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 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

2019

This Form is Open to Public Inspection

Part I Annual Report Identification Information

For calendar plan year 2019 or fiscal plan year beginning 01/01/2019 and ending 12/31/2019

A This return/report is for:
- ☐ a multiemployer plan
- ☐ a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions.)
- ☒ 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
ALLISON TRANSMISSION SALARIED EMPLOYEE RETIREMENT SAVINGS PLAN

1b Three-digit plan number (PN) ▶ 001

1c Effective date of plan 08/07/2007

2a Plan sponsor's name (employer, if for a single-employer plan)
Mailing address (include room, apt., suite no. and street, or P.O. Box)
City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions)
ALLISON TRANSMISSION, INC.

ONE ALLISON WAY
INDIANAPOLIS, IN 46222

2b Employer Identification Number (EIN) 26-0413897

2c Plan Sponsor's telephone number 317-242-3561

2d Business code (see instructions) 336300

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	Filed with authorized/valid electronic signature.	09/24/2020	DOUGLAS BOLTON
	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

3a Plan administrator's name and address [X] Same as Plan Sponsor	**3b** Administrator's EIN	
	3c Administrator's telephone number	
4 If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report: **a** Sponsor's name **c** Plan Name	**4b** EIN **4d** PN	
5 Total number of participants at the beginning of the plan year	**5**	1307
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines **6a(1), 6a(2), 6b, 6c,** and **6d**).		
a(1) Total number of active participants at the beginning of the plan year	**6a(1)**	1060
a(2) Total number of active participants at the end of the plan year	**6a(2)**	1220
b Retired or separated participants receiving benefits	**6b**	20
c Other retired or separated participants entitled to future benefits	**6c**	202
d Subtotal. Add lines **6a(2)**, **6b**, and **6c**	**6d**	1442
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.	**6e**	0
f Total. Add lines **6d** and **6e**.	**6f**	1442
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	1437
h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested	**6h**	27
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	**7**	

8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions:

2E 2F 2G 2J 2K 2T 3H

b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics 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)	[X] Trust	**(3)**	[X] 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)** [X] **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)** [X] **H** (Financial Information)
- **(2)** [ ] **I** (Financial Information – Small Plan)
- **(3)** [ ] ___ **A** (Insurance Information)
- **(4)** [ ] **C** (Service Provider Information)
- **(5)** [X] **D** (DFE/Participating Plan Information)
- **(6)** [ ] **G** (Financial Transaction Schedules)

Part III Form M-1 Compliance Information (to be completed by welfare benefit plans)

11a If the plan provides welfare benefits, was the plan subject to the Form M-1 filing requirements during the plan year? (See instructions and 29 CFR 2520.101-2.) ..... ☐ Yes ☐ No

If "Yes" is checked, complete lines 11b and 11c.

11b Is the plan currently in compliance with the Form M-1 filing requirements? (See instructions and 29 CFR 2520.101-2.) ..... ☐ Yes ☐ No

11c Enter the Receipt Confirmation Code for the 2019 Form M-1 annual report. If the plan was not required to file the 2019 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code_____

SCHEDULE D (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

DFE/Participating Plan Information

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

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

2019

This Form is Open to Public Inspection.

For calendar plan year 2019 or fiscal plan year beginning 01/01/2019 and ending 12/31/2019

A Name of plan
ALLISON TRANSMISSION SALARIED EMPLOYEE RETIREMENT SAVINGS PLAN

B Three-digit plan number (PN) ▶ 001

C Plan or DFE sponsor's name as shown on line 2a of Form 5500
ALLISON TRANSMISSION, INC.

D Employer Identification Number (EIN)
26-0413897

Part I **Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs)**
(Complete as many entries as needed to report all interests in DFEs)

a Name of MTIA, CCT, PSA, or 103-12 IE: ALLISON TRANSMISSION MASTER TRUST

b Name of sponsor of entity listed in (a): ALLISON TRANSMISSION, INC.

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)
26-0413897-005	M	242495916

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 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)

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 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)

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 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)

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 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 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 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 plan sponsor	**c** EIN-PN

SCHEDULE H (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

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.**

OMB No. 1210-0110

2019

This Form is Open to Public Inspection

For calendar plan year 2019 or fiscal plan year beginning 01/01/2019 and ending 12/31/2019

A Name of plan
ALLISON TRANSMISSION SALARIED EMPLOYEE RETIREMENT SAVINGS PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
ALLISON TRANSMISSION, INC.

