

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). <p style="text-align: center;">▶ Complete all entries in accordance with the instructions to the Form 5500.</p>	OMB Nos. 1210-0110 1210-0089 2013 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2013 or fiscal plan year beginning <u>12/01/2013</u> and ending <u>12/31/2013</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>SCHLAGE LOCK COMPANY LLC EMPLOYEE SAVINGS PLAN</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">1b Three-digit plan number (PN) ▶</td> <td style="width: 20%; text-align: center;"><u>002</u></td> </tr> <tr> <td colspan="2">1c Effective date of plan <u>12/02/2013</u></td> </tr> </table>	1b Three-digit plan number (PN) ▶	<u>002</u>	1c Effective date of plan <u>12/02/2013</u>	
1b Three-digit plan number (PN) ▶	<u>002</u>				
1c Effective date of plan <u>12/02/2013</u>					
2a Plan sponsor's name and address; include room or suite number (employer, if for a single-employer plan) <u>SCHLAGE LOCK COMPANY LLC</u> <u>11819 N PENNSYLVANIA ST</u> <u>CARMEL, IN 46032</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td>2b Employer Identification Number (EIN) <u>54-2139412</u></td> </tr> <tr> <td>2c Sponsor's telephone number <u>317-810-3700</u></td> </tr> <tr> <td>2d Business code (see instructions) <u>332510</u></td> </tr> </table>	2b Employer Identification Number (EIN) <u>54-2139412</u>	2c Sponsor's telephone number <u>317-810-3700</u>	2d Business code (see instructions) <u>332510</u>	
2b Employer Identification Number (EIN) <u>54-2139412</u>					
2c Sponsor's telephone number <u>317-810-3700</u>					
2d Business code (see instructions) <u>332510</u>					

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

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

SIGN HERE	Filed with authorized/valid electronic signature.	09/11/2014	PEGGY MIFFLIN
	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
Preparer's name (including firm name, if applicable) and address; include room or suite number. (optional)			Preparer's telephone number (optional)

3a Plan administrator's name and address ☒ Same as Plan Sponsor Name ☐ Same as Plan Sponsor Address		3b Administrator's EIN 3c Administrator's telephone number <div style="background-color: #cccccc; height: 40px; width: 100%;"></div>
4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: a Sponsor's name		4b EIN 4c PN
5 Total number of participants at the beginning of the plan year	5	3383
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	2469
b Retired or separated participants receiving benefits	6b	10
c Other retired or separated participants entitled to future benefits.....	6c	785
d Subtotal. Add lines 6a , 6b , and 6c	6d	3264
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits	6e	15
f Total. Add lines 6d and 6e	6f	3279
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	6g	3239
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	6h	22
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item).....	7	
8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions: 2E 2F 2G 2J 2K 2R 2T 3H		
b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:		
9a Plan funding arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	
10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)		
a Pension Schedules (1) ☒ R (Retirement Plan Information) (2) ☐ MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary (3) ☐ SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary	b General Schedules (1) ☒ H (Financial Information) (2) ☐ I (Financial Information – Small Plan) (3) ☐ A (Insurance Information) (4) ☐ C (Service Provider Information) (5) ☒ D (DFE/Participating Plan Information) (6) ☐ G (Financial Transaction Schedules)	

SCHEDULE 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="border: 1px solid black; text-align: center; padding: 5px; font-weight: bold; font-size: 1.2em;">2013</div> This Form is Open to Public Inspection.
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For calendar plan year 2013 or fiscal plan year beginning 12/01/2013 and ending 12/31/2013		
A Name of plan SCHLAGE LOCK COMPANY LLC EMPLOYEE SAVINGS PLAN	B Three-digit plan number (PN) ►	002
C Plan or DFE sponsor's name as shown on line 2a of Form 5500 SCHLAGE LOCK COMPANY LLC	D Employer Identification Number (EIN) 54-2139412	

