

CENTRAL STATES FUNDS  
FINANCIAL AND ANALYTICAL INFORMATION  
MARCH 31, 2009

CENTRAL STATES FUNDS  
FINANCIAL AND ANALYTICAL INFORMATION

MARCH 31, 2009

Financial Report FR

PENSION FUND

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**FINANCIAL REPORT**  
**March 31, 2009 and the Three Months Then Ended**

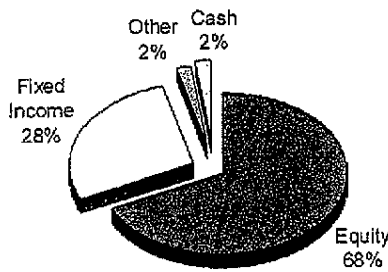
**HIGHLIGHTS**

**PENSION FUND:**

- Net assets increased \$668 million during March resulting in a month end balance of \$15.7 billion.
- Projected 12/31/2009 net asset balances based on various annualized rates of return on investment assets for the remainder of the year (dollars in thousands):

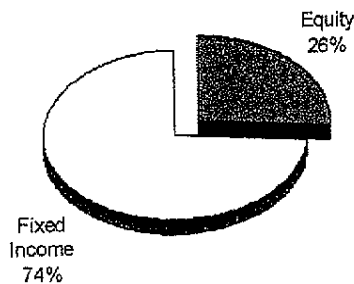
|                          | 4%            | 8%         | 12%        |
|--------------------------|---------------|------------|------------|
| Net Assets at 12/31/2009 | \$ 14,748,300 | 15,213,000 | 15,690,200 |

- Investment asset allocation as of March 31, 2009:



**HEALTH AND WELFARE FUND:**

- Net assets increased \$17.2 million during March resulting in a month end balance of \$1.1 billion.
- Investment asset allocation as of March 31, 2009:



**FINANCIAL REPORT**  
**March 31, 2009 and the Three Months Then Ended**  
**(Dollars in Thousands)**

**PENSION FUND:**

1. Net assets were \$15,664,384 at March 31, 2009, compared to \$17,358,652 at December 31, 2008, a decrease of \$1,694,268 compared to a decrease of \$2,239,865 for the same period last year.

The \$545,597 difference is due to \$571,177 more investment income:

- \$641,696 favorable change in net realized and unrealized gain (loss),
- (\$76,643) less interest and dividends and
- \$6,124 less investment expenses,

offset by (\$25,580) more net operating loss.

2. Projected 2009 investment income (loss), decrease in net assets and net asset balances at year-end based on various annualized rates of return on investment assets for the remainder of the year:

|                          | 4%           | 8%          | 12%         |
|--------------------------|--------------|-------------|-------------|
| Investment Income (Loss) | \$ (751,300) | (286,600)   | 190,600     |
| Decrease in Net Assets   | (2,610,400)  | (2,145,700) | (1,668,500) |
| Net Assets at 12/31/09   | 14,748,300   | 15,213,000  | 15,690,200  |

3. A comparison of Full-Time Equivalent (FTE) memberships and retirees follows:

|                       | Memberships | Retirees |
|-----------------------|-------------|----------|
| As of:                |             |          |
| February 2009         | 79,123      | 211,805  |
| December 2008         | 84,208      | 212,307  |
| Two-month average:    |             |          |
| February 2009         | 81,146      | 212,131  |
| February 2008         | 92,076      | 212,437  |
| % increase (decrease) | (11.9)%     | (0.1)%   |

4. For the three months ended March 31, 2009, the Fund's net asset decrease from operations (before investment income) was \$490,894 compared to a decrease \$465,314 for the same period in 2008, or a \$25,580 unfavorable change:

- (\$18,123) less contributions,
- (\$8,527) more benefits paid, and
- \$1,070 less general and administrative expenses.

5. During the three months ended March 2009 and 2008, the Fund withdrew \$506,572 and \$404,899, respectively, from investment assets to fund the cash operating deficit.

**HEALTH AND WELFARE FUND:**

1. Net assets were \$1,084,693 at March 31, 2009, compared to \$1,094,953 at December 31, 2008, a decrease of \$10,260 compared to an increase of \$14,048 for the same period last year.

2. A comparison of Full-Time Equivalent (FTE) memberships and retirees follows:

|                       | <u>Memberships</u> | <u>Retirees</u> |
|-----------------------|--------------------|-----------------|
| As of:                |                    |                 |
| February 2009         | 88,062             | 13,056          |
| December 2008         | 91,629             | 13,393          |
| Two-month average:    |                    |                 |
| February 2009         | 89,592             | 13,216          |
| February 2008         | 95,197             | 14,884          |
| % increase (decrease) | (5.9)%             | (11.2)%         |

3. For the three months ended March 2009, the Fund's net asset increase before investment income was \$24,066 compared to an increase of \$19,246 for the same period in 2008, or a \$4,820 favorable change:

- (\$4,640) less contributions,
- \$8,251 less benefits,
- \$71 less TeamCare administrative fees and
- \$1,138 less general and administrative expenses.

