

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), 6057(b), and 6058(a) of the Internal Revenue Code (the Code). ► Complete all entries in accordance with the instructions to the Form 5500.	OMB Nos. 1210-0110 1210-0089
		2011
		This Form is Open to Public Inspection

Part I	Annual Report Identification Information
For calendar plan year 2011 or fiscal plan year beginning <u>05/01/2011</u> and ending <u>04/30/2012</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>JOHN SEXTON & CO. UNION EMPLOYEE PENSION PLAN</u>	1b Three-digit plan number (PN) ► <u>005</u> 1c Effective date of plan <u>05/01/1976</u>
2a Plan sponsor's name and address, including room or suite number (Employer, if for single-employer plan) <u>US FOODS, INC.</u> <u>9399 HIGGINS ROAD, SUITE 500</u> <u>ROSEMONT, IL 60018</u>	2b Employer Identification Number (EIN) <u>36-3642294</u> 2c Sponsor's telephone number <u>847-720-8000</u> 2d Business code (see instructions) <u>424400</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	<u>Filed with authorized/valid electronic signature.</u>	<u>11/29/2012</u>	<u>GARY HANSEN</u>
	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") US FOODS, INC. 9399 HIGGINS ROAD, SUITE 500 ROSEMONT, IL 60018	3b Administrator's EIN 36-3642294 3c Administrator's telephone number 847-720-8000
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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	106
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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	21
b Retired or separated participants receiving benefits.....	6b	22
c Other retired or separated participants entitled to future benefits.....	6c	64
d Subtotal. Add lines 6a , 6b , and 6c	6d	107
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e	4
f Total. Add lines 6d and 6e	6f	111
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	6g	
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6h	0

7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	7	
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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:

1B 1G 3H

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

9a Plan funding arrangement (check all that apply)	9b Plan benefit arrangement (check all that apply)
(1) ☐ Insurance	(1) ☐ Insurance
(2) ☐ Code section 412(e)(3) insurance contracts	(2) ☐ Code section 412(e)(3) insurance contracts
(3) ☒ Trust	(3) ☒ Trust
(4) ☐ General assets of the sponsor	(4) ☐ General assets of the sponsor

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

a Pension Schedules

- (1)** ☒ **R** (Retirement Plan Information)

(2) ☐ **MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary

(3) ☒ **SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary

b General Schedules

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

SCHEDULE SB (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Single-Employer Defined Benefit Plan Actuarial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500 or 5500-SF.	OMB No. 1210-0110 2011 This Form is Open to Public Inspection
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For calendar plan year 2011 or fiscal plan year beginning 05/01/2011 and ending 04/30/2012

▶ **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>JOHN SEXTON & CO. UNION EMPLOYEE PENSION PLAN</u>	B Three-digit plan number (PN) ▶ <u>005</u>
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF <u>US FOODS, INC.</u>	D Employer Identification Number (EIN) <u>36-3642294</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>05</u> Day <u>01</u> Year <u>2011</u>
2	Assets:
a	Market value 2a <u>2052221</u>
b	Actuarial value 2b <u>1885582</u>
3	Funding target/participant count breakdown:
	(1) Number of participants (2) Funding Target
a	For retired participants and beneficiaries receiving payment 3a <u>21</u> <u>718360</u>
b	For terminated vested participants 3b <u>65</u> <u>1194172</u>
c	For active participants:
(1)	Non-vested benefits 3c(1) <u>50990</u>
(2)	Vested benefits 3c(2) <u>353858</u>
(3)	Total active 3c(3) <u>20</u> <u>404848</u>
d	Total 3d <u>106</u> <u>2317380</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>6.03 %</u>
6	Target normal cost 6 <u>158665</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>11/16/2012</u>
Signature of actuary	Date
<u>MARK E. SILVERS</u>	<u>11-04235</u>
Type or print name of actuary	Most recent enrollment number
<u>MERCER</u>	<u>312-917-9900</u>
Firm name	Telephone number (including area code)
<u>155 N. WACKER DRIVE, STE 1500</u> <u>CHICAGO, IL 60606</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>13.76</u> %		
11	Prior year's excess contributions to be added to prefunding balance:		
a	Present value of excess contributions (line 38 from prior year)		306
b	Interest on (a) using prior year's effective rate of <u>6.64</u> % except as otherwise provided (see instructions)		20
c	Total available at beginning of current plan year to add to prefunding balance		326
d	Portion of (c) to be added to prefunding balance		
12	Other reductions in balances due to elections or deemed elections		
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	81.36 %
15	Adjusted funding target attainment percentage	15	81.36 %
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	84.01 %
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	
08/11/2011	51000		
11/15/2011	51000		
02/14/2012	51000		
05/14/2012	51000		
09/27/2012	50000		
Totals ▶		18(b)	254000
		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
b Contributions made to avoid restrictions adjusted to valuation date	19b
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c 242323
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
0	0
(3) 3rd	(4) 4th
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 4
22 Weighted average retirement age				22 61
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	
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	158665	
b Excess assets, if applicable, but not greater than 31a	31b		
32 Amortization installments:	Outstanding Balance	Installment	
a Net shortfall amortization installment	431798	79809	
b Waiver amortization installment			
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	238474	
	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	238474	
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	37	242323	
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)	38a	3849	
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 D (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small>	DFE/Participating Plan 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 <div style="text-align: center; font-size: 1.2em;">2011</div> This Form is Open to Public Inspection.
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For calendar plan year 2011 or fiscal plan year beginning 05/01/2011 and ending 04/30/2012

A Name of plan JOHN SEXTON & CO. UNION EMPLOYEE PENSION PLAN	B Three-digit plan number (PN)	005
C Plan or DFE sponsor's name as shown on line 2a of Form 5500 US FOODS, INC.	D Employer Identification Number (EIN) 36-3642294	

Part I	Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs) (Complete as many entries as needed to report all interests in DFEs)
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a Name of MTIA, CCT, PSA, or 103-12 IE: USF MASTER DEFINED BEN PEN TRUST

b Name of sponsor of entity listed in (a): US FOODS, INC.

c EIN-PN 36-3642294-200	d Entity code M	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 2267072
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a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

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

b Name of sponsor of entity listed in (a):

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

b Name of sponsor of entity listed in (a):

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

b Name of sponsor of entity listed in (a):

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

b Name of sponsor of entity listed in (a):

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

b Name of sponsor of entity listed in (a):

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

Part II Information on Participating Plans (to be completed by DFEs)

(Complete as many entries as needed to report all participating plans)

a Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
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plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN

SCHEDULE H (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110
		2011
		This Form is Open to Public Inspection

For calendar plan year 2011 or fiscal plan year beginning 05/01/2011 and ending 04/30/2012		
A Name of plan JOHN SEXTON & CO. UNION EMPLOYEE PENSION PLAN	B Three-digit plan number (PN) ►	005
C Plan sponsor's name as shown on line 2a of Form 5500 US FOODS, INC.	D Employer Identification Number (EIN) 36-3642294	

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

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	62000	101000
(2) Participant contributions	1b(2)		
(3) Other.....	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)		
(2) U.S. Government securities.....	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other.....	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)		
(9) Value of interest in common/collective trusts.....	1c(9)		
(10) Value of interest in pooled separate accounts.....	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)	1990605	2267072
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)		
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
(15) Other	1c(15)		

