

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 <u>12/01/2010</u> and ending <u>11/30/2011</u>	
A This return/report is for:	☐ a multiemployer plan; ☐ a multiple-employer plan; or ☒ a single-employer plan; ☐ a DFE (specify) ____
B This return/report is:	☐ the first return/report; ☐ the final return/report; ☐ an amended return/report; ☐ a short plan year return/report (less than 12 months).
C If the plan is a collectively-bargained plan, check here.	☒
D Check box if filing under:	☐ Form 5558; ☐ automatic extension; ☐ the DFVC program; ☐ special extension (enter description)

Part II	Basic Plan Information —enter all requested information				
1a Name of plan <u>DETROIT BALL BEARING UNION EMPLOYEES RETIREMENT PLAN</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">1b Three-digit plan number (PN) ▶</td> <td style="width: 20%; text-align: center;"><u>001</u></td> </tr> <tr> <td colspan="2">1c Effective date of plan <u>12/28/1952</u></td> </tr> </table>	1b Three-digit plan number (PN) ▶	<u>001</u>	1c Effective date of plan <u>12/28/1952</u>	
1b Three-digit plan number (PN) ▶	<u>001</u>				
1c Effective date of plan <u>12/28/1952</u>					
2a Plan sponsor's name and address (employer, if for a single-employer plan) (Address should include room or suite no.) <u>APPLIED INDUSTRIAL TECHNOLOGIES</u> <u>ONE APPLIED PLAZA</u> <u>CLEVELAND, OH 44115</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td>2b Employer Identification Number (EIN) <u>34-0117420</u></td> </tr> <tr> <td>2c Sponsor's telephone number <u>216-426-4000</u></td> </tr> <tr> <td>2d Business code (see instructions) <u>423990</u></td> </tr> </table>	2b Employer Identification Number (EIN) <u>34-0117420</u>	2c Sponsor's telephone number <u>216-426-4000</u>	2d Business code (see instructions) <u>423990</u>	
2b Employer Identification Number (EIN) <u>34-0117420</u>					
2c Sponsor's telephone number <u>216-426-4000</u>					
2d Business code (see instructions) <u>423990</u>					

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

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

SIGN HERE	Filed with authorized/valid electronic signature.	06/22/2012	BARBARA D. EMERY
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

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

Form 5500 (2010)
v.092307.1

3a Plan administrator's name and address (if same as plan sponsor, enter "Same")

APPLIED INDUSTRIAL TECHNOLOGIES

ONE APPLIED PLAZA
CLEVELAND, OH 44115**3b** Administrator's EIN

34-0117420

3c Administrator's telephone number

216-426-4000

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**5** Total number of participants at the beginning of the plan year**5**

143

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**

25

b Retired or separated participants receiving benefits.....**6b**

22

c Other retired or separated participants entitled to future benefits.....**6c**

88

d Subtotal. Add lines **6a**, **6b**, and **6c**.....**6d**

135

e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....**6e**

7

f Total. Add lines **6d** and **6e**.....**6f**

142

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**

0

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

1B 1G

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

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

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

b General Schedules

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

SCHEDULE SB (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Single-Employer Defined Benefit Plan Actuarial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500 or 5500-SF.	OMB No. 1210-0110 2010 This Form is Open to Public Inspection
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For calendar plan year 2010 or fiscal plan year beginning 12/01/2010 and ending 11/30/2011

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

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

A Name of plan <u>DETROIT BALL BEARING UNION EMPLOYEES RETIREMENT PLAN</u>	B Three-digit plan number (PN) ▶ <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF <u>APPLIED INDUSTRIAL TECHNOLOGIES</u>	D Employer Identification Number (EIN) <u>34-0117420</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>12</u> Day <u>01</u> Year <u>2010</u>
2	Assets:
a	Market value 2a <u>5731364</u>
b	Actuarial value 2b <u>5383897</u>
3	Funding target/participant count breakdown
	(1) Number of participants (2) Funding Target
a	For retired participants and beneficiaries receiving payment 3a <u>24</u> <u>1596664</u>
b	For terminated vested participants 3b <u>93</u> <u>2511476</u>
c	For active participants:
(1)	Non-vested benefits 3c(1) <u>7761</u>
(2)	Vested benefits 3c(2) <u>1663433</u>
(3)	Total active 3c(3) <u>26</u> <u>1671194</u>
d	Total 3d <u>143</u> <u>5779334</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>6.41 %</u>
6	Target normal cost 6 <u>93919</u>

Statement by Enrolled Actuary

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

SIGN HERE	<u>05/02/2012</u>
Signature of actuary	Date
<u>STEVEN G. PARSONS</u>	<u>11-05323</u>
Type or print name of actuary	Most recent enrollment number
<u>FINDLEY DAVIES, INC.</u>	<u>216-875-1900</u>
Firm name	Telephone number (including area code)
<u>1300 E NINTH ST, SUITE 850</u> <u>CLEVELAND, OH 44114-1516</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)	447321	0
8	Portion used to offset prior year's funding requirement (Item 35 from prior year)	152034	0
9	Amount remaining (Item 7 minus item 8).....	295287	0
10	Interest on item 9 using prior year's actual return of <u>8.40</u> %	24804	
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>6.73</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.....	0	0
13	Balance at beginning of current year (item 9 + item 10 + item 11d – item 12).....	320091	0

Part III	Funding percentages		
14	Funding target attainment percentage.....	14	87.61 %
15	Adjusted funding target attainment percentage.....	15	87.61 %
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	103.20 %
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage.....	17	%

Part IV	Contributions and liquidity shortfalls				
18 Contributions made to the plan for the plan year by employer(s) and employees:					
(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
04/09/2012	570000				
Totals ►			18(b)	570000	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	523972
20 Quarterly contributions and liquidity shortfalls:			
a Did the plan have a "funding shortfall" for the prior year? ☒ Yes ☐ No			
b If 20a is "Yes," were required quarterly installments for the current year made in a timely manner? ☒ Yes ☐ No			
c If 20a is "Yes," see instructions and complete the following table as applicable:			
Liquidity shortfall as of end of Quarter of this plan year			
(1) 1st	(2) 2nd	(3) 3rd	(4) 4th
0	0	0	0

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

21 Discount rate:				
a Segment rates:	1st segment: 3.96 %	2nd segment: 6.40 %	3rd segment: 6.61 %	☐ N/A, full yield curve used
b Applicable month (enter code)				21b 4
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	93919
32 Amortization installments:	Outstanding Balance	Installment
a Net shortfall amortization installment	484355	105670
b Waiver amortization installment	0	0
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33	
34 Total funding requirement before reflecting carryover/prefunding balances (item 31 + item 32a + item 32b – item 33).....	34	199589
	Carryover balance	Prefunding balance
35 Balances used to offset funding requirement	199589	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	523972
38 Interest-adjusted excess contributions for current year (see instructions).....	38	523972
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 12/01/2010 and ending 11/30/2011		
A Name of plan DETROIT BALL BEARING UNION EMPLOYEES RETIREMENT PLAN	B Three-digit plan number (PN) ▶	001
C Plan sponsor's name as shown on line 2a of Form 5500 APPLIED INDUSTRIAL TECHNOLOGIES	D Employer Identification Number (EIN) 34-0117420	

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

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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)

UBS

13-2638166

(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?
27 51 52 62 63 99	NONE	48971	Yes ☒ No ☐	Yes ☒ No ☐	38	Yes ☒ No ☐

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

FINDLEY DAVIES, INC.

34-1213174

(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?
11 50	NONE	22242	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

PLANTE & MORAN

38-1357951

(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	21300	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

SQUIRE, SANDERS & DEMPSEY, LLP

4900 KEY TOWER
127 PUBLIC SQUARE
CLEVELAND, OH 44144

(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?
29 50	NONE	9577	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

WILMINGTON TRUST CO.

27-1228437

(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 51 52 62 63 99	TRUSTEE	8035	Yes ☒ No ☐	Yes ☒ No ☐	0	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
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(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:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN;
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN;
c Position:	
d Address:	e Telephone:

Explanation:

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 <u>12/01/2010</u> and ending <u>11/30/2011</u>		
A Name of plan <u>DETROIT BALL BEARING UNION EMPLOYEES RETIREMENT PLAN</u>	B Three-digit plan number (PN) ►	<u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>APPLIED INDUSTRIAL TECHNOLOGIES</u>	D Employer Identification Number (EIN) <u>34-0117420</u>	

Part I	Asset and Liability Statement		(a) Beginning of Year	(b) End of Year
1	Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.			
	Assets			
a	Total noninterest-bearing cash	1a		
b	Receivables (less allowance for doubtful accounts):			
	(1) Employer contributions	1b(1)	0	570000
	(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)	244444	204436
	(2) U.S. Government securities	1c(2)	1159271	997269
	(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)	5212	5454
	(B) Common	1c(4)(B)	3510034	3615047
	(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)		
	(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)	810650	851649
	(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		
	(15) Other	1c(15)		

1d Employer-related investments:

		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	5729611	6243855

Liabilities

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

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	5729611	6243855
---	-----------	---------	---------

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)	570000	
(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)		570000
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	50	
(B) U.S. Government securities	2b(1)(B)	32580	
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)		
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		32630
(2) Dividends: (A) Preferred stock	2b(2)(A)	390	
(B) Common stock	2b(2)(B)	76841	
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	76837	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		154068
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)	14021047	
(B) Aggregate carrying amount (see instructions)	2b(4)(B)	13982304	
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		38743

		(a) Amount	(b) Total
2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate.....	2b(5)(A)		
(B) Other	2b(5)(B)	37151	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		37151
(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)		
(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)		-50022
c Other income.....	2c		
d Total income. Add all income amounts in column (b) and enter total.....	2d		782570

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	158201	
(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)		158201
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)	53119	
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)	48971	
(4) Other	2i(4)	8035	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		110125
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		268326

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		514244
l Transfers of assets:			
(1) To this plan.....	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

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

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

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

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

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

(1) Name: PLANTE & MORAN

(2) EIN: 38-1357951

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		5000000
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)