4. For the three months ended March 2009, net investment income was \$29,128 less than for the same period last year. The decrease results primarily from \$28,137 unfavorable change in realized and unrealized gain (loss) combined with \$1,005 less interest and dividend income.

5. During the three months ended March 2009 and 2008, the Fund transferred \$18,338 and \$26,407, respectively, to investments (Mellon Bank) as the operations generated positive cash flows for those periods.

Central States, Southeast and Southwest Areas Pension Fund  
 Executive Summary of Financial Position  
 March 31, 2009  
 (Dollar amounts in thousands)

|  | March 31,<br>2009    | December 31,<br>2008 | Change in Net Assets |  | Percentage   | Commentary   |
|--|----------------------|----------------------|----------------------|--|--------------|--|
|  |                      |                      | Dollars              |  |              |  |
| <b>Investments</b>                     |                      |                      |                      |  |              |  |
| Cash equivalents                       | \$ 1,267,914         | 1,117,708            | 150,206              |  | 0.8          | Investments and related assets and liabilities - See Named Fiduciary monthly management reports. |
| Fixed income                           | 5,246,449            | 6,257,685            | (1,011,236)          |  | (5.8)        |  |
| Equity                                 | 9,015,532            | 9,696,732            | (681,200)            |  | (3.9)        |  |
| Other                                  | 242,866              | 323,878              | (81,012)             |  | (0.5)        |  |
| Total investments                      | 15,772,761           | 17,396,003           | (1,623,242)          |  | (9.4)        |  |
| Investment related assets              | 1,507,180            | 1,893,135            | (385,955)            |  | (2.2)        |  |
| Employer contributions receivable, net | 87,448               | 66,659               | 20,789               |  | 0.1          |  |
| Other assets                           | 5,606                | 10,787               | (5,181)              |  | -            |  |
| Total assets                           | 17,372,995           | 19,366,584           | (1,993,589)          |  | (11.5)       |  |
| Investment related liabilities         | 1,606,308            | 1,904,731            | 298,423              |  | 1.7          |  |
| Other liabilities                      | 102,303              | 103,201              | 898                  |  | -            |  |
| Total liabilities                      | 1,708,611            | 2,007,932            | 299,321              |  | 1.7          |  |
| <b>NET ASSETS</b>                      | <b>\$ 15,664,384</b> | <b>17,358,652</b>    | <b>(1,694,268)</b>   |  | <b>(9.8)</b> |  |

Central States, Southeast and Southwest Areas Pension Fund  
 Executive Summary of Financial Operations  
 March 31, 2009

(Tabular dollar amounts in thousands)

|  | Year-to-Date   |             | Change from Prior Year |            | Commentary  |
|--|----------------|-------------|------------------------|------------|---|
|  | 2009           | 2008        | Dollars                | Percentage |   |
| <b>INCOME &amp; EXPENSES</b>                               |                |             |                        |            |   |
| Contributions (includes W/I)                               | \$ 195,574     | 213,697     | (18,123)               | (8.5)      | Net investment income (loss) - See Named Fiduciary<br>monthly management reports. |
| Benefits   | 677,988        | 669,461     | (8,527)                | (1.3)      |   |
| General and administrative expenses                        | 8,480          | 9,550       | 1,070                  | 11.2       |   |
| Decrease in net assets before net investment income (loss) | (490,094)      | (465,314)   | (25,580)               | N/A        |   |
| Net investment income (loss)                               | (1,203,374)    | (1,774,551) | 571,177                | N/A        |   |
| Decrease in net assets                                     | \$ (1,694,268) | (2,239,865) | 545,597                | N/A        |   |

**OPERATING STATISTICS**

|   |          |         |
|---|----------|---------|
| Benefits to contributions                                   | 346.7 %  | 313.3 % |
| General and administrative expenses to:                     |          |         |
| Contributions   | 4.3 %    | 4.5 %   |
| Benefits  | 1.3 %    | 1.4 %   |
| Two month average FTES                                      | 81,146   | 92,076  |
| Contributions per average FTE                               | \$ 2,410 | 2,321   |
| Benefits per average FTE                                    | \$ 8,355 | 7,271   |
| Pensioners and beneficiaries - current month                | 211,905  | 212,508 |
| Current month average benefit per pensioner and beneficiary | \$ 1,059 | 1,044   |

Central States, Southeast and Southwest Areas Pension Fund  
 Executive Summary of Current and Projected Operations  
 March 31, 2009

