

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
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Part I	Annual Report Identification Information
For calendar plan year 2011 or fiscal plan year beginning <u>01/01/2011</u> and ending <u>12/31/2011</u>	
A This return/report is for:	☐ a multiemployer plan; ☐ a multiple-employer plan; or ☒ a single-employer plan; ☐ a DFE (specify) ____
B This return/report is:	☐ the first return/report; ☐ the final return/report; ☐ an amended return/report; ☐ a short plan year return/report (less than 12 months).
C If the plan is a collectively-bargained plan, check here.	☐
D Check box if filing under:	☒ Form 5558; ☐ automatic extension; ☐ the DFVC program; ☐ special extension (enter description)

Part II	Basic Plan Information —enter all requested information				
1a Name of plan <u>HARTZELL PROPELLER INC. DEFINED BENEFIT PENSION PLAN</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">1b Three-digit plan number (PN) ▶</td> <td style="width: 20%; text-align: center;"><u>001</u></td> </tr> <tr> <td colspan="2">1c Effective date of plan <u>12/08/1977</u></td> </tr> </table>	1b Three-digit plan number (PN) ▶	<u>001</u>	1c Effective date of plan <u>12/08/1977</u>	
1b Three-digit plan number (PN) ▶	<u>001</u>				
1c Effective date of plan <u>12/08/1977</u>					
2a Plan sponsor's name and address, including room or suite number (Employer, if for single-employer plan) <u>HARTZELL PROPELLER INC.</u> <u>ONE PROPELLER PLACE</u> <u>PIQUA, OH 45356</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td>2b Employer Identification Number (EIN) <u>31-1258121</u></td> </tr> <tr> <td>2c Sponsor's telephone number <u>937-778-4200</u></td> </tr> <tr> <td>2d Business code (see instructions) <u>336410</u></td> </tr> </table>	2b Employer Identification Number (EIN) <u>31-1258121</u>	2c Sponsor's telephone number <u>937-778-4200</u>	2d Business code (see instructions) <u>336410</u>	
2b Employer Identification Number (EIN) <u>31-1258121</u>					
2c Sponsor's telephone number <u>937-778-4200</u>					
2d Business code (see instructions) <u>336410</u>					

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

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

SIGN HERE	Filed with authorized/valid electronic signature.	10/12/2012	HEIDI HENNESSEY
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

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

Form 5500 (2011)
v.012611

3a Plan administrator's name and address (if same as plan sponsor, enter "Same") HARTZELL PROPELLER INC. ONE PROPELLER PLACE PIQUA, OH 45356	3b Administrator's EIN 31-1258121 3c Administrator's telephone number 937-778-4200
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4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: a Sponsor's name	4b EIN 4c PN
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5 Total number of participants at the beginning of the plan year	5	493
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6 Number of participants as of the end of the plan year (welfare plans complete only lines 6a , 6b , 6c , and 6d).		
a Active participants.....	6a	250
b Retired or separated participants receiving benefits.....	6b	112
c Other retired or separated participants entitled to future benefits.....	6c	112
d Subtotal. Add lines 6a , 6b , and 6c	6d	474
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e	18
f Total. Add lines 6d and 6e	6f	492
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	3

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

1A 1G

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

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

a Pension Schedules

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

b General Schedules

- (1) ☒ **H** (Financial Information)
- (2) ☐ **I** (Financial Information – Small Plan)
- (3) ☐ **0** **A** (Insurance Information)
- (4) ☒ **C** (Service Provider Information)
- (5) ☐ **D** (DFE/Participating Plan Information)
- (6) ☐ **G** (Financial Transaction Schedules)

SCHEDULE SB (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Single-Employer Defined Benefit Plan Actuarial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500 or 5500-SF.	OMB No. 1210-0110 2011 This Form is Open to Public Inspection
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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 <u>HARTZELL PROPELLER INC. DEFINED BENEFIT PENSION PLAN</u>	B Three-digit plan number (PN) ▶ <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF <u>HARTZELL PROPELLER INC.</u>	D Employer Identification Number (EIN) <u>31-1258121</u>
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B	F Prior year plan size: ☐ 100 or fewer ☒ 101-500 ☐ More than 500

Part I	Basic Information
1 Enter the valuation date: Month <u>01</u> Day <u>01</u> Year <u>2011</u>	
2 Assets:	
a Market value	2a <u>10812466</u>
b Actuarial value	2b <u>10812466</u>
3 Funding target/participant count breakdown:	
a For retired participants and beneficiaries receiving payment	3a <u>129</u> (1) Number of participants <u>5007029</u> (2) Funding Target
b For terminated vested participants	3b <u>104</u> <u>1350525</u>
c For active participants:	
(1) Non-vested benefits	3c(1) <u>147166</u>
(2) Vested benefits	3c(2) <u>7304826</u>
(3) Total active	3c(3) <u>261</u> <u>7451992</u>
d Total	3d <u>494</u> <u>13809546</u>
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 <u>6.08 %</u>
6 Target normal cost	6 <u>647645</u>

Statement by Enrolled Actuary

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

SIGN HERE	<u>10/12/2012</u>
Signature of actuary	Date
<u>BRET G. JOHANTGEN</u>	<u>11-06040</u>
Type or print name of actuary	Most recent enrollment number
<u>EBS-RMSCO, INC.</u>	<u>585-421-4400</u>
Firm name	Telephone number (including area code)
<u>30 PERINTON HILLS MALL</u> <u>FAIRPORT, NY 14450</u>	
Address of the firm	

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

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

Schedule SB (Form 5500) 2011
v.012611

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)	0	0
8 Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	0
9 Amount remaining (line 7 minus line 8)	0	0
10 Interest on line 9 using prior year's actual return of <u>13.08</u> %	0	0
11 Prior year's excess contributions to be added to prefunding balance:		
a Present value of excess contributions (line 38 from prior year)		232
b Interest on (a) using prior year's effective rate of <u>6.65</u> % except as otherwise provided (see instructions)		15
c Total available at beginning of current plan year to add to prefunding balance		247
d Portion of (c) to be added to prefunding balance		0
12 Other reductions in balances due to elections or deemed elections	0	0
13 Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	0	0

Part III Funding percentages		
14 Funding target attainment percentage	14	78.30 %
15 Adjusted funding target attainment percentage	15	78.30 %
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	77.26 %
17 If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

Part IV Contributions and liquidity shortfalls					
18 Contributions made to the plan for the plan year by employer(s) and employees:					
(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
04/04/2011	242150	0			
07/08/2011	242150	0			
10/11/2011	242150	0			
01/09/2012	242150	0			
09/07/2012	319000	0			
			Totals ▶	18(b)	1287600
				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	1221531
20 Quarterly contributions and liquidity shortfalls:		
a Did the plan have a "funding shortfall" for the prior year? ☒ Yes ☐ No		
b If 20a is "Yes," were required quarterly installments for the current year made in a timely manner? ☒ Yes ☐ No		
c If 20a is "Yes," see instructions and complete the following table as applicable:		
Liquidity shortfall as of end of quarter of this plan year		
(1) 1st	(2) 2nd	(3) 3rd
0	0	0
		(4) 4th
		0

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

21 Discount rate:				
a Segment rates:	1st segment: 2.94%	2nd segment: 5.82%	3rd segment: 6.46 %	☐ N/A, full yield curve used
b Applicable month (enter code)				21b 0
22 Weighted average retirement age				22 65
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	647645	
b Excess assets, if applicable, but not greater than 31a	31b		
32 Amortization installments:	Outstanding Balance	Installment	
a Net shortfall amortization installment	2997080	573170	
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	1220815	
	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement.....			0
36 Additional cash requirement (line 34 minus line 35)	36	1220815	
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	37	1221531	
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)	38a	716	
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b	0	
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) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		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 HARTZELL PROPELLER INC. DEFINED BENEFIT PENSION PLAN	B Three-digit plan number (PN) ▶	001
C Plan sponsor's name as shown on line 2a of Form 5500 HARTZELL PROPELLER INC.	D Employer Identification Number (EIN) 31-1258121	

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

1 Information on Persons Receiving Only Eligible Indirect Compensation

- a Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions)..... ☐ Yes ☒ No
- b If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation
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(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