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: SCHLAGE LOCK CO LLC ESP AND ESPB MT
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b	Name of sponsor of entity listed in (a): SCHLAGE LOCK COMPANY LLC
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c EIN-PN 54-2139412-004	d Entity code M	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 364692416
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a	Name of MTIA, CCT, PSA, or 103-12 IE:
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b	Name of sponsor of entity listed in (a):
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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:
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b	Name of sponsor of entity listed in (a):
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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):
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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:
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b	Name of sponsor of entity listed in (a):
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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:
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b	Name of sponsor of entity listed in (a):
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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:
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b	Name of sponsor of entity listed in (a):
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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
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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

SCHEDULE H (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	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.	<small>OMB No. 1210-0110</small> 2013 This Form is Open to Public Inspection
For calendar plan year 2013 or fiscal plan year beginning <u>12/01/2013</u> and ending <u>12/31/2013</u>		
A Name of plan <u>SCHLAGE LOCK COMPANY LLC EMPLOYEE SAVINGS PLAN</u>		B Three-digit plan number (PN) ► <u>002</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>SCHLAGE LOCK COMPANY LLC</u>		D Employer Identification Number (EIN) <u>54-2139412</u>

Part I Asset and Liability Statement			
1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.			
Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a	0	0
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions.....	1b(1)	0	0
(2) Participant contributions.....	1b(2)	0	0
(3) Other.....	1b(3)	0	0
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit).....	1c(1)	0	0
(2) U.S. Government securities	1c(2)	0	0
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)	0	0
(B) All other.....	1c(3)(B)	0	0
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)	0	0
(B) Common.....	1c(4)(B)	0	0
(5) Partnership/joint venture interests	1c(5)	0	0
(6) Real estate (other than employer real property).....	1c(6)	0	0
(7) Loans (other than to participants)	1c(7)	0	0
(8) Participant loans.....	1c(8)	0	5266279
(9) Value of interest in common/collective trusts	1c(9)	0	0
(10) Value of interest in pooled separate accounts	1c(10)	0	0
(11) Value of interest in master trust investment accounts	1c(11)	0	364692416
(12) Value of interest in 103-12 investment entities.....	1c(12)	0	0
(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)	0	0
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
(15) Other.....	1c(15)	0	0

1d Employer-related investments:

		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)	0	0
(2) Employer real property	1d(2)	0	0
e Buildings and other property used in plan operation	1e	0	0
f Total assets (add all amounts in lines 1a through 1e)	1f	0	369958695

Liabilities

g Benefit claims payable	1g	0	0
h Operating payables	1h	0	0
i Acquisition indebtedness	1i	0	0
j Other liabilities	1j	0	0
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	0	369958695
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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 Contributions:**

		(a) Amount	(b) Total
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	1311274	
(B) Participants	2a(1)(B)	1557982	
(C) Others (including rollovers)	2a(1)(C)	133884	
(2) Noncash contributions	2a(2)	0	3003140
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		

b Earnings on investments:**(1) Interest:**

(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	0	
(B) U.S. Government securities	2b(1)(B)	0	
(C) Corporate debt instruments	2b(1)(C)	0	
(D) Loans (other than to participants)	2b(1)(D)	0	
(E) Participant loans	2b(1)(E)	25279	
(F) Other	2b(1)(F)	0	25279
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		

(2) Dividends: (A) Preferred stock	2b(2)(A)	0	
(B) Common stock	2b(2)(B)	0	
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	0	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		0
(3) Rents	2b(3)		0

(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)	0	
(B) Aggregate carrying amount (see instructions)	2b(4)(B)	0	
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		0
(5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)	0	
(B) Other	2b(5)(B)	0	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		0

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		0
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		0
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		13022080
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		0
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		0
c Other income	2c		0
d Total income. Add all income amounts in column (b) and enter total	2d		16050499

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	932764	
(2) To insurance carriers for the provision of benefits	2e(2)	0	
(3) Other	2e(3)	0	
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		932764
f Corrective distributions (see instructions)	2f		0
g Certain deemed distributions of participant loans (see instructions)	2g		5188
h Interest expense	2h		0
i Administrative expenses: (1) Professional fees	2i(1)	0	
(2) Contract administrator fees	2i(2)	0	
(3) Investment advisory and management fees	2i(3)	0	
(4) Other	2i(4)	5220	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		5220
j Total expenses. Add all expense amounts in column (b) and enter total	2j		943172

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		15107327
l Transfers of assets:			
(1) To this plan	2l(1)		354851368
(2) From this plan	2l(2)		

Part III Accountant's Opinion

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

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

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

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)?

