Western Conference of Teamsters Pension Plan

Financial Statements

December 31, 2014

Western Conference of Teamsters Pension Plan

Financial Statements with Additional Information

December 31, 2014 and 2013

Contents

LINDQUIST LLP
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To the Participants and Trustees of
Western Conference of Teamsters Pension Plan

Report on the Financial Statements

We have audited the accompanying financial statements of Western Conference of Teamsters Pension Plan (the Plan), which comprise the statements of net assets available for benefits as of December 31, 2014 and 2013; the related statements of changes in net assets available for benefits for the years then ended; and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, which includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Plan's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the

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reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, information regarding Western Conference of Teamsters Pension Plan's net assets available for benefits as of December 31, 2014, and changes therein for the year then ended and its financial status as of December 31, 2013, and changes therein for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Lindquist LLP

September 10, 2015

Western Conference of Teamsters
Pension Plan

Statements of Net Assets Available for Benefits

December 31, 2014 and 2013

	2014	2013
Assets		
Investments - at fair value		
103-12 investment entities	$ 1,091,162,576	$ 1,072,285,380
Cash and cash equivalents	1,423,140,396	1,519,155,106
Common/collective trusts	10,613,315,407	10,817,238,666
Corporate debt securities	2,427,764,728	1,794,116,212
Equity securities	3,939,823,295	3,308,994,113
Insurance company contracts	9,191,446,740	8,256,828,951
Limited partnerships	4,152,827,447	4,067,077,866
Mutual fund	326,588,038	304,713,926
Other private equity	881,409,915	621,308,111
Real estate	1,105,434,794	993,806,270
U.S. Government and Government Agency obligations	414,279,692	395,849,615
	35,567,193,028	33,151,374,216
Securities on loan		
Corporate debt securities	20,623,449	32,243,098
Equity securities	429,234,225	448,494,361
Insurance company contracts	1,940,497,405	2,634,463,135
U.S. Government and Government Agency obligations	77,630,433	146,074,603
	2,467,985,512	3,261,275,197
Fair value of collateral held for securities on loan	2,425,210,467	3,237,452,055
Total investments	40,460,389,007	39,650,101,468
Receivables		
Due from broker for securities sold	413,279,923	187,515,848
Contributions due from employers - net	114,070,392	104,785,882
Withdawal liability receivable - net	18,000,000	-
Accrued investment income	81,324,737	51,132,949
Swaps receivable from counterparties	618,929	8,317,646
Forward foreign currency contracts	354,829	9,535,144
Total receivables	627,648,810	361,287,469
Other assets	3,469,201	6,567,117
Cash	6,493,634	4,901,812
Total assets	41,098,000,652	40,022,857,866
Liabilities and Net Assets		
Liabilities		
Liability to return collateral held for securities on loan	2,523,494,471	3,341,337,528
Securities sold, not yet purchased	1,334,072,702	895,139,185
Due to broker for securities purchased	477,236,746	552,030,640
Accounts payable and accrued expenses	22,241,658	27,717,887
Swaps payable to counterparties	1,407,875	5,409,460
Forward foreign currency contracts	350,816	9,557,683
Total liabilities	4,358,804,268	4,831,192,383
Net assets available for benefits	$ 36,739,196,384	$ 35,191,665,483

See accompanying notes to financial statements.

Western Conference of Teamsters
Pension Plan

Statements of Changes in Net Assets Available for Benefits

Years Ended December 31, 2014 and 2013

	2014	2013
Additions		
Investment income		
Interest, dividends and other investment income	$ 807,655,427	$ 778,202,027
Net appreciation in fair value of investments	1,977,419,262	3,364,006,786
Net appreciation in fair value of collateral held for securities on loan	5,601,469	17,485,992
	2,790,676,158	4,159,694,805
Less investment expenses	(169,863,190)	(187,465,634)
Investment income - net	2,620,812,968	3,972,229,171
Employer contributions	1,508,028,726	1,406,613,100
Employer withdrawal liability income	36,100,497	24,477,693
Other income	1,980,293	2,181,034
Total additions	4,166,922,484	5,405,500,998
Deductions		
Pension benefits	2,530,265,208	2,458,053,284
Administrative expenses	88,635,638	87,540,556
Income tax expense	490,737	1,348,080
Total deductions	2,619,391,583	2,546,941,920
Net change	1,547,530,901	2,858,559,078
Net assets available for benefits		
Beginning of year	35,191,665,483	32,333,106,405
End of year	$ 36,739,196,384	$ 35,191,665,483

See accompanying notes to financial statements.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Method of Accounting - The accompanying financial statements are prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Investment Valuation, Transactions and Income Recognition -

General - Investments are carried at fair value, which is determined, presented and disclosed in accordance with Financial Accounting Standards Board Accounting Standards Codification (FASB ASC) 820, *Fair Value Measurements and Disclosures*. Under FASB ASC 820, fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (i.e., the "exit price") in an orderly transaction between market participants at the measurement date.

FASB ASC 820 establishes a fair value hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are those that market participants would use in pricing the asset or liability based on market data obtained from sources independent of the Plan. Unobservable inputs reflect the Plan's assumptions about inputs that market participants would use in pricing the investments developed based on the best information available in the circumstances. The fair value hierarchy is categorized into three levels, based on the inputs, as follows:

Level 1 - Valuations based on quoted prices in active markets for identical assets or liabilities that the Plan has the ability to access.

Level 2 - Valuations based on quoted prices in markets that are not active, quoted prices for similar investments in active markets or model-based valuations for which all significant assumptions are observable and can be corroborated by observable market data.

Level 3 - Valuations based on unobservable inputs that are supported by little or no market activity and are significant to the overall fair value measurement. Values are determined using proprietary pricing models, discounted cash flow models that include the investment entities' own judgments and estimations, or some other pricing method using unobservable inputs.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Inputs and Valuation Methods - In determining fair value, FASB ASC 820 allows various valuation approaches. The specific methods used for each of the Plan's investment classes are presented below.

103-12 investment entities: 103-12 investment entities are valued based on the net asset values and have been determined based on the unit values of the funds, which are determined by dividing the funds' net assets at fair value by the units outstanding at the valuation date (Level 2).

Cash and cash equivalents: The value of temporary cash held in short-term investment funds is based on quoted prices for similar assets in active markets (Level 2). Temporary cash held in banks is valued at cost, which approximates fair value (Level 1).

Collateral held for securities on loan: Cash collateral for securities on loan with the custodial bank has been reinvested in various types of debt securities for which values are determined using a model-based approach. Cash collateral for securities on loan through Prudential have been reinvested in the Prudential Core Investments Fund - Short-Term Bond Account (Level 2).

Common/collective trusts: Common/collective trusts hold investments in domestic and foreign equity securities, debt securities, and units in other affiliated and unaffiliated commingled trusts. The underlying assets may be valued based on quoted market prices, independent pricing services or by dealers making a market for certain securities. The unit values of the common/collective trusts are determined by dividing the underlying net asset values (assets less liabilities) by the outstanding number of units (Level 2).

Corporate debt securities: The fair value of corporate debt securities is generally determined based on a model that uses inputs such as interest-rate yield curves, which are similar to the valued obligations in terms of issuer, maturity and seniority (Level 2). The fair value of illiquid corporate debt securities is determined based on internally developed inputs (Level 3).

Equity securities: The fair value of common stock is generally based on quoted market prices in active markets (Level 1).

Futures contracts and options: Futures contracts and options that are publicly traded in active markets are valued at closing prices as of the last business day of the year (Level 1). Other futures contracts and options are valued at their fair value, as determined in good faith in accordance with the procedures adopted by the investment manager. Such procedures include obtaining quotes from pricing agents and utilizing pricing models based on available market data (Level 2).

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Insurance company contracts: The insurance company contracts consist of investments of various types, including U.S. Government and Government Agency obligations, corporate debt securities, cash and cash equivalents, real estate, pooled separate accounts, mortgages and unallocated insurance contracts. The insurance company contract investments in corporate debt securities and U.S. Government and Government Agency obligations, which are valued as described in the sections of this footnote entitled *Corporate debt securities* and *U.S. Government and Government Agency obligations.*

Limited partnerships (private equity) and other private equity: Limited partnerships and other private equity funds are valued using net asset value, which approximates fair value. Net asset value of these funds is based on the underlying assets' fair values, which include a combination of quoted market prices and estimated fair values determined by the general partners and managers of the other private equity funds using the most recent net asset values or capital account information available, independent appraisals, significant judgments and various mathematical models and methodologies (Level 3).