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 12/01/2010 and ending 11/30/2011		
A Name of plan DETROIT BALL BEARING UNION EMPLOYEES RETIREMENT PLAN		B Three-digit plan number (PN) ► 001
C Plan sponsor's name as shown on line 2a of Form 5500 APPLIED INDUSTRIAL TECHNOLOGIES		D Employer Identification Number (EIN) 34-0117420
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 0
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): 51-0099033		
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 0
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	
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: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%

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

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

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

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

Detroit Ball Bearing Company Union Employees' Retirement Plan

**Financial Report
November 30, 2011**

Detroit Ball Bearing Company Union Employees' Retirement Plan

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Schedule of Assets Held at End of Year	Schedule I



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Independent Auditor's Report

To the Plan Administrator
Detroit Ball Bearing Company Union
Employees' Retirement Plan

We have audited the statement of net assets available for benefits and accumulated plan benefits of Detroit Ball Bearing Company Union Employees' Retirement Plan (the "Plan") as of November 30, 2011 and 2010 and the related statement of changes in net assets available for benefits and changes in accumulated plan benefits for the years then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets of the Plan as of November 30, 2011 and 2010 and the changes in the financial status for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedule of assets held at end of year as of November 30, 2011 is presented for the purpose of additional analysis and is not a required part of the financial statements but is supplemental information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. Such information is the responsibility of the Plan's management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Plante & Moran, PLLC

June 14, 2012

Detroit Ball Bearing Company Union Employees' Retirement Plan

Statement of Net Assets Available for Benefits

	November 30, 2011	November 30, 2010
Assets		
Investments - At fair value:		
Common and preferred stock	\$ 3,620,501	\$ 3,515,246
U.S. government securities	997,269	1,159,271
Mutual funds	851,649	810,650
Total investments	5,469,419	5,485,167
Contributions receivable	570,000	-
Cash	204,436	244,444
Net Assets Available for Benefits	\$ 6,243,855	\$ 5,729,611

Detroit Ball Bearing Company Union Employees' Retirement Plan

Statement of Changes in Net Assets Available for Benefits

	Year Ended	
	November 30, 2011	November 30, 2010
Additions to Net Assets		
Contributions	\$ 570,000	\$ -
Investment income:		
Interest and dividends	186,698	231,698
Net realized and unrealized (losses) gains on investments:		
Mutual funds	(50,022)	15,375
U.S. government securities	6,554	(7,795)
Common and preferred stock	69,340	270,183
Net appreciation	25,872	277,763
Total additions - Net	782,570	509,461
Deductions from Net Assets		
Benefits paid directly to participants or beneficiaries	158,201	149,206
Administrative expenses	110,125	100,410
Total deductions	268,326	249,616
Net Increase	514,244	259,845
Net Assets Available for Benefits		
Beginning of year	5,729,611	5,469,766
End of year	<u>\$ 6,243,855</u>	<u>\$ 5,729,611</u>

Detroit Ball Bearing Company Union Employees' Retirement Plan

Statement of Accumulated Plan Benefits

	Year Ended	
	November 30, 2011	November 30, 2010
Actuarial Present Value of Accumulated Plan Benefits		
Vested benefits:		
Participants currently receiving benefit payments	\$ 1,584,511	\$ 1,561,328
Vested benefits for nonretired participants	4,268,127	4,174,085
Total vested benefits	5,852,638	5,735,413
Nonvested benefits	7,451	7,624
Total actuarial present value of accumulated plan benefits	<u><u>\$ 5,860,089</u></u>	<u><u>\$ 5,743,037</u></u>

Detroit Ball Bearing Company Union Employees' Retirement Plan

Statement of Changes in Accumulated Plan Benefits

	Year Ended	
	November 30, 2011	November 30, 2010
Actuarial Present Value of Accumulated Plan Benefits -		
Beginning of year	\$ 5,743,037	\$ 5,645,702
(Decrease) increase during the year attributable to:		
Benefits accumulated	(108,541)	(148,234)
Interest due to the decrease in the discount period	367,727	361,738
Benefits paid	(158,201)	(149,206)
Plan amendment	16,067	33,037
Net increase	117,052	97,335
Actuarial Present Value of Accumulated Plan Benefits -		
End of year	<u>\$ 5,860,089</u>	<u>\$ 5,743,037</u>

Detroit Ball Bearing Company Union Employees' Retirement Plan

Notes to Financial Statements November 30, 2011 and 2010

Note 1 - Plan Description

The following description of the Detroit Ball Bearing Company Union Employees' Retirement Plan (the "Plan") provides only general information. Participants should refer to the plan agreement for a more complete description of the Plan's provisions.

General - The Plan is a defined benefit plan sponsored by Applied Industrial Technologies - DBB, Inc. (the "Company") and collectively bargained with the Truck Drivers Local Union No. 299 affiliated with the International Brotherhood of Teamsters, Chauffeurs, Warehousemen, and Helpers of America. The Plan was established December 28, 1952 and is a noncontributory pension plan. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Plan Operations - Under a trust agreement, Wilmington Trust Retirement and Institutional Services Company (formerly American Stock Transfer & Trust Company) (the "Trustee") was appointed trustee of the Plan. In accordance with the powers and duties of the Trustee, as designated by the Company, the Trustee administers the Plan in accordance with the orders of the investment committee and invests the Plan's assets and income as directed by the Plan's investment manager (UBS Financial Services). Costs of administering the Plan are paid by the Plan or the Company, as determined by the Company, subject to limitations under ERISA.

Eligibility and Vesting - All employees who are covered under the terms of the collective bargaining agreement who have completed 480 hours of service as defined by the Plan are eligible to participate in the Plan. The Plan provides for vesting of accrued benefits as follows:

<u>Vesting Service (Whole Years)</u>	<u>Vesting Percentage</u>
Less than 1	0
1	10
2	20
3	30
4	40
5	60
6	80
7 or more	100

Detroit Ball Bearing Company Union Employees' Retirement Plan

Notes to Financial Statements November 30, 2011 and 2010

Note 1 - Plan Description (Continued)

Pension Benefits - The Plan provides for payment upon normal retirement, early retirement, late retirement, termination, and death benefits to its participants. Normal retirement benefits commence at age 62 and five years of plan participation. Participants who have completed 10 years of service may elect to retire early following the attainment of age 60. In such event, the member's monthly benefit shall be reduced by a certain percentage for each month that the member's early retirement date precedes his or her normal retirement date. Upon termination of employment prior to retirement following at least one year of vesting service, a participant is entitled to receive a full retirement benefit commencing at age 62 or in a reduced amount under the early retirement provisions. Death benefits commence at the time the participant would have been eligible for retirement. The monthly benefit is equal to 55 percent of the vested benefit on the date of death.

In addition, a participant may alternatively elect the options of a life annuity, as follows: 50 percent, 66 2/3 percent, or 100 percent joint and survivor benefit; 5-, 10-, or 15-year certain and continuous benefit; or Social Security level income benefit.

The normal retirement benefit is based on the participant's years of credited service. The number of years of credited service is multiplied by the benefit unit in effect on the participant's last day of employment. One year of credited service is earned for each plan year in which the participant has 2,080 or more hours of service. Partial service is credited for years in which the participant has less than 2,080 hours of service. Such partial service is determined by taking hours of service and dividing them by 2,080, rounding to the nearest 1/10th if at least 501 hours. Benefit rates per hour of credited service range from \$23 for individuals retired prior to February 1, 1998 to \$48 for retirements after February 1, 2013.

Funding Policy - Contributions are made by the Company in actuarially determined amounts. The Company's policy is to make contributions necessary to satisfy the minimum funding standards under ERISA. The minimum funding requirements have been met by the Company for the years ended November 30, 2011 and 2010.

Party-in-interest Transactions - Certain plan assets are in investment funds managed by the investment custodian or its affiliates. Wilmington Trust is the custodian of the Plan; therefore, these transactions qualify as party-in-interest transactions as defined under ERISA guidelines.

Detroit Ball Bearing Company Union Employees' Retirement Plan

Notes to Financial Statements November 30, 2011 and 2010

Note 2 - Summary of Significant Accounting Policies

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

Investment Valuation and Income Recognition - The Plan's investments are stated at fair value, based on quoted market prices. Purchases and sales are recorded on a trade-date basis. Investment income is recorded on the accrual basis.

Actuarial Present Value of Accumulated Plan Benefits - Accumulated plan benefits are those future periodic payments that are attributable, under the Plan's provisions, to the service employees have rendered. These include benefits expected to be paid to:

- a. Retired or terminated employees or their beneficiaries
- b. Beneficiaries of employees who have died
- c. Present employees or their beneficiaries

Benefits payable under all circumstances - retirement, death, disability, and termination of employment - are included to the extent they are deemed attributable to employee service rendered to the valuation date. Benefits provided via annuity contracts are deducted from plan assets and from accumulated plan benefits.

Actuarial Assumptions - The actuarial present value of accumulated plan benefits is determined by an actuary from Findley Davies and is the amount that results from applying actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money and probability of payment between the valuation date and the expected date of payment.

The significant actuarial assumptions used in the valuation of the Plan at November 30, 2011 and 2010 are summarized as follows:

- | | |
|------------------------|---|
| Actuarial cost method | - Unit credit |
| Assumed rate of return | - 6.5 percent for 2011 and 2010 (compounded annually) |
| Mortality basis | - RP-2000 Mortality projected to 2020 (male and female) for 2011 and 2010 |
| Assumed retirement age | - Age 62 |

In addition, 75 percent of participants were assumed to be married, with the wife assumed to be three years younger than the husband. Preretirement rates of turnover ranged from 13.02 percent at age 20, decreasing to 3.15 percent at age 50, and 0.0 percent at age 55.

Detroit Ball Bearing Company Union Employees' Retirement Plan

Notes to Financial Statements November 30, 2011 and 2010

Note 2 - Summary of Significant Accounting Policies (Continued)

The increase in actuarial present value of accumulated plan benefits is related to plan amendments for the year ended November 30, 2011 and is primarily due to the establishment of benefit rates for retirees with retirement dates through February 2014.