☐ Yes ☒ No

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

(1) Name: CLIFTONLARSONALLEN LLP

(2) EIN: 41-0746749

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 lines 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete lines 4j and 4l. MTIAs also do not complete line 4l.

During the plan year:

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.)

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.)

	Yes	No	Amount
4a		X	
4b		X	

	Yes	No	Amount
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.)	X		
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.	X		

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

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

5b(1) Name of plan(s)	5b(2) EIN(s)	5b(3) PN(s)

5c If the plan is a defined benefit plan, is it covered under the PBGC insurance program (see ERISA section 4021)? ☐ Yes ☐ No ☐ Not determined

Part V Trust Information (optional)

6a Name of trust	6b Trust's EIN

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 2013 This Form is Open to Public Inspection.
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For calendar plan year 2013 or fiscal plan year beginning 12/01/2013 and ending 12/31/2013

A Name of plan <u>SCHLAGE LOCK COMPANY LLC EMPLOYEE SAVINGS PLAN</u>	B Three-digit plan number (PN) ▶ <u>002</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>SCHLAGE LOCK COMPANY LLC</u>	D Employer Identification Number (EIN) <u>54-2139412</u>

Part I	Distributions
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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
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>04-6568107</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

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)
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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
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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 lines 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 lines 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 lines 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 lines 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 lines 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 lines 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 line 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 lines (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 line 19(b)?
☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify): _____

PLAN NAME: SCHLAGE LOCK COMPANY LLC EMPLOYEE SAVINGS PLAN
PLAN SPONSOR NAME: SCHLAGE LOCK COMPANY LLC
EIN: 54-2139412 PN: 002
ATTACHMENT TO FORM 5500, SCH H, 4i
SCHEDULE OF ASSETS HELD FOR INVESTMENT PURPOSES
12/31/2013

(A)	(B) Identity of issue, borrower, lessor, or similar party	(C) Description of investment including maturity date, rate of interest, collateral, par, or maturity value	(E) Current Value
*	Participant Loans	Participant Loans	5,266,279
*	Interest Held in Master Trust	Various (includes Registered Investment Companies, Self Directed Brokerage, etc.)	364,692,416
		TOTAL	369,958,695

* Investment with party-in-interest to the Plan

SCHLAGE LOCK COMPANY LLC EMPLOYEE SAVINGS PLAN
Carmel, Indiana

FINANCIAL STATEMENTS
December 31, 2013

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INDEPENDENT AUDITORS' REPORT

Plan Administrator
Schlage Lock Company LLC Employee Savings Plan
Carmel, Indiana

Report on the Financial Statements

We have audited the accompanying financial statements of Schlage Lock Company LLC Employee Savings Plan (the Plan), which comprise the statement of net assets available for benefits as of December 31, 2013, and the related statement of changes in net assets available for benefits for the period of December 1, 2013 through December 31, 2013, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2013, and the changes in net assets available for benefits for the period of December 1, 2013 through December 31, 2013, in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

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

A handwritten signature in black ink that reads "Clifton Larson Allen LLP". The signature is written in a cursive, flowing style.

