2015 Annual Funding Notice

For the Motion Picture Industry Pension Plan

Introduction

This notice includes important information about the Motion Picture Industry Pension Plan (the "Plan") and general information about the benefit payments guaranteed by the Pension Benefit Guaranty Corporation (the "PBGC"), a federal insurance agency. All traditional pension plans (called "defined benefit pension plans") must provide this notice every year regardless of their funding status. This notice does not mean that the Plan is terminating. It is provided for informational purposes and you are not required to respond in any way. This notice is for the plan year beginning January 1, 2015 and ending December 31, 2015 (the "Plan Year").

How Well Funded Is The Plan?

The Plan must report how well it is funded by using a measure called the "funded percentage." This percentage is determined by dividing the Plan's assets by its liabilities on the Valuation Date for the plan year. In general, the higher the percentage, the better funded the plan. The Plan's funded percentage for the 2013 – 2015 Plan Years, along with a statement of the value of the Plan's assets and liabilities for the same period, is set forth in the chart below.

The Plan's Funded Percentage			
	2015	**2014**	**2013**
Valuation Date	January 1, 2015	January 1, 2014	January 1, 2013
Funded Percentage	80.8%	82.0%	81.6%
Value of Assets	$3,687,909,000	$3,550,039,000	$3,354,512,000
Value of Liabilities	$4,562,237,000	$4,329,181,000	$4,109,941,000

Year-End Fair Market Value of Assets

Asset values in the Funded Percentage chart above are actuarial values, which are estimates, not market values. While market values tend to show a clearer picture of a plan's funded status as of a given point, they fluctuate daily based on changes in the stock market and other factors. Pension law allows plans to use actuarial values to smooth out those fluctuations for funding purposes. The fair market value of the Plan's assets as of the last day of Plan Years 2013 - 2015 is shown in the following table:

	December 31, 2015	December 31, 2014	December 31, 2013
Fair Market Value of Assets	$3,185,291,000[1]	$3,287,836,000	$3,206,651,000

Endangered, Critical, or Critical and Declining Status

As of January 1, 2015, the Plan was not in endangered, critical, or critical and declining status.

Under federal pension law, a plan generally is in "endangered" status if its funded percentage is less than 80 percent. A plan is in "critical" status if the funded percentage is less than 65 percent (other factors may also apply). A plan is in "critical and declining" status if it is in critical status and is projected to become insolvent (run out of money to pay benefits) within 15 years (or within 20 years if a special rule applies). If a pension plan enters endangered status, the trustees of the plan are required to adopt a funding improvement plan. Similarly, if a pension plan enters critical status or critical and declining status, the trustees of the plan are required to adopt a rehabilitation plan. Funding improvement and rehabilitation plans establish steps and benchmarks for pension plans to improve their funding status over a specified period of time. The plan sponsor of a plan in critical and declining status may apply for approval to amend the plan to reduce current and future payment obligations to participants and beneficiaries.

[1] The December 31, 2015 fair market value of assets figure is an estimate based on the Plan's unaudited financial statements from the Fund Office. The final figure may differ from this estimate once the Plan's regular audit is issued for the Plan Year.

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Participant Information

The total number of Participants in the Plan as of January 1, 2015 was 78,295, which includes 47,552 Active Participants, 16,372 Participants who have Retired or separated from service and are receiving benefits, and 14,371 Participants who have Retired or separated from service and are entitled to future benefits.

Funding and Investment Policies

Every pension plan must have a procedure for establishing a funding policy to carry out plan objectives. A funding policy relates to the level of assets needed to pay for benefits promised under the plan currently and over the years. The funding policy of the Plan is to confirm that the minimum funding requirements of ERISA are being satisfied and to determine that anticipated employer contributions will not exceed the amounts deductible under the Internal Revenue Code. The policy for the 2015 Plan Year includes a target contribution amount sufficient to amortize the unfunded liability over a 14-year fixed amortization period (as of January 1, 2015) and meet the normal cost if all actuarial assumptions were met. Each employer makes contributions weekly pursuant to collective bargaining agreements.

Once money is contributed to the Plan, the money is invested by plan officials called fiduciaries, who make specific investments in accordance with the Plan's investment policy. Generally speaking, an investment policy is a written statement that provides the fiduciaries who are responsible for plan investments with guidelines or general instructions concerning investment management decisions. The Plan's investment policy is to seek a total rate of return from the Plan's assets that provides, together with employer contributions, sufficient assets to fund participant benefits. In order to accomplish this goal, the Plan seeks well-managed investments and a competitive long-term return in a wide variety of asset classes.

Under the Plan's investment policy, the Plan's assets were allocated among the following categories of investments, as of December 31, 2015. These allocations are percentages of total assets:

Asset Allocations	Percentage
1. Cash (interest bearing and non-interest bearing)	4.93%
2. U.S. Government securities	14.25%
3. Corporate debt instruments (other than employer securities):	
Preferred	—
All other	7.75%
4 Corporate stocks (other than employer securities):	
Preferred	—
Common	11.86%
5. Partnership/joint venture interests	—
6. Real estate (other than employer real property)	6.18%
7. Loans (other than to participants)	—
8. Participant loans	—
9. Value of interest in common/collective trusts	1.35%
10. Value of interest in pooled separate accounts	1.35%
11. Value of interest in 103-12 investment entities	19.25%
12. Value of interest in registered investment companies (e.g., mutual funds)	22.78%
13. Value of funds held in insurance co. general account (unallocated contracts)	—
14. Employer-related investments:	
Employer securities	—
Employer real property	—
15. Buildings and other property used in plan operation	0.79%
16. Other	9.51%
For information about the Plan's investment in any of the categories described in the chart above, please contact the Plan by calling toll-free at 1-855-ASK-4MPI or by mail at MPI Pension & Health Plans, P.O. Box 1999, Studio City, CA 91614-0999.	