Mutual fund: The fair value of the mutual fund is generally based on quoted prices in active markets (Level 1).

Pooled separate accounts (insurance company contracts): Investments in the Temporary Investment Account are stated at the principal amount invested plus income earned (Level 2). Investments in the Union Mortgage Account, which is composed primarily of mortgage loans on income-producing commercial properties, are valued at estimated fair value using Prudential's Asset Liability Pricing System (ALPS). The estimated fair value of the mortgages may be adjusted for such factors as contractual prepayment options or losses in the fair value of the underlying real estate. The credit quality ratings are reviewed annually and are monitored by the portfolio manager throughout the year for events that could affect the quality of the mortgages (Level 2). The underlying investments in PRISA and PRISA II real estate accounts are valued at estimated fair value based upon property appraisals prepared by independent real estate appraisers. The investment debt on acquired real estate is reported at estimated fair value, which is determined using the discounted cash flow method (Level 3).

Real estate (insurance company contracts): Investments in the Western Conference of Teamsters Separate Account (WCOT) are valued at the estimated fair value based upon property appraisals prepared by independent real estate appraisers. The investment debt on acquired real estate is reported at estimated fair value, which is determined using the discounted cash flow method (Level 3).

Real estate (other): Investments in real estate accounts are valued at estimated fair value based on appraisal reports prepared by independent real estate appraisers and/or the account's investment manager (Level 3).

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Swap agreements: Swap agreements are recorded on the contract date. Amounts payable or receivable under the swap agreements are included on a net basis as a receivable from or payable to the swap counterparty on the statements of net assets available for benefits. Because no market quotations are readily available, swap agreements are valued at estimated fair value, as determined by the investment manager, utilizing pricing models based on available market data (Level 2).

Unallocated insurance contracts: Investments in the Prudential Fixed Dollar Account are stated at the principal amount invested plus income earned (Level 2).

U.S. Government and Government Agency obligations: The fair value of U.S. Government and Government Agency obligations is generally based on quoted market prices in active markets (Level 1). When quoted prices are not available, valuation is determined using a market-based model in which valuation consideration is given to yield or price of comparable securities, coupon rate, maturity, credit quality and dealer-provided prices (Level 2).

Valuation Methods, Consistency - The valuation techniques used in the accompanying financial statements have been consistently applied.

Transactions and Income Recognition - Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

Contributions Receivable - Employer contributions due and not paid prior to the year-end are recorded as employer contributions receivable. Allowance for uncollectible accounts is considered unnecessary and is not provided. Contributions due as a result of payroll audits have been recorded net of an allowance equal to the amount due because collectability is uncertain. Therefore, delinquent contributions are recorded when received.

Withdrawal Contributions Income and Receivable - Withdrawal liability is assessed when employers withdraw from the Plan. However, due to the poor financial condition of some withdrawing employers, collection of the assessed amounts is uncertain. Therefore, the trustees have determined that calculating the employer withdrawal liability receivable beyond the succeeding Plan year or estimating what will be collected or deemed uncollectible would not be appropriate or reasonable. The Plan has estimated the amount of withdrawal liability receivable as the amount to be received in the succeeding year, as well as any settlements received from withdrawn employers as of the date of this report, and has recorded a reserve for amounts exceeding this estimate.

Actuarial Present Value of Accumulated Plan Benefits - Accumulated Plan benefits are those future periodic payments, including lump-sum distributions, that are attributable under the Plan's provisions to the service that participants have rendered. Accumulated Plan benefits include benefits expected to be paid to (a) retired or terminated employees or their beneficiaries, (b) beneficiaries of participants who have died, and (c) present active participants or their beneficiaries.

Equipment and Other Fixed Assets - The Plan's computer equipment and other fixed assets are recorded at cost. Furniture and computer equipment are depreciated using the straight-line method. Internally developed software is amortized using the straight-line method. Enhancements to internally developed software that result in additional functionality are capitalized.

Depreciation and amortization is calculated using the following estimated useful lives:

Furniture	7 years
Computer equipment	3 years
Internally developed software	10 years

Depreciation and amortization expense for the years ended December 31, 2014 and 2013, was $3,427,104 and $3,367,803, respectively.

Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures in the financial statements. Actual results could differ from those estimates.

Risks and Uncertainties - The actuarial present value of accumulated Plan benefits is calculated based on certain assumptions pertaining to interest rates, participant demographics and other assumptions, all of which are subject to change. Due to the inherent uncertainty of the assumption process, it is at least reasonably possible that changes in these assumptions in the near term would be material to the disclosure to the financial statements of the actuarial present value of accumulated Plan benefits.

The Plan invests in various investment securities. Such investments are exposed to various risks, such as interest rate, market and credit. Due to the level of risk associated with certain investments and the level of uncertainty with respect to changes in the value of investments, it is at least reasonably possible that changes in risks in the near term would materially affect the amounts reported in the statements of net assets available for benefits and the statements of changes in net assets available for benefits.

Reclassifications - Employer withdrawal liability income has been reclassified in the current year. During the prior year, employer withdrawal liability income was reported with employer contributions.

NOTE 2. DESCRIPTION OF THE PLAN

The following description of the Western Conference of Teamsters Pension Plan (the Plan) is provided for general information purposes only. Participants should refer to the Summary Plan Description for complete information.

General - The Plan was established pursuant to the Western Conference of Teamsters Pension Agreement and Declaration of Trust dated April 26, 1955, to provide and maintain retirement, death and termination benefits for employees in collective bargaining units represented by local unions affiliated with the Western Conference of Teamsters. The Plan defines the retirement, death and termination benefits to be provided; the conditions of eligibility for those benefits; the terms of payment; and other necessary or appropriate items. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA), as amended.

Board of Trustees - The Plan is administered by a Board of Trustees (the Trustees) composed of 13 union trustees and 13 employer trustees. The Trustees are selected from the various geographic areas served by the Plan.

Plan Administration - The Trustees have engaged a third-party administrator to perform administrative and managerial functions for the Plan and to implement the policies of the Trustees. The Trustees have also contracted with the third-party administrator for services relating to the testing of contributing employers' records. The purpose of the testing is to determine that the proper amount of contributions has been remitted to the Plan. The fees for these services are included in the Administrative Offices expense.

Insurance Company - The Plan is party to two group annuity contracts with Prudential Insurance Company of America (Prudential): one is a participating annuity contract (GA-8216); the other is an investment-only contract (GA-8217) (see Note 13). Benefit payments and administrative services are provided under both contracts.

Vesting - Participants become vested when they have completed (1) five years of service if at least one year of service was after 1990, or (2) ten years of service if all years of service were before 1991. A participant earns a year of service when they work 500 covered hours in a Plan year. Special vesting rules apply to participants working as seasonal employees in the food processing industry, participants over the age of 52 who enter the plan as part of a new group, active participants over the age of 65 and participants working in non-covered employment at a contributing employer. Benefits earned by a non-vested participant may be permanently forfeited under certain circumstances.

Retirement Benefits - The Plan's normal retirement benefits are determined using a two-step defined benefit formula.

The first formula is the five-year-average benefit formula. This formula is used to determine an eligible participant's retirement benefits for service before 1987. Under this formula, monthly retirement benefits are based on the length of a participant's service and the rate of employer contributions payable for the participant's last five years of service. Although service after 1986 is not recognized for this formula, employer contribution rates payable on behalf of active participants through the end of 1991 are recognized in determining retirement benefits.

The second formula is the contribution-account benefit formula. This formula is used to determine an eligible participant's retirement benefits for contributory service after 1986 and, if the participant is first covered by the Plan after 1986, for non-contributory service when applicable. Under this formula, monthly retirement benefits are based on a percentage of total employer contributions payable for all of the participant's non-forfeited service after 1986.

Beginning in 2009, the benefit accrual rates were reduced to 1.20% for all participants, regardless of years of service.

Early Retirement Benefits - The three conditions for early retirement benefits eligibility are that a participant:

1. be a vested participant,
2. has reached the earliest retirement date, and
3. has retired from employment.

The Plan allows certain eligible participants to retire early and receive a retirement benefit equal to 100% of the normal retirement benefit. The subsidized early retirement benefits provided under the Plan are subject to payment of increased contribution surcharges under the Program for Enhanced Early Retirement (PEER).

Disability Retirement Benefits - To be eligible for disability retirement benefits, a participant must:

1. be vested or an age pensioner,
2. meet the recent coverage requirement,
3. be receiving disability insurance benefits under the Federal Social Security Act,
4. be under age 65 when meeting the first three conditions, and
5. remain continuously disabled from the disability onset date to the date of meeting the first three conditions.

