

Automotive Industries Pension Plan

Actuarial Valuation and Review as of
January 1, 2011

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June 15, 2011

*Board of Trustees
Automotive Industries Pension Plan
Alameda, California*

Dear Trustees:

We are pleased to submit the Actuarial Valuation and Review as of January 1, 2011. It establishes the funding requirements for the current year and analyzes the preceding year's experience. It also summarizes the actuarial data and includes the certification that is required to be filed with federal government agencies.

The census information upon which our calculations were based was prepared by the Fund Office, under the direction of Michael Schumacher. That assistance is gratefully acknowledged. The actuarial calculations were completed under the supervision of Paul C. Poon, ASA, MAAA, Enrolled Actuary.

We look forward to reviewing this report with you at your next meeting and to answering any questions you may have.

Sincerely,

THE SEGAL COMPANY

By: _____

*J. Tim Biddle
Senior Vice President*

GKIM/gxk

cc: *William Craig Dobbs
Philip M. Miller, Esq.
Kimberly Ray, CPA
Michael Schumacher*

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SECTION 1: Valuation Summary for the Automotive Industries Pension Plan

INTRODUCTION

There are several ways of evaluating funding adequacy for a pension plan. In monitoring the Plan's financial position, the Trustees should keep in mind all of these concepts.

➤ **Scheduled Cost**

The Scheduled Cost is an annual contribution amount that allows an evaluation of whether benefit levels are sustainable over the long term, given current assets, negotiated contributions and the expectation of a continuing Plan.

➤ **Funding Standard Account**

The ERISA Funding Standard Account (FSA) is charged with the normal cost and amortization of changes in the unfunded actuarial accrued liability measured as of each valuation date. The accumulation of actual contributions made in excess of the minimum required contributions is called the credit balance. If actual contributions fall short of the minimum required contribution on a cumulative basis, a funding deficiency has occurred.

➤ **Withdrawal Liability**

ERISA provides for assessment of withdrawal liability to employers who withdraw from a multiemployer plan based on unfunded vested benefit liabilities.

➤ **PPA'06**

The Pension Protection Act of 2006 (PPA'06) calls on plan sponsors to actively monitor the projected FSA credit balance, the funded percentage (the ratio of the actuarial value of assets to the present value of benefits earned to date) and cash flow sufficiency tests. Based on these measures, plans are then categorized as critical (*Red Zone*), endangered (*Yellow Zone*), or neither (*Green Zone*).

➤ **Cash Flow**

Pension plan funding anticipates that, over the long term, both contributions and investment earnings will be needed to cover benefit payments and expenses. To the extent that contributions are less than benefit payments, investment earnings and fund assets will be needed to cover the shortfall. In some situations, a plan may be faced with insufficient assets to cover its current obligations and will need PBGC assistance.

The current year's actuarial valuation results follow.

SECTION 1: Valuation Summary for the Automotive Industries Pension Plan

A. CHANGES SINCE LAST VALUATION

1. As shown in B.2. of this Section, the Trustees adopted a rehabilitation plan that included a schedule of benefit cuts and contribution increases. Benefit reductions for members whose collective bargaining agreements are expected to be renegotiated in 2011 are recognized in this valuation. In addition, the rehabilitation plan was amended effective February 1, 2011, to eliminate the commencement of benefits for inactive vested members, prior to their normal retirement age. These changes lowered the Scheduled Cost deficit by about \$55 per month.
2. The market value return for 2010 was 13.0%. Due to the recognition of previously deferred investment losses, the return on an actuarial basis was 6.5%. Since the actuarial return is less than the investment return assumption of 7.25%, the plan experienced an investment loss. The plan also experienced a non-investment related loss, as shown in Chart 12. These losses increased the Scheduled Cost deficit by about \$72 per month.
3. Effective January 1, 2011, two actuarial assumptions were changed. The retirement age for inactive vested participants with unsubsidized early retirement benefits was changed from age 62 to age 65 and the assumption for annual administrative expenses was increased from \$2.7 million to \$3.0 million, payable monthly. These changes increased the Scheduled Cost deficit by about \$26 per month.
4. The actuarial valuation report as of January 1, 2011 is based on financial and demographic information as of that date. Changes subsequent to that date are not reflected and could affect future actuarial costs of the Plan. We are prepared to work with the Trustees to analyze the effects of any subsequent developments.

SECTION 1: Valuation Summary for the Automotive Industries Pension Plan

B. 2011 ACTUARIAL STATUS (ZONE) CERTIFICATION

1. The 2011 certification, previously issued, was based on the liabilities calculated in the 2010 actuarial valuation, projected to December 31, 2010, and on estimated asset information as of December 31, 2010. This Plan was classified as Critical (Red Zone) because of a projected deficiency in the Funding Standard Account within one year.
2. This plan was initially classified as Critical (*Red Zone*) for 2008 and the Trustees have adopted a rehabilitation plan. Under the rehabilitation plan, new collective bargaining agreements negotiated after April 27, 2008 will include the maximum benefit reductions allowed by law. These reductions include the removal of all early retirement subsidies, joint and survivor subsidies, disability pensions, the 36-payment pre-retirement death benefit and all benefit options besides the single life annuity or the QJSA. The rehabilitation plan also includes supplemental off-benefit contributions to the plan beginning January 1, 2013.
3. The Trustees elected under the Worker, Retiree and Employer Recovery Act of 2008 (WRERA) to freeze the zone status for 2009 at the level it was assigned for 2008, (i.e., critical). As a result, an update to rehabilitation plan was not required in the 2009 Plan Year.
4. WRERA permitted trustees of plans that were in critical status in 2008 or 2009 to extend the rehabilitation period by three additional years. The Trustees have elected this option.
5. The Plan was again classified as critical in 2010 and 2011. Under the current rehabilitation plan schedule, the plan is not expected to emerge from critical status by the end of the rehabilitation period. The Trustees determined that they could not make any reasonable updates to that schedule and have adopted a resolution to forestall plan insolvency. As part of their resolution, effective February 1, 2011, benefits cannot commence prior to normal retirement age for inactive vested participants. We are prepared to work with the Trustees in evaluating other alternatives for this Plan.

SECTION 1: Valuation Summary for the Automotive Industries Pension Plan

C. FUNDED PERCENTAGE AND FUNDING STANDARD ACCOUNT

1. Based on this January 1, 2011 actuarial valuation, the funded percentage as of that date is 62.3%. This will be reported on the 2011 Annual Funding Notice to be provided within 120 days after the end of this plan year.
2. The credit balance in the Funding Standard Account as of December 31, 2010 was \$23,560,939, a decrease of \$29,441,359 from the prior year. PPA '06 requires plan sponsors to monitor the projected FSA credit balance.
3. We are available to work with the Trustees to develop credit balance projections.
4. Based on the assumptions and methods employed for this 2011 valuation, this plan will likely be categorized as in critical (Red Zone) status for 2012, unless it meets the "red zone" exit criteria of having no projected funding deficiency within 10 years, and not triggering any of the red zone entry criteria. However, the actual status for 2012 will involve updated assets, Trustee input on industry activity and any plan or assumption changes.

D. SCHEDULED COST DEFICIT

1. The projected annual contributions of \$393.62 per month fall short of the Scheduled Cost of \$1,506.79 per month, resulting in a deficit of \$1,113.17 per month, or 283% of contributions, as compared to a deficit of 244% in the prior valuation. This deterioration in the deficit position is primarily due to the experience loss from Subsection A.2. and to contributions falling short of the Scheduled Cost for the prior year.
2. The Scheduled Cost deficit does not recognize the rehabilitation plan benefit reductions for participants whose CBAs have not been renegotiated before 2012 to comply with the rehabilitation plan. Those savings will be recognized as existing CBAs expire and are subsequently renewed.
3. Under PPA '06, certain amortization periods for purposes of ERISA minimum funding standards were shortened from 30 to 15 years. As such, the use of a fixed 20-year funding period for the Board's funding policy needs to be re-examined. We recommend that the Board lower the period used to amortize unfunded liabilities from a "fixed" 20-year period to a "fixed" 10-year period. Had this change been implemented with this valuation, the Scheduled Cost deficit would have increased from \$1,113.17 per month to \$1,791.14 per month, or 455% of contributions.

SECTION 1: Valuation Summary for the Automotive Industries Pension Plan

E. CASH FLOW SUFFICIENCY

Based on this valuation, the current value of assets plus projected investment earnings and future contribution income will exceed projected benefit payments and administrative expenses for at least 16 years, assuming experience is consistent with the assumptions. If requested by the Trustees, we can perform additional projections of the financial situation of the Plan.

F. WITHDRAWAL LIABILITY

1. The Trustees have adopted a new method for calculating withdrawal liability. The new method is based upon the Pension Benefit Guaranty Corporation's (PBGC) Technical Update 10-3, which describes how to account for the effect of benefit reductions that are implemented as part of a Rehabilitation Plan when a pension plan is in critical status. The new method lowers the unfunded vested liability (UVL) for withdrawal liability purposes by recognizing the benefit reductions under the rehabilitation plan. The value of these reductions is allocated to withdrawing employers through separate liability pools.
2. The UVL decreased from \$1,140 million as of December 31, 2009 to \$1,023 million as of December 31, 2010. The \$117 million decrease in UVL is attributed to a 13% market value return and to the implementation of PBGC Technical Update 10-3. The impact of these factors was partially mitigated by a decline in interest rates used to determine the UVL.
3. A detailed withdrawal liability report will be provided to the Trustees.

SECTION 1: Valuation Summary for the Automotive Industries Pension Plan

SUMMARY OF KEY VALUATION RESULTS

Certified Zone Status	2011		2010	
	<i>Critical</i>		<i>Critical</i>	
	Amount	Per Month	Amount	Per Month
Scheduled Cost and Contributions:				
Contributions projected at the negotiated contribution rates	\$20,297,409	\$393.62	\$21,286,924	\$394.93
Scheduled Cost	77,699,018	1,506.79	73,177,568	1,357.64
Margin/(Deficit)	-57,401,609	-1,113.17	-51,890,644	-962.71
Projected employer contributions for the upcoming year ⁽¹⁾	20,297,409		21,286,924	
Actual employer contributions	--		30,919,443	
Assets:				
Market value of assets (MVA)	\$1,268,122,155		\$1,215,966,615	
Actuarial value of assets (AVA)	1,231,077,065		1,252,406,899	
Cost Elements on a Scheduled Cost Basis:				
Normal cost, including administrative expenses	\$7,032,993		\$7,098,681	
Actuarial accrued liability	1,986,576,644		1,958,649,406	
Unfunded actuarial accrued liability (based on AVA)	755,499,579		706,242,507	
Statutory Funding Information:				
Minimum required contribution	\$41,940,702		\$8,485,591	
Maximum deductible contribution	2,756,531,808		2,561,559,381	
Annual Funding Notice percentage	62.3%		64.2%	
Withdrawal Liability:				
Present value of vested benefits (PVVB) ⁽²⁾	\$2,290,825,256		\$2,355,524,780	
Unfunded present value of vested benefits (based on MVA)	1,022,703,101		1,139,558,165	
Demographic Data:				
Number of active participants	4,484		4,687	
Number of inactive participants with vested rights	10,882		11,011	
Number of retired participants and beneficiaries, including suspensions	11,243		11,044	

⁽¹⁾ Excludes withdrawal liability payments.

⁽²⁾ For 2010, the PVVB for withdrawal liability purposes does not reflect benefit reductions under the rehabilitation plan. For 2011, per the PBGC simplified method, the PVVB does include these benefit reductions, but the value of these reductions are allocated to withdrawing employers via separate liability ("Affected Benefits") pools.

SECTION 1: Valuation Summary for the Automotive Industries Pension Plan

COMPARISON OF FUNDED PERCENTAGES

	2011		Funded Percentages as of January 1	
	Liability	Assets	2011	2010
1. Present Value of Future Benefits	\$2,010,570,236	\$1,231,077,065	61.2%	63.1%
2. Actuarial Accrued Liability	1,986,576,644	1,231,077,065	62.0%	63.9%
3. PPA'06 Liability and Annual Funding Notice	1,976,368,800	1,231,077,065	62.3%	64.2%
4. Accumulated Benefits Liability	1,976,368,800	1,268,122,155	64.2%	62.3%
5. Withdrawal Liability	2,290,825,256	1,268,122,155	55.4%	51.6%
6. Current Liability	2,845,383,608	1,268,122,155	44.6%	44.5%

Notes:

1. Includes the value of benefits earned through the valuation date (accrued benefits) plus the value of benefits projected to be earned in the future for current participants and includes plan amendments effective through 2011 (after the valuation date). Used to develop the actuarial accrued liability, based on long-term funding investment return assumption of 7.25% and the actuarial value of assets.
2. Represents the portion of present value of future benefits allocated by the actuarial cost method to years prior to the valuation date and includes plan amendments effective through 2011 (after the valuation date). Used in determining Scheduled Cost, based on long-term funding investment return assumption of 7.25% and the actuarial value of assets.
3. Measures present value of accrued benefits using the current participant census and financial data. As defined by the Pension Protection Act of 2006, based on long-term funding investment return assumption of 7.25% and the actuarial value of assets. These percentages will be disclosed on the Annual Funding Notice for the respective years.
4. Provides present value of accrued benefits for disclosure in the audited financial statements, based on long-term funding investment return assumption of 7.25%, and the market value of assets.
5. Used to determine unfunded vested benefits for withdrawal liability purposes. Based on blended interest rate assumption described in Section 2.I, the present value of vested benefits (excluding death benefits), and the market value of assets.
6. Used to determine maximum tax-deductible contributions and is reported on Schedule MB to Form 5500. Based on the present value of accrued benefits, using prescribed investment return assumption of 4.47% for 2011 and 4.58% for 2010, and the market value of assets. The funded percentage is also shown on the Schedule MB if it is less than 70%.

