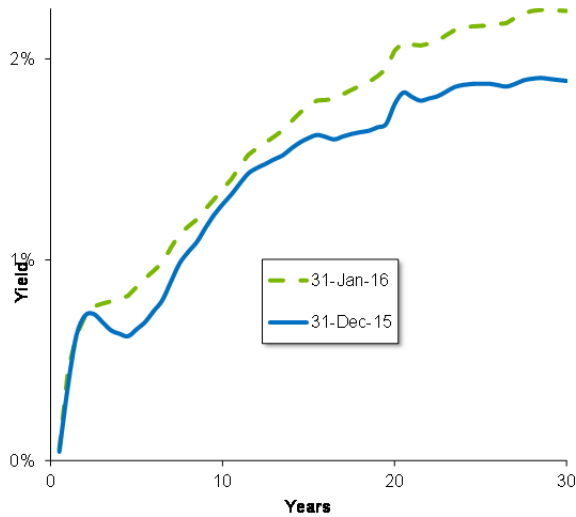


January 31, 2016 Discount Rate Update

Global equities fall to start 2016; rates drop

Corporate AA Spreads

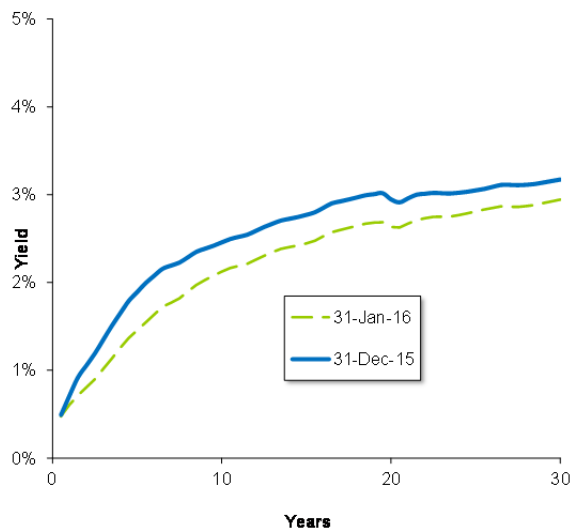
Credit spreads widened in the face of weakening fundamentals.



Note: Aon Hewitt AA Only curves used as representative. Many curves exist.

Treasury STRIPS Curve

Treasury rates dropped as investors sought safety assets.



Discount Rate Movement

(Numbers shown are percentages)

		01/31	12/31
STRIPS	▪ Young	2.73	3.00
	▪ Average	2.66	2.93
	▪ Mature	2.50	2.79
US GAAP	▪ Young	4.70	4.70
	▪ Average	4.52	4.56
	▪ Mature	4.17	4.26
PPA	▪ Young	*	4.69
	▪ Average	*	4.56
	▪ Mature	*	4.31

S&P 500 Funded Status (Estimated)

	01/31	12/31
▪ Assets	\$1,583B	\$1,625B
▪ Liabilities	\$2,028B	\$2,027B
▪ Funded Ratio	78.1%	80.1%

Notes: PPA rates do not reflect stabilization; 01/31 rates not yet available. All information for 2016 (except 12/31/2015). See last page for details.

Check out the Aon Hewitt Pension Risk Tracker (<https://pensionrisktracker.aon.com/>)

In January equities fell across the globe and the U.S. dollar strengthened. U.S. Treasury rates moved lower across the curve, as both inflation expectations and real rates fell. The U.S. employment picture continues to improve, as the unemployment rate dipped below 5% for the first time in almost 8 years. However, a plunging stock market in China and the potential of the Yuan's further depreciation increased concerns about a currency war in Asia. Declining energy prices have further fueled worries of emerging economies. Acknowledging the potential of a weaker global economic outlook, the Fed left its policy rates unchanged. Credit spreads continued to widen, as expected during a flight-to-quality, and are now at levels typically associated with recession.

PPA Rates—Before Stabilization

	Jan '17	Sept '16	Jan '16	Sept '15
▪ Young	4.57%	4.53%	4.56%	4.64%
▪ Average	4.44%	4.41%	4.43%	4.50%
▪ Mature	4.20%	4.16%	4.16%	4.22%

Note: Assumes interest rates remain level from December until projection date; see last page for details.



Notes and Disclosures

- US GAAP basis of Discount Rate Movement is the Aon Hewitt AA Only yield curve.
- PPA basis of Discount Rate Movement is the IRC §430 Full Yield Curve as specified in the Pension Protection Act of 2006.
- Information shown relating to PPA interest rates is based on data published by the IRS through January 2016—i.e., interest rates for the month of January 2016 are not yet available, as such data is published later in February 2016.
- S&P 500 Funded Status refers to the aggregate pension plan assets and liabilities of the companies listed in the S&P 500 index. It is based on the US GAAP funded status as estimated by Aon Hewitt using 10-K footnote disclosure information through December 31, 2014. See <https://pensionrisktracker.aon.com/> for more details about our methodology.
- Standard Populations
 - Young is a hypothetical plan with a primarily active and deferred workforce with duration of 16–18 years depending on the level of the yield curve.
 - Average is a hypothetical plan with a standard demographic including healthy-sized active and retiree populations, with duration of 13–15 years depending on the level of the yield curve.
 - Mature is a hypothetical plan with a predominately retiree population, with duration of 9–11 years.
- PPA Rates table refers to PPA 24-month segment rates for IRC §430 pension valuations before reflecting the 25-year interest rate corridors introduced by the Moving Ahead for Progress in the 21st Century Act (MAP-21) and amended by the Highway and Transportation Funding Act of 2014 (HATFA) and the Bipartisan Budget Act of 2015 (BBA 2015). Historical rates are shown as well as a projection of future rates.
 - Future 24-month average rates are determined by holding the December 2015 rates constant to the measurement date. Actual rates may differ.
 - Note that after reflecting the MAP-21 interest rate corridors, as amended by HATFA and BBA 2015, the PPA Rate table would appear as follows, assuming that the IRS does not alter the historical segment rates relative to those published in Notice 2013-11.

	Jan '17	Sept '16	Jan '16	Sept '15
▪ Young	6.07%	6.13%	6.25%	6.30%
▪ Average	5.96%	6.02%	6.14%	6.20%
▪ Mature	5.77%	5.83%	5.96%	6.02%