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), 6057(b), and 6058(a) of the Internal Revenue Code (the Code).

▶ **Complete all entries in accordance with the instructions to the Form 5500.**

OMB Nos. 1210-0110
1210-0089

2011

This Form is Open to Public Inspection

Part I Annual Report Identification Information

For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

A This return/report is for:
- [ ] a multiemployer plan;
- [ ] a multiple-employer plan; or
- [X] 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. . . . . ▶ [X]

D Check box if filing under:
- [X] Form 5558;
- [ ] automatic extension;
- [ ] the DFVC program;
- [ ] special extension (enter description)

Part II Basic Plan Information—enter all requested information

1a Name of plan
THE STEINWAY MUSICAL PENSION PLAN

1b Three-digit plan number (PN) ▶ 002

1c Effective date of plan 01/01/1989

2a Plan sponsor's name and address, including room or suite number (Employer, if for single-employer plan)

STEINWAY MUSICAL INSTRUMENTS, INC.

800 SOUTH STREET, SUITE 305
WALTHAM, MA 02453-1480

2b Employer Identification Number (EIN) 35-1910745

2c Sponsor's telephone number 781-894-9770

2d Business code (see instructions) 339900

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.	10/11/2012	DENNIS M. HANSON
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

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

800 SOUTH STREET, SUITE 305
WALTHAM, MA 02453-1480

3b Administrator's EIN
35-1910745

3c Administrator's telephone number
781-894-9770

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**	1750
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**	275
b	Retired or separated participants receiving benefits	**6b**	736
c	Other retired or separated participants entitled to future benefits	**6c**	704
d	Subtotal. Add lines **6a**, **6b**, and **6c**	**6d**	1715
e	Deceased participants whose beneficiaries are receiving or are entitled to receive benefits	**6e**	0
f	Total. Add lines **6d** and **6e**	**6f**	1715
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**	19
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 3H

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

9a Plan funding arrangement (check all that apply)

(1)		Insurance
(2)		Code section 412(e)(3) insurance contracts
(3)	X	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)	X	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)	X	**R** (Retirement Plan Information)
(2)		**MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
(3)	X	**SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary

b General Schedules

(1)	X	**H** (Financial Information)
(2)		**I** (Financial Information – Small Plan)
(3)		**A** (Insurance Information)
(4)	X	**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

2011

This Form is Open to Public Inspection

For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

▶ **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
THE STEINWAY MUSICAL PENSION PLAN

B Three-digit plan number (PN) ▶ 002

C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF
STEINWAY MUSICAL INSTRUMENTS, INC.

D Employer Identification Number (EIN)
35-1910745

E Type of plan: [X] Single [ ] Multiple-A [ ] Multiple-B

F Prior year plan size: [ ] 100 or fewer [ ] 101-500 [X] More than 500

Part I Basic Information

1	Enter the valuation date: Month 01 Day 01 Year 2011			
2	Assets:			
a	Market value	**2a**		52076742
b	Actuarial value	**2b**		46869068
3	Funding target/participant count breakdown:		**(1)** Number of participants	**(2)** Funding Target
a	For retired participants and beneficiaries receiving payment	**3a**	712	36074197
b	For terminated vested participants	**3b**	623	13200605
c	For active participants:			
	(1) Non-vested benefits	**3c(1)**		998472
	(2) Vested benefits	**3c(2)**		11534589
	(3) Total active	**3c(3)**	415	12533061
d	Total	**3d**	1750	61807863
4	If the plan is in at-risk status, check the box and complete lines (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 in at-risk status for fewer than five consecutive years and disregarding loading factor	**4b**		
5	Effective interest rate	**5**		6.26 %
6	Target normal cost	**6**		515350

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

	10/03/2012
Signature of actuary	Date
MARTIN E. MOLLOY	11-06227
Type or print name of actuary	Most recent enrollment number
AON CONSULTING, INC.	614-436-8100
Firm name	Telephone number (including area code)
445 HUTCHINSON AVE., SUITE 900 COLUMBUS, OH 43235-8619	
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 [ ]

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 (line 13 from prior year)	6837497	894779
8	Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	2359916	0
9	Amount remaining (line 7 minus line 8)	4477581	894779
10	Interest on line 9 using prior year's actual return of 14.88%	666264	133143
11	Prior year's excess contributions to be added to prefunding balance:		
a	Present value of excess contributions (line 38 from prior year)		1340456
b	Interest on (a) using prior year's effective rate of 6.66 % except as otherwise provided (see instructions)		199460
c	Total available at beginning of current plan year to add to prefunding balance		1539916
d	Portion of (c) to be added to prefunding balance		0
12	Other reductions in balances due to elections or deemed elections	3733343	0
13	Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	1410502	1027922

Part III Funding percentages

14	Funding target attainment percentage	14	71.88 %
15	Adjusted funding target attainment percentage	15	71.88 %
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	82.52 %
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
10/12/2011	43448				
01/13/2012	853715				
09/13/2012	686445				
			Totals ► 18(b)	1583608	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 contributions 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	1462334

20 Quarterly contributions and liquidity shortfalls:

a Did the plan have a "funding shortfall" for the prior year? [X] Yes [ ] No

b If 20a is "Yes," were required quarterly installments for the current year made in a timely manner? [X] 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:	2nd segment:	3rd segment:	
3.78%	6.31%	6.57 %	☐ N/A, full yield curve used

b Applicable month (enter code)	**21b**	4
22 Weighted average retirement age	**22**	64

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

Part VIII Minimum required contribution for current year

31 Target normal cost and excess assets (see instructions):

a Target normal cost (line 6)	**31a**	515350
b Excess assets, if applicable, but not greater than 31a	**31b**	0

32 Amortization installments:

	Outstanding Balance	Installment
a Net shortfall amortization installment	17377219	3385305
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 (lines 31a - 31b + 32a + 32b - 33)	**34**	3900655

	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement	1410502	1027922	2438424

36 Additional cash requirement (line 34 minus line 35)	**36**	1462231
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	**37**	1462334

38 Present value of excess contributions for current year (see instructions)

a Total (excess, if any, of line 37 over line 36)	**38a**	103
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	**38b**	103
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	**39**	0
40 Unpaid minimum required contributions for all years	**40**	0

Part IX Pension funding relief under Pension Relief Act of 2010 (see instructions)

41 If a shortfall amortization base is being amortized pursuant to an alternative amortization schedule:

a Schedule elected ☐ 2 plus 7 years ☐ 15 years

b Eligible plan year(s) for which the election in line 41a was made ☐ 2008 ☐ 2009 ☐ 2010 ☐ 2011

42 Amount of acceleration adjustment	**42**	
43 Excess installment acceleration amount to be carried over to future plan years	**43**	

SCHEDULE C (Form 5500)	Service Provider Information	OMB No. 1210-0110
Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	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.**	**2011** **This Form is Open to Public Inspection.**

For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

A Name of plan
THE STEINWAY MUSICAL PENSION PLAN

B Three-digit plan number (PN) ▶ 002

C Plan sponsor's name as shown on line 2a of Form 5500
STEINWAY MUSICAL INSTRUMENTS, INC.

D Employer Identification Number (EIN)
35-1910745

Part I Service Provider Information (see instructions)

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)

SHEPHERD KAPLAN, LLC

04-3404767

(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 50	NONE	169725	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

SENTINEL BENEFITS GROUP, INC.

04-3015875

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
15 50	NONE	124094	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

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

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)

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

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

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

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

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

Part I Service Provider Information (continued)

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

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

Part II Service Providers Who Fail or Refuse to Provide Information

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

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

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

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

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

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

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

Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)

(complete as many entries as needed)

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

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

2011

This Form is Open to Public Inspection

For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

A Name of plan
THE STEINWAY MUSICAL PENSION PLAN

B Three-digit plan number (PN) ▶ 002

C Plan sponsor's name as shown on line 2a of Form 5500
STEINWAY MUSICAL INSTRUMENTS, INC.

D Employer Identification Number (EIN)
35-1910745

Part I Asset and Liability Statement

1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a	16212	8940
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	2600000	1540160
(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)	2361882	405030
(2) U.S. Government securities	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)	12347226	13600457
(5) Partnership/joint venture interests	1c(5)	4749507	6444024
(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)	27562604	22401819
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)	0	
(15) Other	1c(15)	2554268	3145070

			(a) Beginning of Year	(b) End of Year
1d	Employer-related investments:			
	(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	52191699	47545500
	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 through1j)	1k	0	0
	Net Assets			
l	Net assets (subtract line 1k from line 1f)	1l	52191699	47545500

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)	1583608	
	(B) Participants	2a(1)(B)	6115	
	(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)		1589723
b	**Earnings on investments:**			
	(1) Interest:			
	(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	3144	
	(B) U.S. Government securities	2b(1)(B)		
	(C) Corporate debt instruments	2b(1)(C)		
	(D) Loans (other than to participants)	2b(1)(D)		
	(E) Participant loans	2b(1)(E)		
	(F) Other	2b(1)(F)	57961	
	(G) Total interest. Add lines **2b(1)(A)** through **(F)**	2b(1)(G)		61105
	(2) Dividends: **(A)** Preferred stock	2b(2)(A)		
	(B) Common stock	2b(2)(B)	84189	
	(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	376728	
	(D) Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)**	2b(2)(D)		460917
	(3) Rents	2b(3)		
	(4) Net gain (loss) on sale of assets: **(A)** Aggregate proceeds	2b(4)(A)	2990458	
	(B) Aggregate carrying amount (see instructions)	2b(4)(B)	2957538	
	(C) Subtract line **2b(4)(B)** from line **2b(4)(A)** and enter result	2b(4)(C)		32920

		(a) Amount	(b) Total
2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)		
(B) Other	2b(5)(B)	1069062	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		1069062
(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)		-3965157
c Other income	2c		87647
d Total income. Add all **income** amounts in column (b) and enter total	2d		-663783
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	3688317	
(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)		3688317
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)	124094	
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)	169725	
(4) Other	2i(4)	280	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		294099
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		3982416
Net Income and Reconciliation			
k Net income (loss). Subtract line 2j from line 2d	2k		-4646199
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) [X] 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 [X] No

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

(1) Name: SAMET & COMPANY, PC (2) EIN: 04-3027605

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.)			
	4a		X	
b	Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)			
	4b		X	
c	Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)			
	4c		X	
d	Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)			
	4d		X	
e	Was this plan covered by a fidelity bond?			
	4e	X		1000000
f	Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?			
	4f		X	
g	Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?			
	4g		X	
h	Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?			
	4h		X	
i	Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)			
	4i	X		
j	Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)			
	4j	X		
k	Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?			
	4k		X	
l	Has the plan failed to provide any benefit when due under the plan?			
	4l		X	
m	If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)			
	4m		X	
n	If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.			
	4n			

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

2011

This Form is Open to Public Inspection.

