

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), 6057(b), and 6058(a) of the Internal Revenue Code (the Code). ► Complete all entries in accordance with the instructions to the Form 5500.	OMB Nos. 1210-0110 1210-0089
		2011
		This Form is Open to Public Inspection

Part I	Annual Report Identification Information
For calendar plan year 2011 or fiscal plan year beginning <u>01/01/2011</u> and ending <u>12/31/2011</u>	
A This return/report is for:	☐ a multiemployer plan; ☐ a multiple-employer plan; or ☒ a single-employer plan; ☐ a DFE (specify) ____
B This return/report is:	☐ the first return/report; ☐ the final return/report; ☐ an amended return/report; ☐ a short plan year return/report (less than 12 months).
C If the plan is a collectively-bargained plan, check here.	☒
D Check box if filing under:	☒ Form 5558; ☐ automatic extension; ☐ the DFVC program; ☐ special extension (enter description)

Part II	Basic Plan Information —enter all requested information
1a Name of plan <u>EWA PILOTS RETIREMENT PLAN</u>	1b Three-digit plan number (PN) ► <u>013</u> 1c Effective date of plan <u>09/19/2000</u>
2a Plan sponsor's name and address, including room or suite number (Employer, if for single-employer plan) <u>CON-WAY INC.</u> <u>PO BOX 3745</u> <u>1717 NW 21ST AVENUE</u> <u>PORTLAND, OR 97208-3745</u> <u>PORTLAND, OR 97209-3745</u>	2b Employer Identification Number (EIN) <u>94-1444798</u> 2c Sponsor's telephone number <u>503-450-3710</u> 2d Business code (see instructions) <u>488990</u>

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	<u>Filed with authorized/valid electronic signature.</u>	<u>10/15/2012</u>	<u>CRAIG BORETZ</u>
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.

Form 5500 (2011)
v.012611

3a Plan administrator's name and address (if same as plan sponsor, enter "Same") CON-WAY ADMINISTRATIVE CMTE. PO BOX 3745 PORTLAND, OR 97208-3745	3b Administrator's EIN 94-1444798 3c Administrator's telephone number 503-450-3710
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4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: a Sponsor's name	4b EIN 4c PN
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5 Total number of participants at the beginning of the plan year	5	339
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6 Number of participants as of the end of the plan year (welfare plans complete only lines 6a , 6b , 6c , and 6d).		
a Active participants.....	6a	7
b Retired or separated participants receiving benefits.....	6b	117
c Other retired or separated participants entitled to future benefits.....	6c	209
d Subtotal. Add lines 6a , 6b , and 6c	6d	333
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e	5
f Total. Add lines 6d and 6e	6f	338
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	6g	
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6h	

7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	7	
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8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:

1A 1G 1D 3H

b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristic Codes in the instructions:

9a Plan funding arrangement (check all that apply)	9b Plan benefit arrangement (check all that apply)
(1) ☐ Insurance	(1) ☐ Insurance
(2) ☐ Code section 412(e)(3) insurance contracts	(2) ☐ Code section 412(e)(3) insurance contracts
(3) ☒ Trust	(3) ☒ Trust
(4) ☐ General assets of the sponsor	(4) ☐ General assets of the sponsor

10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules

- (1)** ☒ **R** (Retirement Plan Information)
- (2)** ☐ **MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
- (3)** ☒ **SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary

b General Schedules

- (1)** ☒ **H** (Financial Information)
- (2)** ☐ **I** (Financial Information – Small Plan)
- (3)** ☐ **A** (Insurance Information)
- (4)** ☐ **C** (Service Provider Information)
- (5)** ☒ **D** (DFE/Participating Plan Information)
- (6)** ☐ **G** (Financial Transaction Schedules)

SCHEDULE SB (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Single-Employer Defined Benefit Plan Actuarial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500 or 5500-SF.	OMB No. 1210-0110 2011 This Form is Open to Public Inspection
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For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

▶ **Round off amounts to nearest dollar.**

▶ **Caution:** A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan <u>EWA PILOTS RETIREMENT PLAN</u>	B Three-digit plan number (PN) ▶ <u>013</u>
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF <u>CON-WAY INC.</u>	D Employer Identification Number (EIN) <u>94-1444798</u>
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B	F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500

Part I	Basic Information
1	Enter the valuation date: Month <u>01</u> Day <u>01</u> Year <u>2011</u>
2	Assets:
a	Market value 2a <u>25176009</u>
b	Actuarial value 2b <u>22892816</u>
3	Funding target/participant count breakdown:
	(1) Number of participants (2) Funding Target
a	For retired participants and beneficiaries receiving payment 3a <u>115</u> <u>12905056</u>
b	For terminated vested participants 3b <u>218</u> <u>9054469</u>
c	For active participants:
(1)	Non-vested benefits 3c(1) <u>462996</u>
(2)	Vested benefits 3c(2) <u>2289027</u>
(3)	Total active 3c(3) <u>10</u> <u>2752023</u>
d	Total 3d <u>343</u> <u>24711548</u>
4	If the plan is in at-risk status, check the box and complete lines (a) and (b) ☐
a	Funding target disregarding prescribed at-risk assumptions 4a
b	Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor 4b
5	Effective interest rate 5 <u>6.32 %</u>
6	Target normal cost 6 <u>50000</u>

Statement by Enrolled Actuary

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption 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.

SIGN HERE	<u>10/02/2012</u>
Signature of actuary <u>BRENT R CHUBBS,ASA, EA, MAAA</u>	Date <u>11-07082</u>
Type or print name of actuary <u>MERCER</u>	Most recent enrollment number <u>206-214-3500</u>
Firm name <u>1301 FIFTH AVENUE, SUITE 1900</u> <u>SEATTLE, WA 98101-2682</u>	Telephone number (including area code)
Address of the firm	

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions ☐

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500 or 5500-SF.

Schedule SB (Form 5500) 2011
v.012611

Part II Beginning of year carryover and prefunding balances		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	0	0
8	Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	0
9	Amount remaining (line 7 minus line 8)	0	0
10	Interest on line 9 using prior year's actual return of <u>13.04</u> %		
11	Prior year's excess contributions to be added to prefunding balance:		
a	Present value of excess contributions (line 38 from prior year)		2872888
b	Interest on (a) using prior year's effective rate of <u>6.62</u> % except as otherwise provided (see instructions)		190185
c	Total available at beginning of current plan year to add to prefunding balance		3063073
d	Portion of (c) to be added to prefunding balance		0
12	Other reductions in balances due to elections or deemed elections	0	0
13	Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	0	0

Part III Funding percentages			
14	Funding target attainment percentage	14	92.64 %
15	Adjusted funding target attainment percentage	15	92.64 %
16	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	90.25 %
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

Part IV Contributions and liquidity shortfalls					
18 Contributions made to the plan for the plan year by employer(s) and employees:					
(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
04/13/2011	70000				
07/11/2011	70000				
10/11/2011	70000				
01/11/2012	70000				
07/02/2012	118000				
			Totals ►	18(b)	398000 18(c)

19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:		
a Contributions allocated toward unpaid minimum required contributions from prior years.	19a	0
b Contributions made to avoid restrictions adjusted to valuation date	19b	0
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	376720
20 Quarterly contributions and liquidity shortfalls:		
a Did the plan have a "funding shortfall" for the prior year?	☒ Yes ☐ No	
b If 20a is "Yes," were required quarterly installments for the current year made in a timely manner?	☒ Yes ☐ No	
c If 20a is "Yes," see instructions and complete the following table as applicable:		
Liquidity shortfall as of end of quarter of this plan year		
(1) 1st	(2) 2nd	(3) 3rd
0	0	0
		(4) 4th
		0

Part V Assumptions used to determine funding target and target normal cost

21 Discount rate:				
a Segment rates:	1st segment: 3.78%	2nd segment: 6.31%	3rd segment: 6.57%	☐ N/A, full yield curve used
b Applicable month (enter code)				21b 4
22 Weighted average retirement age				22 65
23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute				

Part VI Miscellaneous items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment.	☒ Yes ☐ No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment.	☒ Yes ☐ No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment.	☒ Yes ☐ No
27 If the plan is eligible for (and is using) alternative funding rules, enter applicable code and see instructions regarding attachment.	27

Part VII Reconciliation of unpaid minimum required contributions for prior years

28 Unpaid minimum required contributions for all prior years	28	0
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a)	29	0
30 Remaining amount of unpaid minimum required contributions (line 28 minus line 29)	30	0

Part VIII Minimum required contribution for current year

31 Target normal cost and excess assets (see instructions):			
a Target normal cost (line 6)	31a	50000	
b Excess assets, if applicable, but not greater than 31a	31b	0	
32 Amortization installments:	Outstanding Balance		Installment
a Net shortfall amortization installment	1818732		325093
b Waiver amortization installment	0		0
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33		
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)	34	375093	
	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement			
36 Additional cash requirement (line 34 minus line 35)	36	375093	
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	37	376720	
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)	38a	1627	
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b	0	
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	39	0	
40 Unpaid minimum required contributions for all years	40	0	

Part IX Pension funding relief under Pension Relief Act of 2010 (see instructions)

41 If a shortfall amortization base is being amortized pursuant to an alternative amortization schedule:			
a Schedule elected	☐ 2 plus 7 years ☐ 15 years		
b Eligible plan year(s) for which the election in line 41a was made	☐ 2008 ☐ 2009 ☐ 2010 ☐ 2011		
42 Amount of acceleration adjustment	42		
43 Excess installment acceleration amount to be carried over to future plan years	43		

a Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
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code**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

Part II Information on Participating Plans (to be completed by DFEs)

(Complete as many entries as needed to report all participating plans)

a Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
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plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN

SCHEDULE H (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	<small>OMB No. 1210-0110</small> 2011 This Form is Open to Public Inspection
For calendar plan year 2011 or fiscal plan year beginning <u>01/01/2011</u> and ending <u>12/31/2011</u>		
A Name of plan <u>EWA PILOTS RETIREMENT PLAN</u>	B Three-digit plan number (PN) ►	<u>013</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>CON-WAY INC.</u>	D Employer Identification Number (EIN) <u>94-1444798</u>	

Part I	Asset and Liability Statement		(a) Beginning of Year	(b) End of Year
1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.				
	Assets			
a	Total noninterest-bearing cash	1a		
b	Receivables (less allowance for doubtful accounts):			
	(1) Employer contributions	1b(1)	3390000	188000
	(2) Participant contributions	1b(2)		
	(3) Other.....	1b(3)		
c	General investments:			
	(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)		
	(2) U.S. Government securities.....	1c(2)		
	(3) Corporate debt instruments (other than employer securities):			
	(A) Preferred	1c(3)(A)		
	(B) All other.....	1c(3)(B)		
	(4) Corporate stocks (other than employer securities):			
	(A) Preferred	1c(4)(A)		
	(B) Common	1c(4)(B)		
	(5) Partnership/joint venture interests	1c(5)		
	(6) Real estate (other than employer real property)	1c(6)		
	(7) Loans (other than to participants)	1c(7)		
	(8) Participant loans	1c(8)		
	(9) Value of interest in common/collective trusts.....	1c(9)		
	(10) Value of interest in pooled separate accounts.....	1c(10)		
	(11) Value of interest in master trust investment accounts	1c(11)	21933904	24690166
	(12) Value of interest in 103-12 investment entities	1c(12)		
	(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)		
	(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
	(15) Other	1c(15)		

1d Employer-related investments:		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	25323904	24878166

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i		
j Other liabilities	1j		
k Total liabilities (add all amounts in lines 1g through 1j)	1k		

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	25323904	24878166
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Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

Income

		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	398000	
(B) Participants	2a(1)(B)		
(C) Others (including rollovers)	2a(1)(C)		
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		398000
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)		
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		
(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)		
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		

		(a) Amount	(b) Total
2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate.....	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		317886
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		
c Other income.....	2c		
d Total income. Add all income amounts in column (b) and enter total.....	2d		715886

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	1149759	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		1149759
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions).....	2g		
h Interest expense.....	2h		
i Administrative expenses: (1) Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)	11865	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		11865
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		1161624

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		-445738
l Transfers of assets:			
(1) To this plan.....	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) ☐ Unqualified **(2)** ☐ Qualified **(3)** ☒ Disclaimer **(4)** ☐ Adverse

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)? ☒ Yes ☐ No

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: PERKINS & COMPANY, P.C.