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)

MANNING AND NAPIER

16-0995736

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
28	NONE	46958	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

OSWALD COMPANIES

34-1892136

(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?
20	NONE	26632	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

EXETER TRUST COMPANY

02-0476209

(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?
18	NONE	17642	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

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
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For calendar plan year 2011 or fiscal plan year beginning <u>01/01/2011</u> and ending <u>12/31/2011</u>		
A Name of plan <u>HARTZELL PROPELLER INC. DEFINED BENEFIT PENSION PLAN</u>	B Three-digit plan number (PN) ►	<u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>HARTZELL PROPELLER INC.</u>	D Employer Identification Number (EIN) <u>31-1258121</u>	

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	0	0
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	352073	561150
(2) Participant contributions	1b(2)	0	0
(3) Other.....	1b(3)	14762	16012
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	289250	96044
(2) U.S. Government securities.....	1c(2)	2063407	1779416
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)	0	0
(B) All other.....	1c(3)(B)	0	0
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)	0	0
(B) Common	1c(4)(B)	4543676	5195439
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)	0	113495
(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)	3555280	3758069
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
(15) Other	1c(15)		

1d Employer-related investments:

		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)	0	0
(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	10818448	11519625

Liabilities

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

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	10818448	11519625
---	-----------	----------	----------

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)	1287600	
(B) Participants	2a(1)(B)		
(C) Others (including rollovers)	2a(1)(C)		
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		1287600
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	0	
(B) U.S. Government securities	2b(1)(B)	47252	
(C) Corporate debt instruments	2b(1)(C)	0	
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)		
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		47252
(2) Dividends: (A) Preferred stock	2b(2)(A)	0	
(B) Common stock	2b(2)(B)	74222	
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)		
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		74222
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)	5257371	
(B) Aggregate carrying amount (see instructions)	2b(4)(B)	5307474	
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		-50103

		(a) Amount	(b) Total
2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate.....	2b(5)(A)		
(B) Other	2b(5)(B)	-26985	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		-26985
(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)		-60230
c Other income.....	2c		2344
d Total income. Add all income amounts in column (b) and enter total.....	2d		1274100

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	481691	
(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)		481691
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)		
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)	73590	
(4) Other	2i(4)	17642	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		91232
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		572923

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		701177
l Transfers of assets:			
(1) To this plan.....	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

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

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

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

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

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

(1) Name: BOBER, MARKLEY, FEDOROVICH & CO.

(2) EIN: 34-1523030

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

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

Part IV Compliance Questions

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

During the plan year:

	Yes	No	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.).....		X	
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.).....		X	
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.).....		X	
e Was this plan covered by a fidelity bond?.....	X		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?		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.).....	X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.).....	X		
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?.....		X	
l Has the plan failed to provide any benefit when due under the plan?		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.).....		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 HARTZELL PROPELLER INC. DEFINED BENEFIT PENSION PLAN		B Three-digit plan number (PN) ► 001
C Plan sponsor's name as shown on line 2a of Form 5500 HARTZELL PROPELLER INC.		D Employer Identification Number (EIN) 31-1258121
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): _____ Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....		3 0
Part II Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part)		
4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?..... ☐ Yes ☒ No ☐ N/A If the plan is a defined benefit plan, go to line 8.		
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____ If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.		
6 a Enter the minimum required contribution for this plan year (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		
For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.		
Schedule R (Form 5500) 2011 v.012611		

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

(1) Contribution rate (in dollars and cents) _____

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

(1) Contribution rate (in dollars and cents) _____

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

(1) Contribution rate (in dollars and cents) _____

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

(1) Contribution rate (in dollars and cents) _____

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

(1) Contribution rate (in dollars and cents) _____

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

(1) Contribution rate (in dollars and cents) _____

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

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

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

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

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

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

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

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

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

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

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

a Enter the percentage of plan assets held as:
 Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%

b Provide the average duration of the combined investment-grade and high-yield debt:
☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

c What duration measure was used to calculate item 19(b)?
☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify): _____

**HARTZELL PROPELLER, INC.
DEFINED BENEFIT PENSION PLAN**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

December 31, 2011 and 2010

HARTZELL PROPELLER, INC.
DEFINED BENEFIT PENSION PLAN
ANNUAL REPORT INDEX
December 31, 2011 and 2010

The following financial statements and other information of the Hartzell Propeller, Inc. Defined Benefit Pension Plan are included herewith:

- Statements of Net Assets Available for Benefits as of December 31, 2011 and 2010;
- Statements of Changes in Net Assets Available for Benefits for the years ended December 31, 2011 and 2010;
- Statements of Accumulated Plan Benefits as of January 1, 2011 and 2010;
- Statements of Changes in Accumulated Plan Benefits for the years ended January 1, 2011 and 2010;
- Notes to Financial Statements.

The following supplemental schedules of the Hartzell Propeller, Inc. Defined Benefit Pension Plan included in the Annual Report of the Plan on Form 5500 file with the Department of Labor for the year ended December 31, 2011 are included herewith:

- Schedule H, Line 4i – Schedule of Assets (Held at Year End)
- Schedule H, Line 4j – Schedule of Reportable Transactions

All other supplemental schedules and notes for which provisions are made in the applicable rules and regulations of the Department of Labor are not required under the related instructions or are inapplicable and, therefore, have been omitted.

HARTZELL PROPELLER, INC.
DEFINED BENEFIT PENSION PLAN
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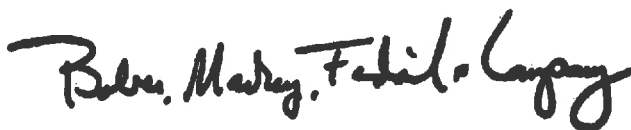
INDEPENDENT AUDITORS' REPORT

To the Trustees and Participants
Hartzell Propeller, Inc. Defined Benefit Pension Plan
Piqua, Ohio

We were engaged to audit the financial statements of the Hartzell Propeller, Inc. Defined Benefit Pension Plan (the "Plan"), as of December 31, 2011 and 2010, and for the years then ended and the supplemental schedules as of and for the year ended December 31, 2011, as listed in the accompanying index. These financial statements and supplemental schedules are the responsibility of the Plan's management.

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the Plan Administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 3, which was certified by Exeter Trust Company, the Trustee of the Plan, except for comparing such information with the related information included in the financial statements and supplemental schedules. We have been informed by the Plan Administrator that the Trustee holds the Plan's investment assets and executes investment transactions. The Plan Administrator has obtained certifications from the Trustee as of and for the years ended December 31, 2011 and 2010, that the information provided to the Plan Administrator by the Trustee is complete and accurate.

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



BOBER, MARKEY, FEDOROVICH & COMPANY
October 3, 2012

HARTZELL PROPELLER, INC.
DEFINED BENEFIT PENSION PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
December 31, 2011 and 2010

	<u>2011</u>	<u>2010</u>
ASSETS		
Investments, at fair value		
Money market mutual funds	\$ 96,044	\$ 289,250
Fixed income securities	1,779,416	2,063,407
Equity securities	5,195,438	4,543,677
Real estate mutual funds	113,495	-
Equity mutual funds	<u>3,758,070</u>	<u>3,555,280</u>
Total investments, at fair value	10,942,463	10,451,614
Receivables		
Contributions	561,150	352,073
Interest and dividends	<u>16,012</u>	<u>14,761</u>
Total receivables	<u>577,162</u>	<u>366,834</u>
NET ASSETS AVAILABLE FOR BENEFITS	<u><u>\$ 11,519,625</u></u>	<u><u>\$ 10,818,448</u></u>

The accompanying notes are an integral part of these financial statements.