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.

Benefit Payments - Benefits are recorded when paid.

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 and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Risks and Uncertainties - Contributions to the Plan and the actuarial present value of accumulated plan benefits are reported based on certain assumptions pertaining to interest rates, inflation rates, and demographics. Due to the changing nature of these assumptions, it is at least reasonably possible that changes in these assumptions will occur in the near term and, due to the uncertainties inherent in setting assumptions, that the effect of such changes could be material to the financial statements. Investment securities are exposed to various risks, such as interest rate, market, and credit risks. It is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the financial statements.

Subsequent Events - The financial statements and related disclosures include evaluation of events up through and including June 14, 2012, which is the date the financial statements were available to be issued.

Note 3 - Investments

Investments that exceed 5 percent of end of year net assets are as follows:

	2011	2010
Mutual funds:		
PIMCO Fixed Income (Series C)	\$ 426,209	\$ 408,491
PIMCO Fixed Income (Series M)	425,440	402,159

Detroit Ball Bearing Company Union Employees' Retirement Plan

Notes to Financial Statements November 30, 2011 and 2010

Note 4 - Plan Termination

Should the Plan terminate at some future time, its net assets generally will not be available on a pro rata basis to provide participants' benefits. Whether a particular participant's accumulated plan benefits will be paid depends on both the priority of those benefits and the level of benefits guaranteed by the Pension Benefit Guaranty Corporation (PBGC) at that time. Some benefits may be fully or partially provided for by the then-existing assets and the PBGC guaranty while other benefits may not be provided for at all.

Note 5 - Tax Status

The Plan has received a determination letter from the Internal Revenue Service indicating that the Plan, as designed, is qualified for tax-exempt treatment under the applicable section of the Internal Revenue Code (IRC). Although the Plan has been amended since receiving the determination letter, management believes that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC.

In accordance with guidance on accounting for uncertainty in income taxes, management evaluated the Plan's tax position and does not believe the Plan has any uncertain tax positions that require disclosure or adjustment to the financial statements. The plan administrator believes it is no longer subject to tax examinations for years prior to 2008.

Note 6 - Fair Value Measurements

Accounting standards require certain assets and liabilities be reported at fair value in the financial statements and provide a framework for establishing that fair value. The framework for determining fair value is based on a hierarchy that prioritizes the inputs and valuation techniques used to measure fair value.

The following tables present information about the Plan's assets measured at fair value on a recurring basis at November 30, 2011 and 2010, and the valuation techniques used by the Plan to determine those fair values.

Level 1 - In general, fair values determined by Level 1 inputs use quoted prices in active markets for identical assets that the Plan has the ability to access.

Level 2 - Fair values determined by Level 2 inputs use other inputs that are observable, either directly or indirectly. These Level 2 inputs include quoted prices for similar assets in active markets, and other inputs such as interest rates and yield curves that are observable at commonly quoted intervals.

Detroit Ball Bearing Company Union Employees' Retirement Plan

Notes to Financial Statements November 30, 2011 and 2010

Note 6 - Fair Value Measurements (Continued)

Level 3 - Level 3 inputs are unobservable inputs, including inputs that are available in situations where there is little, if any, market activity for the related asset. These Level 3 fair value measurements are based primarily on management's own estimates using pricing models, discounted cash flow methodologies, or similar techniques taking into account the characteristics of the asset.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The Plan's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset.

Assets Measured at Fair Value on a Recurring Basis at November 30, 2011

	Level 1	Level 2	Level 3	Balance at November 30, 2011
Investments				
Mutual funds - Fixed income	\$ 851,649	\$ -	\$ -	\$ 851,649
Equity securities:				
Common and preferred stock	3,620,501	-	-	3,620,501
U.S. government securities:				
U.S. Treasury securities	-	479,845	-	479,845
Commercial mortgage-backed securities	-	517,424	-	517,424
Total	<u>\$ 4,472,150</u>	<u>\$ 997,269</u>	<u>\$ -</u>	<u>\$ 5,469,419</u>

Assets Measured at Fair Value on a Recurring Basis at November 30, 2010

	Level 1	Level 2	Level 3	Balance at November 30, 2010
Investments				
Mutual funds - Fixed income	\$ 810,650	\$ -	\$ -	\$ 810,650
Equity Securities:				
Common and preferred stock	3,499,791	-	-	3,499,791
International stocks	15,455	-	-	15,455
U.S. government securities:				
U.S. Treasury securities	-	756,694	-	756,694
Commercial mortgage-backed securities	-	402,577	-	402,577
Total	<u>\$ 4,325,896</u>	<u>\$ 1,159,271</u>	<u>\$ -</u>	<u>\$ 5,485,167</u>

Detroit Ball Bearing Company Union Employees' Retirement Plan

**Notes to Financial Statements
November 30, 2011 and 2010**

Note 6 - Fair Value Measurements (Continued)

The Plan's policy is to recognize transfers between levels of the fair value hierarchy as of the actual date of the event of change in circumstances that caused the transfer. There were no significant transfers between levels of the fair value hierarchy during 2011 and 2010.

Detroit Ball Bearing Company Union Employees' Retirement Plan

Schedule of Assets Held at End of Year Form 5500, Schedule H, Line 4f EIN 34-0117420, Plan No. 001 November 30, 2011

(a)(b) Identity of Issuer	(c) Description of Investment	(d) Cost	(e) Current Value
	Common and preferred stocks:		
Abbott Laboratories	381 shares	\$ 18,246	\$ 20,784
Accenture PLC	282 shares	15,311	16,336
Ace Ltd Ord Shares	284 shares	13,928	19,747
Adobe Systems Inc	1,237 shares	38,265	33,919
Aetna Inc.	696 shares	22,105	29,107
Agrium Inc.	171 shares	13,234	11,968
Allergan Inc	141 shares	11,314	11,805
Amazon Com Inc	100 shares	15,613	19,229
American Science & Engineering	93 shares	7,847	6,809
American States Water Company	66 shares	2,399	2,328
American Tower Corp Cl A	734 shares	37,259	43,306
Amerigon Inc.	256 shares	3,855	4,014
Amgen Inc.	658 shares	37,547	38,105
Apache Corp	267 shares	26,139	26,550
Apogee Enterprises Inc.	259 shares	4,128	2,745
Apple Inc.	64 shares	16,733	24,461
Applied Materials	1,990 shares	25,496	21,452
Archer Daniels Midland	939 shares	28,848	28,283
Asahi Glass Co Ltd - Unsp ADR	646 shares	6,961	5,407
ASML Holding Nv	208 shares	7,871	8,222
Astrazeneca Plc Sponsored Adr	509 shares	22,042	23,404
Australia & New Zealand	636 shares	15,169	13,356
Autodesk Inc.	1,009 shares	39,593	34,377
Autozone Inc.	13 shares	3,907	4,269
Axis Capital Holdings Ltd	508 shares	17,762	16,220
Bae Systems Plc Spon Adr	741 shares	16,264	12,641
Baidu Inc	217 shares	19,733	28,425
Baker Hughes Inc.	330 shares	17,364	18,021
Banco Bradesco	770 shares	15,159	12,705
Bank Of Hawaii Corp	239 shares	11,105	10,169
Barclays Plc ADR	444 shares	7,958	5,173
Baxter Intl Inc	414 shares	23,240	21,387
Bed Bath and Beyond	668 shares	30,582	40,421
Boigen Idec Inc.	188 shares	19,551	21,611
Blackbaud Inc.	184 shares	3,828	5,411
Bottomline Tech Del	206 shares	4,656	4,635
Bristol-Myers Squibb Co.	126 shares	3,970	4,123
Bruker Corp	530 shares	7,986	6,636
Calgon Carbon Corp.	309 shares	4,938	4,598
Cantel Medical Group	105 shares	2,138	2,763

Detroit Ball Bearing Company Union Employees' Retirement Plan

Schedule of Assets Held at End of Year (Continued)

Form 5500, Schedule H, Line 4i

EIN 34-0117420, Plan No. 001

November 30, 2011

(a)(b) Identity of Issuer	(c) Description of Investment	(d) Cost	(e) Current Value
Common and preferred stocks (Continued):			
Capgemini SA ADR	363 shares	\$ 6,906	\$ 6,897
Carbo Ceramics Inc.	91 shares	3,892	12,951
Cathay Pac. Airways	1,318 shares	16,242	11,915
Celgene Corp.	641 shares	37,491	40,434
Ceragon Networks LTD	339 shares	3,663	2,712
Check Point Software	140 shares	7,846	7,748
Chevron Corp	218 shares	14,963	22,415
China Pete&chem Cp Ads	75 shares	7,756	7,976
Cia Paranaese De Energia	1,125 shares	26,162	22,669
Clarcor Inc.	218 shares	7,614	10,556
Coach Inc.	830 shares	47,926	51,950
Cognizant Tech Soutlions Cl.	60 shares	3,907	4,041
Coherent Inc.	81 shares	2,090	4,115
Commercial Metals Co.	332 shares	6,042	4,641
Commvault Systems Inc	179 shares	4,575	8,884
Companhia De Saneamento Basico	542 shares	27,618	29,929
Computer Programs & Systems	49 shares	1,773	2,225
Cooper Industries PLC	360 shares	13,462	19,991
Corning Inc	1,315 shares	24,397	17,450
Corporate Office Properties Sbi	206 shares	7,013	4,295
Costco Wholesale Corp. - New	479 shares	27,654	40,859
Credit Suisse Group Spon.	507 shares	19,508	12,274
Cummins Inc	172 shares	14,240	16,569
CVS Caremark Corp	759 shares	24,284	29,480
Danaher Corp Del	306 shares	13,323	14,804
Darling International Inc.	200 shares	2,949	2,874
Delhaize Group Spd Adr	196 shares	14,406	11,574
Devon Energy Corp. New	371 shares	23,376	24,286
Diageo Plc Spon ADR New	208 shares	15,573	17,807
Dime Community Bancorp	385 shares	4,273	4,558
Dow Chemical Corp	297 shares	8,492	8,230
Dupont Fabros	258 shares	5,967	5,813
East West Bancorp Inc.	411 shares	7,310	8,043
Eaton Corp	730 shares	34,053	32,784
EHealth Inc.	382 shares	7,333	5,795
EMCCorp(mass)com	1,422 shares	38,554	32,720
Esco Electronics Corp	77 shares	3,592	2,087
Estee Lauder Cos Cl A	216 shares	15,284	25,484