D Employer Identification Number (EIN)
26-0413897

Part I Asset and Liability Statement

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) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a	0	0
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	0	0
(2) Participant contributions	1b(2)	0	0
(3) Other	1b(3)	0	0
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	0	0
(2) U.S. Government securities	1c(2)	0	0
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)	0	0
(B) All other	1c(3)(B)	0	0
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)	0	0
(B) Common	1c(4)(B)	0	0
(5) Partnership/joint venture interests	1c(5)	0	0
(6) Real estate (other than employer real property)	1c(6)	0	0
(7) Loans (other than to participants)	1c(7)	0	0
(8) Participant loans	1c(8)	2471242	2609839
(9) Value of interest in common/collective trusts	1c(9)	0	0
(10) Value of interest in pooled separate accounts	1c(10)	0	0
(11) Value of interest in master trust investment accounts	1c(11)	195501064	242495916
(12) Value of interest in 103-12 investment entities	1c(12)	0	0
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)	0	0
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		
(15) Other	1c(15)	0	0

			(a) Beginning of Year	(b) End of Year
1d	Employer-related investments:			
	(1) Employer securities	1d(1)	0	0
	(2) Employer real property	1d(2)	0	0
e	Buildings and other property used in plan operation	1e	0	0
f	Total assets (add all amounts in lines 1a through 1e)	1f	197972306	245105755
	Liabilities			
g	Benefit claims payable	1g	0	0
h	Operating payables	1h	0	0
i	Acquisition indebtedness	1i	0	0
j	Other liabilities	1j	0	0
k	Total liabilities (add all amounts in lines 1g through1j)	1k	0	0
	Net Assets			
l	Net assets (subtract line 1k from line 1f)	1l	197972306	245105755

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)	8487707	
	(B) Participants	2a(1)(B)	11053255	
	(C) Others (including rollovers)	2a(1)(C)	5553041	
	(2) Noncash contributions	2a(2)	0	
	(3) Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)**	2a(3)		25094003
b	**Earnings on investments:**			
	(1) Interest:			
	(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	0	
	(B) U.S. Government securities	2b(1)(B)	0	
	(C) Corporate debt instruments	2b(1)(C)	0	
	(D) Loans (other than to participants)	2b(1)(D)	0	
	(E) Participant loans	2b(1)(E)	119348	
	(F) Other	2b(1)(F)	0	
	(G) Total interest. Add lines **2b(1)(A)** through **(F)**	2b(1)(G)		119348
	(2) Dividends: **(A)** Preferred stock	2b(2)(A)	0	
	(B) Common stock	2b(2)(B)	0	
	(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	0	
	(D) Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)**	2b(2)(D)		0
	(3) Rents	2b(3)		0
	(4) Net gain (loss) on sale of assets: **(A)** Aggregate proceeds	2b(4)(A)	0	
	(B) Aggregate carrying amount (see instructions)	2b(4)(B)	0	
	(C) Subtract line **2b(4)(B)** from line **2b(4)(A)** and enter result	2b(4)(C)		0
	(5) Unrealized appreciation (depreciation) of assets: **(A)** Real estate	2b(5)(A)	0	
	(B) Other	2b(5)(B)	0	
	(C) Total unrealized appreciation of assets. Add lines **2b(5)(A)** and **(B)**	2b(5)(C)		0

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		0
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		0
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		44322764
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		0
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		0
c Other income	2c		0
d Total income. Add all **income** amounts in column (b) and enter total	2d		69536115
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	22436872	
(2) To insurance carriers for the provision of benefits	2e(2)	0	
(3) Other	2e(3)	0	
(4) Total benefit payments. Add lines **2e(1)** through **(3)**	2e(4)		22436872
f Corrective distributions (see instructions)	2f		5860
g Certain deemed distributions of participant loans (see instructions)	2g		-897
h Interest expense	2h		0
i Administrative expenses: **(1)** Professional fees	2i(1)	0	
(2) Contract administrator fees	2i(2)	0	
(3) Investment advisory and management fees	2i(3)	0	
(4) Other	2i(4)	-39169	
(5) Total administrative expenses. Add lines **2i(1)** through **(4)**	2i(5)		-39169
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		22402666
Net Income and Reconciliation			
k Net income (loss). Subtract line **2j** from line **2d**	2k		47133449
l Transfers of assets:			
(1) To this plan	2l(1)		0
(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) ☐ Unmodified **(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: BKD LLP **(2)** EIN: 44-0160260

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 lines 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete lines 4j and 4l. MTIAs also do not complete line 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.)	4a		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.)	4b		X	

			Yes	No	Amount
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.)	4c		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.)	4d		X	
e	Was this plan covered by a fidelity bond?	4e	X		500000
f	Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	4f		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?	4g		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?	4h		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.)	4i	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.)	4j		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?	4k		X	
l	Has the plan failed to provide any benefit when due under the plan?	4l		X	
m	If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	4m		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		X	

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year? ☐ Yes ☒ No
If "Yes," enter the amount of any plan assets that reverted to the employer this year _____.

