Confluence®

Report

Confluence® Plan Universe

Q2 2026 Plan Universe Allocation & Return Analysis

Strong recovery in equity markets drives U.S. Plan Sponsors best performance since Q4 2023.

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Executive summary

The Q2 2026 Confluence Plan Universe Report – the industry's most granular analytics tool for plan sponsors with data sourced directly from over 4,000 institutions – reported its best quarter performance for defined benefit plans since Q4 2023. The median defined benefit plan returned 7.06% for the quarter and 6.17% year to date.

De-escalation in the Middle East, continued enthusiasm for AI and better-than-expected corporate earnings led to a broad-based recovery for global equity markets in the second quarter with the MSCI ACWI Index returning 15.14%. Within fixed income, the Bloomberg U.S. Aggregate Index returned 0.67% for the quarter, while the Bloomberg U.S. Long Treasury Index returned 0.85%.

Highlights

- All defined benefit plans posted a median return of 6.17% year-to-date period ending June, underperforming a traditional 60/40 benchmark return of 7.21%. (60% MSCI ACWI Index/40% Bloomberg Barclays U.S. Aggregate Index).
- For the year to date, the median allocation to equity for top quartile performing plans was 61.3%, compared to 16.9% for the bottom quartile performers.
- Public plans delivered the strongest performance for the quarter and year to date, while Endowments & Foundations delivered the strongest performance over the one-, three-& five-year periods driven by their higher allocations to equity and alternative markets.
- Corporate plans, driven by their comparatively high fixed income allocations, delivered the weakest performance by plan type for the quarter, year to date, one-, three-, and five-year periods.

Plan performance over time

For the quarter, the Confluence All Defined Benefit Plan Sponsor Universe posted a median return of 7.06%. For the year to date ending June, DB plans posted a median return of 6.17%, underperforming a traditional 60/40 benchmark return of 7.21%. (60% MSCI ACWI Index/40% Bloomberg Barclays U.S. Aggregate Index).

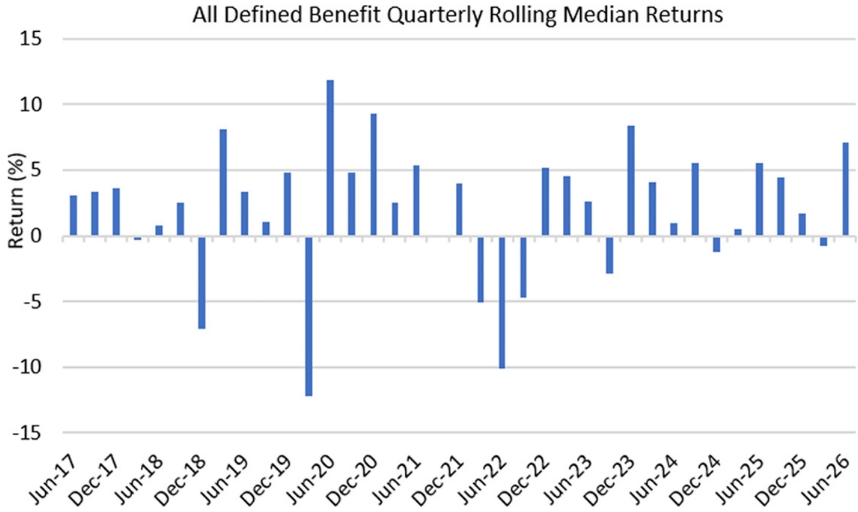

Figure 1: *Quarterly Rolling Median Returns for All Defined Benefit Plans.*
Source: Confluence

For the year to date, plans with a return greater than 7.67% were top quartile performers while plans returning less than 3.64% fell in the bottom quartile. The median allocation to equity for top quartile performing plans was 61.3%, compared to 16.9% for the bottom quartile. Conversely, the bottom quartile performing plans had a median allocation of 77.6% to fixed income, 50.9% higher than the top quartile allocation of 26.7%.