Participants eligible for disability retirement benefits receive a benefit in the amount of the early retirement benefit, if eligible, but no less than 85% of their normal retirement benefit.

NOTE 2. DESCRIPTION OF THE PLAN (CONT'D)

Other Benefits - Surviving spouses and children are entitled to monthly survivor benefits under certain conditions. Also, beneficiaries of retired and non-retired participants are entitled to death benefits under certain conditions, as determined under the Plan.

NOTE 3. PRIORITIES UPON TERMINATION

It is the intent of the Trustees to continue the Plan in full force and effect; however, the right to discontinue the Plan is reserved to the Trustees. Termination shall not permit any part of the Plan assets to be used for, or diverted to, purposes other than the exclusive benefit of the pensioners, beneficiaries and participants. In the event of termination, the net assets of the Plan will be allocated to pay benefits in priorities as prescribed by ERISA and its related regulations. Whether or not a particular participant will receive full benefits should the Plan terminate at some future time will depend on the sufficiency of the Plan's net assets at that time and the priority of those benefits.

Certain benefits under the Plan are guaranteed by Prudential (see Note 13). In addition, certain benefits under the Plan are insured by the Pension Benefit Guaranty Corporation (PBGC) if the Plan terminates. Generally, the PBGC guarantees most vested normal-age retirement benefits, early retirement benefits, and certain disability and survivor's pensions. The PBGC does not guarantee all types of benefits, and the amount of any individual participant's benefit protection is subject to certain limitations, particularly with respect to benefit increases as a result of Plan amendments in effect for less than five years. Some benefits may be fully or partially provided, while other benefits may not be provided at all.

NOTE 4. TAX STATUS

The Plan obtained its latest determination letter, dated June 30, 2015, in which the Internal Revenue Service stated that the Plan, as then designed, was in compliance with the applicable requirements under Section 401(a) of the Internal Revenue Code and was, therefore, exempt from federal income taxes under the provisions of Section 501(a). The Plan has been amended since receiving the determination letter. However, the Trustees and the Plan's counsel believe that the Plan is currently designed and being operated in compliance with the applicable requirements of the Internal Revenue Code. Therefore, no provision for income taxes has been included in the Plan's financial statements.

Accounting principles generally accepted in the United States of America require management to evaluate the tax positions taken by the Plan and to recognize a tax liability if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. Management has analyzed the tax positions taken by the Plan and has concluded that, as of December 31, 2014, there are no uncertain positions taken, or expected to be taken, that would require recognition of a liability or disclosure in the financial statements. The Plan is subject to routine audits by the taxing

NOTE 4. TAX STATUS (CONT'D)

jurisdictions; however, there are currently no audits for any tax periods in progress. The Plan believes it is no longer subject to income tax examinations for the fiscal years prior to 2011.

The Plan is invested in certain investment funds that generate unrelated business taxable income (UBTI) and alternative minimum tax (AMT). The Plan is required to file an annual tax return with the Internal Revenue Service and the applicable states and to pay federal and state income tax on the UBTI/AMT. For the years ended December 31, 2014 and 2013, the federal and state taxes paid were $490,737 and $1,348,080, respectively. As of the end of 2013, the Plan had approximately $41 million in UBTI loss carryforwards to be utilized in the future. A deferred tax asset relating to the accumulated loss carryforward of approximately $14.3 million has been recorded, less a 100% valuation allowance. The valuation allowance is based on all available evidence that the deferred tax asset will not be realized due to the uncertain nature of the UBTI being generated on an annual basis. As of the date of this report, the potential tax expense for 2014 is unknown because the investment entities that may generate UBTI have not yet reported their results for 2014.

NOTE 5. FUNDING POLICY

The Trust Agreement provides that the Trustees shall establish and adjust the levels of prospective Plan benefits so that the employer contributions received by the Plan will always meet the minimum funding standards of Section 302 of ERISA and Section 412 of the Internal Revenue Code of 1986. The Trustees have established a funding policy that specifies funding targets that may result in more rapid funding than prescribed by the minimum funding standards and that provides for benefit adjustments based on specified funding targets.

Employer contributions are determined from employment hours reported by participating employers and the contractual employer contribution rates in effect.

The Plan's actuary has advised that the minimum funding requirements of ERISA are being met as of January 1, 2014 and 2013.

NOTE 6. MAJOR EMPLOYER

During the years ended December 31, 2014 and 2013, approximately 40% and 39% of contributions were received from one employer.

NOTE 7. ACTUARIAL INFORMATION

The actuarial present value of accumulated Plan benefits as determined by the Plan's actuary as of December 31, 2013, is as follows:

Actuarial present value of accumulated Plan benefits	
Vested benefits	
Participants currently receiving payments	$ 22,103,238,000
Other participants	15,177,143,000
Total vested benefits	37,280,381,000
Non-vested benefits	1,835,647,000
Total actuarial present value of accumulated Plan benefits	$ 39,116,028,000

The changes in the present value of accumulated Plan benefits for the year ended December 31, 2013, were as follows:

Actuarial present value of accumulated Plan benefits at beginning of year	$ 37,865,447,000
Increase (decrease) during the year attributable to:	
Change in actuarial assumptions	152,801,000
Benefits accumulated	685,743,000
Increase due to decrease in discount period	2,549,420,000
Benefits paid	(2,458,053,000)
Other experience	320,670,000
Net change	1,250,581,000
Actuarial present value of accumulated Plan benefits at end of year	$ 39,116,028,000

NOTE 7. ACTUARIAL INFORMATION (CONT'D)

The computations of the actuarial present value of accumulated Plan benefits were made by Milliman, Inc., as of January 1, 2014. Had the valuation been made as of December 31, 2013, there would be no material differences. No Plan amendments were adopted on January 1, 2014.

The method used in the valuation was the unit-credit actuarial cost method. The significant actuarial assumptions used are as follows:

Assumed rates of return on investments and the rates used to discount liabilities specially backed by dedicated asset investments:

Fixed Dollar Account:	6.7% for 2013 and decreasing gradually to 6.5% in 2015 and thereafter.
82/84 Annuity Account:	6.59% (2014); 3.55% (2013).
Strategic Bond Account:	4.42% (2014); 4.99% (2013).
Assumed rates of return on remaining investments and the rates used to discount remaining liabilities:	7.00%, net of investment expenses.
Expenses:	\$87 million per year (2014); \$85 million (2013).
Rates of age retirements:	Tables developed from Plan experience based on years of service, eligibility for PEER and other factors.
Rates of employee termination:	Tables developed from Plan experience based on separate rates for non-seasonal and seasonal employees.
Rates of mortality for retirements:	Tables developed from the RP-2000 mortality tables and adjustment factors modified to reflect recent Plan experience and projected using Scale AA for non-retired participants and age retirees and beneficiaries.
Rates of mortality for disability retirements:	Tables developed from Plan experience.
Survivor benefit cost:	Family composition tables from the 15th Actuarial Valuation published by the Railroad Retirement Board.

NOTE 7. ACTUARIAL INFORMATION (CONT'D)

The above actuarial assumptions are based on the presumption that the Plan will continue. Were the Plan to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated Plan benefits. Pension benefits in excess of the present assets of the Plan are dependent on contributions received under collective bargaining agreements with employers and on income from investments.

Because information on the accumulated Plan benefits at December 31, 2014, and the changes therein for the year then ended are not included above, these financial statements do not purport to present a complete presentation of the financial status of the Plan as of December 31, 2014, and the changes in its financial status for the year then ended, but only present the net assets available for benefits and the changes therein as of and for the year ended December 31, 2014. The complete financial status is presented as of December 31, 2013.