(Dollar amounts in thousands)

|   | March 2009   |            | Variance<br>Favorable (Unfavorable)<br>Percentage | Commentary                   |
|---|--------------|------------|---|------------------------------|
|   | Actual       | Projection |   |                              |
| Contributions (includes W/L)                                  | \$ 59,959    | 69,300     | (9,341) (13.5)                                    | Contributions - FTE decline. |
| Benefits  | 226,067      | 225,900    | (167) (0.1)                                       |                              |
| General and administrative expenses                           | 2,951        | 3,200      | 249 7.8   |                              |
| Decrease in net assets<br>before net investment income (loss) | \$ (169,059) | (159,800)  | (9,259) N/A                                       |                              |

|   | Actual through<br>March 2009 | April<br>2009 | Projection<br>Remainder of<br>2009 | Year Ending<br>December 2009 | Assumptions Used in 2009 Projection   |
|---|------------------------------|---------------|------------------------------------|------------------------------|---|
|   | Contributions (includes W/L) | \$ 195,574    | 73,800                             | 535,326                      |   |
| Benefits  | 677,988                      | 226,300       | 1,822,512                          | 2,726,800                    |   |
| General and administrative expenses                           | 8,480                        | 3,200         | 25,320                             | 37,000                       | Benefits - Increase in average monthly benefits.<br>General and administrative expenses - Actual<br>expenses to date plus 2% increase over 2008<br>expenses for remaining months. |
| Decrease in net assets<br>before net investment income (loss) | \$ (490,894)                 | (155,700)     | (1,212,506)                        | (1,859,100)                  |   |

The following table represents 2009 projected decrease in net assets and resulting year end net assets assuming various annualized rates of return on investment assets for the remainder of this year:

|                                  |                |             |             |
|----------------------------------|----------------|-------------|-------------|
|                                  | 4%             | 8%          | 12%         |
| Projected decrease in net assets | \$ (2,610,400) | (2,145,700) | (1,668,500) |
| Projected net assets at 12/31/09 | \$ 14,748,300  | 15,213,000  | 15,690,200  |



Central States, Southeast and Southwest Areas Pension Fund  
Statement of Net Assets  
(In thousands)

|  | March 31,<br>2009    | December 31,<br>2007 |
|--|----------------------|----------------------|
| <b>ASSETS</b>  |                      |                      |
| Investments:   |                      |                      |
| Cash equivalents   | \$ 1,267,914         | 6,021,079            |
| Fixed income   | 5,246,449            | 8,374,416            |
| Equity   | 9,015,532            | 14,370,578           |
| Other, primarily real estate related                                       | 242,866              | 426,825              |
| Total investments  | <u>15,772,761</u>    | <u>29,192,898</u>    |
| Receivables:   |                      |                      |
| Employer contributions, less allowance for uncollectible contributions (1) | 87,448               | 143,451              |
| Interest and dividends   | 64,746               | 97,726               |
| Other, primarily for securities sold (2)                                   | 262,905              | 676,843              |
| Total receivables  | <u>415,099</u>       | <u>918,020</u>       |
| Cash   | 1,041                | 441                  |
| Assets held under securities lending agreements                            | 1,179,529            | 3,041,607            |
| Other, primarily furniture and equipment - net                             | 4,565                | 2,905                |
| Total assets   | <u>17,372,995</u>    | <u>33,155,871</u>    |
| <b>LIABILITIES</b>   |                      |                      |
| Liability to return collateral held under securities lending agreements    | 1,197,788            | 3,041,607            |
| Payable for securities purchased (2)                                       | 395,533              | 3,177,451            |
| Accounts payable and accrued expenses (3)                                  | 40,556               | 61,581               |
| Deferred withdrawal liability receipts                                     | 74,734               | 69,385               |
| Total liabilities  | <u>2,007,932</u>     | <u>6,350,024</u>     |
| <b>NET ASSETS</b>  | <u>\$ 15,664,384</u> | <u>26,805,847</u>    |
| Notes(s):  |                      |                      |
| (1) Allowance for uncollectible contributions:                             | 902                  | 2,126                |
| (2) Net receivable/payable on foreign currency exchange contracts:         | (15,376)             | 25,005               |
| (3) Includes a liability for 401(h) plan assets:                           | 20,861               | 28,521               |

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Central States, Southeast and Southwest Areas Pension Fund  
Statement of Changes in Net Assets  
(In thousands)

|   | March         |            | Three Months Ended March |             | Year Ended  |               |
|---|---------------|------------|--------------------------|-------------|-------------|---------------|
|   | 2009          | 2008       | 2009                     | 2008        | 2008        | 2007          |
| Revenue:  |               |            |                          |             |             |               |
| Contributions   | \$ 56,024     | 79,364     | 187,142                  | 203,128     | 849,544     | 1,440,300     |
| Withdrawal liability  | 3,935         | 5,529      | 8,432                    | 10,569      | 88,358      | 6,187,750 (1) |
| Total revenue   | 59,959        | 84,893     | 195,574                  | 213,697     | 937,902     | 7,628,050     |
| Benefits and expenses:  |               |            |                          |             |             |               |
| Benefits to participants  | 226,067       | 222,518    | 677,988                  | 669,461     | 2,685,450   | 2,639,158     |
| General and administrative expenses                                   | 2,951         | 3,382      | 8,480                    | 9,550       | 37,311      | 38,205        |
| Total benefits and expenses   | 229,018       | 225,900    | 686,468                  | 679,011     | 2,722,761   | 2,677,363     |
| Increase (Decrease) in net assets before net investment income (loss) | (169,059)     | (141,007)  | (490,894)                | (465,314)   | (1,784,859) | 4,950,687     |
| Investment income (loss):   |               |            |                          |             |             |               |
| Interest, dividends and other   | 47,926        | 77,512     | 117,212                  | 193,855     | 708,504     | 727,549       |
| Realized and unrealized gain (loss) on investments, net               | 792,562       | (300,768)  | (1,309,269)              | (1,950,965) | (8,301,954) | 534,549       |
| Investment expenses   | (3,356)       | (5,701)    | (11,317)                 | (17,441)    | (68,886)    | (79,686)      |
| Net investment income (loss)  | 837,132       | (238,957)  | (1,203,374)              | (1,774,551) | (7,662,336) | 1,182,412     |
| Increase (Decrease) in net assets                                     | 568,073       | (369,964)  | (1,694,268)              | (2,239,865) | (9,447,195) | 6,133,099     |
| NET ASSETS:   |               |            |                          |             |             |               |
| Beginning of period   | 14,996,311    | 24,935,946 | 17,358,652               | 26,805,847  | 26,805,847  | 20,672,748    |
| End of period   | \$ 15,564,384 | 24,565,982 | 15,664,384               | 24,565,982  | 17,358,652  | 26,805,847    |