Right to Request a Copy of the Annual Report

A pension plan is required to file with the US Department of Labor an annual report called the Form 5500 that contains financial and other information about the plan. Copies of the Plan's annual report are available from the US Department of Labor, Employee Benefits Security Administration's Public Disclosure Room at 200 Constitution Avenue, NW, Room N-1513, Washington, DC 20210, or by calling (202) 693-8673. For 2009 and subsequent plan years, you may obtain an electronic copy of the Plan's annual report by going to www.efast.dol.gov and using the Form 5500 search function. Or you may obtain a copy of the Plan's annual report for a nominal copying fee by making a written request to the Plan. Individual information, such as the amount of your accrued benefit under the plan, is not contained in the annual report. If you are seeking information regarding your benefits under the plan, contact the plan administrator identified below under "Where To Get More Information."

Summary of Rules Governing Plans

The Department of Labor requires the Plan to include this section, but it does not pertain to the Plan because the Plan is not insolvent.

Federal law has a number of special rules that apply to financially troubled multiemployer plans that become insolvent, either as ongoing plans or plans terminated by mass withdrawal.

The plan administrator is required by law to include a summary of these rules in the annual funding notice. A plan is insolvent for a plan year if its available financial resources are not sufficient to pay benefits when due for that plan year. An insolvent plan must reduce benefit payments to the highest level that can be paid from the plan's available resources. If such resources are not enough to pay benefits at the level specified by law (see Benefit Payments Guaranteed by the PBGC, below), the plan must apply to the PBGC for financial assistance. The PBGC will loan the plan the amount necessary to pay benefits at the guaranteed level. Reduced benefits may be restored if the plan's financial condition improves.

A plan that becomes insolvent must provide prompt notice of its status to participants and beneficiaries, contributing employers, labor unions representing participants, and the PBGC. In addition, participants and beneficiaries also must receive information regarding whether, and how, their benefits will be reduced or affected, including loss of a lump sum option.

Benefit Payments Guaranteed by the PBGC

The maximum benefit that the PBGC guarantees is set by law. Only benefits that you have earned a right to receive and that cannot be forfeited (called vested benefits) are guaranteed. There are separate insurance programs with different benefit guarantees and other provisions for single-employer plans and multiemployer plans. Your Plan is covered by the PBGC's multiemployer program. Specifically, the PBGC guarantees a monthly benefit payment equal to 100 percent of the first $11 of the Plan's monthly benefit accrual rate, plus 75 percent of the next $33 of the accrual rate, times each year of credited service. The PBGC's maximum guarantee, therefore, is $35.75 per month times a participant's years of credited service.

Example 1: If a participant with 10 years of credited service has an accrued monthly benefit of $500, the accrual rate for purposes of determining the PBGC guarantee would be determined by dividing the monthly benefit by the participant's years of service ($500/10), which equals $50. The guaranteed amount for a $50 monthly accrual rate is equal to the sum of $11 plus $24.75 (.75 x $33), or $35.75. Thus, the participant's guaranteed monthly benefit is $357.50 ($35.75 x 10).

Example 2: If the participant in Example 1 has an accrued monthly benefit of $200, the accrual rate for purposes of determining the guarantee would be $20 (or $200/10). The guaranteed amount for a $20 monthly accrual rate is equal to the sum of $11 plus $6.75 (.75 x $9), or $17.75. Thus, the participant's guaranteed monthly benefit would be $177.50 ($17.75 x 10).

The PBGC guarantees pension benefits payable at normal retirement age and some early retirement benefits. In addition, the PBGC guarantees qualified preretirement survivor benefits (which are preretirement death benefits payable to the surviving spouse of a participant who dies before starting to receive benefit payments). In calculating a person's monthly payment, the PBGC will disregard any benefit increases that were made under a plan within 60 months before the earlier of the plan's termination or insolvency (or benefits that were in effect for less than 60 months at the time of termination or insolvency). Similarly, the PBGC does not guarantee benefits above the normal retirement benefit, disability benefits not in pay status, or non-pension benefits, such as health insurance, life insurance, death benefits, vacation pay, or severance pay.

For additional information about the PBGC and the pension insurance program guarantees, go to the Multiemployer Page on the PBGC's website at www.pbgc.gov/multiemployer. Please contact your employer or plan administrator for specific information about your pension plan or pension benefit. The PBGC does not have that information. See "Where to Get More Information" about your Plan, below.

Where to Get More Information

For more information about this Funding Notice, please contact the Plan toll-free at (855) ASK-4MPI (855-275-4674), or by mail at Motion Picture Industry Pension & Health Plans, P.O. Box 1999, Studio City, CA 91614-0999. For identification purposes, the official plan number is 001 and the plan sponsor's employer identification number or "EIN" is 95-1810805. For more information about the PBGC, go to PBGC's website, www.pbgc.gov.

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