SECTION 2: Valuation Results for the Automotive Industries Pension Plan

A. PARTICIPANT DATA

The Actuarial Valuation and Review considers the number and demographic characteristics of covered participants, including active participants, inactive vested participants, pensioners and beneficiaries.

More detailed information for this valuation year and the preceding year can be found in Section 3, Exhibit A.

This section presents a summary of significant statistical data on these participant groups.

As shown below, the number of active participants declined by about 48% over the last 10 years.

A historical perspective of how the participant population has changed over the past several years can be seen in this chart.

CHART 1
Participant Population: 2001 – 2010

Year Ended December 31	Active Participants	Inactive Vested Participants	Pensioners and Beneficiaries	Ratio of Non-Actives to Actives
2001	8,552	11,017	8,509	2.28
2002	8,405	10,893	8,775	2.34
2003	7,865	10,904	9,135	2.55
2004	7,460	10,972	9,405	2.73
2005	6,946	11,047	9,714	2.99
2006	6,426	11,231	9,979	3.30
2007	6,211	11,156	10,293	3.45
2008	5,661	10,856	10,698	3.81
2009	4,687	11,011	11,044	4.71
2010	4,484	10,882	11,243	4.93

SECTION 2: Valuation Results for the Automotive Industries Pension Plan

Active Participants

Pension plan costs are affected by the age and years of Credited Service of active participants. In this year's valuation, there were 4,484 active participants with an average age of 45.2 and average years of Credited Service of 12.4. This compares to 45.0 and 12.2, respectively, for the 4,687 active participants in the prior year.

Among active participants, there were 29 with unknown age. The actuarial calculations were adjusted for missing information by assuming that it was the same as information provided for other active participants with similar known characteristics.

Inactive Vested Participants

Participants, who leave the coverage of the Plan after satisfying the requirements for a deferred pension, or an immediate pension but elect to defer commencement, are considered "inactive vesteds" and are included in the pension plan cost. In this year's valuation, there were 10,882 inactive vesteds, versus 11,011 in the prior valuation. No cost is included for other inactive participants, even though some may return to active employment before incurring a permanent break in service.

These charts show a distribution of active participants by age and by years of Credited Service.

CHART 2
Distribution of Active Participants by Age as of December 31, 2010

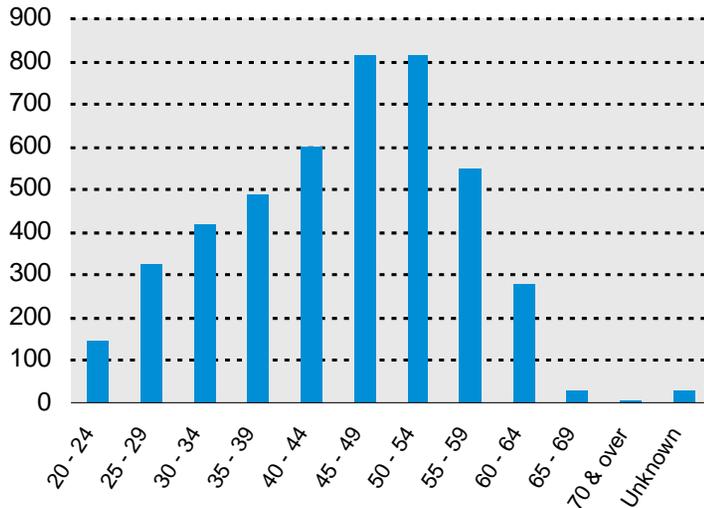
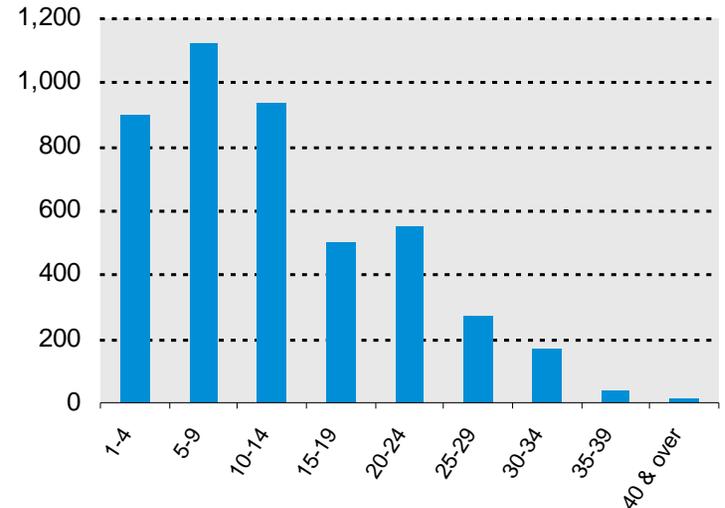


CHART 3
Distribution of Active Participants by Years of Credited Service as of December 31, 2010



SECTION 2: Valuation Results for the Automotive Industries Pension Plan

Pensioners and Beneficiaries

During the fiscal year ended December 31, 2010, there were 463 pensions awarded, as detailed in this chart. The average monthly pension awarded, after adjustment for optional forms of payment, was \$1,105. The chart below presents both the number and average monthly amount of pensions awarded in each of the years shown, by type and in total.

CHART 4

Pension Awards: 2001 – 2010

Year Ended December 31	Total		Normal		Early		Disability		Unreduced Early		Rule of 85	
	Number	Average Amount	Number	Average Amount	Number	Average Amount	Number	Average Amount	Number	Average Amount	Number	Average Amount
2001	413	\$1,237	72	\$609	121	\$1,030	28	\$1,686	129	\$931	63	\$2,778
2002	484	1,266	68	534	176	812	33	1,522	135	947	72	3,547
2003	584	1,399	93	847	204	891	26	1,432	157	1,038	104	3,424
2004	551	1,256	114	685	187	879	25	2,424	150	989	75	3,210
2005	555	1,331	116	786	194	989	21	2,184	145	987	79	3,377
2006	511	1,255	120	690	177	920	27	2,445	124	957	63	3,346
2007	541	1,177	131	544	177	991	21	1,852	148	952	64	3,283
2008	678	1,360	134	687	276	1,102	29	1,882	133	1,015	106	3,172
2009	577	1,287	197	594	221	967	26	2,044	57	1,130	76	3,871
2010	463	1,105	169	518	181	727	17	1,736	35	1,801	61	3,281

SECTION 2: Valuation Results for the Automotive Industries Pension Plan

As of this year’s valuation date, 8,928 pensioners and 2,265 beneficiaries were receiving total monthly benefits of \$10,494,705. For comparison, in the previous year, there were 8,796 pensioners and 2,203 beneficiaries receiving monthly benefits of \$10,155,391. There were 50 suspended pensioners in this valuation compared with 45 in the prior year.

These charts show the distribution of the current pensioners based on their monthly amount and age, by type of pension.

CHART 5
Distribution of Pensioners by Type and by Monthly Amount as of December 31, 2010

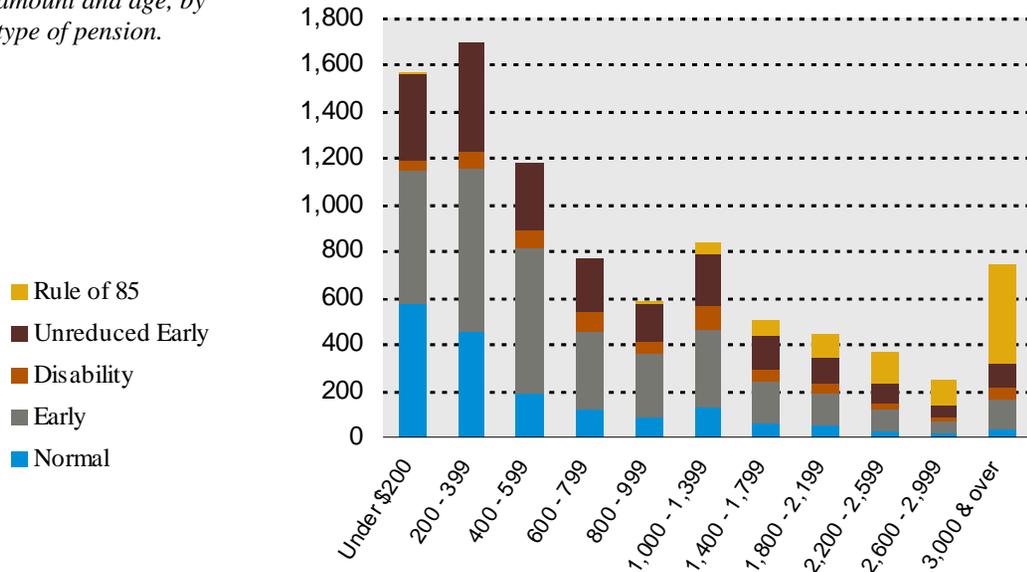
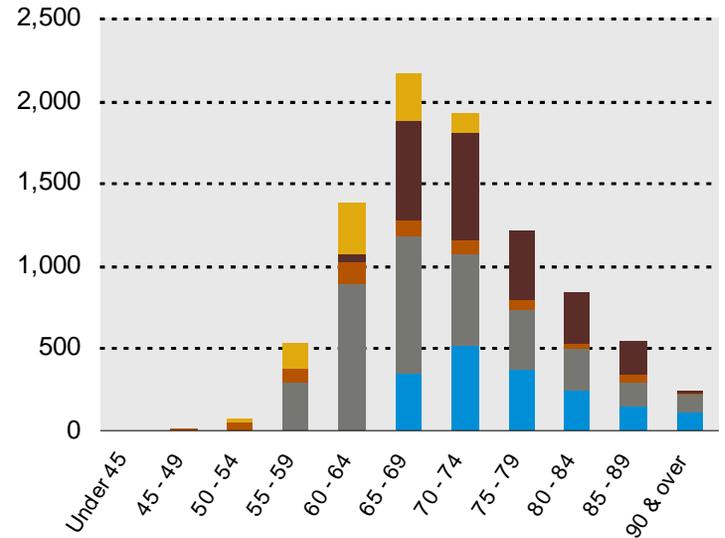


CHART 6
Distribution of Pensioners by Type and by Age as of December 31, 2010



SECTION 2: Valuation Results for the Automotive Industries Pension Plan

In Chart 7, additions to the pension rolls include new pensions awarded and suspended pensioners who have been reinstated. Terminations include pensioners who died or were suspended during the prior plan year. The change in average age and average amounts of pensioners in payment status is shown as the Fund matures over time.

This chart shows a year-by-year history of changes in the pensioner group.

CHART 7
Progress of Pension Rolls: 2001 – 2010

Year Ended December 31	Additions	Terminations	In Payment Status at Year End		
			Number	Average Age	Average Amount
2001	413	269	6,917	71.2	\$730
2002	484	311	7,090	71.1	780
2003	585	329	7,346	71.0	843
2004	568	350	7,564	70.9	886
2005	565	328	7,801	70.9	931
2006	519	317	8,003	70.9	968
2007	544	352	8,195	71.0	997
2008	720	347	8,568	70.8	1,039
2009	589	361	8,796	71.0	1,070
2010	477	345	8,928	71.2	1,086

SECTION 2: Valuation Results for the Automotive Industries Pension Plan

B. FINANCIAL INFORMATION

Pension plan funding anticipates that, over the long term, both contributions (less administrative expenses) and investment earnings (less investment fees) will be needed to cover benefit payments. Pension plan assets change as a result of the net impact of these income and expense components. Chart 8 shows these changes over the last ten years. A summary of these transactions for the valuation year is presented in Section 3, Exhibit B.