Detroit Ball Bearing Company Union Employees' Retirement Plan

Schedule of Assets Held at End of Year (Continued)

Form 5500, Schedule H, Line 4i

EIN 34-0117420, Plan No. 001

November 30, 2011

(a)(b) Identity of Issuer	(c) Description of Investment	(d) Cost	(e) Current Value
Common and preferred stocks (Continued):			
Financial Engines Inc.	176 shares	\$ 4,121	\$ 3,867
Flextronics International Ltd	4,070 shares	31,944	24,298
France Telecom Spons Adr	1,068 shares	24,706	18,444
Fresh Market Inc.	97 shares	3,963	3,805
Fuel Systems Solutions	236 shares	6,733	4,201
Fuel Tech Inc.	302 shares	3,199	1,749
Fuji Heavy Indus-Unspon.	202 shares	15,485	11,692
Gen-Probe Inc. New	65 shares	3,618	4,094
Genesee & Wyoming A	175 shares	5,514	10,687
Google Inc. Cl A	34 shares	19,952	20,379
Green Dot Corp A	161 shares	7,822	5,377
GT Advanced	281 shares	2,331	2,169
Hain Food Group Inc.	109 shares	1,923	4,070
Halliburton Co.	1,379 shares	54,287	50,747
Heineken NV ADR	261 shares	7,159	6,126
Hess Corp	426 shares	27,533	25,654
Hibbett Sports Inc.	166 shares	3,454	7,555
Hitachi Ltd ADR	287 shares	15,309	16,017
Honeywell International	487 shares	18,518	26,371
Hospira Inc	601 shares	21,398	16,942
Hub Group Inc.- CL A	77 shares	2,819	2,293
ICU Medical Inc.	105 shares	3,801	4,621
Il VI Inc.	98 shares	2,779	1,918
Imperial Tobacco Grp. Adr	233 shares	16,690	16,790
Independent Bank Corp Mass	178 shares	4,206	4,653
Intel Corporation	1,787 shares	37,295	44,514
Interdigital Inc.	128 shares	6,997	5,627
Intl Business Machines Inc.	226 shares	33,048	42,488
Investment Technology Group	284 shares	5,939	3,025
Irobot Corp.	89 shares	2,399	2,826
Itron Inc.	31 shares	1,598	1,098
J2 Global	317 shares	8,008	8,594
Johnson Controls Inc.	960 shares	37,082	30,221
Jones Lang Lasalle Inc.	112 shares	6,463	7,215
K12 Inc	123 shares	3,383	3,071
KBR Inc	653 shares	12,666	18,872
KDDI Corp Un-sponsored ADR	544 shares	7,851	8,927
KOC Holdings ADR	330 shares	7,404	5,709
Kraton Performance	105 shares	2,350	2,207

Detroit Ball Bearing Company Union Employees' Retirement Plan

Schedule of Assets Held at End of Year (Continued)

Form 5500, Schedule H, Line 4i

EIN 34-0117420, Plan No. 001

November 30, 2011

(a)(b) Identity of Issuer	(c) Description of Investment	(d) Cost	(e) Current Value
Common and preferred stocks (Continued):			
Landauer Inc.	115 shares	\$ 6,693	\$ 5,834
Layne Christensen Co	69 shares	2,166	1,726
Life Time Fitness Inc.	75 shares	2,753	3,055
Lifeway Foods Inc	134 shares	1,808	1,382
Lindsay Corp	109 shares	9,172	6,157
Liquidity Services Inc	176 shares	2,347	5,995
Lkq Corp	92 shares	1,584	2,809
Lowes Co Inc.	1,633 shares	41,371	39,208
Lufkin Inds Inc.	104 shares	8,688	7,288
Lululemon Athletica Inc	38 shares	1,883	1,889
Manulife Financial	449 shares	7,590	4,836
Marketaxess Holdings Inc.	140 shares	3,461	4,052
Marks & Spencer Group Spon Adr	642 shares	7,497	6,613
McDonalds Corp.	260 shares	17,822	24,835
Mead Johnson Nutrition	169 shares	10,400	12,736
Medtronic Inc	756 shares	24,582	27,541
Mens Warehouse Inc.	103 shares	2,738	2,866
Meridian Bioscience Inc.	360 shares	9,149	6,887
Metlife Inc	852 shares	29,825	26,821
Microstrategy Inc. Class A	23 shares	2,712	2,832
Middleby Corp.	81 shares	4,290	7,394
Miller Herman Inc.	97 shares	1,958	2,094
Minerals Technologies	86 shares	4,362	4,988
Mitsui & Co. Lts ADR (MITSY)	48 shares	14,675	14,950
Mizuho Financial Group	4,798 shares	16,145	12,475
Monsanto Company	333 shares	16,431	24,459
National Instruments Corp	145 shares	2,743	3,814
National Oilwell Varco Inc	574 shares	30,230	41,156
Natural Gas Services	148 shares	2,730	2,029
Navistar International	445 shares	20,299	16,567
Neogen Corp	235 shares	6,307	8,279
Net I Ueps Technologies Inc	306 shares	6,345	2,020
New Jersey Resources	207 shares	7,320	9,793
Nexen Inc	330 shares	7,296	5,468
Nic Inc.	296 shares	2,895	3,848
Nike Inc	716 shares	53,629	68,865
Nitto Denko	301 shares	14,040	12,380
Nordstrom Inc.	801 shares	34,523	36,269

Detroit Ball Bearing Company Union Employees' Retirement Plan

Schedule of Assets Held at End of Year (Continued)

Form 5500, Schedule H, Line 4f

EIN 34-0117420, Plan No. 001

November 30, 2011

(a)(b) Identity of Issuer	(c) Description of Investment	(d) Cost	(e) Current Value
Common and preferred stocks (Continued):			
Norfolk Southern Co.	253 shares	\$ 11,064	\$ 19,112
Nutraceutical Intl Corp	31 shares	411	363
Nutri/System Inc	191 shares	2,983	2,223
NYSE Euronext	640 shares	17,175	18,278
O Reilly Automotive Inc.	138 shares	8,439	10,659
Occidental Petroleum	246 shares	24,915	24,329
Ocwen Financial Corp	453 shares	4,771	5,966
On Semiconductor	2,520 shares	19,259	18,976
Oracle Corp	1,800 shares	56,509	56,430
Orrstown Finl Services Inc	27 shares	719	233
Oyo Geospace Corp.	42 shares	4,036	3,821
Petroleo Brasileiro Spon.	206 shares	7,057	5,560
Peugeot Citroen S A	182 shares	7,496	3,378
Plantronics Inc New	302 shares	6,706	10,407
Posco	137 shares	14,719	11,734
Power Integrations	243 shares	6,500	8,541
PPG Industries Inc.	151 shares	10,466	13,250
Praxair Inc	251 shares	19,966	25,602
Precision Castparts	111 shares	14,994	18,287
Priceline.Com Inc	54 shares	17,103	26,238
Prudential Finl Inc.	365 shares	18,971	18,484
Quaker Chemical Corp	147 shares	2,099	5,720
Qualcomm	937 shares	48,257	51,348
Quality Systems Inc	188 shares	4,158	6,646
Red Hat Inc.	266 shares	10,579	13,321
Reed Elsevier NV Spon. ADR	603 shares	16,225	14,231
Renaissance Re Holdings	115 shares	7,304	8,446
Rio Tinto PLC ADR	232 shares	14,195	12,312
Royal Dutch Shell PLC - ADR A	703 shares	50,947	49,210
Sage Group PLC-Unspon.	431 shares	7,422	7,767
Salesforce.Com Inc	65 shares	8,253	7,697
Sanofi - Aventis Sa ADR	404 shares	14,314	14,144
Sapient Corp	719 shares	8,533	8,829
Sasol Ltd Spon. ADR	437 shares	21,754	20,937
Seadrill Ltd	231 shares	7,704	8,057
Select Comfort Corp.	524 shares	7,264	9,710
Signature Bank	171 shares	5,566	9,992
Simpson Mfg. Co. Inc	184 shares	4,323	6,090
Sk Telecom Ltd Spon. ADR	820 shares	15,462	12,128

Detroit Ball Bearing Company Union Employees' Retirement Plan

Schedule of Assets Held at End of Year (Continued)