NOTE 8. INVESTMENTS

The following summary presents the fair value for each of the Plan's investment categories:

	December 31, 2014	December 31, 2013
Investments at fair value, as determined by quoted prices		
Cash and cash equivalents	$ 960,620	$ 1,159,101
Equity securities	4,369,057,520	3,757,488,474
Mutual fund	326,588,038	304,713,926
U.S. Government and Government Agency obligations	225,561,076	252,945,685
	4,922,167,254	4,316,307,186
Investments at estimated fair value, as otherwise determined		
103-12 investment entities	1,091,162,576	1,072,285,380
Cash and cash equivalents	1,422,179,776	1,517,996,005
Common/collective trusts	10,613,315,407	10,817,238,666
Corporate debt securities	2,448,388,177	1,826,359,310
Insurance company contracts		
Cash and cash equivalents	207,056,321	488,693,349
Corporate debt securities	3,752,606,521	3,325,574,446
Pooled separate accounts	2,326,796,174	2,115,665,583
Real estate and mortgages	1,255,003,426	1,203,547,243
Unallocated insurance contracts	94,056,357	119,358,976
U.S. Government and Government Agency obligations	3,496,425,346	3,638,452,489
Limited partnerships	4,152,827,447	4,067,077,866
Other private equity	881,409,915	621,308,111
Real estate	1,105,434,794	993,806,270
Securities lending collateral (see Note 11)	2,425,210,467	3,237,452,055
U.S. Government and Government Agency obligations	266,349,049	288,978,533
	35,538,221,753	35,333,794,282
Total	$ 40,460,389,007	$ 39,650,101,468

NOTE 8. INVESTMENTS (CONT'D)

The following presents investments that represent 5% or more of the Plan's net assets available for benefits:

	December 31, 2014		December 31, 2013
Investments at estimated fair value, as otherwise determined			
Insurance company contracts			
Prudential Insurance Company of America, Group Annuity Contract GA-8217	$ 7,923,057,780		$ 7,621,190,691
Prudential Insurance Company of America, Group Annuity Contract GA-8216	3,208,886,365		3,270,101,395
Common/collective trusts			
Northern Trust Collective Daily S&P 500 Equity Index Fund	2,219,417,417		2,212,481,651
EB Daily Valued ACWI ex-U.S. Fund of the Bank of New York Mellon	2,203,094,437		1,688,199,138
EB Daily Valued Stock Index Fund of The Bank of New York Mellon	2,121,782,993		2,173,810,537
EB International Equity Alpha Plus Fund of The Bank of New York Mellon	1,211,337,205	*	1,910,440,313

* Does not represent 5% or more of net assets in respective year and is shown for comparative purposes.

NOTE 8. INVESTMENTS (CONT'D)

The Plan's investments, including investments bought, sold or held during the year, appreciated (depreciated) in value as follows:

	Years Ended December 31, 2014	Years Ended December 31, 2013
Investments at fair value, as determined by quoted prices		
Corporate debt securities	$ -	$ 18,558
Equity securities	543,280,298	756,088,797
Forward foreign currency contracts	(93,038)	(102,133)
Futures and options contracts	97,820,692	170,601,536
Mutual fund	1,388,380	226,604
Securities sold short	(94,425,527)	(235,406,313)
U.S. Government and Government Agency obligations	11,570,638	(21,385,758)
	559,541,443	670,041,291
Investments at estimated fair value, as otherwise determined		
103-12 investment entities	18,877,196	(55,341,375)
Common/collective trusts	563,157,717	2,412,221,681
Corporate debt securities	53,501,637	222,664,248
Insurance company contracts		
Corporate debt securities	152,318,312	(145,348,170)
Futures and options contracts	240,790	3,505,976
Pooled separate accounts	124,150,031	88,409,832
Real estate and mortgages	108,416,669	104,122,237
Securities sold short	(105,497)	-
Swap agreements	1,311,626	1,367,970
U.S. Government and Government Agency obligations	192,134,983	(378,392,228)
Limited partnerships	50,560,363	338,061,967
Other private equity	80,901,040	73,654,409
Real estate	63,371,307	40,902,982
Swap agreements	250,354	6,163,781
U.S. Government and Government Agency obligations	8,791,291	(18,027,815)
	1,417,877,819	2,693,965,495
Total	$ 1,977,419,262	$ 3,364,006,786

NOTE 8. INVESTMENTS (CONT'D)

The Plan's invested securities lending collateral appreciated (depreciated) in value as follows:

	Years Ended December 31, 2014	2013
Investments at estimated fair value, as otherwise determined		
Reinvested custodial bank securities	$ (43,345)	$ 2,579,773
Insurance company contracts		
Prudential Core Investment Fund - Short Term	5,644,814	14,906,219
Total unrealized gains on reinvested collateral	$ 5,601,469	$ 17,485,992

NOTE 9. INVESTMENTS AT FAIR VALUE HIERARCHY

Assets measured at fair value on a recurring basis, based on their fair value hierarchy at December 31, 2014, are as follows:

		Fair Value Measurements at Reporting Date Using:		
Description	December 31, 2014	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
103-12 investment entities	$ 1,091,162,576	$ -	$ 1,091,162,576	$ -
Cash and cash equivalents	1,423,140,396	960,620	1,422,179,776	-
Collateral for securities on loan	2,425,210,467	-	2,425,210,467	-
Common/collective trusts	10,613,315,407	-	10,613,315,407	-
Corporate debt securities				
Asset-backed securities	44,940,922	-	44,940,922	-
Corporate debt securities	2,299,830,391	-	2,173,054,111	126,776,280
Foreign debt securities	103,616,864	-	103,616,864	-
Total corporate debt securities	2,448,388,177	-	2,321,611,897	126,776,280
Equity securities				
Communication	261,050,553	261,050,553	-	-
Consumer goods	534,448,755	534,448,755	-	-
Energy and utilities	578,882,592	578,882,592	-	-
Financial	489,484,921	489,484,921	-	-
Healthcare	666,268,610	666,268,610	-	-
Manufacturing	369,950,240	369,950,240	-	-
Real estate	173,047,227	173,047,227	-	-
Technology	583,527,437	583,527,437	-	-
Other	712,397,185	712,397,185	-	-
Total equity securities	4,369,057,520	4,369,057,520	-	-
Insurance company contracts				
Cash and cash equivalents	207,056,321	-	207,056,321	-
Corporate debt securities	3,752,606,521	-	3,752,606,521	-
Pooled separate accounts	2,326,796,174	-	888,812,402	1,437,983,772
Real estate and mortgages	1,255,003,426	-	33,319,350	1,221,684,076
Unallocated insurance contracts	94,056,357	-	94,056,357	-
U.S. Government and Government Agency obligations				
Mortgage-backed securities	1,113,630,985	-	1,113,630,985	-
Other government debt securities	269,456,042	-	269,456,042	-
U.S. Treasury securities	2,113,338,319	-	2,113,338,319	-
Total insurance company contracts	11,131,944,145	-	8,472,276,297	2,659,667,848
Limited partnerships	4,152,827,447	-	437,735,400	3,715,092,047
Mutual fund	326,588,038	326,588,038	-	-
Other private equity	881,409,915	-	26,534,269	854,875,646
Real estate	1,105,434,794	-	-	1,105,434,794
U.S. Government and Government Agency obligations				
Mortgage-backed securities	266,349,049	-	266,349,049	-
U.S. Treasury securities	225,561,076	225,561,076	-	-
Total U.S. Government and Government Agency obligations	491,910,125	225,561,076	266,349,049	-
Total	$ 40,460,389,007	$ 4,922,167,254	$ 27,076,375,138	$ 8,461,846,615

NOTE 9. INVESTMENTS AT FAIR VALUE HIERARCHY (CONT'D)

Assets measured at fair value on a recurring basis, based on their fair value hierarchy at December 31, 2013, are as follows:

		Fair Value Measurements at Reporting Date Using:		
Description	December 31, 2013	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
103-12 investment entities	$ 1,072,285,380	$ -	$ 1,072,285,380	$ -
Cash and cash equivalents	1,519,155,106	1,159,101	1,517,996,005	-
Collateral for securities on loan	3,237,452,055	-	3,237,452,055	-
Common/collective trusts	10,817,238,666	-	10,817,238,666	-
Corporate debt securities				
Asset-backed securities	57,178,024	-	57,178,024	-
Corporate debt securities	1,698,873,411	-	1,650,137,866	48,735,545
Foreign debt securities	70,307,875	-	70,307,875	-
Total corporate debt securities	1,826,359,310	-	1,777,623,765	48,735,545
Equity securities				
Communication	301,149,665	301,149,665	-	-
Consumer goods	476,736,407	476,736,407	-	-
Energy and utilities	390,230,035	390,230,035	-	-
Financial	590,412,195	590,412,195	-	-
Healthcare	558,548,127	558,548,127	-	-
Manufacturing	361,031,816	361,031,816	-	-
Technology	457,322,610	457,322,610	-	-
Other	622,057,619	622,057,619	-	-
Total equity securities	3,757,488,474	3,757,488,474	-	-
Insurance company contracts				
Cash and cash equivalents	488,693,349	-	488,693,349	-
Corporate debt securities	3,325,574,446	-	3,325,574,446	-
Pooled separate accounts	2,115,665,583	-	852,034,797	1,263,630,786
Real estate and mortgages	1,203,547,243	-	34,503,528	1,169,043,715
Unallocated insurance contracts	119,358,976	-	119,358,976	-
U.S. Government and Government Agency obligations				
Mortgage-backed securities	857,809,386	-	857,809,386	-
Other government debt securities	1,267,489,474	-	1,267,489,474	-
U.S. Treasury securities	1,513,153,629	-	1,513,153,629	-
Total insurance company contracts	10,891,292,086	-	8,458,617,585	2,432,674,501
Limited partnerships	4,067,077,866	-	424,367,625	3,642,710,241
Mutual fund	304,713,926	304,713,926	-	-
Other private equity	621,308,111	-	-	621,308,111
Real estate	993,806,270	-	-	993,806,270
U.S. Government and Government Agency obligations				
Mortgage-backed securities	288,978,533	-	288,978,533	-
U.S. Treasury securities	252,945,685	252,945,685	-	-
Total U.S. Government and Government Agency obligations	541,924,218	252,945,685	288,978,533	-
Total	$ 39,650,101,468	$ 4,316,307,186	$ 27,594,559,614	$ 7,739,234,668

