

TIME WARNER INC.
Form 11-K
June 25, 2015
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 11-K
FOR ANNUAL REPORTS OF EMPLOYEE STOCK PURCHASE, SAVINGS AND SIMILAR
PLANS PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

x **ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE**
SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2014

OR

· **TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE**
SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number: 1-15062

A. Full title of the plan and the address of the plan, if different from that of the issuer named below:
TIME WARNER SAVINGS PLAN

B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:
Time Warner Inc.

One Time Warner Center

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New York, New York 10019

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FINANCIAL STATEMENTS AND

SUPPLEMENTAL SCHEDULES

Time Warner Savings Plan

Years Ended December 31, 2014 and 2013

With Report of Independent Registered Public

Accounting Firm

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YEARS ENDED DECEMBER 31, 2014 AND 2013

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Administrative Committee

Time Warner Savings Plan

We have audited the accompanying statements of net assets available for benefits of the Time Warner Savings Plan as of December 31, 2014 and 2013, and the related statements of changes in net assets available for benefits for the years then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Plan's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Time Warner Savings Plan at December 31, 2014 and 2013, and the changes in its net assets available for benefits for the years then ended, in conformity with U.S. generally accepted accounting principles.

The accompanying supplemental schedules of loans or fixed income obligations in default or classified as uncollectible, delinquent participant contributions, and assets (held at end of year) as of December 31, 2014 have been subjected to audit procedures performed in conjunction with the audit of the Time Warner Savings Plan's financial statements. The information in the supplemental schedules is the responsibility of the Plan's management. Our audit procedures included determining whether the information reconciles to the financial statements or the underlying accounting and other records, as applicable, and performing procedures to test the completeness and accuracy of the information presented in the supplemental schedules. In forming our opinion on the information, we evaluated whether such information, including its form and content, is presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

New York, New York

/s/ Ernst & Young LLP

June 25, 2015

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TIME WARNER SAVINGS PLAN

STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS

(thousands)

	December 31,	
	2014	2013
Investments at fair value:		
Commingled trust funds	\$ 1,084,603	\$ 1,203,121
Time Warner common stock	439,530	430,063
Other common stocks	1,423,591	953,928
Synthetic investment contracts	526,669	637,845
Mutual funds	508,000	1,280,442
U.S. government and agency securities	254,862	316,324
Other fixed income securities	136,453	155,260
Cash, cash equivalents and other investments	29,599	57,482
Total investments at fair value	4,403,307	5,034,465
Contributions receivable:		
Employer	9,000	8,012
Participants	1,567	5
Notes receivable from participants	59,802	69,521
Receivables for securities sold	99,577	226,321
Other assets	6,432	9,595
Total assets	4,579,685	5,347,919
Payables for securities purchased	77,131	332,686
Other liabilities	68,985	6,354
Total liabilities	146,116	339,040
Net assets reflecting investments at fair value	4,433,569	5,008,879
Adjustment from fair value to contract value for fully benefit-responsive investment contracts	(9,386)	(12,090)
Net assets available for benefits	\$ 4,424,183	\$ 4,996,789

See accompanying notes.

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TIME WARNER SAVINGS PLAN

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

(thousands)

	Year Ended December 31,	
	2014	2013
Net assets available for benefits at beginning of year	\$ 4,996,789	\$ 4,086,816
Changes in net assets:		
Investment income, net of fees	66,118	58,588
Net realized and unrealized appreciation in the fair value of investments	227,095	850,632
Net investment income	293,213	909,220
Employing company contributions	127,736	156,544
Participant contributions, including rollover contributions	171,405	206,817
Participant loan interest income	3,023	3,236
Participant withdrawals	(397,104)	(363,837)
Administrative expenses	(2,532)	(2,818)
Plan transfer	(768,347)	811
Net change	(572,606)	909,973
Net assets available for benefits at end of year	\$ 4,424,183	\$ 4,996,789

See accompanying notes.

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TIME WARNER SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS

December 31, 2014

1. Description of the Plan

The following is an abbreviated description of the Time Warner Savings Plan (the Plan). Time Warner Inc. (Time Warner) is the Plan sponsor. More complete descriptions of the Plan are provided in the Plan documents, as amended, and the summary plan description/prospectus. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA).