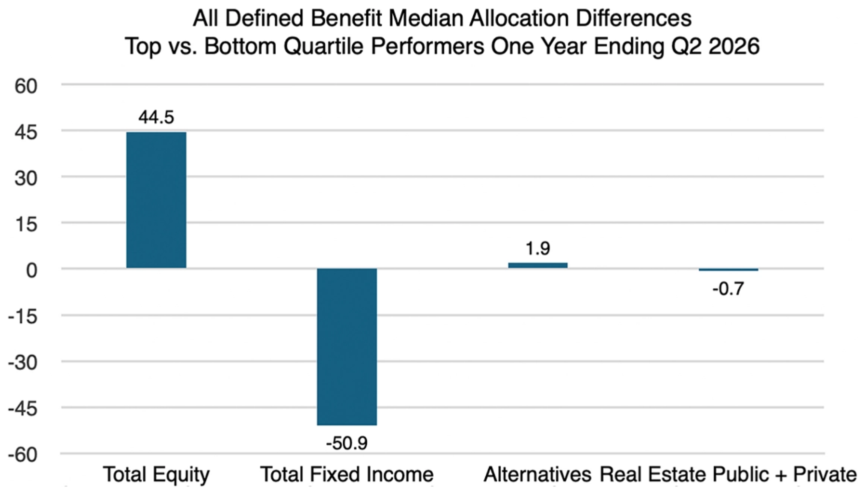

Figure 2: *Median allocation difference top vs. bottom quartile Returns for All Defined Benefit Plans.*
Source: Confluence

Historical plan comparison

Public plans delivered the strongest performance for the quarter and year to date ending June, with median returns of 8.67% and 7.5%, respectively. Corporate plans, which have significantly higher exposures to fixed income compared to other plan types, delivered the weakest performance for all time periods displayed.

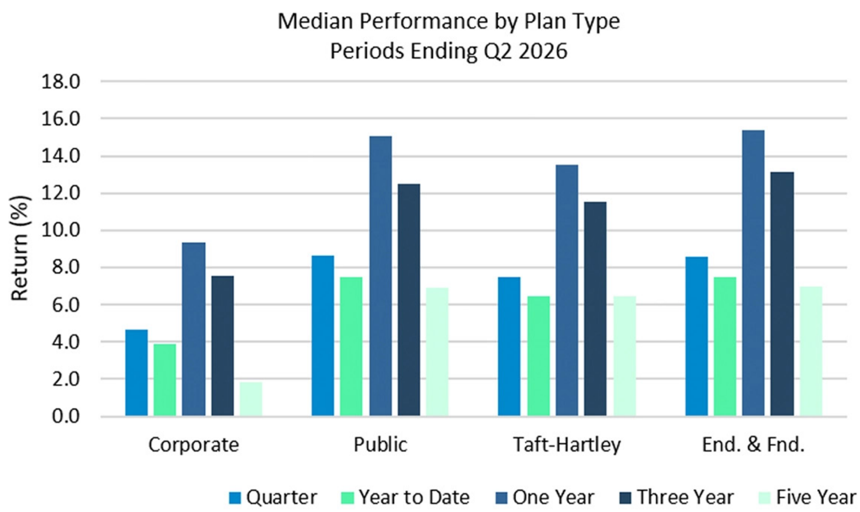

Figure 3: *Median Performance by Plan Type.*
Source: Confluence

Plan allocation analysis

Despite some shifts in allocations, corporate plans maintain the largest allocation to fixed income at 62.9%. All plan types other than endowments & foundations fixed income allocations increased over the last year. The median allocations to equity, the best-performing asset class, increased by 1% for Public and Taft Hartley plans, while corporate plans pulled back 3%. Allocations to alternatives and real estate were down for all plan types other than corporates.