Form 5500, Schedule H, Line 4i

EIN 34-0117420, Plan No. 001

November 30, 2011

(a)(b) Identity of Issuer	(c) Description of Investment	(d) Cost	(e) Current Value
Common and preferred stocks (Continued):			
Sodastream International	79 shares	\$ 3,573	\$ 2,358
Sotheby's	52 shares	2,526	1,633
South Jersey Industries	145 shares	5,376	8,142
Southside Bancshares Inc	132 shares	2,656	2,863
Starbucks Corp.	619 shares	20,547	26,914
Starwood Hotels & Resorts	144 shares	2,967	6,866
StatoilHydro Asa-Spon. ADR	586 shares	13,681	15,189
STR Holdings Inc.	146 shares	3,386	1,337
Svenska Cellulosa AB Spon.	977 shares	15,091	14,469
Taiwan Semiconductor	602 shares	7,374	7,778
Target Corp.	1,492 shares	78,908	78,628
Tata Motors Ltd Spon. ADR	880 shares	20,041	15,136
Tcf Financial Corp	454 shares	6,231	4,567
Team Inc	249 shares	5,620	6,813
Tele Norte Leste Spon. ADR	1,291 shares	18,358	12,213
Telstra Ltd Spon Adr	549 shares	7,678	9,009
Tesco Corp.	232 shares	4,492	3,093
Teva Pharmaceutical Ind	628 shares	29,990	24,875
Texas Capital Bancshares	167 shares	4,200	4,820
The Bank of NY Mellon Corp	878 shares	23,755	17,086
The Mosaic Co.	445 shares	29,093	23,478
Tiffany & Co New	253 shares	12,504	16,961
Time Warner Cos Inc	1,159 shares	38,836	40,356
Tjx Companies	554 shares	26,562	34,182
Toronto Dominion Bank	201 shares	14,731	14,253
Umb Financial Corp	216 shares	8,642	7,711
Umpqua Holdings Corp	701 shares	7,790	8,763
Unilever N V - Ny Shares	537 shares	13,206	18,317
Unilever PLC Spon. ADR New	430 shares	13,226	14,461
Union Pacific Corp.	364 shares	19,740	37,641
United Natural Foods Inc	222 shares	5,560	8,509
United Overseas Bank Ltd	558 shares	15,206	13,598
Universal Technical Institute	212 shares	4,106	2,709
US Bancorp - Del	540 shares	13,637	13,997
Vale SA ADR	232 shares	8,109	5,394
Verizon Communications	1,050 shares	36,727	39,617
Visa Inc. Class A Shares	248 shares	21,440	24,049
Vodafone Group Plc ADR	1,000 shares	28,094	27,150

Detroit Ball Bearing Company Union Employees' Retirement Plan

Schedule of Assets Held at End of Year (Continued)

Form 5500, Schedule H, Line 4i

EIN 34-0117420, Plan No. 001

November 30, 2011

(a)(b) Identity of Issuer	(c) Description of Investment	(d) Cost	(e) Current Value
Common and preferred stocks (Continued):			
Wabtec	185 shares	\$ 7,193	\$ 12,626
Watts Water	165 shares	3,882	6,303
Wells Fargo & Company	195 shares	4,232	5,454
West Pharmaceutical Services	203 shares	8,380	7,822
Western Union Co	1,645 shares	24,268	28,689
Whole Foods Market Inc.	563 shares	33,893	38,340
Wiley John & Sons Cl A	212 shares	8,396	10,197
Willis Group Holdings	473 shares	11,199	16,678
Wolverine World Wide Inc.	64 shares	2,466	2,358
Woori Finance Holdings	184 shares	7,211	4,887
Wright Express Corp.	148 shares	7,222	7,767
Wynn Resorts Ltd	160 shares	19,103	19,290
Yamana Gold Inc.	1,104 shares	13,706	18,580
Yanzhou Coal Mining ADR	229 shares	6,822	5,604
Youku Inc.	187 shares	7,527	3,652
Yum! Brands Inc.	336 shares	15,822	18,829
Zoll Med Corp	97 shares	2,078	4,465
Zurich Finl Services Spon.	897 shares	22,959	19,689
Mutual funds:			
PIMCO	Fixed Income (Series C)	413,541	426,209
PIMCO	Fixed Income (Series M)	431,986	425,440
U.S. government securities:			
FNMA Note	0.750% due 12-18-13	50,412	51,318
U.S. Treas. Note	0.875% due 02-29-12	98,902	99,209
U.S. Treas. Note	1.375% due 03-15-13	19,912	20,309
U.S. Treas. Note	1.500% due 07-31-16	40,828	41,152
U.S. Treas. Note	2.125% due 08-15-21	58,725	59,412
U.S. Treas. inflation indexed note	2.500% due 01-15-29	85,970	95,457
U.S. Treas. inflation indexed note	3.625% due 04-15-28	35,727	41,659
U.S. Treas. inflation indexed note	3.000% due 07-15-12	67,618	71,329
Fannie Mae	5.000% due 03-01-33	2,939	2,944
Fannie Mae	5.000% due 06-01-35	47,390	51,765
Fannie Mae	5.500% due 12-01-36	45,929	46,200
Fannie Mae	6.000% due 11-01-38	62,391	67,914

Detroit Ball Bearing Company Union Employees' Retirement Plan

Schedule of Assets Held at End of Year (Continued)

Form 5500, Schedule H, Line 4i

EIN 34-0117420, Plan No. 001

November 30, 2011

(a)(b) Identity of Issuer	(c) Description of Investment	(d) Cost	(e) Current Value
U.S. government securities			
(Continued):			
Fannie Mae	4.500% due 08-01-40	\$ 50,992	\$ 53,097
Fannie Mae	5.500% due 12-01-35	52,769	53,394
Fannie Mae	4.500% due 02-01-41	37,776	39,235
Fannie Mae	4.500% due 05-01-41	13,167	13,537
FHLMC Gold 30-yr Fixed Pool	5.500% due 11-01-37	46,032	48,996
FNMA 30-yr Fixed Pool	5.500% due 04-01-36	5,989	5,926
Freddie Mac	4.500% due 02-01-41	62,320	65,295
Freddie Mac	4.500% due 02-01-41	54,669	57,216
Freddie Mac	4.500% due 03-01-41	3,900	3,907
Freddie Mac	5.500% due 09-01-38	7,425	7,998
Total investments		<u>\$ 5,239,704</u>	<u>\$ 5,469,419</u>

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 <u>12/01/2010</u> and ending <u>11/30/2011</u>	
☐ 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 DETROIT BALL BEARING COMPANY UNION EMPLOYEES' RETIREMENT	B Three-digit plan number (PN) <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF APPLIED INDUSTRIAL TECHNOLOGIES	D Employer Identification Number (EIN) 34-0117420
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>12</u> Day <u>1</u> Year <u>2010</u>			
2 Assets:			
a Market value.....	2a		5,731,364
b Actuarial value.....	2b		5,383,897
3 Funding target/participant count breakdown		(1) Number of participants	(2) Funding Target
a For retired participants and beneficiaries receiving payment.....	3a	24	1,596,664
b For terminated vested participants.....	3b	93	2,511,476
c For active participants:			
(1) Non-vested benefits.....	3c(1)		7,761
(2) Vested benefits.....	3c(2)		1,663,433
(3) Total active.....	3c(3)	26	1,671,194
d Total.....	3d	143	5,779,334
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	6.41 %	
6 Target normal cost.....	6	93,919	

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 STEVEN G. PARSONS Type or print name of actuary FINDLEY DAVIES, INC. Firm name 1300 E NINTH ST, SUITE 850 CLEVELAND OH 44114-1516 Address of the firm	<u>5/2/12</u> Date 11-05323 Most recent enrollment number (216) 875-1900 Telephone number (including area code)

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)	447,321	0
8 Portion used to offset prior year's funding requirement (Item 35 from prior year)	152,034	0
9 Amount remaining (Item 7 minus item 8)	295,287	0
10 Interest on Item 9 using prior year's actual return of <u>8.40</u> %	24,804	0
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>6.73</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	0	0
13 Balance at beginning of current year (Item 9 + Item 10 + Item 11d - Item 12)	320,091	0

Part III Funding percentages

14 Funding target attainment percentage	14	87.61 %
15 Adjusted funding target attainment percentage	15	87.61 %
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	103.20 %
17 If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

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

(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
04/09/2012	570,000				
Totals ▶			18(b)	570,000	18(c) 0

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

a Contributions allocated toward unpaid minimum required 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	523,972

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

Liquidity shortfall as of end of Quarter of this plan year

(1) 1st	(2) 2nd	(3) 3rd	(4) 4th
0	0	0	0

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

21 Discount rate:				
a Segment rates:	1st segment: 3.96 %	2nd segment: 6.40 %	3rd segment: 6.61 %	☐ N/A, full yield curve used
b Applicable month (enter code).....				21b 4
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	93,919
32 Amortization Installments:	Outstanding Balance	Installment
a Net shortfall amortization installment.....	484,355	105,670
b Waiver amortization installment.....	0	0
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33	
34 Total funding requirement before reflecting carryover/prefunding balances (Item 31 + item 32a + item 32b - Item 33).....	34	199,589
	Carryover balance	Prefunding balance
35 Balances used to offset funding requirement	199,589	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	523,972
38 Interest-adjusted excess contributions for current year (see instructions).....	38	523,972
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 SB, line 22 – Description of Weighted Average Retirement Age
Detroit Ball Bearing Company Union Employees' Retirement Plan
December 1, 2010 Valuation
EIN/PN: 34-0117420 / 001

Rates of Retirement

100% at age 62.

Weighted Average Retirement Age is 62. This is the average retirement age for someone eligible to retire at all ages using the assumed retirement rates and no other decrements.

