

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), 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 2010 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information		
For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 07/31/2010			
A This return/report is for:	☐ a multiemployer plan;	☐ a multiple-employer plan; or	
	☒ a single-employer plan;	☐ a DFE (specify) ____	
B This return/report is:	☐ the first return/report;	☒ the final return/report;	
	☒ an amended return/report;	☒ a short plan year return/report (less than 12 months).	
C If the plan is a collectively-bargained plan, check here.	☐		
D Check box if filing under:	☒ Form 5558;	☐ automatic extension;	☐ the DFVC program;
	☐ special extension (enter description)		

Part II	Basic Plan Information —enter all requested information		
1a Name of plan WATERLOO INDUSTRIES, INC. RETIREMENT INCOME PLAN	1b Three-digit plan number (PN) ►	014	
	1c Effective date of plan	07/01/1988	
2a Plan sponsor's name and address (employer, if for a single-employer plan) (Address should include room or suite no.) WATERLOO INDUSTRIES, INC. P. O. BOX 2095, 100 E. 4TH STREET WATERLOO, IA 50704	2b Employer Identification Number (EIN)	13-3346665	
	2c Sponsor's telephone number	847-484-4400	
	2d Business code (see instructions)	332900	

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.	05/12/2011	LAUREN TASHMA
	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 (if same as plan sponsor, enter "Same") WATERLOO INDUSTRIES, INC. P. O. BOX 2095, 100 E. 4TH STREET WATERLOO, IA 50704	3b Administrator's EIN 13-3346665 3c Administrator's telephone number 847-484-4400
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4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: a Sponsor's name	4b EIN 4c PN
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5 Total number of participants at the beginning of the plan year	5	1575
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6 Number of participants as of the end of the plan year (welfare plans complete only lines 6a , 6b , 6c , and 6d).		
a Active participants.....	6a	0
b Retired or separated participants receiving benefits.....	6b	0
c Other retired or separated participants entitled to future benefits.....	6c	0
d Subtotal. Add lines 6a , 6b , and 6c	6d	0
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e	0
f Total. Add lines 6d and 6e	6f	0
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	6g	
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6h	10

7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	7	
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8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:
 1A 1G 3H

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

9a Plan funding arrangement (check all that apply) (1) ☒ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) ☒ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor
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10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules

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

b General Schedules

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

SCHEDULE A (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Insurance 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. ▶ Insurance companies are required to provide the information pursuant to ERISA section 103(a)(2).	OMB No. 1210-0110 2010 This Form is Open to Public Inspection
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For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 07/31/2010		
A Name of plan WATERLOO INDUSTRIES, INC. RETIREMENT INCOME PLAN	B Three-digit plan number (PN) ▶	014
C Plan sponsor's name as shown on line 2a of Form 5500. WATERLOO INDUSTRIES, INC.	D Employer Identification Number (EIN) 13-3346665	

Part I	Information Concerning Insurance Contract Coverage, Fees, and Commissions Provide information for each contract on a separate Schedule A. Individual contracts grouped as a unit in Parts II and III can be reported on a single Schedule A.
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1 Coverage Information:

(a) Name of insurance carrier
AETNA LIFE INSURANCE COMPANY

(b) EIN	(c) NAIC code	(d) Contract or identification number	(e) Approximate number of persons covered at end of policy or contract year	Policy or contract year	
				(f) From	(g) To
06-6033492	60054	001473	0	01/01/2010	07/31/2010

2 Insurance fee and commission information. Enter the total fees and total commissions paid. List in item 3 the agents, brokers, and other persons in descending order of the amount paid.

(a) Total amount of commissions paid	(b) Total amount of fees paid
0	0

3 Persons receiving commissions and fees. (Complete as many entries as needed to report all persons).

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

Part II Investment and Annuity Contract Information

Where individual contracts are provided, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

4 Current value of plan's interest under this contract in the general account at year end **4** 0**5** Current value of plan's interest under this contract in separate accounts at year end **5****6** Contracts With Allocated Funds:**a** State the basis of premium rates ▶**b** Premiums paid to carrier **6b****c** Premiums due but unpaid at the end of the year **6c****d** If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, enter amount. **6d**
Specify nature of costs ▶**e** Type of contract: (1) ☐ individual policies (2) ☐ group deferred annuity(3) ☐ other (specify) ▶**f** If contract purchased, in whole or in part, to distribute benefits from a terminating plan check here ▶ ☐**7** Contracts With Unallocated Funds (Do not include portions of these contracts maintained in separate accounts)**a** Type of contract: (1) ☐ deposit administration (2) ☐ immediate participation guarantee(3) ☒ guaranteed investment (4) ☐ other ▶**b** Balance at the end of the previous year **7b** 4316939**c** Additions: (1) Contributions deposited during the year **7c(1)**(2) Dividends and credits **7c(2)**(3) Interest credited during the year **7c(3)** 143672(4) Transferred from separate account **7c(4)**(5) Other (specify below) **7c(5)**

▶

(6) Total additions **7c(6)** 143672**d** Total of balance and additions (add **b** and **c(6)**). **7d** 4460611**e** Deductions:(1) Disbursed from fund to pay benefits or purchase annuities during year **7e(1)** 183842(2) Administration charge made by carrier **7e(2)** 32004(3) Transferred to separate account **7e(3)**(4) Other (specify below) **7e(4)** 4244765

▶ PLAN TRANSFER

(5) Total deductions **7e(5)** 4460611**f** Balance at the end of the current year (subtract **e(5)** from **d**) **7f** 0

Part III Welfare Benefit Contract Information

If more than one contract covers the same group of employees of the same employer(s) or members of the same employee organization(s), the information may be combined for reporting purposes if such contracts are experience-rated as a unit. Where contracts cover individual employees, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

8 Benefit and contract type (check all applicable boxes)

- a** ☐ Health (other than dental or vision)
 b ☐ Dental
 c ☐ Vision
 d ☐ Life insurance
e ☐ Temporary disability (accident and sickness)
 f ☐ Long-term disability
 g ☐ Supplemental unemployment
 h ☐ Prescription drug
i ☐ Stop loss (large deductible)
 j ☐ HMO contract
 k ☐ PPO contract
 l ☐ Indemnity contract
m ☐ Other (specify) ▶

9 Experience-rated contracts:

a Premiums: (1) Amount received	9a(1)		
(2) Increase (decrease) in amount due but unpaid	9a(2)		
(3) Increase (decrease) in unearned premium reserve	9a(3)		
(4) Earned ((1) + (2) - (3))		9a(4)	
b Benefit charges (1) Claims paid	9b(1)		
(2) Increase (decrease) in claim reserves	9b(2)		
(3) Incurred claims (add (1) and (2))		9b(3)	
(4) Claims charged		9b(4)	
c Remainder of premium: (1) Retention charges (on an accrual basis) --			
(A) Commissions	9c(1)(A)		
(B) Administrative service or other fees	9c(1)(B)		
(C) Other specific acquisition costs	9c(1)(C)		
(D) Other expenses	9c(1)(D)		
(E) Taxes	9c(1)(E)		
(F) Charges for risks or other contingencies	9c(1)(F)		
(G) Other retention charges	9c(1)(G)		
(H) Total retention		9c(1)(H)	
(2) Dividends or retroactive rate refunds. (These amounts were ☐ paid in cash, or ☐ credited.)		9c(2)	
d Status of policyholder reserves at end of year: (1) Amount held to provide benefits after retirement		9d(1)	
(2) Claim reserves		9d(2)	
(3) Other reserves		9d(3)	
e Dividends or retroactive rate refunds due. (Do not include amount entered in c(2).)		9e	

10 Nonexperience-rated contracts:

a Total premiums or subscription charges paid to carrier	10a	
b If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, other than reported in Part I, item 2 above, report amount.	10b	
Specify nature of costs ▶		

Part IV Provision of Information

11 Did the insurance company fail to provide any information necessary to complete Schedule A? ☐ Yes ☒ No

12 If the answer to line 11 is "Yes," specify the information not provided. ▶

SCHEDULE SB (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Single-Employer Defined Benefit Plan Actuarial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500 or 5500-SF.	OMB No. 1210-0110 2010 This Form is Open to Public Inspection
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For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 07/31/2010

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

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

A Name of plan <u>WATERLOO INDUSTRIES, INC. RETIREMENT INCOME PLAN</u>	B Three-digit plan number (PN) ▶ <u>014</u>
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF <u>WATERLOO INDUSTRIES, INC.</u>	D Employer Identification Number (EIN) <u>13-3346665</u>
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B	F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500

Part I	Basic Information
1 Enter the valuation date: Month <u>01</u> Day <u>01</u> Year <u>2010</u>	
2 Assets:	
a Market value	2a <u>59133401</u>
b Actuarial value	2b <u>61965038</u>
3 Funding target/participant count breakdown	
	(1) Number of participants (2) Funding Target
a For retired participants and beneficiaries receiving payment	3a <u>643</u> <u>37387754</u>
b For terminated vested participants	3b <u>596</u> <u>15477188</u>
c For active participants:	
(1) Non-vested benefits	3c(1) <u>372389</u>
(2) Vested benefits	3c(2) <u>12612797</u>
(3) Total active	3c(3) <u>336</u> <u>12985186</u>
d Total	3d <u>1575</u> <u>65850128</u>
4 If the plan is at-risk, check the box and complete items (a) and (b)	☐
a Funding target disregarding prescribed at-risk assumptions	4a
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been at-risk for fewer than five consecutive years and disregarding loading factor	4b
5 Effective interest rate	5 <u>6.57</u> %
6 Target normal cost	6 <u>707592</u>