1d Employer-related investments:		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	2052605	2368072

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	2052605	2368072
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Part II Income and Expense Statement

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

Income

		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	254000	
(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)		254000
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)		
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		0
(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)		
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		0
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		0

		(a) Amount	(b) Total
2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate.....	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		0
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		215321
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		
c Other income.....	2c		
d Total income. Add all income amounts in column (b) and enter total.....	2d		469321

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	85199	
(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)		85199
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)		
(4) Other	2i(4)		
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		0
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		85199

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		384122
l Transfers of assets:			
(1) To this plan.....	2l(1)		
(2) From this plan	2l(2)		68655

Part III Accountant's Opinion

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

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

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

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

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

(1) Name: PLANTE & MORAN, PLLC

(2) EIN: 38-1357951

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

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

Part IV Compliance Questions

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

During the plan year:

	Yes	No	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.).....		X	
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.).....		X	
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.).....		X	
e Was this plan covered by a fidelity bond?.....	X		20000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.).....		X	
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.).....		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?.....		X	
l Has the plan failed to provide any benefit when due under the plan?		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.).....			
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.			
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)

U.S. FOODSERVICE, INC. MASTER DEFINED BENEFIT PENSION TRUST

5b(2) EIN(s)	5b(3) PN(s)
36-3642294	200

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 05/01/2011 and ending 04/30/2012

A Name of plan <u>JOHN SEXTON & CO. UNION EMPLOYEE PENSION PLAN</u>	B Three-digit plan number (PN) ▶ <u>005</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>US FOODS, INC.</u>	D Employer Identification Number (EIN) <u>36-3642294</u>

Part I	Distributions
---------------	----------------------

All references to distributions relate only to payments of benefits during the plan year.

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....	1	<u>0</u>
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): <u>36-3642294</u>		
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....	3	<u>0</u>

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

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?.....	☐ Yes	☐ No	☒ N/A
If the plan is a defined benefit plan, go to line 8.			
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____ If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.			
6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived)	6a		
b Enter the amount contributed by the employer to the plan for this plan year	6b		
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount).....	6c		
If you completed line 6c, skip lines 8 and 9.			
7 Will the minimum funding amount reported on line 6c be met by the funding deadline?	☐ Yes	☐ No	☐ N/A
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?.....	☐ Yes	☐ No	☒ N/A

Part III	Amendments
-----------------	-------------------

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

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

10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?.....	☐ Yes	☐ No
11 a Does the ESOP hold any preferred stock?	☐ Yes	☐ No
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.).....	☐ Yes	☐ No
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?	☐ Yes	☐ No

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

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

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

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

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

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

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

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

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

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

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

a Enter the percentage of plan assets held as:
 Stock: _____% 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): _____

Financial Statements and Report of
Independent Auditors

**John Sexton & Co. Union Employees
Pension Plan**

April 30, 2012 and 2011

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Independent Auditor's Report

To the U.S. Foodservice, Inc.
Retirement Administration Committee
John Sexton & Company Union
Employees Pension Plan

We were engaged to audit the John Sexton & Company Union Employees Pension Plan (the "Plan") statement of net assets available for benefits and statement of changes in net assets available for benefits as of and for the years ended April 30, 2012 and 2011, and the statement of accumulated plan benefits and statement of changes in accumulated plan benefits as of May 1, 2011 and 2010. These financial statements are the responsibility of the Plan's management.

As permitted by 29 CFR 2520.103-8 of the Department of Labor 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 Notes D and E, which was certified by The Northern Trust Company, the trustee of the Plan, except for comparing such information with the related information included in the financial statements. We have been informed by the plan administrator that the Trustee holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained a certification from the Trustee as of and for the year ended April 30, 2012 and 2011 that the information provided to the plan administrator by the Trustee is complete and accurate.

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

A handwritten signature in black ink that reads "Plante & Moran, PLLC".

Elgin, Illinois
November 20, 2012

FINANCIAL STATEMENTS

John Sexton & Co. Union Employees Pension Plan
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

April 30,
(In thousands)

	<u>2012</u>	<u>2011</u>
ASSETS		
Investments, at fair value		
Investments in the US Foods, Inc. Master Defined Benefit Pension Trust	\$ 2,267	\$ 1,991
Employer contribution receivable	<u>101</u>	<u>62</u>
Net assets available for benefits	<u><u>\$ 2,368</u></u>	<u><u>\$ 2,053</u></u>

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

John Sexton & Co. Union Employees Pension Plan

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

Years ended April 30,

(In thousands)

	2012	2011
Additions		
Additions to net assets attributed to:		
Investment income		
Plan interest in US Foods, Inc. Master Defined		
Benefit Pension Trust investment income	\$ 215	\$ 238
Employer contributions	254	212
Total additions	469	450
Deductions		
Deductions from net assets attributed to:		
Benefits paid directly to participants	85	63
Administrative expenses	69	122
Total deductions	154	185
NET INCREASE	315	265
Net assets available for benefits		
Beginning of year	2,053	1,788
End of year	\$ 2,368	\$ 2,053

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

John Sexton & Co. Union Employees Pension Plan

STATEMENTS OF ACCUMULATED PLAN BENEFITS

May 1,

(In thousands)

	2011	2010
Actuarial present value of accumulated plan benefits		
Vested benefits:		
Active participants	\$ 290	\$ 213
Participants currently receiving payments	622	545
Participants with deferred benefits	960	911
Total vested benefits	1,872	1,669
Non-vested benefits	42	59
Total actuarial present value of accumulated plan benefits	<u><u>\$ 1,914</u></u>	<u><u>\$ 1,728</u></u>

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

John Sexton & Co. Union Employees Pension Plan

STATEMENTS OF CHANGES IN ACCUMULATED PLAN BENEFITS

Years ended May 1,

(In thousands)

	2011	2010
Actuarial present value of accumulated plan benefits, beginning of year	\$ 1,728	\$ 1,600
Change during the year attributable to:		
Benefits accumulated and losses (gains)	58	(8)
Increase for interest due to decrease in discount period	131	126
Benefits paid	(63)	(51)
Change in actuarial assumptions	60	58
Change in plan provisions	-	3
NET INCREASE	186	128
Actuarial present value of accumulated plan benefits, end of year	\$ 1,914	\$ 1,728

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

John Sexton & Co. Union Employees Pension Plan

NOTES TO FINANCIAL STATEMENTS

April 30, 2012 and 2011

(In thousands)

NOTE A - DESCRIPTION OF THE PLAN

The following brief description of the John Sexton & Co. Union Employees Pension Plan (the “Plan”) is provided for general information purposes only. Participants should refer to the Plan agreement for more complete information.

General

The Plan became effective on May 1, 1976, as a noncontributory, defined benefit plan covering certain union hourly employees of John Sexton & Co. and certain affiliates, a wholly-owned subsidiary of US Foods, Inc. (the “Employer”, formerly U.S. Foodservice, Inc.). It is subject to the provisions of the Employee Retirement Income Security Act of 1974 (“ERISA”).

Trustee Agreement

The Plan operates under a trustee agreement with The Northern Trust Company (the “Trustee”).

