

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
---	---	---

Part I	Annual Report Identification Information
For calendar plan year 2013 or fiscal plan year beginning <u>07/01/2013</u> and ending <u>06/30/2014</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>SPARTON CORPORATION PENSION PLAN</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">1b Three-digit plan number (PN) ▶</td> <td style="width: 20%; text-align: center;"><u>001</u></td> </tr> <tr> <td colspan="2">1c Effective date of plan <u>06/01/1963</u></td> </tr> <tr> <td colspan="2">2b Employer Identification Number (EIN) <u>38-1054690</u></td> </tr> <tr> <td colspan="2">2c Sponsor's telephone number <u>847-762-5800</u></td> </tr> <tr> <td colspan="2">2d Business code (see instructions) <u>334410</u></td> </tr> </table>	1b Three-digit plan number (PN) ▶	<u>001</u>	1c Effective date of plan <u>06/01/1963</u>		2b Employer Identification Number (EIN) <u>38-1054690</u>		2c Sponsor's telephone number <u>847-762-5800</u>		2d Business code (see instructions) <u>334410</u>	
1b Three-digit plan number (PN) ▶	<u>001</u>										
1c Effective date of plan <u>06/01/1963</u>											
2b Employer Identification Number (EIN) <u>38-1054690</u>											
2c Sponsor's telephone number <u>847-762-5800</u>											
2d Business code (see instructions) <u>334410</u>											
2a Plan sponsor's name and address; include room or suite number (employer, if for a single-employer plan) <u>SPARTON CORPORATION</u> <u>425 N. MARTINGALE</u> <u>SUITE 2050</u> <u>SCHAUMBURG, IL 60173-2406</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.	04/14/2015	LARRY BRAND
	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) <u>BDO USA, LLP</u> <u>200 OTTAWA AVENUE NW, SUITE 300</u> <u>GRAND RAPIDS, MI 49503</u>			Preparer's telephone number (optional) <u>616-774-7000</u>

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

Form 5500 (2013)
v. 130118

3a Plan administrator's name and address ☒ Same as Plan Sponsor Name ☐ Same as Plan Sponsor Address		3b Administrator's EIN	
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		3c Administrator's telephone number 4b EIN 4c PN	
5 Total number of participants at the beginning of the plan year		5	389
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	280
b Retired or separated participants receiving benefits		6b	28
c Other retired or separated participants entitled to future benefits		6c	54
d Subtotal. Add lines 6a , 6b , and 6c		6d	362
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits		6e	1
f Total. Add lines 6d and 6e		6f	363
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)		6g	
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested		6h	0
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)		7	
8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions: 1A 1C 1I			
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) ☐ <u>0</u> 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 2013 This Form is Open to Public Inspection
--	--	---

For calendar plan year 2013 or fiscal plan year beginning 07/01/2013 and ending 06/30/2014

▶ **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>SPARTON CORPORATION PENSION PLAN</u>	B Three-digit plan number (PN) ▶ <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF <u>SPARTON CORPORATION</u>	D Employer Identification Number (EIN) <u>38-1054690</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>07</u> Day <u>01</u> Year <u>2013</u>	
2 Assets:	
a Market value	2a <u>7805596</u>
b Actuarial value	2b <u>7865865</u>
3 Funding target/participant count breakdown:	
a For retired participants and beneficiaries receiving payment.....	3a <u>27</u> <u>2752338</u>
b For terminated vested participants.....	3b <u>59</u> <u>630682</u>
c For active participants:	
(1) Non-vested benefits	3c(1) <u>21764</u>
(2) Vested benefits	3c(2) <u>4311654</u>
(3) Total active.....	3c(3) <u>303</u> <u>4333418</u>
d Total.....	3d <u>389</u> <u>7716438</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>6.14</u> %
6 Target normal cost	6 <u>0</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>04/07/2015</u>
	Signature of actuary	Date
<u>ELISABETH AGOSTINIS</u>		<u>14-07356</u>
	Type or print name of actuary	Most recent enrollment number
<u>TOWERS WATSON DELAWARE INC.</u>		<u>248-936-7700</u>
	Firm name	Telephone number (including area code)
<u>28411 NORTHWESTERN HIGHWAY, STE 500</u> <u>SOUTHFIELD, MI 48034-5544</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) 2013
v. 130118

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	28455
8 Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	28455
9 Amount remaining (line 7 minus line 8)	0	0
10 Interest on line 9 using prior year's actual return of <u>10.74</u> %		
11 Prior year's excess contributions to be added to prefunding balance:		
a Present value of excess contributions (line 38a from prior year)		12783
b Interest on (a) using prior year's effective interest rate of <u>6.78</u> % except as otherwise provided (see instructions)		1373
c Total available at beginning of current plan year to add to prefunding balance		14156
d Portion of (c) to be added to prefunding balance		
12 Other reductions in balances due to elections or deemed elections	0	0
13 Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	0	0

Part III Funding Percentages		
14 Funding target attainment percentage	14	101.93 %
15 Adjusted funding target attainment percentage	15	101.93 %
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	99.38 %
17 If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

Part IV Contributions and Liquidity Shortfalls					
18 Contributions made to the plan for the plan year by employer(s) and employees:					
(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
Totals ►			18(b)	0	18(c) 0

19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:		
a Contributions allocated toward unpaid minimum required contributions from prior years.	19a	0
b Contributions made to avoid restrictions adjusted to valuation date	19b	0
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	0
20 Quarterly contributions and liquidity shortfalls:		
a Did the plan have a "funding shortfall" for the prior year?	☒ Yes ☐ No	
b If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner?	☒ Yes ☐ No	
c If line 20a is "Yes," see instructions and complete the following table as applicable:		
Liquidity shortfall as of end of quarter of this plan year		
(1) 1st	(2) 2nd	(3) 3rd
0	0	0
		(4) 4th
		0

Part V Assumptions Used to Determine Funding Target and Target Normal Cost

21 Discount rate:				
a Segment rates:	1st segment: 4.94%	2nd segment: 6.15%	3rd segment: 6.76 %	☐ N/A, full yield curve used
b Applicable month (enter code).....				21b 4
22 Weighted average retirement age				22 63
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 subject to alternative funding rules, enter applicable code and see instructions regarding attachment.....	27

Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years

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

Part VIII Minimum Required Contribution For Current Year

31 Target normal cost and excess assets (see instructions):			
a Target normal cost (line 6).....	31a	0	
b Excess assets, if applicable, but not greater than line 31a	31b	0	
32 Amortization installments:	Outstanding Balance	Installment	
a Net shortfall amortization installment.....	0	0	
b Waiver amortization installment		0	
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33	0	
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)...	34	0	
	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement.....	0	0	0
36 Additional cash requirement (line 34 minus line 35).....	36	0	
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c).....	37	0	
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)	38a	0	
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 an election was made to use PRA 2010 funding relief for this plan:			
a Schedule elected	☐ 2 plus 7 years ☐ 15 years		
b Eligible plan year(s) for which the election in line 41a was made	☐ 2008 ☐ 2009 ☐ 2010 ☐ 2011		
42 Amount of acceleration adjustment	42		
43 Excess installment acceleration amount to be carried over to future plan years	43		

SCHEDULE C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2013
		This Form is Open to Public Inspection.