Benefit payments during the year totaled \$126,673,029. They are projected to increase to \$155,773,689 ten years from now (reflects Rehabilitation Plan schedules for members covered under CBA's that adopted schedules before 2012). To the

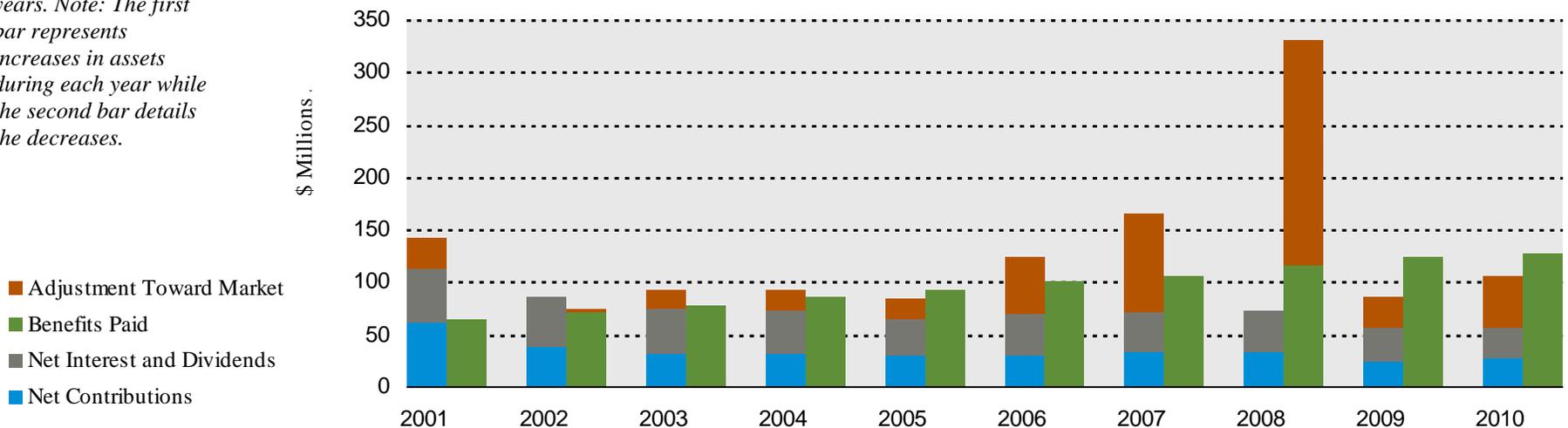
extent that future contributions are projected to be less than benefit payments, investment earnings or fund assets will be needed to cover the shortfall

PPA'06 requires Trustees to monitor plan solvency, the ability to pay benefits when due. If a plan is projected to be unable to pay benefits within five years (or within seven years, if the PPA'06 funded percentage is less than 65%), the plan will be categorized in the *Red Zone*. More information about PPA'06 can be found in Subsection G.

Our projections show the Plan is not expected to be insolvent within seven years. We will continue to monitor the plan solvency.

This chart depicts the components of changes in the actuarial value of assets over the last ten years. Note: The first bar represents increases in assets during each year while the second bar details the decreases.

CHART 8
Comparison of Increases and Decreases in the Actuarial Value of Assets for Years Ended December 31, 2001 – 2010



SECTION 2: Valuation Results for the Automotive Industries Pension Plan

Because the Plan is funded by negotiated contribution rates, it is desirable to have a level and predictable pension plan cost from one year to the next. For this reason, the Trustees have approved an asset valuation method that gradually adjusts to market value. Under this valuation method, the full value of market fluctuations is not recognized in a single year and, as a result, the asset value and the pension plan cost are more stable.

The amount of the adjustment to recognize market value is treated as income, which may be positive or negative. Realized gains and losses and unrealized gains and losses are treated equally and, therefore, the sale of assets has no immediate effect on the actuarial value. This removes any consideration of the impact of sales of assets from the determination of the actuarial cost of the Plan.

This chart shows the determination of the actuarial value of assets as of December 31, 2010.

CHART 9 Determination of Actuarial Value of Assets as of December 31, 2010

1	Market value of assets, December 31, 2010			\$1,268,122,155
2	Calculation of unrecognized return	Original Amount*	Unrecognized Return**	
	(a) Year ended December 31, 2010	\$64,082,062	\$51,265,649	
	(b) Year ended December 31, 2009	336,280,771	201,768,463	
	(c) Year ended December 31, 2008	-544,725,297	-217,890,119	
	(d) Year ended December 31, 2007	9,505,483	1,901,097	
	(e) Year ended December 31, 2006	87,840,421	<u>0</u>	
	(f) Total unrecognized return			37,045,090
3	Preliminary actuarial value: (1) - (2f)			1,231,077,065
4	Adjustment to be within 20% corridor			0
5	Final actuarial value of assets as of December 31, 2010: (3) + (4)			<u>\$1,231,077,065</u>
6	Actuarial value as a percentage of market value: (5) ÷ (1)			97.1%
7	Amount deferred for future recognition: (1) - (5)			\$37,045,090

* Total return on market value basis minus expected return on actuarial basis using the net investment return assumption

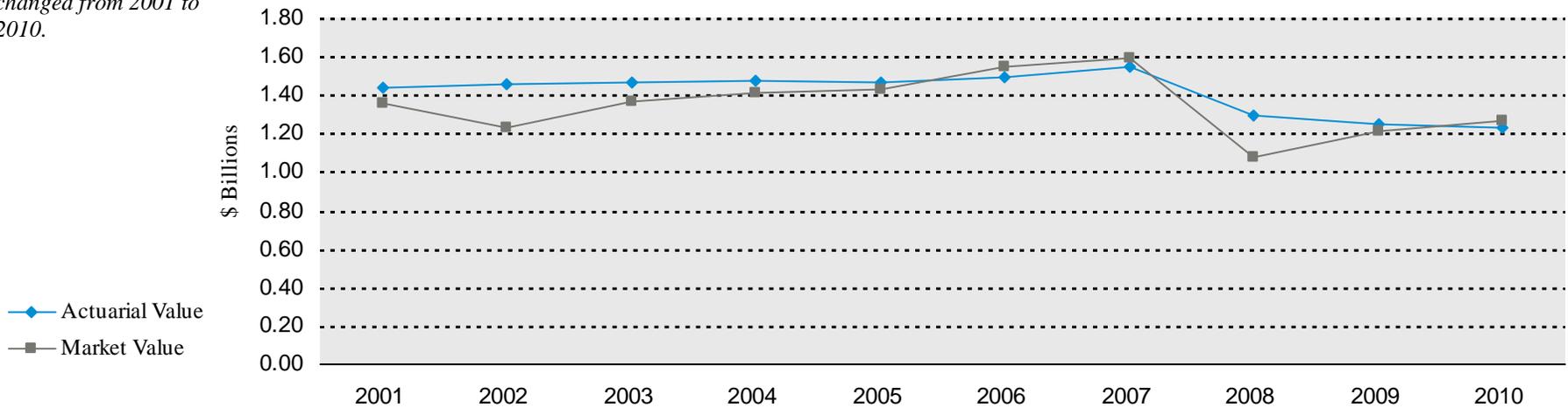
** Recognition at 20% per year over 5 years

SECTION 2: Valuation Results for the Automotive Industries Pension Plan

Both the actuarial value and the market value of assets are representations of the Fund’s financial status. As investment gains and losses are gradually taken into account, the actuarial value of assets tracks the market value of assets. The actuarial value is significant because it is subtracted from the Plan’s total actuarial accrued liability to determine the portion that is not funded and is used to determine the PPA’06 funded percentage. Amortization of the unfunded portion is an important element in the contribution requirements of the Plan as detailed in Subsections E and F.

This chart shows how the actuarial value of assets and the market value of assets have changed from 2001 to 2010.

CHART 10
Actuarial Value of Assets vs. Market Value of Assets as of December 31, 2001 - 2010



SECTION 2: Valuation Results for the Automotive Industries Pension Plan

C. EMPLOYMENT EXPERIENCE

The Trustees are in the best position to select the appropriate employment level assumption to use in long term planning for funding the Plan. Total months of contributions, number of actives and their average months of contributions are shown in Chart 12.

The long term assumption for Scheduled Cost purposes is 11.5 months for each active participant. The experience in recent years has shown a trend of per capita months at about this level. For this valuation, the assumption has remained at 11.5 months for each active participant based on recent experience. We look to the Trustees for guidance as to whether this is reasonable for the long term.

Certifications under PPA'06 include a projection of future contributions. Any projection of industry activity, including future employment and contribution levels, must be based on reasonable information for the projection period provided by the Trustees. The industry activity assumption used for the 2011 actuarial certification was for the total number of contributory months for 2011 and beyond to be at 90% of the total number of contributory months in 2010.

This chart provides a history of the various measures of employment.

CHART 11
Employment History: 2001 - 2010

Year Ended December 31	Total Months of Contributions		Active Participants		Average Months of Contributions	
	Number	Percent Change	Number	Percent Change	Number	Percent Change
2001	98,250	0.0%	8,552	-0.7%	11.5	0.9%
2002	97,275	-1.0%	8,405	-1.7%	11.6	0.9%
2003	91,616	-5.8%	7,865	-6.4%	11.6	0.0%
2004	86,584	-5.5%	7,460	-5.1%	11.6	0.0%
2005	79,452	-8.2%	6,946	-6.9%	11.4	-1.7%
2006	75,015	-5.6%	6,426	-7.5%	11.7	2.6%
2007	71,943	-4.1%	6,211	-3.3%	11.6	-0.9%
2008	65,874	-8.4%	5,661	-8.9%	11.6	0.0%
2009	55,385	-15.9%	4,687	-17.2%	11.8	1.7%
2010	52,392	-5.4%	4,484	-4.3%	11.7	-0.8%
Five-year average months:					11.7	
Ten-year average months:					11.6	

SECTION 2: Valuation Results for the Automotive Industries Pension Plan

D. ACTUARIAL EXPERIENCE

To calculate the cost requirements of the Plan, assumptions are made about future events that affect the amount and timing of benefits to be paid and assets to be accumulated. Each year actual experience is measured against the assumptions and, to the extent that there are differences in that year, the contribution requirement is adjusted. If assumptions are changed, the contribution requirement is adjusted to take into account a change in experience anticipated for all future years.

Taking account of experience gains or losses in one year without making a change in assumptions reflects the belief that the single year's experience was a short-term development and that, over the long run, experience will

return to that originally assumed. For contribution requirements to remain stable, assumptions should approximate experience.

When compared to the projected actuarial accrued liability of \$1,971,087,403 as of December 31, 2010, the net experience variation was significant. On the following pages is a discussion of the major components of the actuarial experience.

This chart provides a summary of the prior year's actuarial experience.

CHART 12
Actuarial Experience for the Year Ended December 31, 2010

1	Net loss from investments*	-\$9,403,312
2	Net loss from administrative expenses	-701,158
3	Net loss from other experience	<u>-27,086,234</u>
4	Net experience loss: (1) + (2) + (3)	<u><u>-\$37,190,704</u></u>

* Details in Chart 13.

SECTION 2: Valuation Results for the Automotive Industries Pension Plan

Investment Rate of Return

Because earnings on investments significantly affect the cost of the Plan, an assumption is made about the rate of return on plan assets. The rate of return is investment income net of investment expenses, expressed as a percentage of the average actuarial value of assets during the year.

Investment income for the purposes of the actuarial valuation consists of interest and dividend income and the adjustment for market value changes. Investment expenses are subtracted.

This chart shows the portion of the loss due to investment experience.

CHART 13

Actuarial Value Investment Experience for the Year Ended December 31, 2010

1	Net investment income	\$77,802,636
2	Average actuarial value of assets	1,202,840,664
3	Rate of return: (1) ÷ (2)	6.47%
4	Assumed rate of return	7.25%
5	Expected net investment income: (2) x (4)	\$87,205,948
6	Actuarial loss: (1) – (5)	<u>-\$9,403,312</u>

SECTION 2: Valuation Results for the Automotive Industries Pension Plan

For your information, the chart below shows the rate of return on an actuarial basis compared to the market value investment return for the last ten years, including five-year and ten-year averages. However, actuarial planning is long term as the obligations of pension plans are expected to continue for the lifetime of its active and inactive participants.

As indicated below, the experience in the past few years has shown both higher and lower rates of return than the long-term assumption. Based upon this experience, the current asset allocation, and future expectations, we have maintained the assumed long-term rate of return of 7.25%.

CHART 14

Investment Return – Actuarial Value vs. Market Value: 2001 - 2010

Year Ended December 31	Net Interest and Dividend Income		Adjustment Toward Market Value		Actuarial Value Investment Return		Market Value Investment Return	
	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent
2001	\$50,676,604	3.72%	\$29,296,649	2.15%	\$79,973,253	5.87%	-\$9,069,183	-0.67%
2002	48,601,263	3.41%	-3,207,557	-0.22%	45,393,706	3.19%	-89,236,183	-6.68%
2003	42,459,075	2.97%	18,732,995	1.31%	61,192,070	4.28%	184,138,629	15.25%
2004	40,090,505	2.78%	20,474,952	1.42%	60,565,457	4.20%	100,886,814	7.52%
2005	34,974,526	2.42%	18,978,130	1.32%	53,952,656	3.74%	74,528,689	5.39%
2006	39,606,790	2.77%	53,225,232	3.72%	92,832,022	6.49%	195,157,758	14.03%
2007	37,889,042	2.61%	94,006,873	6.47%	131,895,915	9.08%	114,762,992	7.58%
2008	39,032,910	2.59%	-214,275,326	-14.23%	-175,242,416	-11.64%	-435,550,927	-28.08%
2009	30,324,368	2.44%	30,648,145	2.47%	60,972,513	4.91%	239,476,303	23.35%
2010	28,171,854	2.34%	49,630,782	4.13%	77,802,636	6.47%	151,288,010	12.97%
Total	\$391,826,937		\$97,510,875		\$489,337,812		\$526,382,902	
						Most recent five-year average return:	2.76%	3.99%
						Most recent ten-year average return:	3.51%	3.96%

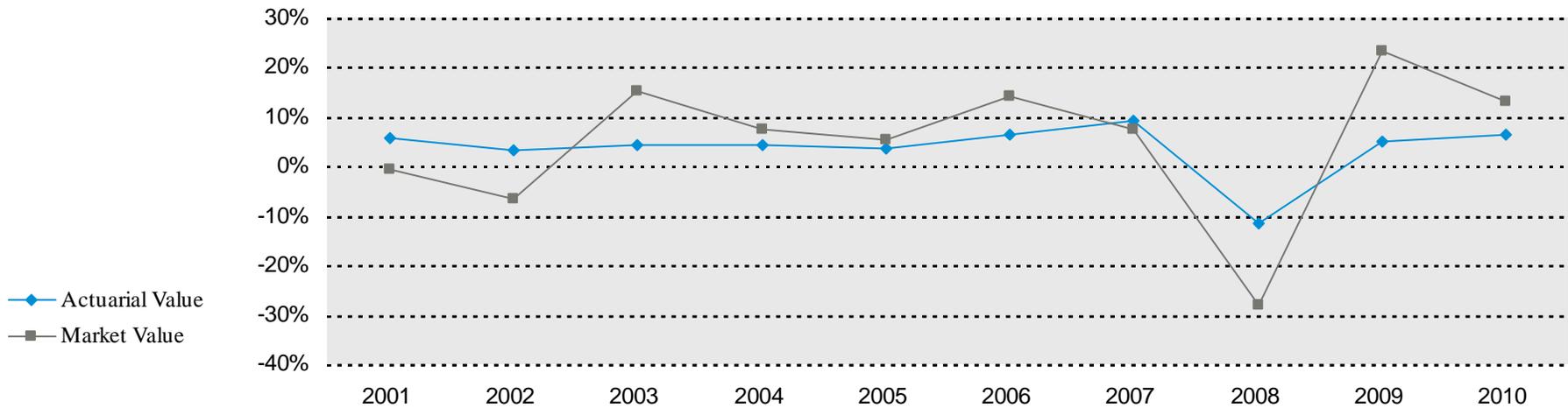
Note: Each year's yield is weighted by the average asset value in that year.