Participation

Employees who are members of a collective bargaining unit covered by a collective bargaining agreement that requires inclusion in the Plan become participants under the Plan on the date of hire or the Plan commencement date for that particular collective bargaining agreement.

Benefits

Participants employed on May 1, 1976, or thereafter, with 5 or more years of vested service are entitled to monthly pension benefits beginning at normal retirement age of 65 equal to benefit rates times years of participation, as defined by the Plan.

A participant who, prior to his/her normal retirement date, incurs a separation from service after he/she has at least 5 years of vesting service, for any reason other than death, is entitled to a deferred vested pension. The Plan also contains provisions for late retirement, total and permanent disability, surviving spouse, termination, and death benefits, all of which may affect the calculation of the amount of the participant’s benefit payments.

John Sexton & Co. Union Employees Pension Plan

NOTES TO FINANCIAL STATEMENTS - CONTINUED

April 30, 2012 and 2011

(In thousands)

NOTE A - DESCRIPTION OF THE PLAN – Continued

Benefits - continued

Participants may elect to receive their pension benefits in the form of a life annuity for a 10-year term or until the participant's death, a joint survivor annuity, or as a lump sum upon retirement or termination.

If an employee terminates before rendering 5 years of service, he/she forfeits the right to receive the accumulated benefits. Benefits which are forfeited in accordance with the terms of the Plan remain in the Plan and are used to reduce future employer contributions.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the Plan's significant accounting policies applied in the preparation of the accompanying financial statements follows.

Basis of Accounting

The accompanying financial statements are prepared on 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 Plan management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. Actual results could differ from those estimates.

Investment Valuation and Income Recognition

The fair value of the Plan's interest in the US Foods, Inc. Master Defined Benefit Pension Trust ("Master Trust") is based upon the beginning of year value of the Plan's interest in the Master Trust plus actual contributions and allocated investment income less actual distributions and administrative expenses (See Note E).

Administration Expenses

During 2012 and 2011, the Employer paid certain administrative expenses of the Plan.

John Sexton & Co. Union Employees Pension Plan

NOTES TO FINANCIAL STATEMENTS - CONTINUED

April 30, 2012 and 2011

(In thousands)

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Payment of Benefits

Benefit payments are recorded upon distribution to participants.

Subsequent Events

The Plan has evaluated subsequent events through November 20, 2012 the date the financial statements were available to be issued.

NOTE C - ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS

Accumulated Plan benefits are those future periodic payments, including lump-sum distributions that are attributable under the Plan's provisions to the service employees have rendered. Accumulated Plan benefits include benefits expected to be paid to retired or terminated employees or their beneficiaries, beneficiaries of employees who have died, and present employees and their beneficiaries.

Benefits payable under 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 is determined by MERCER Human Resource Consulting, the Plan's actuary, and is that amount that results from applying actuarial assumptions to adjust the accumulated Plan benefits to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements such as for death, disability, withdrawal, or retirement) between the valuation date and expected date of payment.

John Sexton & Co. Union Employees Pension Plan

NOTES TO FINANCIAL STATEMENTS - CONTINUED

April 30, 2012 and 2011

(In thousands)

NOTE C - ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS - Continued

The significant actuarial assumptions used in the valuations as of May 1, 2011, 2010, and 2009 were:

a. Healthy and Disabled Mortality: Effective May 1, 2011:

2011 PPA static annuitant and nonannuitant mortality

Effective May 1, 2010:

2010 PPA static annuitant and nonannuitant mortality

Effective May 1, 2009:

2009 PPA static annuitant and nonannuitant mortality

b. Retirement Age Assumptions: Participants are assumed to retire in accordance with the following table:

<u>Age</u>	<u>Percent Expected to Retire</u>
55	7%
56-59	5%
60-61	10%
62	35%
63-64	25%
65	100%

c. Assumed Rate of Return: 7.50%, 7.75%, and 8.00% compounded for 2011, 2010, and 2009 annually, respectively.

Significant changes in actuarial assumptions included changes to interest discounts and mortality rates in accordance with PPA, as well as the expected investment rate of return to better reflect expected future returns based on assets held by the Plan.

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

John Sexton & Co. Union Employees Pension Plan

NOTES TO FINANCIAL STATEMENTS - CONTINUED

April 30, 2012 and 2011

(In thousands)

NOTE D - INFORMATION CERTIFIED BY THE TRUSTEE

The plan administrator has elected the method of annual reporting compliance permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, the Trustee has certified that the following information included in the accompanying financial statements is complete and accurate:

- Investments, as shown in the statements of net assets available for benefits as of April 30, 2012 and 2011.
- Investment income, as shown in the statements of changes in net assets available for benefits for the years ended April 30, 2012 and 2011.

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

NOTE E - INTEREST IN US FOODS MASTER TRUST

The Plan is a member of the Master Trust, which was established for the investment of assets of the Plan and several other US Foods, Inc. sponsored retirement plans. Each participating retirement plan has a specified divided interest in the Master Trust. The assets of the Master Trust are held by the Trustee. At April 30, 2012 and 2011, the Plan's interest in the net assets and investment income of the Master Trust was a specified allocation by investment type. Administrative expenses relating to the Master Trust are directly charged or allocated to the individual plans.

John Sexton & Co. Union Employees Pension Plan

NOTES TO FINANCIAL STATEMENTS - CONTINUED

April 30, 2012 and 2011

(In thousands)

NOTE E - INTEREST IN US FOODS MASTER TRUST - Continued

The following tables present the fair values of all investments and related investment income for the Master Trust as of April 30, 2012 and 2011. Certain 2011 amounts have been reclassified to conform to the 2012 presentation:

	April 30	
	2012	2011
Investments, at fair value:		
Cash	\$ 4,010	\$ 1,976
Collective trust funds:		
Cash	3,982	4,897
Domestic equities	208,252	193,001
International equities	31,195	29,287
	243,429	227,185
Mutual funds:		
Domestic equities	27,086	26,845
International equities	33,113	32,035
	60,199	58,880
Long-term debt securities:		
Corporate debt securities:		
Domestic	131,621	111,091
International	20,028	18,212
U.S. government securities	130,190	112,133
Government agencies	10,731	8,659
Other	2,596	2,761
	295,166	252,856
	<u>\$ 602,804</u>	<u>\$ 540,897</u>

John Sexton & Co. Union Employees Pension Plan

NOTES TO FINANCIAL STATEMENTS - CONTINUED

April 30, 2012 and 2011

(In thousands)

NOTE E - INTEREST IN US FOODS MASTER TRUST - Continued

	Years ended April 30	
	2012	2011
Investment income:		
Net appreciation (depreciation) in fair value of investments:		
Collective trust funds	\$ (4,901)	\$ 33,163
Mutual funds	(3,168)	10,126
Long-term debt securities	23,710	559
	15,641	43,848
Realized gain (loss) on sales:		
Collective trust funds	1,215	3,880
Mutual funds	18,574	43
Long-term debt securities	10,397	5,105
	30,186	9,028
Interest	12,392	11,559
Dividends	875	487
	<u>\$ 50,094</u>	<u>\$ 64,922</u>

The Plan makes up less than 1% of total Master Trust assets at April 30, 2012 and 2011.

The Master Trust follows current guidance which defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Master Trust has the ability to access.