For calendar plan year 2013 or fiscal plan year beginning 07/01/2013 and ending 06/30/2014	
A Name of plan SPARTON CORPORATION PENSION PLAN	B Three-digit plan number (PN) ▶ 001
C Plan sponsor's name as shown on line 2a of Form 5500 SPARTON CORPORATION	D Employer Identification Number (EIN) 38-1054690

Part I	Service Provider Information (see instructions)
---------------	--

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

1 Information on Persons Receiving Only Eligible Indirect Compensation

a Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions)..... ☐ Yes ☒ No

b If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

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

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

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

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

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

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

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

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

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

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

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

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

2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

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

PNC BANK, NATIONAL ASSOCIATION

25-1211909

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
13 21 28	ADMIN, INVEST, TRUSTEE	45031	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☒ No ☐

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

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

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

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

2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

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

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

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

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

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

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

Part I Service Provider Information (continued)

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

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

Part II Service Providers Who Fail or Refuse to Provide Information

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

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

Part III **Termination Information on Accountants and Enrolled Actuaries (see instructions)**
(complete as many entries as needed)

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

SCHEDULE H (Form 5500) <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>07/01/2013</u> and ending <u>06/30/2014</u>		
A Name of plan <u>SPARTON CORPORATION PENSION PLAN</u>	B Three-digit plan number (PN) ►	<u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>SPARTON CORPORATION</u>	D Employer Identification Number (EIN) <u>38-1054690</u>	

Part I	Asset and Liability Statement		(a) Beginning of Year	(b) End of Year
1	Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.			
	Assets			
a	Total noninterest-bearing cash	1a		
b	Receivables (less allowance for doubtful accounts):			
	(1) Employer contributions.....	1b(1)	58728	0
	(2) Participant contributions.....	1b(2)		
	(3) Other.....	1b(3)	7190	3715
c	General investments:			
	(1) Interest-bearing cash (include money market accounts & certificates of deposit).....	1c(1)	113374	138631
	(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)	2473671	2150465
	(5) Partnership/joint venture interests	1c(5)		
	(6) Real estate (other than employer real property).....	1c(6)		
	(7) Loans (other than to participants)	1c(7)		
	(8) Participant loans.....	1c(8)		
	(9) Value of interest in common/collective trusts	1c(9)		
	(10) Value of interest in pooled separate accounts	1c(10)		
	(11) Value of interest in master trust investment accounts	1c(11)		
	(12) Value of interest in 103-12 investment entities.....	1c(12)		
	(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)	5153244	5858259
	(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	7806207	8151070

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h	10788	11277
i Acquisition indebtedness	1i		
j Other liabilities	1j		
k Total liabilities (add all amounts in lines 1g through 1j)	1k	10788	11277

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	7795419	8139793
---	-----------	---------	---------

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)		
(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)		0
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	49	
(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)		49
(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)	35936	
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	178129	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		214065
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)	2026371	
(B) Aggregate carrying amount (see instructions)	2b(4)(B)	1935283	
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		91088
(5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)		
(B) Other	2b(5)(B)	344158	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		344158

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		526308
c Other income	2c		16281
d Total income. Add all income amounts in column (b) and enter total	2d		1191949

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	802544	
(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)		802544
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)	45031	
(4) Other	2i(4)		
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		45031
j Total expenses. Add all expense amounts in column (b) and enter total	2j		847575

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		344374
l Transfers of assets:			
(1) To this plan	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

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

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

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

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

☒ Yes ☐ No

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

(1) Name: BDO USA, LLP

(2) EIN: 13-5381590

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		5000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)	X		
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?		X	
l Has the plan failed to provide any benefit when due under the plan?		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)			
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.			

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?
 If "Yes," enter the amount of any plan assets that reverted to the employer this year. ☒ Yes ☐ No Amount: 0

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.
---	--	--

For calendar plan year 2013 or fiscal plan year beginning 07/01/2013 and ending 06/30/2014

A Name of plan <u>SPARTON CORPORATION PENSION PLAN</u>	B Three-digit plan number (PN) ▶ <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>SPARTON CORPORATION</u>	D Employer Identification Number (EIN) <u>38-1054690</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>25-1211909</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>16</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 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: 0.0% 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): _____



Sparton Corporation Pension Plan

**Financial Statements and
Supplemental Schedules**
Years Ended June 30, 2014 and 2013

Sparton Corporation Pension Plan

Financial Statements and Supplemental Schedules
Years Ended June 30, 2014 and 2013

Sparton Corporation Pension Plan

Contents

Independent Auditor's Report	3-4
-------------------------------------	------------

Financial Statements

Statements of Net Assets Available for Benefits as of June 30, 2014 and 2013	5
Statements of Changes in Net Assets Available for Benefits for the Years Ended June 30, 2014 and 2013	6
Notes to Financial Statements	7-14

Supplemental Schedules

Schedule H, Line 4i - Schedule of Assets (Held at End of Year) as of June 30, 2014	15-17
Schedule H, Line 4j - Schedule of Reportable Transactions for the Year Ended June 30, 2014	18



Independent Auditor's Report

To the Retirement Committee
Sparton Corporation Pension Plan
Schaumburg, Illinois

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of Sparton Corporation Pension Plan (the Plan), which comprise the statements of net assets available for benefits as of June 30, 2014 and 2013, the related statements of changes in net assets available for benefits for the years then ended, 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on conducting the audits in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the *Basis for Disclaimer of Opinion* paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the Plan Administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 8, which was certified by PNC Bank, 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 certifications from the trustee as of and for the years ended June 30, 2014 and 2013 that the information provided to the Plan Administrator by the trustee is complete and accurate.

Disclaimer of Opinion

Because of the significance of the matter described in the *Basis for Disclaimer of Opinion* paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on these financial statements.

Other Matter

The supplemental Schedule of Assets (Held at End of Year) and Schedule of Reportable Transactions as of and for the year ended June 30, 2014 are required by the Department of Labor's (DOL) Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, and are presented for the purpose of additional analysis and are not a required part of the financial statements. Because of the significance of the matter described in the *Basis for Disclaimer of Opinion* paragraph, we do not express an opinion on these supplemental schedules.

Report on Form and Content in Compliance With DOL Rules and Regulations

The form and content of the information included in the financial statements and supplemental schedules, other than that derived from the information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

BDO USA, LLP

April 13, 2015

Sparton Corporation Pension Plan
Statements of Net Assets Available for Benefits

<i>June 30,</i>	2014	2013
Assets		
Investments, at fair value		
Money market funds	\$ 138,631	\$ 113,374
Mutual funds	5,858,259	5,153,244
Common stocks	2,150,465	2,473,671
Total investments, at fair value	8,147,355	7,740,289
Accrued investment income	3,715	7,190
Employer contribution receivable	-	58,728
Total Assets	8,151,070	7,806,207
Liabilities		
Accrued expenses	11,277	10,788
Net Assets Available for Benefits	\$ 8,139,793	\$ 7,795,419

See accompanying notes to financial statements.

Sparton Corporation Pension Plan

Statements of Changes in Net Assets Available for Benefits

<i>Year ended June 30,</i>	2014	2013
Additions		
Investment income:		
Interest from money market funds	\$ 49	\$ 526
Dividends from mutual funds	178,129	156,333
Dividends from common stocks	35,936	54,748
Net appreciation in fair value of investments	977,835	569,993
Total investment income	1,191,949	781,600
Employer contributions	-	114,184
Total Additions	1,191,949	895,784
Deductions		
Benefits paid directly to participants	802,544	684,123
Administrative expenses	45,031	44,936
Total Deductions	847,575	729,059
Net increase	344,374	166,725
Net Assets Available for Benefits, beginning of year	7,795,419	7,628,694
Net Assets Available for Benefits, end of year	\$ 8,139,793	\$ 7,795,419

See accompanying notes to financial statements.

Sparton Corporation Pension Plan

Notes to Financial Statements

1. Plan Description

The following description of the Sparton Corporation Pension Plan (the Plan) provides only general information. Participants should refer to the Plan Agreement or the Summary Plan Description for a more complete description of the Plan's provisions.

General

The Plan is a defined benefit pension plan established to provide both normal and early retirement benefits, termination benefits, and death and disability benefits to all eligible employees of Sparton Corporation and its wholly owned subsidiaries: Sparton Electronics, Inc., Sparton Technology Inc., and Sparton Medical Systems, Inc. (Company). It is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

On January 29, 2014, the Board of Directors of the Company authorized management to begin the process for a Standard Termination of the Plan (see Note 3), subject to re-approval based on a set threshold of the final settlement costs. The process of terminating the Plan, once initiated, is expected to take 18 to 24 months and can be discontinued by the Company at any time prior to final termination and participant benefit funding.

Contributions

All contributions to provide benefits under the Plan are made by the Company. Effective April 1, 2000, the Plan no longer allows voluntary participant contributions. The employer contributes such amounts as deemed necessary on an actuarial basis to provide the trust with assets sufficient to meet the benefits to be paid to the Plan's participants. The Plan has met the minimum funding requirements of ERISA.