Statement by Enrolled Actuary

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE	
Signature of actuary <u>MARK J. FRIEDMAN</u>	Date <u>08-05924</u>
Type or print name of actuary <u>HEWITT ASSOCIATES LLC</u>	Most recent enrollment number <u>847-295-5000</u>
Firm name <u>100 HALF DAY ROAD</u> <u>LINCOLNSHIRE, IL 60069</u>	Telephone number (including area code)
Address of the firm	

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

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

Schedule SB (Form 5500) 2010
v.092308.1

Part II	Beginning of year carryover and prefunding balances		
	(a) Carryover balance	(b) Prefunding balance	
7 Balance at beginning of prior year after applicable adjustments (Item 13 from prior year)	12527947	1865126	
8 Portion used to offset prior year's funding requirement (Item 35 from prior year)	1077338	0	
9 Amount remaining (Item 7 minus item 8).....	11450609	1865126	
10 Interest on item 9 using prior year's actual return of <u>18.15</u> %	2078286	338520	
11 Prior year's excess contributions to be added to prefunding balance:			
a Excess contributions (Item 38 from prior year)		0	
b Interest on (a) using prior year's effective rate of <u>8.20</u> %		0	
c Total available at beginning of current plan year to add to prefunding balance		0	
d Portion of (c) to be added to prefunding balance.....		0	
12 Reduction in balances due to elections or deemed elections.....	6447606	0	
13 Balance at beginning of current year (item 9 + item 10 + item 11d – item 12).....	7081289	2203646	

Part III	Funding percentages		
14 Funding target attainment percentage.....	14	80.00	%
15 Adjusted funding target attainment percentage.....	15	80.00	%
16 Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement.....	16	104.93	%
17 If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage.....	17		%

Part IV	Contributions and liquidity shortfalls					
18 Contributions made to the plan for the plan year by employer(s) and employees:						
(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	
Totals ►			18(b)	0	18(c)	0

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

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

21 Discount rate:				
a Segment rates:	1st segment: 4.60 %	2nd segment: 6.65 %	3rd segment: 6.76 %	☐ N/A, full yield curve used
b Applicable month (enter code)	21b			0
22 Weighted average retirement age	22			62
23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute				

Part VI Miscellaneous items

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

Part VII Reconciliation of unpaid minimum required contributions for prior years

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

Part VIII Minimum required contribution for current year

31 Target normal cost, adjusted, if applicable (see instructions).....	31	707592
32 Amortization installments:	Outstanding Balance	Installment
a Net shortfall amortization installment	10536020	1027163
b Waiver amortization installment		0
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33	0
34 Total funding requirement before reflecting carryover/prefunding balances (item 31 + item 32a + item 32b – item 33).....	34	1734755
	Carryover balance	Prefunding balance
35 Balances used to offset funding requirement	1734755	0
36 Additional cash requirement (item 34 minus item 35).....	36	0
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (Item 19c).....	37	0
38 Interest-adjusted excess contributions for current year (see instructions).....	38	0
39 Unpaid minimum required contribution for current year (excess, if any, of item 36 over item 37).....	39	0
40 Unpaid minimum required contribution for all years	40	0

SCHEDULE C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider 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
		2010
		This Form is Open to Public Inspection.
For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 07/31/2010		
A Name of plan WATERLOO INDUSTRIES, INC. RETIREMENT INCOME PLAN	B Three-digit plan number (PN) ▶	014
C Plan sponsor's name as shown on line 2a of Form 5500 WATERLOO INDUSTRIES, INC.	D Employer Identification Number (EIN) 13-3346665	

Part I	Service Provider Information (see instructions)
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You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1 Information on Persons Receiving Only Eligible Indirect Compensation

a Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions)..... ☒ Yes ☐ No

b If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation
NORTHERN TRUST CORPORATION
36-2723087

(b) Enter name and EIN or address of person who provided you disclosure on eligible indirect compensation
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2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

HEWITT ASSOCIATES LLC

36-2235791

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
15 17 50	NONE	95234	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

AETNA LIFE INSURANCE COMPANY

06-6033492

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
28 50	NONE	32004	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

GRANT THORTON LLP

36-6055558

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
10 50	NONE	16400	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

JULIUS BAER INVESTMENT MGMT. INC.

13-3149728

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
28 50	NONE	15220	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

NORTHERN TRUST COMPANY

36-1561860

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
21 50	NONE	11566	Yes ☒ No ☐	Yes ☒ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

RS INVESTMENT MANAGEMENT CO. LLC.

94-3321067

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
28 50	NONE	11154	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

FRIESS ASSOCIATES LLC

83-0334121

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
28 50	NONE	8232	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

CAUSEWAY CAPITAL MANAGEMENT

95-4861680

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
28 50	NONE	8203	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

MONTAG & CALDWELL INC.

58-1022504

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
28 50	NONE	8150	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

PACIFIC INVESTMENT MANAGEMENT CO.

33-0629048

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
28 50	NONE	6474	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

Part I Service Provider Information (continued)

3 If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation

(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation

(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation

(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.

Part II Service Providers Who Fail or Refuse to Provide Information

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

Part III **Termination Information on Accountants and Enrolled Actuaries (see instructions)**
(complete as many entries as needed)

a Name:	b EIN:
c Position:	
d Address:	e Telephone: <div style="border: 1px solid black; height: 40px; margin-top: 5px;"></div>

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone: <div style="border: 1px solid black; height: 40px; margin-top: 5px;"></div>

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone: <div style="border: 1px solid black; height: 40px; margin-top: 5px;"></div>

Explanation:

a Name:	b EIN;
c Position:	
d Address:	e Telephone: <div style="border: 1px solid black; height: 40px; margin-top: 5px;"></div>

Explanation:

a Name:	b EIN;
c Position:	
d Address:	e Telephone: <div style="border: 1px solid black; height: 40px; margin-top: 5px;"></div>

Explanation:

<div>SCHEDULE D</div> <div>(Form 5500)</div> <div>Department of the Treasury Internal Revenue Service</div> <div>Department of Labor Employee Benefits Security Administration</div>		<div>DFE/Participating Plan Information</div> <div>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).</div> <div>▶ File as an attachment to Form 5500.</div>		<div>OMB No. 1210-0110</div> <div>2010</div> <div>This Form is Open to Public Inspection.</div>	
For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 07/31/2010					
A Name of plan WATERLOO INDUSTRIES, INC. RETIREMENT INCOME PLAN				B Three-digit plan number (PN) ▶ 014	
C Plan or DFE sponsor's name as shown on line 2a of Form 5500 WATERLOO INDUSTRIES, INC.				D Employer Identification Number (EIN) 13-3346665	
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: FORTUNE BRANDS MSTR RETIREMENT TRST					
b Name of sponsor of entity listed in (a):					
c EIN-PN 13-3364868-003		d Entity code M		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0	
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)	
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	

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

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
		2010
		This Form is Open to Public Inspection

For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 07/31/2010		
A Name of plan WATERLOO INDUSTRIES, INC. RETIREMENT INCOME PLAN	B Three-digit plan number (PN) ►	014
C Plan sponsor's name as shown on line 2a of Form 5500 WATERLOO INDUSTRIES, INC.	D Employer Identification Number (EIN) 13-3346665	

Part I	Asset and Liability Statement
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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		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)		
(2) Participant contributions	1b(2)		
(3) Other.....	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)		
(2) U.S. Government securities.....	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other.....	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)		
(9) Value of interest in common/collective trusts.....	1c(9)		
(10) Value of interest in pooled separate accounts.....	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)	54765889	0
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)		
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)	4316939	0
(15) Other	1c(15)		

1d Employer-related investments:		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	59082828	0

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h	30013	0
i Acquisition indebtedness	1i		
j Other liabilities	1j		
k Total liabilities (add all amounts in lines 1g through 1j)	1k	30013	0

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	59052815	0
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Part II Income and Expense Statement

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

Income

		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)		
(B) Participants	2a(1)(B)		
(C) Others (including rollovers)	2a(1)(C)		
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		0
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)		
(F) Other	2b(1)(F)	143413	
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		143413
(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)		
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		0
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		0

		(a) Amount	(b) Total
2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate.....	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		0
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		1194470
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		
c Other income.....	2c		
d Total income. Add all income amounts in column (b) and enter total.....	2d		1337883

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	2189364	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		2189364
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions).....	2g		
h Interest expense.....	2h		
i Administrative expenses: (1) Professional fees	2i(1)	18967	
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)	89437	
(4) Other	2i(4)	125357	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		233761
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		2423125

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		-1085242
l Transfers of assets:			
(1) To this plan.....	2l(1)		
(2) From this plan	2l(2)		57967573

Part III Accountant's Opinion

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

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

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

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

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

(1) Name: GRANT THORTON LLP

(2) EIN: 36-6055558

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

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

Part IV Compliance Questions

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

During the plan year:

	Yes	No	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.).....		X	
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.).....		X	
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.).....		X	
e Was this plan covered by a fidelity bond?.....	X		40000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.).....		X	
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.).....		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?.....	X		
l Has the plan failed to provide any benefit when due under the plan?		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.).....			
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.			