John Sexton & Co. Union Employees Pension Plan

NOTES TO FINANCIAL STATEMENTS - CONTINUED

April 30, 2012 and 2011

(In thousands)

NOTE E - INTEREST IN US FOODS MASTER TRUST - Continued

Level 2 - Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in inactive markets, inputs other than quoted prices that are observable for the asset or liability, or inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at April 30, 2012 and 2011.

Cash: Valued at original cost plus accrued interest.

Collective trust funds: Valued at the net asset value of the shares held at the end of the reporting period. This class represents investments in actively managed common collective trust funds that invest primarily in equity securities which may include common stocks, options and futures. Investments are valued at the net asset value per share multiplied by the number of shares held as of the measurement date.

Mutual funds: Valued at the closing price reported on the active market where the individual fund is traded.

Long-term debt securities: Valued at the estimated price a dealer will pay for the individual securities, which is often the principal amount invested.

John Sexton & Co. Union Employees Pension Plan

NOTES TO FINANCIAL STATEMENTS - CONTINUED

April 30, 2012 and 2011

(In thousands)

NOTE E - INTEREST IN US FOODS MASTER TRUST - Continued

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Master Trust 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.

The following table sets forth by level within the fair value hierarchy, the Master Trust's assets at fair value as of April 30, 2012:

	Assets at Fair Value as of April 30, 2012			
	Level 1	Level 2	Level 3	Total
Cash	\$ 4,010	\$ -	\$ -	\$ 4,010
Collective trust funds:				
Cash	-	3,982	-	3,982
Domestic equities	-	208,252	-	208,252
International equities	-	31,195	-	31,195
	-	243,429	-	243,429
Mutual funds:				
Domestic equities	27,086	-	-	27,086
International equities	33,113	-	-	33,113
	60,199	-	-	60,199
Long-term debt securities:				
Corporate debt securities:				
Domestic	-	131,620	-	131,620
International	-	20,028	-	20,028
U.S. government securities	-	130,190	-	130,190
Government agencies	-	10,731	-	10,731
Other	-	2,597	-	2,597
	-	295,166	-	295,166
Total assets at fair value	\$ 64,209	\$ 538,595	\$ -	\$ 602,804

John Sexton & Co. Union Employees Pension Plan

NOTES TO FINANCIAL STATEMENTS - CONTINUED

April 30, 2012 and 2011

(In thousands)

NOTE E - INTEREST IN US FOODS MASTER TRUST - Continued

The following table sets forth by level within the fair value hierarchy, the Master Trust's assets at fair value as of April 30, 2011:

	Assets at Fair Value as of April 30, 2011			
	Level 1	Level 2	Level 3	Total
Cash	\$ 1,976	\$ -	\$ -	\$ 1,976
Collective trust funds:				
Cash	-	4,897	-	4,897
Domestic equities	-	193,001	-	193,001
International equities	-	29,287	-	29,287
	-	227,185	-	227,185
Mutual funds:				
Domestic equities	26,845	-	-	26,845
International equities	32,035	-	-	32,035
	58,880	-	-	58,880
Long-term debt securities:				
Corporate debt securities:				
Domestic	-	111,091	-	111,091
International	-	18,212	-	18,212
U.S. government securities	-	112,133	-	112,133
Government agencies	-	8,659	-	8,659
Other	-	2,761	-	2,761
	-	252,856	-	252,856
Total assets at fair value	\$ 60,856	\$ 480,041	\$ -	\$ 540,897

The Plan's policy is to recognize transfers between levels of the fair value hierarchy as of the actual date of the event of change in circumstances that caused the transfer. There were no significant transfers between levels of the fair value hierarchy during 2012 and 2011.

John Sexton & Co. Union Employees Pension Plan

NOTES TO FINANCIAL STATEMENTS - CONTINUED

April 30, 2012 and 2011

(In thousands)

NOTE F - FUNDING POLICY

The Employer is the sole contributor to the Plan. The Employer's funding policy is to contribute the minimum amount required to be funded for each Plan year pursuant to the provisions of ERISA based on actuarial calculations. The Employer's contributions for 2012 and 2011 have met the minimum funding requirements.

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

NOTE G - PLAN TERMINATION AND PENSION BENEFIT GUARANTY CORPORATION

The Employer reserves the right to amend or terminate the Plan subject to the provisions of ERISA. The Pension Benefit Guaranty Corporation ("PBGC") reserves the right to terminate the Plan if the Employer fails to meet the minimum funding standards or is unable to pay benefits when due.

If the Plan is terminated, the Plan assets will be distributed among the Plan participants based upon a priority allocation procedure and the Employer shall be liable for any unfunded vested benefits to the extent required by law. If there are any assets remaining after all the Plan's liabilities to participants have been satisfied, such remaining assets shall revert to the Employer.

If the Plan terminates, a portion of the benefits under the Plan is insured by the PBGC, a U.S. Government agency. Generally, the PBGC guarantees most vested normal age retirement benefits, early retirement benefits, and certain disability and survivor benefits. However, the PBGC does not guarantee all types of benefits under the Plan, and the amount of benefit protection is subject to certain limitations.

Whether all participants receive their benefits should the Plan terminate at some future time will depend on the sufficiency, at that time, of the Plan's net assets to provide those benefits and may also depend on the level of benefits guaranteed by the PBGC.

John Sexton & Co. Union Employees Pension Plan

NOTES TO FINANCIAL STATEMENTS - CONTINUED

April 30, 2012 and 2011

(In thousands)

NOTE H - TAX STATUS

The Internal Revenue Service has determined and informed the Employer by a letter dated January 8, 2003, that the Plan and related trust, as amended, are designed in accordance with the applicable Sections of the Internal Revenue Code ("IRC"). The Plan has been amended since receiving the determination letter. However, the plan administrator and the Plan's tax counsel believe that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC.

In accordance with guidance on accounting for uncertainty in income taxes, management evaluated the Plan's tax position and does not believe the Plan has any uncertain tax positions that require disclosure or adjustment to the financial statements. The plan administrator believes it is no longer subject to tax examinations for years prior to 2009.

NOTE I - TRANSACTIONS WITH PARTIES-IN-INTEREST

Plan investments are managed by the Plan's Trustee and, as such, these transactions qualify as party-in-interest transactions. Fees paid during the year for legal, accounting, actuarial and other professional services rendered by parties-in-interest were based on customary and reasonable rates for such services.

NOTE J - RISKS AND UNCERTAINTIES

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statements of net assets available for benefits.

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

**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 05/01/2011 and ending 04/30/2012▶ **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 John Sexton & Co. Union Employee Pension Plan	B Three-digit plan number (PN) ▶ 005
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF US Foods, Inc.	D Employer Identification Number (EIN) 36-3642294
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>5</u> Day <u>1</u> Year <u>2011</u>		
2 Assets:		
a Market value	2a	2,052,221
b Actuarial value	2b	1,885,582
3 Funding target/participant count breakdown:	(1) Number of participants	(2) Funding Target
a For retired participants and beneficiaries receiving payment.....	3a 21	718,360
b For terminated vested participants	3b 65	1,194,172
c For active participants:		
(1) Non-vested benefits.....	3c(1)	50,990
(2) Vested benefits	3c(2)	353,858
(3) Total active.....	3c(3) 20	404,848
d Total.....	3d 106	2,317,380
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	6.03 %
6 Target normal cost	6	158,665

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

Mark E. Silvers

Type or print name of actuary

Mercer

155 N. Wacker Drive, Ste 1500

Firm name

Chicago

IL 60606

Address of the firm

11/16/12

Date

11-04235

Most recent enrollment number

(312) 917-9900

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 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**

4

22 Weighted average retirement age**22**

61

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****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**

158,665

b Excess assets, if applicable, but not greater than 31a**31b****32** Amortization installments:**a** Net shortfall amortization installment.....