APPENDIX B

STATEMENT OF ACTUARIAL ASSUMPTIONS AND METHODS

<i>Interest Rates</i>	Funding: 24-Month Segment Rates for August 2010: <table> <tr> <td>a. First Rate, Years 1-5</td><td>3.96%</td></tr> <tr> <td>b. Second Rate, Years 5-20</td><td>6.40%</td></tr> <tr> <td>c. Third Rate, Years 20+</td><td>6.61%</td></tr> <tr> <td>d. Effective Interest Rate using the above rates</td><td>6.41%</td></tr> <tr> <td>e. Intermediate Level Contribution</td><td>6.50%</td></tr> <tr> <td>f. Assumed Investment Return for Asset Smoothing before Reflecting Limitation</td><td>7.00%</td></tr> </table> ASC 960-20: Present Value of Vested and Accumulated Benefits 6.50%	a. First Rate, Years 1-5	3.96%	b. Second Rate, Years 5-20	6.40%	c. Third Rate, Years 20+	6.61%	d. Effective Interest Rate using the above rates	6.41%	e. Intermediate Level Contribution	6.50%	f. Assumed Investment Return for Asset Smoothing before Reflecting Limitation	7.00%						
a. First Rate, Years 1-5	3.96%																		
b. Second Rate, Years 5-20	6.40%																		
c. Third Rate, Years 20+	6.61%																		
d. Effective Interest Rate using the above rates	6.41%																		
e. Intermediate Level Contribution	6.50%																		
f. Assumed Investment Return for Asset Smoothing before Reflecting Limitation	7.00%																		
<i>Mortality</i>	Funding: RP-2000 static, non-generational Mortality Table as described in Regulation 1.430(h)(3) projected by Scale AA, male and female, with combined rates for annuitants and nonannuitants. ASC 960-20 and Intermediate Contribution – RP-2000 Mortality Table projected to 2020 (male and female).																		
<i>Rates of Retirement</i>	100% at age 62. Weighted Average Retirement Age is 62. This is the average retirement age for someone eligible to retire at all ages using the assumed retirement rates and no other decrements.																		
<i>Rates of Disability</i>	1987 Commissioner’s Group Disability table, six month elimination period (males and female).																		
<i>Rates of Turnover</i>	Based on age as follows: <table> <tr> <th><u>Attained Age</u></th><th><u>Rate</u></th></tr> <tr> <td>20</td><td>13.02%</td></tr> <tr> <td>25</td><td>9.52</td></tr> <tr> <td>30</td><td>7.07</td></tr> <tr> <td>35</td><td>5.53</td></tr> <tr> <td>40</td><td>4.55</td></tr> <tr> <td>45</td><td>3.85</td></tr> <tr> <td>50</td><td>3.15</td></tr> <tr> <td>55</td><td>0.00</td></tr> </table>	<u>Attained Age</u>	<u>Rate</u>	20	13.02%	25	9.52	30	7.07	35	5.53	40	4.55	45	3.85	50	3.15	55	0.00
<u>Attained Age</u>	<u>Rate</u>																		
20	13.02%																		
25	9.52																		
30	7.07																		
35	5.53																		
40	4.55																		
45	3.85																		
50	3.15																		
55	0.00																		

APPENDIX B (Continued)

<i>Assumptions Made In Valuing Spouse's Benefit</i>	Seventy-five percent of employees included in the valuation are assumed to be married. These percentages are used as the probabilities that survivor benefits will be payable due to preretirement deaths. The wife is assumed to be three years younger than the husband.
<i>Optional Form Election</i>	All employees are assumed to elect the life annuity benefit.
<i>Annual Increases to Maximum Benefit Limits</i>	0.00%
<i>Provision for Expenses</i>	The expected administrative (i.e. non-investment) expenses that will be paid from plan assets, which were assumed to equal actual expenses during the prior year, were included in the Target Normal Cost for minimum contribution purposes.
<i>Asset Method</i>	Funding: Market Value of Assets plus interest adjusted accrued but unpaid contributions as of the valuation date plus an adjustment to defer full recognition of investment losses and gains over a two-year period. The investment (gain)/loss for every year equals the market value at the beginning of the year projected to the end of the year using the interest rate above, but no greater than the third segment rate for the plan year, minus the end of the year actual market value. The actuarial value of assets will be no less than 90% and no more than 110% of the market value (including interest-adjusted accrued but unpaid contributions). Note that due to the regulatory constraint on the interest rate, a characteristic of this asset valuation method is that, over time, it may be more likely to produce an actuarial value of assets that is less than the market value of assets. ASC 960-20: Market Value of Assets plus any unpaid contributions.
<i>Employees Valued</i>	Only participants as of the valuation date were valued.
<i>Changes in Assumptions and Methods since the Last Actuarial Valuation</i>	The segmented interest rates used for determining the funding target were 5.12%, 6.74% and 6.83% last year. These rates were updated to the rates required for the current plan year. The mortality table for the funding target was changed as required under PPA '06.
<i>Justification for Changes in Actuarial Assumptions</i>	The only assumption changes were to prescribed actuarial assumptions or as a result of At-Risk status. Therefore, the plan did not need IRS approval to change assumptions and there is no need to disclose any "Change in Actuarial Assumptions."

APPENDIX A

SUMMARY OF PRINCIPAL PLAN PROVISIONS

<i>Plan Sponsor</i>	Applied Industrial Technologies, Inc.
<i>EIN/PN</i>	34-0117420/001
<i>Effective Date</i>	December 28, 1952; restated effective December 1, 1997 as amended through the second amendment. The latest Collective Bargaining Agreement effective December 1, 2010 is also being recognized.
<i>Plan Year</i>	The 12-month period beginning each December 1.
<i>Hour of Service</i>	An hour for which the employee is paid or entitled to payment.
<i>Participation</i>	An employee becomes a participant on the first of the month following completion of 480 Hours of Service.
<i>Vesting Service</i>	One year of vesting service is credited for each Plan Year in which the participant has 1,000 or more Hours of Service. Partial service is not credited for years in which the participant has less than 1,000 Hours of Service.
<i>Credited Service</i>	One year of credited service is credited for each Plan Year in which the participant has 2,080 or more Hours of Service. Partial service is credited for years in which the participant has less than 2,080 Hours of Service. Such partial service is determined by taking Hours of Service and dividing them by 2,080, rounding to the nearest 1/10 th if at least 501 hours.

APPENDIX A (Continued)

Benefit Rate

<u>Date of Termination</u>	<u>Benefit Rate</u>
2/02/1997 – 2/01/1998	\$ 23.00
2/02/1998 – 2/01/1999	24.00
2/02/1999 – 2/01/2000	25.00
2/02/2000 – 2/01/2001	26.00
2/02/2001 – 2/01/2002	30.00
2/02/2002 – 2/01/2003	33.00
2/02/2003 – 6/30/2004	35.00
7/01/2004 – 2/01/2005	38.00
2/02/2005 – 2/01/2006	39.00
2/02/2006 – 2/01/2007	40.00
2/02/2007 – 2/01/2008	42.00
2/01/2008 – 1/31/2010	44.00
2/01/2010 – 2/01/2012	45.00
2/02/2012 – 2/01/2013	47.00
2/02/2013 and After	48.00

Accrued Benefit

A monthly life annuity equal to the participant's years of Credited Service times the applicable Benefit Rate.

Vested Benefit

The Accrued Benefit multiplied by the applicable vesting percentage as defined below:

<u>Years of Vesting Service</u>	<u>Percentage</u>
Less Than 1	0 %
1	10
2	20
3	30
4	40
5	60
6	80
7 or more	100

Normal Retirement Benefit

Eligibility:

Age 62 and 5 years of plan participation.

Monthly Benefit:

The Accrued Benefit.

APPENDIX A (Continued)

<i>Early Retirement Benefit</i>	<u><i>Eligibility:</i></u> Age 60 and 10 years of Vesting Service. <u><i>Monthly Benefit:</i></u> The Accrued Benefit at early retirement reduced by 5/9 of 1% for each month retirement precedes age 62.
<i>Termination Benefit</i>	<u><i>Eligibility:</i></u> Upon termination of employment prior to retirement after completion of at least one year of Vesting Service. <u><i>Monthly Benefit:</i></u> The Vested Benefit commences in full at age 62, or in a reduced amount under the early retirement provisions if eligible.
<i>Late Retirement Benefit</i>	<u><i>Eligibility:</i></u> Retirement after age 62. <u><i>Monthly Benefit:</i></u> The greater of the Accrued Benefit at the participant's Late Retirement Date and the Accrued Benefit at the participant's Normal Retirement Date actuarially increased.
<i>Death Benefit</i>	<u><i>Eligibility:</i></u> One Year of Vesting Service, married for at least one year, and coverage was not waived. <u><i>Monthly Benefit:</i></u> A benefit commencing at the time the participant would have been eligible for retirement. The benefit is equal to 55% of the Vested Benefit on the date of death, adjusted as appropriate for early commencement, the 55% Joint and Survivor Annuity form of payment, and for .25% for each full or partial year survivor benefit coverage was not waived.
<i>Benefits Available as Lump Sums</i>	This plan pays only small benefit amounts (lump sums less than \$1,000) and the fixed period annuity death benefit.

APPENDIX A (Continued)

***Optional Forms Of
Payment***

Life Annuity
50% Joint and Survivor
66 2/3% Joint and Survivor
100% Joint and Survivor
5 Year Certain and Continuous
10 Year Certain and Continuous
15 Year Certain and Continuous
Social Security Level Income

Optional form conversion factors are based on 1994 GAR mortality table and 7.0% interest.

***Maximum Benefit
Limit***

The Internal Revenue Code Section 415 Maximum Benefit payable as a life annuity at Social Security Normal Retirement Age.

***Changes in Plan
Provisions***

The most recent collective bargaining agreement was recognized. The automatic changes, if any, in the plan compensation limit and maximum benefit limit are not anticipated (by law).

Schedule SB, line 26 – Schedule of Active Participant Data
 Detroit Ball Bearing Company Union Employees’ Retirement Plan
 December 1, 2010 Valuation
 EIN/PN: 34-0117420 / 001

Age Near Year	Years of Credited Service									
	<1	1-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40+
<25	0	0	0	0	0	0	0	0	0	0
25-29	0	0	0	0	0	0	0	0	0	0
30-34	0	0	0	0	0	0	0	0	0	0
35-39	0	0	0	0	0	0	0	0	0	0
40-44	0	0	0	0	0	1	0	0	0	0
45-49	0	0	0	2	1	1	0	0	0	0
50-54	0	1	2	1	2	0	5	1	0	0
55-59	0	0	1	1	1	0	3	3	0	0
60-64	0	0	0	0	0	0	0	0	0	0
65-69	0	0	0	0	0	0	0	0	0	0
70+	0	0	0	0	0	0	0	0	0	0

Average compensation is not shown since fewer than 1,000 actives are reflected in the valuation.