HARTZELL PROPELLER, INC.
DEFINED BENEFIT PENSION PLAN
STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
For the Years Ended December 31, 2011 and 2010

	<u>2011</u>	<u>2010</u>
ADDITIONS TO PLAN ASSETS:		
Interest and dividends	\$ 123,764	\$ 118,206
Employer contributions	<u>1,287,600</u>	<u>1,018,292</u>
TOTAL ADDITIONS	1,411,364	1,136,498
DEDUCTIONS FROM PLAN ASSETS:		
Benefit payments to participants	481,691	456,486
Administrative expenses	<u>91,232</u>	<u>83,487</u>
TOTAL DEDUCTIONS	572,923	539,973
NET (DEPRECIATION) APPRECIATION OF INVESTMENTS	<u>(137,264)</u>	<u>1,118,544</u>
NET INCREASE	701,177	1,715,069
NET ASSETS AVAILABLE FOR BENEFITS BEGINNING OF THE YEAR	<u>10,818,448</u>	<u>9,103,379</u>
END OF THE YEAR	<u><u>\$ 11,519,625</u></u>	<u><u>\$ 10,818,448</u></u>

The accompanying notes are an integral part of these financial statements.

HARTZELL PROPELLER, INC.
DEFINED BENEFIT PENSION PLAN
STATEMENTS OF ACCUMULATED PLAN BENEFITS
January 1, 2011 and 2010

	<u>2011</u>	<u>2010</u>
ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS		
VESTED BENEFITS		
Participant currently receiving benefits	\$ 4,208,628	\$ 4,098,253
Terminated participants	979,973	797,155
Other participants	<u>5,366,505</u>	<u>4,776,858</u>
	10,555,106	9,672,266
NONVESTED BENEFITS	<u>97,262</u>	<u>140,504</u>
TOTAL ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS	<u><u>\$ 10,652,368</u></u>	<u><u>\$ 9,812,770</u></u>

The accompanying notes are an integral part of these financial statements.

HARTZELL PROPELLER, INC.
DEFINED BENEFIT PENSION PLAN
STATEMENTS OF CHANGES IN ACCUMULATED PLAN BENEFITS
For the Years Ended January 1, 2011 and 2010

	<u>2011</u>	<u>2010</u>
ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS AT BEGINNING OF YEAR	\$ 9,812,770	\$ 8,307,269
INCREASE (DECREASE) DURING THE YEAR		
ATTRIBUTABLE TO:		
Benefits accumulated	766,762	688,611
Benefits paid	(456,486)	(411,922)
Increase for interest due to the decrease in the discount period	-	595,823
Plan amendments	-	41,214
Changes in actuarial assumptions	<u>529,322</u>	<u>591,775</u>
ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS AT END OF YEAR	<u>\$ 10,652,368</u>	<u>\$ 9,812,770</u>

The accompanying notes are an integral part of these financial statements.

HARTZELL PROPELLER, INC.
DEFINED BENEFIT PENSION PLAN
NOTES TO FINANCIAL STATEMENTS
December 31, 2011 and 2010

NOTE 1 – PLAN DESCRIPTION

The following brief description of the Hartzell Propeller, Inc. (the "Company") Defined Benefit Pension Plan (the "Plan") provides only general information. Participants should refer to the Plan document for more complete information.

General

The Plan is a defined benefit pension plan covering substantially all hourly and salaried employees of the Company who have attained the age of 21 and completed one full year of service. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA").

Contributions and Funding Policy

The Company's funding policy is to, at a minimum, contribute an amount as determined by the Plan's actuary that will be sufficient to maintain the minimum funding standard in accordance with ERISA. The sponsor may make discretionary contributions above this amount. Contributions amounting to \$1,287,600 and \$1,018,292 were made for the years ended December 31, 2011 and 2010, respectively.

Pension Benefits

Participants with five full years of service, as defined by the Plan, are entitled to monthly payments for life beginning at normal retirement age of 65. Participants may elect to receive their normal pension benefits in the form of a qualified joint and survivor benefit of 50%, five-to-life, ten-to-life, and twenty-to-life pension. After age 55 and five years of service, a participant may elect early retirement.

Benefits under the Plan are based on 0.5% of the employees' average monthly compensation times total years of benefit service, plus 0.25% of average monthly compensation above the social security base multiplied by the years of benefit service up to a maximum of 35.

Any Participant who was employed by the Company, completed an agreement to participate in the program, was at least 61 years of age on or before December 31, 2010 and actually terminated employment with the Company on or before December 31, 2010 received an additional six months of service, was aged an additional six months and become 100% vested when determining the pension benefits.

Death and Disability Benefits

Joint and 50% survivor coverage is automatic for the spouse of any vested participant regardless of age. Benefits are payable after the later of the participant's death or the date the participant would have reached the earliest permissible retirement age. Participants who become permanently disabled will receive benefits commencing on the normal retirement date.

HARTZELL PROPELLER, INC.
DEFINED BENEFIT PENSION PLAN
NOTES TO FINANCIAL STATEMENTS
December 31, 2011 and 2010

Vesting

Participants become 100% vested in accrued benefits after five years of credited service.

Administrative Expenses

Trustee fees are paid by the Plan. Other administrative expenses, such as legal and professional fees and Pension Benefit Guarantee Corporation ("PBGC") premiums, are paid by the Company.

Plan Termination

Although it has not expressed any intention to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions set forth by ERISA. In the event the Plan terminates, the pension fund would be applied to purchase participants' accrued benefits as set forth by the plan document.

If the Plan terminates, certain benefits are insured by the PBGC. Generally, the PBGC guarantees most vested normal age retirement benefits, early retirement benefits and certain disability and survivor's pensions. 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.

Information about the Plan, including present and future benefits, vesting and PBGC benefit guarantee provisions is contained in a summary document available from the Company.

NOTE 2 – SUMMARY OF ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements are prepared using the accrual basis of accounting.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the Plan Administrator to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may vary from those estimates.

HARTZELL PROPELLER, INC.
DEFINED BENEFIT PENSION PLAN
NOTES TO FINANCIAL STATEMENTS
December 31, 2011 and 2010

Fair Value of Financial Instruments

Fair value estimates are made at a specific point in time based on relevant market information about the financial instrument. These estimates are subjective in nature and involve uncertainties and matters of significant judgment and, therefore, cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

Investment Valuation and Income Recognition

All assets of the Plan are held by and invested by Exeter Trust Company ("Exeter"), the Trustee. The investments are presented by Exeter at fair market value as of year-end as determined by quoted market prices on major stock exchanges. If no such value can be obtained, the asset value is based upon the underlying investments of the security or valued at prices for similar securities.

Investment income consists of interest and dividend income. The net appreciation (depreciation) of the fair value of investments consists of realized gains or losses and the unrealized appreciation (depreciation) on those investments. Purchases and sales are recorded on the trade-date basis. Dividends are recorded on the ex-dividend date. Realized gains and losses from security transactions are reported based on historic cost.

Actuarial Present Value of Accumulated Plan Benefits

Accumulated plan benefits are future periodic payments that are attributable under the Plan's provisions to the services employees have rendered. 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. Benefits payable under all circumstances – retirement, death, disability, and termination of employment – are included, to the extent they are deemed attributable to employee service rendered to the valuation date.

The actuarial present value of accumulated plan benefits was determined by the plan actuary, and is the amount that results from applying actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements, such as for death, disability, withdrawal, or retirement) between the valuation date and the expected date of payment. The significant actuarial assumptions used in the valuations were:

- (a) Life expectancy of participants
 - 2011 – Static separate annuitant and non-annuitant mortality tables for males and females for 2011
 - 2010 – Static separate annuitant and non-annuitant mortality tables for males and females for 2010
- (b) Discount rate
 - 2011 – Segment rates of 2.94%, 5.28% and 6.46%
 - 2010 – Segment rates of 4.60%, 6.65% and 6.76%
- (c) Investment return at an average rate of 8.0% for 2011 and 2010
- (d) Retirement age of 65 or the age at the valuation date if greater for 2011 and 2010

HARTZELL PROPELLER, INC.
DEFINED BENEFIT PENSION PLAN
NOTES TO FINANCIAL STATEMENTS
December 31, 2011 and 2010

Additional assumptions used in the actuarial computations, as of January 1, 2011 and 2010, include salary increases of three percent per year, social security wage base increase of four percent per year, marital and retirement rate assumptions, as well as, withdrawal rates. These actuarial assumptions are based on the presumption that the Plan will continue. Were the Plan to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated plan benefits.

Payment of Benefits

Benefit payments are recorded upon distribution.