Outstanding Balance

Installment

431,798

79,809

b Waiver amortization installment.....**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**

238,474

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**

238,474

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

242,323

38 Present value of excess contributions for current year (see instructions)**a** Total (excess, if any, of line 37 over line 36)**38a**

3,849

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 SB, Line 22 — Description of Weighted Average Retirement Age

Each employee is assumed to retire in accordance with the table of retirement rates. The proportion of employees expected to retire at each potential retirement age is shown below. The average retirement age is 61.

(A) Retirement age	(B) Number of employees expected to retire	(C) (A) X (B)
55	70.00	3,850.00
56	46.50	2,604.00
57	44.18	2,518.26
58	41.97	2,434.26
59	39.87	2,352.33
60	75.75	4,545.00
61	68.17	4,158.37
62	214.75	13,314.50
63	99.70	6,281.10
64	74.78	4,785.92
65	224.33	14,581.45
Total	1,000.00	61,425.19
Average		61.43

Schedule SB, Part V — Statement of Actuarial Assumptions/Methods**Actuarial assumptions****Discount rate sponsor elections**

▪ Segment rates or full yield curve	Segment
▪ Look-back months	4
▪ First 5 years	2.94%
▪ Next 15 years	5.82%
▪ Over 20 years	6.46%

Mortality sponsor elections

▪ Healthy participants	Section 430(h)(3) prescribed separate static annuitant and nonannuitant mortality tables. These tables are based on the RP-2000 mortality tables projected with mortality improvement to the valuation year plus 7 and 15 years based on Scale AA.
▪ Pre-1995 disabilities	Same as healthy participants.
▪ Post-1994 disabilities	Same as healthy participants.

Other economic assumptions

▪ Salary increases	N/A
▪ Flat-dollar benefit increases	N/A
▪ Social Security wage base	N/A
▪ Inflation	N/A
▪ Expected investment return	7.5% for 2011, 7.75% for 2010, 8% prior to 2011
▪ Expenses	3-year average of administrative expenses rounded to nearest \$10,000 (\$110,000 for the current plan year)

Demographic assumptions

Withdrawal	See table of sample rates.
Disability incidence	See table of sample rates.
Retirement age	

Attained age	Retirements Rates
Under 55	0%
55	7%
56	5%
57	5%
58	5%
59	5%
60	10%
61	10%
62	35%
63	25%
64	25%
65 and above	100%

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

Benefit commencement age for

- Future vested deferred 65
- Current vested deferred 65

Spouse assumptions

Male participants**Female participants**

- Percentage married 80% 65%
- Spouse age difference 3 years younger 3 years older

Form of payment**Single life****50% J&S**

- Active retirements 100% 0%
- Future vested deferred 100% 0%
- Future disabilities 100% 0%
- Future deaths 0% 100%(survivor portion)
- Current vested deferred 100% 0%

Unpredictable contingent event assumptions N/A**Table of sample rates**

Attained age	Withdrawal
25	18.51%
40	7.00%
55	2.92%

Attained age	Disability*	
	<u>Male</u>	<u>Female</u>
25	0.093%	0.096%
40	0.314%	0.357%
55	1.502%	1.490%

*Disability rates are multiplied by 0.82.

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

We used financial data submitted by the trustee as of May 1, 2011 without further audit. Customarily, this information would not be verified by a plan's actuary. We have reviewed the information for internal consistency and we have no reason to doubt its substantial accuracy.

The asset valuation method is an annual average of the adjusted market value for each year during the last 2 years preceding the valuation date with semi-annual determination points. The adjusted market value is the market value at each determination date adjusted to the valuation date based on actual cash flows and expected interest at the lesser of the expected rate of return and the third segment rate. This amount is adjusted to be no greater than 110 percent and no less than 90 percent of the fair market value, as defined in IRC Section 430.

A characteristic of this asset method is that, over time, it is slightly more likely to produce an actuarial value of assets that is less than the market value of assets than an actuarial value that is greater than the market value.

Participant methods

Participants or former participants are included or excluded from the valuation as described below:

- **Participants included:** The plan sponsor provides us with data on all employees who are potentially eligible for the plan as of the valuation date, but only those employees who have completed the plan's eligibility requirements are included in the valuation of liabilities.
- **Participants excluded:** No actuarial liability is included for nonvested participants who terminated prior to the valuation date. For this purpose, participants with a break in service on the valuation date are treated as terminated participants.
- **Insurance contracts:** The plan does not have any insurance contracts.

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

Minimum funding methods

The funding target for minimum funding calculations is computed using the traditional unit credit method of funding. The objective under this method is to fund each participant's benefits under the plan as they accrue. Thus, the total pension to which each participant is expected to become entitled at retirement is broken down into units, each associated with a year of past or future credited service.

A detailed description of the calculation follows:

- The plan's valuation date is the beginning of the plan year.
- An individual's **funding target** is the present value of future benefits based on credited service and average pay as of the beginning of the plan year, and an individual's **target normal cost** is the present value of the benefit expected to accrue in the plan year. If multiple decrements are used, the funding target and the target normal cost for an individual is the sum of the component funding targets and target normal costs associated with the various anticipated separation dates.
- The plan's **target normal cost** is the sum of the individual target normal costs, and the plan's **funding target** is the sum of the individual funding targets for all participants under the plan.

Maximum deductible contribution method

Calculations of maximum deductible contributions include the excess of the funding target computed using the projected unit credit method over the minimum funding target. The objective of the projected unit credit method is to fund each participant's benefits under the plan as they accrue, taking into consideration expected future benefit increases. Thus, the total pension to which each participant is expected to become entitled at retirement is broken down into units, each associated with a year of past or future credited service.

A detailed description of the calculation follows:

- An individual's **projected funding target** is the present value of benefits based on credited service as of the beginning of the plan year and projected benefit that would be used in the calculation of the benefit on each expected separation date. If multiple decrements are used, the projected funding target for an individual is the sum of the component projected funding targets associated with the various anticipated separation dates.
- The plan's **projected funding target** is the sum of the projected funding targets for all participants under the plan. The excess of the plan's projected funding target over the plan's funding target is included in the "cushion amount".

Schedule SB, Part V — Summary of Plan Provisions**Benefits included or excluded**

Unless noted below, all benefits provided by the plan, as restated and amended through May 1, 2009 are included in this valuation.