Pension Benefits

Prior to April 1, 2000, under the former plan design, participants were entitled to monthly pension benefits beginning at normal retirement age (age 65) equal to \$2.25 per year of service, with a maximum of 40 years. If the participant made voluntary contributions as defined, monthly benefits also included 1.5% of the final ten-year average monthly earnings multiplied by the years of contributory credited service, to a maximum of 30 years. Pension benefits under the Plan consist of accumulated benefits under the former plan design, as contributory service was frozen. In addition to the contributory service being frozen, the ten-year average monthly earnings previously used were amended to five-year monthly average earnings. Effective April 1, 2000, the participants earn annual principal credits, which are calculated as 2% of the participant's salary, plus annual interest credits, based on the interest rate for the 30-year Treasury Bill. A transitional benefit is provided to eligible participants who, upon retirement, would have otherwise received a lower pension benefit under the Plan than the participant would have been entitled to under the former plan design.

The Plan provides a reduced benefit for early retirement (age 55-64). Participants who apply for early retirement must have completed at least five years of service and attained age 60, or ten years of service and attained age 55.

Sparton Corporation Pension Plan

Notes to Financial Statements

Participants may elect to receive their benefits in the form of a monthly payment, a lump-sum payment, or a joint and survivor annuity determined in accordance with reduction factors in the Plan.

The Plan was amended as of April 1, 2009. Future benefit accruals and participation were frozen as of the Plan amendment date, and all participants became 100% vested.

Death and Termination Benefits

Upon termination of employment prior to retirement, an employee with at least five years of service receives the actuarial value of their accrued pension. Upon the death of an active employee, the employee automatically becomes 100% vested regardless of the number of years of service, and the benefit is paid directly to the beneficiary of the employee. In no event is the death or termination benefit less than the employee's own accumulated contributions plus interest thereon.

Disability Benefits

A vested participant who becomes disabled and has completed 15 years of service and attained age 50 is eligible for benefits equal to the accrued normal retirement benefit.

Administrative Expenses

Certain expenses of the Plan are paid by the Company, such as actuarial and audit fees. Certain expenses, such as trustee fees, are paid by the Plan.

2. Summary of Significant Accounting Policies

Basis of Accounting

The accompanying financial statements have been prepared under the accrual method of accounting.

Subsequent Events

Subsequent events have been evaluated by management through April 13, 2015, the date these financial statements were available to be issued.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect the reported amounts in the financial statements. Actual results could differ from those estimates.

Plan contributions are made, and the actuarial present value of accumulated plan benefits are reported, based on certain assumptions pertaining to interest rates, inflation 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.

Sparton Corporation Pension Plan

Notes to Financial Statements

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.

Investment Valuation and Income Recognition

The Plan's investments are stated at fair value. Fair value is the 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. See Note 5 for discussion of fair value measurements.

Payment of Benefits

Benefits are recorded when paid.

3. Plan Termination

The Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan, subject to the provisions set forth in ERISA. There are two ways the Plan can be terminated.

In a "Standard Termination," the Company would fully fund the Plan and settle all individual participant benefits either via payment of a lump sum or purchase of an annuity contract.

In a "Distress Termination," the net assets of the Plan would be allocated as prescribed by ERISA and its related regulations, generally to provide the following benefits in the order indicated:

- (a) Unpaid benefits attributable to participants' contributions.
- (b) Benefits that former participants or their surviving spouses have been receiving for at least three years, or that which participants eligible to retire for that three-year period or their surviving beneficiaries would have been receiving if they had retired with benefits at the beginning of that three-year period. The priority amount is limited to the lowest benefit that was payable (or would have been payable) during those three years. The amount is further limited to the lowest benefit that would be payable under Plan provisions in effect at any time during the five years preceding Plan termination.
- (c) Other vested benefits insured by the Pension Benefit Guarantee Corporation (PBGC) (a U.S. governmental agency) up to the applicable limitations (discussed below).
- (d) All other vested benefits (that is, vested benefits not insured by the PBGC).
- (e) All nonvested benefits.

Certain benefits under the Plan are insured by the PBGC if the Plan terminates. Generally, the PBGC guarantees most vested normal age retirement benefits, early retirement benefits, and certain disability and survivors' pensions. However, the PBGC does not guarantee all types of benefits under the Plan, and the amount of benefit protection is subject to certain limitations.

Sparton Corporation Pension Plan

Notes to Financial Statements

Vested benefits under the Plan are guaranteed at the level in effect on the date of the Plan's termination. However, there is a statutory ceiling, which is adjusted periodically, on the amount of an individual's monthly benefit that the PBGC guarantees. That ceiling applies to those participants who elect to receive their benefits in the form of a single-life annuity and are at least 65 years old at the time of retirement or Plan termination, whichever comes later. For younger participants or for those who elect to receive their benefits in some form more valuable than a single-life annuity, the corresponding ceilings are actuarially adjusted.

Whether all participants receive their benefits should the Plan terminate at some future time under a Distress Termination will depend on the sufficiency, at the time, of the Plan's net assets to provide for accumulated benefit obligations, and may also depend on the level of benefits guaranteed by the PBGC.

On January 29, 2014, the Board of Directors of the Company authorized management to begin the process for a Standard Termination of the Plan, subject to re-approval based on a set threshold of the final settlement costs. The process of terminating the Plan, once initiated, is expected to take 18 to 24 months and can be discontinued by the Company at any time prior to final termination and participant benefit funding.

4. Tax Status

The Plan obtained its latest determination letter on September 20, 2012 in which the Internal Revenue Service (IRS) stated that the Plan and related trust are designed in accordance with the applicable sections of the Internal Revenue Code (IRC). The Plan Administrator believes that the Plan is designed and is currently being operated in compliance with applicable requirements of the IRC.

Accounting principles generally accepted in the United States of America require Plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) 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 June 30, 2014 there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Plan Administrator believes it is no longer subject to income tax examinations for years prior to 2011.

5. Investments

In accordance with ASC 820, *Fair Value Measurements and Disclosures*, the Plan utilizes a fair value hierarchy for valuation inputs that gives the highest priority to quoted prices in active markets for identical assets (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

The following provides a description of the three levels of inputs that may be used to measure fair value:

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

Sparton Corporation Pension Plan

Notes to Financial Statements

Level 2 - Significant observable inputs such as 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 or can be derived from or corroborated by observable market data by correlation or other means.

Level 3 - Prices or valuations that require inputs that are both significant to the fair value measurement and unobservable.

The following valuation methodologies were used to measure the fair value of the Plan's investments:

Money market funds and mutual funds: Valued at quoted market prices in an exchange and active market, which represent the net asset values of shares held by the Plan.

Common stocks: Valued based on quoted market prices in the active market in which the securities are traded.

The Plan's valuation methods may result in a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Although Plan management believes the valuation methods are appropriate and consistent with the 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.

Purchases and sales of securities are recorded on a trade date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation includes gains and losses on investments bought and sold as well as held during the year.

The following tables set forth the Plan's investments by level within the fair value hierarchy. There have been no transfers into or out of Levels 1, 2 or 3.

	Fair Value Measurements			
	Level 1	Level 2	Level 3	Total
June 30, 2014				
Money market funds	\$ 138,631	\$ -	\$ -	\$ 138,631
Mutual funds				
Large-cap	1,335,463	-	-	1,335,463
Mid-cap growth	343,392	-	-	343,392
Small cap	318,238	-	-	318,238
Intermediate bond	2,987,878	-	-	2,987,878
International equity	873,288	-	-	873,288
Total mutual funds	5,858,259	-	-	5,858,259
Common stocks				
Large cap	2,150,465	-	-	2,150,465
Total Investments at Fair Value	\$ 8,147,355	\$ -	\$ -	\$ 8,147,355

Sparton Corporation Pension Plan

Notes to Financial Statements

June 30, 2013	Fair Value Measurements			
	Level 1	Level 2	Level 3	Total
Money market funds	\$ 113,374	\$ -	\$ -	\$ 113,374
Mutual funds				
Large-cap	192,077	-	-	192,077
Mid-cap growth	277,200	-	-	277,200
Small cap	401,562	-	-	401,562
Intermediate bond	3,287,409	-	-	3,287,409
International equity	994,996	-	-	994,996
Total mutual funds	5,153,244	-	-	5,153,244
Common stocks				
Large cap	2,473,671	-	-	2,473,671
Total Investments at Fair Value	\$ 7,740,289	\$ -	\$ -	\$ 7,740,289

Investments representing 5% or more of net assets available for benefits are as follows:

June 30,	2014	2013
Mutual funds		
PNC Intermediate Bond Fund	\$ 2,231,786	\$ 3,287,409
iShares Core S&P 500 ETF	1,335,463	-
PNC International Equity Fund	873,288	994,996
Baird Intermediate Bond Fund	756,092	-
PNC Small Cap Core Fund	*	401,562

* Below 5% of net assets available for benefits.