(2) EIN: 93-0928924

d The opinion of an independent qualified public accountant is **not attached** because:

(1) ☐ This form is filed for a CCT, PSA, or MTIA. **(2)** ☐ It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

- 4** CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete 4j and 4l. MTIAs also do not complete 4l.

During the plan year:

	Yes	No	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.).....		X	
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.).....		X	
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.).....		X	
e Was this plan covered by a fidelity bond?.....	X		10000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.).....	X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.).....		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?.....		X	
l Has the plan failed to provide any benefit when due under the plan?		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.).....		X	
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.			
4n			

- 5a** Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?

If "Yes," enter the amount of any plan assets that reverted to the employer this year..... ☐ Yes ☒ No Amount:

- 5b** If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)

5b(2) EIN(s)	5b(3) PN(s)

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110 2011 This Form is Open to Public Inspection.
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For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

A Name of plan <u>EWA PILOTS RETIREMENT PLAN</u>	B Three-digit plan number (PN) ▶ <u>013</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>CON-WAY INC.</u>	D Employer Identification Number (EIN) <u>94-1444798</u>

Part I	Distributions
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All references to distributions relate only to payments of benefits during the plan year.

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....	1
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): <u>36-7502647</u> Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.	
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....	3 <u>0</u>

Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part)
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4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?.....	☐ Yes	☒ No	☐ N/A
If the plan is a defined benefit plan, go to line 8.			
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____ If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.			
6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived)	6a		
b Enter the amount contributed by the employer to the plan for this plan year	6b		
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount).....	6c		
If you completed line 6c, skip lines 8 and 9.			
7 Will the minimum funding amount reported on line 6c be met by the funding deadline?	☐ Yes	☐ No	☐ N/A
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?.....	☒ Yes	☐ No	☐ N/A

Part III	Amendments
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9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box.....	☐ Increase	☐ Decrease	☐ Both	☒ No
--	-----------------------------------	-----------------------------------	-------------------------------	--

Part IV	ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.
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10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?.....	☐ Yes	☐ No
11 a Does the ESOP hold any preferred stock?	☐ Yes	☐ No
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.).....	☐ Yes	☐ No
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?	☐ Yes	☐ No

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. Complete as many entries as needed to report all applicable employers.

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

- 14** Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

a The current year	14a	
b The plan year immediately preceding the current plan year	14b	
c The second preceding plan year	14c	

- 15** Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year	15a	
b The corresponding number for the second preceding plan year	15b	

- 16** Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year	16a	
b If item 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	16b	

- 17** If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

- 18** If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

- 19** If the total number of participants is 1,000 or more, complete items (a) through (c)

- a** Enter the percentage of plan assets held as:

Stock: 43% Investment-Grade Debt: 20% High-Yield Debt: 2% Real Estate: 2% Other: 33%

- b** Provide the average duration of the combined investment-grade and high-yield debt:

☐ 0-3 years ☒ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

- c** What duration measure was used to calculate item 19(b)?

☒ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify):

EWA PILOTS' RETIREMENT PLAN

Financial Statements

December 31, 2011 and 2010

(With Independent Auditors' Report)

EWA PILOTS' RETIREMENT PLAN
DECEMBER 31, 2011 AND 2010

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INDEPENDENT AUDITORS' REPORT

To the Con-way Inc. Administrative Committee
EWA Pilots' Retirement Plan

We were engaged to audit the accompanying statements of net assets available for benefits of the EWA Pilots' Retirement Plan as of December 31, 2011 and 2010, and the related statement of changes in net assets available for benefits for the year ended December 31, 2011. These financial statements are the responsibility of the Plan's management.

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 6, which was certified by The Bank of New York Mellon, N.A., the trustee of the Plan, except for comparing such information with the related information included in the financial statements. We have been informed by the plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained a certification from the trustee as of and for the years ended December 31, 2011 and 2010, that the information provided to the plan administrator by the trustee is complete and accurate.

Because of the significance of the information that we did not audit, we are unable to, and do not, express an opinion on the accompanying financial statements taken as a whole. The form and content of the information included in the financial statements, other than that derived from the information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Perkins & Company, P.C.

October 11, 2012

EWA PILOTS' RETIREMENT PLAN

Statements of Net Assets Available for Benefits

December 31, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Assets:		
Investment in Con-way Retirement Master Trust, at fair value	\$ 24,690,166	\$ 21,933,904
Con-way contribution receivable	<u>188,000</u>	<u>3,390,000</u>
Net assets available for benefits	<u>\$ 24,878,166</u>	<u>\$ 25,323,904</u>

See accompanying notes to financial statements.

EWA PILOTS' RETIREMENT PLAN

Statement of Changes in Net Assets Available for Benefits

Year ended December 31, 2011

Additions:

Plan's share of Con-way Retirement Master Trust investment gain	\$ 317,886
Con-way contributions	<u>398,000</u>
Total additions	<u>715,886</u>

Deductions:

Benefit payments to participants	(1,149,759)
Administrative expenses of the Plan	<u>(11,865)</u>
Total deductions	<u>(1,161,624)</u>
Net increase (decrease)	(445,738)

Net assets available for benefits, beginning of year	<u>25,323,904</u>
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Net assets available for benefits, end of year	<u><u>\$ 24,878,166</u></u>
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See accompanying notes to financial statements.

EWA PILOTS' RETIREMENT PLAN

Notes to Financial Statements

December 31, 2011 and 2010

(1) Description of Plan

The following description of the EWA Pilots' Retirement Plan (the Plan) provides only general information. Participants should refer to the Plan document for a more complete description of the Plan's provisions. The term "Con-way" or "Company" refers to Con-way Inc. and subsidiaries.

(a) General

The Plan is a defined benefit plan sponsored by Con-way and is subject to the applicable provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA). The Plan was created, effective September 19, 2000, as part of a collective bargaining agreement that brought all of the pilots formerly covered under the Con-way Pension Plan into one plan with its own requirements and benefits. In September 2001, Emery Worldwide Airlines (EWA) suspended operations and laid off the majority of its employees resulting in a partial termination of the Plan. As a result, all active participants became 100% vested.

Overall responsibility for administering the Plan rests with the Con-way Inc. Administrative Committee (the Committee), which is appointed by the Chief Executive Officer of Con-way. The net assets of the Plan and certain other Con-way defined benefit pension plans are held in the Con-way Retirement Master Trust (the Trust). The Bank of New York Mellon, N.A. (the Trustee) was appointed to hold, invest, and disburse plan benefits from the Trust.

(b) Eligibility

Employees were eligible to participate in the Plan if they were covered by a collective bargaining agreement that provided for the accrual of benefits under the Plan, they were not a leased employee, independent contractor or nonresident alien and if they had completed one year of service.

(c) Retirement Benefits

Annual normal retirement benefits, which are payable to members at age 65, are equal to the sum of (a) 1.1% of the participant's average final earnings (based on the average of the five highest consecutive annual rates of pay during the 10 years prior to retirement) up to the participant's average Social Security wage base multiplied by the participant's number of years of credited service under the Plan to a maximum of 35 years, (b) 1.4% of the participant's average final earnings in excess of the participant's average Social Security wage base multiplied by the participant's years of credited service under the Plan to a maximum of 35 years, and (c) 1.4% of the participant's final average earnings multiplied by the participant's years of credited service that are earned after completing 35 years of service.

EWA PILOTS' RETIREMENT PLAN

Notes to Financial Statements

December 31, 2011 and 2010

Participants may elect an early retirement date on or after attaining age 55 and completing 10 years of service. Annual pension benefits for participants retiring early are subject to a reduction factor as defined by the Plan. Participants who retire after attaining age 55 whose age at retirement plus their years of service total at least 85 will receive a retirement benefit unreduced for early retirement. Mandatory retirement is required for some participants under rule of the Federal Aviation Administration (FAA), which prohibits participants from performing the responsibilities of an airline pilot after age 65. Upon attaining the age of 65 and the requirements of an early retirement date, participants subject to the FAA rule shall receive an unreduced benefit regardless of whether the participant moves to other employment within Con-way. Vested participants who terminate employment before their normal retirement date but before achieving eligibility for Early Retirement will also be able to commence benefits at age 55, but using a different set of Early Retirement Factors.

Participants eligible for and receiving disability benefits under Con-way's Long-Term Disability policy continue to accrue benefits until the later of the following: attaining age 65, receiving long-term disability benefits for the maximum period allowed by the disability policy, receiving a lump-sum settlement, or termination of the disability.

Employees may elect to receive their pension benefits in the form of single life annuities or various forms of joint life annuities, or a level income option. If the actuarial equivalent of the employee's pension benefit is not over \$5,000 on the benefit starting date, the only form of benefit is a lump-sum. If the actuarial equivalent of the employee's pension benefit is over \$5,000 but not over \$10,000 on the benefit starting date, the only forms of benefit available is a lump-sum; two forms of joint annuity (50% or 75%); or a single life annuity with 60 months certain.

(2) Summary of Accounting Policies

(a) Basis of Accounting

The accompanying financial statements have been prepared using the accrual method of accounting.

(b) Income Recognition and Valuation of Investments

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

The fair value of the Plan's interest in the Trust is based on the beginning-of-year value of the Plan's interest in the Trust plus actual contributions and allocated investment gain or loss less actual benefit payments to participants and administrative expenses. Investments in the Trust are reported at fair value, as more fully discussed in Note 9, *Con-way Retirement Master Trust*.

(c) Investment Risk

The Plan assets are invested in a variety of investments in securities that are generally exposed to various risks, such as interest rate, credit and overall market volatility risks. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of

EWA PILOTS' RETIREMENT PLAN

Notes to Financial Statements

December 31, 2011 and 2010

investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statements of net assets available for benefits.

The Plan may invest in asset-backed securities, collateralized mortgage obligations, commercial mortgage-backed securities and various derivative instruments. The fair value, liquidity and related income of these securities are sensitive to changes in economic conditions, including real estate values, delinquencies or defaults, or both, and may be adversely affected by shifts in investors' perceptions of the issuers and changes in interest rates.

Plan contributions are made and the actuarial present value of accumulated plan benefits are reported based on certain assumptions pertaining to asset returns, interest rates, inflation rates and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimations and assumptions process, it is at least reasonably possible that changes in these estimates and assumptions in the near term could be material to the financial statements.

(d) *Benefit Payments*

Benefit payments to participants are recorded upon distribution. Distributions in process at December 31, 2011 were not significant.

(e) *Administrative Expenses*

During 2011 and 2010, trustee fees, investment management fees, and actuarial fees were paid through the Trust and are included in the Plan's share of Trust investment gain. During 2011 expenses of \$92,000 were included in the Plan's share of Trust investment gain.

The Plan pays certain other administrative expenses, primarily premiums to the Pension Benefit Guaranty Corporation, which are reported on the statements of changes in net assets available for benefits as administrative expenses of the Plan.

Other expenses, including computer services, professional fees, office supplies and payroll expenses of administrative and clerical personnel are provided by the Company without charge to the Plan.

(f) *Use of Estimates*

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) in the U.S. requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and changes in those amounts, disclosure of contingent assets and liabilities, and the actuarial present value of accumulated plan benefits at the date of the financial statements. Actual results could differ from those estimates.

(g) *New Accounting Standards*

In May 2011, the Financial Accounting Standards Board (FASB) issued an amendment to the accounting standards related to fair value measurements and disclosure requirements that result in a consistent definition of fair value and common requirements for the measurement and disclosure of fair value between GAAP and International Financial Reporting Standards. This standard provides

EWA PILOTS' RETIREMENT PLAN

Notes to Financial Statements

December 31, 2011 and 2010

certain amendments to the existing guidance on the use and application of fair value measurements and maintains a definition of fair value that is based on the notion of exit price. This standard will become effective for the Plan on January 1, 2012 and is not expected to have a material impact on the Plan's financial statements and disclosures.

In January 2010, the FASB issued an amendment to the accounting standards related to the disclosure about an entity's use of fair value measurements. The amended standards require entities to provide enhanced disclosures about transfers into and out of the Level 1 and Level 2 classifications; provide separate disclosures about purchases, sales, issuances and settlements relating to the tabular reconciliation of beginning and ending balances of the Level 3 (fair value determined based on significant unobservable inputs) classifications; and provide greater disaggregation for each class of assets and liabilities that use fair value measurement. Except for the detailed Level 3 roll-forward disclosures, the amendment was effective for the Plan as of January 1, 2010. The adoption of these provisions of the amendment did not have a material effect on the Plan's disclosures.