NOTE 9. INVESTMENTS AT FAIR VALUE HIERARCHY (CONT'D)

A reconciliation of the activity from the beginning to the end of year for assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) at December 31, 2014 and 2013, follows. The amount of total gains or losses for the year included in the changes in net assets available for benefits attributable to the unrealized gains or losses of assets still held at year-end is also included.

	Fair Value Measurements Using Significant Unobservable Inputs (Level 3):						
	Insurance Company Contracts						
December 31, 2014	Real Estate	Pooled Separate Accounts	Real Estate	Other Private Equity	Limited Partnerships	Corporate Debt Securities	Total
Beginning balance	$ 1,169,043,715	$ 1,263,630,786	$ 993,806,270	$ 621,308,111	$ 3,642,710,241	$ 48,735,545	$ 7,739,234,668
Total realized/unrealized gains or losses included in changes in net assets	108,510,298	111,494,442	63,371,307	80,285,917	136,416,344	12,681,920	512,760,228
Purchases	-	-	75,000,000	135,714,239	758,429,694	61,751,279	1,030,895,212
Sales, withdrawals and distributions	(123,000,000)	-	(90,000,000)	(42,461,932)	(772,878,674)	(1,113,660)	(1,029,454,266)
Investment income (net of expenses)	67,130,063	62,858,544	63,257,217	(13,271,133)	23,714,886	-	203,689,577
Transfers in/out	-	-	-	73,300,444 **	(73,300,444) **	4,721,196 *	4,721,196
Ending balance	$ 1,221,684,076	$ 1,437,983,772	$ 1,105,434,794	$ 854,875,646	$ 3,715,092,047	$ 126,776,280	$ 8,461,846,615
The amount of total gains or losses for the period included in changes in net assets attributable to the change in unrealized gains or losses relating to assets still held at the reporting date	$ 86,920,738	$ 111,494,442	$ 63,371,307	$ 55,109,278	$ (39,224,661)	$ 12,464,982	$ 290,136,086

* During 2014, the Plan transferred certain corporate debt securities to Level 3 based on a change in liquidity.

** During 2014, the Plan transferred certain investment holdings from limited partnerships to other private equity based on updated information received from the investment entity.

	Fair Value Measurements Using Significant Unobservable Inputs (Level 3):						
	Insurance Company Contracts						
December 31, 2013	Real Estate	Pooled Separate Accounts	Real Estate	Other Private Equity	Limited Partnerships	Corporate Debt Securities	Total
Beginning balance	$ 1,212,526,538	$ 1,099,379,314	$ 920,226,506	$ 548,885,836	$ 2,903,874,365	$ 20,471,065.00	$ 6,705,363,624
Total realized/unrealized gains or losses included in changes in net assets	107,045,165	106,919,628	40,902,982	73,654,409	364,194,387	(104,961)	- 692,611,610
Purchases	-	-	44,000,000	86,291,343	765,480,616	28,815,884	924,587,843
Sales, withdrawals and distributions	(215,000,000)	-	(71,000,000)	(80,178,642)	(385,167,034)	(8,539,810)	(759,885,486)
Investment income (net of expenses)	64,472,012	57,331,844	59,676,782	(7,344,835)	(5,672,093)	-	168,463,710
Transfers in/out	-	-	-	-	-	8,093,367 *	8,093,367
Ending balance	$ 1,169,043,715	$ 1,263,630,786	$ 993,806,270	$ 621,308,111	$ 3,642,710,241	$ 48,735,545	$ 7,739,234,668
The amount of total gains or losses for the period included in changes in net assets attributable to the change in unrealized gains or losses relating to assets still held at the reporting date	$ 89,736,362	$ 106,919,628	$ 30,647,237	$ 36,992,490	$ 266,612,608	$ (1,622,809.00)	$ 529,285,516

* During 2013, the Plan transferred certain corporate debt securities to Level 3 based on a change in liquidity.

NOTE 9. INVESTMENTS AT FAIR VALUE HIERARCHY (CONT'D)

For fair value measurements categorized within Level 3 of the fair value hierarchy, the following table presents quantitative information about the significant unobservable inputs used. This table does not include investments valued at net asset value, or its equivalent; refer to Note 12 for the required disclosures for the investments valued at net asset value, or its equivalent.

Instrument	Fair Value at December 31, 2014	Principal Valuation Technique	Unobservable Inputs	Range of Significant Input Values
Real estate	$ 2,327,118,870	Appraisals and Discounted Cash Flows	Discount Rates Capitalization Rates Expense Growth Rates	6.5%–10.5% 5.25%–8.25% 3.0%
Corporate debt securities	126,776,280	Discounted Cash Flow Analysis	Discount Rate Perpetual Growth Rate	11.0%–29.0% 1.0%–3.0%
		Guideline Company Method	Revenue Multiple EBITDA Multiple Control Premium	0.39x–5.02x 3.7x–14.0x 15.0%–25.0%
		Guideline Transaction Method	Revenue Multiple EBITDA Multiple	0.38x–3.16x 4.27x–23.00x
		Liquidation Value	Transaction Costs Asset Recovery Rate	5.0% 83.55%–83.90%
		Black-Scholes Option Model	Volatility Time to Expiration	18.0%–60.0% 1–3 years
		Other	Discount for Lack of Marketability Discount for Lack of Control	5.0%–25.0% 16.0%–20.0%

Instrument	Fair Value at December 31, 2013	Principal Valuation Technique	Unobservable Inputs	Range of Significant Input Values
Real estate	$ 2,162,849,985	Appraisals and Discounted Cash Flows	Discount Rates Capitalization Rates Expense Growth Rates	6.5%–10.5% 5.3%–9.5% 3.0%
Corporate debt securities	48,735,545	Discounted Cash Flow Analysis	Discount Rate Perpetual Growth Rate	13.0%–34.0% 1.0%–4.0%
		Guideline Company Method	Revenue Multiple EBITDA Multiple EBIT Multiple Control Premium DLOM	0.3x–4.0x 1.9x–14.8x 5.0x–5.3x 10.0%–20.0% 10.0%–20.0%
		Guideline Transaction Method	Revenue Multiple EBITDA Multiple EBIT Multiple	0.3x–4.2x 2.3x–22.8x 6.1x
		Liquidation Value	Transaction Costs Asset Recovery Rate	5.0%–10.0% 82.3%–93.6%

NOTE 10. FINANCIAL INSTRUMENTS

As part of the total investment strategy, and to meet the primary objectives established by the Trustees, several of the Plan's investment managers utilize derivative financial instruments. Risks associated with derivatives vary widely, but generally may be categorized as market risk, credit risk and interest rate risk. Market risk is defined as that risk associated with fluctuations in market price. Credit risk is defined as that risk associated with an entity not paying. Interest rate risk is defined as risk associated with changes in general interest rates or yield curves that could adversely affect the fair value of an investment.

Some of the Plan's investment managers enter into options, warrants and rights, futures, swaps and forward currency exchange contracts. The Plan uses futures, options and swaps for hedging purposes and not on a speculative basis, but the use of these instruments would be considered trading securities for purposes of reporting. The Plan uses futures, swaps and forwards for bona fide hedging purposes and to manage duration, yield curve, convexity, spread risk and credit risk with portfolios.