- **Most recent plan amendments included:** Amendment One dated April 6, 2010.
- **Plan amendments excluded:** Amendments adopted after the valuation date or effective after the current plan year are excluded from the valuation.
- **IRC Section 436 benefit restrictions:**
 - *Unpredictable contingent event benefits:* This valuation excludes restricted contingent event benefits that occurred before the valuation date but includes contingent event benefits which are expected to occur on or after the valuation date regardless of anticipated funding-based limitations.
 - *Plan amendments:* See above.
 - *Prohibited payments:* Limitations on prohibited benefits (if any) are reflected for annuity starting dates before the valuation date but are ignored for annuity starting dates on or after the valuation date.
 - *Benefit accruals:* The plan's funding target does not reflect any limitation on benefit accruals. The target normal cost does not reflect any limitation on benefit accruals.
- **Scheduled benefit increases:** Scheduled benefit increases effective after the end of the current plan year are excluded from minimum funding requirements.
- **Late retirement increases:**
 - *Active participants:* The plan applies late retirement actuarial increases for all participants who defer retirement beyond their normal retirement date and this valuation includes those increases.
 - *Deferred vested participants:* Current deferred vested participants over normal retirement age are valued including the late retirement actuarial increase.

Schedule SB, Part V — Summary of Plan Provisions

- **Unpredictable contingent event benefits:** The plan does not have any unpredictable contingent event benefits.
- **IRC Section 415(b) benefit limitations:** The limitations of Internal Revenue Code Section 415(b) have been incorporated into our calculations.
- **IRC Section 416 rules for top-heavy plans:** We did not test whether this plan is top-heavy (when the present value of benefits for key employees equals or exceeds 60 percent of the present value for all participants). Because the plan is collectively bargained and only covers union employees, the top-heavy rules do not apply.

Schedule SB, Part V — Summary of Plan Provisions**Summary of major plan provisions**

Effective date and plan year	Original plan: March 1, 1976 Restated plan: May 1, 2009 Plan year: May 1 through April 30
Status of the plan	The plan has ongoing benefit accruals and new employees are eligible to participate in the plan once they satisfy the participation requirements.
Significant events that occurred during the year	Benefit multiplier changed for Sanitation Workers from \$50 to \$51 effective July 1, 2011. The prospective benefit multiplier increase for Warehouse Clerks is reflected in the normal cost of the plan.
Definitions	
▪ Participating Employees	Employees in collective bargaining units represented by: <ul style="list-style-type: none"> ▪ International Brotherhood of Teamsters Local No. 391 ▪ International Brotherhood of Teamsters Local No. 414 ▪ International Brotherhood of Teamsters Local No. 470 ▪ International Brotherhood of Teamsters Local No. 528 ▪ International Brotherhood of Teamsters Local No. 829 ▪ Warehouse & Delivery Personnel Local No. 270 ▪ Warehouse Employees Local No. 730 ▪ Dallas Delivery Local No. 698 ▪ General Teamsters Chauffeurs and Warehousemen Local Union No. 671
▪ Eligibility	Completion of one year of vesting service
▪ Employer Contributions	Actuarially determined as required to meet IRS funding standards.
▪ Employee contributions	None allowed.
▪ Normal Form of Benefit	Life annuity for single employees. Actuarially reduced Joint and 50% Survivor annuity for participants married at least one year at benefit commencement date.
▪ Vesting Service	A Participant shall earn one year of Vesting Service for each Plan Year such Participant completes 1,000 Hours of Service.
▪ Credited Service	A Participant shall earn one year of benefit service for each Plan Year during which such Participant completes at least 1,800 Hours of Service. Prorated credit is granted for years in which at least 1,000 hours are completed.

Schedule SB, Part V — Summary of Plan Provisions

Normal retirement																																			
▪ Eligibility	Age 65																																		
▪ Benefit	The monthly amount payable as a life annuity equal to a Participant's Years of Benefit Service multiplied by the benefit level in effect at termination of employment.																																		
	<table> <tr> <th>Location</th><th>Benefit Level</th></tr> <tr> <td>Dallas/New Orleans</td><td>\$ 7.50</td></tr> <tr> <td>Greensboro</td><td>31.00</td></tr> <tr> <td>Atlanta</td><td>50.00</td></tr> <tr> <td>Boston</td><td>15.00</td></tr> <tr> <td>Dorsey</td><td>29.00</td></tr> <tr> <td>Ft. Wayne</td><td>25.00</td></tr> <tr> <td>Philadelphia</td><td></td></tr> <tr> <td>Sanitation Workers</td><td></td></tr> <tr> <td>7/1/2009</td><td>49.00</td></tr> <tr> <td>7/1/2010</td><td>50.00</td></tr> <tr> <td>7/1/2011</td><td>51.00</td></tr> <tr> <td>Warehouse Clerks</td><td></td></tr> <tr> <td colspan="2">All service to 1/1/2010 will be credited with a benefit multiplier of 48.00. Service after 1/1/2010 will be credited with the applicable multiplier for that year.</td></tr> <tr> <td>1/1/2010</td><td>56.00</td></tr> <tr> <td>1/1/2011</td><td>63.00</td></tr> <tr> <td>1/1/2012</td><td>70.00</td></tr> </table>	Location	Benefit Level	Dallas/New Orleans	\$ 7.50	Greensboro	31.00	Atlanta	50.00	Boston	15.00	Dorsey	29.00	Ft. Wayne	25.00	Philadelphia		Sanitation Workers		7/1/2009	49.00	7/1/2010	50.00	7/1/2011	51.00	Warehouse Clerks		All service to 1/1/2010 will be credited with a benefit multiplier of 48.00. Service after 1/1/2010 will be credited with the applicable multiplier for that year.		1/1/2010	56.00	1/1/2011	63.00	1/1/2012	70.00
Location	Benefit Level																																		
Dallas/New Orleans	\$ 7.50																																		
Greensboro	31.00																																		
Atlanta	50.00																																		
Boston	15.00																																		
Dorsey	29.00																																		
Ft. Wayne	25.00																																		
Philadelphia																																			
Sanitation Workers																																			
7/1/2009	49.00																																		
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1/1/2010	56.00																																		
1/1/2011	63.00																																		
1/1/2012	70.00																																		

Schedule SB, Part V — Summary of Plan Provisions

Early retirement	
▪ Eligibility	Age 55 and completion of 5 years of service
▪ Benefit	Reduced The accrued benefit payable at normal retirement date is reduced 0.5% per month for each month that commencement precedes the participant's normal retirement date.
Disability	
▪ Eligibility	Totally and permanently disabled employees who have attained age 45 and completed 15 years of service
▪ Benefit	The greater of: <ul style="list-style-type: none"> ▪ Normal Retirement Benefit based on Credited Service at disability retirement date ▪ \$50.00 per month. The benefit is payable immediately without reduction for early retirement
Death	
▪ Benefit pre-retirement	If a vested participant dies prior to commencement of benefit payments, the surviving spouse, if any, shall receive a monthly benefit equal to the benefit payable to the spouse under the 50% Joint and Survivor option assuming the participant retired the day before his death. Benefit payments commence on the later of the day before his death or the first day the participant would have been eligible to retire.
▪ Benefit post-retirement	As set forth in option elected.
Form of benefits	
▪ Optional forms	<ul style="list-style-type: none"> ▪ Life Annuity ▪ 10 Year Certain & Continuous Annuity ▪ Joint and 66.67% Survivor Annuity ▪ Joint and 100% Survivor Annuity
Miscellaneous	
▪ Maximum benefits	Annual benefits may not exceed the limits in IRC Section 415. This limit is indexed annually. For 2011 the limit is \$195,000.