(h) Subsequent Events

The Plan's management has performed an evaluation of subsequent events through October 11, 2012, which is the date these financial statements were available to be issued.

(3) Funding Policy

Contributions to the Plan, if necessary, are made to meet or exceed the minimum funding standards of ERISA and the Internal Revenue Code (the Code). In determining the amount and timing of its pension contributions, Con-way considers both the ERISA- and GAAP-based measures of funded status as well as the tax deductibility of contributions. In 2011, Con-way contributed \$210,000 for the 2011 plan year. During 2012, Con-way contributed \$188,000 to the Plan for the 2011 plan year.

(4) Actuarial Present Value of Accumulated Plan Benefits

Accumulated plan benefits are those future periodic payments that are attributable under the Plan's provisions to the service rendered by retired and nonretired participants. Accumulated plan benefits include benefits expected to be paid to employees or their beneficiaries upon retirement, termination, or death. The actuarial present value of accumulated plan benefits at December 31, 2010 (beginning-of-the-year presentation) was as follows:

Vested benefits:

Participants currently receiving payments	\$ 11,037,929
Active participants and terminated participants entitled to deferred benefits	8,446,123

Total vested benefits	19,484,052
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Nonvested benefits	83,877
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Total actuarial present value of accumulated plan benefits as of December 31, 2010	\$ 19,567,929
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EWA PILOTS' RETIREMENT PLAN

Notes to Financial Statements

December 31, 2011 and 2010

The following table presents the change in the actuarial present value of accumulated plan benefits:

Actuarial present value of accumulated plan benefits, December 31, 2009	\$ 17,922,938
Increase (decrease) during the year attributable to:	
Increase in interest due to the decrease in the discount period	1,471,367
Other actuarial gain	309,877
Benefit payments to participants	(1,131,212)
Change in actuarial assumptions	994,959
Net increase	1,644,991
Actuarial present value of accumulated plan benefits, December 31, 2010	\$ 19,567,929

The actuarial present value of accumulated plan benefits is determined by Mercer, the Plan's actuary, and is that amount that results from applying actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements such as death, withdrawal, or retirement) between the valuation date and the expected date of payment.

The following significant assumptions were changed since December 31, 2009:

- The interest rate was changed from 8.5% to 8.0%.
- Mortality was changed from RP-2000 Mortality Table, projected to 2005, 100% white-collar to RP-2000 Mortality Table, projected to 2017, 100% white-collar.
- The inflation assumption was updated to reflect expectations for the current plan year.

Other significant actuarial assumptions used in determining the actuarial present value of accumulated plan benefits as of December 31, 2010 were as follows:

Actuarial cost method	– Unit credit method
Return on investments	– 8.0% compounded annually
Mortality	– RP-2000 Mortality Table, projected to 2017, 100% white-collar

The return on investments of 8.0% includes a reduction of 0.2% to reflect anticipated administrative expenses associated with providing benefits.

The withdrawal, retirement and compensation increase assumptions reflect that all active participants are on long-term disability. The foregoing actuarial assumptions are based upon the presumption that the Plan will continue. Were the plan to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated plan benefits. The actuarial valuation was prepared as of January 1, 2011. Had the valuation been prepared as of December 31, 2010, there would be no material differences.

EWA PILOTS' RETIREMENT PLAN

Notes to Financial Statements

December 31, 2011 and 2010

(5) Plan Termination

In the event that the Plan terminates, the net assets of the Plan will be allocated, as prescribed by ERISA and its related regulations, generally to provide the following benefits in the order indicated:

- a. Annuity benefits that former employees or their beneficiaries have been receiving for at least three years, or that employees eligible to retire for that three-year period would have been receiving if they had retired with benefits in the normal form of annuity under the Plan. The priority amount is limited to the lowest benefit that was payable (or would have been payable) during those three years. The amount is further limited to the lowest benefit that would be payable under Plan provisions in effect at any time during the five years preceding Plan termination.
- b. Other vested benefits insured by the Pension Benefit Guaranty Corporation (PBGC), a U.S. government agency, up to the applicable limitations discussed below.
- c. All other vested benefits not insured by the PBGC.
- d. All nonvested benefits.

Certain benefits under the Plan are insured by the PBGC if the Plan terminates. Generally, the PBGC guarantees most vested normal-age retirement benefits, early retirement benefits, and certain disability and survivors' pensions. However, the PBGC does not guarantee all types of benefits under the Plan, and the amount of benefit protection is subject to certain limitations. Vested benefits under the Plan are guaranteed at the level in effect on the date of the Plan's termination. However, there is a statutory ceiling, which is adjusted periodically, on the amount of an individual's monthly benefit that the PBGC guarantees.

Whether all participants receive their benefits under a Plan termination would depend on the sufficiency, at that time, of the Plan's net assets to provide for accumulated benefit obligations and may also depend on the financial condition of the Plan sponsor and the level of benefits guaranteed by the PBGC.

(6) Summary of Information Certified by the Trustee

The plan administrator has elected the method of annual reporting compliance permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. The following information included in the financial statements was provided and certified by the Trustee as complete and accurate:

- Investment in the Trust
- Plan's share of the Trust investment gain
- The Trust information in Note 9

(7) Related-Party Transactions

Certain Plan investments are managed by the Trustee. Therefore, these managed investments and investment transactions qualify as party-in-interest transactions.

EWA PILOTS' RETIREMENT PLAN

Notes to Financial Statements

December 31, 2011 and 2010

(8) Income Tax Status

The Internal Revenue Service has determined and informed Con-way by a letter dated November 6, 2009, that the Plan and related Trust are designed in accordance with applicable sections of the Code. The Plan has been amended since receiving the determination letter. However, the plan administrator believes that the Plan is designed and is currently being operated in compliance with the applicable requirements of the Code. Therefore, the plan administrator believes that the Plan was qualified and the related Trust was tax exempt as of the financial statement date.

Accounting principles generally accepted in the United States of America require plan management to evaluate tax positions taken by the plan and recognize a tax liability (or asset) if the plan has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. The plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The plan administrator believes it is no longer subject to income tax examinations for years prior to 2008.

(9) Con-way Retirement Master Trust

The Trust holds the assets associated with two other Con-way defined benefit plans. Each participating retirement plan has an undivided interest in the Trust. In the administration of the Plan, the Trustee holds the assets of the Trust and manages investment of funds under the direction of several investment managers and the plan administrator. All gains and losses of the Trust are prorated monthly based on the ratio of investment in the Trust, at market value, which each plan holds, to the total market value of the Trust.

Interests

The following is a summary of the participating plan interests in the Trust at December 31, 2011 and 2010:

	2011		2010	
	Market value	Share	Market value	Share
Con-way Pension Plan	\$ 1,049,593,574	95.0%	\$ 1,018,947,665	94.9%
Menlo Worldwide Forwarding, Inc. Hourly Employees Pension Plan	31,085,967	2.8	32,331,305	3.0
EWA Pilots' Retirement Plan	24,690,166	2.2	21,933,904	2.1
	<u>\$ 1,105,369,707</u>	<u>100.0%</u>	<u>\$ 1,073,212,874</u>	<u>100.0%</u>

EWA PILOTS' RETIREMENT PLAN

Notes to Financial Statements

December 31, 2011 and 2010

The Plan's interest in the net assets of the Trust is included in the accompanying statements of net assets available for benefits.

Investments

A summary of the net assets of the Trust as of December 31, 2011 and 2010 is as follows:

EWA PILOTS' RETIREMENT PLAN

Notes to Financial Statements

December 31, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Investments, at fair value:		
Interest-bearing cash	\$ 1,216,105	\$ 949,918
U.S. Government securities	38,280,123	24,311,152
Corporate debt instruments	190,150,648	191,104,207
Corporate stocks	442,919,180	465,113,868
Mutual fund	72,218,430	85,873,281
Common and collective trusts	291,572,473	255,696,416
Private real estate fund	34,520,322	29,552,752
International government securities	9,793,125	7,758,875
Municipal bonds	20,573,199	15,050,506
Interest rate swap agreements	578,190	205,172
Credit default swap agreements	(772,568)	647,360
Futures contracts	1,704,460	443,022
U.S. Treasury notes and futures	34,016	—
Partnerships and joint ventures	991,888	1,019,385
Cash collateral held for swaps and futures agreements	(1,450,000)	(270,000)
Written options	(464,026)	(807,789)
Purchase options	809,416	—
	<u>1,102,674,981</u>	<u>1,076,648,125</u>
Receivables:		
Interest	3,917,289	4,000,442
Dividends	921,840	616,004
Securities sold	217,895	5,217,802
Variation margin on swaps	139,103	—
Cash	(3,213)	(502,528)
Cash at broker	(1,287,819)	(343,073)
Foreign currency receivable for securities sold	23	2,602
Foreign currency interest receivable	(2,886)	—
Foreign currency dividend receivable	(3,808)	8,877
Foreign currency contracts receivable	(240,634)	265,933
Total receivables	<u>3,657,790</u>	<u>9,266,059</u>
Payables:		
Securities purchased	(986,942)	(12,698,264)
Interest payable	(5,176)	—
Foreign taxes payable on dividends	(1,268)	(1,347)
Foreign currency payable for securities purchased	557	(4,627)
Foreign currency contracts payable	29,754	2,938
Foreign currency taxes payable on dividends	11	(10)
Total payables	<u>(963,064)</u>	<u>(12,701,310)</u>
Total net assets of the Con-way Retirement Master Trust	<u>\$ 1,105,369,707</u>	<u>\$ 1,073,212,874</u>

EWA PILOTS' RETIREMENT PLAN

Notes to Financial Statements

December 31, 2011 and 2010

Assets of the Trust are managed pursuant to a long-term allocation strategy that seeks to mitigate funded status volatility by increasing the Trust's investment in fixed-income investments over time. This strategy was developed by analyzing a variety of diversified asset-class combinations in conjunction with the projected liabilities of the Plan. In 2011, the Trust lowered its percentage of investments in equity securities and increased its percentage of investments in fixed-income securities.

The Trust's current investment strategy is to achieve a mix of approximately 55% of investments in equity securities, 42% in fixed-income securities and 3% in real estate. The target allocations for equity securities include 27% in U.S. large companies, 8% in U.S. small companies and 20% in international companies. Investments in equity securities are allocated between growth-and value-style investment strategies and are diversified across industries and investment managers. Investments in fixed-income securities consist primarily of high-quality U.S. corporate debt instruments in a variety of industries. The Trust's investments in equity and fixed-income securities consist of individual securities held in managed separate accounts as well as commingled investment funds.

The Trust's investment strategy does not include a meaningful long-term investment allocation to cash and cash equivalents; however, the Trust's cash allocation may rise periodically in response to timing considerations regarding contributions, investments, and the payment of benefits and eligible Trust expenses. Additionally, the level of cash and cash equivalents may reflect the un-invested balance of each manager's allocated portfolio balance. This "un-invested cash" is typically held in a short-term fund that invests in money-market instruments, including commercial paper and other liquid short-term interest-bearing instruments.

The Trust's investment policy does not allow investment managers to use market-timing strategies or financial derivative instruments for speculative purposes, but these investment managers can use financial derivative instruments to manage risk. Generally, the investment managers are prohibited from short selling, trading on margin, and trading commodities, warrants or other options, except when acquired as a result of the purchase of another security, or in the case of options, when sold as part of a covered position. Con-way's investment policies also restrict the investment managers from accumulating concentrations by issuer, country or industry segment.