In addition, investment managers utilize currency forward transactions to protect or partially protect against fluctuations in exchange rates between countries when purchasing non-dollar issues for the portfolio. These instruments are helpful in eliminating volatility that may be experienced by the portfolio due to changes in exchange rates. By purchasing or selling the proper amount of these instruments, the investment manager is able to capture the underlying value of the foreign security without taking on the additional risk of currency.

An option is a contract that grants the right, but not the obligation, to exercise a specific purchase or sales transaction at a stated exercise price. Warrants and rights are investment instruments similar to options. A futures contract is a standardized agreement between two parties to buy and sell an asset at a set price on a future date. The Plan enters into financial futures contracts solely for the purpose of hedging its existing portfolio securities, or securities the Plan intends to purchase, against fluctuations in fair value caused by changes in prevailing interest rates or as substitutes for cash securities permitted under the relative account guidelines. Upon entering into a financial futures contract, the Plan is required to pledge to the broker an amount in cash, United States government securities or other assets equal to a certain percentage of the contract amounts (initial margin deposit).

Subsequent payments, known as "variation margin," are made or received by the Plan each day, depending on the daily fluctuations in the fair value of the underlying security. The Plan recognizes an unrealized gain or loss equal to the daily variation margin. Should market conditions move unexpectedly, the Plan may not achieve the anticipated benefits of the financial futures contracts and may realize a loss. When the contract is closed, the Plan recognizes a realized gain or loss equal to the difference between the value of the contract at the time it was opened and the value at the time it was closed.

The use of futures transactions involves the risk of imperfect correlation in movements in the price of futures contracts, interest rates and the underlying hedged assets. The variation margin receivable/payable is included in accrued investment income on the statements of net assets available for benefits.

Credit default swaps (CDS) entered into by the Plan typically represent the exchange by a counterparty with the Plan of a commitment to provide credit protection for a commitment to receive interest at a fixed rate based on the potential risk of default of the relevant underlying issuer. Receiving credit protection from a counterparty tends to decrease the Plan's exposure to the underlying instrument held by the Plan. Such contracts may have a term of one to seven years, but typically require periodic interim settlement in cash. Credit default swaps are marked to market daily based on prices obtained from independent broker/dealers, and changes in value, as well as the accrual of the periodic coupon income, are recorded as unrealized appreciation or depreciation. Gains and losses on CDS agreements are realized upon termination of the swap contract and the periodic payments.

A credit default swap index (CDX) is a credit derivative used to hedge credit risk or to take a position on a group of credit entities. A CDX may be more liquid and trade at a smaller bid-offer spread. This means that it can be cheaper to hedge a portfolio of credit default swaps or bonds with a CDS index than it would be to buy many CDS to achieve a similar effect. Credit default swap indexes are benchmarks for protecting the Plan's investments in bonds against default.

The Plan has entered into interest rate swap agreements. Through such transactions, the parties agree to pay, on specific dates, either a fixed or floating rate of interest on the contract amount. Risks in these transactions involve both the risk of counterparty nonperformance under the terms of the contract and the risk associated with changes in the market value of the swaps.

The Plan has also entered into foreign currency forward contracts to protect its investments in foreign securities from price declines caused by changes in currency exchange rates. A foreign currency forward contract is a commitment to purchase or sell a foreign currency on a future date at a negotiated forward rate. The gain or loss arising from the difference between the value of the original contracts and the value upon closing such contracts is included in net realized gain or loss on foreign currency transactions. Fluctuations in the value of open foreign currency forward contracts are recorded as unrealized gains and losses.

The Plan may sell a security it does not own in anticipation of a decline in the fair value of that security. When the Plan sells a security short, it must borrow the security sold short and deliver it to the broker-dealer through which the short sale was made. A gain, limited to the price at which the Plan sold the security short, or a loss, unlimited in size, will be recognized upon termination of the short sale.

NOTE 10. FINANCIAL INSTRUMENTS (CONT'D)

Total open contracts and unrealized gain (loss) by category at December 31, 2014, consisted of the following:

Type	Position	Notional/ Contractual Amount	Unrealized Gain (Loss)
Futures			
S&P 500 E-Mini Stock Index Futures	Long	$ 144,796,820	$ 4,641,075
U.S. Treasury Bond Futures	Long	1,668,365,501	6,165,501
U.S. Treasury Bond Futures	Short	(452,374,110)	(305,313)
Euro Dollar Futures	Long	87,852,592	(26,242)
Euro Dollar Futures	Short	(125,787,115)	(116,885)
Total futures		$ 1,322,853,688	$ 10,358,136
Swaps			
Credit Default Swaps	Long	$ 1,140,000	$ (7,631)
Credit Default Swaps	Short	(1,140,000)	-
Credit Default Index Swaps	Long	5,724,000	(355,068)
Credit Default Index Swaps	Short	(5,724,000)	376,366
Interest Rate Swaps	Long	473,682,000	(442,232)
Interest Rate Swaps	Short	(473,682,000)	-
Total swaps		$ -	$ (428,565)
Options			
Interest Rate Swap Call Options	Long	$ 18,200,000	$ 192,598
Interest Rate Swap Call Options	Short	(39,000,000)	(668,719)
Interest Rate Swap Put Options	Long	69,800,000	(1,254,808)
Interest Rate Swap Put Options	Short	(160,400,000)	1,790,092
U.S. Treasury Futures Call Options	Long	1,458	(83,117)
U.S. Treasury Futures Call Options	Short	(1,458)	87,742
Euro Dollar Futures Put Options	Long	604	(27,210)
Euro Dollar Futures Put Options	Short	(604)	21,714
Equity Put Options	Long	7,029	1,389,264
Equity Call Options	Short	1,905	(249,760)
Total options		$ (111,391,066)	$ 1,197,796
Forward contracts foreign currency			
Pay USD/Rec EUR			$ (5,891)
Pay EUR/Rec USD			9,904
Total forward contracts foreign currency			$ 4,013

NOTE 10. FINANCIAL INSTRUMENTS (CONT'D)

Total open contracts and unrealized gain (loss) by category at December 31, 2013, consisted of the following:

Type	Position	Notional/ Contractual Amount	Unrealized Gain (Loss)
Futures			
S&P 500 Stock Index Futures	Long	$ 136,701,675	$ 5,357,554
U.S. Treasury Bond Futures	Long	1,272,468,233	(2,418,301)
U.S. Treasury Bond Futures	Short	(155,647,513)	958,217
Euro Dollar Futures	Short	437,814,150	(335,469)
International Bond Futures	Long	(443,111,100)	50,590
Total futures		$ 1,248,225,445	$ 3,612,591
Swaps			
Credit Default Swaps	Long	$ 2,860	$ (6,282)
Credit Default Swaps	Short	(2,860)	(5,337)
Interest Rate Swaps	Long	424,022,000	(918,039)
Interest Rate Swaps	Short	(142,110,000)	-
Total swaps		$ 281,912,000	$ (929,658)
Options			
Interest Rate Swap Call Options	Long	$ 261,250,000	$ (990,742)
Interest Rate Swap Put Options	Long	155,700,000	2,410,313
Interest Rate Swap Put Options	Short	(278,200,000)	(1,459,358)
Equity Put Options	Long	37,200	(10,187)
Equity Call Options	Short	(426,970)	(54,729)
Total options		$ 138,360,230	$ (104,703)
Forward contracts foreign currency			
Pay CDA/Rec USD			$ 97,577
Pay EUR/Rec USD			(120,116)
Total forward contracts foreign currency			$ (22,539)

The accompanying financial statements reflect these unrealized gains and losses, not the gross value or notional amount of the underlying securities. At December 31, 2014 and 2013, approximately $20,046,000 and $32,455,000, respectively, had been pledged against the futures contracts to cover the initial margin and collateral requirements.

NOTE 11. SECURITIES LENDING

The Trustees authorized the Plan to enter into securities lending agreements with a custodial bank and Prudential (the Lending Agents) to lend securities to third parties. The Lending Agents must obtain collateral from the borrowers in the form of cash or securities issued or guaranteed by the United States Government or its agencies equal to at least 102% (105% for foreign loans) of the market value of the loaned securities plus accrued income. The market value of the collateral is marked to market daily. Except as noted below, if the market value of the collateral is less than the minimum percentage (100%), the Lending Agents require that additional collateral be delivered the following day to meet the required percentage of the market value of the loaned securities, plus accrued interest. During the time the securities are on loan, the Plan will continue to receive the interest and dividends, or amounts equivalent thereto, on the loaned securities. The right to terminate the loan is given to both the lenders and the borrowers, subject to appropriate notice. Upon termination of the loan, the borrowers will return to the lenders securities identical to the loaned securities and the collateral held by lenders will be returned to the borrowers.