Notes(a),

(1) Includes receipt of \$6.1 billion from UPS.

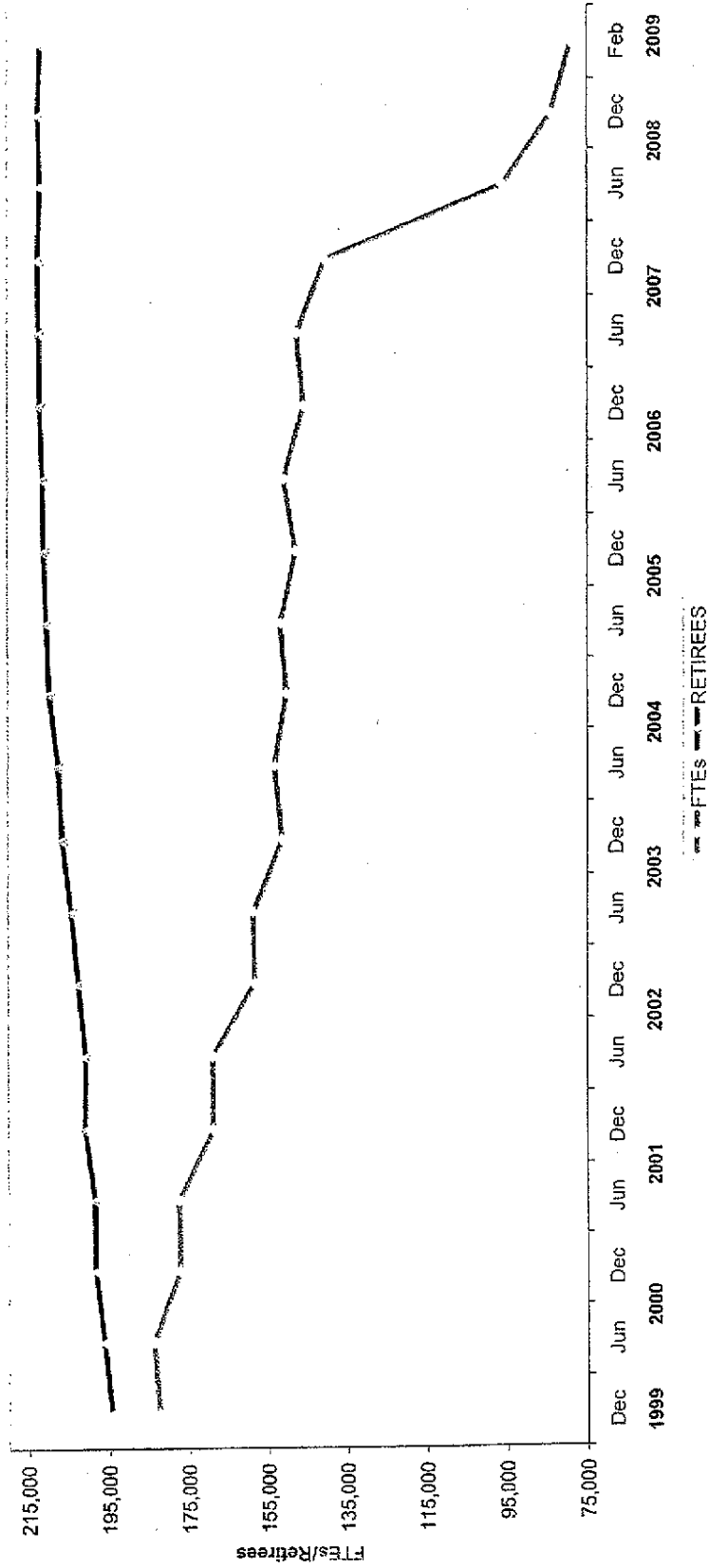
Central States, Southeast and Southwest Areas Pension Fund  
Statement of Cash Receipts and Disbursements  
(In thousands)