Assets and liabilities reported at fair value are classified in one of the following three levels within the fair-value hierarchy:

Level 1 – Quoted market prices in active markets for identical assets or liabilities

Level 2 – Observable market-based inputs or unobservable inputs that are corroborated by market data

Level 3 – Unobservable inputs that are not corroborated by market data

The following table summarizes the valuation of investments within the fair-value hierarchy:

EWA PILOTS' RETIREMENT PLAN

Notes to Financial Statements

December 31, 2011 and 2010

	December 31, 2011			
	Level 1	Level 2	Level 3	Total
Interest-bearing cash	\$ 1,216,105	\$ —	\$ —	\$ 1,216,105
U.S. Government securities	38,280,123	—	—	38,280,123
Corporate debt instruments	—	190,150,648	—	190,150,648
Corporate stocks	442,919,180	—	—	442,919,180
Mutual fund - Short-term bond fund	72,218,430	—	—	72,218,430
Common and collective trusts				
Fixed-income funds				
Money market	—	52,024,789	—	52,024,789
Short maturity	—	17,605,617	—	17,605,617
Emerging markets	—	6,087,785	—	6,087,785
S&P 500 index fund	—	116,391,034	—	116,391,034
International equity fund	—	79,855,220	—	79,855,220
Real estate index fund	—	19,608,028	—	19,608,028
Total Common and collective trusts	—	291,572,473	—	291,572,473
Private real estate fund	—	—	34,520,322	34,520,322
International government securities	—	9,793,125	—	9,793,125
Municipal bonds	—	20,573,199	—	20,573,199
Interest rate swap agreements	—	578,190	—	578,190
Credit default swap agreements	—	(772,568)	—	(772,568)
Futures contracts	1,704,460	—	—	1,704,460
U.S. Treasury notes and futures	34,016	—	—	34,016
Partnerships and joint ventures	—	991,888	—	991,888
Cash collateral held for swaps and futures agreements	—	(1,450,000)	—	(1,450,000)
Written options	—	(464,026)	—	(464,026)
Purchase options	—	809,416	—	809,416
Total	\$ 556,372,314	\$ 511,782,345	\$ 34,520,322	\$ 1,102,674,981

EWA PILOTS' RETIREMENT PLAN

Notes to Financial Statements

December 31, 2011 and 2010

	December 31, 2010			
	Level 1	Level 2	Level 3	Total
Interest-bearing cash	\$ 949,918	\$ —	\$ —	\$ 949,918
U.S. Government securities	24,311,152	—	—	24,311,152
Corporate debt instruments	—	191,104,207	—	191,104,207
Corporate stocks	465,113,868	—	—	465,113,868
Mutual fund - Short-term bond fund	85,873,281	—	—	85,873,281
Common and collective trusts				
Fixed-income funds				
Money market	—	17,806,267	—	17,806,267
Short maturity	—	4,808,870	—	4,808,870
Emerging markets	—	5,957,756	—	5,957,756
S&P 500 index fund	—	113,869,038	—	113,869,038
International equity fund	—	95,240,041	—	95,240,041
Real estate index fund	—	18,014,444	—	18,014,444
Total common and collective trusts	—	255,696,416	—	255,696,416
Private real estate fund	—	—	29,552,752	29,552,752
International government securities	—	7,758,875	—	7,758,875
Municipal bonds	—	15,050,506	—	15,050,506
Interest rate swap agreements	—	205,172	—	205,172
Credit default swap agreements	—	647,360	—	647,360
Futures contracts	443,022	—	—	443,022
Partnerships and joint ventures	—	1,019,385	—	1,019,385
Cash collateral held for swaps and futures agreements	—	(270,000)	—	(270,000)
Written options	—	(807,789)	—	(807,789)
Total	<u>\$ 576,691,241</u>	<u>\$ 470,404,132</u>	<u>\$ 29,552,752</u>	<u>\$ 1,076,648,125</u>

Due to the short maturity of interest-bearing cash, its carrying amount approximates fair value. Common and collective trusts are not publicly traded and do not have readily determinable fair values. Accordingly, common and collective trusts are valued at their net asset value per unit based on the value of the underlying investments. Investments in common and collective trusts can generally be redeemed without restriction, however the private real estate fund maintains a redemption plan whereby redemption requests must be received in writing 45 days prior to the end of the quarter. Redemptions are paid in accordance with the terms of the private real estate fund's articles of incorporation and upon approval by its board of directors. If the private real estate fund is unable to fully satisfy all redemption requests, partial

EWA PILOTS' RETIREMENT PLAN

Notes to Financial Statements

December 31, 2011 and 2010

redemptions may be made on a pro-rata basis, in proportion to the total number of shares held by each shareholder that has formally submitted a redemption request, regardless of when the requests were received. Any shares that are not redeemed in a given quarter are carried forward into a redemption queue for payment in future quarters. The shares are redeemed for each shareholder on a first-in, first-out basis (i.e. the first shares purchased by the shareholder are the first ones to be redeemed). U.S. Government securities, mutual funds, corporate stocks and exchange traded futures are valued at the closing price reported in the active markets on which the individual securities are traded. Corporate debt instruments, international government securities and municipal bonds are generally valued using observable bid-ask spreads or broker-provided pricing. Investments in corporate debt instruments consist primarily of high-quality U.S. corporate debt instruments in a variety of industries. The fair value of the private real estate fund is based on the underlying assets, which consist of commercial and residential properties valued using periodic appraisals. The fair value of derivatives other than exchange traded funds, are calculated using observable, market-based inputs.

The following is a summary of the significant accounting policies associated with the Trust's use of derivatives:

- a. Forward exchange contracts are marked-to-market based upon forward exchange rates, and the difference between contract value and market value is recorded as an asset (liability) in Trust net assets. The change in value of these forward exchange contracts is included as unrealized gains (losses) in the changes in Trust net assets. When the forward exchange contract is closed or effectively settled, the Trust transfers the unrealized appreciation (depreciation) to a realized gain (loss) equal to the change in the value of the forward exchange contract when it was opened and the value at the time it was closed or offset.
- b. Upon entering into a futures contract, the Trust is required to pledge to the broker an amount of cash and/or liquid securities equal to the minimum "initial margin" requirements of the exchange. Pursuant to the futures contract, the Trust agrees to receive from, or pay to, the broker an amount of cash equal to the daily fluctuation in the value of the futures contract. Such receipts or payments are known as "variation margin," which is settled daily. The change in value related to the daily fluctuations in the value of the futures contract is included as unrealized gains (losses) in the changes in Trust net assets. When the futures contract expires the Trust transfers the unrealized appreciation (depreciation) to a realized gain (loss) equal to the change in the value of the futures contract when it was opened and the value at the time it expired.
- c. The Trust may buy or write put and call options through listed exchanges and in the OTC market. When the Fund buys or writes an option, an amount equal to the premium paid or received by the Fund is recorded as an asset or liability and is subsequently adjusted to the current market value of the option purchased or written. The premiums paid or received from buying or writing options are recorded as realized gains or losses upon the expiration of the options. The difference between the premium and the amount paid or received on affecting a closing purchase or sale transaction is also treated as a realized gain or loss. If an option is exercised, the premium paid or received is recorded as a realized gain or loss if sold or an adjustment to cost if acquired. The Trust, as a writer of an option, may have no control over

EWA PILOTS' RETIREMENT PLAN

Notes to Financial Statements

December 31, 2011 and 2010

whether the underlying securities may be sold (call) or purchased (put) and, as a result, bears the market risk of an unfavorable change in the price of the security underlying the written option.

- d. The Trust may enter into fixed income and equity swap contracts. Swaps are marked-to-market daily based upon quotations from market makers and the change, if any, is recorded as an unrealized gain or loss in the changes in Trust net assets. Certain investment contracts may require collateral. Cash is either received from, or provided to the investment contract counterparty depending on the terms of the contract and the market value of the security. Cash received from counterparties can be held or reinvested in other securities and is recorded as a liability of the Trust. Cash provided to counterparties is an asset of the Trust.

The following table summarizes the changes in fair values of financial instruments measured using Level 3 inputs:

	Private real estate fund	
	2011	2010
Balance at beginning of year	\$ 29,552,752	\$ 25,916,633
Unrealized gain relating to instruments still held at the reporting date	2,954,022	2,351,535
Purchases	2,013,548	1,284,584
Balance at end of year	<u>\$ 34,520,322</u>	<u>\$ 29,552,752</u>
The amount of total gains for the year attributable to the change in unrealized gains or losses relating to assets still held at year end	<u>\$ 2,954,022</u>	<u>\$ 2,351,535</u>

Trust net investment gain, excluding administrative expenses, allocated to the participating plans for the years ended December 31, 2011 and 2010 was as follows:

	2011
Interest income	\$ 15,089,482
Dividend income	7,172,611
Net appreciation (depreciation) in the fair value of investments	<u>(4,274,530)</u>
Investment gain	<u>\$ 17,987,563</u>

EWA PILOTS' RETIREMENT PLAN

Notes to Financial Statements

December 31, 2011 and 2010

The net appreciation (depreciation) in the fair value of investments in the Trust by major investment category for the years ended December 31, 2011 was as follows:

	<u>2011</u>
Interest-bearing cash	\$ 165,743
U.S. Government securities	9,687,748
Corporate debt instruments	8,190,219
Corporate stocks	(28,275,345)
Mutual fund	1,406,240
Common and collective trusts	(10,450,388)
Private real estate fund	4,967,570
International government securities	1,245,750
Municipal bonds	3,397,500
Interest rate swap agreements	155,907
Credit default swap agreements	(1,716,681)
Futures contracts	3,724,342
Foreign exchange contracts	(129,681)
U.S. Treasury notes and futures	34,016
Partnerships and joint ventures	55,648
Cash collateral held for swaps and futures agreements	398,301
Written options	784,168
Purchase options	(1,120,490)
Other	<u>3,204,903</u>
Net depreciation	
in the fair value of investments	\$ <u><u>(4,274,530)</u></u>

Schedule SB, Line 26 — Schedule of Active Participant Data

Attained age	Years of credited service										
	Under 1	1-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40 & Up	Total
Under 25											
25-29											
30-34											
35-39											
40-44					1						1
45-49						1					1
50-54						1					1
55-59											
60-64				1	2	4					7
65-69											
70 & Up											
Total				1	3	6					10

In each cell, the number is the count of active participants for each age/service. Average pay is not shown for plans with less than 1,000 active participants or cells with fewer than 20 participants.

Schedule SB, Part V — Statement of Actuarial Assumptions/Methods**Actuarial assumptions****Discount rate sponsor elections**

▪ Segment rates or full yield curve	Segment Rates
▪ Look-back months	4
▪ 1st 5 years	3.78%
▪ Next 15 years	6.31%
▪ Over 20 years	6.57%

Mortality sponsor elections

▪ Healthy and Disabled participants	Section 430(h)(3) prescribed separate static annuitant and nonannuitant mortality tables. These tables are based on the RP-2000 mortality tables projected with mortality improvement to the valuation year plus 7 and 15 years based on Scale AA.
-------------------------------------	--

Other economic assumptions

▪ Salary increases	None (all active participants are on long-term disability)
▪ Social Security wage base	3.50% per year
▪ Inflation	2.60% per year
▪ Expected investment return	8.50% per year for years 2009 through 2010
▪ Expenses	\$50,000 added to current year normal cost

Demographic assumptions

▪ Withdrawal	None	
▪ Disability incidence	Not applicable	
▪ Retirement age	65	
▪ Benefit commencement age for		
– Future vested deferred	65	
– Current vested deferred	65	
▪ Spouse assumptions	Male participants	Female participants
– Percentage married	75%	75%
– Spouse age difference	3 years younger	3 years older

Schedule SB, Part V — Statement of Actuarial Assumptions/Methods

Form of payment	<u>Life Annuity</u>	<u>100% J&S</u>	<u>50% J&S</u>
▪ Active retirements	40%	60%	0%
▪ Current vested deferred	40%	60%	0%
▪ Future deaths	<ul style="list-style-type: none"> ▪ Single participants are not eligible for death benefit. ▪ Spouses of deceased participants eligible for immediate retirement are entitled to 50% of accrued benefit at date of death. ▪ Married participants of deceased participant not eligible for immediate retirement are entitled to a REA death benefit commencing on the first day of the month following participant's 55th birthday. 		
Unpredictable contingent event assumptions	Not applicable		
Other assumption			
▪ Covered payroll	Base salary at time of disablement.		

Actuarial methods**Asset methods**

The asset valuation method is an average of the adjusted market value for each quarter during the last 24 months preceding the valuation date. The adjusted market value is the market value at each determination date adjusted to the valuation date based on actual cash flows and expected interest at the lesser of the expected rate of return and the third segment rate. This amount is adjusted to be no greater than 110 percent and no less than 90 percent of the fair market value, as defined in IRC Section 430.