For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

A Name of plan
THE STEINWAY MUSICAL PENSION PLAN

B Three-digit plan number (PN) ▶ 002

C Plan sponsor's name as shown on line 2a of Form 5500
STEINWAY MUSICAL INSTRUMENTS, INC.

D Employer Identification Number (EIN)
35-1910745

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): 58-1428634

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 of 412 of the Internal Revenue Code or ERISA section 302, skip this Part)

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? ..... ☐ Yes ☒ No ☐ N/A

If the plan is a defined benefit plan, go to line 8.

5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. **Date:** Month _____ Day _____ Year _____

If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.

6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived) 6a

b Enter the amount contributed by the employer to the plan for this plan year 6b

c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount) 6c

If you completed line 6c, skip lines 8 and 9.

7 Will the minimum funding amount reported on line 6c be met by the funding deadline? ..... ☐ Yes ☐ No ☐ N/A

8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change? ..... ☐ Yes ☐ No ☒ N/A

Part III Amendments

9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box. ..... ☐ Increase ☐ Decrease ☐ Both ☒ No

Part IV ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.

10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan? ..... ☐ Yes ☐ No

11 a Does the ESOP hold any preferred stock? ..... ☐ Yes ☐ No

b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.) ..... ☐ Yes ☐ No

12 Does the ESOP hold any stock that is not readily tradable on an established securities market? ..... ☐ Yes ☐ No

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

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

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

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

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete 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: 90% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: 10% 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):

THE STEINWAY MUSICAL PENSION PLAN

FINANCIAL STATEMENTS
AND SUPPLEMENTAL SCHEDULES

As of December 31, 2011 and 2010

TOGETHER WITH AUDITORS' REPORT

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All other schedules required by Section 2520.103-10 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 have been omitted because they are not applicable.

SAMET

Certified Public Accountants
Employee Benefit Plan Audits

INDEPENDENT AUDITORS' REPORT

To the Plan Administrator of
The Steinway Musical Pension Plan

We have audited the accompanying statements of net assets available for benefits of The Steinway Musical Pension Plan (the "Plan") as of December 31, 2011 and 2010, and the related statement of changes in net assets available for benefits for the year ended December 31, 2011. 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 financial status of The Steinway Musical Pension Plan as of December 31, 2011 and 2010, and changes in its financial status for the year ended December 31, 2011 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 basic financial statements taken as a whole. The supplemental schedules, as listed in the accompanying table of contents, are presented for the purpose of additional analysis and are not a required part of the basic financial statements, but are supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The supplemental schedules are the responsibility of the Plan's management. The supplemental information has been subjected to the auditing procedures applied in the audit of the basic financial statements as of December 31, 2011 and for the year then ended, and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Samet & Company PC

Chestnut Hill, Massachusetts
October 9, 2012

Samet & Company PC
1330 Boylston Street
Chestnut Hill, MA 02467

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Employee Benefit Plan Audit Quality Center
AICPA

THE STEINWAY MUSICAL PENSION PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
December 31, 2011 and 2010

ASSETS

	2011	2010
Investments, at fair value:		
Cash and cash equivalents	$ 405,030	$ 2,361,882
Common trust funds:		
Common pooled funds	6,444,024	4,749,507
Mutual funds:		
Equity investments	22,401,819	26,305,049
Fixed income investments	-	1,257,555
Debt securities	3,145,070	2,554,268
Common stocks and equities	13,600,457	12,347,226
Total investments	45,996,400	49,575,487
Cash reserves	8,940	16,212
Receivables:		
Employer contributions	1,540,160	2,600,000
Net assets available for benefits	$ 47,545,500	$ 52,191,699

See notes to financial statements

THE STEINWAY MUSICAL PENSION PLAN

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
Year Ended December 31, 2011

Additions to net assets attributed to:		
Investment income (loss):		
Net depreciation in fair value of investments	$	(3,298,710)
Interest and dividends		957,557
		(2,341,153)
Contributions:		
Employee contributions		6,115
Employer contributions		1,583,608
		1,589,723
Total additions		(751,430)
Deductions from net assets attributed to:		
Benefits paid to participants		3,688,317
Administrative expenses, net		206,452
Total deductions		3,894,769
Decrease in net assets		(4,646,199)
Net assets available for benefits, beginning of year		52,191,699
Net assets available for benefits, end of year	$	47,545,500

See notes to financial statements



THE STEINWAY MUSICAL PENSION PLAN

NOTES TO FINANCIAL STATEMENTS
December 31, 2011 and 2010

Note 1 **Description of Plan**

The following description of The Steinway Musical Pension Plan (the "Plan") is provided for general informational purposes only. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

General

The Plan covers all eligible employees of the plan sponsor, Steinway Musical Instruments, Inc. ("SMI"), through its U.S. piano division, Steinway and its band division Conn-Selmer, Inc. ("Conn-Selmer"). SMI, Steinway and Conn-Selmer are individually and collectively referred to as the "Company." The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA").

Pension benefits

Annual pension benefits for each covered company are as follows:

Employees of Conn-Selmer

Hourly

The Conn-Selmer hourly employees portion of the Plan originated from six separate union agreements, identified as "Elkhart", "Musser", "Monroe", "String", "Eastlake" and "IDC." Benefits under the Monroe and String agreements were frozen effective December 31, 2002. Benefits under the Elkhart agreement were frozen effective September 30, 2009. On November 9, 2011, the Plan was amended and benefits under the Eastlake agreement were frozen effective December 31, 2011. The remaining agreements allow eligible participants to continue to accrue benefits according to the Plan document.

Employees with five or more years of eligible service are entitled to annual pension benefits beginning at the normal retirement age (65). The amount of benefits is based on the number of years of credited service multiplied by a dollar amount, as specified in the Plan. The Plan permits early retirement at ages 60-64 after five years of eligible service. Retirement benefits are paid to pensioners or beneficiaries in various forms of joint and survivor annuities, including a lump-sum payment option.

Employees who have at least five years of eligible service at termination of employment with the Company, and are not entitled to any other pension under the Plan, are eligible to receive a deferred vested benefit. The benefit is payable at the normal retirement date or, if the employee so elects, on a reduced basis after attainment of age 60. The amount of benefit is calculated in the same manner as described above, reduced by an amount based on the age of the employee.

Certain death and disability benefits are also available as described in the Plan.

Note 1 **Description of Plan (continued)**

Employees of Conn-Selmer (continued)

Salaried
Employees with five or more years of eligible service are entitled to annual pension benefits beginning at the normal retirement age (65). The amounts of benefits are based on the number of years of credited service multiplied by the percentage of average compensation, as specified in the Plan. The Plan permits early retirement at age 55-64 after five years of eligible service. Retirement benefits are paid to pensioners or beneficiaries in various forms of joint and survivor annuities, including a lump-sum payment option.

Employees who have at least five years of eligible service at termination of employment with the Company, and are not entitled to any other pension under the Plan, are eligible to receive a deferred vested benefit. The benefit is payable at the normal retirement date or, if the employee so elects, on a reduced basis after attainment of age 55. The amount of benefit is calculated in the same manner as described above. Accrued benefits were frozen as of December 31, 2002.

Employees of Steinway
The Plan provides for regular retirement benefits for employees who retire at age 65 and were participants in the Plan on June 30, 1993. Such benefits are defined in the Plan agreement and are based on compensation levels and the number of years of service as of June 30, 1993 and primary Social Security benefits.

The Plan also provides for early retirement benefits at a reduced level. All participants' who earned retirement benefits became fully vested at March 31, 1993 in connection with the 1993 Plan amendment. Eligible participants continued to earn nine dollars per service year worked after June 30, 1993 until December 31, 2003 when all accrued benefits were frozen. Payment of vested benefits is deferred until the participant reaches retirement age. Retirement benefits are paid to pensioners or beneficiaries in various forms of joint and survivor annuities, including a lump-sum payment option.

Cash reserves
Certain mutual fund expenses, which are charged by the mutual fund companies are recaptured by the Plan and held in a cash reserve account. These funds are then used to pay for expenses of the Plan that benefit the Plan participants, as approved by the Internal Revenue Service ("IRS"), the Department of Labor ("DOL") and ERISA. As of December 31, 2011 and 2010, the balance in this fund amounted to $8,940 and $16,212 respectively.