|                               | March     |          |           | Three Months Ended March |             |               | Year Ended |      |
|-------------------------------|-----------|----------|-----------|--------------------------|-------------|---------------|------------|------|
|                               | 2009      | 2008     | 2009      | 2008                     | 2009        | 2008          | 2008       | 2007 |
| <b>Operations:</b>            |           |          |           |                          |             |               |            |      |
| Contributions                 | \$ 63,496 | 62,972   | 166,367   | 264,623                  | 926,341     | 1,435,555     |            |      |
| Benefits paid, net (1)(2)     | (49,581)  | (46,268) | (677,637) | (668,829)                | (2,685,133) | (2,639,128)   |            |      |
|                               | 13,915    | 16,704   | (511,270) | (404,206)                | (1,758,792) | (1,203,573)   |            |      |
| Payroll                       | (1,148)   | (1,142)  | (3,889)   | (3,987)                  | (16,507)    | (16,002)      |            |      |
| Employee benefits             | (547)     | (506)    | (1,799)   | (1,630)                  | (7,157)     | (6,666)       |            |      |
| Fees and services             | (98)      | (220)    | (432)     | (1,160)                  | (3,358)     | (3,565)       |            |      |
| Rent (3)                      | (9)       | (205)    | (31)      | (621)                    | (2,552)     | (1,871)       |            |      |
| Office                        | (195)     | (354)    | (4,564)   | (5,068)                  | (8,375)     | (8,648)       |            |      |
| Withdrawal liability receipts | 4,750     | 3,868    | 11,572    | 12,943                   | 87,941      | 6,187,064 (4) |            |      |
| Other                         | (201)     | 1,695    | (4,089)   | (1,441)                  | 1,410       | 1,429         |            |      |
|                               | 2,560     | 3,136    | (3,332)   | (972)                    | 51,402      | 6,151,741     |            |      |
| Net from operations           | 16,475    | 19,840   | (514,602) | (405,178)                | (1,707,390) | 4,948,168     |            |      |
| <b>Investments:</b>           |           |          |           |                          |             |               |            |      |
| Net sales(purchases)          | (53,957)  | (71,649) | 397,869   | 239,822                  | 1,054,700   | (5,587,360)   |            |      |
| Interest and dividends        | 45,139    | 58,404   | 121,809   | 182,727                  | 737,209     | 718,456       |            |      |
| Management fees               | (6,629)   | (7,895)  | (13,027)  | (17,352)                 | (75,968)    | (81,358)      |            |      |
| Net from investments          | (15,447)  | (21,140) | 506,651   | 405,197                  | 1,715,941   | (4,950,262)   |            |      |
| Increase(Decrease) in cash    | 1,028     | (1,300)  | (7,951)   | 19                       | 8,551       | (2,094)       |            |      |
| <b>Cash:</b>                  |           |          |           |                          |             |               |            |      |
| Beginning of period           | 13        | 1,760    | 8,992     | 441                      | 441         | 2,535         |            |      |
| End of period                 | 1,041     | 460      | 1,041     | 460                      | 8,992       | 441           |            |      |

Notes(s):  
(1) Includes increase(decrease) in overdraft:  
(2) Includes timing for EFT funding:  
(3) Rent abatement due to amended lease:  
(4) Includes receipt of \$6.1 billion from UPS.

# Central States Pension Fund

Full Time Equivalents vs. Retirees  
December 1999 Through February 2009



Central States, Southeast and Southwest Areas Health and Welfare Fund  
 Executive Summary of Financial Position  
 March 31, 2009  
 (Dollar amounts in thousands)

|  | March 31,<br>2009   | December 31,<br>2008 | (1) | Change in Net Assets<br>Dollars | Percentage   |
|--|---------------------|----------------------|-----|---------------------------------|--------------|
| Total investments, net   | \$ 1,180,252        | 1,197,388            |     | (17,136)                        | (1.5)        |
| Employer contributions<br>receivable, net                                  | 105,114             | 90,855               |     | 14,259                          | 1.3          |
| Assets held under securities<br>lending agreements                         | 310,637             | 310,615              |     | 22                              | -            |
| Other assets   | 12,126              | 18,633               |     | (6,507)                         | (0.6)        |
| <b>Total assets</b>  | <b>1,608,129</b>    | <b>1,617,491</b>     |     | <b>(9,362)</b>                  | <b>(0.8)</b> |
| Estimated benefits   | 191,038             | 191,973              |     | 935                             | 0.1          |
| Liability to return collateral held<br>under securities lending agreements | 312,508             | 313,101              |     | 593                             | -            |
| Other liabilities  | 19,890              | 17,464               |     | (2,426)                         | (0.2)        |
| <b>Total liabilities</b>   | <b>523,436</b>      | <b>522,538</b>       |     | <b>(898)</b>                    | <b>(0.1)</b> |
| <b>NET ASSETS</b>  | <b>\$ 1,084,693</b> | <b>1,094,953</b>     |     | <b>(10,260)</b>                 | <b>(0.9)</b> |

Notes:

(1) Does not include final year end adjustments.