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)

5c If the plan is a defined benefit plan, is it covered under the PBGC insurance program (See ERISA section 4021.)? ..... ☐ Yes ☐ No ☐ Not determined
If "Yes" is checked, enter the My PAA confirmation number from the PBGC premium filing for this plan year_____. (See instructions.)

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 sections 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

2019

This Form is Open to Public Inspection.

For calendar plan year 2019 or fiscal plan year beginning 01/01/2019 and ending 12/31/2019

A Name of plan
ALLISON TRANSMISSION SALARIED EMPLOYEE RETIREMENT SAVINGS PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
ALLISON TRANSMISSION, INC.

D Employer Identification Number (EIN)
26-0413897

Part I Distributions

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): 04-6568107

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**

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.)

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

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.

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 lines 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 lines 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 lines 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 lines 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 lines 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 lines 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 line 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 lines (a) through (c)

a Enter the percentage of plan assets held as:
Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%

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 line 19(b)?
☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify):

20 **PBGC missed contribution reporting requirements.** If this is a multiemployer plan or a single-employer plan that is not covered by PBGC, skip line 20.

a Is the amount of unpaid minimum required contributions for all years from Schedule SB (Form 5500) line 40 greater than zero? ☐ Yes ☐ No

b If line 20a is "Yes," has PBGC been notified as required by ERISA sections 4043(c)(5) and/or 303(k)(4)? Check the applicable box:

☐ Yes.

☐ No. Reporting was waived under 29 CFR 4043.25(c)(2) because contributions equal to or exceeding the unpaid minimum required contribution were made by the 30th day after the due date.

☐ No. The 30-day period referenced in 29 CFR 4043.25(c)(2) has not yet ended, and the sponsor intends to make a contribution equal to or exceeding the unpaid minimum required contribution by the 30th day after the due date.

☐ No. Other. Provide explanation_____

Allison Transmission Salaried Employee Retirement Savings Plan

EIN 26-0413897 PN 001

Schedule H, Line 4i - Schedule of Assets (Held at End of Year)

December 31, 2019

(a)(b) Identity of Issuer, Borrower, Lessor or Similar Party	(c) Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	(e) Current Value
Collective Investment Funds Within Master Trust		
*Fidelity Balanced K	310,557 shares	$ 7,639,713
*Fidelity Capital & Income	762,597 shares	7,816,614
*Fidelity Contrafund	2,983,972 shares	40,969,929
*Fidelity Low Priced Stock	178,038 shares	8,900,124
*Fidelity International Index	151,532 shares	6,509,829
*Fidelity Strategic Income	386,842 shares	4,820,053
*Fidelity International Discovery K	89,903 shares	4,069,888
Loomis Sayles Small Cap Value N	198,367 shares	5,530,463
Oppenheimer Developing Markets I	106,490 shares	4,854,869
MassMutual Select Mid Cap Growth I Fund	295,382 shares	6,997,606
Templeton Institutional Foreign Small Companies	51,253 shares	1,096,805
Vanguard Target Retirement 2015	81,758 shares	1,241,086
Vanguard Target Retirement 2020	245,177 shares	7,975,593
Vanguard Target Retirement 2025	585,731 shares	11,620,911
Vanguard Target Retirement 2030	284,014 shares	10,352,302
Vanguard Target Retirement 2035	337,616 shares	7,603,108
Vanguard Target Retirement 2040	218,915 shares	8,566,157
Vanguard Target Retirement 2045	208,451 shares	5,148,733
Vanguard Target Retirement 2050	118,010 shares	4,693,274
Vanguard Target Retirement 2055	77,163 shares	3,332,690
Vanguard Target Retirement 2060	43,550 shares	1,661,854
Vanguard Target Retirement 2065	4,479 shares	107,709
Vanguard REIT Index	213,543 shares	4,349,875
Vanguard Target Retirement Income	180,263 shares	2,532,691
MFS Value R6	90,794 shares	4,032,149
Metwest TOT Return BD	904,503 shares	9,307,335
Eagle Small Cap Growth R5	35,743 shares	1,910,089
		183,641,449
Common Collective Trusts		
Northern Trust Extended Equity Market Index Fund	23,785 shares	5,516,118
Northern Trust S&P 500 Index Fund	116,308 shares	34,651,499
		40,167,617
Guaranteed Investment Contract		
*New York Life Insurance Company Anchor Account	2.80%	18,686,850
***Participant Loans**	3.25% to 9.50%, maturities ranging from January 2020 - July 2028	2,681,471
		$ 245,177,387

* Party-in-interest

Allison Transmission Salaried Employee Retirement Savings Plan

EIN 26-0413897 PN 001

Independent Auditor's Report and Financial Statements

December 31, 2019 and 2018

Allison Transmission Salaried Employee Retirement Savings Plan

December 31, 2019 and 2018

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Independent Auditor's Report

Plan Administrator
Allison Transmission Salaried Employee Retirement Savings Plan
Indianapolis, Indiana

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of Allison Transmission Salaried Employee Retirement Savings Plan, which comprise the statements of net assets available for benefits as of December 31, 2019 and 2018, and the related statements of changes in net assets available for benefits for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on conducting our audits in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the *Basis for Disclaimer of Opinion* paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

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 4, which was certified by Fidelity Management Trust Company, 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 certifications from the trustee as of and for the years ended December 31, 2019 and 2018, that the information provided to the Plan Administrator by the trustee is complete and accurate.