Income Taxes

Under the Income Taxes Topic of the FASB ASC, Plan management is required to identify potential uncertain tax positions taken, assess and quantify those positions and record reserves. As of and for the years ended December 31, 2011 and 2010, Plan management has identified no uncertain tax positions.

The Plan files the United States Federal Form 5500 annually and is generally no longer subject to income tax examinations for years prior to 2008.

Subsequent Events

In accordance with Subsequent Events Topic of the FASB ASC, the Plan has evaluated subsequent events through October 3, 2012, the date the financial statements were available to be issued.

NOTE 3 - INFORMATION PREPARED AND CERTIFIED BY TRUSTEE

The following is a summary of the unaudited information regarding the Plan, included in the Plan's financial statements, which was prepared by Exeter, as of and for the years ended December 31, 2011 and 2010 and furnished to the Plan Administrator. The Plan Administrator has obtained a certification from the Exeter as of and for the years ended December 31, 2011 and 2010, that such information is complete and accurate.

	2011	2010
Investments, at fair value	\$ 10,942,463	\$ 10,451,614
Interest and dividends receivable	\$ 16,012	\$ 14,761
Interest and dividends income	\$ 123,764	\$ 118,206
Net appreciation in the fair value of investments	\$ (137,264)	\$ 1,118,544

HARTZELL PROPELLER, INC.
DEFINED BENEFIT PENSION PLAN
NOTES TO FINANCIAL STATEMENTS
December 31, 2011 and 2010

NOTE 4 – INVESTMENTS

The Plan's investments are held by Exeter. The following schedule presents investments that represent five percent or more of the Plan's net assets as of December 31:

	<u>2011</u>	<u>2010</u>
US Treasury Note at 1.25% due September 30, 2015	N/A	\$ 826,636
Manning & Napier Core Plus Bond	\$ 1,726,741	\$ 1,645,877

The Plan's investments, including investments bought, sold, as well as held during the year, appreciated (depreciated) in value at December 31, 2011 and 2010, as follows:

	<u>2011</u>	<u>2010</u>
Fixed income securities	\$ 112,825	\$ 66,150
Corporate debt securities	-	782
Equity securities	(191,625)	677,820
Real estate mutual funds	1,708	-
Equity mutual funds	(60,172)	373,792
	<u>\$ (137,264)</u>	<u>\$ 1,118,544</u>

Fair value is a market-based measurement that is determined based on assumptions that market participants would use in pricing an asset or liability. As a basis for considering such assumptions, the Plan uses a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value as follows:

- Level 1 – Observable inputs such as quoted prices in active markets;
- Level 2 – Inputs, other than the quoted prices in active markets, that are observable either directly or indirectly; and
- Level 3 – Unobservable inputs in which there is little or no market data, which require the reporting entity to develop its own assumptions

The classification of fair value measurements within the hierarchy is based upon the lowest level of input that is significant to the measurement. Valuation methodologies used for assets and liabilities measured at fair value are as follows:

- Money market funds: Valued based on the underlying investments that are traced on an active market.

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DEFINED BENEFIT PENSION PLAN
NOTES TO FINANCIAL STATEMENTS
December 31, 2011 and 2010

- Fixed income securities: Valued at prices for similar securities. Securities are traded on an active market, but are not traded on a daily basis.

The methods described above may produce a fair value calculation that may not be indicative of the net realizable value or reflective of future fair values. Furthermore, while the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date. There have been no changes in the methods used to value investments.

The following table sets forth, by level within the fair value hierarchy, the Plan's assets at fair value as of:

	December 31, 2011		
	Level 1	Level 2	Total
Money market mutual funds	\$ -	\$ 96,044	\$ 96,044
Fixed income securities			
Treasury notes and bonds	-	1,104,704	1,104,704
Government agencies	-	674,712	674,712
Equity securities			
Basic industries	451,284	-	451,284
Broadcasting and cable TV	99,203	-	99,203
Business products	586,418	-	586,418
Capital goods	275,542	-	275,542
Consumer	1,666,612	-	1,666,612
Credit services	88,560	-	88,560
Engery	213,712	-	213,712
Financial	484,897	-	484,897
Foreign	181,136	-	181,136
Healthcare	179,273	-	179,273
Housing	112,192	-	112,192
Specialty services	70,971	-	70,971
Technology	338,479	-	338,479
Transportation	447,159	-	447,159

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DEFINED BENEFIT PENSION PLAN
NOTES TO FINANCIAL STATEMENTS
December 31, 2011 and 2010

December 31, 2011			
	Level 1	Level 2	Total
Real estate mutual funds	\$ 113,495	\$ -	\$ 113,495
Equity mutual funds			
Balanced	2,089,019	-	2,089,019
Foreign	467,085	-	467,085
Growth	1,201,966	-	1,201,966
	<u>\$ 9,067,003</u>	<u>\$ 1,875,460</u>	<u>\$ 10,942,463</u>
December 31, 2010			
	Level 1	Level 2	Total
Money market mutual funds	\$ -	\$ 289,250	\$ 289,250
Fixed income securities			
Treasury notes and bonds	-	1,151,737	1,151,737
Government agencies	-	911,670	911,670
Equity securities			
Basic industries	594,019	-	594,019
Business products	567,954	-	567,954
Capital goods	170,154	-	170,154
Consumer	1,320,538	-	1,320,538
Engery	335,742	-	335,742
Financial	698,051	-	698,051
Foreign	241,191	-	241,191
Healthcare	116,654	-	116,654
Housing	47,738	-	47,738
Industrial electronics	152,490	-	152,490
Transportation	299,146	-	299,146
Equity mutual funds			
Balanced	2,044,345	-	2,044,345
Foreign	582,669	-	582,669
Growth	928,266	-	928,266
	<u>\$ 8,098,957</u>	<u>\$ 2,352,657</u>	<u>\$ 10,451,614</u>

HARTZELL PROPELLER, INC.
DEFINED BENEFIT PENSION PLAN
NOTES TO FINANCIAL STATEMENTS
December 31, 2011 and 2010

NOTE 5 – FEDERAL INCOME TAX STATUS

The Plan has obtained a favorable determination letter from the Internal Revenue Service to the effect that the Plan is exempt from Federal income taxes dated May 18, 2012. While the Plan has been amended since the determination letter, a new determination letter has not been received. The Company believes that the Plan is currently designed and being operated in compliance with the applicable requirements of the Internal Revenue Code, and therefore, the Plan was qualified and considered tax-exempt as of the financial statement date.

NOTE 6 – PARTY-IN-INTEREST TRANSACTIONS

Certain Plan investments are shares of mutual funds managed by Exeter. Exeter is the Trustee as defined by the Plan and, therefore, these transactions qualify as party-in-interest transactions. Fees paid by the Plan for the investment management services amounted to \$91,232 and \$83,487 for the years ended December 31, 2011 and 2010, respectively. There are also indirect fees deducted directly from investment earnings of the Plan.

HARTZELL PROPELLER, INC.
DEFINED BENEFIT PENSION PLAN
SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)
EIN: 31-1258121
PLAN 001
December 31, 2011