SECTION 2: Valuation Results for the Automotive Industries Pension Plan

Subsection B described the actuarial asset valuation method that gradually takes into account fluctuations in the market value rate of return. The effect of this is to stabilize the actuarial rate of return and to produce more level pension plan costs.

This chart illustrates how this leveling effect has actually worked over the past ten years.

CHART 15
Market Value and Actuarial Rates of Return for Years Ended December 31, 2001 - 2010



SECTION 2: Valuation Results for the Automotive Industries Pension Plan

Administrative Expenses

Administrative expenses for the year ended December 31, 2010 totaled \$3,378,884, compared to the assumption of \$2,700,000, payable monthly. This resulted in a loss of \$701,158 for the year when adjusted for timing. Because we expect part of the expenses to be one-time expenditures, we have increased the assumption of \$2,700,000 to \$3,000,000 for the current year.

Other Experience

There are other differences between projected and actual experience that appear when a new valuation is compared with projections from the previous valuation. These include:

- the extent of turnover among the participants,
- retirement experience (earlier or later than projected), and,
- mortality (more or fewer deaths than projected).

Another difference may be a significant change among the participants, such as the reemployment of previously inactive participants who are not vested but have credit for prior service.

The net loss from this other experience amounted to \$27,086,234 for the last plan year. Part of this loss was due to revised data that generally delayed the timing of benefit reductions under the Rehabilitation Plan.

SECTION 2: Valuation Results for the Automotive Industries Pension Plan

E. SCHEDULED COST VS. CONTRIBUTIONS

The Scheduled Cost is the amount of annual contribution required to fund the Plan in accordance with the amortization approach adopted by the Trustees. It provides a long term evaluation of whether benefit levels are sustainable given the negotiated contributions and the expectation of a continuing Plan.

The Scheduled Cost as of January 1, 2011 is based on all of the data described in the previous sections and the actuarial assumptions and methods described in the Certificate of Actuarial Valuation. It includes all changes affecting future costs, all plan provisions adopted at the time of the preparation of the Actuarial Valuation, actuarial gains and losses, changes in the actuarial assumptions and the effect of contribution levels that were higher or lower than necessary to meet the prior year's Scheduled Cost.

The following plan changes were reflected in this valuation:

- The Trustees implemented a Rehabilitation Plan with a schedule that reduced Plan benefits as described in Section 4, Exhibit VIII. This year's valuation recognizes the benefit reductions for members covered under expected collective bargaining agreements (CBAs) that are expected to adopt the schedule before 2012.
- Effective February 1, 2011, the Plan was amended to eliminate the commencement of the Vested Benefit to inactive vested participants, prior to Normal Retirement Age. This change is not reflected in the valuation for active members whose pre-rehabilitation plan CBA is expected to expire after 2011.

The following actuarial assumptions were changed in this valuation:

- The retirement age for inactive vested participants with unsubsidized early retirement benefits was changed from age 62 to age 65.
- The assumption for annual administrative expenses was increased from \$2,700,000 to \$3,000,000, payable monthly.

The contribution rate change included in this valuation is:

- The average contribution rate decreased from \$394.93 per month to \$393.62 per month.

SECTION 2: Valuation Results for the Automotive Industries Pension Plan

The Plan's Scheduled Cost is based on a funding schedule different from the minimum funding requirements established by ERISA. While the ERISA Funding Standard Account (FSA) has separate components with different amortization schedules for each change in the unfunded actuarial accrued liability due to (a) experience gains and losses, (b) revised assumptions and (c) benefit changes, the Scheduled Cost is derived by using a single amortization schedule (fixed 20-year period) for the Plan's combined unfunded actuarial accrued liability. As of January 1, 2011, the unfunded actuarial accrued liability totaled \$755,499,579 (actuarial accrued liability of \$1,986,576,644 less assets of \$1,231,077,065).

The Scheduled Cost recognizes all plan provisions at the time the Actuarial Valuation was prepared. This differs slightly from the plan of benefits used for the coming year (for the year beginning January 1, 2011) for Funding Standard Account purposes because the FSA does not reflect the Rehabilitation Plan schedules effective in 2011 until the middle of the year.

This chart compares this valuation's Scheduled Cost with the corresponding determination one year earlier.

CHART 16
Scheduled Cost

	Cost Element	Year Beginning January 1	
		2011	2010
1	Normal cost, including administrative expenses	\$7,032,993	\$7,098,681
2	Amortization of the unfunded actuarial accrued liability	67,790,565	63,370,755
3	Adjustment for monthly payments	<u>2,875,460</u>	<u>2,708,132</u>
4	Total Scheduled Cost, payable monthly	<u>\$77,699,018</u>	<u>\$73,177,568</u>

SECTION 2: Valuation Results for the Automotive Industries Pension Plan

A reconciliation of the prior year's Scheduled Cost with the current year's Scheduled Cost is presented in Chart 17. As indicated, the net cost increase was due primarily to an experience loss and to contributions falling short of the Scheduled Cost for the prior year.

This chart illustrates the changes in the Scheduled Cost over the preceding plan year.

CHART 17

Reconciliation of the Scheduled Cost

Scheduled Cost as of January 1, 2010	\$73,177,568
Effect of plan amendments, including changes in contribution rates	-\$2,823,123
Effect of resetting amortization period to 20 years	-1,748,065
Effect of change in administrative expense assumption	300,000
Effect of change in other actuarial assumptions	1,024,771
Effect of contributions (more)/less than Scheduled Cost	4,155,419
Effect of investment loss	897,481
Effect of other gains and losses on accrued liability	2,790,758
Effect of net other changes, including composition and number of participants	<u>-75,791</u>
Total change	<u>\$4,521,450</u>
Scheduled Cost as of January 1, 2011	<u>\$77,699,018</u>

SECTION 2: Valuation Results for the Automotive Industries Pension Plan

Plan's Margin/(Deficit)

If the contributions projected at the negotiated contribution rates exceed the Scheduled Cost, the plan has a margin. If the Scheduled Cost exceeds the projected negotiated contributions, a deficit results. The projected employer contributions are based on the Trustees' assumption that 4,484 participants will work an average of 11.5 months at the \$393.62 average negotiated contribution rate. The annual contribution amount is projected to be \$20,297,409. This falls short of the Scheduled Cost of \$77,699,018 by \$57,401,609, or 282.8% of projected contributions.

The Scheduled Cost deficit is large enough that the unfunded actuarial accrued liability is not being amortized.

This chart compares the Scheduled Cost with contributions projected at the negotiated contribution rates.

CHART 18
Contributions Projected at the Negotiated Contribution Rates vs. Scheduled Cost

		Year Beginning January 1, 2011	
		Amount	Rate per Month
1	Total projected employer contributions (4,484 participants at 11.5 months)	\$20,297,409	\$393.62
2	Scheduled Cost (fixed 20-year amortization period)	77,699,018	1,506.79
3	Projected margin/(deficit) for the year: (1) – (2)	<u>-\$57,401,609</u>	<u>-\$1,113.17</u>

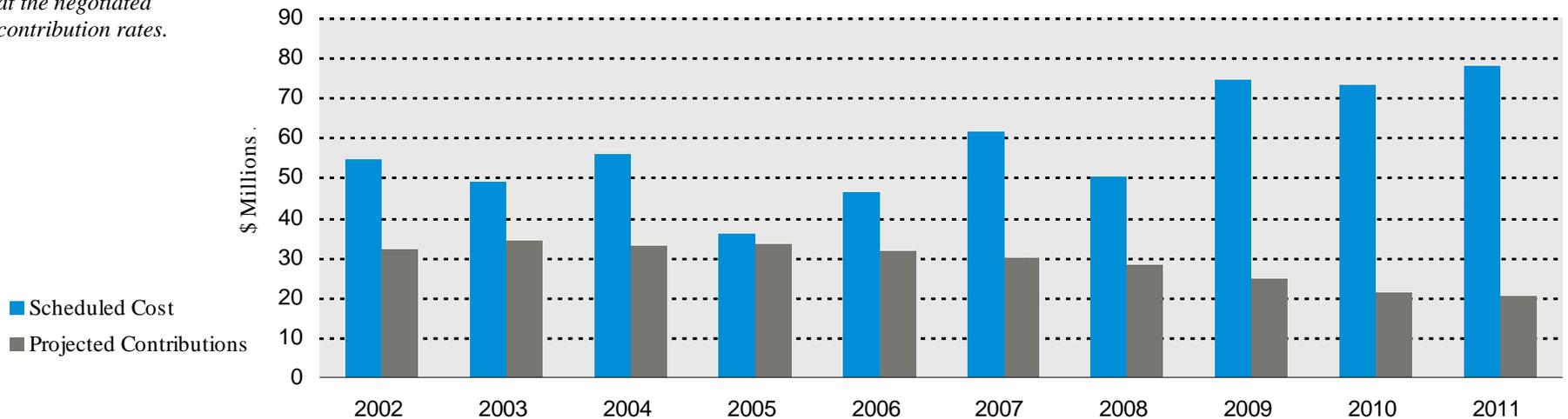
SECTION 2: Valuation Results for the Automotive Industries Pension Plan

As previously noted, the Scheduled Cost is based on an amortization schedule that is different from what is demanded for the Funding Standard Account. Simply avoiding a legal funding deficiency as determined by the Funding Standard Account is not, in our opinion, an adequate or stable basis for funding the Plan through contribution rates that are fixed in multi-year contracts. PPA '06 reinforces this position by requiring formal annual projections and requires a Funding Improvement Plan or Rehabilitation Plan unless the Funding Standard Account credit balance is projected to remain positive for at least seven years.

The Plan's approach to amortizing the unfunded liabilities for Scheduled Cost is directed toward preserving long-term stability of contribution rates by maintaining a margin. In Chart 19, the margin/(deficit) is represented by the difference between contributions projected at the negotiated contribution rates and the Scheduled Cost.

Chart 19 shows a comparison of Scheduled Cost and contributions projected at the negotiated contribution rates.

CHART 19
Scheduled Cost and Contributions Projected at the Negotiated Contribution Rates for Years Beginning January 1



SECTION 2: Valuation Results for the Automotive Industries Pension Plan

F. SUMMARY OF CONTRIBUTION REQUIREMENTS

Contributions

ERISA imposes a minimum funding standard that requires the Plan to maintain a Funding Standard Account. Contributions meet the legal requirement on a cumulative basis if that account shows no deficiency. The accumulation of the actual contributions in excess of the minimum required contributions under ERISA is called the credit balance. If actual contributions fall short of the minimum required contributions on a cumulative basis, a funding deficiency has occurred.

The minimum funding rules were revised as a result of PPA'06. Increases or decreases in the actuarial accrued liability due to assumption changes and plan amendments are amortized over 15 years (half the time previously allowed) and short-term benefits, such as 13th checks, must be amortized over the scheduled payout period.

Employers who contribute to defined benefit pension plans are also subject to maximum deductible contribution limitations prescribed by the IRS. For the development of the maximum deductible contribution amount, see Section 3, Exhibit F.

Based on the assumption that 4,484 participants will work an average of 11.5 months at a \$393.62 average contribution rate, the contributions projected for the year beginning January 1, 2011 are \$20,297,409 as shown in Chart 20. Contributions for the year beginning January 1, 2011 are projected to be less than minimum required contributions. However, employers are not liable for satisfying the ERISA minimum funding standard for any plan year in which the plan is in critical status pursuant to Section 432, if the plan complies with a rehabilitation plan in accordance with Section 432(e).

This chart summarizes the contribution information for the valuation year.