The Plan's investments (including investments purchased, sold and held during year) appreciated in fair value as follows:

Year ended June 30,	2014	2013
Mutual funds	\$ 526,308	\$ 255,213
Common stocks	451,527	314,780
Net Appreciation in Fair Value of Investments	\$ 977,835	\$ 569,993

6. 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 (a) retired participants or their

Sparton Corporation Pension Plan

Notes to Financial Statements

beneficiaries, (b) terminated participants with vested benefits, (c) beneficiaries of employees who are deceased, and (d) present participants or their beneficiaries.

The actuarial present value of accumulated plan benefits is determined by an actuary from Towers Watson, and is that amount which results from applying actuarial assumptions to adjust the accumulated benefits to reflect the time value of money (through discounts for interest) and the probability of benefit payments (by means of decrement for such factors as death, withdrawal or early retirement) between the valuation date and the expected date of payment.

The significant actuarial assumptions used in the valuation were:

<i>June 30,</i>	2013	2012
Plan accounting discount rate	8.00%	8.00%
PPA effective interest rate	6.14%	6.78%
Normal retirement age	65	65
Mortality basis after normal retirement age	Non-annuitant and annuitant mortality tables in IRS Regulation 1.430(h)(3)(A)	Non-annuitant and annuitant mortality tables in IRS Regulation 1.430(h)(3)(A)
Actuarial method	Unit Credit	Unit Credit

The foregoing actuarial assumptions are based on the assumption 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.

The actuarial present values of accumulated plan benefits, as of the most recent actuarial valuation dates, are as follows:

<i>June 30,</i>	2013	2012
Vested benefits		
Participants currently receiving payments	\$ 2,436,896	\$ 2,153,686
Other vested participants	4,472,273	4,906,343
Total vested benefits	6,909,169	7,060,029
Nonvested benefits	15,785	19,065
Total Actuarial Present Value of Accumulated Plan Benefits	\$ 6,924,954	\$ 7,079,094

Sparton Corporation Pension Plan

Notes to Financial Statements

The net change in the actuarial present value of accumulated plan benefits is as follows:

<i>Year ended June 30,</i>	2013	2012
Actuarial Present Value of Accumulated Plan Benefits,		
beginning of year	\$ 7,079,094	\$ 7,201,025
Increase (decrease) during the year due to:		
Interest due to the decrease in the discount period	538,963	557,592
Benefits paid	(684,123)	(462,260)
Change in actuarial assumptions	(41,896)	(54,958)
Actuarial gain (loss)	32,916	(162,305)
Actuarial Present Value of Accumulated Plan Benefits,		
end of year	\$ 6,924,954	\$ 7,079,094

7. Related Party Transactions

Certain Plan investments are shares of money market and mutual funds managed by PNC Bank, the Plan's trustee and, therefore, these transactions qualify as party-in-interest transactions. Fees paid to PNC Bank by the Plan totaled \$45,031 and \$44,936 for the years ended June 30, 2014 and 2013, respectively.

8. Information Certified by the Plan's 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 data in the accompanying financial statements and supplemental schedules is complete and accurate.

<i>June 30,</i>	2014	2013
Money market funds	\$ 138,631	\$ 113,374
Mutual funds	5,858,259	5,153,244
Common stocks	2,150,465	2,473,671
Accrued investment income	3,715	7,190
<i>Year ended June 30,</i>	2014	2013
Total investment income	\$ 1,191,949	\$ 781,600

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

Sparton Corporation Pension Plan

Schedule H, Line 4i - Schedule of Assets (Held at End of Year)

EIN: 38-1054690

Plan Number: 001

June 30, 2014

Identity of Issuer, Borrower, Lessor or Similar Party		Description of Investment, Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	Cost	Current Value
(a)	(b)	(c)	(d)	(e)
Money Market Funds				
*	PNC Money Market	104,242 units	\$ 104,242	\$ 104,242
*	PNC Money Market	34,389 units	34,389	34,389
Total money market funds			138,631	138,631
Mutual Funds				
	Baird Intermediate Bond Fund	67,690 shares	750,000	756,092
	iShares Core S&P 500 ETF	6,779 shares	1,180,542	1,335,463
	iShares Core S&P MidCap ETF	2,400 shares	288,864	343,392
*	PNC International Equity Fund	42,249 shares	580,028	873,288
*	PNC Small Cap Core Fund	15,183 shares	173,362	318,238
*	PNC Intermediate Bond Fund	201,789 shares	2,220,608	2,231,786
Total mutual funds			5,193,404	5,858,259
Common Stocks				
	Invesco Ltd.	640 shares	21,100	24,160
	Ace Limited	240 shares	23,799	24,888
	TE Connectivity Ltd.	545 shares	31,671	33,703
	NXP Semiconductors	480 shares	20,399	31,766
	Aetna Inc New	500 shares	31,023	40,540
	Allergan Inc.	122 shares	7,365	20,645
	Altria Group Inc	730 shares	26,996	30,616
	American Express Co.	318 shares	14,484	30,169
	Amgen Inc.	245 shares	28,536	29,001
	Apple Inc.	1,029 shares	51,373	95,625
	Becton Dickinson & Co	190 shares	17,236	22,477
	Boeing Co	220 shares	16,103	27,991
	CBS Corp Class B	390 shares	19,673	24,235
	CVS Caremark Corp	470 shares	24,368	35,424
	Cisco Systems Inc.	1,655 shares	35,556	41,127
	Coca Cola Co.	550 shares	26,117	26,279
	Comcast Corporation CL A	620 shares	14,698	33,282

Sparton Corporation Pension Plan

Schedule H, Line 4i - Schedule of Assets (Held at End of Year)

June 30, 2014

(a)	Identity of Issuer, Borrower, Lessor or Similar Party	Description of Investment, Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	Cost (d)	Current Value (e)
	Conocophillips	425 shares	\$ 29,157	\$ 36,435
	Constellation Brands Inc	340 shares	27,581	29,964
	Crown Holdings Inc	440 shares	22,060	21,894
	Delta Air Lines Inc	1,010 shares	21,677	39,107
	Disney Walt Co.	575 shares	34,228	49,300
	Discover Financial W/I	410 shares	14,555	25,412
	EOG Res Inc	340 shares	26,434	39,732
	Eastman Chem Co	220 shares	19,789	19,217
	Exxon Mobil Corp.	241 shares	18,682	24,264
	Foot Locker Inc	480 shares	23,033	24,346
	Franklin Resources Inc	450 shares	29,344	26,028
	General Electric Co.	1,997 shares	39,373	52,481
	Gilead Sciences Inc	340 shares	27,342	28,189
	Google Inc. - Class A	42 shares	15,871	24,556
	HanesBrands Inc	300 shares	22,202	29,532
	Helmerich & Payne Inc	310 shares	19,950	35,994
	Home Depot Inc.	300 shares	13,280	24,288
	JP Morgan Chase & Co.	747 shares	27,287	43,042
	Johnson & Johnson	447 shares	29,098	46,765
	Kroger Co	740 shares	34,258	36,578
	Las Vegas Sands Corp	265 shares	19,236	20,198
	Lincoln National Corp	475 shares	23,237	24,434
	Lockheed Martin Corp	150 shares	21,213	24,109
	Magna International	340 shares	27,588	36,635
	Manpower Group Inc	280 shares	22,575	23,758
	McKesson Corporation	200 shares	31,054	37,242
	Microsoft Corp.	890 shares	28,930	37,113
	Oracle Corporation	991 shares	30,449	40,165
	Packaging Corp PKG	460 shares	32,930	32,885
	Polaris Inds Inc	190 shares	15,673	24,746
	Proctor & Gamble Co.	461 shares	30,741	36,230