Indianapolis, Indiana
June 27, 2014

Schlage Lock Company LLC Employee Savings Plan
Statement of Net Assets Available for Benefits
at December 31, 2013

Assets:	
Plan's interest in Savings Plan Master Trust (Note 4), at fair value	\$ 364,692,416
Receivables:	
Notes receivable from participants	5,266,279
Net assets available for benefits	<u>\$ 369,958,695</u>

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

Schlage Lock Company LLC Employee Savings Plan
Statement of Changes in Net Assets Available for Benefits
For the period from December 1, 2013 to December 31, 2013

Additions to net assets attributable to:	
Plan's interest in investment income of the Savings Plan Master Trust (Note 4)	\$ 13,022,080
Interest income on notes receivable from participants	25,279
Contributions	
Participants	1,557,982
Employer	1,311,274
Employee rollover	133,884
Total contributions	3,003,140
Total additions	16,050,499
Deductions from net assets attributed to:	
Participant withdrawals and distributions	937,952
Administrative expenses	5,220
Total deductions	943,172
Net increase prior to transfers	15,107,327
Transfer in from Ingersoll Rand Employee Savings Plan (Note 1)	354,851,368
Net increase	369,958,695
Net assets available for benefits	
Beginning of period	—
End of year	\$ 369,958,695

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

Schlage Lock Company LLC Savings Plan
Notes to Financial Statements
December 31, 2013

1 Description of Plan

The following brief description of the Schlage Lock Company LLC Employee Savings Plan (the "Plan") provides only general information. Participants should refer to the Plan document for a complete description of the Plan's provisions.

History

The plan is sponsored by Schlage Lock Company LLC (the "Company"), a U.S. subsidiary of Allegion plc ("Allegion"). The Company established the Plan effective December 1, 2013 when Allegion became a stand-alone public company after Ingersoll-Rand plc ("Ingersoll Rand") completed the separation of its commercial and residential security businesses (the "Spin-off"). The Plan includes the accounts of participants currently and formerly employed by Ingersoll Rand's commercial and residential security businesses whose employment with Ingersoll Rand terminated as a result of the Spin-off. As a result of the Spin-off, an Ingersoll-Rand Stock Fund was created in the Plan to hold the Ingersoll Rand shares received pursuant to the Spin-off. The Ingersoll-Rand Stock Fund is closed to new investments and participants are free to diversify out of the Ingersoll-Rand Stock Fund to other investment options at any time.

General

The Plan is a defined contribution plan covering eligible employees of the Company, as defined in the Plan. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended ("ERISA").

Fidelity Management Trust Company ("Fidelity") is the trustee and recordkeeper of the Plan and the Plan's assets are part of the Schlage Lock Company LLC Savings Plan Master Trust ("Savings Plan Master Trust") maintained by Fidelity.

The Schlage Lock Company LLC Benefits Administration Committee (the "Committee") administers the Plan and is responsible for carrying out the provisions thereof on behalf of the Company. The Schlage Lock Company LLC Benefits Design Committee approves recommended design changes to the Plan. The Schlage Lock Company LLC Benefits Investment Committee selects and approves the Plan's investment options. Participants direct investments among the approved investment options. The Plan is operated with the intent to satisfy the requirements of ERISA Section 404(c).

Contributions

For those employees who are eligible to participate in the Plan, there is automatic enrollment whereby a new employee is automatically enrolled in the Plan approximately 30 days after date of hire with a 2% pre-tax contribution that is invested in a default investment fund defined by the Plan. The current default investment is the age appropriate target retirement date fund for that employee. The employee then has a period of approximately 30 days to elect to not contribute to the Plan or to change his or her contribution percentage and investment election. Payroll deductions, consequently, do not begin until such period has expired. Each year, participants may contribute up to 50% (in whole percentages) of their compensation, as defined in the Plan and subject to limits under section 401(a) of the U.S. Internal Revenue Code of 1986, as amended ("IRC"). Participants may use before or after-tax dollars for part or all of their elective contributions.

Participants also may rollover to the Plan amounts representing distributions from other eligible retirement plans, as defined in the Plan. Participants who have attained age 50 before the end of the Plan year are eligible to make catch-up contributions. Contributions are subject to various limitations to ensure compliance with the requirements of the IRC. Participants may change their contribution amounts in accordance with the administrative procedures established by the Committee.