Note 2 **Summary of significant accounting policies**

The following is a summary of the significant accounting policies followed by the Plan:

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

Investment valuation and income recognition
Investments in mutual funds and common trust funds are stated at the aggregate current value based upon quoted redemption values on the last business day of the Plan's year. Investments in securities (U.S. Government securities, corporate bonds, equity securities, etc.) traded on a national securities exchange are valued at the last reported sales price on the last business day of the Plan's year, and securities traded in the over-the-counter market and listed securities for which no sale was reported on that date are valued at the mean between the last reported bid and asked price. Common pooled funds are valued at fair value as reported by the separate funds. As of December 31, 2011, debt securities, consisting of investments in municipal bonds and U.S. Treasury Obligations, are valued monthly at a net asset value per membership unit by the custodian. Municipal bonds are valued using recently executed transactions, market price quotations and pricing models that factor in, where applicable, interest rates, and bond or default risk spreads and U.S. Treasury Obligations are valued using quoted market prices. As of December 31, 2010, debt securities are stated at the aggregate current value based primarily on quotations supplied by a third-party loan pricing service or trades made in over the counter secondary markets on the last business day of the Plan's year.

Realized gains and losses on investments sold and the unrealized appreciation and depreciation of investments held are reported on a trade-date basis, based on fair market value of the investments at the beginning of the Plan year or at the time of purchase during the Plan year.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

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

Administrative expenses
Administrative expenses of the Plan are paid by either the Plan or the Company, as provided in the Plan document. Administrative expenses have been reduced by $87,647 related to mutual fund fees recaptured by the Plan for the year ended December 31, 2011.

Note 2 **Summary of significant accounting policies (continued)**

Fair value
Accounting standards provide a common definition of fair value and establishes a framework to make the measurement of fair value in generally accepted accounting principles more consistent and comparable. Accounting standards also require expanded disclosures to provide information about the extent to which fair value is used to measure certain financial assets, the methods and assumptions used to measure fair value, and the effect of fair value measures on earnings. The Plan's financial assets reflected in the financial statements at fair value include its investments (see Note 10).

Payment of benefits
Benefit payments to participants are recorded when paid.

Subsequent events
The Plan has evaluated subsequent events through October 9, 2012, which is the date the financial statements were available to be issued.

Note 3 **Actuarial present value of accumulated plan benefits**

Accumulated plan benefits are those future periodic payments, including lump-sum distributions, that are attributable under the Plan's provisions to service rendered by employees as of the valuation date. Accumulated plan benefits include benefits expected to be paid to (a) retired or terminated employees or their beneficiaries, (b) beneficiaries of employees who have died and, (c) present employees or their beneficiaries. The actuarial present value of accumulated plan benefits is determined by an independent actuary and is that amount that results from applying actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements such as for death, disability, withdrawal, or retirement) between the valuation date and the expected date of payment.

The effect of Plan amendments on accumulated plan benefits is recognized during the year in which such amendments become effective.

The actuarial present value of accumulated plan benefits was calculated by the Plan's consulting actuary, as of January 1, 2012 and 2011.

The significant assumptions underlying the January 1, 2012 actuarial computations are as follows:

Assumed rate of return on investment	- 8.0% per annum
Mortality basis	- 2012 Static Mortality Table for annuitants and non-annuitants

Note 3 **Actuarial present value of accumulated plan benefits (continued)**

Retirement age	- Rates of retirement beginning at age 58 for Steinway and Conn-Selmer salaried employees and age 60 for Steinway and Conn-Selmer hourly employees if the participant is eligible for retirement benefits.

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

As of January 1, 2012 and 2011, the actuarial present value of accumulated plan benefits was as follows:

	2011	2010
Vested benefits:		
Participants currently receiving payment	$ 31,372,237	$ 29,370,828
Other participants	18,493,211	17,831,766
Total vested benefits	49,865,448	47,202,594
Nonvested benefits	566,785	815,762
Total actuarial present value of accumulated plan benefits	$ 50,432,233	$ 48,018,356

Changes in the actuarial present value of accumulated plan benefits for the year ended January 1, 2012 was as follows:

Actuarial present value of accumulated plan benefits - beginning of year	$ 48,018,356
Increase (decrease) during the year attributable to:	
Interest, benefits accumulated and change in assumptions	6,102,194
Benefits paid	(3,688,317)
Net increase	2,413,877
Actuarial present value of accumulated plan benefits - end of year	$ 50,432,233

Note 4 **Funding policy**

Contributions to provide benefits under the Plan are made solely by the Company. The Company's funding policy is to make annual contributions to the Plan in amounts that are required to meet the funding limit, as determined by the Plan's independent actuary. The Company met the minimum funding requirements of ERISA for the years ended December 31, 2011 and 2010.

Certain salaried employees of Conn-Selmer maintain a family survivor benefit provision. The provision is a voluntary contribution option for which contributions aggregated $6,115 during the year ended December 31, 2011.

Note 5 **Investments**

The Plan's investments that represented 5% or more of net assets available for benefits as of December 31, 2011 and 2010 are as follows:

	2011	2010
Mutual Funds:		
Ivy Global Natural Resources Cl Y	$ 6,239,279	$ **
FPA Crescent Institutional Fund	4,715,117	5,045,953
CGM Focus Fund	3,003,028	3,126,033
Aberdeen Emerging Markets Instl	2,834,270	2,728,869
Brandes Instl International Equity Fund	**	2,522,473
Causeway International Value Fund	**	2,649,380
Ivy Global Natural Resources Cl A	**	8,813,024
Debt Securities:		
Definitive Guardian Fund Ltd.	3,145,070	**
ING Euro Loans Fund I, LLC	**	2,554,268
Common Stocks and Equities:		
Berkshire Hathaway Inc. Class A	5,852,505	6,504,300
Exxon Mobil Corp	3,178,839	2,742,292

** Investment was not owned or did not exceed 5% of the Plan's net asset value as of December 31 of the indicated year.

Note 5 **Investments (continued)**

During 2011, the Plan's investments (including investments bought, sold, as well as held during the year) appreciated (depreciated) as follows:

	Amount
Common pooled funds	$ (65,880)
Mutual funds:	
Equity investments	(3,965,160)
Common stocks and equities	535,570
Debt securities	196,760
	$ (3,298,710)

Note 6 **Plan termination**

Although it has not expressed any intention to do so, the Company has the right under the Plan, in certain circumstances, to discontinue its contributions at any time and to terminate the Plan subject to the provisions set forth in ERISA. In the event the Plan is terminated, the net assets of the Plan will be allocated for payment of Plan benefits to the participants in an order of priority determined in accordance with ERISA, applicable regulations thereunder and the Plan document.

Certain benefits under the Plan are insured by the Pension Benefits Guaranty Corporation ("PBGC") if the Plan terminates. Generally, the PBGC guarantees most vested normal age retirement benefits, early retirement benefits, and certain disability and survivors pension. However, the PBGC does not guarantee all types of benefits under the Plan, and the amount of benefit protection is subject to certain limitations. Vested benefits under the Plan are guaranteed at the level in effect on the date of the Plan's termination, subject to a statutory ceiling on the amount of an individual's monthly benefit.

Whether all participants receive their benefits should the Plan be terminated at some future time will depend on the sufficiency, at that time, of the Plan's net assets to provide those benefits, the priority of those benefits to be paid and the level and type of benefits guaranteed by the 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 7 **Tax status**

The Internal Revenue Service ("IRS") has determined and informed the Plan sponsor by letters, dated February 7, 2004 and September 20, 2004, that the Plan and related trust were designed in accordance with the applicable regulations of the Internal Revenue Code ("IRC").

Effective January 1, 2010, the Plan has been restated and submitted to the IRS for a favorable determination letter. The plan administrator believes that the Plan, as restated, is currently designed and operated in compliance with the applicable requirements of the IRC and the Plan and related trust continue to be tax-exempt. Therefore, no provision for income taxes has been included in the Plan's financial statements.

The Financial Accounting Standards Board has issued a standard regarding the accounting and recognition of income tax positions taken or expected to be taken by the Plan. The plan administrator assesses the tax positions taken by the Plan and has concluded that as of December 31, 2011, there are no uncertain tax positions taken or expected to be taken that would require recognition or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The plan administrator believes it is no longer subject to income tax examinations for years prior to 2008.

Note 8 **Related-party transactions**

The Company provides certain accounting, recordkeeping and administrative services to the Plan for which it receives no compensation. All custodian and actuarial fees are paid by either the Plan or the Company, as provided in the Plan document. Certain Plan investments are managed by Fidelity Management Trust Company. Fidelity Management Trust Company is the custodian as defined by the Plan and, therefore, these transactions qualify as party-in-interest transactions.

As of December 31, 2011, the Plan held 52,631 shares of common stock of Steinway, at a cost basis of $19.00 per share, and a fair market value of $25.04 per share. This transaction is statutorily exempt from the prohibitions against party-in-interest transactions under ERISA.

Note 9 **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 employee compensation 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.

Note 10 **Fair value measurements**

Accounting standards require that financial assets and liabilities, recognized or disclosed in financial statements on a recurring basis (at least annually), be measured at fair value. These standards define fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date.

These standards also establish a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. These standards describe three levels of inputs that may be used to measure fair value:

Level 1 - Quoted prices in active markets for identical assets or liabilities that are accessible at the measurement date.

Level 2 - Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities in active markets; quoted prices for similar assets or liabilities in markets that are not active; or model-derived valuations or other inputs that are observable or can be corroborated by observable market data for the assets or liabilities.