General

The Plan is a defined contribution profit sharing plan with a 401(k) feature generally covering eligible employees of Time Warner and certain of its subsidiaries and affiliates (each, an Employing Company and, collectively, the Employing Companies).

The Plan is the only participating plan in the Time Warner Defined Contribution Plans Master Trust (the Master Trust) and is a Qualified Automatic Contribution Arrangement in accordance with the Internal Revenue Code of 1986, as amended (the Code), and thus is exempt from nondiscrimination testing.

The Plan administrator is a committee (the Administrative Committee) appointed by Time Warner's board of directors. Certain administrative functions of the Plan have been delegated to others in accordance with the terms of the Plan.

On May 14, 2013, the Master Trust received approximately \$772,000, which was the final distribution of settlement funds from the shareholder class action lawsuits brought on behalf of certain stockholders of Time Warner. Individual allocations to eligible participant accounts in the Plan and the TWC Savings Plan (which ceased to be a participating plan in the Master Trust effective October 31, 2008 in connection with the legal and structural separation of Time Warner Cable Inc. from Time Warner on March 12, 2009) were determined by the trustee of the Master Trust, Fidelity Management Trust Company (Fidelity), based on a calculation by the third-party settlement administrator according to the court-approved plan of allocation. On September 24, 2013, approximately \$649,000 was allocated to the Plan and, on October 28, 2013 and November 15, 2013, approximately \$93,000 and \$30,000, respectively, was allocated to the TWC Savings Plan. The Plan's allocation is included in Investment income, net of fees in the Statement of Changes in Net Assets Available for Benefits.

On June 6, 2014, Time Warner completed the legal and structural separation of Time Inc. from Time Warner (the Time Separation). Immediately after 11:59 p.m. EDT on June 6, 2014, Time Warner distributed all outstanding shares of Time Inc. common stock to Time Warner stockholders at a distribution ratio of one share of Time Inc. common stock for every eight shares of Time Warner common stock held on the May 23, 2014 record date (the Time Inc. Distribution). As a result of the Time Inc. Distribution, the Plan received 647,145 shares of Time Inc. common stock with a value of \$15.1 million. The shares were credited to eligible Plan participants' accounts in the Time Warner Inc. Stock Fund. In accordance with the provisions of the Plan, an independent fiduciary, Fiduciary Counselors Inc., was appointed to exercise control over the Time Inc. common stock received in the Time Warner Inc. Stock Fund as a result of the Time Inc. Distribution. In 2014, Fiduciary Counselors, Inc. sold all of the Time Inc. common stock received by the Time Warner Inc. Stock Fund and reinvested the proceeds in Time Warner common stock, other than 380 shares of Time Inc. common stock that were distributed to participants who were eligible to receive shares in the

Time Inc. Distribution and withdrew their account balances from the Plan prior to June 6, 2014.

Investment Funds, Contributions and Vesting

The Plan provides for multiple investment funds made available through Fidelity pursuant to the Master Trust. The Plan's investment funds consist of four asset allocation (target risk) funds and 14 core investment funds (ten of which are actively managed and four of which are index funds). The Plan also offers a self-directed brokerage option that is limited to mutual funds. Participant contributions, Matching Contributions (as defined below) and Rollovers (as defined below) may generally be invested in specified increments in the investment funds. Participants may periodically transfer account balances among the investment funds offered under the Plan.

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TIME WARNER SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS (Continued)

Contributions or investment fund transfers into the Time Warner Inc. Stock Fund, an employee stock ownership plan component of the Plan, are prohibited, but Plan participants who hold Time Warner common stock in the Time Warner Inc. Stock Fund have the option to reinvest cash dividends paid by Time Warner on its common stock in Time Warner common stock through the Time Warner Inc. Stock Fund in lieu of receiving the cash dividends.