Participants direct the investment of their contributions into various investment options offered by the Plan. The Plan's assets are held in the Savings Plan Master Trust, together with assets from other participating defined contribution plans sponsored by the Company or its affiliates and intended to qualify under IRC Section 401(a). Within the Savings Plan Master Trust, the Plan offers an interest bearing cash option, self-directed brokerage accounts, various commingled or mutual funds including target date retirement funds and an Allegion Stock Fund.

The Company contributes to the Plan via matching and non-matching contributions. The Plan provides company matching contributions of 100% of participants' contributions up to 6% of eligible compensation. The Company's matching contribution

Schlage Lock Company LLC Employee Savings Plan
Notes to Financial Statements
December 31, 2013

is contributed in cash to be invested in the same manner as the participant contributions. The Company also provides a non-matching core contribution equal to 2% of eligible compensation to participants employed as of June 30, 2012 who made a one-time irrevocable election to waive participation in the Ingersoll Rand Pension Plan Number One and participants who were hired or rehired by the Company on or after July 1, 2013. Participants employed by Ingersoll Rand on June 30, 2012 who did not elect to waive participation in the Ingersoll-Rand Company Pension Plan Number One will be eligible for the non-matching contribution beginning on January 1, 2023 provided the Participant is continuously employed with the Company. Employees hired or rehired on or after December 1, 2013 are not eligible to receive the non-matching contribution. Non-matching company contributions are made in cash and invested in the same manner as the participant contributions. In the event a participant does not have an investment election on file, company contributions are invested in the Plan's default investment fund, which is the age appropriate target date retirement fund for the participant.

Participant Accounts

Each participant's account is credited with the participant's contribution and allocations of (a) the Company's contributions and (b) Plan earnings. Each participant's account is charged with withdrawals and allocations of (a) Plan losses and (b) applicable administrative expenses. Allocations are based on participant earnings or account balances, as defined. The benefit, which a participant is entitled to receive, is the benefit that can be provided from the participant's vested account.

Vesting

Participants are vested immediately in their contributions plus actual earnings thereon. The Company's matching contribution portion of participants' accounts is also immediately vested. Company non-matching contributions are vested after 3 years of service or upon attainment of age 65, death or disability while employed. Company non-matching contributions forfeited are used to reduce future Company contributions. For the period December 1, 2013 to December 31, 2013, no forfeitures were used to reduce employer contributions.

Notes Receivable from Participants

Participants may borrow from their accounts a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000 reduced by their highest outstanding loan balance during the preceding twelve month period or 50% of their eligible account balance. The loans are secured by the balance in the participant's account and bear a fixed interest rate of prime plus 1.0% at the time of the loan. At December 31, 2013, outstanding loans bore interest rates ranging from 4.0% to 9.0% as some outstanding loans were transferred into the Plan. Principal and interest are paid through payroll deductions. Loan terms range from 1-5 years. A loan to acquire a principal residence may be for a term of up to 15 years. Loan terms for participants merged into the Plan remain at their original loan terms.

Payment of Benefits

Plan distributions may be in the form of a lump sum or in such other manner that the Plan may permit. In addition, Plan participants who terminate employment may elect distributions of at least \$500 on a daily basis up to the balance in the account.

2 Summary of Significant Accounting Policies

Basis of Accounting

The financial statements of the Plan are prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America ("GAAP").

Use of Estimates

The preparation of financial statements in conformity with GAAP requires the Committee to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities at the dates of the financial statements. Actual results could differ from those estimates.

Valuation of Investments

Plan investments are part of the Savings Plan Master Trust, which provides unified investment management. Fidelity invests Plan assets in various trust investment options at the direction of Plan participants and as required by the Plan. Separate participant

Schlage Lock Company LLC Employee Savings Plan
Notes to Financial Statements
December 31, 2013

accounts are maintained by investment option. These accounts record contributions, withdrawals, transfers, earnings and changes in market value.

Investments in the Savings Plan Master Trust are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Schlage Lock Company LLC Benefits Investment Committee determines the Plan's valuation policies utilizing information provided by investment advisor's and custodians. See Notes 3 and 4 for discussion of fair value measurements of the investments.