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Disclaimer of Opinion

Because of the significance of the matter described in the *Basis for Disclaimer of Opinion* paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on these financial statements.

Emphasis of Matter

As discussed in Note 3 to the financial statements, in 2019, the Plan adopted new accounting guidance for the Plan's investments in a master trust. Our opinion is not modified with respect to this matter.

Other Matter

The supplemental schedule listed in the table of contents is required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the *Employee Retirement Income Security Act of 1974* and is presented for the purpose of additional analysis and is not a required part of the financial statements. Because of the significance of the matter described in the *Basis for Disclaimer of Opinion* paragraph, we do not express an opinion on this supplemental schedule.

Report on Form and Content in Compliance With DOL Rules and Regulations

The form and content of the information included in the financial statements and supplemental schedule, 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, is presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the *Employee Retirement Income Security Act of 1974.*

BKD, LLP

Indianapolis, Indiana
September 22, 2020

Federal Employer Identification Number: 44-0160260

Allison Transmission Salaried Employee Retirement Savings Plan

Statements of Net Assets Available for Benefits
December 31, 2019 and 2018

Assets

	2019	2018
Investments		
Plan interest in Allison Transmission Master Trust, at fair value	$ 223,809,066	$ 195,501,064
Plan interest in Allison Transmission Master Trust, at contract value	18,686,850	-
	242,495,916	195,501,064
Notes Receivable From Participants	2,681,471	2,538,161
Net Assets Available for Benefits	$ 245,177,387	$ 198,039,225

Allison Transmission Salaried Employee Retirement Savings Plan

Statements of Changes in Net Assets Available for Benefits
Years Ended December 31, 2019 and 2018

	2019	2018
Additions		
Investment Income (Loss)		
Plan interest in Allison Transmission Master Trust investment income (loss)	$ 44,322,764	$ (11,715,983)
Interest Income on Notes Receivable From Participants	124,958	108,393
Other Income	135,290	-
Contributions		
Participants	11,053,255	9,667,539
Employer	8,487,707	6,971,052
Rollovers and other	5,553,041	1,557,844
	25,094,003	18,196,435
Total additions	69,677,015	6,588,845
Deductions		
Benefits paid to participants	22,442,732	14,618,445
Administrative expenses	96,121	23,966
Total deductions	22,538,853	14,642,411
Net Increase (Decrease)	47,138,162	(8,053,566)
Net Assets Available for Benefits, Beginning of Year	198,039,225	206,092,791
Net Assets Available for Benefits, End of Year	$ 245,177,387	$ 198,039,225

Allison Transmission Salaried Employee Retirement Savings Plan

Notes to Financial Statements
December 31, 2019 and 2018

Note 1: Description of the Plan

The following description of Allison Transmission Salaried Employee Retirement Savings Plan (Plan) provides only general information. Participants should refer to the Plan Document and *Summary Plan Description* for a more complete description of the Plan's provisions, which are available from the Plan Administrator. Any inconsistencies between the Plan Document and the *Summary Plan Description* would be governed by the Plan Document.

General

The Plan is a defined-contribution plan sponsored by Allison Transmission, Inc. (Company or Allison). The Plan was created for the benefit of its salaried non-union employees who, if last hired or rehired on or after January 1, 2011, have at least three months of service. The Plan is subject to the provisions of the *Employee Retirement Income Security Act of 1974* (ERISA). Fidelity Management Trust Company is the trustee of the Plan. The Company serves as Plan Administrator.

On September 9, 2019, the Company acquired the assets of Walker Die Casting, Inc. and C&R Tool & Engineering, Inc. Effective September 8, 2019, the Plan was amended to exclude former employees of Walker Die Casting, Inc. and C&R Tool & Engineering, Inc., including employees hired by the Company following September 9, 2019 who are similarly coded based upon their primary work location and function they perform, from participating in this Plan.

Contributions

The Plan permits eligible employees through a salary deferral election to have the Company make annual contributions of up to 75% of eligible compensation. The first 4% deferred by participants is considered "Basic Savings" contributions, while amounts deferred from 4% to 75% of eligible compensation are considered "Additional Savings" contributions. Employee rollover, catch-up, after-tax and Roth contributions are also permitted.