CHART 20

Contribution Requirements vs. Contributions Projected for Year Beginning January 1, 2011

ERISA minimum required contribution	\$41,940,702
Projected contributions	20,297,409
Maximum deductible contribution	2,756,531,808

SECTION 2: Valuation Results for the Automotive Industries Pension Plan

Funding Standard Account

The Funding Standard Account is charged with a normal cost and the amortization of increases in the unfunded actuarial accrued liability due to 1) plan amendments, 2) experience losses and 3) changes in actuarial assumptions and funding methods. The account is credited with employer contributions, withdrawal liability payments and the amortization of decreases in the unfunded actuarial accrued liability due to 1) plan amendments, 2) experience gains and 3) changes in actuarial assumptions and funding methods.

On December 31, 2010, the Funding Standard Account had a credit balance of \$23,560,939, as shown on the 2010 Schedule MB. This reserve may be drawn upon to meet charges to the account if contributions fall below the net charge in the future.

The minimum funding requirement for the year beginning January 1, 2011, as shown in Chart 20, is \$41,940,702. For the year beginning January 1, 2011, the minimum contribution necessary to avoid a decrease in the current credit balance is \$63,210,269. The projected contributions for the year of \$20,297,409 are not projected to be sufficient to meet this cost and the credit balance is projected to decline by approximately \$44.5 million as of December 31, 2011.

We are available to work with the Trustees to develop credit balance projections.

Chart 21 presents the Funding Standard Account information for the year ended December 31, 2010.

**CHART 21
Funding Standard Account for the Year Ended December 31, 2010**

Charges			Credits		
1	Normal cost, including administrative expenses	\$7,297,042	5	Prior year credit balance	\$53,002,298
2	Total amortization charges	157,337,021	6	Employer contributions	30,919,443
3	Interest to end of the year	<u>11,935,970</u>	7	Total amortization credits	103,783,284
4	Total charges	\$176,570,033	8	Interest to end of the year	12,425,947
			9	Full-funding limitation credit	<u>0</u>
			10	Total credits	\$200,130,972
			11	Credit balance: (10) – (4)	<u>\$23,560,939</u>

SECTION 2: Valuation Results for the Automotive Industries Pension Plan

G. PENSION PROTECTION ACT OF 2006 (PPA'06)

PPA'06 preserves the current basic structure of ERISA's funding rules for multiemployer pension plans, while tightening them in some regards and adding new flexibility for trustees and bargaining parties in other areas. To identify emerging funding challenges so they can be addressed effectively, PPA'06 calls on trustees to actively monitor their plans' financial prospects. Trustees are required to review formal projections of the financial status of their plans at least annually.

PPA'06 Zone Status

Based on projections of the credit balance in the Funding Standard Account, the funded percentage, and cash flow sufficiency tests, plans are categorized in one of three "zones."

A plan is classified as being in critical status (the *Red Zone*) if:

- The PPA'06 funded percentage is less than 65%, and either there is a projected Funding Standard Account deficiency within five years or the plan is projected to be unable to pay benefits within seven years, or
- There is a projected Funding Standard Account deficiency within four years, or
- There is an inability to pay benefits within five years, or
- The present value of vested benefits for inactive participants exceeds that for actives, contributions are less than the value of the current year's benefit accruals plus interest on existing unfunded accrued benefit liabilities, and there is a projected Funding Standard Account deficiency within five years, or

- The plan was in critical status for the immediately preceding plan year and there is a projected Funding Standard Account deficiency within ten years.

For a plan that is in critical status, employers will generally not be penalized if a funding deficiency develops, provided the parties fulfill their obligations in accordance with the Rehabilitation Plan developed by the trustees and the negotiated bargaining agreements reflect that Rehabilitation Plan.

Red Zone plans have new tools, such as the ability to reduce or eliminate early retirement subsidies, to remedy the situation. Plans in the *Red Zone* may not pay lump sums. They may not reduce benefits of participants who retired before being notified of the plan's critical status (other than rolling back recent benefit increases) or alter core retirement benefits payable at normal retirement age.

A plan is classified as being in endangered status (the *Yellow Zone*) if:

- The PPA'06 funded percentage is less than 80%, or
- There is a projected Funding Standard Account deficiency within seven years, and
- The plan is not in critical status (*Red Zone*).

The corrective actions for endangered plans are based on the adoption of a formal Funding Improvement Plan, designed to improve gradually the current funded percentage, to forestall a funding deficiency and to keep the plan out of critical status.

A plan that has both of the endangered conditions present is classified as seriously endangered. Trustees of those plans must take interim measures to delay the projected funding

SECTION 2: Valuation Results for the Automotive Industries Pension Plan

deficiency by one year and improve the plan's funded percentage.

A plan is classified as being in the *Green Zone* if it is neither in critical status (the *Red Zone*) nor in endangered status (the *Yellow Zone*).

Funded Percentage

For purposes of PPA'06, the funded percentage is determined using the actuarial value of assets and the "Unit Credit accrued liability." This liability is generally equivalent to the present value of benefits earned to date, as discussed in Subsection H, and is based on the actuary's best estimate assumptions.

2011 Actuarial Status Certification

The actuarial certification of plan status under PPA'06 is required not later than the 90th day of the plan year.

The 2011 certification was based on the liabilities calculated in the 2010 actuarial valuation, adjusted for subsequent events and projected to December 31, 2010, and on estimated asset information as of December 31, 2010. In addition, the Trustees provided an industry activity assumption that the total number of contributory months for 2011 and beyond would be 90% of the total number of contributory months in 2010. This Plan was classified as Critical (*Red Zone*) because of a projected deficiency in the Funding Standard Account within one year.

This plan was first categorized as in critical status in 2008. The Trustees adopted a rehabilitation plan to enable the plan to cease being in critical status by the end of the rehabilitation period. Under the rehabilitation plan, new collective bargaining agreements negotiated on or after April 28, 2008

will include the maximum benefit reductions allowed by law. These reductions include the removal of all early retirement subsidies, joint and survivor subsidies, disability pensions, the 36-payment pre-retirement death benefit and all benefit options besides single life annuity or the QJSA. The Rehabilitation Plan also includes supplemental off-benefit contributions to the plan beginning January 1, 2013.

The Trustees elected under the Worker, Retiree and Employer Recovery Act of 2008 (WRERA) to freeze the Zone Status for 2009 at the level it was assigned for 2008, (i.e., critical). As a result, an update to the rehabilitation plan was not required in the 2009 Plan Year.

WRERA permitted trustees of plans that were in critical or status in 2008 or 2009 to extend the rehabilitation period by three additional years. The Trustees adopted this option.

The Plan was again classified as critical in 2010 and 2011. Under the current rehabilitation plan schedule, the plan is not expected to emerge from critical status by the end of the rehabilitation period. The Trustees determined that they could not make any reasonable updates to that schedule and have adopted a resolution to forestall plan insolvency. As part of their resolution, effective February 1, 2011, benefits cannot commence prior to normal retirement age for inactive vested participants. We are prepared to work with the Trustees in evaluating other alternatives for this Plan.

SECTION 2: Valuation Results for the Automotive Industries Pension Plan

2012 Actuarial Status Certification

Based on the assumptions and methods employed for this 2011 valuation, this plan will likely be categorized as in critical (*Red Zone*) status for 2012, unless it meets the “red zone” criteria of having no projected funding deficiency within 10 years, and not triggering any of the red zone entry criteria. However, the actual status for the 2012 Plan Year will involve the following:

- Updated asset information,
- Trustee input on industry activity, and
- Projections of benefit liabilities that recognize adopted plan changes, changes in collectively bargained contribution rates and other significant events.

SECTION 2: Valuation Results for the Automotive Industries Pension Plan

H. DISCLOSURE REQUIREMENTS

Present Value of Accumulated Plan Benefits (PVAB)

Financial reporting, in accordance with the Financial Accounting Standards Board Accounting Standards Codification (FASB ASC) 960 (formerly SFAS No. 35), requires determination of the present value of accumulated plan benefits. It is the single-sum value of the benefits, vested or not, earned by participants as of the valuation date. These present values are determined based on the plan of benefits reflected for Funding Standard Account purposes and are based upon the actuarial assumptions used to determine the ERISA's funding costs of the ongoing Plan. These are not appropriate liability measurements for other purposes such as if the Plan were to terminate.

Chart 22 shows the present value of vested and accumulated plan benefits and the funded percentages based on the actuarial value of assets, for the 2011 and 2010 valuations. The PVAB funded percentage for 2011 is not the same as that used to determine the annual certification required under PPA'06. The values shown in Charts 22, 23, and 24 reflect current participant and financial information, whereas the annual certification was based on prior participant data and estimated financial results.

For a detailed breakdown of this information and a reconciliation from last year to this year, see Section 4, Exhibit VI.

This chart shows the calculation of the funded percentage.

CHART 22

Present Value of Vested and Accumulated Plan Benefits

	January 1	
	2011	2010
1 Present value of vested accumulated plan benefits	\$1,958,179,752	\$1,928,605,153
2 Present value of accumulated benefits	1,976,368,800	1,952,028,529
3 Actuarial value of assets	1,231,077,065	1,252,406,899
4 PVAB funded percentage: (3) ÷ (2)	62.3%	64.2%

SECTION 2: Valuation Results for the Automotive Industries Pension Plan

Chart 23 below compares the present value of accumulated plan benefits with the actuarial value of assets over the past ten years. Chart 24 shows the relationship of these measures as a percentage.

A historical comparison over the past ten years is shown in these charts.

CHART 23
Present Value of Accumulated Plan Benefits vs. Actuarial Value of Assets as of January 1, 2002 - 2011

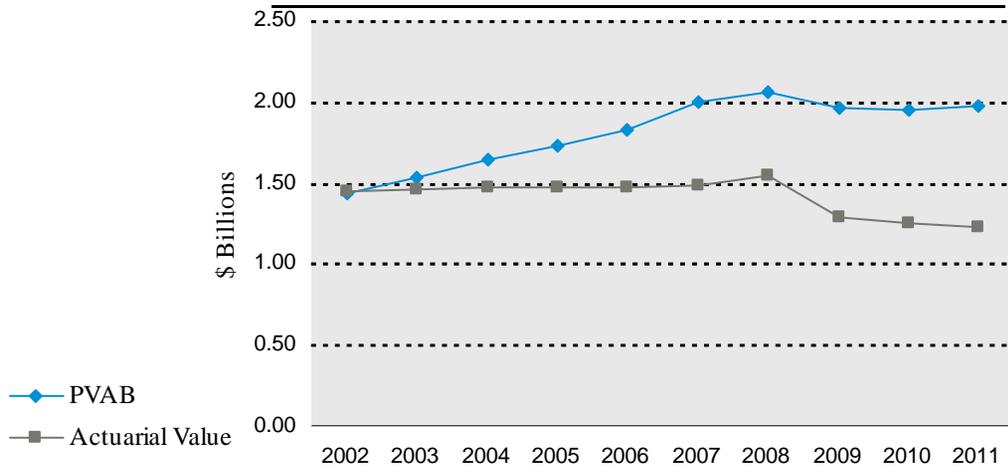
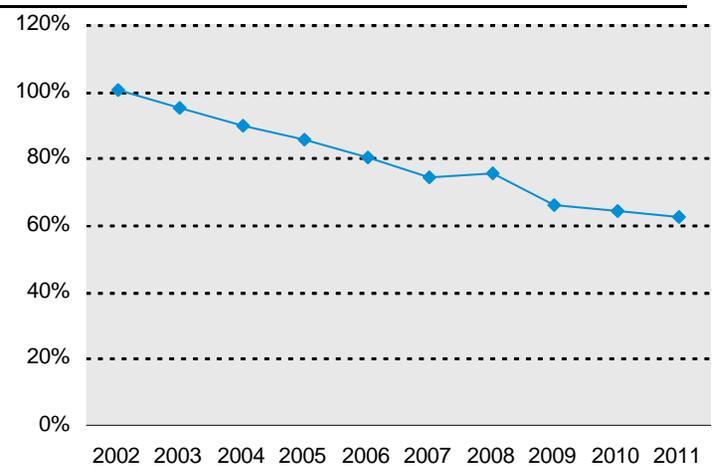


CHART 24
Actuarial Value of Assets as a Percentage of Present Value of Accumulated Plan Benefits as of January 1, 2002 - 2011



SECTION 2: Valuation Results for the Automotive Industries Pension Plan

Annual Funding Notice

PPA'06 requires the annual funding notice to be provided to participants, employers, unions and government agencies. Beginning with the 2008 Plan Year, it must include much more information, and it must be sent by 120 days after the end of the plan year. The actuary's "best estimate" assumptions are the basis for the measurement of the funding notice percentage.

As shown in Chart 22, the value of plan benefits earned to date as of January 1, 2011 is \$1,976,368,800 using the long-term funding interest rate of 7.25%. As the actuarial value of assets is \$1,231,077,065, the Plan's funded percentage is 62.3%, compared to 64.2% in the prior year. The funded percentage is one measure of a plan's funded status. It is not indicative of how well funded a plan may be in the future, especially in the event of plan termination.

Although the annual funding notice was revised, ERISA still requires the disclosure by the actuary of the funding percentage based on "current liability" assumptions and the market value of assets, if it is less than 70%. As shown in Section 4, Exhibit V, the Plan's current liability as of January 1, 2011 is \$2,845,383,608 using an interest rate of 4.47%. As the market value of assets is \$1,268,122,155, this funded current liability percentage is 44.6%. This will be disclosed on the 2011 Schedule MB of IRS Form 5500.