A characteristic of this asset method is that, over time, it is slightly more likely to produce an actuarial value of assets that is less than the market value of assets than an actuarial value that is greater than the market value.

Participant methods

Participants or former participants are included or excluded from the valuation as described below:

- **Participants included:** The plan sponsor provides us with data on all employees as of the valuation date, but only those employees who have completed the plan's eligibility requirements are included in the valuation of liabilities.

Schedule SB, Part V — Statement of Actuarial Assumptions/Methods

- **Participants excluded:** No actuarial liability is included for nonvested participants who terminated prior to the valuation date. For this purpose, participants with a break in service on the valuation date are treated as terminated participants.
- **Insurance contracts:** The plan does not have any insurance contracts.

Minimum funding method

The funding target for minimum funding calculations is computed using the traditional unit credit method of funding. The objective under this method is to fund each participant's benefits under the plan as they accrue. Thus, the total pension to which each participant is expected to become entitled at retirement is broken down into units, each associated with a year of past or future credited service.

A detailed description of the calculation follows:

- The plan's valuation date is the beginning of the plan year.
- An individual's **funding target** is the present value of future benefits based on credited service and average pay as of the beginning of the plan year, and an individual's **target normal cost** is the present value of the benefit expected to accrue in the plan year. If multiple decrements are used, the funding target and the target normal cost for an individual is the sum of the component funding targets and target normal costs associated with the various anticipated separation dates.
- For currently disabled participants, the **funding target** is the present value of future benefits based on credited service projected to retirement age. All benefits are considered "accrued", including those based on service not yet earned, therefore **target normal cost** for currently disabled participants is zero.
- The plan's **target normal cost** is the sum of the individual target normal costs, and the plan's **funding target** is the sum of the individual funding targets for all participants under the plan.

Schedule SB, Line 32 — Schedule of Amortization Bases

The total shortfall amortization charge is the sum of the individual shortfall amortization installment for each plan year covered under PPA. Although an individual shortfall amortization installment can be negative, the combined shortfall amortization charge cannot be less than \$0.

Shortfall bases				
Year established		Outstanding balance	Years remaining	2011 Installment
2010	\$	1,221,823	6	\$ 226,884
2011		596,909	7	98,209
Total	\$	1,818,732		\$ 325,093

Schedule SB, Line 24 — Change in Actuarial Assumptions

- Interest discounts and mortality rates were updated from 2010 to 2011 in accordance with PPA.
- The inflation assumption was updated to reflect expectations for the current plan year.

Schedule SB, Line 25 — Change in Method

Beginning with the 2011 valuation, the yield curve used to determine the target liability and target normal cost was changed from the segment yield curve with no look-back to the segment yield curve with a 4-month look-back. Under Code section 430, this change in method was subject to automatic IRS approval.

**SCHEDULE SB
(Form 5500)**Department of the Treasury
Internal Revenue ServiceDepartment of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

**Single-Employer Defined Benefit Plan
Actuarial Information**

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500 or 5500-SF.**

OMB No. 1210-0110

2011**This Form is Open to Public
Inspection**

For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

▶ **Round off amounts to nearest dollar.**▶ **Caution:** A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan EWA PILOTS' RETIREMENT PLAN	B Three-digit plan number (PN) ▶ 013
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF CON-WAY INC.	D Employer Identification Number (EIN) 94-1444798
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B	F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500

Part I Basic Information

1 Enter the valuation date: Month <u>1</u> Day <u>1</u> Year <u>2011</u>		
2 Assets:		
a Market value	2a	25,176,009
b Actuarial value	2b	22,892,816
3 Funding target/participant count breakdown:	(1) Number of participants	(2) Funding Target
a For retired participants and beneficiaries receiving payment.....	3a 115	12,905,056
b For terminated vested participants	3b 218	9,054,469
c For active participants:		
(1) Non-vested benefits.....	3c(1)	462,996
(2) Vested benefits	3c(2)	2,289,027
(3) Total active.....	3c(3) 10	2,752,023
d Total.....	3d 343	24,711,548
4 If the plan is in at-risk status, check the box and complete lines (a) and (b)	☐	
a Funding target disregarding prescribed at-risk assumptions	4a	
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor.....	4b	
5 Effective interest rate	5	6.32 %
6 Target normal cost	6	50,000

Statement by Enrolled Actuary

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption 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.

**SIGN
HERE**

BRC

Signature of actuary

BRENT R CHUBBS, ASA, EA, MAAA

Type or print name of actuary

MERCER

1301 FIFTH AVENUE, SUITE 1900

Firm name

SEATTLE

WA 98101-2682

Address of the firm

10/2/2012

Date

11-07082

Most recent enrollment number

(206) 214-3500

Telephone number (including area code)

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions ☐

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500 or 5500-SF.

Schedule SB (Form 5500) 2011
v.012611

Part II Beginning of year carryover and prefunding balances

	(a) Carryover balance	(b) Prefunding balance
7 Balance at beginning of prior year after applicable adjustments (line 13 from prior year).....	0	0
8 Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	0
9 Amount remaining (line 7 minus line 8).....	0	0
10 Interest on line 9 using prior year's actual return of <u>13.04</u> %.....		
11 Prior year's excess contributions to be added to prefunding balance:		
a Present value of excess contributions (line 38 from prior year)		2,872,888
b Interest on (a) using prior year's effective rate of <u>6.62</u> % except as otherwise provided (see instructions).....		190,185
c Total available at beginning of current plan year to add to prefunding balance.....		3,063,073
d Portion of (c) to be added to prefunding balance.....		0
12 Other reductions in balances due to elections or deemed elections.....	0	0
13 Balance at beginning of current year (line 9 + line 10 + line 11d – line 12).....	0	0

Part III Funding percentages

14 Funding target attainment percentage	14	92.64 %
15 Adjusted funding target attainment percentage	15	92.64 %
16 Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement.....	16	90.25 %
17 If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage.	17	%

Part IV Contributions and liquidity shortfalls

18 Contributions made to the plan for the plan year by employer(s) and employees:

(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
04/13/2011	70,000				
07/11/2011	70,000				
10/11/2011	70,000				
01/11/2012	70,000				
07/02/2012	118,000				
Totals •			18(b)	398,000	18(c)
					0

19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:

a Contributions allocated toward unpaid minimum required contributions from prior years.	19a	0
b Contributions made to avoid restrictions adjusted to valuation date.....	19b	0
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date.....	19c	376,720

20 Quarterly contributions and liquidity shortfalls:

a Did the plan have a "funding shortfall" for the prior year? ☒ Yes ☐ No

b If 20a is "Yes," were required quarterly installments for the current year made in a timely manner? ☒ Yes ☐ No

c If 20a is "Yes," see instructions and complete the following table as applicable:

Liquidity shortfall as of end of quarter of this plan year			
(1) 1st	(2) 2nd	(3) 3rd	(4) 4th
0	0	0	0

Part V Assumptions used to determine funding target and target normal cost

21 Discount rate:				
a Segment rates:	1st segment: 3.78 %	2nd segment: 6.31 %	3rd segment: 6.57 %	☐ N/A, full yield curve used
b Applicable month (enter code).....				21b 4
22 Weighted average retirement age				22 65
23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute				

Part VI Miscellaneous items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment.....	☒ Yes ☐ No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment.	☒ Yes ☐ No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment.	☒ Yes ☐ No
27 If the plan is eligible for (and is using) alternative funding rules, enter applicable code and see instructions regarding attachment	27

Part VII Reconciliation of unpaid minimum required contributions for prior years

28 Unpaid minimum required contributions for all prior years	28	0
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a).....	29	0
30 Remaining amount of unpaid minimum required contributions (line 28 minus line 29).....	30	0

Part VIII Minimum required contribution for current year

31 Target normal cost and excess assets (see instructions):			
a Target normal cost (line 6)	31a	50,000	
b Excess assets, if applicable, but not greater than 31a	31b	0	
32 Amortization installments:	Outstanding Balance	Installment	
a Net shortfall amortization installment.....	1,818,732	325,093	
b Waiver amortization installment.....	0	0	
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount.....	33		
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)...	34	375,093	
	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement			0
36 Additional cash requirement (line 34 minus line 35).....	36	375,093	
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c).....	37	376,720	
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)	38a	1,627	
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b	0	
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	39	0	
40 Unpaid minimum required contributions for all years.....	40	0	

Part IX Pension funding relief under Pension Relief Act of 2010 (see instructions)

41 If a shortfall amortization base is being amortized pursuant to an alternative amortization schedule:				
a Schedule elected	☐ 2 plus 7 years ☐ 15 years			
b Eligible plan year(s) for which the election in line 41a was made	☐ 2008	☐ 2009	☐ 2010	☐ 2011
42 Amount of acceleration adjustment	42			
43 Excess installment acceleration amount to be carried over to future plan years	43			

Schedule SB, Part V — Summary of Plan Provisions

Plan Provisions

Benefits included or excluded

Unless noted below, all benefits provided by the plan, as restated and amended through Amendment #2, are included in this valuation.

- **Most recent plan amendments included:** Amendment #2.
- **Plan amendments excluded:** None.
- **IRC Section 436 benefit restrictions:**
 - *Benefit accruals:* The target normal cost does not reflect any limitation on benefit accruals.
- **Late retirement increases:**
 - *Active participants:* The plan provides benefit suspension notices to participants who work beyond normal retirement; therefore, late retirement actuarial increases only apply to participants who defer retirement beyond age 70½. This valuation includes increases for current participants over age 70.
 - *Deferred vested participants:* Current deferred vested participants over normal retirement age are valued including the late retirement actuarial increase.
- **Unpredictable contingent event benefits:** We are not aware of any unpredictable contingent event benefits.
- **IRC Section 415(b) benefit limitations:** The limitations of Internal Revenue Code Section 415(b) have been incorporated into our calculations.
- **IRC Section 416 rules for top-heavy plans:** We did not test whether this plan is top-heavy (when the present value of benefits for key employees equals or exceeds 60 percent of the present value for all participants). However, we expect that the plan is not top-heavy due to the large number of rank-and-file participants; therefore, the funding target and target normal cost do not reflect any liability for top-heavy benefit accruals.

Schedule SB, Part V — Summary of Plan Provisions**Summary of major plan provisions**

Effective date and plan year	Original plan: September 19, 2000 Restated plan: January 1, 2009 Most recent amendment: Amendment #2 effective December 29, 2009 Plan year: January 1 to December 31
Status of the plan	There are no new employees eligible to participate in the plan.
Significant events that occurred during the year	None
Sponsoring employer	Con-way Inc.
Type of plan	Final average earnings

Definitions

- Eligibility

Regular Employees: 1 year of service (elapsed time) following date of hire.

Supplemental Employees: 1 year of service (at least 1,000 Hours of Service) following date of hire.

Employees are eligible to participate in the plan if they are covered by a collective bargaining agreement that provided for accrual of benefit under the plan and satisfy the above service requirement. Currently, there are no new employees eligible to participate in the plan.
- Service considered

Vesting service: Years of Service measured from date of hire.

Credited service: Years of Service measured from date of participation. Supplemental Employees must complete at least 2,000 Hours of Service as a Participant to get credited a full Year of Service starting from 1988. Supplemental Employees working less than 2,000 Hours of Service will receive fractional years of service credit by dividing actual hours by 2,000.
- Vesting

100% vested after 5 Years of Service.

Schedule SB, Part V — Summary of Plan Provisions

-
- | | |
|------------------------------|---|
| ▪ Compensation considered | Basic Compensation is regular salary or wages, overtime, voluntary deferrals under Code Sections 125, 132(f)(4), and 401(k), and cash bonuses other than long term incentive bonuses and incentive bonuses for opting out of health coverage, paid during any calendar year. For Supplemental Employees, Basic Compensation is the amount determined as above, divided by the Participant's Hours of Service, and multiplied by 2,000.

Plan compensation is limited to the extent required by Code Section 401(a)(17). Basic Compensation for years prior to 2002 is limited to \$200,000. |
| ▪ Average final compensation | Basic Compensation averaged over the five consecutive calendar years producing the highest such average out of the ten calendar years ending on the date as of which the Average Final Compensation is determined.