The Company makes matching contributions of 100% of employees' pre-tax, Roth and after-tax contributions up to 4% of employees' eligible compensation. Catch-up contributions, rollover contributions, flexible compensation contributions, special retirement contributions, 1% benefit contributions, 4% benefit contributions and qualified nonelective contributions are not subject to matching.

The Company makes a contribution equal to 4% of an employee's eligible compensation for employees who were hired by General Motors Corporation (GM) or Allison, have a beginning service date on or after January 1, 2001, and have completed three months of service (six months of service prior to January 1, 2011).

The Company also makes a contribution equal to 1% of an employee's eligible compensation for employees who were hired by GM or Allison, have a beginning service date on or after January 1, 1993, and who have completed three months of service.

The Plan includes an automatic deferral feature for eligible employees to be automatically enrolled into the Plan at a rate of 4% unless the participants make an affirmative election otherwise.

Participant Investment Account Options

Investment account options available include various funds within the Allison Transmission Master Trust (Master Trust). Each participant has the option of directing his contributions into any of the separate investment accounts and may change the allocation daily.

Participant Accounts

Each participant's account is credited with the participant's contribution, the Company's contributions and Plan earnings and is charged with an allocation of administrative expenses, as allowed by the Plan. Allocations are based on participant earnings or account balances, as defined. The benefits to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Vesting

Participants are immediately vested in their pre-tax, flexible compensation, pre-tax catch-up, after-tax, Roth, Roth catch-up, qualified nonelective, rollover, and special contributions plus earnings thereon. Vesting in their matching, 1% and 4% contributions plus earnings thereon is based on years of continuous service, age or death. A participant is fully vested after three years of continuous service, including service with GM if a salaried transferred employee, or upon death or turning age 65. The nonvested balance is forfeited upon the earlier of a complete distribution of vested benefits due to a termination of service or five one-year breaks in service, whichever comes first. Forfeitures are used to reduce Company contributions and then to pay administrative expenses.

Payment of Benefits

Upon termination of service, a participant may elect to receive either a single lump-sum, partial withdrawal or installments equal to the value of his account. Withdrawals can also be made when a participant attains age 59½ or demonstrates financial hardship. An employee may withdraw all or a portion of his account balance attributable to after-tax and rollover contributions (excluding Roth rollover contributions) at any time. An employee may withdraw all or a portion of his account balance attributable to vested matching contributions, 1% benefit contributions, 4% benefit contributions and special contributions and related earnings provided that either such contributions were contributed for 24 months or more preceding the month of withdrawal or the participant has at least 60 months of participation.

Forfeited Accounts

At December 31, 2019 and 2018, forfeited nonvested accounts totaled $23,075 and $2,340, respectively. These accounts will be used to reduce future employer contributions and then pay administrative expenses. Also, in 2019 and 2018, employer contributions were reduced by $275,058 and $138,334, respectively, from forfeited nonvested accounts.

Notes Receivable From Participants

The Plan Document includes provisions authorizing loans from the Plan to active eligible participants. Loans are made to any eligible participant. The minimum amount of a loan shall be $1,000. The maximum amount of a participant's loans is determined by the available loan balance restricted to the lesser of $50,000 or 50% of the participant's vested account balance. A participant may have no more than five loans outstanding at any one time. All loans are covered by demand notes and are repayable over a period not to exceed five years (except for loans for the purchase of a principal residence) through payroll withholdings unless the participant is paying the loan in full. Interest on the loans is based on local prevailing rates as determined by the Plan Administrator.

Notes receivable from participants are reported at amortized principal balance plus accrued but unpaid interest. Delinquent participant loans are reclassified as benefit payments based upon the terms of the Plan Document.

Plan Termination

Although it has not expressed an intention to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan, subject to the provisions of ERISA. In the event of Plan termination, participants will become 100% vested in their accounts.

Subsequent Events

As a result of the spread of the COVID-19 coronavirus, economic uncertainties have arisen which have resulted in volatility in the investment markets. The duration of these uncertainties and the ultimate financial effects cannot be reasonably estimated at this time. As a result of this situation, the Company implemented voluntary and involuntary separation programs during 2020. As a result of these programs, there have been approximately 70 employees voluntarily terminated and 60 employees involuntarily terminated during 2020. The impact of these separation programs on the Plan is being reviewed.

In April 2020, the Plan implemented changes related to the Coronavirus Aid, Relief and Economic Security (CARES) Act, which provides relief to individuals impacted by the COVID-19 crisis.

New features available to Plan participants (subject to certain restrictions):

- Coronavirus Related Distributions up to $100,000, with no mandatory 20% federal tax withholding and the 10% early withdrawal penalty is waived. The participant can repay the amount of the distribution as a rollover within three years and can pay taxes pro-rata over a 3-year period.