The actuarial information to be provided in the annual funding notice is shown in Section 3, Exhibit D.

Disclosure of Any Recent Adverse Developments

As amended in 1980, ERISA requires the Plan's enrolled actuary to provide a statement for inclusion in the Plan's annual report disclosing any event or trend that the actuary has not taken into account, if, to the best of the actuary's knowledge, such an event or trend may require a material increase in plan costs or required contribution rates. If the Trustees are currently aware of any event that was not considered and that may materially increase the cost of the Plan, they must advise The Segal Company, so that we can evaluate it and take it into account.

SECTION 2: Valuation Results for the Automotive Industries Pension Plan

I. WITHDRAWAL LIABILITY

As of December 31, 2010, the actuarial present value of vested plan benefits for withdrawal liability purposes is \$2,290,825,256. This is not the same figure as determined for FASB ASC 960 purposes because the two calculations involve different benefit provisions and different actuarial assumptions. For purposes of determining the present value of vested benefits, we excluded some benefits that are not protected by IRC Section 411(d)(6), including pre-retirement death and disability benefits. Since the market value of assets as of the same date is \$1,268,122,155, the unfunded present value of vested benefits for withdrawal liability purposes is \$1,022,703,101.

The major assumptions used in the valuation of the current year's unfunded present value of vested benefits for withdrawal liability purposes are as follows:

- Interest: For liabilities up to market value of assets, 4.48% for 25 years and 4.51% beyond. For liabilities in excess of market value of assets, same as used for plan funding.
- Administrative expenses: Calculated as prescribed by PBGC formula (29 CFR Part 4044, Appendix C); not applicable to those liabilities determined using funding interest rates.
- Mortality: Same as used for plan funding
- Retirement rates: Same as used for plan funding

For purposes of withdrawal liability, these actuarial assumptions and methods are reasonable (taking into account the experience of the Plan and reasonable expectations) and, in combination, offer the actuary's best estimate of anticipated experience under the Plan.

In general, reductions in accrued benefits and/or contribution surcharges for a plan in critical status (*Red Zone*) are disregarded for determination of withdrawal liability. The Trustees have adopted a new method for calculating withdrawal liability. The new method is based upon the Pension Benefit Guaranty Corporation's (PBGC) Technical Update 10-3, which describes how to account for the effect of benefit reductions that are implemented as part of a Rehabilitation Plan when a pension plan is in critical status.

A detailed report on withdrawal liability is available.

SECTION 3: Supplementary Information for the Automotive Industries Pension Plan

EXHIBIT A

Table of Plan Coverage

Category	Year Ended December 31		Change From Prior Year
	2010	2009	
Active participants in valuation:			
Number	4,484	4,687	-4.3%
Average age	45.2	45.0	N/A
Average years of Credited Service	12.4	12.2	N/A
Average contribution rate for coming year	\$393.62	\$394.93	-0.3%
Number with unknown age	29	24	20.8%
Total active vested participants	3,587	3,671	-2.3%
Inactive participants with rights to a pension:			
Number	10,882	11,011	-1.2%
Average age	52.4	51.8	N/A
Average monthly benefit	\$817	\$812	0.6%
Pensioners (including disabled):			
Number in pay status	8,928	8,796	1.5%
Average age	71.2	71.0	N/A
Average monthly benefit	\$1,086	\$1,070	1.5%
Number in suspended status	50	45	11.1%
Beneficiaries:			
Number in pay status	2,265	2,203	2.8%
Average age	74.3	74.0	N/A
Average monthly benefit	\$351	\$339	3.5%

SECTION 3: Supplementary Information for the Automotive Industries Pension Plan

EXHIBIT B

Summary Statement of Income and Expenses on an Actuarial Basis

	Year Ended December 31, 2010	Year Ended December 31, 2009
Contribution income:		
Employer contributions	\$21,260,518	\$22,744,958
Liquidated damages	101,781	41,369
Withdrawal liability payments	9,557,144	5,128,397
Less administrative expenses	<u>-3,378,884</u>	<u>-2,845,275</u>
Net contribution income	\$27,540,559	\$25,069,449
Investment income:		
Interest and dividends	\$34,004,625	\$35,353,651
Adjustment toward market value	49,630,782	30,648,145
Less investment fees	<u>-5,832,771</u>	<u>-5,029,283</u>
Net investment income	<u>77,802,636</u>	<u>60,972,513</u>
Total income available for benefits	\$105,343,195	\$86,041,962
Less benefit payments	-\$126,673,029	-\$123,299,506
Change in reserve for future benefits	<u>-\$21,329,834</u>	<u>-\$37,257,544</u>

SECTION 3: Supplementary Information for the Automotive Industries Pension Plan

EXHIBIT C

Financial Information Table

	Year Ended December 31, 2010	Year Ended December 31, 2009
Cash equivalents	\$16,120,147	\$12,380,382
Accounts receivable:		
Employer contributions	\$1,700,000	\$1,735,000
Accrued investment income	<u>9,143,896</u>	<u>8,223,805</u>
Total accounts receivable	10,843,896	9,958,805
Investments:		
Fixed income	\$389,446,365	\$314,113,020
Equities	803,410,595	768,853,024
Other investments	<u>52,782,185</u>	<u>116,793,376</u>
Total investments at market value	<u>1,245,639,145</u>	<u>1,199,759,420</u>
Total assets	\$1,272,603,188	\$1,222,098,607
Less accounts payable	-\$4,481,033	-\$6,131,992
Net assets at market value	<u>\$1,268,122,155</u>	<u>\$1,215,966,615</u>
Net assets at actuarial value	<u>\$1,231,077,065</u>	<u>\$1,252,406,899</u>

SECTION 3: Supplementary Information for the Automotive Industries Pension Plan

EXHIBIT D

Annual Funding Notice for Plan Year Beginning January 1, 2011 and Ending December 31, 2011

	Funding Percentage		
	2011 Plan Year	2010 Plan Year	2009 Plan Year
Actuarial valuation date	January 1	January 1	January 1
Funded percentage	62.3%	64.2%	66.0%
Value of assets	\$1,231,077,065	\$1,252,406,899	\$1,289,664,443
Value of liabilities	1,976,368,800	1,952,028,529	1,954,990,113

Fair value of assets as of December 31, 2011	Not available
Fair value of assets as of December 31, 2010	\$1,268,122,155
Fair value of assets as of December 31, 2009	1,215,966,615

Critical or Endangered Status

The Plan was in critical status in the plan year for the following four reasons:

1. The plan had a projected funding deficiency within 4 years;
2. The plan was in critical status last year and had a projected funding deficiency within 10 years;
3. The plan had a funded percentage less than 65% and a projected funding deficiency within 5 years; and
4. The plan's inactive vested liability exceeded that for actives and the plan had a projected funding deficiency within 5 years and the plan's projected contributions fall short of the plan's normal cost plus interest on unfunded liability.

SECTION 3: Supplementary Information for the Automotive Industries Pension Plan

EXHIBIT E

Reorganization

Under the reorganization provisions of the IRC, the Minimum Contribution Requirement (MCR) is calculated as the amount that amortizes the unfunded liability for current pensioners over ten years and the unfunded vested liability for non-pensioners over 25 years. The MCR is applicable only if this amount is larger than the Funding Standard Account requirement before the application of the credit balance.

For the year beginning January 1, 2011, the MCR does not exceed the Funding Standard Account requirement before the application of the credit balance, and is therefore not applicable for the current year. If the MCR is applicable, the Plan is said to be “in reorganization.” When a plan is in reorganization, contribution requirements are greater than the normal ERISA funding requirements, a plan must give notice to its participating employers and union(s) that it is in reorganization, cut-backs in recent benefit increases are permitted and any new benefit increases must be adequately funded. We are prepared to discuss the implications of reorganization status in more detail.

The Trustees should be aware that the recent adverse experience when fully reflected will increase the MCR more rapidly than the Funding Standard Account requirement and potentially place the Plan in reorganization. We will continue to monitor experience and review the applicability of the MCR to determine whether this may be avoided.

The funding requirements of ERISA and application of those rules are quite complicated. We can work with Legal Counsel to seek their advice as to the interpretation and applicability of the law and to determine how these issues apply to your Plan.

SECTION 3: Supplementary Information for the Automotive Industries Pension Plan

EXHIBIT F

Maximum Deductible Contribution

Employers that contribute to defined benefit pension plans are allowed a current deduction for payments to such plans. There are various measures of a plan’s funded level that are considered in the development of the maximum deductible contribution amount.

One of the limits is the excess of 140% of “current liability” over assets. “Current liability” is one measure of the actuarial present value of all benefits earned by the participants as of the valuation date. This is the limit that applies to your Plan as shown below.

Contributions received by the Plan in excess of the maximum deductible amount are not prohibited; only the deductibility of these contributions is subject to challenge and may have to be deferred to a later year. In addition, if contributions are not fully deductible, an excise tax in an amount equal to 10% of the non-deductible contributions may be imposed. However, the plan sponsor may elect to exempt the non-deductible amount up to the ERISA full-funding limitation from the excise tax.

You should review with Fund Counsel the interpretation and applicability of all laws and regulations concerning any issues as to the deductibility of contribution amounts.

This chart presents the calculation of the maximum deductible contribution for the January 1, 2011 - December 31, 2011 year.

Maximum Deductible Contribution

1.	Normal cost, including administrative expenses	\$7,184,072
2.	Amortization of unfunded actuarial accrued liability, fresh start as of January 1, 2011	105,073,503
3.	Preliminary maximum deductible contribution: (1) + (2), with interest to the end of the plan year	120,396,249
4.	Full-funding limitation (FFL)	1,349,950,925
5.	Preliminary maximum deductible contribution, adjusted for FFL: lesser of (3) and (4)	120,396,249
6.	Current liability, projected to the end of the plan year	2,813,161,765
7.	Actuarial value of assets, projected to the end of the plan year	1,181,894,663
8.	Excess of 140% of current liability over projected assets at end of plan year: [140% of (6)] - (7), not less than zero	2,756,531,808
9.	End of year minimum required contribution	41,940,702
10.	Maximum deductible contribution: greatest of (5), (8), and (9)	<u>\$2,756,531,808</u>

SECTION 3: Supplementary Information for the Automotive Industries Pension Plan

EXHIBIT G

Section 415 Limitations

Section 415 of the Internal Revenue Code specifies the maximum benefits that may be paid to an individual from a defined benefit plan and the maximum amounts that may be allocated each year to an individual's account in a defined contribution plan. If an individual is covered solely by multiemployer plans, the plans do not have to be combined for any of the limits. If the individual is covered by a single-employer plan, all plans maintained by the same employer are combined in applying these tests. Multiemployer plan benefits do not need to be combined with single-employer plan benefits in testing against the pay-based limit.

A qualified pension plan may not pay benefits in excess of the Section 415 limits. The ultimate penalty for non-compliance is disqualification; the plan could lose its tax exemption, employers could lose their deductions and active participants could be taxed on their vested benefits.

In particular, Section 415(b) of the IRC as amended by the Economic Growth and Tax Relief Reconciliation Act of 2001 (EGTRRA) limits the maximum annual benefit payable at age 62 to a dollar limit of \$160,000 indexed for inflation. The dollar limit indexed for inflation has remained unchanged at \$195,000 for 2010 and 2011. These are the limits in simplified terms. They must be adjusted based on each participant's circumstances for such things as age at retirement and form of benefits chosen.

While the actual determination of the exact limits applicable to each participant's benefit can only be done when the individual retires and applies for benefits, the overall impact of the limits has been reflected in this valuation for plan funding purposes, based on our understanding of the requirements of IRC Sections 404, 412, and 415 and the data available to us.

Fund Counsel's review and interpretation of the law and regulations must be sought in this area as well.