Schedule SB, Part V — Summary of Plan Provisions

Plan provision changes since prior valuation

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Schedule SB, Line 26 — Schedule of Active Participant Data**Distribution of active participants as of May 1, 2011**

Attained 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 & up	
Under 25											
25-29											
30-34			3								3
35-39		1									1
40-44		1	1	1							3
45-49		2	1		1						4
50-54		1	1								2
55-59		1	2								3
60-64			3								3
65-69											
70 & up					1						1
Total		6	11	1	2						20

In each cell, the number is the count of active participants for each age/service combination.

Schedule SB, Line 32 — Schedule of Amortization Bases

The total shortfall amortization charge is the sum of the individual shortfall amortization installment for each plan year covered under PPA. Although an individual shortfall amortization installment can be negative, the combined shortfall amortization charge cannot be less than \$0.

Shortfall bases				
Year established		Outstanding balance	Years remaining	2011 Installment
2009	\$	189,856	5	\$ 40,203
2010		24,237	6	4,426
2011		217,705	7	35,180
Total	\$	431,798		\$ 79,809

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

Each employee is assumed to retire in accordance with the table of retirement rates. The proportion of employees expected to retire at each potential retirement age is shown below. The average retirement age is 61.

(A) Retirement age	(B) Number of employees expected to retire	(C) (A) X (B)
55	70.00	3,850.00
56	46.50	2,604.00
57	44.18	2,518.26
58	41.97	2,434.26
59	39.87	2,352.33
60	75.75	4,545.00
61	68.17	4,158.37
62	214.75	13,314.50
63	99.70	6,281.10
64	74.78	4,785.92
65	224.33	14,581.45
Total	1,000.00	61,425.19
Average		61.43

Schedule SB, Part V — Statement of Actuarial Assumptions/Methods**Actuarial assumptions****Discount rate sponsor elections**

▪ Segment rates or full yield curve	Segment
▪ Look-back months	4
▪ First 5 years	2.94%
▪ Next 15 years	5.82%
▪ Over 20 years	6.46%

Mortality sponsor elections

▪ Healthy participants	Section 430(h)(3) prescribed separate static annuitant and nonannuitant mortality tables. These tables are based on the RP-2000 mortality tables projected with mortality improvement to the valuation year plus 7 and 15 years based on Scale AA.
▪ Pre-1995 disabilities	Same as healthy participants.
▪ Post-1994 disabilities	Same as healthy participants.

Other economic assumptions

▪ Salary increases	N/A
▪ Flat-dollar benefit increases	N/A
▪ Social Security wage base	N/A
▪ Inflation	N/A
▪ Expected investment return	7.5% for 2011, 7.75% for 2010, 8% prior to 2011
▪ Expenses	3-year average of administrative expenses rounded to nearest \$10,000 (\$110,000 for the current plan year)

Demographic assumptions

Withdrawal	See table of sample rates.
Disability incidence	See table of sample rates.
Retirement age	

Attained age	Retirements Rates
Under 55	0%
55	7%
56	5%
57	5%
58	5%
59	5%
60	10%
61	10%
62	35%
63	25%
64	25%
65 and above	100%

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

Benefit commencement age for

- Future vested deferred 65
- Current vested deferred 65

Spouse assumptions

	<u>Male participants</u>	<u>Female participants</u>
▪ Percentage married	80%	65%
▪ Spouse age difference	3 years younger	3 years older

Form of payment

	<u>Single life</u>	<u>50% J&S</u>
▪ Active retirements	100%	0%
▪ Future vested deferred	100%	0%
▪ Future disabilities	100%	0%
▪ Future deaths	0%	100%(survivor portion)
▪ Current vested deferred	100%	0%

Unpredictable contingent event assumptions	N/A
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Table of sample rates

Attained age	Withdrawal
25	18.51%
40	7.00%
55	2.92%

Attained age	Disability*	
	<u>Male</u>	<u>Female</u>
25	0.093%	0.096%
40	0.314%	0.357%
55	1.502%	1.490%

*Disability rates are multiplied by 0.82.

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

Actuarial methods

Asset methods

We used financial data submitted by the trustee as of May 1, 2011 without further audit. Customarily, this information would not be verified by a plan's actuary. We have reviewed the information for internal consistency and we have no reason to doubt its substantial accuracy.

The asset valuation method is an annual average of the adjusted market value for each year during the last 2 years preceding the valuation date with semi-annual determination points. The adjusted market value is the market value at each determination date adjusted to the valuation date based on actual cash flows and expected interest at the lesser of the expected rate of return and the third segment rate. This amount is adjusted to be no greater than 110 percent and no less than 90 percent of the fair market value, as defined in IRC Section 430.

A characteristic of this asset method is that, over time, it is slightly more likely to produce an actuarial value of assets that is less than the market value of assets than an actuarial value that is greater than the market value.

Participant methods

Participants or former participants are included or excluded from the valuation as described below:

- **Participants included:** The plan sponsor provides us with data on all employees who are potentially eligible for the plan as of the valuation date, but only those employees who have completed the plan's eligibility requirements are included in the valuation of liabilities.
- **Participants excluded:** No actuarial liability is included for nonvested participants who terminated prior to the valuation date. For this purpose, participants with a break in service on the valuation date are treated as terminated participants.
- **Insurance contracts:** The plan does not have any insurance contracts.

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

Minimum funding methods

The funding target for minimum funding calculations is computed using the traditional unit credit method of funding. The objective under this method is to fund each participant's benefits under the plan as they accrue. Thus, the total pension to which each participant is expected to become entitled at retirement is broken down into units, each associated with a year of past or future credited service.

A detailed description of the calculation follows:

- The plan's valuation date is the beginning of the plan year.
- An individual's **funding target** is the present value of future benefits based on credited service and average pay as of the beginning of the plan year, and an individual's **target normal cost** is the present value of the benefit expected to accrue in the plan year. If multiple decrements are used, the funding target and the target normal cost for an individual is the sum of the component funding targets and target normal costs associated with the various anticipated separation dates.
- The plan's **target normal cost** is the sum of the individual target normal costs, and the plan's **funding target** is the sum of the individual funding targets for all participants under the plan.

Maximum deductible contribution method

Calculations of maximum deductible contributions include the excess of the funding target computed using the projected unit credit method over the minimum funding target. The objective of the projected unit credit method is to fund each participant's benefits under the plan as they accrue, taking into consideration expected future benefit increases. Thus, the total pension to which each participant is expected to become entitled at retirement is broken down into units, each associated with a year of past or future credited service.

A detailed description of the calculation follows:

- An individual's **projected funding target** is the present value of benefits based on credited service as of the beginning of the plan year and projected benefit that would be used in the calculation of the benefit on each expected separation date. If multiple decrements are used, the projected funding target for an individual is the sum of the component projected funding targets associated with the various anticipated separation dates.
- The plan's **projected funding target** is the sum of the projected funding targets for all participants under the plan. The excess of the plan's projected funding target over the plan's funding target is included in the "cushion amount".

Schedule SB, Part V — Summary of Plan Provisions

Benefits included or excluded

Unless noted below, all benefits provided by the plan, as restated and amended through May 1, 2009 are included in this valuation.