- 5a** Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?
If yes, enter the amount of any plan assets that reverted to the employer this year ☐ Yes ☒ No Amount:

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

5b(1) Name of plan(s)	5b(2) EIN(s)	5b(3) PN(s)
MASTER LOCK COMPANY PENSION PLAN FOR SALARIED EMPLOYEES	39-1142433	002

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2010
		This Form is Open to Public Inspection.

For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 07/31/2010

A Name of plan <u>WATERLOO INDUSTRIES, INC. RETIREMENT INCOME PLAN</u>	B Three-digit plan number (PN) ▶ <u>014</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>WATERLOO INDUSTRIES, INC.</u>	D Employer Identification Number (EIN) <u>13-3346665</u>

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	<u>0</u>
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): <u>13-3364868</u>		
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....	3	<u>2</u>

Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part)
----------------	--

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	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 providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?.....	☐ Yes	☐ No	☒ N/A

Part III	Amendments
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9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box(es). 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

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

Schedule R (Form 5500) 2010
v.092308.1

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

(1) Contribution rate (in dollars and cents)

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

(1) Contribution rate (in dollars and cents)

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

(1) Contribution rate (in dollars and cents)

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

(1) Contribution rate (in dollars and cents)

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

(1) Contribution rate (in dollars and cents)

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

(1) Contribution rate (in dollars and cents)

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

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

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

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

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

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

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

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

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

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

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

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

Stock: 53% Investment-Grade Debt: 42% High-Yield Debt: 0% Real Estate: 3% Other: 2%

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

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

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

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



REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Retirement Committee
Waterloo Industries, Inc.
Retirement Income Plan

Audit • Tax • Advisory
Grant Thornton LLP
1901 S Meyers Road, Suite 455
Oakbrook Terrace, IL 60181-5243
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We were engaged to audit the financial statements of the Waterloo Industries, Inc. Retirement Income Plan (the "Plan") as of July 31, 2010 and December 31, 2009, and for the seven months ended July 31, 2010 and the year ended December 31, 2009, as listed in the accompanying table of contents. These financial statements are the responsibility of the Plan's management.

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the Plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in note F, which was certified by The Northern 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 execute investment transactions. The Plan administrator has obtained certifications from the trustee as of July 31, 2010 and December 31, 2009 and for the seven months ended July 31, 2010 and the year ended December 31, 2009, that the information provided to the Plan administrator by the trustee is complete and accurate.

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

A handwritten signature in dark ink, appearing to read "Grant Thornton LLP", written in a cursive style.

Chicago, Illinois
May 9, 2011

Schedule SB Attachment (Form 5500)—2010 Plan Year
Waterloo Industries, Inc. Retirement Income Plan
EIN: 13-3346665 PN: 014

Schedule SB, line 32—Schedule of Amortization Bases

Type Of Base	Present Value of Installments	Valuation Date Established	Remaining Years in Amortization Period	Amortization Amount
Shortfall	\$10,536,020	January 1, 2010	7	\$1,027,163

Note: The Amortization Amount reflects the seven month period of the short plan year.

Schedule SB Attachment (Form 5500)—2010 Plan Year
 Waterloo Industries, Inc. Retirement Income Plan
 EIN: 13-3346665 PN: 014

Schedule SB, line 26—Schedule of Active Participant Data as of January 1, 2010
 Number of Participants

Attained Age	Years of Credited Service									
	<1	1-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40+
<25										
25-29		3	1							
30-34		4	2	6						
35-39		4	6	7	13					
40-44		1	3	12	17	5	1			
45-49		4	4	5	15	6	30	2		
50-54			1	7	21	10	23	27	2	
55-59		3	2	9	15	7	15	12	5	
60-64			2	1		5	7	5		
65-69			1	2	1	1		1		
70+										

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Schedule SB Attachment (Form 5500)—2010 Plan Year
Waterloo Industries, Inc. Retirement Income Plan
EIN: 13-3346665 PN: 014

Schedule SB, line 25—Change in Funding Method

The funding valuation reflects the following method change:

- A change in the interest rate basis from the full yield curve with a two-month lookback (as of October 2008) to segment rates with no lookback (4.60%, 6.65%, and 6.76% as of January 2010).

This change has automatic approval under final regulations, Notice 2009-22 or other IRS guidance.

Schedule SB Attachment (Form 5500)—2010 Plan Year
Waterloo Industries, Inc. Retirement Income Plan
EIN: 13-3346665 PN: 014

Schedule SB, line 24—Change in Actuarial Assumptions

The funding valuation reflects the following assumption change:

- A change in the salary increase assumption applicable to the minimum funding target normal cost from 1.00% to 2.50%.

This change was made to better reflect the anticipated plan experience. This assumption change reduced the funding shortfall by less than \$5 million, as such approval of the Commissioner is not required.

Schedule SB Attachment (Form 5500)—2010 Plan Year
Waterloo Industries, Inc. Retirement Income Plan
EIN: 13-3346665 PN: 014

Schedule SB, Part V—Summary of Plan Provisions

Plan Name	Waterloo Industries, Inc. Retirement Income Plan.
Effective Date	The original Plan became effective July 1, 1988. This plan was last amended effective January 1, 2009.
Plan Year	Calendar year.
Eligibility	All Employees hired prior to January 1, 2008 are covered by the Plan, and may become participants if they meet the participation requirements.
Participation	Each eligible employee shall become a participant on the first day of the month coincident with or next following the completion of one year of Eligibility Service. No employee who first completes an hour of service on or after January 1, 2008 shall become a plan participant, and no employee rehired on or after January 1, 2008 shall again become a plan participant.
Normal Retirement Eligibility	The first day of the month coincident with or next following the attainment of age 65 and five years of participation or Vesting Service.
Benefits	<p>The greater of (1) and (2) below:</p> <ol style="list-style-type: none">1. The difference of (a) and (b) below:<ol style="list-style-type: none">a. 1.50% of Final Average Monthly Earnings times Benefit Serviceb. 1.50% of the participant's age 65 monthly Primary Insurance Amount under the Social Security Law in effect on January 1, times Benefit Service up to 33.33 years.2. 1.00% of Final Average Monthly Earnings times Benefit Service.
Early Retirement Eligibility	Age 55 and five years of Vesting Service.
Benefits	Accrued benefit as of early retirement date reduced by six percent per year for payments beginning prior to age sixty. However, if the employee terminates on or after having

Schedule SB Attachment (Form 5500)—2010 Plan Year
Waterloo Industries, Inc. Retirement Income Plan
EIN: 13-3346665 PN: 014

attained age 55 and his age plus service is greater than or equal to ninety, his benefit is unreduced.

Disability Retirement
Eligibility

Participants who become disabled while participating in the Plan will be eligible for a disability benefit. Disabled means receiving disability benefits from either social security or a Company sponsored disability plan.

Benefits

The Disability benefit payable will be based on the following:

- Vesting Service and Benefit Service will continue during the period the participant is receiving disability benefits, but not beyond the participant's retirement date or normal retirement age (if later).
- Earnings for the last calendar year before disability are assumed to continue at the same rate (unless Final Average Monthly Earnings at the disability date, or the Earnings in the year of disability, produce a greater benefit).
- Primary Insurance Amount is determined as of the date service ceases to accrue.
- Right to benefits and the amount of the benefit will be determined in the same manner as for active associates or at the date of service termination. This is not normally the date of disability.
- Benefits will commence as age 65, or as early as age 55 based on participant election.
- If the participant recovers from disability and is not reemployed within 30 days, Vesting Service and Benefit Service during the period of disability will not be credited, and termination date will equal 12 months following the date of disability.

Deferred With Vesting
Eligibility

Five years of Vesting Service.

Benefits

A vested participant who terminates shall be entitled to receive his accrued benefit, payable in the normal form, according to the normal or early retirement provisions.

Schedule SB Attachment (Form 5500)—2010 Plan Year
Waterloo Industries, Inc. Retirement Income Plan
EIN: 13-3346665 PN: 014

Preretirement Death
Eligibility

Five years of Vesting Service and married throughout the one year period ending on the date of death.

Benefits

The monthly benefit of the surviving Qualified Spouse of an active participant who dies after becoming vested in a benefit under the plan is a life annuity equal to 50 percent of the reduced benefit assuming the participant elected a 50% joint and survivor annuity the day before death, but not reduced for early commencement.

Minimum benefits also apply for participants with either 10 years of Vesting Service or who attained age 55 with five years of Vesting Service on or prior to January 1, 1988.

Merged Plan Provisions

Effective December 31, 1998, the inactive Bargaining plan and the frozen Sedalia and Arkansas plans were merged with this plan. The rights and features of these plans continue to apply to the frozen benefits of participants who entered the plan as a result of the merger. However, no additional Benefit Service will be earned by the participants from the old Sedalia and Arkansas plans.

Normal Form of Benefits

An unmarried participant shall receive a life annuity. Married participants will receive an actuarially reduced 50% joint-and-survivor annuity.

Optional Forms of Payment

The plan provides optional payment forms, including the qualified Joint and Contingent benefit for married employees, on an actuarially equivalent basis. Optional forms include 50%, 75% or 100% joint and survivor annuity, 5, 10, or 15 year certain and life annuity, 50%, 75% or 100% joint and survivor annuity with 10 year certain period, or life annuity. Actuarial equivalence for this purpose is based on a 6.00% interest rate and the RP-2000 Combined Healthy Participant Table with blended 50% male and 50% female with no age setbacks. Lump-sum distributions are allowed, but only if the lump sum is less than \$5,000.