Generally, the Plan provides for voluntary participant contributions on a pre-tax basis at an elected percentage of a participant's eligible compensation, up to an annual limit established by the Internal Revenue Service (IRS). The elective deferral amount for highly compensated employees is 50% for the pre-tax contributions, subject to the limit established by the IRS. After two months of continuous employment (or, with respect to employees classified as hourly or temporary employees, after 1,000 hours of credited service in any one year), matching contributions by Employing Companies (Matching Contributions) are made as a percentage of a participant's contributions to the Plan and are capped at certain percentages of the participant's eligible compensation deferred.

All eligible Plan participants with a pre-tax contribution rate of less than 3%, newly eligible Plan participants, and employees classified as hourly or temporary employees who are credited with at least 1,000 hours of service in any one year are automatically enrolled in the Plan at a pre-tax contribution rate of 3% unless they change their contribution rate or opt out of the Plan. Unless participants who were automatically enrolled in the Plan elected or elect otherwise, their contribution rate automatically increased by an additional 1% of eligible compensation beginning on either January 1, 2012 or the first anniversary of their automatic enrollment date (depending on the date they were automatically enrolled) and will continue to increase by an additional 1% of eligible compensation annually until the 6% maximum pre-tax contribution rate for automatic contributions is reached. These participant contributions and Matching Contributions are invested in a target risk fund unless participants elect other investment option(s). Participants who are automatically enrolled in the Plan may change their contribution rate or opt out of the Plan at any time.

Matching Contribution rates for eligible Plan participants are consistent across all participating Employing Companies at a rate of 133 1/3% on up to the first 3% of eligible compensation deferred and 100% on up to the next 3% of eligible compensation deferred.

Participants are allowed to transfer amounts from certain other tax qualified plans to the Plan (Rollovers). Rollovers are included as participant contributions in the Statement of Changes in Net Assets Available for Benefits. Rollovers for 2014 and 2013 were \$16.3 million and \$19.8 million, respectively.

Matching Contributions and any other amounts contributed by an Employing Company, including those transferred into the Plan, are deemed Employing Company contributions (Employing Company Contributions). Each participant's account is credited with the participant's contributions, Rollovers, Employing Company Contributions and any earnings or losses thereon, as appropriate. Participant contributions, Rollovers and earnings thereon are fully vested.

Matching Contributions and earnings thereon generally vest based on years or periods of service as follows:

Vesting of Matching Contributions Made and Earnings Thereon:⁽¹⁾

March 1, 2007 Through June 30, 2010		On or After July 1, 2010	
Years or Periods of Service	Vested Percentage	Years or Periods of Service	Vested Percentage
Less than 1 year	0%	Less than 2 years	0%
1 but less than 2 years	20%	2 years or more	100%
2 but less than 3 years	40%		
3 but less than 4 years	60%		
4 but less than 5 years	80%		
5 years or more	100%		

⁽¹⁾ Any completed service prior to the dates set forth in this table generally counts toward vesting. Matching Contributions and earnings thereon also become fully vested upon a participant's termination of service due to death or disability, attainment of age 65, or upon the termination of the Plan.

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TIME WARNER SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS (Continued)

Forfeited Accounts

Forfeited Employing Company Contributions and earnings thereon may be used to reduce future Employing Company Contributions to the Plan and/or to pay Plan expenses. Forfeited Employing Company Contributions and earnings thereon for 2014 and 2013 were \$3.8 million and \$3.4 million, respectively. The amount of forfeited nonvested accounts as of December 31, 2014 and 2013 was \$3.2 million and \$4.6 million, respectively, and is included in the Statement of Net Assets Available for Benefits.