The fair value of the securities on loan is as follows:

	December 31, 2014	December 31, 2013
Securities on loan, at fair value		
Custodial bank	$ 527,488,106	$ 626,812,062
Prudential	1,940,497,406	2,634,463,135
Total securities on loan	$ 2,467,985,512	$ 3,261,275,197

The Lending Agents are authorized to invest and reinvest any and all cash collateral. Cash collateral may be invested or reinvested in accordance with the investment guidelines set forth in the securities lending agreements. Prudential invested a portion of the cash collateral in the Prudential Core Investment Fund - Short-Term Bond Series Account (Prudential Bond Account), an approved vehicle for reinvested cash collateral. The custodial bank reinvested the cash collateral in a pool of approved securities.

NOTE 11. SECURITIES LENDING (CONT'D)

The liability to return securities lending collateral, unrealized gains (losses) and fair value of collateral are as follows:

As of December 31, 2014	Liability to Return Collateral	Unrealized Gains (Losses)	Fair Value of Collateral
Collateral for securities on loan			
Custodial bank	$ 539,091,513	$ (30,514)	$ 539,060,999
Prudential Bond Account	1,984,402,958	(98,253,490)	1,886,149,468
Total	$ 2,523,494,471	$ (98,284,004)	$ 2,425,210,467

As of December 31, 2013	Liability to Return Collateral	Unrealized Gains (Losses)	Fair Value of Collateral
Collateral for securities on loan			
Custodial bank	$ 641,248,805	$ 12,831	$ 641,261,636
Prudential Bond Account	2,700,088,723	(103,898,304)	2,596,190,419
Total	$ 3,341,337,528	$ (103,885,473)	$ 3,237,452,055

As shown on the statements of changes in net assets available for benefits, the unrealized gains on the reinvested collateral for the years ended December 31, 2014 and 2013, were $5,601,469 and $17,485,992, respectively.

Although the Plan's securities lending activities are collateralized as described above, they involve both market and credit risk. In this context, market risk refers to the possibility that the borrowers of securities will be unable to collateralize their loan upon a sudden material change in the fair value of the loaned securities or collateral. Credit risk refers to the possibility that counterparties involved in the securities lending program may fail to perform in accordance with the terms of their contracts. To minimize risk, the Plan restricts counterparties to the highest quality firms. If a loan of securities is terminated and such securities are returned, the Plan could sustain realized losses on the collateral if it were necessary to liquidate collateral invested in the Prudential Bond Account.

The Plan earned securities lending income (net of fees) totaling approximately $17,325,000 and $18,758,000, respectively, for the years ended December 31, 2014 and 2013. These amounts are included in investment income on the statements of changes in net assets available for benefits.

NOTE 12. INVESTMENTS IN CERTAIN ENTITIES THAT CALCULATE NET ASSET VALUE

The Plan utilizes net asset value (NAV) per share (or its equivalent), as a practical expedient, to measure fair value when the investment does not have a readily determinable fair value and the net asset value is calculated in a manner consistent with investment company accounting. The fair value of the following investments was measured using NAV (or its equivalent).

	Fair Value at December 31,					Remaining Commitment December 31,	
Investment Type	2014	2013		Redemption Frequency (if currently eligible)	Redemption Notice Period	2014	2013
103-12 investment entities	$ 233,579,105	$ 278,143,299	{a}	Daily	1 day	$ -	$ -
103-12 investment entities	857,583,471	794,142,081	{a}	Monthly	5 days	-	-
Common/collective trusts	7,198,883,765	7,218,599,215	{b}	Daily	None–2 days	-	-
Common/collective trusts	2,203,094,437	1,688,199,138	{b}	Weekly	1–2 days	-	-
Common/collective trusts	1,211,337,205	1,910,440,313	{b}	Semi-monthly	2–3 days	-	-
Limited partnerships							
Fixed income	24,986,056	-	{c}	Daily	None required	-	-
Fixed income	-	73,300,444	{c}	Semi-annually	180 days	-	-
Fixed income	144,083,861	143,673,675	{c}	Bi-annually	90 days	-	-
Fixed income	669,486,716	457,263,674	{c}	Not permitted	N/A	703,900,000	311,700,000
Infrastructure	463,105,135	456,646,587	{d}	Quarterly	90 days	129,900,000	-
Infrastructure	455,315,004	659,611,839	{d}	Semi-annually	90 days	-	-
Infrastructure	267,435,941	291,724,055	{d}	Not permitted	N/A	14,600,000	29,400,000
Private equity	253,321,326	233,477,295	{e}	Quarterly	90 days	-	-
Private equity	1,230,103,516	1,088,641,791	{e}	Not permitted	N/A	760,250,000	1,025,900,000
Real assets	242,392,428	317,184,668	{f}	Monthly	30 days	-	-
Real assets	402,597,464	345,553,838	{f}	Not permitted	N/A	339,700,000	288,600,000
Other private equity							
Fixed income	26,534,269	-	{g}	Daily	None required	-	-
Fixed income	105,501,380	99,033,285	{g}	Daily	90 days	10,000,000	10,000,000
Fixed income	71,242,838	64,243,372	{g}	Semi-annually	180 days	-	-
Fixed income	207,804,532	154,640,484	{g}	Not permitted	N/A	23,700,000	68,500,000
Private equity	61,622,218	-	{h}	Semi-annually	180 days	-	-
Private equity	12,697,137	-	{h}	3 years	180 days	-	-
Private equity	102,088,613	65,478,254	{h}	Not permitted	N/A	147,600,000	44,600,000
Real estate	90,990,186	69,714,276	{i}	Quarterly	N/A	110,400,000	135,300,000
Real estate	202,928,742	168,198,440	{i}	See {i}	See {i}	125,700,000	45,900,000
Pooled separate accounts	334,290,170	330,399,757	{j}	Daily	15 days	-	-
Pooled separate accounts	435,616,207	404,862,306	{j}	Monthly	30 days	-	-
Pooled separate accounts	1,556,889,797	1,380,403,520	{j}	Quarterly	90 days	-	-

In addition to the remaining commitments identified above, the Plan has an unfunded commitment to the Western Conference of Teamsters Separate Account (WCOT) real estate holding of $296,400,000 and $177,200,000 as of December 31, 2014 and 2013, respectively.

{a} This class of investments includes two investments in 103-12 investment entities that focus on commodities and a diversified portfolio of assets that have different biases to economic conditions (All Weather Portfolio). The commodity-focused fund utilizes an investment strategy of investing in accordance with proprietary commodity futures term-structure monetization trading strategies of long-only, unleveraged, diversified U.S.-dollar-denominated futures and forwards contracts in tangible commodities on U.S. and non-U.S. exchanges. The All Weather Portfolio seeks long-term annual targeted return of approximately 5% to 7% above cash (90-day Treasury Bills), and the targeted risk is expected to be approximately 10%.

{b} This class includes investments in common/collective trusts that invest in domestic equities, international equities, commodities and fixed-income securities. The investment managers adopt a strategy in order to track or exceed the following indices: Barclays Capital U.S. Treasury Bellwethers 3-Month Index, Dow Jones-UBS Commodity Index, S&P 500 Index, Dow Jones U.S. Completion Total Stock Market Index, MSCI All Country World Index ex-U.S., and MSCI EAFE Index.

{c} This class of investments consists of limited partnerships that invest in various types of fixed-income securities directly or indirectly through other limited partnerships. The strategies used by the limited partnerships include investments in mezzanine securities, first-lien senior-secured debt, investments in distressed debt, bank loans and distressed residential real estate loans.

{d} This class of investments consists of three limited partnerships that invest in domestic and international infrastructure-related projects. These investments seek to provide superior returns through various domestic and international infrastructure projects, such as wind farms, wastewater plants, airports and electrical distribution.

{e} This class of investments consists of limited partnerships that are considered private equity investments. The managers in this class utilize various investment strategies in order to achieve superior returns and capital appreciation. Investments may be made directly by the limited partnership or indirectly through a fund-of-funds investment structure. Strategies utilized by these managers include activist investments, investments in middle-market business, investments in transportation-related companies, and domestic and international equity and equity-related investments.