Level 3 - Unobservable inputs for the asset or liability. These inputs reflect the Plan's assumptions about the assumptions a market participant would use in pricing the asset or liability.

The Plan uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Plan measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 2 and Level 3 inputs are only used when higher level inputs are not available.

Note 10 **Fair value measurements (continued)**

The following table summarizes the valuation of the Plan's financial assets at December 31, 2011:

	Level 1	Level 2	Level 3	Total
Mutual funds:				
Balanced funds	$ 5,962,460	$ -	$ -	$ 5,962,460
Growth funds	16,439,359	-	-	16,439,359
Total mutual funds	22,401,819	-	-	22,401,819
Common pooled funds	-	-	6,444,024	6,444,024
Common stocks and equities	13,600,457	-	-	13,600,457
Debt securities	-	3,145,070	-	3,145,070
Cash and cash equivalents	405,030	-	-	405,030
Total assets at fair value	$ 36,407,306	$ 3,145,070	$ 6,444,024	$ 45,996,400

The following table summarizes the valuation of the Plan's financial assets at December 31, 2010:

	Level 1	Level 2	Level 3	Total
Mutual funds:				
Balanced funds	$ 6,465,270	$ -	$ -	$ 6,465,270
Growth funds	19,839,779	-	-	19,839,779
Fixed income	1,257,555	-	-	1,257,555
Total mutual funds	27,562,604	-	-	27,562,604
Common pooled funds	-	-	4,749,507	4,749,507
Common stocks and equities	12,347,226	-	-	12,347,226
Debt securities	-	2,554,268	-	2,554,268
Cash and cash equivalents	2,361,882	-	-	2,361,882
Total assets at fair value	$ 42,271,712	$ 2,554,268	$ 4,749,507	$ 49,575,487

The fair value of the cash and cash equivalents, equity funds, fixed income investments and common stocks is based on quoted net asset values of the shares held by the Plan as of December 31, 2011 and 2010. The common pooled funds are valued mainly using the "market approach" which utilizes comparable company transactions. Other methodologies may be used, as appropriate, which include discounting cash flows, valuing net assets, and industry specific benchmarking.

Note 10 **Fair value measurements (continued)**

The debt securities, held by the Plan as of December 31, 2011, are valued monthly at a net asset value per membership unit by the custodian using primarily recently executed transactions, market price quotations and pricing models that factor in, where applicable, interest rates, and bond or default risk spreads. The debt securities held by the Plan as of December 31, 2010 are valued at a net asset value per membership unit by the custodian using primarily quotations supplied by a third-party loan pricing service or trades made in over the counter secondary markets.

The following table provides further details of the Level 3 fair value measurements as of December 31, 2011 and 2010:

	Common Pooled Funds	Insurance Annuity Contract	Totals
Balance as of January 1, 2010	$ 2,919,276	$ 1,802,363	$ 4,721,639
Total gains and losses (realized and unrealized) included in changes in net assets available for benefits	129,692	-	129,692
Interest and dividends	357,135	25,546	382,681
Purchases, sales, issuances and settlements (net)	1,343,404	(1,827,909)	(484,505)
Balance as of December 31, 2010	4,749,507	-	4,749,507
Total gains and losses (realized and unrealized) included in changes in net assets available for benefits	(65,880)	-	(65,880)
Interest and dividends	435,535	-	435,535
Purchases, sales, issuances and settlements (net)	1,324,862	-	1,324,862
Balance as of December 31, 2011	$ 6,444,024	$ -	$ 6,444,024

Note 11 **Contingency**

During 2005, the U.S. Department of Labor notified the Company of certain inconsistencies between the text of the summary plan description (SPD) and ERISA regulations. The Company is currently in the process of amending the SPD to comply with ERISA regulations. The cost of non-compliance, if any, cannot be determined at this time.

Note 12 **Subsequent events**

On February 23, 2012, the Plan committed to purchase a limited partnership interest in Chambers Energy Capital II, LP (the "Partnership"). The Plan has a capital commitment of $5,000,000, as specified in the Partnership subscription agreement.

On March 22, 2012, the Plan was amended to freeze participation and benefit accruals for hourly employees of the IDC of the Elkhart North facility of Conn-Selmer, Inc. effective May 31, 2012.

THE STEINWAY MUSICAL PENSION PLAN

SCHEDULE H, LINE 4I - SCHEDULE OF ASSETS (HELD AT END OF YEAR)
December 31, 2011

EIN: 35-1910745
Plan #: 002

a)	b) Identity of Issue, Borrower, Lessor or Similar Party	c) Description of Investment Including Maturity Date, Interest Rate, Collateral, and Par or Maturity Value	d) Cost	e) Current Value
*	Cash and cash equivalents:	Fidelity Cash Reserves	$ 59,211	$ 59,211
		Reliance Trust Company	310,831	310,831
		Schwab Money Market	34,988	34,988
	Total cash and cash equivalents		405,030	405,030
	Common pooled funds:	Falcon Mezzanine Partners, LP Fund I	29,457	91,923
		Falcon Mezzanine Partners, LP Fund II	1,588,376	1,452,651
		Falcon Mezzanine Partners, LP Fund III	1,564,242	1,687,124
		Chambers Energy Capital Exempt	1,172,412	1,191,165
		Chambers Energy Capital Exempt Special	1,730,653	1,768,541
		Cam Core + Fund I, LLC	910,794	2,803
		Cam Core Investors Loan LLC	249,817	249,817
	Total common pooled funds		7,245,751	6,444,024
	Mutual funds - equity investments:	Aberdeen Emerging Markets Instl	2,473,715	2,834,270
		Causeway International Value Fund	2,786,012	1,998,943
		CGM Focus Fund	2,971,918	3,003,028
		FPA Crescent Institutional Fund	3,871,361	4,715,117
		Hancock Horizon Diversified FD Trust	2,490,260	2,363,839
		Ivy Asset Strategy Cl A	1,402,169	1,247,343
		Ivy Global Natural Resources Cl Y	8,441,165	6,239,279
	Total mutual funds - equity investments		24,436,600	22,401,819
	Debt securities:	Definitive Guardian Fund Ltd.	3,000,000	3,145,070
	Common stocks and equities:	Berkshire Hathaway Inc. Class A	4,500,503	5,852,505
		Berkshire Hathaway Inc. Class B	2,262,991	2,319,138
		Moody's Corporation	1,019,764	932,095
*		Steinway Musical Instruments Inc.	999,989	1,317,880
		Exxon Mobil Corp	2,514,430	3,178,839
	Total common stocks and equities		11,297,677	13,600,457
		Total investments	$ 46,385,058	$ 45,996,400

* = Party-in-interest

THE STEINWAY MUSICAL PENSION PLAN

SCHEDULE H, LINE 4J - SCHEDULE OF REPORTABLE TRANSACTIONS
Year Ended December 31, 2011

EIN: 35-1910745
Plan #: 002

Identity of Party Involved	Description of Asset	Purchase Price		Number of Purchases	Selling Price		Number of Sales	Cost of Asset	Current Value of Asset on Transaction date	Net Gain (Loss)
Series of transactions in same security in excess of 5% of plan assets:										
Fidelity Investments	Ivy Global Natural Resources Cl A	-		-	9,288,371	*	2	4,304,552	9,288,371	4,983,819
Fidelity Investments	Ivy Global Natural Resources Cl Y	8,598,300	**	2	-		-	8,598,300	8,598,300	-
Fidelity Investments	Ivy Global Natural Resources Cl Y	-		-	125,000		1	157,135	125,000	(32,135)

* Includes single transaction of $8,588,371
** Includes single transaction of $8,588,300

Transactions or series of transactions in excess of 5% of the current value of the Plan's assets as of January 1, 2011 as defined in section 2520.103-6 of the Department of Labor Rules and Regulations for Reporting and Disclosure under ERISA.

Name of Plan: The Steinway Musical Pension Plan

Three Digit Plan Number: 002

Employer Identification Number: 35-1910745

SCHEDULE H, LINE 4I - ASSETS (HELD AT END OF YEAR)

a)	b) Identity of Issue, Borrower, Lessor or Similar Party	c) Description of Investment Including Maturity Date, Interest Rate, Collateral, and Par or Maturity Value	d) Cost	e) Current Value
*	Cash and cash equivalents:	Fidelity Cash Reserves	$ 59,211	$ 59,211
		Reliance Trust Company	310,831	310,831
		Schwab Money Market	34,988	34,988
	Common pooled funds:	Falcon Mezzanine Partners, LP Fund I	29,457	91,923
		Falcon Mezzanine Partners, LP Fund II	1,588,376	1,452,651
		Falcon Mezzanine Partners, LP Fund III	1,564,242	1,687,124
		Chambers Energy Capital Exempt	1,172,412	1,191,165
		Chambers Energy Capital Exempt Special	1,730,653	1,768,541
		Cam Core + Funds, LLC	910,794	2,803
		Cam Core Investors Loan LLC	249,817	249,817
	Mutual funds - equity investments:	Aberdeen Emerging Markets Instl	2,473,715	2,834,270
		Causeway International Value Fund	2,786,012	1,998,943
		CGM Focus Fund	2,971,918	3,003,028
		FPA Crescent Institutional Fund	3,871,361	4,715,117
		Hancock Horizon Diversified FD Trust	2,490,260	2,363,839
		Ivy Asset Strategy Cl A	1,402,169	1,247,343
		Ivy Global Natural Resources Cl Y	8,441,165	6,239,279
	Debt securities:	Definitive Guardian Fund Ltd.	3,000,000	3,145,070
	Common stocks and equities:	Berkshire Hathaway Inc. Class A	4,500,503	5,852,505
		Berkshire Hathaway Inc. Class B	2,262,991	2,319,138
		Moody's Corporation	1,019,764	932,095
*		Steinway Musical Instruments Inc.	999,989	1,317,880
		Exxon Mobil Corp	2,514,430	3,178,839
		Total investments	$ 46,385,058	$ 45,996,400