Notes Receivable From Participants

Under the Plan, subject to certain restrictions and penalties, participants may withdraw amounts and/or take loans from their accounts. The maximum number of loans a participant may have outstanding is limited to three at any one time, in the form of either one primary residence loan and two general loans or three general loans; provided, however, that if the primary residence loan was obtained by December 31, 2007, it does not limit the availability of the three general loans. The minimum loan amount is \$1,000 and the maximum loan amount is \$50,000. Loans are valued at their outstanding balances, which approximate fair value, and are treated as transfers between the individual investment funds and the participant loan fund. Loan terms may be for up to five years or 15 years if for the purchase of a primary residence. Participants who have transferred accounts to the Plan with existing loans for the purchase of a primary residence may have loan terms of up to 30 years based on the provisions of the plan from which the original loan was obtained. Interest rates charged for loans originated under the Plan within any quarter are set at the prime rate in effect on the first day of such quarter plus 1%. Participants who have transferred accounts to the Plan with existing loans may be subject to different interest rates on those loans, as set in accordance with the provisions of the plan from which the original loan was obtained. Interest rates on outstanding participant loans as of December 31, 2014 and 2013 ranged from 4.25% to 10.50%.

Payment of Benefits

In-service withdrawals are available in certain limited circumstances, as provided under the Plan. Hardship withdrawals are allowed for participants incurring an immediate and heavy financial need, as defined by the Plan. Hardship withdrawals are strictly regulated under the Code and the regulations thereunder, and a participant must exhaust all available loan options and available distributions prior to requesting a hardship withdrawal.

Generally, on termination of service, participants are eligible to receive the vested portion of their account in a lump sum. However, subject to certain restrictions, the Plan permits other payment options. In addition, at the option of the participant, the commencement of payments may be deferred, subject to certain limitations. Benefits distributed from all investment funds in the Plan will be paid in cash, except for benefits distributed from the Time Warner Inc. Stock Fund, which also offers shares of Time Warner common stock as a distribution election. Fractional shares are paid in cash.

Plan Termination

Although it has not expressed any intent to do so, Time Warner reserves the right to discontinue Employing Company Contributions or to terminate or modify the Plan at any time. In the event of termination of the Plan, participants will become fully vested in their accounts and the net assets of the Plan will be distributed to participants in accordance with the Plan's provisions and applicable law.

Plan Transfers

On August 6, 2012, Time Warner acquired Bleacher Report Inc. ("Bleacher Report"). Prior to the acquisition, Bleacher Report maintained the Bleacher Report Inc. 401(k) Profit Sharing Plan and Trust (the "Bleacher Plan") for its eligible employees. As of December 31, 2012, the Bleacher Plan was frozen and no new amounts were permitted to be contributed to that plan. As of January 1, 2013, Bleacher Report employees became eligible to participate in the Plan. Effective December 9, 2013 (the "Effective Date"), the Bleacher Plan's net assets in the amount of \$0.8 million were transferred, and the Bleacher Plan was merged into the Plan. The terms of the Bleacher Plan and the Plan were similar, except that the Bleacher Plan allowed participants to make elective after-tax contributions to a designated account for their benefit (a "Roth account"). Roth accounts were created for Plan participants who had a Roth account under the Bleacher Plan immediately prior to the Effective Date, and no new amounts may be contributed to such accounts.

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TIME WARNER SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS (Continued)

Effective as of January 1, 2014, Time Inc., a subsidiary of Time Warner at that date, established the Time Inc. Savings Plan (the "Time Plan"), a defined contribution savings plan intended to be tax-qualified. As of January 3, 2014, net assets in the amount of \$756.8 million and participant loans in the amount of \$11.6 million were transferred out of the Plan into the Time Plan, in connection with the transfer of the account balances and participant loans of participating employees at Time Inc. and its consolidated subsidiaries after giving effect to the Time Separation.

2. Basis of Presentation and Summary of Significant Accounting Policies

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting. Costs and expenses incurred for the purchase, sale or transfer of investments reflected in the accompanying financial statements are considered a cost of the investment or a reduction in the proceeds of a sale, as appropriate. Investment management fees and certain administrative costs are paid by the Plan's investment funds and are included in Investment income, net of fees in the Statement of Changes in Net Assets Available for Benefits.

Payment of Benefits

Participant withdrawals are recorded when paid.

Administrative Expenses

Certain administrative costs are charged to the Plan as permitted under ERISA, including, for example, fees for auditing, investment advice, recordkeeping, custodial and trustee services. Other administrative costs, for example, compensation of employees responsible for the administration of the Plan, are paid by Time Warner.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Investment Valuation and Income Recognition

Investments held by the Plan are stated at fair value. Fair value is defined as 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 (an exit price). See Note 4 for additional information and disclosures related to fair value measurements.