SECTION 3: Supplementary Information for the Automotive Industries Pension Plan

EXHIBIT H

General Background

An outline of the major developments in connection with the Plan's background and position is given below:

Changes in Benefit Amounts and Average Contribution Rate since January 1, 1976:

Effective Date		Average Monthly Contribution Rate	Monthly Pension Amount		Improvement to Existing Retirees
Year	Month		Per Year of Past Service	Future Service (per \$100 of Contributions)	
1976	January		\$ 5.00	\$2.75	
1980	January	\$ 87.58	5.50	3.03	10%
1981	November	103.49			(1)
1984	September	126.33	6.05	3.33	10%
1986	January	139.13	6.96	3.83	15%
1989	January	153.00	7.27	4.00	4.5%
1990	January	163.60	7.71	4.24	6%
1991	December	180.00			(1)
1992	January	183.00	7.71	\$4.45/\$4.24 ⁽²⁾	4.25%
1993	January	187.00		\$4.50/\$4.24 ⁽³⁾	1%
1994	January	191.25		\$4.50/\$4.24 ⁽⁴⁾	4% ⁽¹⁾
1995	January	200.67			
1996	January	220.37		\$4.50/\$4.24 ⁽⁵⁾	
1997	January	195.75		\$4.73/\$4.24 ⁽⁵⁾	2% ⁽¹⁾

SECTION 3: Supplementary Information for the Automotive Industries Pension Plan

Changes in Benefit Amounts and Average Contribution Rate since January 1, 1976 (continued):

Effective Date		Average Monthly Contribution Rate	Monthly Pension Amount		Improvement to Existing Retirees
Year	Month		Per Year of Past Service	Future Service (per \$100 of Contributions)	
1998	January	\$205.64		\$4.90/\$4.73 ⁽⁴⁾ /\$4.24 ⁽⁵⁾	1% ⁽¹⁾
1999	January	208.60	10.00	\$5.00/\$4.24 ⁽⁵⁾	2% ⁽¹⁾
2000	January	222.52			
2001	January	235.22			
2002	January	324.40			
2003	January	352.56			
2003	July			\$5.00/\$3.00 ⁽⁶⁾	
2004	January	365.78			
2005	January	390.04		\$0.50/\$1.00/\$2.00 ⁽⁷⁾	
2006	January	393.84			
2007	January	404.09			
2008	January	395.33			
2008	July			\$1.00 ⁽⁸⁾	
2009	January	381.89			
2010	January	394.93			
2011	January	393.62			

- ⁽¹⁾ Additional, one-time only, pension payment was granted.
- ⁽²⁾ The lower factor applies to service after January 1, 1992.
- ⁽³⁾ The lower factor applies to service after January 1, 1994.
- ⁽⁴⁾ The lower factor applies to service after January 1, 2000.
- ⁽⁵⁾ The lower factor applies to service after January 1, 2005.
- ⁽⁶⁾ The lower factor applies to service after July 1, 2003.
- ⁽⁷⁾ The first factor applies to the first \$250 of monthly contributions, the second factor applies to the second \$250 of monthly contributions, and the last factor applies to monthly contributions in excess of \$500. All three factors apply to service after January 1, 2005.
- ⁽⁸⁾ This factor applies to service after July 1, 2008.

SECTION 3: Supplementary Information for the Automotive Industries Pension Plan

Other Developments:

Date	Event
September 1, 1955:	Board of Trustees executed Trust Agreement. Pension Plan was adopted.
July 12, 1956:	Favorable determination letter from the Internal Revenue Service was received.
January 1, 1976:	Plan revised to satisfy ERISA. Funding Standard Account was established.
January 1, 1985:	Early Retirement reduction factor was lowered to 1/3 of 1% per month.
January 1, 1986:	Plan amended to satisfy REA. Partial vested-rights adopted for participants with at least 5 years of service. Early Retirement reduction was dropped for participants retiring at age 62 or later and lowered to 1/4 of 1% per month for ages between 55 and 62. Eligibility requirements for Early Retirement and Disability pensions were lowered to 5 years of service. Pre-retirement death benefits are payable on the basis of vested percentage.
January 1, 1997:	Full vesting adopted for participants with at least 5 years of service.
October 1, 1997:	Plan amended to provide Unreduced Rule of 85 Retirement.
October 1, 1999:	Joint and Survivor factors were increased and now reflect a simplified formula
January 1, 2002:	One-time IAP rollover allowed for all non-retired participants. Future rollovers at retirement will no longer be allowed.
January 1, 2003:	Eligibility requirements for Disability Pension amended to require receipt of a Social Security Disability award.

SECTION 3: Supplementary Information for the Automotive Industries Pension Plan

Other Developments (continued):

Date	Event
May 15, 2003:	Date of most recent favorable determination letter from the IRS.
January 15, 2008:	Board adopts the Segal interest rate method and the market value of assets for determining withdrawal liability.
March 4, 2008:	For collective bargaining agreements effective on or after March 4, 2008, the \$700 per month cap on contribution rates was eliminated.
March 28, 2008:	Plan certified as being in “Critical” status under PPA ‘06. A Rehabilitation Plan was adopted that include supplemental off-benefit contributions beginning January 1, 2013 and the following benefit reductions: <ul style="list-style-type: none">➤ Early retirement and joint and survivor adjustment factors will be based on the plan’s actuarial equivalence basis.➤ The “Rule of 85” unreduced early retirement benefit will no longer be available.➤ The Plan’s disability benefit will no longer be available to new applicants.➤ The 36-payment pre-retirement death benefit is eliminated.➤ Payment forms, except for a life annuity or automatic joint and 50% survivor annuity, will no longer be available to new retirees.
March 5, 2009:	Board elects under WRERA to freeze 2009 plan status under PPA’06 and to extend Rehabilitation Period by three years.
February 1, 2011:	The commencement of the Vested Benefit (for inactive vested participants) prior to Normal Retirement Age was eliminated.
March 8, 2011:	Board adopts resolution to forestall plan insolvency under the Rehabilitation Plan. Board adopts simplified method under PBGC Technical Update 10-3 for determining withdrawal liability.

June 15, 2011

CERTIFICATE OF ACTUARIAL VALUATION

This is to certify that The Segal Company (“Segal”) has prepared an actuarial valuation of the Automotive Industries Pension Plan as of January 1, 2011 in accordance with generally accepted actuarial principles and practices. It has been prepared at the request of the Board of Trustees to assist in administering the Fund and meeting filing requirements of federal government agencies. This valuation report may not otherwise be copied or reproduced in any form without the consent of the Board of Trustees and may only be provided to other parties in its entirety.

The measurements shown in this actuarial valuation may not be applicable for other purposes. Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the plan's funded status); and changes in plan provisions or applicable law.

The valuation is based on the assumption that the Plan is qualified as a multiemployer plan for the year and on draft information supplied by the auditor with respect to contributions and assets and reliance on the Plan Administrator with respect to the participant data. The Segal Company does not audit the data provided. The accuracy and comprehensiveness of the data is the responsibility of those supplying the data. To the extent we can, however, Segal, does review the data for reasonableness and consistency. Based on our review of the data, we have no reason to doubt the substantial accuracy of the information on which we have based this report and we have no reason to believe there are facts or circumstances that would affect the validity of these results. Adjustments for incomplete or apparently inconsistent data were made as described in the attached Exhibit VII.

I am a member of the American Academy of Actuaries and I meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion herein. To the best of my knowledge, the information supplied in this actuarial valuation is complete and accurate, except as noted in Exhibit I. Each prescribed assumption for the determination of Current Liability was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.



Paul C. Poon, ASA, MAAA
Associate Actuary
Enrolled Actuary No. 11-06069

SECTION 4: Certificate of Actuarial Valuation for the Automotive Industries Pension Plan

EIN 94-1133245/ PN 001

Certificate Contents

EXHIBIT I	Summary of Actuarial Valuation Results
EXHIBIT II	Information on Plan Status
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SECTION 4: Certificate of Actuarial Valuation for the Automotive Industries Pension Plan

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EXHIBIT I

Summary of Actuarial Valuation Results

The valuation was made with respect to the following data supplied to us by the Plan Administrator:

1	Pensioners as of the valuation date (including 2,265 beneficiaries in pay status and 50 pensioners in suspended status)	11,243
2	Participants inactive during year ended December 31, 2010 with vested rights (including 4 participants with unknown age)	10,882
3	Participants active during the year ended December 31, 2010 (including 29 participants with unknown age)	4,484
	Fully vested	3,587
	Not vested	897

The actuarial factors as of the valuation date are as follows:

1	Normal cost, including administrative expenses ⁽¹⁾⁽²⁾	\$7,184,072
2	Actuarial present value of projected benefits	2,039,182,032
3	Present value of future normal costs	25,674,575
4	Actuarial accrued liability ⁽¹⁾	2,013,507,457
	Pensioners and beneficiaries	\$1,215,388,704
	Inactive participants with vested rights	432,717,008
	Active participants	365,401,745
5	Actuarial value of assets (\$1,268,122,155 at market value as reported by Lindquist LLP)	1,231,077,065
6	Unfunded actuarial accrued liability	\$782,430,392

⁽¹⁾ Effective July 1, 2011, a plan amendment will be recognized that reduces the plan's actuarial liability by \$26,930,813. The normal cost shown reflects the 6 months the plan amendment is in effect during the 2011 plan year. The reduction in liability is attributed to plan participants who become subject to the Rehabilitation Plan schedule in 2011.

⁽²⁾ Estimated based on expected contributions. Actual normal cost will be based on actual contributions.

SECTION 4: Certificate of Actuarial Valuation for the Automotive Industries Pension Plan

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EXHIBIT II

Information on Plan Status as of January 1, 2011

1	Plan status (as certified on March 31, 2011, for the 2011 zone certification)	<i>Critical</i>
2	Scheduled progress (as certified on March 31, 2011, for 2011 zone certification)	<i>No</i>
3	Actuarial value of assets for Funding Standard Account	\$1,231,077,065
4	Accrued liability under unit credit cost method	1,976,368,800
5	Funded percentage for monitoring plan's status	62.3%

SECTION 4: Certificate of Actuarial Valuation for the Automotive Industries Pension Plan

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EXHIBIT III

**Schedule of Active Participant Data
(Schedule MB, line 8b)**

The participant data is for the year ended December 31, 2010.

Age	Years of Credited Service									
	Total	1-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40 & over
20 - 24	142	122	20	--	--	--	--	--	--	--
25 - 29	324	171	137	16	--	--	--	--	--	--
30 - 34	419	146	173	94	6	--	--	--	--	--
35 - 39	486	101	178	156	48	3	--	--	--	--
40 - 44	599	115	175	163	85	58	3	--	--	--
45 - 49	811	90	192	191	130	132	71	5	--	--
50 - 54	814	63	128	148	109	174	108	82	2	--
55 - 59	549	44	67	100	80	119	62	56	21	--
60 - 64	279	14	44	60	36	58	21	25	12	9
65 - 69	29	2	6	6	3	4	5	1	--	2
70 & over	3	--	--	2	1	--	--	--	--	--
Unknown	29	29	--	--	--	--	--	--	--	--
Total	4,484	897	1,120	936	498	548	270	169	35	11

SECTION 4: Certificate of Actuarial Valuation for the Automotive Industries Pension Plan

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**EXHIBIT IV
Funding Standard Account**

The table below presents the Funding Standard Account for the Plan Year ending December 31, 2011.

Charges		Credits			
1	Normal cost, including administrative expenses	\$7,184,072	5	Prior year credit balance	\$23,560,939
2	Amortization charges	162,324,582	6	Amortization credits	106,889,496
3	Interest on (1) and (2)	<u>12,289,377</u>	7	Interest on (5) and (6)	9,406,894
4	Total charges	\$181,798,031	8	Full-funding limitation credit	<u>0</u>
			9	Total credits	\$139,857,329
Minimum contribution with interest required to avoid a funding deficiency: (4) – (9), not less than zero					\$41,940,702

SECTION 4: Certificate of Actuarial Valuation for the Automotive Industries Pension Plan

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EXHIBIT IV (continued)

Funding Standard Account

Determination of Full-Funding Limitation Credit

(A) ERISA Full-Funding Limit		(B) Current Liability Override	
1	Projected entry age normal accrued liability \$1,999,811,085	1	90% of projected current liability \$2,531,845,588
2	Lesser of projected market and actuarial values of assets 1,181,994,901	2	Projected actuarial value of assets 1,181,894,663
3	Credit balance, with interest to December 31, 2011 25,269,107	3	Credit balance, with interest to December 31, 2011 N/A
4	ERISA FFL: (1) – (2) + (3), not less than zero 843,085,291	4	Current Liability override: (1) – (2), not less than zero 1,349,950,925
5	Minimum required contribution for the year, disregarding the credit balance and any interest on the credit balance		\$67,209,809
6	ERISA full-funding limitation credit: (5) – [greater of 4(A) and 4(B)], not less than zero		0

SECTION 4: Certificate of Actuarial Valuation for the Automotive Industries Pension Plan

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EXHIBIT IV (continued)

Funding Standard Account

**Schedule of Funding Standard Account Bases (Charges)
(Schedule MB, line 9c)**

Type of Base	Date Established	Amortization Amount	Years Remaining	Outstanding Balance
Combined Base	01/01/2006	\$113,381,179	8.05	\$722,482,418
Plan Amendment	01/01/2007	155,160	26	1,923,328
Experience Loss	01/01/2007	2,076,405	11	16,493,152
Change in Assumptions	01/01/2007	10,083,400	26	124,991,452
Experience Loss	01/01/2009	30,691,013	13	271,245,038
Experience Loss	01/01/2010	949,865	14	8,777,218
Experience Loss	01/01/2011	3,867,648	15	37,190,704
Change in Assumptions	01/01/2011	<u>1,119,912</u>	15	<u>10,768,905</u>
Total		\$162,324,582		\$1,193,872,215

SECTION 4: Certificate of Actuarial Valuation for the Automotive Industries Pension Plan

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EXHIBIT IV (continued)

Funding Standard Account

**Schedule of Funding Standard Account Bases (Credits)
(Schedule MB, line 9h)**

Type of Base	Date Established	Amortization Amount	Years Remaining	Outstanding Balance
Combined Base	01/01/2006	\$83,230,379	2.43	\$192,570,061
Plan Amendment	01/01/2008	151,217	12	1,271,161
Experience Gain	01/01/2008	2,100,314	12	17,655,615
Plan Amendment	07/01/2008	13,102,810	12.5	113,022,644
Plan Amendment	01/01/2009	1,952,427	13	17,255,414
Plan Amendment	07/01/2009	1,540,136	13.5	13,927,040
Plan Amendment	01/01/2010	121	14	1,121
Plan Amendment	07/01/2010	3,411,757	14.5	32,177,828
Plan Amendment	07/01/2011	<u>1,400,335</u>	15	<u>(1)</u>
Total		\$106,889,496		\$387,880,884

⁽¹⁾ Effective July 1, 2011, a plan amendment will be recognized that reduces the plan's actuarial liability by \$26,930,813. The 15-year amortization payment for this amendment is \$2,800,670. For the 2011 plan year, 1/2 of the amortization amount, or \$1,400,335, was recognized in the Funding Standard Account.