* = Party-in-interest

THE STEINWAY MUSICAL PENSION PLAN

SCHEDULE H, LINE 4J - SCHEDULE OF REPORTABLE TRANSACTIONS
Year Ended December 31, 2011

EIN: 35-1910745
Plan #: 002

Identity of Party Involved	Description of Asset	Purchase Price		Number of Purchases	Selling Price		Number of Sales	Cost of Asset	Current Value of Asset on Transaction date	Net Gain (Loss)
Series of transactions in same security in excess of 5% of plan assets:										
Fidelity Investments	Ivy Global Natural Resources Cl A	-		-	9,288,371	*	2	4,304,552	9,288,371	4,983,819
Fidelity Investments	Ivy Global Natural Resources Cl Y	8,598,300	**	2	-		-	8,598,300	8,598,300	-
Fidelity Investments	Ivy Global Natural Resources Cl Y	-		-	125,000		1	157,135	125,000	(32,135)

* Includes single transaction of $8,588,371
** Includes single transaction of $8,588,300

Transactions or series of transactions in excess of 5% of the current value of the Plan's assets as of January 1, 2011 as defined in section 2520.103-6 of the Department of Labor Rules and Regulations for Reporting and Disclosure under ERISA.

Schedule SB Attachment (Form 5500)—2011 Plan Year
The Steinway Musical Instruments, Inc. Pension Plan
EIN: 35-1910745 PN: 002

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

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

	Selmer Hourly		Steinway Salaried		UMI		Selmer Salaried	
	Rates	**Weighted**	**Rates**	**Weighted**	**Rates**	**Weighted**	**Rates**	**Weighted**
58	N/A	N/A	0.05	2.90	N/A	N/A	0.05	2.90
59	N/A	N/A	0.05	2.80	N/A	N/A	0.05	2.80
60	0.10	6.00	0.05	2.71	0.10	6.00	0.05	2.71
61	0.10	5.49	0.05	2.62	0.10	5.49	0.05	2.62
62	0.30	15.07	0.30	15.18	0.30	15.07	0.30	15.18
63	0.20	7.15	0.10	3.60	0.20	7.15	0.10	3.60
64	0.20	5.81	0.15	4.94	0.20	5.81	0.15	4.94
65	0.40	9.44	0.40	11.37	0.40	9.44	0.40	11.37
66	0.15	2.16	0.05	0.87	0.15	2.16	0.05	0.87
67	0.15	1.86	0.05	0.84	0.15	1.86	0.05	0.84
68	0.15	1.60	1.00	16.20	0.15	1.60	1.00	16.20
69	0.15	1.38	1.00	0.00	0.15	1.38	1.00	0.00
70	1.00	7.93	1.00	0.00	1.00	7.93	1.00	0.00
		63.89		64.03		63.89		64.03
Counts		134		32		262		44

Weighted Average Retirement Age 63.91

Schedule SB Attachment (Form 5500)—2011 Plan Year
The Steinway Musical Instruments, Inc. Pension Plan
EIN: 35-1910745 PN: 002

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

For ERISA Requirements	
Interest rates	Based on segment rates with a four-month lookback
1st segment rate	3.78%
2nd segment rate	6.31%
3rd segment rate	6.57%
Retirement age	
Active participants	See Tables 1-2
Terminated vested participants	Age 65
Mortality rates	
Healthy and disabled	2011 static mortality table for annuitants and non-annuitants per §1.430(h)(3)-1(e)
Withdrawal rates	See Tables 3-4
Disability rates	See Table 5
Decrement timing	Beginning of year decrements
Surviving spouse benefit	It is assumed that 80% of males and 80% of females have an eligible spouse, and that males are three years older than their spouses.
Benefit limits	Projected benefits are limited by the current IRC section 415 maximum benefit of $195,000.

Schedule SB Attachment (Form 5500)—2011 Plan Year
The Steinway Musical Instruments, Inc. Pension Plan
EIN: 35-1910745 PN: 002

For ERISA Requirements

Valuation of plan assets	Smoothed fair market value of assets over the current and prior two years, adjusted for contributions, benefit payments, administrative expenses, and expected earnings. The average value of assets calculated in this manner is further limited to not less than 90% nor more than 110% of fair market value. A characteristic of this method is that the expected distribution of the value of plan assets is skewed toward understatement relative to the corresponding market values for expected long-term rates of return in excess of the third segment rate under IRC section 430(h)(2)(C)(iii).
Expected return on assets	
2009 plan year	8.00%
2010 plan year	8.00%
Trust expenses included in target normal cost	Based on prior year's administrative expenses. PBGC premiums are assumed to not be paid from the trust.
Actuarial method	Standard unit credit cost method.
Valuation date	January 1, 2011

Changes in ERISA Methods/Assumptions since the Prior Year

Assumption Changes
The funding valuation does not reflect any assumption change.

Schedule SB Attachment (Form 5500)—2011 Plan Year
The Steinway Musical Instruments, Inc. Pension Plan
EIN: 35-1910745 PN: 002

Actuarial Assumptions and Methods

Table 1

Retirement Rates—Retirement rates (Steinway Salaried Rates, Selmer Salaried Rates)

Age	Rate
58	5.00%
59	5.00%
60	5.00%
61	5.00%
62	30.00%
63	10.00%
64	15.00%
65	40.00%
66	5.00%
67	5.00%
68+	100.00%

Table 2

Retirement Rates—Retirement rates (Selmer Hourly Rates, UMI Rates)

Age	Rate
60	10.00%
61	10.00%
62	30.00%
63	20.00%
64	20.00%
65	40.00%
66	15.00%
67	15.00%
68	15.00%
69	15.00%
70+	100.00%

Schedule SB Attachment (Form 5500)—2011 Plan Year
The Steinway Musical Instruments, Inc. Pension Plan
EIN: 35-1910745 PN: 002

Table 3

Withdrawal Rates—Termination (Steinway Salaried)

Age	Rate	Age	Rate
15	7.9384%	45	3.9753%
16	7.9384%	46	3.7270%
17	7.9384%	47	3.4650%
18	7.9384%	48	3.1850%
19	7.9384%	49	2.8841%
20	7.9384%	50	2.5627%
21	7.8989%	51	2.2260%
22	7.8587%	52	1.8837%
23	7.8169%	53	1.5472%
24	7.7723%	54	1.2288%
25	7.7242%	55	0.9394%
26	7.6700%	56	0.6847%
27	7.5912%	57	0.4713%
28	7.4890%	58	0.3024%
29	7.3654%	59	0.1767%
30	7.2219%	60	0.0901%
31	7.0603%	61	0.0367%
32	6.8829%	62	0.0094%
33	6.6916%	63	0.0000%
34	6.4888%	64	0.0000%
35	6.2764%	65	0.0000%
36	6.0572%	66	0.0000%
37	5.8332%	67	0.0000%
38	5.6066%	68	0.0000%
39	5.3786%	69	0.0000%
40	5.1504%	70	0.0000%
41	4.9206%	71	0.0000%
42	4.6881%	72	0.0000%
43	4.4533%	73	0.0000%
44	4.2159%	74	0.0000%

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Table 4

Withdrawal Rates—Termination (Selmer Hourly Rates, UMI Rates, Selmer Salaried Rates)

Age	Rate	Age	Rate
15	9.9384%	45	6.3540%
16	9.9384%	46	6.0053%
17	9.9384%	47	5.6227%
18	9.9384%	48	5.2000%
19	9.9384%	49	4.7337%
20	9.9384%	50	4.2247%
21	9.8898%	51	3.6823%
22	9.8398%	52	3.1228%
23	9.7877%	53	2.5661%
24	9.7331%	54	2.0347%
25	9.6742%	55	1.5488%
26	9.6114%	56	1.1247%
27	9.5438%	57	0.7718%
28	9.4704%	58	0.4939%
29	9.3906%	59	0.2879%
30	9.3031%	60	0.1465%
31	9.2065%	61	0.0594%
32	9.1000%	62	0.0152%
33	8.9820%	63	0.0000%
34	8.8511%	64	0.0000%
35	8.7062%	65	0.0000%
36	8.5466%	66	0.0000%
37	8.3717%	67	0.0000%
38	8.1815%	68	0.0000%
39	7.9756%	69	0.0000%
40	7.7543%	70	0.0000%
41	7.5151%	71	0.0000%
42	7.2556%	72	0.0000%
43	6.9760%	73	0.0000%
44	6.6758%	74	0.0000%