(a)	(b)	(c)	(d)	(e)
	Identity of issues, borrower, lessor or similar party.	Description of investment including maturity date, rate of interest, collateral, par or maturity value	Cost	Current Value
*	SSGA Institutional Liquid Reserves	Money Market Fund, 0.20% interest	\$ 96,044	\$ 96,044
	FHLMC	Fixed Income Securities at 3.75% due 03/27/2019	78,212	85,615
	FHLMC	Fixed Income Securities at 6.75% due 03/15/2031	31,684	33,072
	FHLMC	Fixed Income Securities at 6.25% due 07/15/2032	33,152	34,930
	FHLMC	Fixed Income Securities at 4.50% due 10/01/2039	387,937	389,232
	FHLMC	Fixed Income Securities at 4.50% due 11/01/2039	158,792	159,487
	FNMA	Fixed Income Securities at 5.00% due 05/11/2017	179,807	195,850
	FNMA	Fixed Income Securities at 6.25% due 05/15/2029	32,616	33,789
	FNMA	Fixed Income Securities at 7.25% due 05/15/2030	30,096	31,234
	FNMA	Fixed Income Securities at 6.63% due 11/15/2030	31,150	32,585
	FNMA	Fixed Income Securities at 6.00% due 08/01/2037	107,456	108,910
	US Treasury Notes	Fixed Income Securities at 1.38% due 11/30/2015	441,636	463,712
	US Treasury Notes	Fixed Income Securities at 2.00% due 01/31/2016	199,825	211,000
			1,712,363	1,779,416
	Allscripts Healthcare Solutions	Equity Securities	60,726	72,540
	Amadeus IT Holding	Equity Securities	52,913	47,859
	Amazon.com Inc	Equity Securities	79,593	70,971
	AMC Networks Inc	Equity Securities	69,835	73,656
	American Express Co	Equity Securities	34,085	67,453
	Anheuser Busch	Equity Securities	110,405	120,000
	Autodesk, Inc.	Equity Securities	104,543	115,860
	Baker Hughes, Inc	Equity Securities	103,742	97,523
	Bank of New York Mellon Corp	Equity Securities	124,440	86,608
	Becton Dickinson & Co	Equity Securities	72,360	73,973
	Boston Scientific Corp	Equity Securities	131,863	102,742
	Carnival Corp	Equity Securities	102,713	106,733
	Cerner Corp	Equity Securities	72,546	98,000
	Cisco Systems, Inc	Equity Securities	214,652	190,382
	Coca-Cola Co	Equity Securities	59,015	79,766
	Coming Inc	Equity Securities	105,834	95,143
	DirecTV	Equity Securities	107,345	99,203
	Discover Financial Services	Equity Securities	86,524	88,560
	Electronic Arts	Equity Securities	140,777	91,876
	EMC Corp	Equity Securities	106,966	122,562
	Fedex Corp	Equity Securities	67,628	70,983
	Flowserve Corp	Equity Securities	119,030	119,184
	Google, Inc	Equity Securities	171,048	238,983
	Hess Corp	Equity Securities	156,693	160,176
	Kraft Foods Inc	Equity Securities	92,017	116,189
	Kroger Co	Equity Securities	71,699	78,230
	Liberty Global	Equity Securities	43,582	54,980
	Mastercard Inc	Equity Securities	58,590	96,933
	Monsanto Co	Equity Securities	197,002	227,727
	Moodys Corp	Equity Securities	72,024	74,433
	Nestle Sa	Equity Securities	70,353	104,056
	News Corp Inc	Equity Securities	84,931	92,233
	Norfolk Southern Corp	Equity Securities	61,328	68,488
	Qiagen	Equity Securities	102,335	84,379
	Qualcomm Inc	Equity Securities	76,150	109,400

HARTZELL PROPELLER, INC.
DEFINED BENEFIT PENSION PLAN
SCHEDULE H, LINE 4I - SCHEDULE OF ASSETS (HELD AT END OF YEAR)
EIN: 31-1258121
PLAN 001
December 31, 2011

(a)	(b)	(c)	(d)	(e)
	Identity of issues, borrower, lessor or similar party.	Description of investment including maturity date, rate of interest, collateral, par or maturity value	Cost	Current Value
	Schlumberger	Equity Securities	\$ 89,583	\$ 92,901
	Schwab	Equity Securities	148,327	131,291
	Southwest Airlines Co	Equity Securities	93,984	104,689
	State Street Corp	Equity Securities	126,601	108,837
	Syngenta	Equity Securities	62,374	55,626
	Telenor	Equity Securities	112,716	112,192
	The Walt Disney Co	Equity Securities	165,231	229,875
	Time Warner Inc	Equity Securities	149,298	176,363
	Toyota Motor Corp	Equity Securities	64,700	53,565
	Unilever	Equity Securities	79,674	100,727
	United Parcel Service, Inc	Equity Securities	98,301	114,542
	Virgin Media Inc	Equity Securities	106,208	102,196
	Visa Inc	Equity Securities	71,031	96,463
	Waters Corp	Equity Securities	46,468	46,651
	Weatherford International Ltd	Equity Securities	80,432	71,736
			<u>4,880,215</u>	<u>5,195,438</u>
	Alexandria Real Estate Equity	Real estate mutual funds	20,298	21,381
	Biomed Realty Trust Inc.	Real estate mutual funds	22,513	22,238
	Corporate Office Properties	Real estate mutual funds	26,227	21,473
	Digital Realty Trust Inc.	Real estate mutual funds	20,602	24,668
	Dupont Fabros Technology Inc.	Real estate mutual funds	22,148	23,735
			<u>111,788</u>	<u>113,495</u>
*	Manning & Napier Emerging Markets Series	Equity Mutual Funds	112,702	110,903
*	Manning & Napier Inflation Focus Equity Series	Equity Mutual Funds	108,926	108,117
*	Manning & Napier Core Plus Bond	Equity Mutual Funds	1,727,727	1,726,741
*	Manning & Napier Financial	Equity Mutual Funds	240,071	167,389
*	Manning & Napier High Yield Bond	Equity Mutual Funds	287,755	294,128
*	Manning & Napier International	Equity Mutual Funds	382,854	305,031
*	Manning & Napier Life Science Series	Equity Mutual Funds	275,456	261,989
*	Manning & Napier Real Estate	Equity Mutual Funds	208,492	239,385
*	Manning & Napier Small Cap Series Fund	Equity Mutual Funds	225,466	194,889
*	Manning & Napier Technology Series	Equity Mutual Funds	110,903	187,444
*	Manning & Napier World Opp Series	Equity Mutual Funds	181,519	162,054
			<u>3,861,871</u>	<u>3,758,070</u>
			<u>\$ 10,662,281</u>	<u>\$ 10,942,463</u>

* Represents a party-in-interest.

HARTZELL PROPELLER, INC.
DEFINED BENEFIT PENSION PLAN
SCHEDULE H, LINE 4j - SCHEDULE OF REPORTABLE TRANSACTIONS
EIN: 31-1258121
PLAN 001

For the Year Ended December 31, 2011

(a) Identity of Party	(b) Description of Asset	(c) Purchase Price	(d) Selling Price	(e) Lease Rental	(f) Expenses Incurred in Transaction	(g) Cost of Asset	(h) Current Value of of Asset on Transaction Date	(i) Net Gain or (Loss)
* SSGA Institutional Liquid Reserves	Money Market Fund 102 purchases	\$ 5,201,160	N/A	N/A	N/A	\$ 5,201,160	\$ 5,201,160	N/A
* SSGA Institutional Liquid Reserves	Money Market Fund 73 sales	N/A	\$ 5,394,366	N/A	N/A	\$ 5,394,366	\$ 5,394,366	\$ -
* US Treasury Notes	1.25% due 09/30/2015 3 sales	N/A	\$ 826,635	N/A	N/A	\$ 858,569	\$ 826,635	\$ (31,934)

* Represents a party-in-interest.

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Name of Plan Sponsor: Hartzell Propeller Inc.
 EIN: 31-1258121
 Plan Number: 001
 Line Number: 26

Schedule SB, line 26 - Schedule of Active Participant Data

Age	Years of Credited Service										Total
	Under 1	1-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40 +	
Under 25	0	1	1	0	0	0	0	0	0	0	2
25-29	0	7	6	1	0	0	0	0	0	0	14
30-34	0	7	4	5	1	0	0	0	0	0	17
35-39	0	6	7	11	7	0	0	0	0	0	31
40-44	0	7	5	13	9	4	0	0	0	0	38
45-49	0	10	7	9	5	9	3	0	0	0	43
50-54	0	7	6	3	8	27	1	3	1	0	56
55-59	0	1	3	5	4	18	1	2	0	0	34
60-64	0	1	3	2	2	11	2	0	5	0	26
65-69	0	0	0	0	0	0	0	0	0	0	0
70 & up	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	0	47	42	49	36	69	7	5	6	0	261

Average completed years of service: 16.9

Average age: 47.2 years

Name of Plan Sponsor: Hartzell Propeller Inc.
EIN: 31-1258121
Plan Number: 001
Line Number: Part V

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

A. Consistency of Methods and Assumptions

Unless stated to the contrary, the following methods and assumptions are consistent with those used in the previous valuation performed as of January 1, 2010.