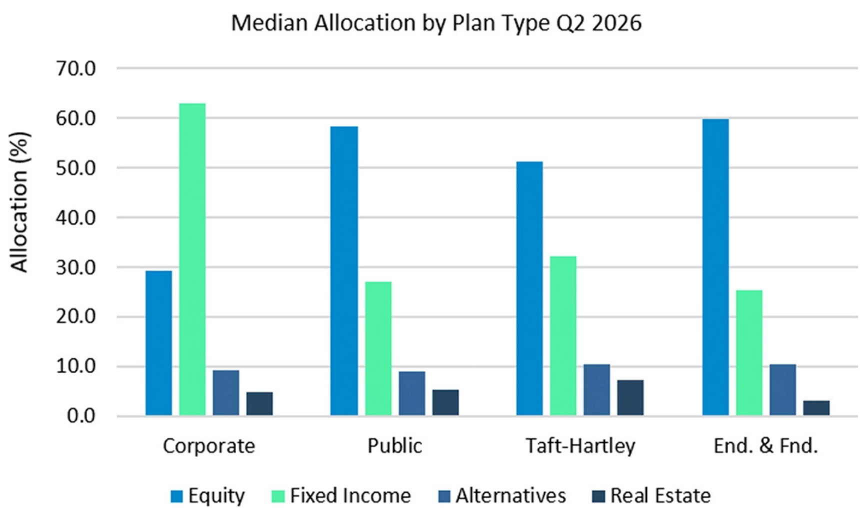

Figure 4: *Median Allocations by Plan Type.*
Source: Confluence

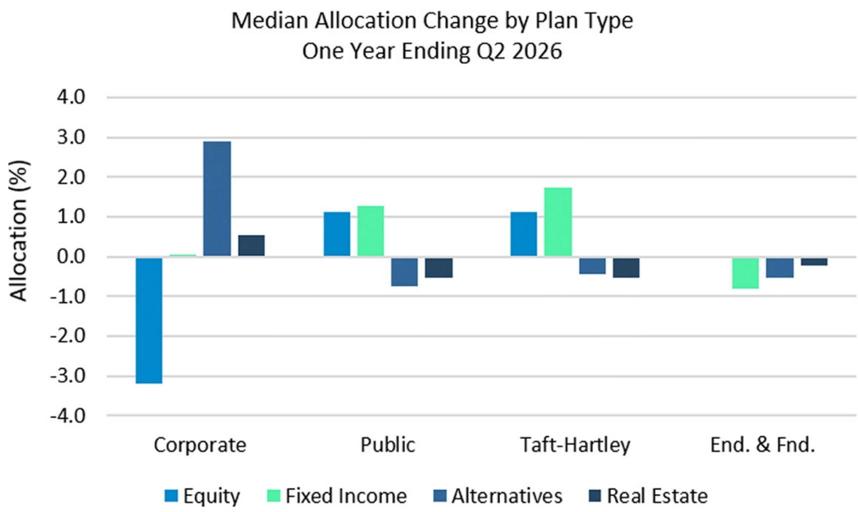

Figure 5: *Median Allocation shift by Plan Type.*
Source: Confluence

U.S. equity performance

Although U.S. public equity markets sold off during the first quarter, markets rebounded with the Russell 1000 Index returning 15% in the second quarter, the best quarterly performance since Q2 2020. For the year ending June, the Russell 1000 returned 22.01%. Comparatively, the median U.S. equity return for all defined benefit plans was 22.81%. Corporate plans, the only plan type to see a decrease in exposure to U.S. equity, continue to be underweight with a median allocation of 17.6%, nearly half of the allocation compared to other plan types.

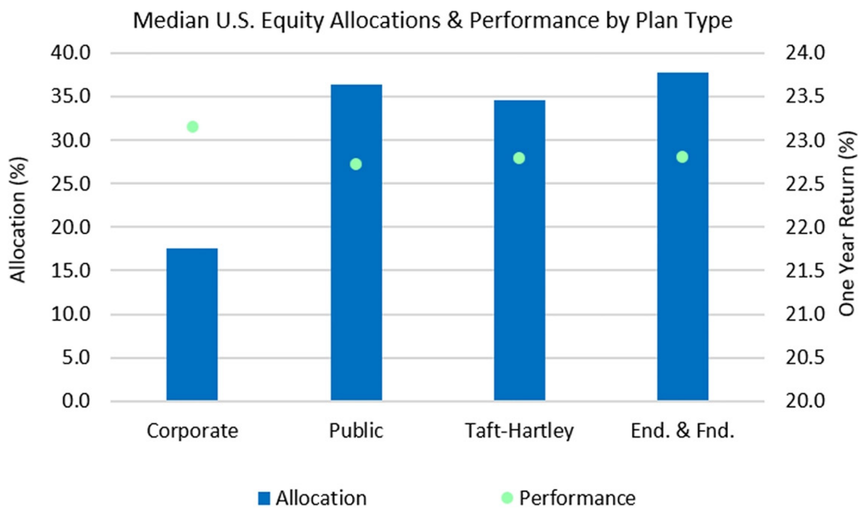

Figure 6: *Median U.S. Equity Allocation & Performance by Plan Type.*
Source: Confluence