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Table 5

Disability Rates

Age	Male	Female	Age	Male	Female
15	0.015%	0.011%	45	0.050%	0.036%
16	0.015%	0.011%	46	0.055%	0.040%
17	0.015%	0.011%	47	0.060%	0.043%
18	0.015%	0.011%	48	0.070%	0.050%
19	0.015%	0.011%	49	0.080%	0.058%
20	0.015%	0.011%	50	0.090%	0.065%
21	0.015%	0.011%	51	0.100%	0.072%
22	0.015%	0.011%	52	0.115%	0.083%
23	0.015%	0.011%	53	0.130%	0.094%
24	0.015%	0.011%	54	0.150%	0.108%
25	0.015%	0.011%	55	0.180%	0.130%
26	0.020%	0.014%	56	0.210%	0.151%
27	0.020%	0.014%	57	0.250%	0.180%
28	0.020%	0.014%	58	0.295%	0.212%
29	0.020%	0.014%	59	0.345%	0.248%
30	0.020%	0.014%	60	0.450%	0.324%
31	0.020%	0.014%	61	0.580%	0.418%
32	0.020%	0.014%	62	0.730%	0.526%
33	0.025%	0.018%	63	0.905%	0.652%
34	0.025%	0.018%	64	1.110%	0.799%
35	0.025%	0.018%	65	0.000%	0.000%
36	0.030%	0.022%	66	0.000%	0.000%
37	0.030%	0.022%	67	0.000%	0.000%
38	0.030%	0.022%	68	0.000%	0.000%
39	0.030%	0.022%	69	0.000%	0.000%
40	0.035%	0.025%	70	0.000%	0.000%
41	0.035%	0.025%	71	0.000%	0.000%
42	0.040%	0.029%	72	0.000%	0.000%
43	0.040%	0.029%	73	0.000%	0.000%
44	0.045%	0.032%	74	0.000%	0.000%

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Selmer Hourly Employees

The following summary describes principal plan provisions assumed in calculating the cost of your pension plan:

Eligibility

All employees of the Employer are eligible to participate in the Plan on the first day of the month coinciding with or next following date of hire. Part-time employees (employees working less than 1,000 hours per year) are eligible to participate in the Plan on the first day of the Plan year following the year in which the employee first earns 1,000 hours of service.

Service

Service shall equal total years of service with the Employer. A year of service is credited for each year in which an employee works 1,000 hours, with fractional years of service credited to the nearest 1/10th of a year, determined by dividing the total number of Hours of Service in a Plan year by 1,700. No more than one year of service shall be earned in any Plan year.

Normal Retirement Date

Normal Retirement Date is the first day of the month coincident with or next following attainment of age 65 and 5 years of participation.

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Normal Retirement Benefit

Elkhart:
The amount of annual benefit to be paid in monthly installments for life, based on service to Normal Retirement Date, is $29.50 times years of benefit service minus $13 times years of benefit service as of December 31, 1988. Benefit accruals were frozen for non-union employees as of July 31, 2009.

Musser (LaGrange):
The amount of annual benefit to be paid in monthly installments for life, based on service to Normal Retirement Date, is $26.00 times years of service minus $9.50 times years of benefit service as of December 31, 1988, to a maximum of 40 years of benefit service.

Monroe:
The amount of annual benefit to be paid in monthly installments for life, based on service to Normal Retirement Date, is $10 times years of benefit service earned prior to January 1, 1999 plus $11 times years of benefit service earned after January 1, 1999 minus $8 times years of benefit service as of December 31, 1988, to a maximum of 40 years of benefit service. Benefit accruals were frozen as of December 2002.

String (Glaesel):
The amount of annual benefit to be paid in monthly installments for life, based on service to Normal Retirement Date, is $11 times years of benefit service minus $7 times years of benefit service as of December 31, 1988, to a maximum of 40 years of benefit service. Benefit accruals were frozen as of December 2002.

Delayed Retirement

A participant may continue in the employment of the Employer after his Normal Retirement Date. In such event he will receive at actual retirement or death the Accrued Benefit as of the Delayed Retirement date based on creditable service to that date.

Early Retirement Benefit

Upon the completion of 5 years of service and the attainment of age 60, a participant may elect to retire. He may receive a monthly benefit for life beginning at his Normal Retirement Date equal to the benefit accrued at early retirement date. Payments may begin immediately, with the benefit being reduced .4% for each month by which the payment date precedes the Normal Retirement Date. Participants with 30 or more years of service can begin receiving an unreduced benefit as early as age 62; the benefit is reduced .4% for each month prior to age 62.

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Death Benefit

In the event of a married active participant's death, after having become eligible for early retirement, the benefit payable to the spouse will be calculated assuming that the participant had retired on the day prior to death and elected a Joint and One-Half Survivor benefit.

In the event of a married vested participant's death prior to having become eligible for early retirement, the benefit payable to the spouse will be calculated assuming the participant had terminated on the date of death, survived to the earliest retirement age, elected a Joint and One-Half Survivor benefit, and died the next day.

Severance Benefit

Upon the termination of employment after five or more years of service, a participant shall be vested in his Accrued Benefit which will be payable at Normal Retirement Date. The percentage vested shall be:

Years of Service	Vested Percent
Fewer than 5	0%
5 or more	100%

A participant who terminates with 5 or more years of service may elect to receive a reduced benefit as early as age 60.

Optional Methods of Settlement

All Optional Methods of Settlement are actuarially equivalent to the normal form of annuity. If a married participant does not elect the normal form of annuity or does not elect one of the Optional Methods of Settlement described below, then the participant's retirement benefit shall automatically be paid under option [1] below. The options are:

(1) A benefit to be paid during the participant's lifetime with one-half or three-fourths the reduced benefit to be continued to his beneficiary for the beneficiary's lifetime after his death.

All Optional Methods of Settlement are actuarially equivalent to the normal form of annuity on a unisex basis based on the 1984 Unisex Pension Mortality Table and 8% interest. However, lump sum values will be calculated using the applicable mortality table and the minimum present value segment rates as of the November preceding the beginning of the Plan Year.

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Amendment or Termination of Plan

The Employer reserves the right to amend or terminate the Plan at any time. Generally, the Pension Benefit Guaranty Corporation reserves the right to terminate the Plan if the Employer fails to meet the minimum funding standards, or is unable to pay benefits when due.

If the Plan is terminated, the plan assets will be distributed among the plan participants based upon a priority allocation procedure and the Employer shall be liable for any unfunded vested benefits to the extent required by law.

The above description is a summary only; for additional details, reference should be made to the formal plan document.

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Steinway Salaried Employees

The following summary describes principal plan provisions assumed in calculating the cost of your pension plan:

Eligibility

All employees of the Employer are eligible to participate in the Plan on the first day of the month coinciding with or next following date of hire. Part-time employees (employees working less than 1,000 hours per year) are eligible to participate in the Plan on the first day of the Plan year following the year in which the employee first earns 1,000 hours of service. Entry into the Plan was frozen as of June 30, 1993.

Service

Service shall equal total years of service with the Employer. A year of service is credited for each year in which an employee works 2,080 hours, with fractional years of service credited, determined by dividing the total number of Hours of Service in a Plan year by 2,080. No more than one year of service may be earned in any Plan year. An employee must work at the rate of at least 1,000 per year to receive a partial year of benefit service.

No service for benefit accruals shall be granted after December 31, 2003.

Normal Retirement Date

Normal Retirement Date is the first day of the month coincident with or next following attainment of age 65.

Normal Retirement Benefit

The amount of annual benefit to be paid in monthly installments for life, based on service to Normal Retirement Date is the sum of:

(1) The participant's Accrued Benefit as of June 30, 1993, and

(2) $9 times years of benefit service since June 30, 1993.

However, no benefits will accrue after December 31, 2003.

Delayed Retirement

A participant may continue in the employment of the Employer after his Normal Retirement Date. In such event he will receive at actual retirement or death the Accrued Benefit as of the Delayed Retirement date based on creditable service and compensation to that date.

Accrued Benefit

The Accrued Benefit at any time prior to a participant's Normal Retirement Date shall be the benefit as calculated in Normal Retirement Benefit above, using compensation and service as of the date of determination. Accrued benefits were frozen at December 31, 2003.

Early Retirement Benefit

Upon the completion of 10 years of service and the attainment of age 55, a participant may elect to retire. He may receive a monthly benefit for life beginning at his Normal Retirement Date equal to the benefit accrued at early retirement date. Payments may begin immediately, with the benefit being reduced 2/3% for each month between ages 62 and 65 plus 1/3% for each month between ages 55 and 62 prior to his Normal Retirement Date.

Death Benefit

In the event of a married active participant's death, after having become eligible for early retirement, the benefit payable to the spouse will be calculated assuming that the participant had retired on the day prior to death and elected a Joint and One-Half Survivor benefit.

In the event of a married vested participant's death prior to having become eligible for early retirement, the benefit payable to the spouse will be calculated assuming the participant had terminated on the date of death, survived to the earliest retirement age, elected a Joint and One-Half Survivor benefit, and died the next day.

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Severance Benefit

Upon the termination of employment after five or more years of service, a participant shall be vested in his Accrued Benefit which will be payable at Normal Retirement Date. The percentage vested shall be:

Years of Service	Vested Percent
Fewer than 5	0%
5 or more	100%

A participant who terminates with 10 or more years of service may elect to receive a reduced benefit as early as age 55.

Optional Methods of Settlement

All Optional Methods of Settlement are actuarially equivalent to the normal form of annuity. If a married participant does not elect the normal form of annuity or does not elect one of the Optional Methods of Settlement described below, then the participant's retirement benefit shall automatically be paid under option [1] below. The options are:

(1) A benefit to be paid during the participant's lifetime with two-thirds or three-fourths the reduced benefit to be continued to his beneficiary for the beneficiary's lifetime after his death.

(2) A reduced benefit to be paid during the participant's lifetime with the same reduced benefit to be continued to his beneficiary for the beneficiary's lifetime after his death.

(3) A reduced benefit to be paid for 120 months certain and thereafter for life.

(4) A reduced benefit to be paid for 180 months certain and thereafter for life.