Sparton Corporation Pension Plan

Schedule H, Line 4i - Schedule of Assets (Held at End of Year)

June 30, 2014

(a)	Identity of Issuer, 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)
	Qualcomm Inc.	395 shares	\$ 22,162	\$ 31,284
	Quanta Svcs Inc	550 shares	20,218	19,019
	Regions Financial Corp	1,780 shares	17,456	18,904
	St Jude Medical Inc	340 shares	23,034	23,545
	Schlumberger Ltd	450 shares	39,928	53,078
	Shire PLC	278 shares	25,642	65,466
	Skyworks Solutions Inc	700 shares	27,102	32,872
	Southwest Airlines Co	810 shares	22,125	21,757
	Suncor Energy Inc	520 shares	20,299	22,168
	Suntrust Banks Inc	510 shares	19,333	20,431
	The Travelers Cos Inc	300 shares	27,224	28,221
	Union Pacific Corp.	258 shares	10,849	25,736
	United Technologies Corp.	269 shares	18,104	31,056
	Verizon Communications Inc	565 shares	30,213	27,645
	Visa Inc	100 shares	15,756	21,071
	Wells Fargo & Company	1,018 shares	28,340	53,506
	Wisconsin Energy Corp	758 shares	19,493	35,565
	Wyndham Worldwide Corp	420 shares	27,210	31,802
	Zimmer Holdings Inc	200 shares	19,389	20,772
	Total common stocks		1,623,201	2,150,465
	Total Investments		\$ 6,955,236	\$ 8,147,355

* A party-in-interest as defined by ERISA.

Sparton Corporation Pension Plan

Schedule H, Line 4j - Schedule of Reportable Transactions

EIN: 38-1054690

Plan Number: 001

Year ended June 30, 2014

Identity of Party Involved (a)	Description of Asset (include interest rate and maturity in case of a loan) (b)	Purchase Price (c)	Selling Price (d)	Cost of Asset (g)	Current Value of Asset on Transaction Date (h)	Net Gain or (Loss) (i)
<i>Category (i) - individual transactions in excess of 5% of Plan assets</i>						
PNC Intermediate Bond fund		\$ -	\$ 750,000	\$ 753,741	\$ 750,000	\$ (3,073)
iShares Core S&P 500 ETF		800,323	-	800,323	800,323	-
iShares Core S&P 500 ETF		397,180	-	397,180	397,180	-
Baird Intermediate Bond Fund		750,000	-	750,000	750,000	-
<i>Category (iii) - series of transactions in excess of 5% of Plan assets</i>						
iShares Core S&P 500 ETF		1,388,529	-	1,388,529	1,388,769	-
iShares Core S&P 500 ETF		-	224,959	208,266	224,959	16,693
PNC International Equity Fund		25,108	-	25,108	25,108	-
PNC International Equity Fund		-	375,000	258,119	375,000	116,881
PNC Intermediate Bond Fund		106,224	-	106,224	106,224	-
PNC Intermediate Bond Fund		-	1,145,000	1,148,073	1,145,000	(3,073)
PNC Money Market		221,682	-	221,682	221,682	-
PNC Money Market		-	196,425	196,425	196,425	-
Baird Intermediate Bond Fund		750,000	-	750,000	750,000	-

There were no category (ii) or (iv) reportable transactions during the year.

SCHEDULE SB ATTACHMENTS

Schedule SB, Line 26

Schedule of Active Participant Data as of July 1, 2013

Attained Age	Years of Credited Service															
	Under 1		1 to 4		5 to 9		10 to 14		15 to 19		20 to 24		25 to 29		30 to 34	
	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.
Under 25	0		0		0		0		0		0		0		0	
25 - 29	0		0		4		0		0		0		0		0	
30 - 34	0		2		11		3		0		0		0		0	
35 - 39	0		0		5		7		0		0		0		0	
40 - 44	0		2		7		16		5		1		0		0	
45 - 49	0		2		12		9		6		9		7		0	
50 - 54	0		2		11		19		8		6		16		5	
55 - 59	0		0		10		14		5		5		9		7	
60 - 64	0		0		8		19		5		1		5		6	
65 - 69	0		0		4		2		3		1		2		1	
70 & Over	0		0		1		3		1		1		1		2	

Plan Name: Sparton Corporation Pension Plan
 EIN / PN: 38-1054690 / 001
 Plan Sponsor: Sparton Corporation
 Valuation Date: July 1, 2013

SCHEDULE SB ATTACHMENTS

Schedule SB, Part V Statement of Actuarial Assumptions/Methods

Economic Assumptions

Interest rate basis:

- Applicable month March
- Yield curve basis 3-Segment Rates

Interest rates:

	Reflecting Corridors	Not Reflecting Corridors
• First segment rate	4.94%	1.54%
• Second segment rate	6.15%	4.28%
• Third segment rate	6.76%	5.32%
• Effective interest rate	6.14%	4.28%

Assumed cost of living adjustments

None.

Plan-related expenses

The amount included this year for plan-related expenses is \$0.

Compensation increases

Not applicable.

Future increases in maximum benefits

Accrued benefits projected to be paid in future years are limited to the maximum presently allowed under IRC §415. No provision is made for future increases in the maximum annual benefit limit.

Plan Name: Sparton Corporation Pension Plan
EIN / PN: 38-1054690 / 001
Plan Sponsor: Sparton Corporation
Valuation Date: July 1, 2013

SCHEDULE SB ATTACHMENTS

Employee contributions

Employee Contributions accumulated per IRC §411(c) using historical rates through the valuation date and grading to 8% over 4 years thereafter as shown in the following table:

Year	Interest Rate %
1990	10.53
1991	9.66
1992	8.25
1993	6.67
1994	8.22
1995	7.56
1996	8.12
1997	8.00
1998	6.83
1999	7.01
2000	7.96
2001	6.16
2002	5.53
2003	3.06
2004	4.94
2005	4.63
2006	6.08
2007	5.96
2008	4.14
2009	3.32
2010	2.83
2011	2.40
2012	1.10
2013	1.47
2014	3.10
2015	4.74
2016	6.37
2017 and after	8.00

Mortality

For all participants: The prescribed mortality assumption under IRC §430(h)(3)(A) using static tables with separate mortality rates for annuitants and non-annuitants.

Plan Name: Sparton Corporation Pension Plan
EIN / PN: 38-1054690 / 001
Plan Sponsor: Sparton Corporation
Valuation Date: July 1, 2013

SCHEDULE SB ATTACHMENTS

Retirement

For purposes of determining the Funding Target and Target Normal Cost (both disregarding at-risk assumptions), the rates at which participants retire by age and gender are shown below.

Age	Percentage retiring during the year	
	Males	Females
Less than 60	0.00	0.00
60	0.15	0.15
61	0.12	0.12
62	0.50	0.50
63	0.40	0.40
64	0.40	0.40
65	1.00	1.00

Disability rates

40% of disability incidence under the 1972-1976 OASDI study. Sample rates at which participants become disabled by age and gender are shown below:

Age	Disablement per 1,000	
	Males	Females
30	0.884	0.680
40	1.740	1.604
50	4.348	3.748
60	10.880	7.440

Plan Name: Sparton Corporation Pension Plan
EIN / PN: 38-1054690 / 001
Plan Sponsor: Sparton Corporation
Valuation Date: July 1, 2013

SCHEDULE SB ATTACHMENTS

Representative termination rates (per 100 employees) not due to disability, retirement or mortality

Age	Number leaving during the year	
	Males	Females
20	22.4	37.4
25	14.9	22.4
30	10.4	14.9
35	7.4	10.4
40	4.3	7.9
45	2.7	4.3
50	0.9	2.7
55	0.0	0.9
60		

Form of Payment

It was assumed that 80% of active participants would receive their benefit in the form of a lump sum and that beginning in 2012, the lump sum rate at time of settlement would be the discount rate. The same election assumption was used for terminated vested participants, with the following exceptions:

- Continuing terminated vested participants are assumed to receive their benefit in the form of an annuity at normal retirement age.
- Terminated vested participants with lump sums less than the cash-out limit of \$5,000 are assumed to receive their benefit in the form of a lump sum.