Definitions
Employee

Any person who is in an executive or management position; in an office, technical, professional, administrative or clerical position; or in a sales position. It excludes employees covered by other plans and bargaining employees for whom coverage has not been bargained.

Schedule SB Attachment (Form 5500)—2010 Plan Year
Waterloo Industries, Inc. Retirement Income Plan
EIN: 13-3346665 PN: 014

Eligibility Service

A 12-month period beginning with hire or any calendar year after such date in which the employee had at least 1,000 hours of service.

Final Average Monthly Earnings

The greater of (A) 1/12th of the average of the participant's annual earnings during the five calendar years during the fifteen calendar years next preceding retirement, termination or death that produce the highest average, or (B) the highest annual earnings for the sixty consecutive months within the last one hundred twenty months of employment divided by sixty or the number of months earnings were received if less than sixty. Compensation is limited to \$150,000 (indexed beginning in 1995) as required.

Primary Insurance Amount

Primary insurance amount in the later of the year attaining age 65 or retirement. If the participant terminates prior to age 65, the above calculation is made assuming the participant's earnings continue at the rate for the calendar year preceding termination and without regard for any increases in the wage base or benefit levels after the date of termination.

Benefit Service

The sum of Credited Service with the E-II Retirement Income Plan as of June 30, 1988 plus Vesting Service following July 1, 1988. Rehires on or after January 1, 2008 are not credited with additional benefit service following rehire.

Vesting Service

Total service from the date of hire to date of termination using elapsed time, less any absence in excess of 12 months that is excluded from Benefit Service.

Qualified Spouse

A person is a qualified spouse if married to the participant throughout the one-year period ending on the date of the participant's death.

Changes in Plan Provisions since the Prior Year

The funding valuation does not reflect any plan changes.

Schedule SB Attachment (Form 5500)—2010 Plan Year
Waterloo Industries, Inc. Retirement Income Plan
EIN: 13-3346665 PN: 014

Other Information to Fully and Fairly Disclose the Actuarial Position of the Plan

Effective July 31, 2010, the plan was merged into the Master Lock Company Pension Plan for Salaried Employees. The Target Normal Cost (Lines 6 and 31) and Shortfall Amortization Charge (Line 32a) reflect the seven month period.

Schedule SB Attachment (Form 5500)—2010 Plan Year
Waterloo Industries, Inc. Retirement Income Plan
EIN: 13-3346665 PN: 014

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

Interest Rates	Based on segment rates with no lookback (as of January 2010).
1st Segment Rate	4.60%.
2nd Segment Rate	6.65%.
3rd Segment Rate	6.76%.
Salary Increases	
Minimum Funding Target Normal Cost	2.50%.
Maximum Tax Expected Benefit Increase	See Table 1.
Social Security Wage Base Increases	Future wage indices are based on a national wage increase of 4.00% per year.
Social Security COLA Increases	3.50%.
Optional Payment Form Election Percentage	100% elect the normal form of payment of a life annuity.
Optional Payment Form Conversion Interest Rate	N/A.
Optional Payment Form Conversion Mortality	N/A.
Retirement Age	
Active Participants	See Table 2.
Terminated Vested Participants	Hourly - Age 62 Salaried - Age 60.
Mortality Rates	
Healthy and Disabled	2010 Static Mortality Table for Annuitants and Non-Annuitants Per §1.430(h)(3)-1(e).
Withdrawal Rates	See Table 3.
Disability Rates	See Table 4.
Surviving Spouse Benefit	It is assumed that 80% of males and 80% of females have an eligible spouse, and that males are three years older than their spouses.
Valuation Compensation	2009 pensionable earnings rolled forward one year with the salary increase assumption.

Schedule SB Attachment (Form 5500)—2010 Plan Year
Waterloo Industries, Inc. Retirement Income Plan
EIN: 13-3346665 PN: 014

Benefit and Compensation Limits

Projected benefits and compensation are limited by the current IRC section 415 maximum benefit of \$195,000 and the 401(a)(17) compensation limit of \$245,000.

Valuation of Plan Assets

Smoothed fair market value of assets over the current and prior two years, adjusted for contributions, benefit payments, administrative expenses, and expected earnings. The average value of assets calculated in this manner is further limited to not less than 90% nor more than 110% of fair market value.

A characteristic of this method is that the expected distribution of the value of plan assets is skewed toward understatement relative to the corresponding market values for expected long-term rates of return in excess of the third segment rate under IRC section 430(h)(2)(C)(iii).

Expected Return on Assets

2008 Plan Year

6.43%.

2009 Plan Year

6.69%.

Trust Expenses Included in Target Normal Cost

\$555,393.

The expenses included in the target normal cost reflect the prior year's administrative and investment expenses.

Actuarial Method

Standard Unit Credit Cost Method.

Valuation Date

January 1, 2010.

Schedule SB Attachment (Form 5500)—2010 Plan Year
 Waterloo Industries, Inc. Retirement Income Plan
 EIN: 13-3346665 PN: 014

Table 1
Salary Merit Increase Rates – Long Term Assumption

Age	Rate	Age	Rate
15	9.50%	45	4.25%
16	9.50%	46	4.25%
17	9.50%	47	4.25%
18	9.50%	48	4.25%
19	9.50%	49	4.25%
20	9.50%	50	4.00%
21	9.50%	51	4.00%
22	9.50%	52	4.00%
23	9.50%	53	4.00%
24	9.50%	54	4.00%
25	7.50%	55	3.75%
26	7.50%	56	3.75%
27	7.50%	57	3.75%
28	7.50%	58	3.75%
29	7.50%	59	3.75%
30	6.00%	60+	3.50%
31	6.00%		
32	6.00%		
33	6.00%		
34	6.00%		
35	5.25%		
36	5.25%		
37	5.25%		
38	5.25%		
39	5.25%		
40	4.50%		
41	4.50%		
42	4.50%		
43	4.50%		
44	4.50%		

Schedule SB Attachment (Form 5500)—2010 Plan Year
Waterloo Industries, Inc. Retirement Income Plan
EIN: 13-3346665 PN: 014

Table 2
Retirement Rates

Age	Rate
55	10.00%
56	5.00%
57	5.00%
58	5.00%
59	5.00%
60	20.00%
61	5.00%
62	20.00%
63	10.00%
64	10.00%
65+	100.00%

Schedule SB Attachment (Form 5500)—2010 Plan Year
 Waterloo Industries, Inc. Retirement Income Plan
 EIN: 13-3346665 PN: 014

Table 3—Page 1 of 2
Withdrawal Rates

Age	Years of Service					
	0	1	2	3	4	5+
15	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%
16	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%
17	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%
18	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%
19	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%
20	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%
21	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%
22	33.40%	33.40%	33.40%	33.40%	33.40%	33.40%
23	31.60%	31.60%	31.60%	31.60%	31.60%	31.60%
24	30.20%	30.20%	30.20%	30.20%	30.20%	30.20%
25	28.60%	28.60%	28.60%	28.60%	28.60%	28.60%
26	27.20%	27.20%	27.20%	27.20%	27.20%	27.20%
27	25.60%	25.60%	25.60%	25.60%	25.60%	25.60%
28	25.40%	24.20%	24.20%	24.20%	24.20%	24.20%
29	25.40%	23.80%	23.00%	23.00%	23.00%	23.00%
30	25.40%	23.80%	22.00%	21.60%	21.60%	21.60%
31	25.40%	23.80%	22.00%	20.40%	20.40%	20.40%
32	25.40%	23.80%	22.00%	20.40%	19.20%	19.20%
33	25.40%	23.80%	22.00%	20.40%	19.00%	18.00%
34	25.40%	23.80%	22.00%	20.40%	19.00%	17.00%
35	25.40%	23.80%	22.00%	20.40%	19.00%	15.80%
36	25.40%	23.80%	22.00%	20.40%	19.00%	14.80%
37	25.40%	23.80%	22.00%	20.40%	19.00%	13.80%
38	25.40%	23.80%	22.00%	20.40%	19.00%	13.00%
39	25.40%	23.80%	22.00%	20.40%	19.00%	12.00%
40	25.40%	23.80%	22.00%	20.40%	19.00%	11.20%
41	25.40%	23.80%	22.00%	20.40%	19.00%	10.40%
42	25.40%	23.80%	22.00%	20.40%	19.00%	9.80%
43	25.40%	23.80%	22.00%	20.40%	19.00%	9.00%
44	25.40%	23.80%	22.00%	20.40%	19.00%	8.40%

Schedule SB Attachment (Form 5500)—2010 Plan Year
 Waterloo Industries, Inc. Retirement Income Plan
 EIN: 13-3346665 PN: 014

Table 3—Page 2 of 2
Withdrawal Rates

Age	Years of Service					
	0	1	2	3	4	5+
45	25.40%	23.80%	22.00%	20.40%	19.00%	7.80%
46	25.40%	23.80%	22.00%	20.40%	19.00%	7.20%
47	25.40%	23.80%	22.00%	20.40%	19.00%	6.80%
48	25.40%	23.80%	22.00%	20.40%	19.00%	6.20%
49	25.40%	23.80%	22.00%	20.40%	19.00%	5.80%
50	25.40%	23.80%	22.00%	20.40%	19.00%	5.40%
51	25.40%	23.80%	22.00%	20.40%	19.00%	5.20%
52	25.40%	23.80%	22.00%	20.40%	19.00%	4.80%
53	25.40%	23.80%	22.00%	20.40%	19.00%	4.60%
54	25.40%	23.80%	22.00%	20.40%	19.00%	4.40%
55+	25.40%	23.80%	22.00%	20.40%	19.00%	4.40%