EXHIBIT VII

SCHEDULE OF AMORTIZATION BASES

Plan Year Beginning

12/01/2010

	Date Established	Present Value of Payments	Remaining Years	Amortization Installment
Shortfall Amortization Bases	12/01/2010	\$ (23,898)	7.00	\$ (3,944)
	12/01/2009	0	6.00	0
	12/01/2008	<u>508,253</u>	5.00	<u>109,614</u>
	Total	\$ 484,355		\$ 105,670
Waiver Amortization Bases	12/01/2010	\$ 0	N/A	\$ 0

Detroit Ball Bearing Company Union Employees' Retirement Plan

Schedule of Assets Held at End of Year Form 5500, Schedule H, Line 4i EIN 34-0117420, Plan No. 001 November 30, 2011

(a)(b) Identity of Issuer	(c) Description of Investment	(d) Cost	(e) Current Value
	Common and preferred stocks:		
Abbott Laboratories	381 shares	\$ 18,246	\$ 20,784
Accenture PLC	282 shares	15,311	16,336
Ace Ltd Ord Shares	284 shares	13,928	19,747
Adobe Systems Inc	1,237 shares	38,265	33,919
Aetna Inc.	696 shares	22,105	29,107
Agrium Inc.	171 shares	13,234	11,968
Allergan Inc	141 shares	11,314	11,805
Amazon Com Inc	100 shares	15,613	19,229
American Science & Engineering	93 shares	7,847	6,809
American States Water Company	66 shares	2,399	2,328
American Tower Corp Cl A	734 shares	37,259	43,306
Amerigon Inc.	256 shares	3,855	4,014
Amgen Inc.	658 shares	37,547	38,105
Apache Corp	267 shares	26,139	26,550
Apogee Enterprises Inc.	259 shares	4,128	2,745
Apple Inc.	64 shares	16,733	24,461
Applied Materials	1,990 shares	25,496	21,452
Archer Daniels Midland	939 shares	28,848	28,283
Asahi Glass Co Ltd - Unsp ADR	646 shares	6,961	5,407
ASML Holding Nv	208 shares	7,871	8,222
Astrazeneca Plc Sponsored ADR	509 shares	22,042	23,404
Australia & New Zealand	636 shares	15,169	13,356
Autodesk Inc.	1,009 shares	39,593	34,377
Autozone Inc.	13 shares	3,907	4,269
Axis Capital Holdings Ltd	508 shares	17,762	16,220
Bae Systems Plc Spon ADR	741 shares	16,264	12,641
Baidu Inc	217 shares	19,733	28,425
Baker Hughes Inc.	330 shares	17,364	18,021
Banco Bradesco	770 shares	15,159	12,705
Bank Of Hawaii Corp	239 shares	11,105	10,169
Barclays Plc ADR	444 shares	7,958	5,173
Baxter Intl Inc	414 shares	23,240	21,387
Bed Bath and Beyond	668 shares	30,582	40,421
Boigen Idec Inc.	188 shares	19,551	21,611
Blackbaud Inc.	184 shares	3,828	5,411
Bottomline Tech Del	206 shares	4,656	4,635
Bristol-Myers Squibb Co.	126 shares	3,970	4,123
Bruker Corp	530 shares	7,986	6,636
Calgon Carbon Corp.	309 shares	4,938	4,598
Cantel Medical Group	105 shares	2,138	2,763

Detroit Ball Bearing Company Union Employees' Retirement Plan

Schedule of Assets Held at End of Year (Continued)

Form 5500, Schedule H, Line 4i

EIN 34-0117420, Plan No. 001

November 30, 2011

(a)(b) Identity of Issuer	(c) Description of Investment	(d) Cost	(e) Current Value
Common and preferred stocks (Continued):			
Capgemini SA ADR	363 shares	\$ 6,906	\$ 6,897
Carbo Ceramics Inc.	91 shares	3,892	12,951
Cathay Pac. Airways	1,318 shares	16,242	11,915
Celgene Corp.	641 shares	37,491	40,434
Ceragon Networks LTD	339 shares	3,663	2,712
Check Point Software	140 shares	7,846	7,748
Chevron Corp	218 shares	14,963	22,415
China Pete&chem Cp Ads	75 shares	7,756	7,976
Cia Paranaese De Energia	1,125 shares	26,162	22,669
Clarcor Inc.	218 shares	7,614	10,556
Coach Inc.	830 shares	47,926	51,950
Cognizant Tech Soutlions Cl.	60 shares	3,907	4,041
Coherent Inc.	81 shares	2,090	4,115
Commercial Metals Co.	332 shares	6,042	4,641
Commvault Systems Inc	179 shares	4,575	8,884
Companhia De Saneamento Basico	542 shares	27,618	29,929
Computer Programs & Systems	49 shares	1,773	2,225
Cooper Industries PLC	360 shares	13,462	19,991
Corning Inc	1,315 shares	24,397	17,450
Corporate Office Properties Sbi	206 shares	7,013	4,295
Costco Wholesale Corp. - New	479 shares	27,654	40,859
Credit Suisse Group Spon.	507 shares	19,508	12,274
Cummins Inc	172 shares	14,240	16,569
CVS Caremark Corp	759 shares	24,284	29,480
Danaher Corp Del	306 shares	13,323	14,804
Darling International Inc.	200 shares	2,949	2,874
Delhaize Group Spd Adr	196 shares	14,406	11,574
Devon Energy Corp. New	371 shares	23,376	24,286
Diageo Plc Spon ADR New	208 shares	15,573	17,807
Dime Community Bancorp	385 shares	4,273	4,558
Dow Chemical Corp	297 shares	8,492	8,230
Dupont Fabros	258 shares	5,967	5,813
East West Bancorp Inc.	411 shares	7,310	8,043
Eaton Corp	730 shares	34,053	32,784
EHealth Inc.	382 shares	7,333	5,795
EMCCorp(mass)com	1,422 shares	38,554	32,720
Esco Electronics Corp	77 shares	3,592	2,087
Estee Lauder Cos Cl A	216 shares	15,284	25,484

Detroit Ball Bearing Company Union Employees' Retirement Plan

Schedule of Assets Held at End of Year (Continued)

Form 5500, Schedule H, Line 4i

EIN 34-0117420, Plan No. 001

November 30, 2011

(a)(b) Identity of Issuer	(c) Description of Investment	(d) Cost	(e) Current Value
Common and preferred stocks (Continued):			
Financial Engines Inc.	176 shares	\$ 4,121	\$ 3,867
Flextronics International Ltd	4,070 shares	31,944	24,298
France Telecom Spons Adr	1,068 shares	24,706	18,444
Fresh Market Inc.	97 shares	3,963	3,805
Fuel Systems Solutions	236 shares	6,733	4,201
Fuel Tech Inc.	302 shares	3,199	1,749
Fuji Heavy Indus-Unspon.	202 shares	15,485	11,692
Gen-Probe Inc. New	65 shares	3,618	4,094
Genesee & Wyoming A	175 shares	5,514	10,687
Google Inc. Cl A	34 shares	19,952	20,379
Green Dot Corp A	161 shares	7,822	5,377
GT Advanced	281 shares	2,331	2,169
Hain Food Group Inc.	109 shares	1,923	4,070
Halliburton Co.	1,379 shares	54,287	50,747
Heineken NV ADR	261 shares	7,159	6,126
Hess Corp	426 shares	27,533	25,654
Hibbett Sports Inc.	166 shares	3,454	7,555
Hitachi Ltd ADR	287 shares	15,309	16,017
Honeywell International	487 shares	18,518	26,371
Hospira Inc	601 shares	21,398	16,942
Hub Group Inc.- CL A	77 shares	2,819	2,293
ICU Medical Inc.	105 shares	3,801	4,621
Il VI Inc.	98 shares	2,779	1,918
Imperial Tobacco Grp. Adr	233 shares	16,690	16,790
Independent Bank Corp Mass	178 shares	4,206	4,653
Intel Corporation	1,787 shares	37,295	44,514
Interdigital Inc.	128 shares	6,997	5,627
Intl Business Machines Inc.	226 shares	33,048	42,488
Investment Technology Group	284 shares	5,939	3,025
Irobot Corp.	89 shares	2,399	2,826
Itron Inc.	31 shares	1,598	1,098
J2 Global	317 shares	8,008	8,594
Johnson Controls Inc.	960 shares	37,082	30,221
Jones Lang Lasalle Inc.	112 shares	6,463	7,215
K12 Inc	123 shares	3,383	3,071
KBR Inc	653 shares	12,666	18,872
KDDI Corp Unsponsored ADR	544 shares	7,851	8,927
KOC Holdings ADR	330 shares	7,404	5,709
Kraton Performance	105 shares	2,350	2,207

Detroit Ball Bearing Company Union Employees' Retirement Plan

Schedule of Assets Held at End of Year (Continued) Form 5500, Schedule H, Line 4i EIN 34-0117420, Plan No. 001 November 30, 2011

(a)(b) Identity of Issuer	(c) Description of Investment	(d) Cost	(e) Current Value
Common and preferred stocks (Continued):			
Landauer Inc.	115 shares	\$ 6,693	\$ 5,834
Layne Christensen Co	69 shares	2,166	1,726
Life Time Fitness Inc.	75 shares	2,753	3,055
Lifeway Foods Inc	134 shares	1,808	1,382
Lindsay Corp	109 shares	9,172	6,157
Liquidity Services Inc	176 shares	2,347	5,995
Lkq Corp	92 shares	1,584	2,809
Lowes Co Inc.	1,633 shares	41,371	39,208
Lufkin Inds Inc.	104 shares	8,688	7,288
Lululemon Athletica Inc	38 shares	1,883	1,889
Manulife Financial	449 shares	7,590	4,836
Marketaxess Holdings Inc.	140 shares	3,461	4,052
Marks & Spencer Group Spon Adr	642 shares	7,497	6,613
McDonalds Corp.	260 shares	17,822	24,835
Mead Johnson Nutrition	169 shares	10,400	12,736
Medtronic Inc	756 shares	24,582	27,541
Mens Warehouse Inc.	103 shares	2,738	2,866
Meridian Bioscience Inc.	360 shares	9,149	6,887
Metlife Inc	852 shares	29,825	26,821
Microstrategy Inc. Class A	23 shares	2,712	2,832
Middleby Corp.	81 shares	4,290	7,394
Miller Herman Inc.	97 shares	1,958	2,094
Minerals Technologies	86 shares	4,362	4,988
Mitsui & Co. Lts ADR (MITSY)	48 shares	14,675	14,950
Mizuho Financial Group	4,798 shares	16,145	12,475
Monsanto Company	333 shares	16,431	24,459
National Instruments Corp	145 shares	2,743	3,814
National Oilwell Varco Inc	574 shares	30,230	41,156
Natural Gas Services	148 shares	2,730	2,029
Navistar International	445 shares	20,299	16,567
Neogen Corp	235 shares	6,307	8,279
Net 1 Ueps Technologies Inc	306 shares	6,345	2,020
New Jersey Resources	207 shares	7,320	9,793
Nexen Inc	330 shares	7,296	5,468
Nic Inc.	296 shares	2,895	3,848
Nike Inc	716 shares	53,629	68,865
Nitto Denko	301 shares	14,040	12,380
Nordstrom Inc.	801 shares	34,523	36,269