Central States, Southeast and Southwest Areas Health and Welfare Fund  
 Executive Summary of Financial Operations  
 March 31, 2009  
 (Tabular dollar amounts in thousands)

|   | Year-to-Date |         | Change from Prior Year |            | Commentary   |
|---|--------------|---------|------------------------|------------|--|
|   | 2009         | 2008    | Dollars                | Percentage |  |
| <b>INCOME &amp; EXPENSES</b>                              |              |         |                        |            |  |
| Contributions   | \$ 203,137   | 287,777 | (4,640)                | (1.6)      | Net investment income(loss) - Primarily \$28,137 unfavorable change in realized/unrealized gain(loss) combined with \$1,005 less interest and dividend income. |
| Benefits  | 243,227      | 251,478 | 8,251                  | 3.3        |  |
| TeamCare administrative fees                              | 7,389        | 7,460   | 71                     | 1.0        |  |
| General and administrative expenses                       | 8,455        | 9,593   | 1,138                  | 11.9       |  |
| Increase in net assets before net investment income(loss) | 24,066       | 19,246  | 4,820                  | N/A        |  |
| Net investment income (loss)                              | (34,326)     | (5,198) | (29,128)               | N/A        |  |
| Increase (Decrease) in net assets                         | \$ (10,260)  | 14,048  | (24,308)               | N/A        |  |

**OPERATING STATISTICS**

|   |          |        |
|---|----------|--------|
| Benefits paid to contributions          | 86.2 %   | 87.7 % |
| General and administrative expenses to: |          |        |
| Contributions                           | 3.0 %    | 3.3 %  |
| Benefits paid                           | 3.5 %    | 3.8 %  |
| Two months average FTEs                 | 89,592   | 95,197 |
| Contributions per average FTE           | \$ 3,160 | 3,023  |
| Benefits paid per average FTE           | \$ 2,725 | 2,652  |

Central States, Southeast and Southwest Areas Health and Welfare Fund  
 Executive Summary of Current and Projected Operations

March 31, 2009

(Dollar amounts in thousands)

|  | March 2009 |            | Variance                            |            |
|--|------------|------------|-------------------------------------|------------|
|  | Actual     | Projection | Favorable/ (Unfavorable)<br>Dollars | Percentage |
| Contributions  | \$ 86,208  | 93,700     | (6,992)                             | (7.5)      |
| Benefits   | 94,310     | 83,700     | (10,610)                            | (12.7)     |
| TeamCare administrative fees   | 2,432      | 2,600      | 168                                 | 6.5        |
| General and administrative expenses                                      | 2,812      | 3,300      | 488                                 | 14.8       |
| Increase (Decrease) in net assets<br>before net investment income (loss) | (13,346)   | 3,600      | (16,946)                            | N/A        |
| Net investment income (loss)   | 30,570     | 4,800      | 25,770                              | N/A        |
| Increase in net assets   | \$ 17,224  | 8,400      | 8,824                               | N/A        |

|  | Actual through<br>March 2009 | April<br>2009 | Projection           |                              | Year Ending<br>December 2009 | Assumptions Used in 2009 Projections   |
|--|------------------------------|---------------|----------------------|------------------------------|------------------------------|--|
|  |                              |               | Remainder<br>of 2009 | Year Ending<br>December 2009 |                              |  |
| Contributions  | \$ 283,137                   | 94,800        | 855,863              | 1,233,800                    |                              | Contributions - Scheduled contract rate increases and trended FTEs.  |
| Benefits   | 243,227                      | 90,400        | 699,573              | 1,033,200                    |                              | Benefits - Overall cost increase of 7% per FTE.<br>General and administrative expenses - Actual expenses to date plus 2% increase over 2008 expenses for the remaining months. |
| TeamCare administrative fees   | 7,389                        | 2,600         | 20,311               | 30,300                       |                              | Investment income - Actual return earned to date plus remaining months annualized return of 5%.  |
| General and administrative expenses                                      | 8,455                        | 3,300         | 26,045               | 37,800                       |                              |  |
| Increase (Decrease) in net assets<br>before net investment income (loss) | 24,066                       | (1,500)       | 109,934              | 132,500                      |                              |  |
| Net investment income (loss)   | (34,326)                     | 4,900         | 40,426               | 11,000                       |                              |  |
| Increase (Decrease) in net assets  | \$ (10,260)                  | 3,400         | 150,360              | 143,500                      |                              |  |

Central States, Southeast and Southwest Areas Health and Welfare Fund  
Statement of Net Assets  
(In thousands)