The valuation interest rate as of July 1, 2013 is the 2013 MAP-21 segment rates.

Marriage

None.

Employees

It was assumed that there will be no new or rehired employees.

Plan compensation

Not applicable.

Plan Name: Sparton Corporation Pension Plan
EIN / PN: 38-1054690 / 001
Plan Sponsor: Sparton Corporation
Valuation Date: July 1, 2013

SCHEDULE SB ATTACHMENTS

Timing of benefit payments

Annuity payments are payable monthly at the beginning of the month and lump sum payments are payable on date of decrement.

Valuation date

First day of plan year.

Funding target

Present value of accrued benefits.

Target normal cost

Present value of benefits expected to accrue during plan year plus plan-related expenses expected to be paid from plan assets during plan year.

Actuarial value of assets

Average of the fair market value of assets on the valuation date and the two immediately preceding valuation dates, adjusted for contributions, benefits, administrative expenses and expected earnings (with such expected earnings limited as described in IRS Notice 2009-22). The average asset value must be within 10% of market value, including discounted contributions receivable (discounted using the effective interest rate for the 2012 plan year.)

The method of computing the actuarial value of assets complies with rules governing the calculation of such values under the Pension Protection Act of 2006 (PPA). These rules produce smoothed values that reflect the underlying market value of plan assets but fluctuate less than the market value. As a result, the actuarial value of assets will be lower than the market value in some years and greater in other years. However, over the long term under PPA's smoothing rules, the method has a significant bias to produce an actuarial value of assets that is below the market value of assets.

Participant data

Employee data was supplied by the employer as of July 1, 2013. The actuary has no reason to believe that this data is not complete and accurate and knows of no further information which is essential to the preparation of the actuarial valuation, although no independent audit of the data has been performed by the actuary.

Plan Name:	Sparton Corporation Pension Plan
EIN / PN:	38-1054690 / 001
Plan Sponsor:	Sparton Corporation
Valuation Date	July 1, 2013

SCHEDULE SB ATTACHMENTS

Benefits not included in valuation

All benefits described in the Plan Provisions section of this report were valued based on discussions with Sparton Corporation regarding the likelihood that these benefits will be paid. Towers Watson has reviewed the plan provisions with Sparton Corporation and, based on that review, is not aware of any significant benefits required to be valued that were not.

Changes in assumptions and methods since last actuarial valuation

The following changes in assumptions and methods were made as part of this valuation:

- The segment interest rates used to calculate the funding target and target normal cost was updated from an applicable month of March 2012 to March 2013, and also reflect the segment interest rate corridors of MAP-21.
- The required mortality table used to calculate the funding target and target normal cost was updated to include one additional year of projected mortality improvements.

Plan Name:	Sparton Corporation Pension Plan
EIN / PN:	38-1054690 / 001
Plan Sponsor:	Sparton Corporation
Valuation Date	July 1, 2013

Sparton Corporation Pension Plan

Schedule H, Line 4j - Schedule of Reportable Transactions

EIN: 38-1054690

Plan Number: 001

Year ended June 30, 2014

Identity of Party Involved (a)	Description of Asset (include interest rate and maturity in case of a loan) (b)	Purchase Price (c)	Selling Price (d)	Cost of Asset (g)	Current Value of Asset on Transaction Date (h)	Net Gain or (Loss) (i)
<i>Category (i) - individual transactions in excess of 5% of Plan assets</i>						
PNC Intermediate Bond fund		\$ -	\$ 750,000	\$ 753,741	\$ 750,000	\$ (3,073)
iShares Core S&P 500 ETF		800,323	-	800,323	800,323	-
iShares Core S&P 500 ETF		397,180	-	397,180	397,180	-
Baird Intermediate Bond Fund		750,000	-	750,000	750,000	-
<i>Category (iii) - series of transactions in excess of 5% of Plan assets</i>						
iShares Core S&P 500 ETF		1,388,529	-	1,388,529	1,388,769	-
iShares Core S&P 500 ETF		-	224,959	208,266	224,959	16,693
PNC International Equity Fund		25,108	-	25,108	25,108	-
PNC International Equity Fund		-	375,000	258,119	375,000	116,881
PNC Intermediate Bond Fund		106,224	-	106,224	106,224	-
PNC Intermediate Bond Fund		-	1,145,000	1,148,073	1,145,000	(3,073)
PNC Money Market		221,682	-	221,682	221,682	-
PNC Money Market		-	196,425	196,425	196,425	-
Baird Intermediate Bond Fund		750,000	-	750,000	750,000	-

There were no category (ii) or (iv) reportable transactions during the year.

SCHEDULE SB (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation</small>	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 2013 This Form is Open to Public Inspection
---	--	---

For calendar plan year 2013 or fiscal plan year beginning 07/01/2013 and ending 06/30/2014

► **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 Sparton Corporation Pension Plan	B Three-digit plan number (PN) ► <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF Sparton Corporation	D Employer Identification Number (EIN) 38-1054690
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>7</u> Day <u>1</u> Year <u>2013</u>			
2 Assets:			
a Market value	2a		7,805,596
b Actuarial value	2b		7,865,865
3 Funding target/participant count breakdown:		(1) Number of participants	(2) Funding Target
a For retired participants and beneficiaries receiving payment.....	3a	27	2,752,338
b For terminated vested participants.....	3b	59	630,682
c For active participants:			
(1) Non-vested benefits	3c(1)		21,764
(2) Vested benefits	3c(2)		4,311,654
(3) Total active.....	3c(3)	303	4,333,418
d Total.....	3d	389	7,716,438
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		6.14 %
6 Target normal cost	6		0

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	Elisabeth Agostinis <i>EA</i> Signature of actuary	<i>April 7, 2015</i> Date
	Elisabeth Agostinis Type or print name of actuary	14-07356 Most recent enrollment number
	Towers Watson Delaware Inc. Firm name	(248) 936-7700 Telephone number (including area code)
	28411 NORTHWESTERN HIGHWAY, STE 500 Southfield MI 48034-5544 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) 2013
v. 130118

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	28,455
8 Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	28,455
9 Amount remaining (line 7 minus line 8)	0	0
10 Interest on line 9 using prior year's actual return of <u>10.74</u> %		
11 Prior year's excess contributions to be added to prefunding balance:		
a Present value of excess contributions (line 38a from prior year)		12,783
b Interest on (a) using prior year's effective interest rate of <u>6.78</u> % except as otherwise provided (see instructions)		1,373
c Total available at beginning of current plan year to add to prefunding balance		14,156
d Portion of (c) to be added to prefunding balance		
12 Other reductions in balances due to elections or deemed elections	0	0
13 Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	0	0

Part III Funding Percentages

14 Funding target attainment percentage	14	101.93 %
15 Adjusted funding target attainment percentage	15	101.93 %
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	99.38 %
17 If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

Part IV Contributions and Liquidity Shortfalls

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

(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
Totals ►			18(b)	0	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	0

20 Quarterly contributions and liquidity shortfalls:

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

Liquidity shortfall as of end of quarter of this plan year

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

Part V Assumptions Used to Determine Funding Target and Target Normal Cost

21 Discount rate:			
a Segment rates:	1st segment: 4.94 %	2nd segment: 6.15 %	3rd segment: 6.76 %
			☐ N/A, full yield curve used
b Applicable month (enter code).....			21b 4
22 Weighted average retirement age			22 63
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 subject to 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	
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	0
b Excess assets, if applicable, but not greater than line 31a		31b	0
32 Amortization installments:	Outstanding Balance	Installment	
a Net shortfall amortization installment.....	0	0	
b Waiver amortization installment		0	
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount		33	0
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33) ..		34	0
	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement.....	0	0	0
36 Additional cash requirement (line 34 minus line 35).....		36	0
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c).....		37	0
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)		38a	0
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 an election was made to use PRA 2010 funding relief for this plan:			
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 ATTACHMENTS

Schedule SB, Line 22
Description of Weighted Average Retirement Age
as of July 1, 2013

See Statement of Actuarial Assumptions/Methods for retirement rates. The average retirement age for Line 22 was calculated by determining the average age at retirement for those current active participants expected to reach retirement, based on all current decrements assumed.