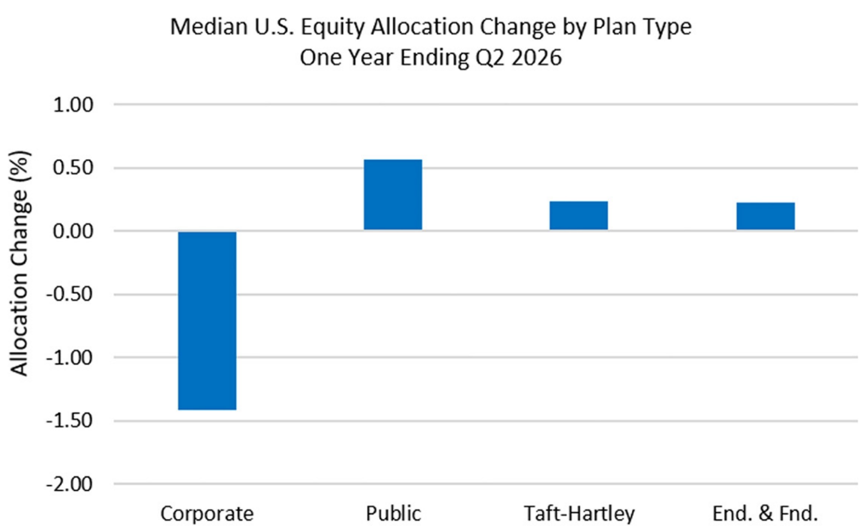

Figure 7: *Median U.S. Equity Allocation Shift by Plan Type. .*
Source: Confluence

U.S. fixed income performance

The median return for U.S. Fixed Income across all DB plans was 4.18% for the year ending June, compared to 3.79% for the Bloomberg Barclays U.S. Aggregate Index. Despite a decrease of 1% over the last year, corporate plans maintain the highest allocation to U.S. Fixed Income at 59.2%.

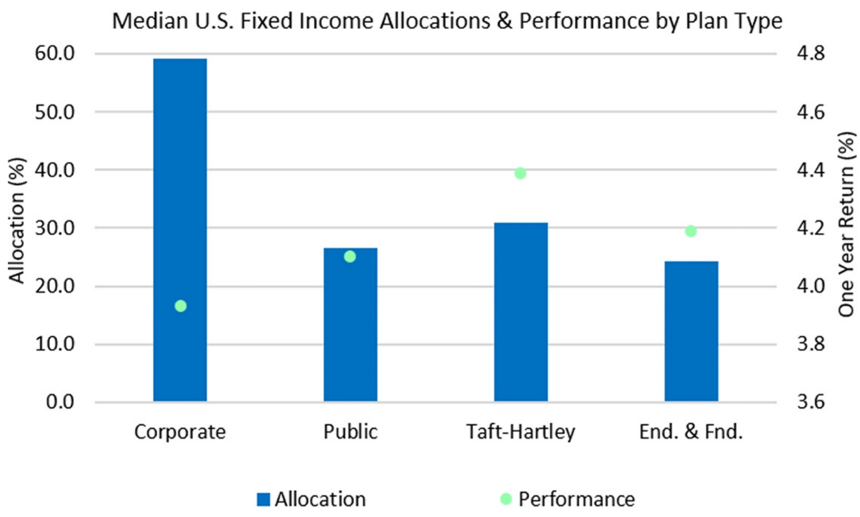

Figure 8: *Median U.S. Fixed Income Allocation & Performance by Plan Type. Source: Confluence*

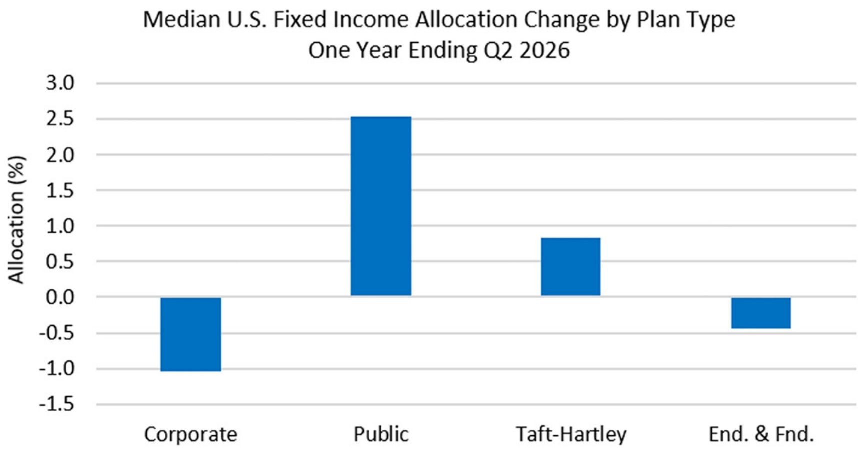

Figure 9: *Median U.S. Fixed Income Allocation Shift by Plan Type. Source: Confluence*

Alternatives performance

Corporate plans median allocation to alternatives increased by 2.9% in the last year, bringing their 9.37% allocation closer to the median for all DB plans of 9.74%. Endowments & Foundations continue to have the highest median allocation to alternatives at 10.6%.