Realized gains or losses on security transactions are recorded on the trade date. Realized gains or losses are the difference between the proceeds received and the security's unit cost. Dividend income is recorded on the ex-dividend date and interest income is recorded when earned.

Certain management fees and expenses charged to the Plan for the investment in the Savings Plan Master Trust are deducted from income earned on a daily basis and are not separately reflected. Consequently, certain management fees and operating expenses are reflected as a reduction of investment returns for such investments.

The statement of changes in net assets available for benefits includes unrealized appreciation or depreciation in accordance with the policy of stating investments at fair value. Net appreciation or depreciation of investments reflects both realized gains and losses and the change in unrealized appreciation and depreciation of investments.

Valuation of Notes Receivable from Participants

Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Related fees are recorded as administrative expenses and are expensed when incurred. No allowance for credit losses has been recorded at December 31, 2013. Delinquent participant loans are reclassified as distributions based upon the terms of the Plan document.

Contributions

Participant and Company matching and non-matching contributions are contributed to the Plan on a weekly, bi-weekly or monthly basis, as outlined in the Plan document. Participant contributions for each investment option or portfolio are based on the participants' elections.

Expenses of the Plan

Certain expenses associated with the administration of the Plan and the Savings Plan Master Trust are paid for by the Company or through offsets and/or payments, which may be attributable to the annual operating expenses of one or more of the Plan's designated investment options and are excluded from these financial statements. Expenses of the funds related to the investment and reinvestment of assets are included in the cost of the related investments. Other expenses such as loan fees, withdrawal fees and fees related to investments in the brokerage accounts are paid for by the participant and are included in these financial statements.

Benefit Payments

Distributions to terminated employees are recorded in the Plan's financial statements when paid. There were no approved and unpaid amounts at December 31, 2013.

Transfer of Assets from Other Plans

Employees may transfer their savings from other plans qualified under the IRC.

Subsequent Events

Management evaluated subsequent events for the Plan through June 27, 2014, the date the financial statements were issued.

3 Fair Value Measurements

Fair value is defined as the exchange price that would be received to sell an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Fair value measurements are based on a framework that utilizes the inputs market participants use to determine the fair value of an asset or liability and establishes a fair value hierarchy to prioritize those inputs. The fair value hierarchy is comprised of three levels that are described below:

- Level 1 Inputs to the valuation methodology are based on quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.
- Level 2 Inputs other than Level 1. 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 markets that are not active;
 - Other inputs that are observable or can be corroborated by observable market data for substantially the full term of the asset or liability
- Level 3 Inputs to the valuation methodology are unobservable inputs based on little or no market activity and that are significant to the fair value of the assets and liabilities.

The fair value hierarchy requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. Observable inputs are obtained from independent sources and can be validated by a third party, whereas unobservable inputs reflect assumptions regarding what a third party would use in pricing an asset or liability based on the best information available under the circumstances. A financial instrument's categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no significant transfers between Level 1 and Level 2 categories.

Allegion Stock Fund: The shares of the fund are valued at the daily net asset value ("NAV") of shares held by the Savings Plan Master Trust at year end. NAV per share or the equivalent is used for fair value purposes as a practical expedient. NAVs are calculated by the investment manager or sponsor of the fund. The fund primarily invests in ordinary shares of Allegion, which is traded on the New York Stock Exchange ("NYSE") and is valued at its quoted market price at the daily close of the NYSE. Such assets are classified as Level 2. A small portion of the fund is invested in short-term money market instruments. Such assets are classified as Level 1.

Ingersoll-Rand Stock Fund: The shares of the fund are valued at the daily net asset value ("NAV") of shares held by the Savings Plan Master Trust at year end. NAV per share or the equivalent is used for fair value purposes as a practical expedient. NAVs are calculated by the investment manager or sponsor of the fund. The fund primarily invests in ordinary shares of Ingersoll Rand, which is traded on the New York Stock Exchange ("NYSE") and is valued at its quoted market price at the daily close of the NYSE. Such assets are classified as Level 2. A small portion of the fund is invested in short-term money market instruments. Such assets are classified as Level 1. As of December 1, 2013 this fund is closed to new investments including contributions, loan repayments, dividends and transfers from other investment options.