|  | March 31,<br>2009   | 2008             | December 31,<br>(1) | 2007             |
|--|---------------------|------------------|---------------------|------------------|
| <b>ASSETS</b>  |                     |                  |                     |                  |
| Investments:   |                     |                  |                     |                  |
| United States government and government agency debt                        | \$ 674,104          | 647,234          |                     | 555,089          |
| Corporate debt   | 209,939             | 251,877          |                     | 352,755          |
| Common stock index fund  | 289,144             | 307,978          |                     | 293,770          |
| Total investments  | <u>1,173,187</u>    | <u>1,207,089</u> |                     | <u>1,201,614</u> |
| Receivables:   |                     |                  |                     |                  |
| Employer contributions, less allowance for uncollectible contributions (2) | 105,114             | 90,855           |                     | 109,091          |
| Other, primarily investment related  | 53,349              | 16,810           |                     | 20,419           |
| Total receivables  | <u>158,463</u>      | <u>107,665</u>   |                     | <u>129,510</u>   |
| Cash   | 437                 | 230              |                     | 221              |
| Assets held under securities lending agreements                            | 310,637             | 310,615          |                     | 343,373          |
| Other, primarily furniture and equipment - net                             | 1,858               | 1,593            |                     | 2,096            |
| Total assets   | <u>1,644,582</u>    | <u>1,627,192</u> |                     | <u>1,676,814</u> |
| <b>LIABILITIES</b>   |                     |                  |                     |                  |
| Estimated benefits (3)   | 191,038             | 191,973          |                     | 196,300          |
| Liability to return collateral held under securities lending agreements    | 312,508             | 313,101          |                     | 343,373          |
| Checks drawn against future deposits                                       | 7,453               | 4,904            |                     | 5,303            |
| Payable for securities purchased   | 36,453              | 9,701            |                     | 32,863           |
| Accounts payable and accrued expenses                                      | 12,437              | 12,560           |                     | 15,616           |
| Total liabilities  | <u>559,889</u>      | <u>532,239</u>   |                     | <u>593,255</u>   |
| <b>NET ASSETS</b>  | <u>\$ 1,084,693</u> | <u>1,094,953</u> |                     | <u>1,083,559</u> |

Notes:

- (1) Does not include final year end adjustments.
- (2) Allowance for uncollectible contributions:
- (3) Includes estimated claims liability adjustments:

|  |          |
|--|----------|
|  | \$ 1,224 |
|  | 0        |

|  |         |
|--|---------|
|  | 1,111   |
|  | (2,700) |

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Central States, Southeast and Southwest Areas Health and Welfare Fund  
Statement of Changes in Net Assets  
(In thousands)

|   | March        |           | Three Months Ended March |           | Year Ended |           |
|---|--------------|-----------|--------------------------|-----------|------------|-----------|
|   | 2009         | 2008      | 2009                     | 2008      | 2008       | 2007      |
| Contributions   | \$ 86,208    | 110,317   | 283,137                  | 287,777   | 1,188,782  | 1,169,116 |
| Benefits and expenses:  |              |           |                          |           |            |           |
| Benefits paid   | 94,310       | 79,662    | 244,162                  | 252,440   | 1,034,015  | 1,000,498 |
| Changes to liabilities for benefits                                   | 0            | 0         | (935)                    | (962)     | (4,327)    | (3,870)   |
| TeamCare administrative fees  | 2,432        | 2,456     | 7,389                    | 7,460     | 30,005     | 29,411    |
| General and administrative expenses                                   | 2,812        | 3,255     | 8,455                    | 9,593     | 38,424     | 38,251    |
| Total benefits and expenses   | 99,554       | 85,373    | 259,071                  | 268,531   | 1,098,117  | 1,064,290 |
| Increase (Decrease) in net assets before net investment income (loss) | (13,346)     | 24,944    | 24,066                   | 19,246    | 90,665     | 104,826   |
| Investment income (loss):   |              |           |                          |           |            |           |
| Interest and dividends  | 3,446        | 3,938     | 11,145                   | 12,150    | 47,366     | 47,703    |
| Realized and unrealized gain (loss) on investments, net               | 27,164       | (4,651)   | (45,349)                 | (17,212)  | (126,125)  | 23,546    |
| Investment expenses   | (40)         | (44)      | (122)                    | (136)     | (512)      | (495)     |
| Net investment income (loss)  | 30,570       | (757)     | (34,326)                 | (5,198)   | (79,271)   | 70,754    |
| Increase (Decrease) in net assets                                     | 17,224       | 24,187    | (10,260)                 | 14,048    | 11,394     | 175,580   |
| NET ASSETS:   |              |           |                          |           |            |           |
| Beginning of period   | 1,067,469    | 1,073,420 | 1,094,953                | 1,083,559 | 1,083,559  | 907,979   |
| End of period   | \$ 1,084,693 | 1,097,607 | 1,084,693                | 1,097,607 | 1,094,953  | 1,083,559 |

Note(s):

(1) Does not include final year end adjustments.

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B-2.2

Central States, Southeast and Southwest Areas Health and Welfare Fund  
Statement of Cash Receipts and Disbursements  
(In thousands)