Subsequent events have been evaluated through September 22, 2020, which is the date the financial statements were available to be issued.

Note 2: Summary of Significant Accounting Policies

Basis of Accounting

The accompanying financial statements are prepared on the accrual basis of accounting.

Investments held by a defined-contribution plan are required to be reported at fair value, except for fully benefit-responsive investment contracts. Contract value is the relevant measure for the portion of net assets available for benefits attributable to fully benefit-responsive investment contracts because contract value is the amount participants normally would receive if they were to initiate permitted transactions under the terms of the Plan.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of net assets and changes in net assets and disclosure of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates.

Valuation of Investments and Income Recognition

The Plan's interest in the Master Trust is based on the beginning of year value of the Plan's interest in the trust plus actual contributions and allocated investment income (loss), less actual distributions and allocated administrative expenses. Quoted market prices are used to value investments in the Master Trust. The fair value of the Plan's interest in the collective trusts in the Master Trust are valued at the net asset value per share (NAV) utilizing the practical expedient.

The New York Life Anchor Account is carried at contract value. Contract value represents contributions made under the contract, plus interest at the contract rate, less participant withdrawals and administrative expenses. The objective of this fund is to provide investors stable returns and competitive rates over the long term. Redemption is at the discretion of the participants.

The Plan presents in its statements of changes in net assets available for benefits an allocation of the Master Trust's net appreciation or depreciation in the fair value of its investments, which consist of realized gains or losses and unrealized appreciation or depreciation on those investments as well as interest and dividend income. This amount is reflected within the Plan's interest in Allison Transmission Master Trust investment income (loss).

Plan Tax Status

The Plan obtained its latest determination letter on July 21, 2014, in which the Internal Revenue Service stated that the Plan and related trust, as then designed, were in compliance with the applicable requirements of the Internal Revenue Code and therefore not subject to tax. The Plan has been amended since receiving the determination letter. However, the Plan Administrator believes that the Plan and related trust are currently designed and being operated in compliance with the applicable requirements of the Internal Revenue Code.

Payment of Benefits

Benefit payments to participants are recorded upon distribution.

Administrative Expenses and Participant Revenue Credits

Administrative expenses may be paid by the Company or the Plan, at the Company's discretion. The trust agreement between the Plan and the trustee was amended on January 1, 2019 to change the fee structure and allow for a quarterly participant revenue credit. Under the amended trust agreement, the Plan invests in certain investment products of the trustee that allow for a participant revenue credit each quarter. The participant revenue credits received from these investments is reported as other income and for the year ended December 31, 2019 was $135,290.

Note 3: Change in Accounting Principle

The Plan adopted ASU 2017-06, *Plan Accounting: Employee Benefit Plan Master Trust Reporting*. The new accounting guidance clarifies presentation requirements for the Plan's interest in the master trust and requires more detailed disclosures of the Plan's interest in the master trust. This change was applied retrospectively to all periods presented.

Note 4: Certification of Plan 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. Accordingly, Fidelity Management Trust Company, the trustee of the Plan, has certified the following information included in the accompanying financial statements and supplemental schedule is complete and accurate:

- Investments and notes receivable from participants as shown in the statements of net assets available for benefits and related disclosures as of December 31, 2019 and 2018
- Investment income (loss) and interest income from notes receivable from participants as shown in the statements of changes in net assets available for benefits for the years ended December 31, 2019 and 2018
- Investment information included in the accompanying schedule of assets (held at year end) as of December 31, 2019

The Plan's independent auditors did not perform auditing procedures with respect to this information, except for comparing such information to the related information included in the financial statements and supplemental schedule.

Note 5: Master Trust

The Plan's investments are in the Master Trust, which was established for the investment of assets of the Plan and one other Allison Transmission, Inc.-sponsored retirement plan. The Plan's investments are held by Fidelity Management Trust Company. The Plan's interest in the Master Trust's investment income (loss) is not proportionate to its interest in the net assets due to the ability of participants to select investment options within the Master Trust.

The following tables present the net assets of the Master Trust and the Plan's interest as of December 31, 2019 and 2018:

	2019	
	Master Trust Balances	Plan's Interest in Master Trust Balances
Investments		
Mutual funds	$ 262,700,051	$ 183,641,449
Guaranteed investment contract	35,273,703	18,686,850
Common collective trusts	56,249,505	40,167,617
Total investments and net assets	$ 354,223,259	$ 242,495,916

	2018	
	Master Trust Balances	Plan's Interest in Master Trust Balances
Investments		
Mutual funds	$ 207,431,113	$ 145,180,183
Common collective trusts	82,492,844	50,320,881
Total investments and net assets	$ 289,923,957	$ 195,501,064

Investment income (loss) attributable to the Master Trust for the years ended December 31, 2019 and 2018, was as follows:

	2019	2018
Investment income (loss)		
Interest and dividends including interest from guaranteed investment contract	$ 9,692,485	$ 12,585,157
Net appreciation (depreciation) in fair value of investments	53,349,848	(28,830,389)
Total investment income (loss)	$ 63,042,333	$ (16,245,232)

Investments Measured Using the Net Asset Value per Share Practical Expedient

The following tables summarize investments in the Master Trust for which fair value is measured using the net asset value per share practical expedient as of December 31, 2019 and 2018. There are no participant redemption restrictions for these investments; the redemption notice period is applicable only to the Plan.