Plan Name:	Sparton Corporation Pension Plan
EIN / PN:	38-1054690 / 001
Plan Sponsor:	Sparton Corporation
Valuation Date	July 1, 2013

SCHEDULE SB ATTACHMENTS

Schedule SB – Statement by Enrolled Actuary

Plan Sponsor	Sparton Corporation
EIN/PN	38-1054690/001
Plan Name	Sparton Corporation Pension Plan
Valuation Date	July 1, 2013
Enrolled Actuary	Elisabeth Agostinis
Enrollment Number	14-07356

The actuarial assumptions that are not mandated by IRC § 430 and regulations, represent the enrolled actuary's best estimate of anticipated experience under the plan, subject to the following conditions:

The actuarial valuation, on which the information in this Schedule SB is based, has been prepared in reliance upon the employee and financial data furnished by the plan administrator and the trustee. The enrolled actuary has not made a rigorous check of the accuracy of this information but has accepted it after reviewing it and concluding it is reasonable in relation to similar information furnished in previous years. The amounts of contributions and dates paid shown in Item 18 of Schedule SB were listed in reliance on information provided by the plan administrator and/or trustee.

The plan sponsor has elected to not apply corridor extensions under HATFA for funding (IRC § 430) or benefit restriction purposes (IRC § 436) for the 2013 plan year. Thus corridors for the 2013 plan year are set at 85%/115%.

Attachment to Schedule C
Line 2(h) Formula Description

Service Provider: PNC Bank, National Association

EIN: 25-1211909

Formula Description:

Please see the attached indirect compensation description provided by PNC Bank, National Association.

April 14, 2014

Re: 2013 Form 5500 Schedule C – Direct and Indirect Compensation

Dear Plan Administrator,

We are providing the following information and disclosures to you, our valued client, to aid you in completing your plan's 2013 Form 5500 for the plan year beginning in calendar year 2013.

As you know, the U.S. Department of Labor made significant changes to the requirements of Form 5500 Schedule C, effective for plan years beginning after 2008. In general, these changes apply to large plans, meaning those with 100 participants (and beneficiaries) or more, and result in greater disclosure of the compensation received by plan services providers. Under these rules, plan administrators must list on Schedule C each plan service provider that receives \$5,000 or more of direct – meaning fees paid directly from the plan – and/or indirect compensation – meaning compensation received by the service provider from third parties, such as mutual fund companies, with respect to the services being provided to the plan.

Under Schedule C, the disclosure of service provider compensation falls into one of three general categories; direct compensation, indirect compensation and eligible indirect compensation.

- **Direct Compensation** means payments made directly by the plan for services rendered to the plan or because of the person's position with the plan. As our trust accounting systems operate on a cash basis, our disclosures of direct compensation will be made on a cash basis (*i.e.*, disclosures are based on when cash is disbursed from the trust account and not when services were actually rendered).

For disclosure of the direct compensation paid by the plan to PNC, please refer to the plan's quarterly invoices.¹ If you need copies of the quarterly invoices, please contact your Account Manager. PNC Bank, National Association's ("PNC") EIN is 25-1211909.

- **Indirect Compensation** means compensation received from sources other than directly from the plan (or plan sponsor), where such compensation was received in connection with services rendered to the plan or the person's position with the plan. For purposes of Schedule C reporting, compensation is considered to have been received in connection with the person's position with the plan or for services rendered to the plan if the person's eligibility for the payment or the amount of the payment is based, in whole or in part, on services that were rendered to the plan or on a transaction or series of transactions with the plan. However, indirect compensation does not include compensation that would have been

¹ Please note, for plans that were invested in units of the PNC Investment Contract Fund in 2013, the direct compensation specified on the plan's quarterly statement includes all of the compensation PNC (and its affiliates) earn or receive for managing and administering such funds during the time period specified on such statement. In maintaining this Fund, PNC Bank relies on BlackRock Capital Management, Inc. to provide certain subadvisory services. BlackRock's annual subadvisory fee of 0.14% of fund assets is paid from PNC's fees and not directly out of the assets of the Fund. PNC is in the process of confirming that BlackRock does not receive any other types of reportable indirect compensation with respect to the services it provides the Fund. For more information regarding such fees and your plan's fee arrangements with PNC, please refer to the fee schedule applicable to the plan's agreement with PNC.

received had the service not been rendered or the transaction had not taken place. For disclosure of indirect compensation received by PNC, please refer to the enclosed PNC Plan Year 2013 Indirect Compensation Disclosure Grid.

- ***Eligible Indirect Compensation*** is indirect compensation that is eligible for an alternative reporting method permitted under the Schedule C rules. Specifically, eligible indirect compensation is fees or expense reimbursement payments charged to investment funds and reflected in the value of the investment or return on the investment of the participating plan, or finders' fees, "soft dollar" revenue, float revenue, and/or brokerage commissions or other transaction-based fees for transactions or services involving the plan that were not paid directly by the plan (or plan sponsor). For our disclosures of eligible indirect compensation received by PNC, please refer to enclosed PNC Plan Year 2013 Indirect Compensation Disclosure Grid.

In completing and filing the plan's 2013 Form 5500 Schedule C, we recommend that you consult with the plan's legal counsel, accountants and other representatives, as applicable.

If you have any questions regarding any of this information or our disclosures, please contact your Account Manager.

The PNC Financial Services Group, Inc. ("PNC") uses the names PNC Wealth Management®, Hawthorn, PNC Family Wealth® and PNC Institutional Investments® to provide investment and wealth management, fiduciary services, FDIC-insured banking products and services and lending of funds through its subsidiary, PNC Bank, National Association, which is a **Member FDIC**, and uses the names PNC Wealth Management® and Hawthorn, PNC Family Wealth® to provide certain fiduciary and agency services through its subsidiary, PNC Delaware Trust Company. Hawthorn and PNC do not provide legal or accounting advice and neither provides tax advice in the absence of a specific written engagement for Hawthorn to do so.

"PNC Wealth Management," "Hawthorn, PNC Family Wealth" and "PNC Institutional Investments" are registered trademarks of The PNC Financial Services Group, Inc.

Investments: Not FDIC Insured. No Bank Guarantee. May Lose Value.

PNC Bank, National Association EIN: 25-1211909
2013 Plan Year Indirect Compensation Disclosure Grid

Type of Indirect Compensation	Purpose/Description of Indirect Compensation	Description of Formula or Estimate	Party Paying Compensation	Party Receiving Compensation
<p>Float Revenue received and retained by PNC Bank, National Association (and certain of its affiliates (collectively, “PNC”).</p> <p><i>This disclosure is intended to meet the disclosure requirements for Eligible Indirect Compensation under the Instructions to Form 5500 Schedule C.</i></p>	<p>Where provided for in the Plan’s agreement with PNC, PNC may receive and retain earnings on the float associated with plan transactions as part of its compensation for providing the services contemplated in the agreement.</p>	<p>PNC Bank, National Association (PNC Bank) maintains omnibus accounts to facilitate the transactions of employee benefit accounts. Incoming contributions are received into PNC Bank’s related omnibus DDA accounts by wire, ACH, check deposit or transfer from a plan’s PNC Bank DDA.</p> <p>All distributions including benefit payments, lump sum distributions and loan disbursements, paid by check from plan accounts are drawn on an omnibus account. The "float period" with respect to disbursements commences on payable date and ends when the check is presented for payment. Checks are mailed to the payee no later than the business day following payable date. To minimize the duration of the float period, PNC Bank provides the Plan Administrator with reports identifying outstanding checks on a quarterly basis. In addition, if a check is not presented for payment within 60 days, PNC Bank distributes a notice to the payee inquiring as to the status of the uncashed check.</p> <p>PNC Bank anticipates benefiting from the use of the balances held in omnibus accounts during the float period at a rate that approximates the Fed Funds rate in effect at such time or times. Distributions by direct deposit do not result in a “float period”.</p>	<p>N/A</p>	<p>PNC Bank, National Association</p>