Mutual funds: The shares of registered investment companies are valued at quoted market prices in an exchange or active market, which represent the daily NAV of shares held by the Savings Plan Master Trust at year end and are classified as Level 1. Investments in registered investment companies generally may be redeemed daily.

Common collective trusts: These assets are not available in an exchange or active market; however, the fair value is determined based on the daily NAV of the underlying assets as traded in an exchange or active market. NAV per share or the equivalent is used for fair value purposes as a practical expedient. NAVs are calculated by the investment manager or sponsor of the fund. The Plan's investment in common collective trusts are classified as Level 2.

Self-directed brokerage accounts: Investments in the self-directed brokerage accounts consist mainly of common stock, government and corporate bonds and various other investment funds. These investments are at current value based on published market quotations from individual investments composing the brokerage accounts. Such assets are classified as Level 1.

Money market funds: The shares are valued at the daily NAV of the funds in which the Savings Plan Master Trust participates at year end. Such assets are classified as Level 1.

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

Schlage Lock Company LLC Employee Savings Plan
Notes to Financial Statements
December 31, 2013

See Note 4 for further disclosures of the fair value of the assets held within the Savings Plan Master Trust.

4 Investment in Savings Plan Master Trust

The Plan's investments are in the Savings Plan Master Trust, which was established for the investment of assets of the Plan and other participating defined contribution plans sponsored by the Company. The assets of the Savings Plan Master Trust are held by Fidelity. Each participating plan has an undivided interest in the Savings Plan Master Trust; however, investment options for participants may vary by plan. Fidelity maintains separate accounting of all contributions, benefit payments and expenses and allocates income earned and received by the Savings Plan Master Trust on the basis of the adjusted value of each plan at each measurement date. At December 31, 2013 the Plan had a 98% participation in the Savings Plan Master Trust.

The net assets of the Savings Plan Master Trust consisted of the following at December 31:

	2013
Investments, at fair value	
Money market portfolio	\$ 18,454,075
Mutual funds	146,545,668
Common collective trusts	120,157,614
Self-directed brokerage accounts	4,406,520
Allegion Stock Fund	18,738,842
Ingersoll-Rand Stock Fund	63,688,247
Total investments at fair value	<u>\$ 371,990,966</u>

Net realized and unrealized appreciation of investments and interest and dividend income for the Savings Plan Master Trust for the period December 1 to December 31, are as follows:

	2013
Investment income:	
Net appreciation in fair value of investments	
Mutual funds	\$ 19,913
Self-directed brokerage accounts	79,587
Common collective trusts	2,673,677
Allegion Stock Fund	980,442
Ingersoll Rand Stock Fund	5,973,935
	<u>9,727,554</u>
Interest and dividend income	3,454,058
Total investment income	<u>\$ 13,181,612</u>

The following summarizes the classification of the Savings Plan Master Trust investments by classification and method of valuation as of December 31, 2013:

Schlage Lock Company LLC Employee Savings Plan
Notes to Financial Statements
December 31, 2013

	Assets at fair value as of December 31, 2013				Total
	Level 1	Level 2	Level 3		
Savings Plan Master Trust					
Money market portfolio	\$ 18,454,075	\$ —	\$ —	\$	18,454,075
Mutual funds:					
Domestic equity funds	73,702,842	—	—		73,702,842
International equity fund	20,627,631	—	—		20,627,631
Fixed income funds	24,556,664	—	—		24,556,664
Index funds	27,658,531	—	—		27,658,531
Self-directed brokerage accounts	4,406,520	—	—		4,406,520
Common collective trusts:					
Target date retirement funds ⁽¹⁾	—	120,157,614	—		120,157,614
Allegion Stock Fund ⁽²⁾	—	18,738,842	—		18,738,842
Ingersoll Rand Stock Fund ⁽³⁾	—	63,688,247	—		63,688,247
Total investments at fair value	<u>\$ 169,406,263</u>	<u>\$ 202,584,703</u>	<u>\$ —</u>	<u>\$</u>	<u>371,990,966</u>