	December 31, 2019			
	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Northern Trust S&P 500 Index Fund	$ 48,744,774	n/a	Daily	None
Northern Trust Extended Equity Market Index Fund	7,504,731	n/a	Daily	None

	December 31, 2018			
	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Columbia Trust Stable Government I-15 Fund	$ 38,233,782	n/a	Daily	None
Northern Trust S&P 500 Index Fund	38,348,211	n/a	Daily	None
Northern Trust Extended Equity Market Index Fund	5,910,851	n/a	Daily	None

The Columbia Trust Stable Government I-15 Fund invests primarily in a diversified portfolio of bonds backed by the U.S. government, its agencies, instrumentalities and enterprises backed by investment contracts in an attempt to maintain principal value. The Northern Trust S&P 500 Index Fund invests primarily in a portfolio of U.S. large-cap equities to approximate the risk and return of the S&P 500 Index. The Northern Trust Extended Equity Market Index Fund invests primarily in a portfolio of U.S. small and mid-cap equities to approximate the risk and return of the Dow Jones Index.

Note 6: Disclosures About Fair Value of Assets

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

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

Level 2 Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities

Level 3 Unobservable inputs supported by little or no market activity and are significant to the fair value of the assets or liabilities

Recurring Measurements

The following tables present the fair value measurements of assets in the Master Trust measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at December 31, 2019 and 2018:

		2019 Fair Value Measurements Using		
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Master Trust investments				
Mutual funds	$ 262,700,051	$ 262,700,051	$ -	$ -
Total assets in the fair value hierarchy	262,700,051	$ 262,700,051	$ -	$ -
Investments measured at net asset value (A)	56,249,505			
Investments at fair value	$ 318,949,556			

		2018 Fair Value Measurements Using		
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Master Trust investments				
Mutual funds	$ 207,431,113	$ 207,431,113	$ -	$ -
Total assets in the fair value hierarchy	207,431,113	$ 207,431,113	$ -	$ -
Investments measured at net asset value (A)	82,492,844			
Investments at fair value	$ 289,923,957			

(A) In accordance with Subtopic 820-10, certain investments that were measured at net asset value per share (or its equivalent) have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the line items presented in the statements of net assets available for benefits.

Following is a description of the valuation methodologies and inputs used for assets measured at fair value on a recurring basis and recognized in the accompanying statements of net assets available for benefits, as well as the general classification of such assets pursuant to the valuation hierarchy. There have been no significant changes in the valuation techniques during the year ended December 31, 2019. The Plan had no liabilities measured at fair value on a recurring basis. In addition, the Plan had no assets or liabilities measured at fair value on a nonrecurring basis.

Investments

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. Level 1 securities include Master Trust mutual funds. If quoted market prices are not available, then fair values are estimated by using quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based or independently sourced market parameters, including, but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections and cash flows. Such securities are classified in Level 2 of the valuation hierarchy. In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy. There are no Level 2 or Level 3 securities.

Note 7: Contract With Insurance Company

The Plan entered into a fully benefit-responsive investment contract with New York Life Insurance Company (New York Life) on June 4, 2019. New York Life maintains the contributions in a general account. The account is credited with earnings on the underlying investments and charged for participant withdrawals and administrative expenses. The guaranteed investment contract issuer is contractually obligated to repay the principal that is guaranteed to the Plan. New York Life also guarantees the interest rate to be no less than 0%.

As described in Note 2, because the guaranteed investment contract is fully benefit-responsive, contract value is the relevant measurement attribute for that portion of the net assets available for benefits attributable to the guaranteed investment contract. Contract value, as reported to the Plan by New York Life, represents contributions made under the contract, plus earnings, less participant withdrawals and administrative expenses. Participants may ordinarily direct the withdrawal or transfer of all or a portion of their investment at contract value.