Basic Compensation in a final partial calendar year is counted if it exceeds the Basic Compensation in the calendar year that is five years earlier. |
| ▪ Integration level | Participant's Covered Compensation for the Plan Year. Covered Compensation means the average of the contribution and benefit bases in effect under Section 230 of the Social Security Act for each of the 35 calendar years ending with the year the Participant attains Social Security Retirement Age. |

Schedule SB, Part V — Summary of Plan Provisions

- **Accrued benefit**
 - (1) Non-Grandfathered Participants: Annuity benefit payable for the life of the Participant with five years certain is (A) minus (B), but no less than (C):
 - (A) Sum of the following:
 - (i) 1.1% of Average Final Compensation multiplied by the Participant's years of Credited Service
 - (ii) 0.3% of Average Final Compensation in excess of the Integration Level multiplied by the Participant's years of Credited Service
 - (iii) 0.3% of Average Final Compensation up to the Integration Level multiplied by the Participant's years of Credited Service performed after completing 35 years of Service
 - (B) Actuarial Equivalent of Common Stock Fund (if not transferred to the Plan)
 - (C) The greatest accrued annuity benefit on Early Retirement Date the Participant could have received.
 - (2) Grandfathered Participants: (Participants of the prior pension plan before the acquisition of Emery prior to 1991): Annuity benefit payable for the life of the Participant with five years certain is amount determined in (1)(A) above plus (2)(A), but no less than (2)(B) plus (2)(C) minus (2)(D):
 - (A) 0.5% of Average Final Compensation multiplied by the Participant's years of Credited Service before 1988
 - (B) 2.0% of Average Final Compensation multiplied by the Participant's years of Credited Service before 1988
 - (C) 1.5% of Average Final Compensation multiplied by the Participant's years of Credited Service after 1987

Schedule SB, Part V — Summary of Plan Provisions

-
- | | |
|---|---|
| <ul style="list-style-type: none"> ▪ Accrued benefit
(continued) | <p>(D) Social Security Offset. Social Security Offset is lesser of:</p> <ul style="list-style-type: none"> (i) 1 2/3% of Participant's age 65 Social Security Amount multiplied by the Participant's years of Credited Service up to a maximum of 30 years, and (ii) 50% of the Participant's age 65 Social Security Amount multiplied by a fraction (not to exceed 1), the numerator of which is the Participant's years of Credited Service accumulated to the date the Social Security Offset is determined and the denominator of which is the years of Credited Service the Participant would have at age 65 if Credited Service had continued accumulating to that age. |
|---|---|

The total Accrued Benefits determined under 1. or 2. above will be offset by the following (if applicable):

- 1987 Annuity Benefit attributable to Credited Service through October 31, 1987 under the Emery Pension Plan
- Certain collectively bargained pension benefits as specified in the plan
- Actuarial Equivalent of pre-1984 employee contributions with interest if withdrawn by Participant's election

Accrued Benefits are limited to the extent required by Code Section 415.

Schedule SB, Part V — Summary of Plan Provisions**Normal retirement**

- Eligibility Age 65
- Benefit Accrued Benefit

Early retirement

- Eligibility Age 55 and 10 Years of Service.
- Benefit
 - Non-“Rule of 85” and Under 20 Years of Service: Accrued Benefit reduced by applicable early retirement factor for each year that the Early Retirement Date precedes age 65.
 - Non-“Rule of 85” and 20 or More Years of Service: Accrued Benefit reduced by applicable early retirement factor for each year that the Early Retirement Date precedes age 62.
 - “Rule of 85”: Unreduced Accrued Benefit.

- Applicable early retirement factor

Age	Under 20 years of service	20 or more years of service
55	55%	66%
56	58%	73%
57	62%	80%
58	66%	86%
59	73%	91%
60	80%	95%
61	86%	98%
62	91%	100%
63	95%	100%
64	98%	100%
65	100%	100%

Late retirement

- Benefit Greater of:
 - Accrued Benefit;
 - Actuarial Equivalent of the Normal Retirement Benefit, adjusted for delayed payment beyond age 70½.

Schedule SB, Part V — Summary of Plan Provisions**Deferred vested**

- Eligibility 5 Years of Service.
- Benefit Accrued Benefit reduced by applicable early retirement factor for each year that the Early Retirement Date precedes age 65.

- Applicable early retirement factor

Age	Rate
55	51.68%
56	54.76%
57	58.18%
58	61.88%
59	65.96%
60	70.36%
61	75.29%
62	80.70%
63	86.69%
64	93.24%
65	100.00%

Disability

- Eligibility Qualify for benefits under company-sponsored disability plan.
- Benefit Participant continues to earn Years of Service and Years of Credited Service until the date they no longer qualify to receive benefits under the company-sponsored disability plan. The rate of compensation at the time the disability arises will be used in determining the Average Final Compensation.

Pre-retirement death

- Eligibility Participant is 100% vested and does not waive pre-retirement spouse death benefit.
- Active participant eligible for early retirement Annuity for the life of the surviving spouse equal to 50% of the Participant's Accrued Benefit on the date of death, increased/reduced one-half of 1% for each year over five years that the spouse is older/younger than the Participant.
- Inactive participant eligible for early retirement Annuity determined as if the Participant had commenced receiving a 50% Joint and Survivor Annuity just prior to death.

Schedule SB, Part V — Summary of Plan Provisions

- Participant not eligible for early retirement Annuity determined as if the Participant had terminated on the day before date of death, survived to age 55, elected a 50% Joint and Survivor Annuity, and died on the following day.

Form of benefits

- Automatic form for unmarried participants Single Life Annuity with 5-years certain.
- Automatic form for married participants 50% Joint and Survivor Annuity.
- Optional forms Alternatively, the Participant may elect to receive benefits in the form of Single Life Annuity certain (0, 5 or 10 years), Joint and Survivor Annuity (50%, 75% or 100%), Social Security level income (before age 62), or lump sum if \$10,000 or less.

For married participants commencing benefits upon termination, the 50%, 75%, and 100% Joint and Survivor annuity options are subsidized by the Plan. All other forms of retirement benefits are Actuarially Equivalent based on the UP84 table and 6.00% interest.

Miscellaneous

- Maximum compensation Compensation for any 12-month period used to determine accrued benefits may not exceed the limits in IRC Section 401(a)(17) for the calendar year in which the 12-month period begins. This limit is indexed annually. For 2011, the limit is \$245,000.
 - Maximum benefits Annual benefits may not exceed the limits in IRC Section 415. This limit is indexed annually. For 2011, the limit is \$195,000.
 - Forfeiture of benefits for missing persons If the company is unable to locate a participant or beneficiary to whom benefit is payable, the benefit shall be forfeited. The benefit shall be reinstated if a claim for it is made by the participant or the beneficiary.
-

Plan provision changes since prior valuation

Each year, the maximum compensation and maximum benefits are updated. However, there is no change in these amounts from 2010 to 2011.

Schedule SB, Line 22 — Description of Weighted Average Retirement Age

It is assumed that 100% of active participants will retire at age 65.

EWA PILOTS' RETIREMENT PLAN

Financial Statements

December 31, 2011 and 2010

(With Independent Auditors' Report)

**EWA PILOTS' RETIREMENT PLAN
DECEMBER 31, 2011 AND 2010**

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INDEPENDENT AUDITORS' REPORT

To the Con-way Inc. Administrative Committee
EWA Pilots' Retirement Plan

We were engaged to audit the accompanying statements of net assets available for benefits of the EWA Pilots' Retirement Plan as of December 31, 2011 and 2010, and the related statement of changes in net assets available for benefits for the year ended December 31, 2011. These financial statements are the responsibility of the Plan's management.

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 6, which was certified by The Bank of New York Mellon, N.A., the trustee of the Plan, except for comparing such information with the related information included in the financial statements. We have been informed by the plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained a certification from the trustee as of and for the years ended December 31, 2011 and 2010, that the information provided to the plan administrator by the trustee is complete and accurate.

Because of the significance of the information that we did not audit, we are unable to, and do not, express an opinion on the accompanying financial statements taken as a whole. The form and content of the information included in the financial statements, other than that derived from the information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Perkins & Company, P.C.

October 11, 2012

EWA PILOTS' RETIREMENT PLAN

Statements of Net Assets Available for Benefits

December 31, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Assets:		
Investment in Con-way Retirement Master Trust, at fair value	\$ 24,690,166	\$ 21,933,904
Con-way contribution receivable	<u>188,000</u>	<u>3,390,000</u>
Net assets available for benefits	<u>\$ 24,878,166</u>	<u>\$ 25,323,904</u>

See accompanying notes to financial statements.

EWA PILOTS' RETIREMENT PLAN

Statement of Changes in Net Assets Available for Benefits

Year ended December 31, 2011

Additions:

Plan's share of Con-way Retirement Master Trust investment gain	\$ 317,886
Con-way contributions	<u>398,000</u>
Total additions	<u>715,886</u>

Deductions:

Benefit payments to participants	(1,149,759)
Administrative expenses of the Plan	<u>(11,865)</u>
Total deductions	<u>(1,161,624)</u>
Net increase (decrease)	(445,738)

Net assets available for benefits, beginning of year	<u>25,323,904</u>
Net assets available for benefits, end of year	<u><u>\$ 24,878,166</u></u>

See accompanying notes to financial statements.

EWA PILOTS' RETIREMENT PLAN

Notes to Financial Statements

December 31, 2011 and 2010

(1) Description of Plan

The following description of the EWA Pilots' Retirement Plan (the Plan) provides only general information. Participants should refer to the Plan document for a more complete description of the Plan's provisions. The term "Con-way" or "Company" refers to Con-way Inc. and subsidiaries.

(a) General

The Plan is a defined benefit plan sponsored by Con-way and is subject to the applicable provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA). The Plan was created, effective September 19, 2000, as part of a collective bargaining agreement that brought all of the pilots formerly covered under the Con-way Pension Plan into one plan with its own requirements and benefits. In September 2001, Emery Worldwide Airlines (EWA) suspended operations and laid off the majority of its employees resulting in a partial termination of the Plan. As a result, all active participants became 100% vested.

Overall responsibility for administering the Plan rests with the Con-way Inc. Administrative Committee (the Committee), which is appointed by the Chief Executive Officer of Con-way. The net assets of the Plan and certain other Con-way defined benefit pension plans are held in the Con-way Retirement Master Trust (the Trust). The Bank of New York Mellon, N.A. (the Trustee) was appointed to hold, invest, and disburse plan benefits from the Trust.

(b) Eligibility

Employees were eligible to participate in the Plan if they were covered by a collective bargaining agreement that provided for the accrual of benefits under the Plan, they were not a leased employee, independent contractor or nonresident alien and if they had completed one year of service.

(c) Retirement Benefits

Annual normal retirement benefits, which are payable to members at age 65, are equal to the sum of (a) 1.1% of the participant's average final earnings (based on the average of the five highest consecutive annual rates of pay during the 10 years prior to retirement) up to the participant's average Social Security wage base multiplied by the participant's number of years of credited service under the Plan to a maximum of 35 years, (b) 1.4% of the participant's average final earnings in excess of the participant's average Social Security wage base multiplied by the participant's years of credited service under the Plan to a maximum of 35 years, and (c) 1.4% of the participant's final average earnings multiplied by the participant's years of credited service that are earned after completing 35 years of service.

EWA PILOTS' RETIREMENT PLAN

Notes to Financial Statements

December 31, 2011 and 2010

Participants may elect an early retirement date on or after attaining age 55 and completing 10 years of service. Annual pension benefits for participants retiring early are subject to a reduction factor as defined by the Plan. Participants who retire after attaining age 55 whose age at retirement plus their years of service total at least 85 will receive a retirement benefit unreduced for early retirement. Mandatory retirement is required for some participants under rule of the Federal Aviation Administration (FAA), which prohibits participants from performing the responsibilities of an airline pilot after age 65. Upon attaining the age of 65 and the requirements of an early retirement date, participants subject to the FAA rule shall receive an unreduced benefit regardless of whether the participant moves to other employment within Con-way. Vested participants who terminate employment before their normal retirement date but before achieving eligibility for Early Retirement will also be able to commence benefits at age 55, but using a different set of Early Retirement Factors.

Participants eligible for and receiving disability benefits under Con-way's Long-Term Disability policy continue to accrue benefits until the later of the following: attaining age 65, receiving long-term disability benefits for the maximum period allowed by the disability policy, receiving a lump-sum settlement, or termination of the disability.