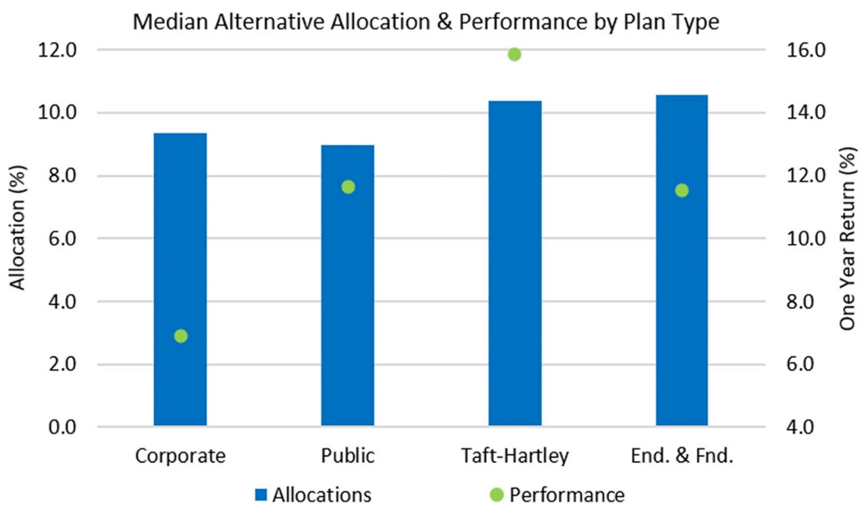

Figure 10: *Median Alternative Allocation & Performance.*
Source: Confluence

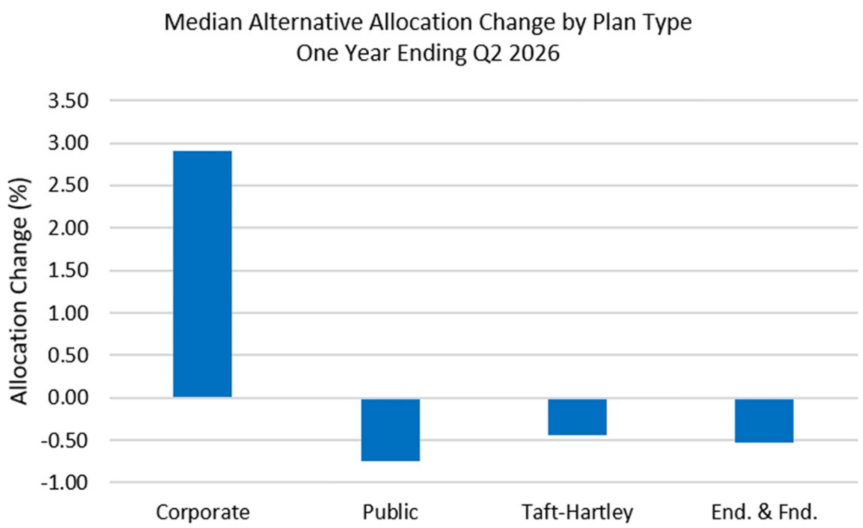

Figure 11: *Median Alternative Allocation Shift by Plan Type.*
Source: Confluence

Confluence Plan Universe

Confluence Plan Universe is the industry's most granular analytics tool for plan sponsors including standard and custom peer group comparisons of performance, risk, and asset allocations by plan type and size. The data is sourced directly from over 4,000 institutions using our reporting and analytics solutions, including investment consultants, advisors, and asset owners. Plan Universe is updated quarterly and typically available on or near the following schedule: preliminary data available on the 14th business day after quarter end, a second cut on the 21st business day, and final cut on the 29th business day. The data includes 20+ years' history on:

- Trust Funds, Corporates, Public Plans, Taft-Hartley, Endowments & Foundations, High Net Worth, Health & Welfare, and custom groups.
- Asset Allocations are broken into equity (US, global, global ex-US), fixed income (US, global, and global ex-US), alternatives, real estate (public and private), and multi-asset and cash. Emerging Markets allocations are available for equities and debt securities.
- Net and gross performances displayed by quartile with full percentiles via download.
- With all information aggregated by Plan Size.

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