Investments in the Statement of Net Assets Available for Benefits include fully benefit-responsive investment contracts recognized at fair value with a corresponding adjustment to reflect these investments at contract value.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded as earned. Dividends are recorded on the ex-dividend date. Net appreciation or depreciation in the fair value of investments includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Accounting Guidance Not Yet Adopted

Fair Value Measurement

In May 2015, guidance was issued that eliminated the requirement to categorize within the fair value hierarchy all investments for which net asset value per share was used as a practical expedient to measure its fair value. In addition, certain disclosures will be required only for investments for which the entity has elected to measure the fair value using that practical expedient rather than for all instruments eligible to use the practical expedient. This guidance will become effective on a retrospective basis for the Plan on January 1, 2016 and is not expected to have a material impact on the Plan's financial statements.

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Plan investments are made in a variety of investment securities that are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of these investments, it is possible that changes in values could materially affect participants' account balances and the amounts reported in the Statement of Net Assets Available for Benefits.

During the years ended December 31, 2014 and 2013, the Plan's investments appreciated (depreciated) in fair value as follows (thousands):

	Year Ended December 31,	
	2014	2013
Net realized and unrealized appreciation (depreciation) in fair value of investments:		
Commingled trust funds	\$ 65,762	\$ 207,325
Time Warner common stock	96,191	144,805
Other common stocks	61,559	285,139
Mutual funds	(5,955)	237,385
U.S. government and agency securities	18,919	(23,079)
Other fixed income securities	(8,485)	2,232
Cash, cash equivalents and other investments	(896)	(3,175)
Total realized and unrealized appreciation in the fair value of investments:	\$ 227,095	\$ 850,632

The following table presents investments that each represented 5% or more of the Plan's net assets available for benefits (thousands):

	December 31,	
	2014	2013
Commingled trust funds:		
BlackRock Equity Index Fund H, 5,239,313 and 6,464,832 units, respectively	\$ 398,916	\$ 432,982
BlackRock US Debt Index Fund T, 12,129,888 and 14,036,455 units, respectively	\$ 230,422	\$ 251,177
Common stock:		
Time Warner, 5,145,514 and 6,168,438 shares, respectively	\$ 439,530	\$ 430,063
Mutual fund:		
Dodge & Cox Stock Fund, 4,064,934 shares	\$ -	\$ 686,445

The Capital Preservation Fund, an investment fund available in the Plan, includes fully benefit-responsive synthetic investment contracts that are valued at fair value and adjusted to contract value in the Statement of Net Assets Available for Benefits. In a synthetic investment contract, debt securities (such as fixed-income, asset-backed and mortgage-backed securities) are purchased and then a financial institution agrees to provide for liquidity and an adjustable rate of return thereon (a Wrapper), which, when taken together with the underlying securities, generally results in a guaranteed return of principal and accrued interest. See Note 4 for additional information related to fair value measurements.

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TIME WARNER SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS (Continued)

The Capital Preservation Fund and the Wrapper contracts purchased by that fund are designed to pay all participant-initiated transactions at contract value. However, the Wrapper contracts limit the ability of the fund to transact at contract value upon the occurrence of certain events. These events include, but are not limited to:

- complete or partial termination of the Plan;
- any change in law, regulation or administrative ruling applicable to the Plan that could have a material adverse effect on the fund's cash flow;
- merger or consolidation of the Plan with another plan, the transfer of Plan assets to another plan, or the sale, spin-off or merger of a subsidiary or division of the Plan sponsor; and
- any early retirement program, group termination, group layoff, facility closing or similar program.

At this time, the occurrence of an event that would limit the ability of the Capital Preservation Fund to transact at contract value is not probable. The completion of the Time Separation did not limit the ability of the Capital Preservation Fund to transact at contract value.