B. Actuarial Cost Method

As mandated by law, the actuarial cost method used to calculate the costs of the Plan for retirement, termination and surviving spouse's benefits is known as the Traditional Unit Credit Actuarial Cost Method. Under this method, each active participant's accrued benefit at the valuation date is calculated based on the terms of the plan and the actuarial assumptions. Vested benefits are determined as required under the law and regulations.

The Actuarial Accrued Liability is determined from the benefit based upon service accrued to the valuation date and compensation at the valuation date. The Normal Cost is determined from the difference between the Actuarial Accrued Liability using service and salary estimated to be earned at the end of the valuation year and the Actuarial Accrued Liability using service and salary earned at the beginning of the valuation year. Unfunded liabilities are amortized over 7 years as required under the law and regulations.

C. Benefit Limitations under IRC Section 415(b)

The benefit limitation imposed by section 415(b) of the Internal Revenue Code, relating to the maximum benefit under a defined benefit plan, has been taken into account. On this basis, the maximum annual projected benefit utilized in this valuation is \$195,000 for purposes of calculating funding costs.

D. Asset Valuation Method

Assets are held by Exeter (Trustee) and are valued at market value.

E. Participants Included in the Calculations

Based on employee data received from the Employer, all employees who are eligible for participation in the plan as of the valuation date are included in the calculations. Former employees, or their beneficiaries or contingent annuitants, where applicable, are also included if the employee data indicates that they are entitled to an immediate or deferred benefit under the provisions of the plan.

No liability is held for nonvested, inactive employees who have a break-in-service, or for employees who have quit or been terminated even if a break-in-service had not occurred as of the valuation date.

Name of Plan Sponsor: Hartzell Propeller Inc.
EIN: 31-1258121
Plan Number: 001
Line Number: Part V

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

F. Actuarial Assumptions

1. *Mortality*

Target Liability

In calculating the target liability and at-risk liability, the 2011 static separate annuitant and non-annuitant Mortality Tables for Males & Females were used as prescribed by Notice 2008-85.

FAS 35 Accounting

Same as for Target Liability

PBGC Variable Rate Premium

Same as for Target Liability

Disabled lives

None.

2. *Withdrawal from service*

Termination

Hartzell termination rates.

3. *Interest rates*

Target Liability

January 2011 segment rates: 2.94% for the first 5 years then 5.82% for the next 15 years then 6.46% after 20 years as prescribed by law.

Effective Rate

6.08% used for adjusting amounts to the valuation date.

ASC 960 Accounting

8.00% used for calculating FAS 35 accounting liabilities.

PBGC Variable Rate Premium

1.98% for the first 5 years then 5.23% for the next 15 years then 6.52% after 20 years as prescribed by law.

Name of Plan Sponsor: Hartzell Propeller Inc.
EIN: 31-1258121
Plan Number: 001
Line Number: Part V

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

F. Actuarial Assumptions (continued)

4. *Compensation*

Salaries were assumed to increase each year at the rate of 3.00% of the prior year salary. A participant's Plan compensation is limited to a maximum of \$245,000 for the current year and future Plan years for benefit accrual purposes.

5. *Wage Base*

The Social Security Wage Base is assumed to increase at the rate of 4.00% per year.

6. *Retirement age*

The retirement age is 65 or the age on the valuation date if greater is assumed.

7. *Allowance for other expenses*

Administrative expenses are based on the prior year's actual administrative expenses rounded to the near \$1,000. The discount rates above are assumed to be net of investment expenses.

8. *Percentage married and age of spouse*

For purposes of the pre-retirement spouse's benefit, it is assumed that 80% of plan participants designated as hourly and 100% for all other participants will have an eligible surviving spouse. For hourly plan participants, males are assumed 3 years older than females. For all other participants, males and females are the same age.

9. *Form of payment*

Participants currently receiving benefit payments are assumed to continue receiving benefits in the optional form they elected upon retirement. All other participants are assumed to elect to receive a life annuity upon retirement.

Name of Plan Sponsor: Hartzell Propeller Inc.
 EIN: 31-1258121
 Plan Number: 001
 Line Number: Part V

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

F. Actuarial Assumptions (continued)

10. *Examples of the preceding assumptions*

MORTALITY				
Age	Annual Probabilities Per 100 Annuitants		Annual Probabilities Per 100 Annuitants	
	Male	Female	Male	Female
25	0.0290	0.0143	0.0290	0.0143
30	0.0390	0.0203	0.0390	0.0203
35	0.0679	0.0356	0.0679	0.0356
40	0.0876	0.0477	0.0876	0.0477
45	0.1073	0.0739	0.1689	0.0744
50	0.1333	0.1073	0.3856	0.1722
55	0.1839	0.2050	0.4181	0.3056
60	0.3207	0.3451	0.6131	0.5665
65	0.5349	0.5110	1.0411	0.9470
70	0.6698	0.6683	1.6917	1.5298
75	1.9521	1.5887	2.9354	2.4323
80	5.3716	4.0430	5.3716	4.0430

TERMINATION*	
Age	Annual Probability Per 100 Employees
25	5.27
30	4.84
35	4.48
40	3.85
45	3.23
50	1.53
55	0.34
60	0.00
* - Set to 0.0 if eligible for early retirement	

11. *Changes to the assumptions*

The mortality and discount rate assumptions for funding purposes have been updated as required by the Pension Protection Act of 2006.

HARTZELL PROPELLER, INC.
DEFINED BENEFIT PENSION PLAN
SCHEDULE H, LINE 4j - SCHEDULE OF REPORTABLE TRANSACTIONS
EIN: 31-1258121
PLAN 001

For the Year Ended December 31, 2011

(a) Identity of Party	(b) Description of Asset	(c) Purchase Price	(d) Selling Price	(e) Lease Rental	(f) Expenses Incurred in Transaction	(g) Cost of Asset	(h) Current Value of of Asset on Transaction Date	(i) Net Gain or (Loss)
* SSGA Institutional Liquid Reserves	Money Market Fund 102 purchases	\$ 5,201,160	N/A	N/A	N/A	\$ 5,201,160	\$ 5,201,160	N/A
* SSGA Institutional Liquid Reserves	Money Market Fund 73 sales	N/A	\$ 5,394,366	N/A	N/A	\$ 5,394,366	\$ 5,394,366	\$ -
* US Treasury Notes	1.25% due 09/30/2015 3 sales	N/A	\$ 826,635	N/A	N/A	\$ 858,569	\$ 826,635	\$ (31,934)

* Represents a party-in-interest.

bmf

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

Pension Benefit Guaranty Corporation

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

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

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

OMB No. 1210-0110

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.

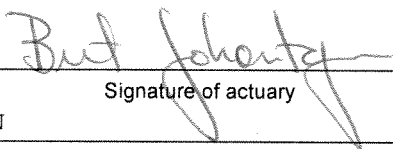
A Name of plan HARTZELL PROPELLER INC. DEFINED BENEFIT PENSION PLAN		B Three-digit plan number (PN) ▶	001
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF HARTZELL PROPELLER INC.		D Employer Identification Number (EIN) 31-1258121	
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B		F Prior year plan size: ☐ 100 or fewer ☒ 101-500 ☐ More than 500	

Part I Basic Information

1 Enter the valuation date: Month <u>01</u> Day <u>01</u> Year <u>2011</u>			
2 Assets:			
a Market value	2a	10812466	
b Actuarial value	2b	10812466	
3 Funding target/participant count breakdown:			
		(1) Number of participants	(2) Funding Target
a For retired participants and beneficiaries receiving payment	3a	129	5007029
b For terminated vested participants	3b	104	1350525
c For active participants:			
(1) Non-vested benefits	3c(1)		147166
(2) Vested benefits	3c(2)		7304826
(3) Total active	3c(3)	261	7451992
d Total	3d	494	13809546
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	6.08%	
6 Target normal cost	6	647645	

Statement by Enrolled Actuary

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

**SIGN
HERE**

Signature of actuary

BRET G. JOHANTGEN

Type or print name of actuary

EBS-RMSCO, INC.