|  | March     |          | Three Months Ended March |           | Year Ended  |             |
|--|-----------|----------|--------------------------|-----------|-------------|-------------|
|  | 2009      | 2008     | 2009                     | 2008      | 2008        | 2007        |
| Operations:                            |           |          |                          |           |             |             |
| Contributions                          | \$ 94,645 | 88,823   | 272,478                  | 292,107   | 1,204,574   | 1,161,124   |
| Benefits paid, net (1)                 | (102,442) | (87,971) | (238,390)                | (249,051) | (1,032,875) | (1,006,124) |
|  | (7,797)   | 852      | 34,088                   | 43,056    | 171,699     | 155,000     |
| Payroll                                | (1,298)   | (1,361)  | (4,505)                  | (4,816)   | (19,496)    | (19,398)    |
| Employee benefits                      | (542)     | (631)    | (2,117)                  | (2,035)   | (8,535)     | (8,268)     |
| Fees and services (primarily Teamcare) | (2,545)   | (2,603)  | (8,238)                  | (8,077)   | (32,108)    | (31,367)    |
| Rent (2)                               | (8)       | (220)    | (26)                     | (665)     | (2,731)     | (2,091)     |
| Office                                 | (240)     | (391)    | (912)                    | (1,278)   | (4,753)     | (5,402)     |
| Other                                  | (480)     | (592)    | 250                      | 296       | 318         | (259)       |
|  | (5,213)   | (5,798)  | (15,548)                 | (16,577)  | (67,305)    | (66,785)    |
|  | (13,010)  | (4,946)  | 18,540                   | 26,479    | 104,394     | 88,215      |
| Net from operations                    | 13,099    | 4,889    | (18,333)                 | (26,393)  | (104,385)   | (88,864)    |
| Net (to)from investments               | 89        | (57)     | 207                      | 86        | 9           | (649)       |
| Increase(Decrease) in cash             | 348       | 364      | 230                      | 221       | 221         | 870         |
| Cash:                                  |           |          |                          |           |             |             |
| Beginning of period                    | 437       | 307      | 437                      | 307       | 230         | 221         |
| End of period                          |           |          |                          |           |             |             |

Note(s):

- (1) Includes increase(decrease) in overdraft of: \$ 544
- (2) Rent abatement due to amended lease: \$ 179

\$ (1,491) 0

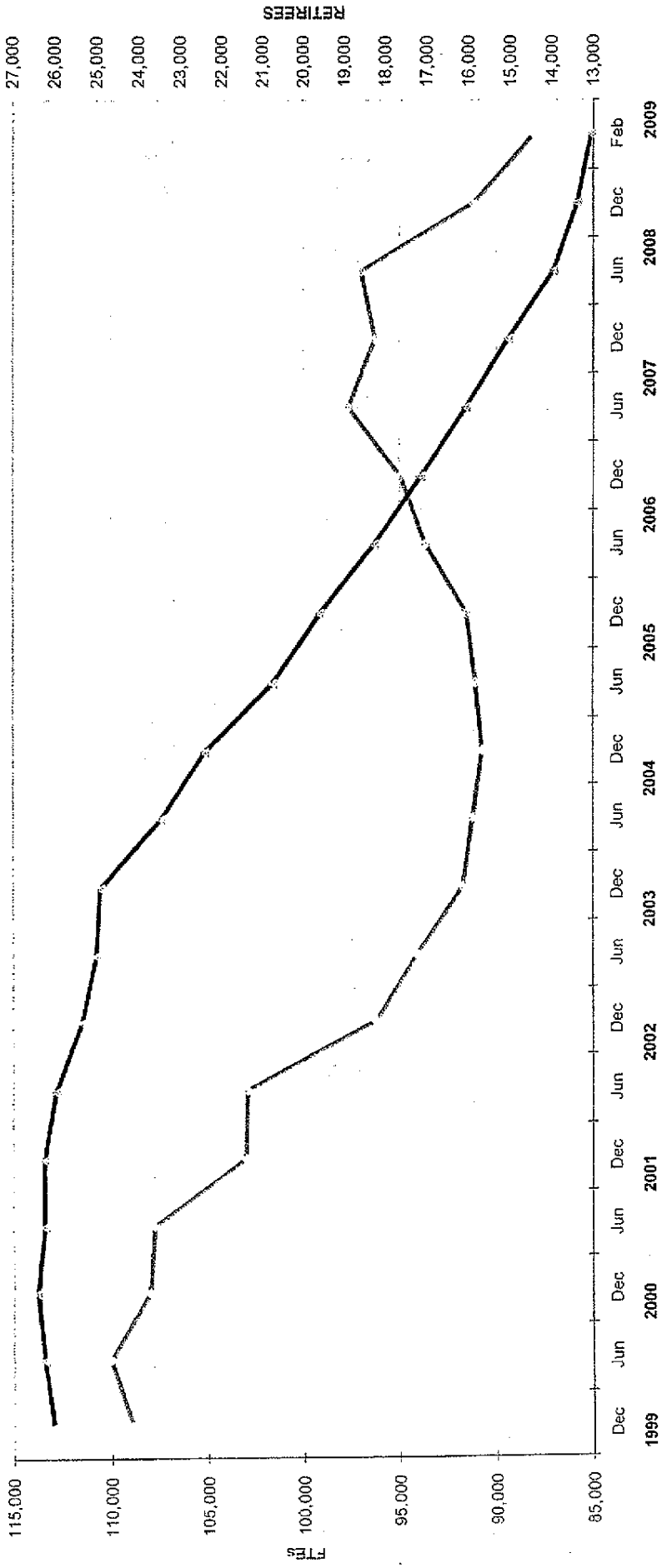
2,549 537

(399) 0

(1,480) 0

# Central States Health and Welfare Fund

Full Time Equivalents vs. Retirees  
December 1999 Through February 2009



FTEs RETIREES