(1) Represents investment in an asset mix that seeks to generate a level of risk and return appropriate for the fund's particular time frame. The asset mix is determined by factors such as the investor's age, projected level of risk aversion and the length of time until the principal will be withdrawn. There are no unfunded commitments, redemption frequency restrictions, or other redemption restrictions.

(2) Represents investment in Allegion ordinary shares, along with a minor amount of short-term investments, to provide liquidity. There are no unfunded commitments, redemption frequency restrictions, or other redemption restrictions.

(3) Represents investment in Ingersoll Rand ordinary shares, along with a minor amount of short-term investments, to provide liquidity. There are no unfunded commitments, redemption frequency restrictions, or other redemption restrictions. This fund is frozen to new investments as of December 1, 2013.

The fair values of individual investments that represent 5% or more of the Master Trust's net assets as of December 31, are as follows:

	2013
Vanguard Target 2020	\$ 24,231,403
Vanguard Target 2025	26,645,414
Vanguard Target 2030	21,341,260
Fidelity Contrafund - Class K	23,640,559
Fidelity Low-Priced Stock Fund - Class K	50,062,283
Spartan 500 Index Fund - Institutional Class	21,764,245
Ingersoll Rand Stock Fund	63,688,247
Allegion Stock Fund	18,738,842

5 Tax Status

The U.S. Internal Revenue Service ("IRS") has determined and informed the Company by a letter dated May 29, 2014 that the Plan and related trust are designed in accordance with applicable sections of the IRC to be exempt from U.S. federal income tax. Plan management and the Plan's counsel believe that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC, therefore no provision for income tax is required.

GAAP requires Plan management to evaluate tax positions taken by the Plan and recognize tax liability (or assets) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The Plan administrator has analyzed the tax positions taken by the Plan and has concluded that as of December 31, 2013, there are no uncertain positions

taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

6 Party-In-Interest

Certain Plan investments held in the Savings Plan Master Trust are shares or units of money market portfolio, commingled pool and mutual funds managed by Fidelity Management Trust Company, the Plan's trustee and recordkeeper. These transactions qualify as permitted party-in-interest transactions.

Certain Savings Plan Master Trust investments are units of the Allegion Stock Fund which primarily invests in ordinary shares of Allegion. These transactions qualify as permitted party-in-interest transactions.

7 Plan Termination

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of the Plan, ERISA and the IRC. In the event of Plan termination, all affected participants would become 100% vested in any un-vested employer contributions.

8 Risks and Uncertainties

Through the Savings Plan Master Trust, the Plan provides for various investment options in any combination of common stocks, mutual funds, common collective trusts and short-term investments. Investment securities are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk associated with the Plan's investments, it is reasonably possible that changes in risks in the near term would materially affect participants' account balances and the amounts reported in the Statement of Net Assets Available for Benefits and the Statement of Changes in Net Assets Available for Benefits.

Schedule I**Schlage Lock Company LLC Employee Savings Plan****Schedule H, Part IV, Line 4i – Schedule of Assets (Held at End of Year)****December 31, 2013**

Plan Sponsor: Schlage Lock Company LLC

Employer Identification: 54-2139412

Plan Number: 002

(a)	Identity of issue, borrower, lessor, or similar party (b)	Description of investment including maturity date, rate of interest, collateral, par or maturity value (c)	Cost (d)	Current Value (e)
	Participant loans *	Due 01/01/14 - 12/11/28 4.00% - 9.00%	**	5,266,279
	TOTAL ASSETS (Held at End of Year)			<u>\$ 5,266,279</u>

* The accompanying financial statements classify participant loans as notes receivable from participants.

** Cost information is not required for participant directed investments and is therefore omitted.