Firm name

30 PERINTON HILLS MALL

FAIRPORT NY 14450

Address of the firm

10/12/2012

Date

1106040

Most recent enrollment number

585-421-4400

Telephone number (including area code)

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

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

Schedule SB (Form 5500) 2011
v.012611

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)	0	0
8	Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	0
9	Amount remaining (line 7 minus line 8)	0	0
10	Interest on line 9 using prior year's actual return of <u>13.08%</u>	0	0
11	Prior year's excess contributions to be added to prefunding balance:		
a	Present value of excess contributions (line 38 from prior year)		232
b	Interest on (a) using prior year's effective rate of <u>6.65%</u> except as otherwise provided (see instructions)		15
c	Total available at beginning of current plan year to add to prefunding balance		247
d	Portion of (c) to be added to prefunding balance		0
12	Other reductions in balances due to elections or deemed elections	0	0
13	Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	0	0

Part III	Funding percentages
-----------------	----------------------------

14	Funding target attainment percentage.....	14	78.30%
15	Adjusted funding target attainment percentage	15	78.30%
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	77.26%
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage.	17	%

Part IV Contributions and liquidity shortfalls

18 Contributions made to the plan for the plan year by employer(s) and employees:

(a) Date (MM-DD-YYYY) (b) Amount paid by employer(s) (c) Amount paid by employees (a) Date (MM-DD-YYYY) (b) Amount paid by employer(s) (c) Amount paid by employees						
04/04/2011	242150	0				
07/08/2011	242150	0				
10/11/2011	242150	0				
01/09/2012	242150	0				
09/07/2012	319000	0				
			Totals ►	18(b)	1287600	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	1221531

20 Quarterly contributions and liquidity shortfalls:

a Did the plan have a "funding shortfall" for the prior year? ☒ Yes ☐ No

b If 20a is "Yes," were required quarterly installments for the current year made in a timely manner? ☒ Yes ☐ No

C If 20a is "Yes," see instructions and complete the following table as applicable:

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

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

21 Discount rate:			
a Segment rates:	1st segment: 2.94%	2nd segment: 5.82%	3rd segment: 6.46%
			☐ N/A, full yield curve used
b Applicable month (enter code)	21b		0
22 Weighted average retirement age	22		65
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	647645	
b Excess assets, if applicable, but not greater than 31a	31b		
32 Amortization installments:	Outstanding Balance		Installment
a Net shortfall amortization installment	2997080		573170
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	1220815	
	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement			0
36 Additional cash requirement (line 34 minus line 35)	36	1220815	
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	37	1221531	
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)	38a	716	
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b	0	
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		

Name of Plan Sponsor: Hartzell Propeller Inc.
EIN: 31-1258121
Plan Number : 001
Line Number: 22

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

The weighted average retirement age is equal to the normal retirement age of 65.

(1)	(2)	(3)	(4)	(5)
Age	Rate	Number of People	Number Retiring (2) x (3)	Total Age (1) x (4)
65	1.0000	1,000.0	1,000.0	65,000.0
Total			1,000.0	65,000.0
Average Retirement Age				65.00

Name of Plan Sponsor: Hartzell Propeller Inc.
EIN: 31-1258121
Plan Number : 001
Line Number: 19

Schedule SB, line 19 - Discounted Employer Contributions.

Date	Amount	Plan Year	Effective Interest Rate	Adjusted Contribution
4/4/2011	\$ 242,150	2011	6.08%	\$ 238,536
7/8/2011	242,150	2011	6.08%	234,899
10/11/2011	242,150	2011	6.08%	231,318
1/9/2012	242,150	2011	6.08%	227,976
9/7/2012	319,000	2011	6.08%	288,802
Total	\$ 1,287,600			\$ 1,221,531

Name of Plan Sponsor:	Hartzell Propeller Inc.
EIN:	31-1258121
Plan Number:	001
Line Number:	Part V

Schedule SB, Part V - Summary of Plan Provisions

A. Effective Date

The initial effective date of the Salaried Plan was December 8, 1977. The initial effective data of the Hourly Plan was January 1, 1980. Effective December 31, 2001, the Hourly Plan was merged into the Salaried Plan. The Plan was renamed the Hartzell Propeller Inc. Defined Benefit Pension Plan.

The plan was most recently restated as of January 1, 2006, adopted on January 24, 2007. The Plan was most recently amended in December 2009 for the Early Retirement Incentive Program.

B. Eligibility for Participation

Each eligible employee shall become a participation upon attainment of age 21 and completion of one Year of Service.

An eligible employee shall become a Participant as of the January 1 or July 1 immediately following the completion of the eligibility requirements.

C. Employee Contributions

None permitted.

D. Year of Vesting Service

One full year of service for each plan year with at least 1,000 hours of service. For the purpose of determining the vested status of a Participant, no partial credit is given.

E. Year of Benefit Service

Elapsed time beginning at date of hire rounded to the nearest 1/12th year.

F. Plan Year

Plan Year means the 12 consecutive month period commencing January 1 and ending December 31.

G. Average Monthly Compensation

A Participant's average compensation is the average of his earnings during the 5 consecutive plan years in the 10 plan years preceding termination which produces the highest average.

As used above, monthly earnings means compensation actually paid including bonuses, overtime, and any other additional compensation. Salary deferrals by reason of Code Sections 125, 401(k) and 132(f) shall also be included.

Name of Plan Sponsor: Hartzell Propeller Inc.
EIN: 31-1258121
Plan Number: 001
Line Number: Part V

Schedule SB, Part V - Summary of Plan Provisions

H. Normal and Deferred Retirement Benefit

1. *Eligibility requirements* - Attainment of age 65.
2. *Monthly pension* - The formula is as follows:
 - A. For former Salaried Plan Participants and employees participating after December 31, 2001:
 - i. 0.5% of Average Monthly Compensation times years of benefit service, plus 0.25% of Average Monthly Compensation above the current Covered Compensation times years of benefit service up to 35 years.
 - ii. For former Salaried Plan Participants only, if greater, the monthly amount, if any, determined under the Frozen Pre-1989 Formula and converted to the actuarially equivalent Normal Form as of the Freeze Date.
 - B. For former Hourly Plan Participants, the formula is i. plus ii. as follows:
 - i. 0.5% of Average Monthly Compensation times years of benefit service after 12/31/88, plus 0.25% of Average Monthly Compensation above the current Covered Compensation times years of benefit after 12/31/88 service up to 35 years (measured from date of hire).
 - ii. \$7 times years of benefit service prior to 1/1/89 less the actuarial equivalent of the participants 12/31/88 profit sharing account balance.
3. *Payment* - Commences on the first day of the month coinciding with or next following the date of retirement and is payable each month thereafter for the lifetime of the Participant.

I. Early Retirement Benefit

1. *Eligibility requirements* - A Participant must have attained age 55 and completed at least 5 Years of Vesting Service.
2. *Monthly pension* - The amount is calculated as in H. above based on service and compensation at termination and accrued under the fractional rule.
3. *Payment* - full retirement benefit commences at Normal Retirement Date. A reduced benefit may commence on the first day of any month coincident with or following the early retirement date. Payment continues during the lifetime of the retired Participant. The benefit payable prior to Normal Retirement Date is the accrued benefit payable at Normal Retirement Date, reduced by 1/180th for each of the first 60 months, and 1/360th for each of the next 60 months, that the benefit commencement date precedes Normal Retirement Date.

Name of Plan Sponsor: Hartzell Propeller Inc.
EIN: 31-1258121
Plan Number: 001
Line Number: Part V

Schedule SB, Part V - Summary of Plan Provisions

J. Vested Retirement Benefit

1. *Eligibility requirements* - Participants are 100% vested in their accrued benefits after completion of five Years of Vesting Service.
2. *Monthly pension* - The amount is calculated as in H. above based on service and compensation at termination and accrued under the fractional rule.
3. *Payment* - Full vested benefit commences on the first day of the month coinciding with or next following attainment of normal retirement age. A reduced benefit may commence as of the first day of any month coincident with or next following Early Retirement Date. The benefit is reduced for each month that payment begins prior to Normal Retirement Date in accordance with the Early Retirement Benefit above. Payments continue monthly for the remainder of the Participant's lifetime.