- **Most recent plan amendments included:** Amendment One dated April 6, 2010.
- **Plan amendments excluded:** Amendments adopted after the valuation date or effective after the current plan year are excluded from the valuation.
- **IRC Section 436 benefit restrictions:**
 - *Unpredictable contingent event benefits:* This valuation excludes restricted contingent event benefits that occurred before the valuation date but includes contingent event benefits which are expected to occur on or after the valuation date regardless of anticipated funding-based limitations.
 - *Plan amendments:* See above.
 - *Prohibited payments:* Limitations on prohibited benefits (if any) are reflected for annuity starting dates before the valuation date but are ignored for annuity starting dates on or after the valuation date.
 - *Benefit accruals:* The plan's funding target does not reflect any limitation on benefit accruals. The target normal cost does not reflect any limitation on benefit accruals.
- **Scheduled benefit increases:** Scheduled benefit increases effective after the end of the current plan year are excluded from minimum funding requirements.
- **Late retirement increases:**
 - *Active participants:* The plan applies late retirement actuarial increases for all participants who defer retirement beyond their normal retirement date and this valuation includes those increases.
 - *Deferred vested participants:* Current deferred vested participants over normal retirement age are valued including the late retirement actuarial increase.

Schedule SB, Part V — Summary of Plan Provisions

- **Unpredictable contingent event benefits:** The plan does not have any unpredictable contingent event benefits.
- **IRC Section 415(b) benefit limitations:** The limitations of Internal Revenue Code Section 415(b) have been incorporated into our calculations.
- **IRC Section 416 rules for top-heavy plans:** We did not test whether this plan is top-heavy (when the present value of benefits for key employees equals or exceeds 60 percent of the present value for all participants). Because the plan is collectively bargained and only covers union employees, the top-heavy rules do not apply.

Schedule SB, Part V — Summary of Plan Provisions

Summary of major plan provisions

Effective date and plan year	Original plan: March 1, 1976 Restated plan: May 1, 2009 Plan year: May 1 through April 30
Status of the plan	The plan has ongoing benefit accruals and new employees are eligible to participate in the plan once they satisfy the participation requirements.
Significant events that occurred during the year	Benefit multiplier changed for Sanitation Workers from \$50 to \$51 effective July 1, 2011. The prospective benefit multiplier increase for Warehouse Clerks is reflected in the normal cost of the plan.

Definitions

<ul style="list-style-type: none"> Participating Employees 	<p>Employees in collective bargaining units represented by:</p> <ul style="list-style-type: none"> International Brotherhood of Teamsters Local No. 391 International Brotherhood of Teamsters Local No. 414 International Brotherhood of Teamsters Local No. 470 International Brotherhood of Teamsters Local No. 528 International Brotherhood of Teamsters Local No. 829 Warehouse & Delivery Personnel Local No. 270 Warehouse Employees Local No. 730 Dallas Delivery Local No. 698 General Teamsters Chauffeurs and Warehousemen Local Union No. 671
<ul style="list-style-type: none"> Eligibility 	Completion of one year of vesting service
<ul style="list-style-type: none"> Employer Contributions 	Actuarially determined as required to meet IRS funding standards.
<ul style="list-style-type: none"> Employee contributions 	None allowed.
<ul style="list-style-type: none"> Normal Form of Benefit 	Life annuity for single employees. Actuarially reduced Joint and 50% Survivor annuity for participants married at least one year at benefit commencement date.
<ul style="list-style-type: none"> Vesting Service 	A Participant shall earn one year of Vesting Service for each Plan Year such Participant completes 1,000 Hours of Service.
<ul style="list-style-type: none"> Credited Service 	<p>A Participant shall earn one year of benefit service for each Plan Year during which such Participant completes at least 1,800 Hours of Service.</p> <p>Prorated credit is granted for years in which at least 1,000 hours are completed.</p>

Schedule SB, Part V — Summary of Plan Provisions**Normal retirement**

▪ Eligibility	Age 65																																		
▪ Benefit	The monthly amount payable as a life annuity equal to a Participant's Years of Benefit Service multiplied by the benefit level in effect at termination of employment.																																		
	<table> <tr> <th>Location</th><th>Benefit Level</th></tr> <tr> <td>Dallas/New Orleans</td><td>\$ 7.50</td></tr> <tr> <td>Greensboro</td><td>31.00</td></tr> <tr> <td>Atlanta</td><td>50.00</td></tr> <tr> <td>Boston</td><td>15.00</td></tr> <tr> <td>Dorsey</td><td>29.00</td></tr> <tr> <td>Ft. Wayne</td><td>25.00</td></tr> <tr> <td>Philadelphia</td><td></td></tr> <tr> <td>Sanitation Workers</td><td></td></tr> <tr> <td>7/1/2009</td><td>49.00</td></tr> <tr> <td>7/1/2010</td><td>50.00</td></tr> <tr> <td>7/1/2011</td><td>51.00</td></tr> <tr> <td>Warehouse Clerks</td><td></td></tr> <tr> <td colspan="2">All service to 1/1/2010 will be credited with a benefit multiplier of 48.00. Service after 1/1/2010 will be credited with the applicable multiplier for that year.</td></tr> <tr> <td>1/1/2010</td><td>56.00</td></tr> <tr> <td>1/1/2011</td><td>63.00</td></tr> <tr> <td>1/1/2012</td><td>70.00</td></tr> </table>	Location	Benefit Level	Dallas/New Orleans	\$ 7.50	Greensboro	31.00	Atlanta	50.00	Boston	15.00	Dorsey	29.00	Ft. Wayne	25.00	Philadelphia		Sanitation Workers		7/1/2009	49.00	7/1/2010	50.00	7/1/2011	51.00	Warehouse Clerks		All service to 1/1/2010 will be credited with a benefit multiplier of 48.00. Service after 1/1/2010 will be credited with the applicable multiplier for that year.		1/1/2010	56.00	1/1/2011	63.00	1/1/2012	70.00
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Schedule SB, Part V — Summary of Plan Provisions

Early retirement	
▪ Eligibility	Age 55 and completion of 5 years of service
▪ Benefit	Reduced The accrued benefit payable at normal retirement date is reduced 0.5% per month for each month that commencement precedes the participant's normal retirement date.
Disability	
▪ Eligibility	Totally and permanently disabled employees who have attained age 45 and completed 15 years of service
▪ Benefit	The greater of: <ul style="list-style-type: none"> ▪ Normal Retirement Benefit based on Credited Service at disability retirement date ▪ \$50.00 per month. The benefit is payable immediately without reduction for early retirement
Death	
▪ Benefit pre-retirement	If a vested participant dies prior to commencement of benefit payments, the surviving spouse, if any, shall receive a monthly benefit equal to the benefit payable to the spouse under the 50% Joint and Survivor option assuming the participant retired the day before his death. Benefit payments commence on the later of the day before his death or the first day the participant would have been eligible to retire.
▪ Benefit post-retirement	As set forth in option elected.
Form of benefits	
▪ Optional forms	<ul style="list-style-type: none"> ▪ Life Annuity ▪ 10 Year Certain & Continuous Annuity ▪ Joint and 66.67% Survivor Annuity ▪ Joint and 100% Survivor Annuity
Miscellaneous	
▪ Maximum benefits	Annual benefits may not exceed the limits in IRC Section 415. This limit is indexed annually. For 2011 the limit is \$195,000.

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