A Wrapper issuer may terminate a Wrapper contract at any time by providing the appropriate notification. In the event that the market value of the Capital Preservation Fund's covered assets is below their contract value at the time of such termination, Fidelity, as the Capital Preservation Fund's investment manager, may elect to keep the Wrapper contract in place through another Wrapper provider until such time as the market value of the Capital Preservation Fund's covered assets is equal to their contract value. Plan participants will continue to receive the Capital Preservation Fund's Crediting Rate (as defined below).

Interest income in the Capital Preservation Fund is accrued at the weighted-average return of individual fund investments, net of investment management and certain administrative fees (the Crediting Rate). The Crediting Rate is calculated daily. Wrapper contracts use the Crediting Rate formula to convert market value changes in the underlying assets into income distributions in order to minimize the difference between the market and contract value of the underlying assets over time. Using the Crediting Rate formula, an estimated future market value is calculated by compounding a portfolio's current market value at such portfolio's current yield to maturity for a period equal to such portfolio's duration. The Crediting Rate is the discount rate that equates that estimated future market value with such portfolio's current contract value. Crediting Rates are reset monthly. The Wrapper contracts are designed so that the Crediting Rate will not fall below 0%. The Capital Preservation Fund's Crediting Rate as of December 31, 2014 and 2013 was 1.8% and 1.6%, respectively. The average annualized yield of the Capital Preservation Fund for each of the years ended December 31, 2014 and 2013 was 1.7%.

Certain investment managers of investment funds offered under the Plan are authorized to use derivative financial instruments, either directly or within a commingled fund structure, in accordance with established guidelines of the investment funds. Derivative financial instruments may be used for the purpose of managing interest rate and foreign exchange risk, and for yield enhancement. Changes in the fair value of derivative financial instruments are recorded in the Statement of Changes in Net Assets Available for Benefits; therefore, no gains or losses are deferred. At December 31, 2014 and 2013, the fair value of derivative financial instruments held by the Plan was not material. The derivative financial instruments held by the Plan at December 31, 2014 consisted of interest rate and credit default

swap contracts, futures contracts and interest rate option contracts. The derivative financial instruments held by the Plan at December 31, 2013 consisted of interest rate and credit default swap contracts, futures contracts and currency and interest rate option contracts. The derivative positions at December 31, 2014 were not material. Significant derivative positions at December 31, 2013 included futures contracts with notional amounts of \$190.0 million.

4. Fair Value Measurements

A fair value measurement is determined based on the assumptions that a market participant would use in pricing an asset or liability. A three-tiered hierarchy draws distinctions between market participant assumptions based on (i) observable inputs such as quoted prices in active markets (Level 1), (ii) inputs other than quoted prices in active markets that are observable either directly or indirectly (Level 2) and (iii) unobservable inputs that require the Plan to use present value and other valuation techniques in the determination of fair value (Level 3).

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TIME WARNER SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS (Continued)

The following table presents information about the Plan's assets and liabilities required to be carried at fair value on a recurring basis as of December 31, 2014 and 2013 (thousands):

Asset Category	December 31, 2014				December 31, 2013			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Assets								
Commingled trust funds ^(a)	\$ -	\$ 1,084,603	\$ -	\$ 1,084,603	\$ -	\$ 1,203,121	\$ -	\$ 1,203,121
Equity securities:								
Time Warner common stock	439,530	-	-	439,530	430,063	-	-	430,063
Other common stocks:								
Domestic equities	1,270,533	-	-	1,270,533	872,991	-	-	872,991
International equities	153,058	-	-	153,058	80,937	-	-	80,937
Synthetic investment contracts:								
U.S. government and agency securities	238,243	48,463	-	286,706	254,878	94,975	-	349,853
Mortgage related obligations	-	114,072	-	114,072	-	137,331	-	137,331
Investment grade corporate bonds ^(b)	-	122,794	-	122,794	-	148,499	-	148,499
Cash, cash equivalents and other investments	3,007	90	-	3,097	2,051	111	-	2,162

Mutual funds ^(c)	508,000	-	-	508,000	1,280,442	-	-	1,280,442
Fixed income securities:								
U.S. government and agency securities	194,836	60,026	-	254,862	121,212	195,112	-	316,324
Mortgage related obligations	-	28,321	-	28,321	-			