Schedule SB Attachment (Form 5500)—2010 Plan Year
 Waterloo Industries, Inc. Retirement Income Plan
 EIN: 13-3346665 PN: 014

Table 4
Disability Rates

Age	Rate	Age	Rate
15	0.030%	45	0.192%
16	0.030%	46	0.216%
17	0.030%	47	0.246%
18	0.030%	48	0.282%
19	0.030%	49	0.312%
20	0.030%	50	0.358%
21	0.030%	51	0.410%
22	0.030%	52	0.472%
23	0.030%	53	0.534%
24	0.030%	54	0.602%
25	0.030%	55	0.670%
26	0.030%	56	0.738%
27	0.030%	57	0.812%
28	0.034%	58	0.890%
29	0.034%	59	0.970%
30	0.034%	60	1.050%
31	0.038%	61	1.140%
32	0.038%	62	1.232%
33	0.042%	63	1.326%
34	0.042%	64	1.420%
35	0.052%	65+	0.000%
36	0.056%		
37	0.066%		
38	0.076%		
39	0.090%		
40	0.100%		
41	0.114%		
42	0.128%		
43	0.148%		
44	0.172%		

Schedule SB Attachment (Form 5500)—2010 Plan Year
Waterloo Industries, Inc. Retirement Income Plan
EIN: 13-3346665 PN: 014

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

The average retirement age shown in line 22 has been calculated by assuming the following retirement rates and no decrements other than retirement for this calculation. All retirements are assumed to occur at mid-year, except for the 100% retirement age.

(a)	(b)	(c)	(d)
Age	Rate	Weight	Product (a) × (b) × (c)
55.5	10.00%	1.0000	5.55
56.5	5.00%	0.9000	2.54
57.5	5.00%	0.8550	2.46
58.5	5.00%	0.8123	2.38
59.5	5.00%	0.7716	2.30
60.5	20.00%	0.7331	8.87
61.5	5.00%	0.5864	1.80
62.5	20.00%	0.5571	6.96
63.5	10.00%	0.4457	2.83
64.5	10.00%	0.4011	2.59
65	100.00%	0.3610	23.47
Weighted Average			61.75

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

Pension Benefit Guaranty Corporation

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

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

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

OMB No. 1210-0110

2010**This Form is Open to Public
Inspection**

For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 07/31/2010

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

A Name of plan Waterloo Industries, Inc. Retirement Income Plan		B Three-digit plan number (PN) ▶ 014
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF Waterloo Industries, Inc.		D Employer Identification Number (EIN) 13-3346665
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B		
F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500		

Part I Basic Information

1 Enter the valuation date: Month <u>1</u> Day <u>1</u> Year <u>2010</u>			
2 Assets:			
a Market value.....		2a	59,133,401
b Actuarial value.....		2b	61,965,038
3 Funding target/participant count breakdown			
		(1) Number of participants	(2) Funding Target
a For retired participants and beneficiaries receiving payment.....		3a	643
b For terminated vested participants.....		3b	596
c For active participants:			
(1) Non-vested benefits.....		3c(1)	372,389
(2) Vested benefits.....		3c(2)	12,612,797
(3) Total active.....		3c(3)	336
d Total.....		3d	1,575
4 If the plan is at-risk, check the box and complete items (a) and (b) ☐			
a Funding target disregarding prescribed at-risk assumptions.....		4a	
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been at-risk for fewer than five consecutive years and disregarding loading factor.....		4b	
5 Effective interest rate.....		5	6.57 %
6 Target normal cost.....		6	707,592

Statement by Enrolled Actuary

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE	<u>Mark J. Friedman</u> <i>MR</i>	<u>2-9-2011</u>
	Signature of actuary	Date
<u>MARK J. FRIEDMAN</u>		<u>08-05924</u>
Type or print name of actuary		Most recent enrollment number
<u>HEWITT ASSOCIATES LLC</u>		<u>(847) 295-5000</u>
Firm name		Telephone number (including area code)
<u>100 HALF DAY ROAD</u>		
<u>LINCOLNSHIRE IL 60069</u>		
Address of the firm		

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

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

Schedule SB (Form 5500) 2010
v.092308.1

Part II Beginning of year carryover and prefunding balances

	(a) Carryover balance	(b) Prefunding balance
7 Balance at beginning of prior year after applicable adjustments (Item 13 from prior year)	12,527,947	1,865,126
8 Portion used to offset prior year's funding requirement (Item 35 from prior year)	1,077,338	0
9 Amount remaining (Item 7 minus item 8)	11,450,609	1,865,126
10 Interest on item 9 using prior year's actual return of <u>18.15</u> %	2,078,286	338,520
11 Prior year's excess contributions to be added to prefunding balance:		
a Excess contributions (Item 38 from prior year)		0
b Interest on (a) using prior year's effective rate of <u>8.20</u> %		0
c Total available at beginning of current plan year to add to prefunding balance		0
d Portion of (c) to be added to prefunding balance		0
12 Reduction in balances due to elections or deemed elections	6,447,606	0
13 Balance at beginning of current year (item 9 + item 10 + item 11d - item 12)	7,081,289	2,203,646

Part III Funding percentages

14 Funding target attainment percentage	14	80.00 %
15 Adjusted funding target attainment percentage	15	80.00 %
16 Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	104.93 %
17 If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

Part IV Contributions and liquidity shortfalls**18** Contributions made to the plan for the plan year by employer(s) and employees:

(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
Totals ▶			18(b)	0	18(c) 0

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

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

20 Quarterly contributions and liquidity shortfalls:

- a** Did the plan have a "funding shortfall" for the prior year? ☒ Yes ☐ No
- b** If 20a is "Yes," were required quarterly installments for the current year made in a timely manner? ☒ Yes ☐ No
- c** If 20a is "Yes," see instructions and complete the following table as applicable:

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

Part V Assumptions used to determine funding target and target normal cost**21** Discount rate:**a** Segment rates:

1st segment:

4.60 %

2nd segment:

6.65 %

3rd segment:

6.76 %

☐ N/A, full yield curve used**b** Applicable month (enter code)**21b**

0

22 Weighted average retirement age**22**

62

23 Mortality table(s) (see instructions) ☐ Prescribed - combined☒ Prescribed - separate☐ Substitute**Part VI Miscellaneous items****24** Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment☒ Yes ☐ No**25** Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment☒ Yes ☐ No**26** Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment☒ Yes ☐ No**27** If the plan is eligible for (and is using) alternative funding rules, enter applicable code and see instructions regarding attachment**27****Part VII Reconciliation of unpaid minimum required contributions for prior years****28** Unpaid minimum required contribution for all prior years**28**

0

29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (item 19a)**29**

0

30 Remaining amount of unpaid minimum required contributions (item 28 minus item 29)**30**

0

Part VIII Minimum required contribution for current year**31** Target normal cost, adjusted, if applicable (see instructions)**31**

707,592

32 Amortization installments:

Outstanding Balance

Installment

a Net shortfall amortization installment

10,536,020

1,027,163

b Waiver amortization installment

0

33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount**33**

0

34 Total funding requirement before reflecting carryover/prefunding balances (item 31 + item 32a + item 32b - item 33)**34**

1,734,755

35 Balances used to offset funding requirement

Carryover balance

Prefunding balance

Total balance

1,734,755

0

1,734,755

36 Additional cash requirement (item 34 minus item 35)**36**

0

37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (Item 19c)**37**

0

38 Interest-adjusted excess contributions for current year (see instructions)**38**

0

39 Unpaid minimum required contribution for current year (excess, if any, of item 36 over item 37)**39**

0

40 Unpaid minimum required contribution for all years**40**

0

**FINANCIAL STATEMENTS AND REPORT OF
INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS
WATERLOO INDUSTRIES, INC.
RETIREMENT INCOME PLAN
JULY 31, 2010 AND DECEMBER 31, 2009**

**PLAN NUMBER: 014
EIN: 13-3346665**

B104082

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Retirement Committee
Waterloo Industries, Inc.
Retirement Income Plan

Audit • Tax • Advisory
Grant Thornton LLP
1901 S Meyers Road, Suite 455
Oakbrook Terrace, IL 60181-5243
T 630.873.2500
F 630.873.2800
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We were engaged to audit the financial statements of the Waterloo Industries, Inc. Retirement Income Plan (the "Plan") as of July 31, 2010 and December 31, 2009, and for the seven months ended July 31, 2010 and the year ended December 31, 2009, as listed in the accompanying table of contents. These financial statements are the responsibility of the Plan's management.

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the Plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in note F, which was certified by The Northern 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 execute investment transactions. The Plan administrator has obtained certifications from the trustee as of July 31, 2010 and December 31, 2009 and for the seven months ended July 31, 2010 and the year ended December 31, 2009, that the information provided to the Plan administrator by the trustee is complete and accurate.

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

A handwritten signature in dark ink, appearing to read "Michael J. Hunt".

Chicago, Illinois
May 9, 2011

Waterloo Industries, Inc.