K. Death Benefits

1. *Postretirement* - none, except through an option elected at retirement.
2. *Preretirement* - Each married active Participant with 5 or more years of vesting service and terminated vested married Participants have an automatic spouse's death benefit. A monthly income payable to the eligible surviving spouse is equal to 50% of the reduced monthly retirement benefit had the Participant survived to earliest retirement date and elected a 50% Joint and Survivor Option.

L. Optional Forms of Pension Available on Normal or Early Retirement

The normal form of benefit is a life annuity. The optional payment methods described below are the actuarial equivalent of the normal form otherwise payable as of a Participant's retirement date.

1. *Contingent annuitant option* - Participant receives a reduced pension commencing at actual retirement. Survivor receives 50% or 75% of the Participant's reduced pension for life commencing at the Participant's death.
2. *Period certain and life option* - pension is reduced and paid for the longer of Participant's life or 120 or 240 months depending on the certain period elected.

M. Plan Change

None.

HARTZELL PROPELLER, INC.
DEFINED BENEFIT PENSION PLAN
SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)
EIN: 31-1258121
PLAN 001
December 31, 2011

(a)	(b)	(c)	(d)	(e)
	Identity of issues, borrower, lessor or similar party.	Description of investment including maturity date, rate of interest, collateral, par or maturity value	Cost	Current Value
*	SSGA Institutional Liquid Reserves	Money Market Fund, 0.20% Interest	\$ 96,044	\$ 96,044
	FHLMC	Fixed Income Securities at 3.75% due 03/27/2019	78,212	85,615
	FHLMC	Fixed Income Securities at 6.75% due 03/15/2031	31,684	33,072
	FHLMC	Fixed Income Securities at 6.25% due 07/15/2032	33,152	34,930
	FHLMC	Fixed Income Securities at 4.50% due 10/01/2039	387,937	389,232
	FHLMC	Fixed Income Securities at 4.50% due 11/01/2039	158,792	159,487
	FNMA	Fixed Income Securities at 5.00% due 05/11/2017	179,807	195,850
	FNMA	Fixed Income Securities at 6.25% due 05/15/2029	32,616	33,789
	FNMA	Fixed Income Securities at 7.25% due 05/15/2030	30,096	31,234
	FNMA	Fixed Income Securities at 6.63% due 11/15/2030	31,150	32,585
	FNMA	Fixed Income Securities at 6.00% due 08/01/2037	107,456	108,910
	US Treasury Notes	Fixed Income Securities at 1.38% due 11/30/2015	441,636	463,712
	US Treasury Notes	Fixed Income Securities at 2.00% due 01/31/2016	199,825	211,000
			1,712,363	1,779,416
	Allscripts Healthcare Solutions	Equity Securities	60,726	72,540
	Amadeus IT Holding	Equity Securities	52,913	47,859
	Amazon.com Inc	Equity Securities	79,593	70,871
	AMC Networks Inc	Equity Securities	69,835	73,656
	American Express Co	Equity Securities	34,085	67,453
	Anheuser Busch	Equity Securities	110,405	120,000
	Autodesk, Inc.	Equity Securities	104,543	115,860
	Baker Hughes, Inc	Equity Securities	103,742	97,523
	Bank of New York Mellon Corp	Equity Securities	124,440	86,608
	Becton Dickinson & Co	Equity Securities	72,360	73,973
	Boston Scientific Corp	Equity Securities	131,863	102,742
	Carnival Corp	Equity Securities	102,713	106,733
	Cerner Corp	Equity Securities	72,546	98,000
	Cisco Systems, Inc	Equity Securities	214,652	190,382
	Coca-Cola Co	Equity Securities	59,015	79,766
	Coming Inc	Equity Securities	105,834	95,143
	DirectTV	Equity Securities	107,345	99,203
	Discover Financial Services	Equity Securities	86,524	88,560
	Electronic Arts	Equity Securities	140,777	91,876
	EMC Corp	Equity Securities	106,966	122,562
	Fedex Corp	Equity Securities	67,628	70,983
	Flowserve Corp	Equity Securities	119,030	119,184
	Google, Inc	Equity Securities	171,048	238,983
	Hess Corp	Equity Securities	156,693	160,176
	Kraft Foods Inc	Equity Securities	92,017	116,189
	Kroger Co	Equity Securities	71,689	78,230
	Liberty Global	Equity Securities	43,582	54,980
	Mastercard Inc	Equity Securities	58,590	96,933
	Monsanto Co	Equity Securities	197,002	227,727
	Moodys Corp	Equity Securities	72,024	74,433
	Nestle Sa	Equity Securities	70,353	104,056
	News Corp Inc	Equity Securities	84,931	92,233
	Norfolk Southern Corp	Equity Securities	61,328	68,488
	Qiagen	Equity Securities	102,335	84,379
	Qualcomm Inc	Equity Securities	76,150	109,400

HARTZELL PROPELLER, INC.
DEFINED BENEFIT PENSION PLAN
SCHEDULE H, LINE 4I - SCHEDULE OF ASSETS (HELD AT END OF YEAR)
EIN: 31-1258121
PLAN 001
December 31, 2011

(a)	(b)	(c)	(d)	(e)
	Identity of issues, borrower, lessor or similar party.	Description of investment including maturity date, rate of interest, collateral, par or maturity value	Cost	Current Value
	Schlumberger	Equity Securities	\$ 89,583	\$ 92,901
	Schwab	Equity Securities	148,327	131,291
	Southwest Airlines Co	Equity Securities	93,984	104,689
	State Street Corp	Equity Securities	126,601	108,837
	Syngenta	Equity Securities	62,374	55,626
	Telenor	Equity Securities	112,716	112,192
	The Walt Disney Co	Equity Securities	165,231	229,875
	Time Warner Inc	Equity Securities	149,298	176,363
	Toyota Motor Corp	Equity Securities	64,700	53,565
	Unilever	Equity Securities	79,674	100,727
	United Parcel Service, Inc	Equity Securities	98,301	114,542
	Virgin Media Inc	Equity Securities	106,208	102,196
	Visa Inc	Equity Securities	71,031	96,463
	Waters Corp	Equity Securities	46,468	46,651
	Weatherford International Ltd	Equity Securities	80,432	71,736
			4,880,215	5,195,438
	Alexandria Real Estate Equity	Real estate mutual funds	20,298	21,381
	Biomed Realty Trust Inc.	Real estate mutual funds	22,513	22,238
	Corporate Office Properties	Real estate mutual funds	26,227	21,473
	Digital Realty Trust Inc.	Real estate mutual funds	20,602	24,668
	Dupont Fabros Technology Inc.	Real estate mutual funds	22,148	23,735
			111,788	113,495
*	Manning & Napier Emerging Markets Series	Equity Mutual Funds	112,702	110,903
*	Manning & Napier Inflation Focus Equity Series	Equity Mutual Funds	108,926	108,117
*	Manning & Napier Core Plus Bond	Equity Mutual Funds	1,727,727	1,726,741
*	Manning & Napier Financial	Equity Mutual Funds	240,071	167,389
*	Manning & Napier High Yield Bond	Equity Mutual Funds	287,755	294,128
*	Manning & Napier International	Equity Mutual Funds	382,854	305,031
*	Manning & Napier Life Science Series	Equity Mutual Funds	275,456	261,989
*	Manning & Napier Real Estate	Equity Mutual Funds	208,492	239,385
*	Manning & Napier Small Cap Series Fund	Equity Mutual Funds	225,466	194,889
*	Manning & Napier Technology Series	Equity Mutual Funds	110,903	187,444
*	Manning & Napier World Opp Series	Equity Mutual Funds	181,519	162,054
			3,861,871	3,758,070
			\$ 10,662,281	\$ 10,942,463

* Represents a party-in-interest.

Name of Plan Sponsor: Hartzell Propeller Inc.
EIN: 31-1258121
Plan Number: 001
Line Number: 32

Schedule SB, line 32 - Schedule of Amortization Bases

Type of Base	Present Value of		Amortization Period Remaining	Amortization Installment
	Remaining Installments	Valuation Date Established		
Shortfall	1,533,706	1/1/2009	5	324,770
Shortfall	567,420	1/1/2010	6	103,618
Shortfall	895,954	1/1/2011	7	144,782