SECTION 4: Certificate of Actuarial Valuation for the Automotive Industries Pension Plan

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EXHIBIT IV (continued)

Funding Standard Account

Balancing Equation

1	Net outstanding balance of bases	\$805,991,331
2	Credit balance	<u>23,560,939</u>
3	Unfunded actuarial accrued liability: (1) - (2)	\$782,430,392

SECTION 4: Certificate of Actuarial Valuation for the Automotive Industries Pension Plan

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EXHIBIT V

Current Liability

The table below presents the current liability for the Plan Year beginning January 1, 2011.

Item	Amount ⁽¹⁾
1. Retired participants and beneficiaries receiving payments	\$1,561,561,777
2. Inactive vested participants	745,451,792
3. Active participants	
a. Non-vested	\$37,171,137
b. Vested	<u>501,198,902</u>
c. Total active	538,370,039
4. Total	<u>\$2,845,383,608</u>
Expected increase in current liability due to benefits accruing during the plan year	\$14,025,869
Expected release from current liability for the plan year	130,893,508
Expected plan disbursements for the plan year, including administrative expenses of \$3,000,000	133,893,508
Current value of assets	1,268,122,155
Percentage funded for Schedule MB	44.57%

Note: The actuarial assumptions used to calculate these values are shown in Exhibit VII.

⁽¹⁾ Does not reflect plan amendment, effective July 1, 2011, that reduces the current liability by \$37,894,725.

SECTION 4: Certificate of Actuarial Valuation for the Automotive Industries Pension Plan

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EXHIBIT VI

Actuarial Present Value of Accumulated Plan Benefits

The actuarial present value of accumulated plan benefits is shown below as of January 1, 2011 and as of January 1, 2010.

	Benefit Information Date	
	January 1, 2011	January 1, 2010
Actuarial present value of vested accumulated plan benefits:		
Participants currently receiving payments	\$1,215,388,704	\$1,183,257,260
Other vested benefits	<u>742,791,048</u>	<u>745,347,893</u>
Total vested benefits	\$1,958,179,752	\$1,928,605,153
Actuarial present value of non-vested accumulated plan benefits	<u>18,189,048</u>	<u>23,423,376</u>
Total actuarial present value of accumulated plan benefits	<u>\$1,976,368,800</u>	<u>\$1,952,028,529</u>

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EXHIBIT VI (continued)

Actuarial Present Value of Accumulated Plan Benefits

The factors that affected the change in the actuarial present value of accumulated plan benefits from the preceding to the current benefit information date are as follows:

Factors	Change in Actuarial Present Value of Accumulated Plan Benefits
Plan amendments	-\$30,629,334
Change in assumptions	10,588,717
Benefits accumulated, net experience gain or loss, changes in data	35,234,060
Benefits paid	-126,673,029
Interest	<u>135,819,857</u>
Total	<u>\$24,340,271</u>

Note: Does not reflect plan amendment, effective July 1, 2011. This amendment would reduce the actuarial present value of accumulated plan benefits by \$25,106,677.

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Retirement Rates:

Non-Service Pensions		Rule of 85 Pensions	
Age	Retirement Rates	Age	Retirement Rates
55 – 60	5%	53	10%
61	15	54	35
62	35	55-58	15
63	25	59	25
64	25	60-61	20
65	50		
66	30		
67	100		

Description of Weighted Average Retirement Age:

Age 61.2, determined as follows: The weighted average retirement age for each participant is calculated as the sum of the product of each potential retirement age times the retirement rate at that age, assuming no other decrements. The overall weighted retirement age is the average of the individual retirement ages, based on all the active participants included in this actuarial valuation.

Retirement Age for Inactive Vested Participants:

Age 65 for those with unsubsidized early retirement benefits. Age 62 for all others.

Future Benefit Accruals:

Work-year of 11.2 months of contributions per active employee.

Unknown Data for Participants:

Same as those exhibited by participants with similar known characteristics. If not specified, participants are assumed to be male.

Definition of Active Participants:

Active participants are defined as those with at least five months in the most recent Plan Year, excluding those who have retired as of the valuation date.

Exclusion of Inactive Vested:

Inactive participants over age 70 excluded from the valuation.

Percent Married:

85%

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Age of Spouse:	Females 4 years younger than males.
Benefit Election:	All non-retired participants subject to the rehabilitation plan benefit reductions are assumed to elect the Life Option (without the 36-month guaranteed). For all other non-retired participants, 50% are assumed to elect the 100% Joint and Survivor annuity (with pop-up) and the other 50% are assumed to elect the Life Option with 36-month guaranteed.
Net Investment Return:	7.25%
Annual Administrative Expenses:	\$3,000,000, payable monthly (equivalent to \$2,888,977 payable at the beginning of the year).
Actuarial Value of Assets:	The market value of assets less unrecognized returns in each of the last five years. Unrecognized return is equal to the difference between the actual market return and the expected return on the actuarial value, and is recognized over a five-year period. The actuarial value is further adjusted, if necessary, to be within 20% of the market value.
Actuarial Cost Method:	Entry Age Normal Actuarial Cost Method. Entry Age is the current age minus Credited Service. Normal Cost and Actuarial Accrued Liability are calculated on an individual basis and are allocated by service, with Normal Cost determined as if the current benefit accrual rates have always been in place. Normal Cost is adjusted by the ratio of the actual contributions credited for benefit accruals received during the plan year to the expected contribution. For 2011, the expected contributions are \$20,297,409.
Benefits Valued:	Unless otherwise indicated, includes all benefits summarized in Exhibit VIII.
Current Liability Assumptions:	
<i>Interest</i>	4.47%
<i>Mortality</i>	Mortality prescribed under IRS Regulations 1.431(c)(6)-1 and 1.430(h)(3)-1, using the static tables with separate tables for annuitants and nonannuitants (RP-2000 tables projected forward to the valuation year plus seven years for annuitants and 15 years for nonannuitants)

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Justification for Change in Actuarial Assumptions (Schedule MB, line 11):

Based on past experience, future expectations and statutory requirements, the following actuarial assumptions were changed:

Retirement age for inactive vested participants, previously 62 for all members.

Annual administrative expense, previously \$2,700,000, payable monthly.

For purposes of determining current liability, the current liability interest rate was changed due to a change in the permissible range and recognizing that any rate within the permissible range satisfies the requirements of IRC Section 431(c)(6)(E) and the mortality tables were changed in accordance with IRS Regulations 1.431(c)(6)-1 and 1.430(h)(3)-1.

Estimated Rate of Investment Return:

On actuarial value of assets (Schedule MB, line 6g):

6.5%, for the Plan Year ending December 31, 2010

On current (market) value of assets (Schedule MB, line 6h):

13.0%, for the Plan Year ending December 31, 2010

Funding Standard Account Contribution Timing (Schedule MB, line 3):

Unless otherwise noted, contributions are paid periodically throughout the year pursuant to collective bargaining agreements. The interest credited in the Funding Standard Account is therefore assumed to be equivalent to a July 1st contribution date.

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EXHIBIT VIII

**Summary of Plan Provisions
(Schedule MB, line 6)**

This exhibit summarizes the major provisions of the Plan included in the valuation. It is not intended to be, nor should it be interpreted as, a complete statement of all plan provisions.

Plan Year: January 1 through December 31

Pension Credit Year: January 1 through December 31

Plan Status: Ongoing plan

Normal Pension:

Age and Service requirements 65 and 5 years of Credited Service (including 24 months of Future Service).

Amount The monthly amount is the sum of (a), (b), (c), (d) and (e).

- a. \$10.00 for each year of Past Service.
- b. \$5.00 for each \$100 of the contributions made on the participant's behalf from his Contribution Date through June 30, 2003.
- c. \$3.00 for each \$100 of the contributions made on the participant's behalf from July 1, 2003 through December 31, 2004.
- d. 0.5% for the first \$250 of monthly contributions, 1.0% for the next \$250 of monthly contributions, and 2.0% of monthly contributions in excess of \$500 made on the participant's behalf on or after January 1, 2005.
- e. 1.0% of monthly contributions made on the participant's behalf on or after July 1, 2008.

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Early Retirement Pension:

Age and Service requirements 55 and 60 months of Credited Future Service.

Amount Accrued Normal Pension amount to which the participant would be entitled, reduced by 1/4 of 1% for each month that the retiring employee is younger than 62 (no reduction is applied between ages 62 and 65 for the Unreduced Early Pension, or if participants age and service total at least 85 for the Unreduced Rule of 85 Pension). For participants subject to the Rehabilitation Plan benefit reductions, all Early Retirement Pensions are reduced from age 65, using the plan's actuarial equivalence basis.

Disability Pension:

Age and Service requirements Any age and 5 years of Credited Service (including 24 months of Future Service).

Other requirements Eligible for a Social Security disability benefit.

Amount Accrued Normal Pension amount to which the participant would be entitled (on his date of disability) without any reduction. For participants subject to the Rehabilitation Plan benefit reductions, the Disability Pension is not available and those who become disabled are eligible only for the Vested Benefit described below.

Vested Benefit:

Age and Service requirements Any age and 5 years of Credited Service (including 24 months of Future Service).

Amount Accrued Normal Pension amount (using the benefit formula at the time of retirement), payable commencing at Normal Retirement Age, or, if available, (on a reduced basis) as early as age 55.

Normal Retirement Age The later of age 65 and the fifth anniversary of participation.

Spouse's Benefit:

Age and Service requirements Any age and 5 years of Credited Service (including 24 months of Future Service).

Amount 50% of the benefit that the participant would have received had he or she retired the day before death on a Joint and Survivor Annuity. If the participant was younger than 55 at the time of death, payments will be deferred to the date when the participant would have attained that age.

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Pre-Retirement Death Benefit:

Age and Service requirements

Any age and 5 years of Credited Service (including 24 months of Future Service).

Amount

Return of the total contributions made on account of the participant’s employment or, if greater, the participant’s unreduced pension at time of death payable for 36 months.

This benefit is not payable if benefits are due under the Spouse's Benefit or for participants subject to the Rehabilitation Plan benefit reductions.

Joint and Survivor Annuity:

All retirements are paid in the form of a 50% joint and survivor annuity unless this form is rejected by the participant and spouse. The benefit amount otherwise payable is reduced to reflect the joint and survivor coverage. If the spouse predeceases the participant, the benefit "pops-up" to the amount is payable before the reduction. If this type of pension is rejected, benefits are payable for the life of the participant without reduction (with a minimum guarantee of 36 monthly payments) or in any other available optional form elected by the participant. For participants subject to the Rehabilitation Plan benefit reductions, the “pop-up” feature and the 36-month guarantee are not available, and the joint and survivor reduction factors are based on the plan’s actuarial equivalence basis.

Optional Forms of Benefit Payment:

- 50% Joint and Survivor Option (“QJSA”)
- 75% Joint and Survivor Option (“QOSA”)
- Life with 36-Month Guarantee Option
- Life with 120-Month Guarantee Option
- Full 100% Joint and Survivor Option

Aside from a life only annuity, QJSA and QOSA, these options are not available for participants subject to the Rehabilitation Plan benefit reductions.

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Credited Service Schedule: Commencing January 1, 1976 a year of Future Service is credited during any Plan Year in which the participant completes at least 5 months of covered service. (No fractional credit is granted.) Prior to January 1, 1976, Future Service was granted at the rate of one-twelfth of a year for each month of contribution payments.

Past Service is credited for service prior to the Contribution Date up to a maximum of 20 years for members who became participants prior to January 1, 1975 and 10 years for members who entered the Plan after January 1, 1975. For participants who joined the Plan after 1978, the amount of Credited Past Service can not exceed the Credited Future Service earned under the Plan.

Break-in-Service Rules:

One-Year Break A participant incurs a One-Year Break in Service if he or she fails to complete five months of service or 501 hours of service in a Plan Year.

Permanent Break A non-vested participant incurs a Permanent Break in Service if the number of consecutive One-Year Breaks in Service is at least 5 and it equals or exceeds the number of years of Credited Service which the employee had previously accumulated. At this time, the non-vested portion of the participant's service and benefits accrued are canceled.

Participation Rule: An employee becomes a "Participant" the first day of the first month for which an employer contribution was made.

Contribution Rate: The average contribution rate on January 1, 2011 was \$393.62 per month.

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Plan Amendments:

The level of benefits payable is directly proportional to the negotiated contribution rate recognized for benefit accruals; any change in this rate for continuing active employees results in an automatic benefit change and, therefore, in a plan amendment.

The Trustees implemented a Rehabilitation Plan that reduced Plan benefits as described in this Exhibit. These benefits become effective for active participants as new collective bargaining agreements (“CBAs”) are negotiated. Benefit reductions for members whose CBAs were negotiated through 2011 are recognized in this valuation.

Effective February 1, 2011, the commencement of the Vested Benefit (for inactive vested participants) prior to Normal Retirement Age was eliminated. This change is not reflected in the valuation for active members whose pre-rehabilitation plan CBA is expected to expire after 2011.

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