All Optional Methods of Settlement are actuarially equivalent to the normal form of annuity on a unisex basis based on the 1984 Unisex Pension Mortality Table and 8% interest. However, lump sum values will be calculated using the applicable mortality table and the minimum present value segment rates as of the November preceding the beginning of the Plan Year.

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Amendment or Termination of Plan

The Employer reserves the right to amend or terminate the Plan at any time. Generally, the Pension Benefit Guaranty Corporation reserves the right to terminate the Plan if the Employer fails to meet the minimum funding standards, or is unable to pay benefits when due.

If the Plan is terminated, the plan assets will be distributed among the plan participants based upon a priority allocation procedure and the Employer shall be liable for any unfunded vested benefits to the extent required by law.

The above description is a summary only; for additional details, reference should be made to the formal plan document.

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Selmer Salaried Employees

The following summary describes principal plan provisions assumed in calculating the cost of your pension plan:

Eligibility

All employees of the Employer are eligible to participate in the Plan on the first day of the month coinciding with or next following date of hire.

Service

Service shall equal total years of service with the Employer. A year of service is credited for each year completed after January 1, 1989, with fractional years of service earned for each completed month of service.

No service for benefit accrual shall be granted after December 31, 2002.

Normal Retirement Date

Normal Retirement Date is the first day of the month coincident with or next following attainment of age 65 and 5 years of participation.

Normal Retirement Benefit

The amount of annual benefit to be paid in monthly installments for life, based on service to Normal Retirement Date is the sum of:

(1) .75% of final average monthly salary (based on the highest 5 consecutive years' earnings within the last 10 years of employment) multiplied times years of service (to a maximum of 40 years).

(2) .75% of final average monthly salary in excess of the monthly Social Security Covered Compensation multiplied times years of service (to a maximum of 35 years).

However, no benefits will accrue after December 31, 2002.

Delayed Retirement

A participant may continue in the employment of the Employer after his Normal Retirement Date. In such event he will receive at actual retirement or death the Accrued Benefit as of the Delayed Retirement date based on creditable service and compensation to that date.

Accrued Benefit

The Accrued Benefit at any time prior to a participant's Normal Retirement Date shall be the benefit as calculated in Normal Retirement Benefit above, using compensation and service as of the date of determination. Accrued benefits were frozen at December 31, 2002.

Early Retirement Benefit

Upon the completion of 5 years of service and the attainment of age 55, a participant may elect to retire. He may receive a monthly benefit for life beginning at his Normal Retirement Date equal to the benefit accrued at early retirement date. Payments may begin immediately, with the benefit being reduced by 1/15th for the first 5 years prior to age 65 and 1/30th for the next 5 years by which the payment date precedes the Normal Retirement Date. Participants with 30 or more years of service can begin an unreduced benefit as early as age 62; the benefit is reduced by 1/15th for the first 2 years and 1/30th for the next 5 years prior to age 62.

Death Benefit

In the event of a married active participant's death, after having become eligible for early retirement, the benefit payable to the spouse will be calculated assuming that the participant had retired on the day prior to death and elected a Joint and One-Half Survivor benefit.

In the event of a married vested participant's death prior to having become eligible for early retirement, the benefit payable to the spouse will be calculated assuming the participant had terminated on the date of death, survived to the earliest retirement age, elected a Joint and One-Half Survivor benefit, and died the next day.

An optional Family Survivor Benefit is available to participants who have a child under the age of 27 and/or are married. This benefit provides for 25% of the employee’s rate of pay at the time of death to be paid until the later of the youngest child attaining age 27 or the life of the spouse. This benefit is in lieu of the Plan’s pre-retirement death benefit, but in no event shall it be less than that benefit. This optional benefit must be elected and paid for by the participant.

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Severance Benefit

Upon the termination of employment after five or more years of service, a participant shall be vested in his Accrued Benefit which will be payable at Normal Retirement Date. The percentage vested shall be:

Years of Service	Vested Percent
Fewer than 5	0%
5 or more	100%

A participant who terminates with 5 or more years of service may elect to receive a reduced benefit as early as age 55.

Optional Methods of Settlement

All Optional Methods of Settlement are actuarially equivalent to the normal form of annuity. If a married participant does not elect the normal form of annuity or does not elect one of the Optional Methods of Settlement described below, then the participant's retirement benefit shall automatically be paid under option [1] below. The options are:

(1) A benefit to be paid during the participant's lifetime with one-half or three-fourths the reduced benefit to be continued to his beneficiary for the beneficiary's lifetime after his death.

(2) A reduced benefit to be paid during the participant's lifetime with the same reduced benefit to be continued to his beneficiary for the beneficiary's lifetime after his death.

All Optional Methods of Settlement are actuarially equivalent to the normal form of annuity on a unisex basis based on the 1984 Unisex Pension Mortality Table and 8% interest. However, lump sum values will be calculated using the applicable mortality table and the minimum present value segment rates as of the October preceding the beginning of the Plan Year.

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Amendment or Termination of Plan

The Employer reserves the right to amend or terminate the Plan at any time. Generally, the Pension Benefit Guaranty Corporation reserves the right to terminate the Plan if the Employer fails to meet the minimum funding standards, or is unable to pay benefits when due.

If the Plan is terminated, the plan assets will be distributed among the plan participants based upon a priority allocation procedure and the Employer shall be liable for any unfunded vested benefits to the extent required by law.

The above description is a summary only; for additional details, reference should be made to the formal plan document.

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United Musical Instruments Employees

The following summary describes principal plan provisions assumed in calculating the cost of your pension plan:

Eligibility

All employees of the Employer are eligible to participate in the Plan on the first day of the Plan year in which one year of participation service is earned. A year of participation service is a 12-month period beginning on the employee's date of hire (and later shifting to the Plan year) in which the employee earns 1,000 hours of service.

Service

Service shall equal total years of service with the Employer. A year of service is credited for each year in which an employee works 1,800 hours, with fractional years of service credited to the nearest 1/10th of a year, determined by dividing the total number of Hours of Service in a Plan year by 1,800. No more than one year of service may be earned in any Plan year.

Normal Retirement Date

Normal Retirement Date is the first day of the month coincident with or next following attainment of age 65 and 5 years of participation.

Normal Retirement Benefit

The amount of monthly benefit to be paid for life, based on service to Normal Retirement Date is $24 per year of benefit service for employees terminating prior to February 15, 2008. For termination on or after this date, refer to the table below:

On or After	But Before	Pension Rate
02/15/2008	02/17/2009	$25.00
02/17/2009	02/16/2010	$26.00
02/16/2010		$27.00

Delayed Retirement

A participant may continue in the employment of the Employer after his Normal Retirement Date. In such event he will receive at actual retirement or death the Accrued Benefit as of the Delayed Retirement date based on creditable service and compensation to that date.

Accrued Benefit

The Accrued Benefit at any time prior to a participant's Normal Retirement Date shall be the benefit as calculated in Normal Retirement Benefit above, using compensation and service as of the date of determination.

Early Retirement Benefit

Upon the completion of 5 years of service and the attainment of age 60, a participant may elect to retire. He may receive a monthly benefit for life beginning at his Normal Retirement Date equal to the benefit accrued at early retirement date. Payments may begin immediately, with the benefit being reduced .50% for each month by which the payment date precedes the Normal Retirement Date.

Death Benefit

In the event of a married active participant's death, after having become eligible for early retirement, the benefit payable to the spouse will be calculated assuming that the participant had retired on the day prior to death and elected a Joint and One-Half Survivor benefit.

In the event of a married vested participant's death prior to having become eligible for early retirement, the benefit payable to the spouse will be calculated assuming the participant had terminated on the date of death, survived to the earliest retirement age, elected a Joint and One-Half Survivor benefit, and died the next day.

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Severance Benefit

Upon the termination of employment after five or more years of service, a participant shall be vested in his Accrued Benefit which will be payable at Normal Retirement Date. The percentage vested shall be:

Years of Service	Vested Percent
Fewer than 5	0%
5 or more	100%

A participant who terminates with 5 or more years of service may elect to receive a reduced benefit as early as age 60.

Optional Methods of Settlement

All Optional Methods of Settlement are actuarially equivalent to the normal form of annuity. If a married participant does not elect the normal form of annuity then the participant's retirement benefit shall automatically be paid under option [1] below.

(1) A benefit to be paid during the participant's lifetime with one-half or three-fourths the reduced benefit to be continued to his beneficiary for the beneficiary's lifetime after his death.

All Optional Methods of Settlement are actuarially equivalent to the normal form of annuity on a unisex basis based on the 1984 Unisex Pension Mortality Table and 8% interest. However, lump sum values will be calculated using the applicable mortality table and the minimum present value segment rates as of the November preceding the beginning of the Plan Year.

Amendment or Termination of Plan

The Employer reserves the right to amend or terminate the Plan at any time. Generally, the Pension Benefit Guaranty Corporation reserves the right to terminate the Plan if the Employer fails to meet the minimum funding standards, or is unable to pay benefits when due.

If the Plan is terminated, the plan assets will be distributed among the plan participants based upon a priority allocation procedure and the Employer shall be liable for any unfunded vested benefits to the extent required by law.
The above description is a summary only; for additional details, reference should be made to the formal plan document.

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Lancaster Mould Employees

The following summary describes principal plan provisions assumed in calculating the cost of your pension plan:

Eligibility

All employees whose employment was covered by the collective bargaining agreement between Lancaster Mould Co. and American Flint Glass Workers Union, AFL-CIO, Local No. 73 were eligible to participate on their date of employment. Entry into the Plan was frozen July 1, 1991.