Retirement Income Plan

PLAN NUMBER: 014, EIN: 13-3346665

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

July 31, 2010 and December 31, 2009

	<u>2010</u>	<u>2009</u>
Assets		
Investments		
At fair value		
Beneficial interest in Fortune Brands, Inc. Master Retirement Trust	\$ -	\$ 54,765,889
At contract value		
Group annuity contract (GAC No. 1473) as certified by Aetna Life Insurance Company	-	4,316,939
Total assets	-	59,082,828
Liabilities		
Accrued administrative expenses	-	30,013
NET ASSETS AVAILABLE FOR BENEFITS	<u><u>\$ -</u></u>	<u><u>\$ 59,052,815</u></u>

The accompanying notes are an integral part of these statements.

Waterloo Industries, Inc.**Retirement Income Plan****PLAN NUMBER: 014, EIN: 13-3346665****STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS****Seven months ended July 31, 2010 and the year ended December 31, 2009**

	<u>2010</u>	<u>2009</u>
Additions		
Net investment income from Fortune Brands, Inc.		
Master Retirement Trust	\$ 1,194,470	\$ 8,926,154
Interest income from group annuity contract	<u>143,413</u>	<u>262,755</u>
Total net additions	1,337,883	9,188,909
Deductions		
Administrative expenses	233,761	328,823
Benefit payments	<u>2,189,364</u>	<u>3,634,665</u>
Total deductions	<u>2,423,125</u>	<u>3,963,488</u>
Net (decrease) increase prior to transfers	(1,085,242)	5,225,421
Transfers out to other plan	<u>(57,967,573)</u>	<u>-</u>
NET (DECREASE) INCREASE	(59,052,815)	5,225,421
Net assets available for benefits		
Beginning of period	<u>59,052,815</u>	<u>53,827,394</u>
End of period	<u><u>\$ -</u></u>	<u><u>\$ 59,052,815</u></u>

The accompanying notes are an integral part of these statements.

**Waterloo Industries, Inc.
Retirement Income Plan
PLAN NUMBER: 014, EIN: 13-3346665
NOTES TO FINANCIAL STATEMENTS
July 31, 2010 and December 31, 2009**

NOTE A - DESCRIPTION OF PLAN

The following is a brief description of the Waterloo Industries, Inc. Retirement Income Plan (the "Plan"). Participants should refer to the Plan document for a more complete description of the Plan's provisions, which is available from the Plan administrator at 100 E. 4th Street, Waterloo, Iowa 50704.

General

The Plan is a non-contributory defined benefit plan covering all employees of Waterloo Industries, Inc. (the "Company") in an executive or managerial position, and all professional, administrative or clerical, technical and sales employees. The Company is a subsidiary of Fortune Brands, Inc. ("Fortune"). The Plan also covers all hourly employees that were previously participants in the Retirement Plan for Hourly Employees Waterloo Industries, Inc. - Arkansas Division (the "Arkansas"), the Retirement Plan for Bargaining Employees of Waterloo Industries, Inc. (the "Bargaining") and the Waterloo Industries, Inc. Sedalia Plant Service Related Pension Plan (the "Sedalia"), and the salaried employees at the Muskogee, Oklahoma facility. Effective January 1, 2008, the Plan closed to new entrants with the exception of special rules that apply to certain transferred employees as outlined in the Plan document. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA"), as amended.

Employee retirement benefits are based on length of service as well as earnings prior to retirement. An employee shall become eligible for participation in the Plan when the individual has completed at least 1,000 hours of service in the 12-month period beginning with his or her date of hire or any calendar year thereafter.

Effective July 31, 2010, the Plan and its net assets totaling \$57,967,573 and accumulated plan benefits of \$54,777,568 merged with and into the Master Lock Pension Plan for Salaried Employees.

Pension Benefits

Employees become fully vested after five years of vesting service. Participants are eligible for monthly pension benefit payments beginning at the normal retirement age (the later of age 65 or after five years of vesting service in the Plan if their employment is terminated with all Fortune entities). Benefits are calculated according to an integrated benefit formula based upon total years and months of credited service multiplied by a percentage of final average monthly earnings.

The normal form of pension benefit for a participant with no eligible spouse is an annuity payable for the participant's lifetime only. The normal form of pension benefit for a participant

Waterloo Industries, Inc.
Retirement Income Plan
PLAN NUMBER: 014, EIN: 13-3346665
NOTES TO FINANCIAL STATEMENTS - CONTINUED
July 31, 2010 and December 31, 2009

NOTE A - DESCRIPTION OF PLAN - Continued

Pension Benefits - Continued

with an eligible spouse is an annuity payable at an actuarially reduced amount for the participant's lifetime and, thereafter, at a specific percent of such amount for the eligible spouse's lifetime.

A participant may elect to modify the normal form of pension benefit by exercising one of several options, including a single-life annuity, various joint and survivor annuities or various period-certain annuity options. Reduced benefits are payable upon early retirement after attaining age 55 with a minimum of five years of vesting service.

The Plan also provides for disability and deferred pension benefits. A participant is considered disabled as long as he or she is receiving disability benefits from either Social Security or the Company-sponsored disability plan. During the period of disability, participants continue to earn both vesting service and benefit service to the retirement date.

A participant is eligible for a deferred vested pension if his or her employment is terminated with the Company before death or retirement after completing at least five years of vesting service.

Contributions

The Company contributes such amounts as are necessary on an actuarial basis to provide the Plan with assets sufficient to meet the benefits to be paid to Plan participants. The minimum funding requirements of ERISA were satisfied in 2010 and 2009.

Plan Termination

Although it has not expressed any intent to do so, the Company has the right under the Plan's provisions to discontinue its contributions at any time and to terminate the Plan subject to the provisions set forth in ERISA.

In the event the Plan terminates, participants will become fully vested in their benefits and the net assets of the Plan will be allocated, as prescribed by ERISA and its related regulations. In addition, the Pension Benefit Guaranty Corporation ("PBGC") insures certain benefits for beneficiaries and vested participants under the Plan if the Plan terminates.

Whether all participants receive their benefits should the Plan terminate at some future time will depend on the sufficiency of the Plan's net assets at the termination date to provide these benefits and may also depend on financial condition of the Plan Sponsor and on the level of benefits guaranteed by the PBGC.

Waterloo Industries, Inc.
Retirement Income Plan
PLAN NUMBER: 014, EIN: 13-3346665
NOTES TO FINANCIAL STATEMENTS - CONTINUED
July 31, 2010 and December 31, 2009

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Adoption of New Accounting Standard

The Plan follows accounting guidance issued by the Financial Accounting Standards Board ("FASB") that provides a single authoritative definition of fair value, sets a framework for measuring fair value, and requires additional disclosures about fair value measurements. See the Investment Valuation note for the Plan's fair value policies. In 2009, the FASB issued updates to this fair value measurements and disclosures guidance that covered determining fair value when the volume and level of activity for the asset or liability have significantly decreased and identifying transactions that are not orderly. Such guidance expanded disclosures and required that major categories for debt and equity securities in the fair value hierarchy table to be determined on the basis of the nature and risks of the investments.

In September 2009, the FASB amended the fair value measurements and disclosures for investments in certain entities that calculate net asset per share (or its equivalent). The amendment is effective for the first reporting period ending after December 15, 2009 and expands the required disclosures for certain investments with a reported net asset value (NAV).

The Plan adopted both 2009 changes to the fair value measurements and disclosures guidance on a prospective basis for the year ended December 31, 2009. Adoption did not have a material impact on the fair value determination and disclosure of applicable investments. The effect of the adoption had no impact on the statements of net assets available for benefits and statements of changes in net assets available for benefits.

In July 2009, the FASB established the FASB Accounting Standards Codification (ASC) as the source of authoritative accounting principles recognized by the FASB to be applied by nongovernmental entities in the preparation of financial statements in conformity with GAAP. The ASC supersedes all existing accounting and reporting standards and is not intended to change GAAP. The use of the ASC was effective for financial statements issued for periods ending after September 15, 2009.

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NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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 assets and liabilities, and changes therein, disclosure of contingent assets and liabilities, and the actuarial present value of accumulated Plan benefits at the date of the financial statements. Actual results could differ from those estimates.

Investment Valuation

The assets of the Plan are included in a pool of investments known as the Fortune Brands, Inc. Master Retirement Trust (the "Master Trust") along with six other pension plans for various employee groups of Fortune and subsidiaries. The Plan's investment in the Master Trust is presented at fair value, which has been determined based on the fair value of the underlying investments of the Master Trust.

Plan management uses the following methods and significant assumptions to estimate fair value of investments in the Master Trust. There have been no changes in the methodologies used at July 31, 2010 and December 31, 2009.

The investments held by the Master Trust are valued as follows:

Collective funds: Valued at the net asset value ("NAV") provided by the administrator of the fund. The NAV is based on the value of the underlying assets owned by the fund, minus its liabilities, and then divided by the number of shares outstanding. The NAV's unit price is quoted on a private market and the underlying assets owned by the fund are generally trading on active markets.

Government obligations, Corporate bonds, and Preferred stocks: Valued at the closing price reported on the private market on which the security is traded.

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July 31, 2010 and December 31, 2009

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Investment Valuation - Continued

Common stocks and Other: Valued at the closing price reported on the active market on which the security is traded.

Partnership/joint venture interests: Valued at the NAV as reported to the Plan from the respective partnership, or joint venture's manager, which generally equals the Plan's capital account balance in the entity that is calculated based on the Plan's share of the total entity's net assets at fair value.