There are no reserves against contract value for credit risk of the contract issuer or otherwise. Certain events limit the ability of the Plan to transact at contract value with the issuer. Such events include the following: (1) amendments to the plan documents (including complete or partial plan termination or merger with another plan), (2) changes to plan's prohibition on competing investment options or deletion of equity wash provisions, (3) bankruptcy of the plan sponsor or other plan sponsor events (for example, divestitures of spin-offs of a subsidiary) that cause a significant withdrawal from the plan, or (4) the failure of the trust to qualify for exemption from federal income taxes or any required prohibited transaction exemption under the *Employee Retirement Income Security Act of 1974*. The Plan Administrator does not believe that the occurrence of any such value event, which would limit the Plan's ability to transact at contract value with participants, is probable.

The guaranteed investment contract does not permit the insurance company to terminate the agreement prior to the scheduled maturity date.

Note 8: Party-in-Interest Transactions

Party-in-interest transactions include those with fiduciaries or employees of the Plan, any person who provides services to the Plan, an employer whose employees are covered by the Plan, an employee organization whose members are covered by the Plan, a person who owns 50 percent or more of such an employer or employee association, or relatives of such persons.

The Plan invests in certain funds of the Plan trustee. During 2019 and 2018, the Plan paid $96,121 and $24,203 of administrative fees to the trustee, respectively. Additional fees paid to parties-in-interest totaled $0 and $26,689 for 2019 and 2018, respectively. During 2018, the Plan received $26,926 of revenue sharing reimbursements used to offset fees. The Company provides certain administrative services at no cost to the Plan.

Note 9: Reconciliation of Financial Statements to Form 5500

The following is a reconciliation of net assets available for benefits per the financial statements at December 31, 2019 and 2018, to Form 5500:

	2019	2018
Net assets available for benefits per the financial statements	$ 245,177,387	$ 198,039,225
Amounts of defaulted loans	(71,632)	(66,919)
Net assets available for benefits per Form 5500	$ 245,105,755	$ 197,972,306

During 2019, an additional difference between the Form 5500 filed with the Internal Revenue Service and the accompanying financial statements relates to an immaterial classification difference between administrative expenses and other income for participant revenue credits received by the Plan during 2019. This classification difference has no impact on net assets available for benefits or net increase.

Note 10: Risks and Uncertainties

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the participants' account balances and the amounts reported in the statements of net assets available for benefits.

Supplemental Schedule

Allison Transmission Salaried Employee Retirement Savings Plan

EIN 26-0413897 PN 001

Schedule H, Line 4i - Schedule of Assets (Held at End of Year)

December 31, 2019

(a)(b) Identity of Issuer, Borrower, Lessor or Similar Party	(c) Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	(e) Current Value
Collective Investment Funds Within Master Trust		
*Fidelity Balanced K	310,557 shares	$ 7,639,713
*Fidelity Capital & Income	762,597 shares	7,816,614
*Fidelity Contrafund	2,983,972 shares	40,969,929
*Fidelity Low Priced Stock	178,038 shares	8,900,124
*Fidelity International Index	151,532 shares	6,509,829
*Fidelity Strategic Income	386,842 shares	4,820,053
*Fidelity International Discovery K	89,903 shares	4,069,888
Loomis Sayles Small Cap Value N	198,367 shares	5,530,463
Oppenheimer Developing Markets I	106,490 shares	4,854,869
MassMutual Select Mid Cap Growth I Fund	295,382 shares	6,997,606
Templeton Institutional Foreign Small Companies	51,253 shares	1,096,805
Vanguard Target Retirement 2015	81,758 shares	1,241,086
Vanguard Target Retirement 2020	245,177 shares	7,975,593
Vanguard Target Retirement 2025	585,731 shares	11,620,911
Vanguard Target Retirement 2030	284,014 shares	10,352,302
Vanguard Target Retirement 2035	337,616 shares	7,603,108
Vanguard Target Retirement 2040	218,915 shares	8,566,157
Vanguard Target Retirement 2045	208,451 shares	5,148,733
Vanguard Target Retirement 2050	118,010 shares	4,693,274
Vanguard Target Retirement 2055	77,163 shares	3,332,690
Vanguard Target Retirement 2060	43,550 shares	1,661,854
Vanguard Target Retirement 2065	4,479 shares	107,709
Vanguard REIT Index	213,543 shares	4,349,875
Vanguard Target Retirement Income	180,263 shares	2,532,691
MFS Value R6	90,794 shares	4,032,149
Metwest TOT Return BD	904,503 shares	9,307,335
Eagle Small Cap Growth R5	35,743 shares	1,910,089
		183,641,449
Common Collective Trusts		
Northern Trust Extended Equity Market Index Fund	23,785 shares	5,516,118
Northern Trust S&P 500 Index Fund	116,308 shares	34,651,499
		40,167,617
Guaranteed Investment Contract		
*New York Life Insurance Company Anchor Account	2.80%	18,686,850
***Participant Loans**	3.25% to 9.50%, maturities ranging from January 2020 - July 2028	2,681,471
		$ 245,177,387

* Party-in-interest