Service

Service shall equal total years of service with the Employer. A year of service is credited for each year in which an employee works 1,000 hours.

No service for benefit accruals shall be granted after January 1, 1992.

Normal Retirement Date

Normal Retirement Date is the first day of the month coincident with or next following attainment of age 65.

Normal Retirement Benefit

The amount of annual benefit to be paid in monthly installments for life, based on service to Normal Retirement Date is $20 per year of benefit service

However, no benefits will accrue after December 31, 1991.

Delayed Retirement

A participant may continue in the employment of the Employer after his Normal Retirement Date. In such event he will receive at actual retirement or death the Accrued Benefit as of the Delayed Retirement date based on creditable service and compensation to that date.

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Accrued Benefit

The Accrued Benefit at any time prior to a participant's Normal Retirement Date shall be the benefit as calculated in Normal Retirement Benefit above, using compensation and service as of the date of determination. Accrued benefits were frozen at December 31, 1991.

Early Retirement Benefit

Upon the completion of 10 years of service and the attainment of age 55, a participant may elect to retire. He may receive a monthly benefit for life beginning at his Normal Retirement Date equal to the benefit accrued at early retirement date. Payments may begin immediately, with the benefit being reduced .5% for each month by which the payment date precedes the earlier of age 60 and age 55 with 30 years of service.

Death Benefit

In the event of a married active participant's death, after having become eligible for early retirement, the benefit payable to the spouse will be calculated assuming that the participant had retired on the day prior to death and elected a Joint and One-Half Survivor benefit.

In the event of a married vested participant's death prior to having become eligible for early retirement, the benefit payable to the spouse will be calculated assuming the participant had terminated on the date of death, survived to the earliest retirement age, elected a Joint and One-Half Survivor benefit, and died the next day.

Severance Benefit

Upon the termination of employment after five or more years of service, a participant shall be vested in his Accrued Benefit which will be payable at Normal Retirement Date. The percentage vested shall be:

Years of Service	Vested Percent
Fewer than 5	0%
5 or more	100%

A participant who terminates with 10 or more years of service may elect to receive a reduced benefit as early as age 55.

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Optional Methods of Settlement

All Optional Methods of Settlement are actuarially equivalent to the normal form of annuity. If a married participant does not elect the normal form of annuity or does not elect one of the Optional Methods of Settlement described below, then the participant's retirement benefit shall automatically be paid under option [1] below. The options are:

(1) A benefit to be paid during the participant's lifetime with one-half or three-fourths the reduced benefit to be continued to his beneficiary for the beneficiary's lifetime after his death.

(2) A benefit to be paid for 72 months certain and thereafter for life.

All Optional Methods of Settlement are actuarially equivalent to the normal form of annuity on a unisex basis based on the 1984 Unisex Pension Mortality Table and 8% interest. However, lump sum values will be calculated using the applicable mortality table and the minimum present value segment rates as of the November preceding the beginning of the Plan Year.

Amendment or Termination of Plan

The Employer reserves the right to amend or terminate the Plan at any time. Generally, the Pension Benefit Guaranty Corporation reserves the right to terminate the Plan if the Employer fails to meet the minimum funding standards, or is unable to pay benefits when due.

If the Plan is terminated, the plan assets will be distributed among the plan participants based upon a priority allocation procedure and the Employer shall be liable for any unfunded vested benefits to the extent required by law.

The above description is a summary only; for additional details, reference should be made to the formal plan document.

Schedule SB Attachment (Form 5500)—2011 Plan Year
The Steinway Musical Instruments, Inc. Pension Plan
EIN: 35-1910745 PN: 002

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

Due to software limitations with the electronic filing process, information filed electronically cannot be controlled by the Enrolled Actuary. The values on the signed Schedule SB will govern to the extent there are any differences in the entries filed electronically and the actual data contained on the signed Schedule SB.

Schedule SB Attachment (Form 5500)—2011 Plan Year
The Steinway Musical Instruments, Inc. Pension Plan
EIN: 35-1910745 PN: 002

Schedule SB, line 26—Schedule of Active Participant Data as of January 1, 2011

Number of Participants and Average Compensation

Attained Age	Years of Credited Service									
	<1	1-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40+
<25		8								
25-29		8	1							
30-34		5	7	3	2					
35-39		6	5	6	3					
40-44		8	7	9	8	12				
45-49		8	5	18	19	23	5	1		
50-54		13	3	17	19	15	9	9	2	
55-59		11	9	8	15	12	8	12	17	
60-64		6	2	7	10	8	3	9	1	3
65-69			1	1	3	2		2	1	
70+										

N-425

Schedule SB Attachment (Form 5500)—2011 Plan Year
The Steinway Musical Instruments, Inc. Pension Plan
EIN: 35-1910745 PN: 002

Schedule SB, line 32—Schedule of Amortization Bases

Type Of Base	Present Value of Installments	Valuation Date Established	Remaining Years in Amortization Period	Amortization Amount
Shortfall	$8,349,505	January 1, 2009	5	$1,796,058
Shortfall	$4,910,331	January 1, 2010	6	$911,816
Shortfall	$4,117,383	January 1, 2011	7	$677,431

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

2011

This Form is Open to Public Inspection

For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

▶ **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

The Steinway Musical Instruments, Inc. Pension Pln

B Three-digit plan number (PN) ▶ 002

C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF

Steinway Musical Instruments, Inc.

D Employer Identification Number (EIN)

35-1910745

E Type of plan: [X] Single [ ] Multiple-A [ ] Multiple-B

F Prior year plan size: [ ] 100 or fewer [ ] 101-500 [X] More than 500

Part I Basic Information

1	Enter the valuation date: Month 1 Day 1 Year 2011			
2	Assets:			
a	Market value	2a		52,076,742
b	Actuarial value	2b		46,869,068
3	Funding target/participant count breakdown:		(1) Number of participants	(2) Funding Target
a	For retired participants and beneficiaries receiving payment	3a	712	36,074,197
b	For terminated vested participants	3b	623	13,200,605
c	For active participants:			
(1)	Non-vested benefits	3c(1)		998,472
(2)	Vested benefits	3c(2)		11,534,589
(3)	Total active	3c(3)	415	12,533,061
d	Total	3d	1,750	61,807,863
4	If the plan is in at-risk status, check the box and complete lines (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 in at-risk status for fewer than five consecutive years and disregarding loading factor	4b		
5	Effective interest rate	5		6.26 %
6	Target normal cost	6		515,350

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

MGM

Signature of actuary

10/10/2012

Date

Martin E. Molloy

Type or print name of actuary

11-06227

Most recent enrollment number

Aon Consulting, Inc.

Firm name

(614) 436-8100

Telephone number (including area code)

445 Hutchinson Ave., Suite 900

Columbus OH 43235-8619

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 [ ]

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 (line 13 from prior year)	6,837,497	894,779
8	Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	2,359,916	0
9	Amount remaining (line 7 minus line 8)	4,477,581	894,779
10	Interest on line 9 using prior year's actual return of 14.88 %	666,264	133,143
11	Prior year's excess contributions to be added to prefunding balance:		
a	Present value of excess contributions (line 38 from prior year)		1,340,456
b	Interest on (a) using prior year's effective rate of 6.66 % except as otherwise provided (see instructions)		199,460
c	Total available at beginning of current plan year to add to prefunding balance		1,539,916
d	Portion of (c) to be added to prefunding balance		0
12	Other reductions in balances due to elections or deemed elections	3,733,343	0
13	Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	1,410,502	1,027,922

Part III Funding percentages

14	Funding target attainment percentage	14	71.88 %
15	Adjusted funding target attainment percentage	15	71.88 %
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	82.52 %
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
10/12/2011	43,448				
01/13/2012	853,715				
09/13/2012	686,445				
			Totals • 18(b)	1,583,608	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 contributions 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	1,462,334

20 Quarterly contributions and liquidity shortfalls:

a Did the plan have a "funding shortfall" for the prior year? [X] Yes [ ] No

b If 20a is "Yes," were required quarterly installments for the current year made in a timely manner? [X] 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:	2nd segment:	3rd segment:	
3.78 %	6.31 %	6.57 %	☐ N/A, full yield curve used

b Applicable month (enter code)	21b	4
22 Weighted average retirement age	22	64

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

Part VIII Minimum required contribution for current year

31 Target normal cost and excess assets (see instructions):		
a Target normal cost (line 6)	31a	515,350
b Excess assets, if applicable, but not greater than 31a	31b	0

	Outstanding Balance	Installment
32 Amortization installments:		
a Net shortfall amortization installment	17,377,219	3,385,305
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 (lines 31a - 31b + 32a + 32b - 33)	34	3,900,655

	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement	1,410,502	1,027,922	2,438,424

36 Additional cash requirement (line 34 minus line 35)	36	1,462,231
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	37	1,462,334
38 Present value of excess contributions for current year (see instructions)		
a Total (excess, if any, of line 37 over line 36)	38a	103
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b	103
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	39	0
40 Unpaid minimum required contributions for all years	40	0

Part IX Pension funding relief under Pension Relief Act of 2010 (see instructions)

41 If a shortfall amortization base is being amortized pursuant to an alternative amortization schedule:

a Schedule elected ☐ 2 plus 7 years ☐ 15 years

b Eligible plan year(s) for which the election in line 41a was made ☐ 2008 ☐ 2009 ☐ 2010 ☐ 2011

42 Amount of acceleration adjustment	42	
43 Excess installment acceleration amount to be carried over to future plan years	43	