Interest in unitized pooled account – common stock: Valued at the price per unit multiplied by the number of units held by the Plan. The price per unit is determined based on the pooled account's assets at fair value which includes common stocks that are publicly traded on an active market.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in different fair value measurement at the reporting date.

The Plan classifies its investments in a three level fair value hierarchy based on the inputs used to determine the investment's fair value. Investments are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The three levels of the fair value hierarchy are as follows:

Level 1 inputs are unadjusted quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. An active market for the asset or liability is a market in which transactions for the asset or liability occur with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, including:

1. Quoted prices for similar assets or liabilities in active markets.
2. Quoted prices for identical or similar assets or liabilities in inactive markets.

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NOTES TO FINANCIAL STATEMENTS - CONTINUED
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NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Adoption of New Accounting Standard - Continued

3. Inputs other than quoted prices that are observable for the assets or liabilities (including volatilities).
4. Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 inputs are unobservable for the asset or liability (including the entity's own assumptions about the assumptions that market participants would use in pricing the asset or liability) and significant to the fair value measurement.

See Note D - Investment in Master Trust for the Master Trust's investments by level within the fair value hierarchy as of July 31, 2010 and December 31, 2009.

The investments held outside the Master Trust are valued as follows:

Group annuity contract: Valued at contract value which approximates fair value.

The following table presents the Plan's investments held outside the Master Trust by level within the fair value hierarchy as of December 31, 2009:

2009	Level 1	Level 2	Level 3	Total
Group annuity contract	\$ -	\$ -	\$4,316,939	\$4,316,939
Total assets at fair value	\$ -	\$ -	\$4,316,939	\$4,316,939

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NOTES TO FINANCIAL STATEMENTS - CONTINUED
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NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Investment Valuation - Continued

The following tables include a summary of changes in the fair value of the Plan's Level 3 investments for the seven months ended July 31, 2010 and the year ended December 31, 2009:

	Group annuity contract
Beginning balance at December 31, 2009	\$ 4,316,939
Net apperciation (depreciation) in fair value	145,099
Purchases, sales, issuances, and settlements (net)	(217,531)
Transfer out to another plan	(4,244,507)
	<hr/>
Ending balance at July 31, 2010	\$ -

	Group annuity contract
Beginning balance at December 31, 2008	\$ 4,436,266
Net appreciation (depreciation) in fair value	262,756
Purchases, sales, issuances, and settlements (net)	(382,083)
	<hr/>
Ending balance at December 31, 2009	\$ 4,316,939

Purchases and sales of securities by the Master Trust are reflected on a trade-date basis. Gain or loss on sales of securities is based on average cost. Dividend income is recorded on the ex-dividend date. Interest and other income are recorded as earned on an accrual basis.

In accordance with the policy of stating investments at fair value, the Plan's portion of net appreciation/(depreciation) in the fair value of the investments in the Master Trust consists of realized gains and losses and unrealized appreciation/(depreciation) on those investments. The net appreciation/(depreciation) of the Master Trust, along with interest, dividend and other income, net of Master Trust expenses are presented in the accompanying statements of changes in net assets available for benefits as net investment income (loss) from Fortune Brands, Inc. Master Retirement Trust.

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NOTES TO FINANCIAL STATEMENTS - CONTINUED
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NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Payment of Benefits

Benefit payments to participants are recorded when paid.

Administrative Expenses

The Plan provides for payment of certain administrative expenses from Plan assets. Expenses paid to the Trustee and the investment managers are allocated to the Plan based on the ratio of the Plan's assets to the fair value of all assets held in the Master Trust and are presented in the accompanying statements of changes in net assets available for benefits as net investment income (loss) from Fortune Brands, Inc. Master Retirement Trust. Expenses paid to the PBGC, the actuary and other various Plan-related expenses that may be incurred are allocated specifically to each plan and are presented in the accompanying statements of changes in net assets available for benefits as administrative expenses.

NOTE C - TAX STATUS

The Plan obtained its latest determination letter on November 7, 2002, in which the Internal Revenue Service stated that the Plan, as then designed, was in compliance with the applicable requirements of the Internal Revenue Code (the "IRC"). The Plan has been amended since receiving the determination letter. However, the Plan administrator believes that the Plan is currently designed and being operated in compliance, in all material respects, with the applicable requirements of the IRC.

NOTE D - INVESTMENT IN MASTER TRUST

The Master Trust investments are stated at fair value as reported by The Northern Trust Company (the "Trustee"). The ratio of the Plan's assets to the fair value of all assets held in the Master Trust is used to allocate interest income, dividend income, other income, realized gains (losses) and unrealized appreciation (depreciation) in the market value of investments and certain investment management fees on a monthly basis. Other changes in net assets available for Plan benefits are directly attributable to the Plan and are, therefore, not subject to allocation.

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NOTES TO FINANCIAL STATEMENTS - CONTINUED
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NOTE D - INVESTMENT IN MASTER TRUST - Continued

Total net assets available for benefits shared proportionately by respective plans of the Master Trust, in which the Plan has interest of 0.00% and 10.91% at July 31, 2010 and December 31, 2009, respectively, are summarized as follows:

	2010	2009
Assets		
Cash	\$ 3,572,195	\$ 2,392,467
Interest and dividends receivable	761,617	371,730
Due from broker for securities sold	16,944,500	11,779,640
Investments, at fair value		
Collective funds	240,069,823	261,629,839
Government obligations	19,254,063	10,682,669
Government obligations - loaned	21,592,669	2,927,385
Corporate bonds	14,798,036	6,085,841
Corporate bonds - loaned	4,777,606	4,978,101
Stocks	157,447,148	94,049,581
Stocks - loaned	28,518,601	36,771,096
Partnership/joint venture interests	25,841,313	25,227,951
Interest in unitized pooled account - common stock	54,681,072	52,784,706
Cash equivalents and other investments	<u>3,847,495</u>	<u>537,102</u>
Total investments	570,827,826	495,674,271
Collateral held under securities loan agreements - at fair value	<u>56,018,613</u>	<u>46,102,586</u>
Total assets	648,124,751	556,320,694
Liabilities		
Obligation under securities loan agreements - at fair value	56,018,613	46,102,586
Due to broker for securities purchased	17,060,967	7,904,818
Accrued investment management fees	<u>637,285</u>	<u>463,671</u>
Total net assets of the Master Trust available for benefits	<u>\$574,407,886</u>	<u>\$501,849,619</u>

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NOTES TO FINANCIAL STATEMENTS - CONTINUED
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NOTE D - INVESTMENT IN MASTER TRUST - Continued

The net appreciation (depreciation) in fair value of investments, interest income, dividend income, other income and investment management fees related to the Master Trust for the seven months ended July 31, 2010 and the year ended December 31, 2009, are as follows:

	2010	2009
Net appreciation (depreciation) in fair value		
Collective funds	\$ 6,668,328	\$ 29,879,153
Government obligations	1,100,622	146,086
Corporate bonds	1,115,372	762,430
Stocks	(572,963)	26,652,363
Partnership/joint venture interests	613,362	3,238,892
Interest in unitized pooled account – common stock	18,956	14,508,926
Other	<u>1,670,959</u>	<u>895,385</u>
Net appreciation in fair value of investments of the Master Trust	10,614,636	76,083,235
Interest income	2,107,293	4,275,025
Dividend income	1,897,459	1,809,783
Other income	807,182	1,432,481
Investment management fees	<u>(1,735,794)</u>	<u>(2,352,635)</u>
Net investment income of the Master Trust	<u>\$13,690,776</u>	<u>\$81,247,889</u>

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NOTES TO FINANCIAL STATEMENTS - CONTINUED
July 31, 2010 and December 31, 2009

NOTE D - INVESTMENT IN MASTER TRUST - Continued

The following tables present the Master Trust's investments by level within the fair value hierarchy as of July 31, 2010 and December 31, 2009:

	2010			
	Level 1	Level 2	Level 3	Total
Common stocks:				
Large cap	\$ 81,573,428	\$ -	\$ -	\$ 81,573,428
Small cap	54,382,285	-	-	54,382,285
Fortune Brands stock	50,010,036	-	-	50,010,036
International	54,681,072	-	-	54,681,072
Fixed income:				
U.S. Government securities	-	40,846,732	-	40,846,732
Corporate debt	-	19,575,642	-	19,575,642
Collective funds:				
U.S. large cap equity	65,499,321	-	-	65,499,321
International equity	45,675,284	-	-	45,675,284
Fixed income (a)	-	112,109,372	-	112,109,372
Real estate (b)	-	-	16,785,846	16,785,846
Partnership / joint venture interest:				
Multi-strategy fund of hedge funds (c)	-	-	25,841,313	25,841,313
Other	3,847,495	-	-	3,847,495
Total investments at fair value	<u>\$ 355,668,921</u>	<u>\$ 172,531,746</u>	<u>\$ 42,627,159</u>	<u>\$ 570,827,826</u>

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NOTES TO FINANCIAL STATEMENTS - CONTINUED
July 31, 2010 and December 31, 2009

NOTE D - INVESTMENT IN MASTER TRUST - Continued

	2009			
	Level 1	Level 2	Level 3	Total
Common stocks:				
Large cap	\$ 54,769,393	\$ -	\$ -	\$ 54,769,393
Small cap	75,633,924	-	-	75,633,924
International	52,784,706	-	-	52,784,706
Fixed income:				
U.S. Government securities	-	13,610,054	-	13,610,054
Corporate debt	-	11,063,942	-	11,063,942
Preferred stock	-	417,360	-	417,360
Collective funds:				
U.S. large cap equity	77,201,083	-	-	77,201,083
International equity	46,538,005	-	-	46,538,005
Fixed income (a)	-	122,022,705	-	122,022,705
Real estate (b)	-	-	15,868,046	15,868,046
Partnership / joint venture interest:				
Multi-strategy fund of hedge funds (c)	-	-	25,227,951	25,227,951
Other	537,102	-	-	537,102
Total investments at fair value	<u>\$ 307,464,213</u>	<u>\$ 147,114,061</u>	<u>\$ 41,095,997</u>	<u>\$ 495,674,271</u>

Certain investments are valued at the net asset value (NAV) as provided by the fund administrator. The following provides additional information regarding their investment strategy and redemption restrictions, if any.