Detroit Ball Bearing Company Union Employees' Retirement Plan

Schedule of Assets Held at End of Year (Continued)

Form 5500, Schedule H, Line 4i

EIN 34-0117420, Plan No. 001

November 30, 2011

(a)(b) Identity of Issuer	(c) Description of Investment	(d) Cost	(e) Current Value
Common and preferred stocks (Continued):			
Norfolk Southern Co.	253 shares	\$ 11,064	\$ 19,112
Nutraceutical Intl Corp	31 shares	411	363
Nutri/System Inc	191 shares	2,983	2,223
NYSE Euronext	640 shares	17,175	18,278
O Reilly Automotive Inc.	138 shares	8,439	10,659
Occidental Petroleum	246 shares	24,915	24,329
Ocwen Financial Corp	453 shares	4,771	5,966
On Semiconductor	2,520 shares	19,259	18,976
Oracle Corp	1,800 shares	56,509	56,430
Orrstown Finl Services Inc	27 shares	719	233
Oyo Geospace Corp.	42 shares	4,036	3,821
Petroleo Brasileiro Spon.	206 shares	7,057	5,560
Peugeot Citroen S A	182 shares	7,496	3,378
Plantronics Inc New	302 shares	6,706	10,407
Posco	137 shares	14,719	11,734
Power Integrations	243 shares	6,500	8,541
PPG Industries Inc.	151 shares	10,466	13,250
Praxair Inc	251 shares	19,966	25,602
Precision Castparts	111 shares	14,994	18,287
Priceline.Com Inc	54 shares	17,103	26,238
Prudential Finl Inc.	365 shares	18,971	18,484
Quaker Chemical Corp	147 shares	2,099	5,720
Qualcomm	937 shares	48,257	51,348
Quality Systems Inc	188 shares	4,158	6,646
Red Hat Inc.	266 shares	10,579	13,321
Reed Elsevier NV Spon. ADR	603 shares	16,225	14,231
Renaissance Re Holdings	115 shares	7,304	8,446
Rio Tinto PLC ADR	232 shares	14,195	12,312
Royal Dutch Shell PLC - ADR A	703 shares	50,947	49,210
Sage Group PLC-Unspon.	431 shares	7,422	7,767
Salesforce.Com Inc	65 shares	8,253	7,697
Sanofi - Aventis Sa ADR	404 shares	14,314	14,144
Sapient Corp	719 shares	8,533	8,829
Sasol Ltd Spon. ADR	437 shares	21,754	20,937
Seadrill Ltd	231 shares	7,704	8,057
Select Comfort Corp.	524 shares	7,264	9,710
Signature Bank	171 shares	5,566	9,992
Simpson Mfg. Co. Inc	184 shares	4,323	6,090
Sk Telecom Ltd Spon. ADR	820 shares	15,462	12,128

Detroit Ball Bearing Company Union Employees' Retirement Plan

Schedule of Assets Held at End of Year (Continued)

Form 5500, Schedule H, Line 4i

EIN 34-0117420, Plan No. 001

November 30, 2011

(a)(b) Identity of Issuer	(c) Description of Investment	(d) Cost	(e) Current Value
Common and preferred stocks (Continued):			
Sodastream International	79 shares	\$ 3,573	\$ 2,358
Sotheby's	52 shares	2,526	1,633
South Jersey Industries	145 shares	5,376	8,142
Southside Bancshares Inc	132 shares	2,656	2,863
Starbucks Corp.	619 shares	20,547	26,914
Starwood Hotels & Resorts	144 shares	2,967	6,866
StatoilHydro Asa-Spon. ADR	586 shares	13,681	15,189
STR Holdings Inc.	146 shares	3,386	1,337
Svenska Cellulosa AB Spon.	977 shares	15,091	14,469
Taiwan Semiconductor	602 shares	7,374	7,778
Target Corp.	1,492 shares	78,908	78,628
Tata Motors Ltd Spon. ADR	880 shares	20,041	15,136
Tcf Financial Corp	454 shares	6,231	4,567
Team Inc	249 shares	5,620	6,813
Tele Norte Leste Spon. ADR	1,291 shares	18,358	12,213
Telstra Ltd Spon Adr	549 shares	7,678	9,009
Tesco Corp.	232 shares	4,492	3,093
Teva Pharmaceutical Ind	628 shares	29,990	24,875
Texas Capital Bancshares	167 shares	4,200	4,820
The Bank of NY Mellon Corp	878 shares	23,755	17,086
The Mosaic Co.	445 shares	29,093	23,478
Tiffany & Co New	253 shares	12,504	16,961
Time Warner Cos Inc	1,159 shares	38,836	40,356
Tjx Companies	554 shares	26,562	34,182
Toronto Dominion Bank	201 shares	14,731	14,253
Umb Financial Corp	216 shares	8,642	7,711
Umpqua Holdings Corp	701 shares	7,790	8,763
Unilever N V - Ny Shares	537 shares	13,206	18,317
Unilever PLC Spon. ADR New	430 shares	13,226	14,461
Union Pacific Corp.	364 shares	19,740	37,641
United Natural Foods Inc	222 shares	5,560	8,509
United Overseas Bank Ltd	558 shares	15,206	13,598
Universal Technical Institute	212 shares	4,106	2,709
US Bancorp - Del	540 shares	13,637	13,997
Vale SA ADR	232 shares	8,109	5,394
Verizon Communications	1,050 shares	36,727	39,617
Visa Inc. Class A Shares	248 shares	21,440	24,049
Vodafone Group Plc ADR	1,000 shares	28,094	27,150

Detroit Ball Bearing Company Union Employees' Retirement Plan

Schedule of Assets Held at End of Year (Continued)

Form 5500, Schedule H, Line 4i

EIN 34-0117420, Plan No. 001

November 30, 2011

(a)(b) Identity of Issuer	(c) Description of Investment	(d) Cost	(e) Current Value
Common and preferred stocks (Continued):			
Wabtec	185 shares	\$ 7,193	\$ 12,626
Watts Water	165 shares	3,882	6,303
Wells Fargo & Company	195 shares	4,232	5,454
West Pharmaceutical Services	203 shares	8,380	7,822
Western Union Co	1,645 shares	24,268	28,689
Whole Foods Market Inc.	563 shares	33,893	38,340
Wiley John & Sons Cl A	212 shares	8,396	10,197
Willis Group Holdings	473 shares	11,199	16,678
Wolverine World Wide Inc.	64 shares	2,466	2,358
Woori Financie Holdings	184 shares	7,211	4,887
Wright Express Corp.	148 shares	7,222	7,767
Wynn Resorts Ltd	160 shares	19,103	19,290
Yamana Gold Inc.	1,104 shares	13,706	18,580
Yanzhou Coal Mining ADR	229 shares	6,822	5,604
Youku Inc.	187 shares	7,527	3,652
Yum! Brands Inc.	336 shares	15,822	18,829
Zoll Med Corp	97 shares	2,078	4,465
Zurich Finl Services Spon.	897 shares	22,959	19,689
Mutual funds:			
PIMCO	Fixed Income (Series C)	413,541	426,209
PIMCO	Fixed Income (Series M)	431,986	425,440
U.S. government securities:			
FNMA Note	0.750% due 12-18-13	50,412	51,318
U.S. Treas. Note	0.875% due 02-29-12	98,902	99,209
U.S. Treas. Note	1.375% due 03-15-13	19,912	20,309
U.S. Treas. Note	1.500% due 07-31-16	40,828	41,152
U.S. Treas. Note	2.125% due 08-15-21	58,725	59,412
U.S. Treas. inflation indexed note	2.500% due 01-15-29	85,970	95,457
U.S. Treas. inflation indexed note	3.625% due 04-15-28	35,727	41,659
U.S. Treas. inflation indexed note	3.000% due 07-15-12	67,618	71,329
Fannie Mae	5.000% due 03-01-33	2,939	2,944
Fannie Mae	5.000% due 06-01-35	47,390	51,765
Fannie Mae	5.500% due 12-01-36	45,929	46,200
Fannie Mae	6.000% due 11-01-38	62,391	67,914

Detroit Ball Bearing Company Union Employees' Retirement Plan

Schedule of Assets Held at End of Year (Continued) Form 5500, Schedule H, Line 4i EIN 34-0117420, Plan No. 001 November 30, 2011

(a)(b) Identity of Issuer	(c) Description of Investment	(d) Cost	(e) Current Value
	U.S. government securities (Continued):		
Fannie Mae	4.500% due 08-01-40	\$ 50,992	\$ 53,097
Fannie Mae	5.500% due 12-01-35	52,769	53,394
Fannie Mae	4.500% due 02-01-41	37,776	39,235
Fannie Mae	4.500% due 05-01-41	13,167	13,537
FHLMC Gold 30-yr Fixed Pool	5.500% due 11-01-37	46,032	48,996
FNMA 30-yr Fixed Pool	5.500% due 04-01-36	5,989	5,926
Freddie Mac	4.500% due 02-01-41	62,320	65,295
Freddie Mac	4.500% due 02-01-41	54,669	57,216
Freddie Mac	4.500% due 03-01-41	3,900	3,907
Freddie Mac	5.500% due 09-01-38	7,425	7,998
	Total investments	<u>\$ 5,239,704</u>	<u>\$ 5,469,419</u>