Employees may elect to receive their pension benefits in the form of single life annuities or various forms of joint life annuities, or a level income option. If the actuarial equivalent of the employee's pension benefit is not over \$5,000 on the benefit starting date, the only form of benefit is a lump-sum. If the actuarial equivalent of the employee's pension benefit is over \$5,000 but not over \$10,000 on the benefit starting date, the only forms of benefit available is a lump-sum; two forms of joint annuity (50% or 75%); or a single life annuity with 60 months certain.

(2) Summary of Accounting Policies

(a) Basis of Accounting

The accompanying financial statements have been prepared using the accrual method of accounting.

(b) Income Recognition and Valuation of Investments

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

The fair value of the Plan's interest in the Trust is based on the beginning-of-year value of the Plan's interest in the Trust plus actual contributions and allocated investment gain or loss less actual benefit payments to participants and administrative expenses. Investments in the Trust are reported at fair value, as more fully discussed in Note 9, *Con-way Retirement Master Trust*.

(c) Investment Risk

The Plan assets are invested in a variety of investments in securities that are generally exposed to various risks, such as interest rate, credit and overall market volatility risks. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of

EWA PILOTS' RETIREMENT PLAN

Notes to Financial Statements

December 31, 2011 and 2010

investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statements of net assets available for benefits.

The Plan may invest in asset-backed securities, collateralized mortgage obligations, commercial mortgage-backed securities and various derivative instruments. The fair value, liquidity and related income of these securities are sensitive to changes in economic conditions, including real estate values, delinquencies or defaults, or both, and may be adversely affected by shifts in investors' perceptions of the issuers and changes in interest rates.

Plan contributions are made and the actuarial present value of accumulated plan benefits are reported based on certain assumptions pertaining to asset returns, interest rates, inflation rates and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimations and assumptions process, it is at least reasonably possible that changes in these estimates and assumptions in the near term could be material to the financial statements.

(d) *Benefit Payments*

Benefit payments to participants are recorded upon distribution. Distributions in process at December 31, 2011 were not significant.

(e) *Administrative Expenses*

During 2011 and 2010, trustee fees, investment management fees, and actuarial fees were paid through the Trust and are included in the Plan's share of Trust investment gain. During 2011 expenses of \$92,000 were included in the Plan's share of Trust investment gain.

The Plan pays certain other administrative expenses, primarily premiums to the Pension Benefit Guaranty Corporation, which are reported on the statements of changes in net assets available for benefits as administrative expenses of the Plan.

Other expenses, including computer services, professional fees, office supplies and payroll expenses of administrative and clerical personnel are provided by the Company without charge to the Plan.

(f) *Use of Estimates*

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) in the U.S. requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and changes in those amounts, disclosure of contingent assets and liabilities, and the actuarial present value of accumulated plan benefits at the date of the financial statements. Actual results could differ from those estimates.

(g) *New Accounting Standards*

In May 2011, the Financial Accounting Standards Board (FASB) issued an amendment to the accounting standards related to fair value measurements and disclosure requirements that result in a consistent definition of fair value and common requirements for the measurement and disclosure of fair value between GAAP and International Financial Reporting Standards. This standard provides

EWA PILOTS' RETIREMENT PLAN

Notes to Financial Statements

December 31, 2011 and 2010

certain amendments to the existing guidance on the use and application of fair value measurements and maintains a definition of fair value that is based on the notion of exit price. This standard will become effective for the Plan on January 1, 2012 and is not expected to have a material impact on the Plan's financial statements and disclosures.

In January 2010, the FASB issued an amendment to the accounting standards related to the disclosure about an entity's use of fair value measurements. The amended standards require entities to provide enhanced disclosures about transfers into and out of the Level 1 and Level 2 classifications; provide separate disclosures about purchases, sales, issuances and settlements relating to the tabular reconciliation of beginning and ending balances of the Level 3 (fair value determined based on significant unobservable inputs) classifications; and provide greater disaggregation for each class of assets and liabilities that use fair value measurement. Except for the detailed Level 3 roll-forward disclosures, the amendment was effective for the Plan as of January 1, 2010. The adoption of these provisions of the amendment did not have a material effect on the Plan's disclosures.

(h) Subsequent Events

The Plan's management has performed an evaluation of subsequent events through October 11, 2012, which is the date these financial statements were available to be issued.

(3) Funding Policy

Contributions to the Plan, if necessary, are made to meet or exceed the minimum funding standards of ERISA and the Internal Revenue Code (the Code). In determining the amount and timing of its pension contributions, Con-way considers both the ERISA- and GAAP-based measures of funded status as well as the tax deductibility of contributions. In 2011, Con-way contributed \$210,000 for the 2011 plan year. During 2012, Con-way contributed \$188,000 to the Plan for the 2011 plan year.

(4) Actuarial Present Value of Accumulated Plan Benefits

Accumulated plan benefits are those future periodic payments that are attributable under the Plan's provisions to the service rendered by retired and nonretired participants. Accumulated plan benefits include benefits expected to be paid to employees or their beneficiaries upon retirement, termination, or death. The actuarial present value of accumulated plan benefits at December 31, 2010 (beginning-of-the-year presentation) was as follows:

Vested benefits:

Participants currently receiving payments	\$ 11,037,929
Active participants and terminated participants entitled to deferred benefits	8,446,123

Total vested benefits	19,484,052
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Nonvested benefits	83,877
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Total actuarial present value of accumulated plan benefits as of December 31, 2010	\$ 19,567,929
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EWA PILOTS' RETIREMENT PLAN

Notes to Financial Statements

December 31, 2011 and 2010

The following table presents the change in the actuarial present value of accumulated plan benefits:

Actuarial present value of accumulated plan benefits, December 31, 2009	\$ 17,922,938
Increase (decrease) during the year attributable to:	
Increase in interest due to the decrease in the discount period	1,471,367
Other actuarial gain	309,877
Benefit payments to participants	(1,131,212)
Change in actuarial assumptions	994,959
Net increase	1,644,991
Actuarial present value of accumulated plan benefits, December 31, 2010	\$ 19,567,929

The actuarial present value of accumulated plan benefits is determined by Mercer, the Plan's actuary, and is that amount that results from applying actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements such as death, withdrawal, or retirement) between the valuation date and the expected date of payment.

The following significant assumptions were changed since December 31, 2009:

- The interest rate was changed from 8.5% to 8.0%.
- Mortality was changed from RP-2000 Mortality Table, projected to 2005, 100% white-collar to RP-2000 Mortality Table, projected to 2017, 100% white-collar.
- The inflation assumption was updated to reflect expectations for the current plan year.

Other significant actuarial assumptions used in determining the actuarial present value of accumulated plan benefits as of December 31, 2010 were as follows:

Actuarial cost method	– Unit credit method
Return on investments	– 8.0% compounded annually
Mortality	– RP-2000 Mortality Table, projected to 2017, 100% white-collar

The return on investments of 8.0% includes a reduction of 0.2% to reflect anticipated administrative expenses associated with providing benefits.

The withdrawal, retirement and compensation increase assumptions reflect that all active participants are on long-term disability. The foregoing actuarial assumptions are based upon the presumption that the Plan will continue. Were the plan to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated plan benefits. The actuarial valuation was prepared as of January 1, 2011. Had the valuation been prepared as of December 31, 2010, there would be no material differences.

EWA PILOTS' RETIREMENT PLAN

Notes to Financial Statements

December 31, 2011 and 2010

(5) Plan Termination

In the event that the Plan terminates, the net assets of the Plan will be allocated, as prescribed by ERISA and its related regulations, generally to provide the following benefits in the order indicated:

- a. Annuity benefits that former employees or their beneficiaries have been receiving for at least three years, or that employees eligible to retire for that three-year period would have been receiving if they had retired with benefits in the normal form of annuity under the Plan. The priority amount is limited to the lowest benefit that was payable (or would have been payable) during those three years. The amount is further limited to the lowest benefit that would be payable under Plan provisions in effect at any time during the five years preceding Plan termination.
- b. Other vested benefits insured by the Pension Benefit Guaranty Corporation (PBGC), a U.S. government agency, up to the applicable limitations discussed below.
- c. All other vested benefits not insured by the PBGC.
- d. All nonvested benefits.

Certain benefits under the Plan are insured by the PBGC if the Plan terminates. Generally, the PBGC guarantees most vested normal-age retirement benefits, early retirement benefits, and certain disability and survivors' pensions. However, the PBGC does not guarantee all types of benefits under the Plan, and the amount of benefit protection is subject to certain limitations. Vested benefits under the Plan are guaranteed at the level in effect on the date of the Plan's termination. However, there is a statutory ceiling, which is adjusted periodically, on the amount of an individual's monthly benefit that the PBGC guarantees.

Whether all participants receive their benefits under a Plan termination would depend on the sufficiency, at that time, of the Plan's net assets to provide for accumulated benefit obligations and may also depend on the financial condition of the Plan sponsor and the level of benefits guaranteed by the PBGC.

(6) Summary of Information Certified by the Trustee

The plan administrator has elected the method of annual reporting compliance permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. The following information included in the financial statements was provided and certified by the Trustee as complete and accurate:

- Investment in the Trust
- Plan's share of the Trust investment gain
- The Trust information in Note 9

(7) Related-Party Transactions

Certain Plan investments are managed by the Trustee. Therefore, these managed investments and investment transactions qualify as party-in-interest transactions.

EWA PILOTS' RETIREMENT PLAN

Notes to Financial Statements

December 31, 2011 and 2010

(8) Income Tax Status

The Internal Revenue Service has determined and informed Con-way by a letter dated November 6, 2009, that the Plan and related Trust are designed in accordance with applicable sections of the Code. The Plan has been amended since receiving the determination letter. However, the plan administrator believes that the Plan is designed and is currently being operated in compliance with the applicable requirements of the Code. Therefore, the plan administrator believes that the Plan was qualified and the related Trust was tax exempt as of the financial statement date.

Accounting principles generally accepted in the United States of America require plan management to evaluate tax positions taken by the plan and recognize a tax liability (or asset) if the plan has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. The plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The plan administrator believes it is no longer subject to income tax examinations for years prior to 2008.

(9) Con-way Retirement Master Trust

The Trust holds the assets associated with two other Con-way defined benefit plans. Each participating retirement plan has an undivided interest in the Trust. In the administration of the Plan, the Trustee holds the assets of the Trust and manages investment of funds under the direction of several investment managers and the plan administrator. All gains and losses of the Trust are prorated monthly based on the ratio of investment in the Trust, at market value, which each plan holds, to the total market value of the Trust.

Interests

The following is a summary of the participating plan interests in the Trust at December 31, 2011 and 2010:

	2011		2010	
	Market value	Share	Market value	Share
Con-way Pension Plan	\$ 1,049,593,574	95.0%	\$ 1,018,947,665	94.9%
Menlo Worldwide Forwarding, Inc. Hourly Employees Pension Plan	31,085,967	2.8	32,331,305	3.0
EWA Pilots' Retirement Plan	24,690,166	2.2	21,933,904	2.1
	<u>\$ 1,105,369,707</u>	<u>100.0%</u>	<u>\$ 1,073,212,874</u>	<u>100.0%</u>

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The Plan's interest in the net assets of the Trust is included in the accompanying statements of net assets available for benefits.