- (a) These funds invest in fixed income securities and high-grade securities with short maturities to provide current income, capital appreciation, and capital preservation. All of the funds have daily liquidity.
- (b) This fund is a core real estate fund that includes residential, office, and industrial properties balanced across industries and regions of the United States. Liquidity is gated and subject to approval from the fund's manager.
- (c) This fund is a multi-strategy fund of hedge funds investing in multiple strategies and asset classes to provide investment returns uncorrelated to other asset classes. Liquidity is gated and subject to approval by the fund manager.

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NOTES TO FINANCIAL STATEMENTS - CONTINUED
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NOTE D - INVESTMENT IN MASTER TRUST - Continued

The following tables include a summary of changes in the fair value of the Plan's Level 3 investments for the seven months ended July 31, 2010 and the year ended December 31, 2009:

	Partnership/joint venture interest - multi-strategy fund of hedge funds	Collective funds - real estate
Beginning balance at December 31, 2009	\$ 25,227,951	\$ 15,868,046
Net appreciation (depreciation) in fair value	613,362	917,800
Ending balance at July 31, 2010	<u>\$ 25,841,313</u>	<u>\$ 16,785,846</u>

	Partnership/joint venture interest - multi-strategy fund of hedge funds	Collective funds - real estate
Beginning balance at December 31, 2008	\$ 21,989,059	\$ 21,604,214
Net appreciation (depreciation) in fair value	3,238,892	(5,736,168)
Ending balance at December 31, 2009	<u>\$ 25,227,951</u>	<u>\$ 15,868,046</u>

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NOTES TO FINANCIAL STATEMENTS - CONTINUED
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NOTE D - INVESTMENT IN MASTER TRUST - Continued

The investments of the Master Trust were maintained under a trust agreement with the Trustee during the seven months ended July 31, 2010 and the year ended December 31, 2009. The Trustee has supplied and certified as to the completeness and accuracy of the information included in these financial statements with respect to the investments and all amounts relating to investment activity as of and for the seven months ended July 31, 2010 and the year ended December 31, 2009, and, accordingly, this information was not subject to audit.

The Master Trust invests in derivative financial instruments, primarily futures contracts, which are used for hedging purposes. A futures contract is an agreement between two parties to buy and sell a financial instrument at a set price on a future date. When the contract is closed, the Plan records a realized gain or loss equal to the difference between the value of the contract at the time it was opened and the time it was closed. Risks arise from the possible inability of counterparties to meet the terms of their contracts. As of July 31, 2010, open treasury futures positions represent less than 1% of total investments and have aggregate notional principal amounts of approximately \$36.8 million (183 contracts outstanding). As of December 31, 2009, open treasury futures positions represent less than 1% of total investments and have aggregate notional principal amounts of approximately \$38.7 million (167 contracts outstanding). The related realized and unrealized gains and losses on these futures have been recognized in the Master Trust net investment income (loss).

Securities Lending

The Master Trust participates in the Northern Trust Security Lending Program for its U.S. securities held in custody at the Trustee. These securities are lent to certain unrelated third-party brokers in exchange for collateral usually in the form of cash. Collateralization levels are equal to a percentage of the market value of the borrowed securities.

For U.S. securities, initial collateral shall not be less than 102% and, for non-U.S. securities, initial collateral shall not be less than 105%. Cash collateral received is invested in a segregated account managed by the Trustee, which consists of high-quality, short-term fixed income investments.

In accordance with FASB accounting guidance the statement of net assets of the Master Trust reflects, as an asset, the collateral received under the securities lending arrangement with an offsetting liability representing the Master Trust's obligation to return the collateral to the borrower. Cash and non-cash collateral held related to loaned securities amounted to \$56,018,613 and \$46,102,586 at July 31, 2010 and December 31, 2009, respectively. Investment income from securities lending was \$40,627 and \$104,192 in the seven months ended July 31, 2010 and the year ended December 31, 2009, respectively, and is included in interest in the net investment income (loss) of the Master Trust.

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NOTES TO FINANCIAL STATEMENTS - CONTINUED
July 31, 2010 and December 31, 2009

NOTE E - CONTRACT WITH INSURANCE COMPANY

The Plan invests in an immediate participation guaranteed contract with Aetna Life Insurance Company ("Aetna"). The contract is stated at the contract value as determined by Aetna. The average effective rate for the seven months ended July 31, 2010 and the year ended December 31, 2009, was 5.99% and 6.21%, respectively.

NOTE F - INFORMATION CERTIFIED BY 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, the Trustee has certified that the following data included in the accompanying financial statements is complete and accurate:

- Investments, as shown in the statements of net assets available for benefits as of July 31, 2010 and December 31, 2009.
- Net investment income from Fortune Brands, Inc. Master Retirement Trust and interest income, as shown in the statements of changes in net assets available for benefits for the seven months ended July 31, 2010 and the year ended December 31, 2009.
- Note D - Net assets and net investment income in Master Trust as of July 31, 2010 and December 31, 2009 and for the seven months ended July 31, 2010 and the year ended December 31, 2009, except for investment management fees.

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

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NOTES TO FINANCIAL STATEMENTS - CONTINUED
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NOTE G - ACCUMULATED PLAN BENEFITS

Accumulated Plan benefits are those future periodic payments that are attributable under the Plan's provisions to the service employees have rendered. The actuarial present value of accumulated Plan benefits is determined by the Plan's actuary and is the amount that results from applying actuarial assumptions to adjust the accumulated Plan benefits to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements such as for death, disability, withdrawal or retirement) between the valuation date and the expected date of payment.

Accumulated Plan benefits as of December 31, 2009, are as follows:

Actuarial present value of accumulated Plan benefits	
Vested benefits	
Participants currently receiving payments	\$32,155,281
Other participants	<u>21,586,433</u>
Total vested benefits	53,741,714
Non-vested benefits	<u>273,510</u>
Total actuarial present value of accumulated Plan benefits	<u>\$54,015,224</u>

Changes in the present value of accumulated Plan benefits for the year ended December 31, 2009, were as follows:

Present value of accumulated Plan benefits, December 31, 2008	\$53,109,485
Increase (decrease) during the year attributable to	
Interest accumulation	4,362,983
Benefits paid	(3,634,665)
Changes in actuarial assumptions	84,377
Plan amendments	788
Other changes	<u>92,256</u>
Present value of accumulated Plan benefits, December 31, 2009	<u>\$54,015,224</u>

The mortality assumption for healthy and disabled lives changed from the 2009 Static Mortality Table for Annuitants and Non-Annuitants per §1.430(h)(3)-1(e) to the 2010 Static Mortality Table for Annuitants and Non-Annuitants per §1.430(h)(3)-1(e).

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NOTES TO FINANCIAL STATEMENTS - CONTINUED
July 31, 2010 and December 31, 2009

NOTE G - ACCUMULATED PLAN BENEFITS - Continued

The legislated section 401(a)(17) recognizable pay limit increased from \$230,000 for 2008 to \$245,000 for 2009; and the legislated section 415 dollar limit for defined benefit plans increased from \$185,000 for 2008 to \$195,000 for 2009.

The significant actuarial assumptions used in the valuations as of December 31, 2009, were as follows:

Life expectancy of the participants	2010 Static Mortality Table for Annuitants and Non-Annuitants per §1.430(h)(3)-1(e) for healthy and disabled lives
Retirement age assumptions	The age at which current active employees are assumed to retire varies between ages 55 and 65. All employees age 65 are assumed to retire.
Discount rate	8.5%

The foregoing actuarial assumptions are based on the presumption that the Plan will continue. Were the Plan to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated Plan benefits.

NOTE H - RISKS AND UNCERTAINTIES

The Plan held a beneficial interest in the Master Trust and a group annuity contract. The Master Trust and group annuity contract invest 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 reasonably possible that changes in the value of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statements of net assets available for benefits and the statements of changes in net assets available for benefits.

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

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NOTES TO FINANCIAL STATEMENTS - CONTINUED
July 31, 2010 and December 31, 2009

NOTE I - RELATED-PARTY TRANSACTIONS

Certain Plan investments are collective trusts managed by The Northern Trust Company. The Northern Trust Company is the Trustee as defined by the Plan and, therefore, these transactions qualify as party-in-interest transactions during the seven months ended July 31, 2010 and the year ended December 31, 2009.

NOTE J – SUBSEQUENT EVENT

Management of the Plan has evaluated subsequent events from July 31, 2010 through May 9, 2011, the date these financial statements were available to be issued. Except as disclosed above, there were no subsequent events that require recognition or additional disclosure in these financial statements.