{f} This investment class consists of limited partnerships that invest in real assets, including oil and gas-focused investments and commodities. The oil and gas investments include U.S. and international privately negotiated equity and equity-related investments, and investments in known energy-producing, on-shore regions of North America. These investments seek to provide a diverse portfolio of energy and energy-related infrastructure investments. The commodity-focused investment seeks to outperform a simple average of the following four major commodities indices: S&P Goldman Sachs Commodity Total Return Index, DJ UBS Commodity Total Return Index, Reuters/Jefferies Commodity Research Bureau's Total Return Index and Rogers International Commodity Total Return Index.

{g} This class of investments includes limited liability companies and other private equity funds that focus on fixed-income investments. These funds make direct or indirect investments that seek to generate current income and capital appreciation while minimizing the risk of loss of principal through lending to middle-market companies, commercial lending and high-yield structured finance securities.

NOTE 12. INVESTMENTS IN CERTAIN ENTITIES THAT CALCULATE NET ASSET VALUE (CONT'D)

{h} This investment class represents limited liability companies and other private equity investments that focus on real estate ventures, venture capital and corporate finance transactions. The strategy of the real estate venture fund is to acquire, own and manage residential rental real estate, primarily single-family homes, in various major markets in the U.S. The venture capital investments generate capital returns by making direct equity-oriented investments in venture capital companies or investing in limited partnerships that make equity-oriented investments in venture capital companies. These investments can include early-stage investments in businesses still in the conceptual stage, businesses where products may not be fully developed and revenues and/or profits may be several years away, and later-stage venture capital investments in need of additional growth capital. The corporate finance investment seeks to generate capital returns through investing directly or indirectly in management buy-in, management buy-out and leveraged buy-out transactions.

{i} This class of investments includes two limited liability companies that directly own timber-producing real estate and related assets, or real estate devoted to agricultural use. A request for a partial withdrawal from the timber-related investment may be made at any time, and the investment manager will sell such investments allocated to the Plan's account, as it determines it necessary, to obtain funds for each partial withdrawal.

{j} The pooled separate accounts represent certain investments maintained by Prudential. These investments include holdings in debt securities, mortgage securities and real estate investments. The debt security investment strategy seeks to achieve long-term total return greater than public bond portfolios of comparable credit quality and duration by primarily investing in privately placed corporate debt securities. The mortgage portfolio invests in mortgages on properties constructed with union labor with fixed maturity dates. The real estate accounts invest in diversified equity real estate investments in income-producing properties with potential for capital appreciation, office buildings, retail, hotel and self-storage properties. The real estate accounts target returns similar to the NFI-ODCE Index.

NOTE 13. NET ASSETS AVAILABLE FOR BENEFITS

The Plan allocates net assets available for benefits between Retired and Survivor Guaranteed Annuities and certain Non-Guaranteed Benefits for Retirees and Survivors and Future Retirees and Survivors. Effective January 1, 1998, the Plan entered into two insurance company group annuity contracts with Prudential, which superseded the group annuity contract in effect since 1955. Under one contract, Prudential guarantees retirement benefits to a closed group of annuitants and their beneficiaries (Retired and Survivor Guaranteed Annuities). The initial contribution to this contract was \$7.46 billion, representing an amount equal to 105% of the Contract Liability Amount as of the effective date of the contract. This contract will remain in full force and effect until such date that there are no further annuities or other guaranteed payments payable under the contract. The contract will terminate at that time, and the remaining assets held under the contract, if any, less any expenses or other fees, would be transferred back to the general Plan assets. Non-Guaranteed Benefits are covered by the remaining Plan assets, including a second contract

NOTE 13. NET ASSETS AVAILABLE FOR BENEFITS (CONT'D)

that consists of separate investment accounts that are managed by Prudential. The net assets available for benefits allocated between the Retired and Survivor Guaranteed Annuities and Non-Guaranteed Benefits for Retirees and Survivors and Future Retirees and Survivors are summarized as follows:

	December 31, 2014	December 31, 2013
Retired and Survivor Guaranteed Annuities	$ 2,242,183,264	$ 2,417,949,235
Non-Guaranteed Benefits for Retirees and Survivors and Future Retirees and Survivors	34,497,013,120	32,773,716,248
Net assets available for benefits	$ 36,739,196,384	$ 35,191,665,483

NOTE 14. EMPLOYER WITHDRAWAL LIABILITY

The Plan complies with the provisions of the Multiemployer Pension Plan Amendment Act of 1980 (MPPAA), which requires imposition of withdrawal liability on a contributing employer that partially or totally withdraws from the Plan. Under the provisions of the MPPAA, a portion of the Plan's unfunded vested liability would be allocated to a withdrawing employer. The Plan's actuary has advised the Plan that, as of December 31, 2013, the Plan has an estimated unfunded vested liability of $5.260 billion for withdrawal liability purposes.

For the years ended December 31, 2014 and 2013, employers who have withdrawn from the Plan have been assessed a withdrawal liability of approximately $8,156,000 and $14,009,000, respectively. Due to the poor financial condition of some withdrawing employers, it is likely that the withdrawn employers assessed withdrawal liability will file for bankruptcy, become insolvent, or otherwise default on their withdrawal 1iability payment obligations. Generally accepted accounting principles state that the amounts assessed against employers withdrawing from the Plan may be recorded as a receivable, net of an allowance for uncollectible amounts. The Trustees of the Plan are concerned that, even with their best efforts at estimating an allowance for uncollectibility, the amount of withdrawal liability that will actually be received may vary significantly. Therefore, the Trustees have determined that calculating the employer withdrawal liability receivable beyond the succeeding Plan year or estimating what will be collected or deemed uncollectible in such a volatile industry would not be appropriate or reasonable. The Plan has estimated the amount of withdrawal liability receivable as the amount to be received in the succeeding year, as well as any settlements received from withdrawn employers as of the date of this report, and has recorded a reserve for amounts exceeding this estimate. During the years ended December 31, 2014 and 2013, the Plan recorded approximately $36,100,000 and $24,478,000 in withdrawal liability payments.

NOTE 15. RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

The following is a reconciliation of net assets available for benefits per the financial statements to the Form 5500:

	December 31, 2014	December 31, 2013
Net assets available for benefits per the financial statements	$ 36,739,196,384	$ 35,191,665,483
Benefit obligations currently payable	(7,362,178)	(7,336,729)
Net assets available for benefits per the Form 5500	$ 36,731,834,206	$ 35,184,328,754

The following is a reconciliation of benefits paid to or for participants per the financial statements to the Form 5500 for the year ended December 31, 2014:

Benefits paid to or for participants per the financial statements	$ 2,530,265,208
Add - amounts currently payable at end of year	7,362,178
Less - amounts currently payable at beginning of year	(7,336,729)
Benefits paid to or for participants per the Form 5500	$ 2,530,290,657

NOTE 16. SUBSEQUENT EVENTS

Subsequent events were evaluated through the date on which the financial statements were available to be issued. This date is approximately the same as the independent auditors' report date.

ADDITIONAL INFORMATION

LINDQUIST LLP
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT ON ADDITIONAL INFORMATION

To the Participants and Trustees of
Western Conference of Teamsters Pension Plan

We have audited the financial statements of Western Conference of Teamsters Pension Plan (the Plan) for the years ended December 31, 2014 and 2013, and have issued our report thereon dated September 10, 2015, which contained an unmodified opinion on those financial statements. Our audits were performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying information, which appears on page 37, is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of the Plan's management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

Lindquist LLP

September 10, 2015

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Western Conference of Teamsters Pension Plan

Schedules of Administrative Expenses

Years Ended December 31, 2014 and 2013

	2014	2013
Accounting and auditing	$ 340,210	$ 339,687
Actuarial fees	1,776,239	2,141,138
Administrative offices	51,841,615	49,484,019
Banking	89,183	98,236
Chairman/Co-Chairman	843,940	841,729
Consultants' fees	155,066	100,768
Data-processing-related expenses		
Communications	382,603	353,042
Depreciation and amortization	3,427,104	3,367,803
IT support and operations	4,113,097	4,303,816
Maintenance and supplies	661,251	672,642
TRACS operations (Prudential)	3,215	3,077
Delinquency collection fees	342,010	452,929
Insurance	980,608	918,399
Interest	10,365	248
Legal fees	3,458,492	3,178,219
Pension Benefit Guaranty Corporation premiums	6,547,824	6,465,861
Printing and postage	740,112	1,750,150
Prudential administrative fees	11,767,465	11,821,515
State premium taxes (Prudential)	798,784	862,749
Trustees' travel and meetings	356,455	384,529
Total	$ 88,635,638	$ 87,540,556