Investments

A summary of the net assets of the Trust as of December 31, 2011 and 2010 is as follows:

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	<u>2011</u>	<u>2010</u>
Investments, at fair value:		
Interest-bearing cash	\$ 1,216,105	\$ 949,918
U.S. Government securities	38,280,123	24,311,152
Corporate debt instruments	190,150,648	191,104,207
Corporate stocks	442,919,180	465,113,868
Mutual fund	72,218,430	85,873,281
Common and collective trusts	291,572,473	255,696,416
Private real estate fund	34,520,322	29,552,752
International government securities	9,793,125	7,758,875
Municipal bonds	20,573,199	15,050,506
Interest rate swap agreements	578,190	205,172
Credit default swap agreements	(772,568)	647,360
Futures contracts	1,704,460	443,022
U.S. Treasury notes and futures	34,016	—
Partnerships and joint ventures	991,888	1,019,385
Cash collateral held for swaps and futures agreements	(1,450,000)	(270,000)
Written options	(464,026)	(807,789)
Purchase options	809,416	—
	<u>1,102,674,981</u>	<u>1,076,648,125</u>
Receivables:		
Interest	3,917,289	4,000,442
Dividends	921,840	616,004
Securities sold	217,895	5,217,802
Variation margin on swaps	139,103	—
Cash	(3,213)	(502,528)
Cash at broker	(1,287,819)	(343,073)
Foreign currency receivable for securities sold	23	2,602
Foreign currency interest receivable	(2,886)	—
Foreign currency dividend receivable	(3,808)	8,877
Foreign currency contracts receivable	(240,634)	265,933
Total receivables	<u>3,657,790</u>	<u>9,266,059</u>
Payables:		
Securities purchased	(986,942)	(12,698,264)
Interest payable	(5,176)	—
Foreign taxes payable on dividends	(1,268)	(1,347)
Foreign currency payable for securities purchased	557	(4,627)
Foreign currency contracts payable	29,754	2,938
Foreign currency taxes payable on dividends	11	(10)
Total payables	<u>(963,064)</u>	<u>(12,701,310)</u>
Total net assets of the Con-way Retirement Master Trust	<u>\$ 1,105,369,707</u>	<u>\$ 1,073,212,874</u>

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Assets of the Trust are managed pursuant to a long-term allocation strategy that seeks to mitigate funded status volatility by increasing the Trust's investment in fixed-income investments over time. This strategy was developed by analyzing a variety of diversified asset-class combinations in conjunction with the projected liabilities of the Plan. In 2011, the Trust lowered its percentage of investments in equity securities and increased its percentage of investments in fixed-income securities.

The Trust's current investment strategy is to achieve a mix of approximately 55% of investments in equity securities, 42% in fixed-income securities and 3% in real estate. The target allocations for equity securities include 27% in U.S. large companies, 8% in U.S. small companies and 20% in international companies. Investments in equity securities are allocated between growth-and value-style investment strategies and are diversified across industries and investment managers. Investments in fixed-income securities consist primarily of high-quality U.S. corporate debt instruments in a variety of industries. The Trust's investments in equity and fixed-income securities consist of individual securities held in managed separate accounts as well as commingled investment funds.

The Trust's investment strategy does not include a meaningful long-term investment allocation to cash and cash equivalents; however, the Trust's cash allocation may rise periodically in response to timing considerations regarding contributions, investments, and the payment of benefits and eligible Trust expenses. Additionally, the level of cash and cash equivalents may reflect the un-invested balance of each manager's allocated portfolio balance. This "un-invested cash" is typically held in a short-term fund that invests in money-market instruments, including commercial paper and other liquid short-term interest-bearing instruments.

The Trust's investment policy does not allow investment managers to use market-timing strategies or financial derivative instruments for speculative purposes, but these investment managers can use financial derivative instruments to manage risk. Generally, the investment managers are prohibited from short selling, trading on margin, and trading commodities, warrants or other options, except when acquired as a result of the purchase of another security, or in the case of options, when sold as part of a covered position. Con-way's investment policies also restrict the investment managers from accumulating concentrations by issuer, country or industry segment.

Assets and liabilities reported at fair value are classified in one of the following three levels within the fair-value hierarchy:

Level 1 – Quoted market prices in active markets for identical assets or liabilities

Level 2 – Observable market-based inputs or unobservable inputs that are corroborated by market data

Level 3 – Unobservable inputs that are not corroborated by market data

The following table summarizes the valuation of investments within the fair-value hierarchy:

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	December 31, 2011			
	Level 1	Level 2	Level 3	Total
Interest-bearing cash	\$ 1,216,105	\$ —	\$ —	\$ 1,216,105
U.S. Government securities	38,280,123	—	—	38,280,123
Corporate debt instruments	—	190,150,648	—	190,150,648
Corporate stocks	442,919,180	—	—	442,919,180
Mutual fund - Short-term bond fund	72,218,430	—	—	72,218,430
Common and collective trusts				
Fixed-income funds				
Money market	—	52,024,789	—	52,024,789
Short maturity	—	17,605,617	—	17,605,617
Emerging markets	—	6,087,785	—	6,087,785
S&P 500 index fund	—	116,391,034	—	116,391,034
International equity fund	—	79,855,220	—	79,855,220
Real estate index fund	—	19,608,028	—	19,608,028
Total Common and collective trusts	—	291,572,473	—	291,572,473
Private real estate fund	—	—	34,520,322	34,520,322
International government securities	—	9,793,125	—	9,793,125
Municipal bonds	—	20,573,199	—	20,573,199
Interest rate swap agreements	—	578,190	—	578,190
Credit default swap agreements	—	(772,568)	—	(772,568)
Futures contracts	1,704,460	—	—	1,704,460
U.S. Treasury notes and futures	34,016	—	—	34,016
Partnerships and joint ventures	—	991,888	—	991,888
Cash collateral held for swaps and futures agreements	—	(1,450,000)	—	(1,450,000)
Written options	—	(464,026)	—	(464,026)
Purchase options	—	809,416	—	809,416
Total	\$ 556,372,314	\$ 511,782,345	\$ 34,520,322	\$ 1,102,674,981

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	December 31, 2010			
	Level 1	Level 2	Level 3	Total
Interest-bearing cash	\$ 949,918	\$ —	\$ —	\$ 949,918
U.S. Government securities	24,311,152	—	—	24,311,152
Corporate debt instruments	—	191,104,207	—	191,104,207
Corporate stocks	465,113,868	—	—	465,113,868
Mutual fund - Short-term bond fund	85,873,281	—	—	85,873,281
Common and collective trusts				
Fixed-income funds				
Money market	—	17,806,267	—	17,806,267
Short maturity	—	4,808,870	—	4,808,870
Emerging markets	—	5,957,756	—	5,957,756
S&P 500 index fund	—	113,869,038	—	113,869,038
International equity fund	—	95,240,041	—	95,240,041
Real estate index fund	—	18,014,444	—	18,014,444
Total common and collective trusts	—	255,696,416	—	255,696,416
Private real estate fund	—	—	29,552,752	29,552,752
International government securities	—	7,758,875	—	7,758,875
Municipal bonds	—	15,050,506	—	15,050,506
Interest rate swap agreements	—	205,172	—	205,172
Credit default swap agreements	—	647,360	—	647,360
Futures contracts	443,022	—	—	443,022
Partnerships and joint ventures	—	1,019,385	—	1,019,385
Cash collateral held for swaps and futures agreements	—	(270,000)	—	(270,000)
Written options	—	(807,789)	—	(807,789)
Total	<u>\$ 576,691,241</u>	<u>\$ 470,404,132</u>	<u>\$ 29,552,752</u>	<u>\$ 1,076,648,125</u>

Due to the short maturity of interest-bearing cash, its carrying amount approximates fair value. Common and collective trusts are not publicly traded and do not have readily determinable fair values. Accordingly, common and collective trusts are valued at their net asset value per unit based on the value of the underlying investments. Investments in common and collective trusts can generally be redeemed without restriction, however the private real estate fund maintains a redemption plan whereby redemption requests must be received in writing 45 days prior to the end of the quarter. Redemptions are paid in accordance with the terms of the private real estate fund's articles of incorporation and upon approval by its board of directors. If the private real estate fund is unable to fully satisfy all redemption requests, partial

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redemptions may be made on a pro-rata basis, in proportion to the total number of shares held by each shareholder that has formally submitted a redemption request, regardless of when the requests were received. Any shares that are not redeemed in a given quarter are carried forward into a redemption queue for payment in future quarters. The shares are redeemed for each shareholder on a first-in, first-out basis (i.e. the first shares purchased by the shareholder are the first ones to be redeemed). U.S. Government securities, mutual funds, corporate stocks and exchange traded futures are valued at the closing price reported in the active markets on which the individual securities are traded. Corporate debt instruments, international government securities and municipal bonds are generally valued using observable bid-ask spreads or broker-provided pricing. Investments in corporate debt instruments consist primarily of high-quality U.S. corporate debt instruments in a variety of industries. The fair value of the private real estate fund is based on the underlying assets, which consist of commercial and residential properties valued using periodic appraisals. The fair value of derivatives other than exchange traded funds, are calculated using observable, market-based inputs.

The following is a summary of the significant accounting policies associated with the Trust's use of derivatives:

- a. Forward exchange contracts are marked-to-market based upon forward exchange rates, and the difference between contract value and market value is recorded as an asset (liability) in Trust net assets. The change in value of these forward exchange contracts is included as unrealized gains (losses) in the changes in Trust net assets. When the forward exchange contract is closed or effectively settled, the Trust transfers the unrealized appreciation (depreciation) to a realized gain (loss) equal to the change in the value of the forward exchange contract when it was opened and the value at the time it was closed or offset.
- b. Upon entering into a futures contract, the Trust is required to pledge to the broker an amount of cash and/or liquid securities equal to the minimum "initial margin" requirements of the exchange. Pursuant to the futures contract, the Trust agrees to receive from, or pay to, the broker an amount of cash equal to the daily fluctuation in the value of the futures contract. Such receipts or payments are known as "variation margin," which is settled daily. The change in value related to the daily fluctuations in the value of the futures contract is included as unrealized gains (losses) in the changes in Trust net assets. When the futures contract expires the Trust transfers the unrealized appreciation (depreciation) to a realized gain (loss) equal to the change in the value of the futures contract when it was opened and the value at the time it expired.
- c. The Trust may buy or write put and call options through listed exchanges and in the OTC market. When the Fund buys or writes an option, an amount equal to the premium paid or received by the Fund is recorded as an asset or liability and is subsequently adjusted to the current market value of the option purchased or written. The premiums paid or received from buying or writing options are recorded as realized gains or losses upon the expiration of the options. The difference between the premium and the amount paid or received on affecting a closing purchase or sale transaction is also treated as a realized gain or loss. If an option is exercised, the premium paid or received is recorded as a realized gain or loss if sold or an adjustment to cost if acquired. The Trust, as a writer of an option, may have no control over

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whether the underlying securities may be sold (call) or purchased (put) and, as a result, bears the market risk of an unfavorable change in the price of the security underlying the written option.

- d. The Trust may enter into fixed income and equity swap contracts. Swaps are marked-to-market daily based upon quotations from market makers and the change, if any, is recorded as an unrealized gain or loss in the changes in Trust net assets. Certain investment contracts may require collateral. Cash is either received from, or provided to the investment contract counterparty depending on the terms of the contract and the market value of the security. Cash received from counterparties can be held or reinvested in other securities and is recorded as a liability of the Trust. Cash provided to counterparties is an asset of the Trust.

The following table summarizes the changes in fair values of financial instruments measured using Level 3 inputs:

	Private real estate fund	
	2011	2010
Balance at beginning of year	\$ 29,552,752	\$ 25,916,633
Unrealized gain relating to instruments still held at the reporting date	2,954,022	2,351,535
Purchases	2,013,548	1,284,584
Balance at end of year	<u>\$ 34,520,322</u>	<u>\$ 29,552,752</u>
The amount of total gains for the year attributable to the change in unrealized gains or losses relating to assets still held at year end	<u>\$ 2,954,022</u>	<u>\$ 2,351,535</u>

Trust net investment gain, excluding administrative expenses, allocated to the participating plans for the years ended December 31, 2011 and 2010 was as follows:

	2011
Interest income	\$ 15,089,482
Dividend income	7,172,611
Net appreciation (depreciation) in the fair value of investments	<u>(4,274,530)</u>
Investment gain	<u>\$ 17,987,563</u>

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The net appreciation (depreciation) in the fair value of investments in the Trust by major investment category for the years ended December 31, 2011 was as follows:

	<u>2011</u>
Interest-bearing cash	\$ 165,743
U.S. Government securities	9,687,748
Corporate debt instruments	8,190,219
Corporate stocks	(28,275,345)
Mutual fund	1,406,240
Common and collective trusts	(10,450,388)
Private real estate fund	4,967,570
International government securities	1,245,750
Municipal bonds	3,397,500
Interest rate swap agreements	155,907
Credit default swap agreements	(1,716,681)
Futures contracts	3,724,342
Foreign exchange contracts	(129,681)
U.S. Treasury notes and futures	34,016
Partnerships and joint ventures	55,648
Cash collateral held for swaps and futures agreements	398,301
Written options	784,168
Purchase options	(1,120,490)
Other	<u>3,204,903</u>
Net depreciation	
in the fair value of investments	\$ <u><u>(4,274,530)</u></u>