PNC Bank, National Association EIN: 25-1211909

2013 Plan Year Indirect Compensation Disclosure Grid

Type of Indirect Compensation	Purpose/Description of Indirect Compensation	Description of Formula or Estimate	Party Paying Compensation	Party Receiving Compensation
<p>BlackRock Funds' related compensation received and retained by PNC Financial Services Group, (and certain of its affiliates (collectively, "PNC")) by reason of plan investments in BlackRock Funds, BlackRock Funds II, BlackRock Liquidity Funds, and certain other mutual funds advised by BlackRock Advisors, LLC or its affiliates (collectively, the "BlackRock Funds")</p> <p><i>This disclosure is intended to meet the disclosure requirements for Eligible Indirect Compensation under the Instructions to Form 5500 Schedule C.</i></p>	<p>Where assets of the Plan are invested in shares of the BlackRock Funds, which are mutual funds advised and managed by BlackRock, PNC receives certain indirect compensation/benefits through its partial ownership of BlackRock. PNC indirectly owns less than 50% and more than 20% of the investment advisor to the BlackRock Funds as of December 31, 2013.</p>	<p>Please refer to the <i>BlackRock Mutual Funds Fee Tables and/or</i> the specific Prospectus and Statement of Additional Information applicable to the BlackRock Funds in which the plan invests.</p>	<p>As provided for in the <i>BlackRock Fee Tables</i>.</p>	<p>The PNC Financial Services Group, Inc.</p>
<p>Soft Dollar revenue received and retained by PNC Bank, National Association (and certain of its affiliates (collectively, "PNC")).</p> <p><i>This disclosure is intended to meet the disclosure requirements for Eligible Indirect</i></p>	<p>Where the Plan receives discretionary advisory services from either PNC Bank, National Association. or PNC Capital Advisors, LLC (each, an "Adviser"), the Adviser may have received research products or services in connection with securities trades placed by the Adviser on behalf of the plan though so-called "soft dollar" arrangements.</p>	<p>For more information regarding Soft Dollars, please consult PCA's Form Adv at: http://pnccapitaladvisors.com/resources/literature.fs under "Research and Other Soft Dollars Benefits" under "Item 12. Brokerage Practices" and the soft dollar disclosure documents contained herein, "PNC Capital Advisors, LLC Soft Dollar Disclosure" and/or "PNC Bank, National Association Soft Dollar Disclosure".</p>	<p>As provided for in the Adviser's <i>Soft Dollar Disclosure Document for Form 5500 Schedule C Reporting</i>.</p>	<p>PNC Bank, National Association and/or PNC Capital Advisors, LLC</p>

PNC Bank, National Association EIN: 25-1211909
2013 Plan Year Indirect Compensation Disclosure Grid

Type of Indirect Compensation	Purpose/Description of Indirect Compensation	Description of Formula or Estimate	Party Paying Compensation	Party Receiving Compensation
<i>Compensation under the Instructions to Form 5500 Schedule C.</i>				
<p>PNC Funds related compensation received and retained by PNC Financial Services Group, Inc. and its affiliates (collectively, “PNC”), by reason of plan investments in the PNC Funds and PNC Advantage Funds (collectively, the “PNC Funds”)</p> <p><i>This disclosure is intended to meet the disclosure requirements for Eligible Indirect Compensation under the Instructions to Form 5500 Schedule C.</i></p>	Where assets of the Plan are invested in shares of the PNC Funds, which are mutual funds advised and managed by PCA (PNC Capital Advisors), PNC (or its affiliate) may receive advisory and other types of fees from such funds for services provided thereto. Unless and as otherwise provided for in the Plan’s agreement or Fee Letter with PNC, fees paid by the funds to PNC may constitute additional compensation for PNC (and its affiliates).	<p>For more information regarding these fees, please consult the <i>PNC Funds and PNC Advantage Funds Fee Table</i>, the funds’ prospectus and Form 5500 Schedule C Disclosure Document, which can be obtained by contacting the PNC Funds at 800-622-FUND (3863).</p> <p>For information regarding whether PNC retains these fees as additional compensation, please review the Plan’s agreement with PNC and its quarterly statement from PNC.</p>	PNC Mutual Fund Family	PNC Bank, National Association

PNC Bank, National Association EIN: 25-1211909
2013 Plan Year Indirect Compensation Disclosure Grid

Type of Indirect Compensation	Purpose/Description of Indirect Compensation	Description of Formula or Estimate	Party Paying Compensation	Party Receiving Compensation
<p>United Association S&P 500 Index Fund related compensation received and retained by PNC Financial Services Group, Inc. (and certain of its affiliates (collectively, “PNC”)) by reason of the Plan’s investment in the United Association S&P 500 Index Fund.</p> <p><i>This disclosure is intended to meet the disclosure requirements for Eligible Indirect Compensation under the Instructions to Form 5500 Schedule C.</i></p>	Where assets of the Plan are invested in shares of the United Association S&P 500 Index Fund, which is a mutual fund advised by a PNC affiliate, PNC (or its affiliate) may receive advisory and other types of fees from the fund for services thereto. Fees paid by the fund to PNC may constitute additional compensation for PNC (and its affiliates).	For more information regarding these fees, please consult the <i>fund’s Prospectus and Statement of Additional Information</i> or the <i>PNC Funds and PNC Advantage Funds Fee Tables</i> .	United Association S&P 500 Index Fund	PNC Bank, National Association

PNC Bank, National Association EIN: 25-1211909
2013 Plan Year Indirect Compensation Disclosure Grid

Type of Indirect Compensation	Purpose/Description of Indirect Compensation	Description of Formula or Estimate	Party Paying Compensation	Party Receiving Compensation
<p>Non-Proprietary Mutual Fund related compensation received and retained by PNC Financial Services Group, Inc. and its affiliates (collectively, “PNC”), by reason of Plan investments in mutual funds that are not advised by PNC.</p> <p><i>This disclosure is intended to meet the disclosure requirements for Eligible Indirect Compensation under the Instructions to Form 5500 Schedule C.</i></p>	<p>Where PNC Bank, National Association (“PNC Bank”) acts as custodian or directed trustee and the Plan invests in shares of mutual funds that are not advised by a PNC affiliate, PNC (or its affiliate) may receive and retain as additional compensation shareholder servicing payments from such funds.</p> <p>As an expense of the mutual fund, this expense is reflected in the value or returns of such funds.</p>	<p>For more information regarding the services provided and the fees paid, please consult the <i>PNC Affiliated Compensation Disclosure Grid, fund’s Prospectus and Statement of Additional Information.</i></p>	<p>As provided for in the <i>Affiliated Compensation Disclosure Grid</i></p>	<p>PNC Bank, National Association</p>

PNC Bank, National Association EIN: 25-1211909

2013 Plan Year Indirect Compensation Disclosure Grid

Type of Indirect Compensation	Purpose/Description of Indirect Compensation	Description of Formula or Estimate	Party Paying Compensation	Party Receiving Compensation
Receipt of gifts, gratuities and non-monetary compensation by PNC Financial Services Group, Inc., (and certain of its affiliates and their respective employees (collectively, “PNC”)); from third-parties with respect to our services to plans.	From time to time, third-party vendors (such as, mutual fund companies, broker-dealers, recordkeepers, etc) may provide PNC (and its affiliates) with non-monetary gifts and gratuities, such as promotional items (<i>i.e.</i> , coffee mugs, calendars or gift baskets), meals and access to certain industry related conferences (collectively, “gifts”). PNC has implemented policies and procedures intended to identify, quantify and track gifts received by it and its affiliates. Pursuant to rules established by the Department of Labor, PNC has implemented a policy for allocating the value of a gift among multiple clients, where applicable. Under such policy, where potentially reportable compensation is reviewed by PNC (including its affiliates) in connection with several clients, PNC will first divide the fair market value of such gift by the number of individual clients to which such gift is reasonably applicable and then allocate the results to each affected client to determine if it exceeds the de minimis threshold specified in Schedule C instructions.	During calendar year 2013, PNC did not identify any gift that, after applying PNC’s allocation policy, resulted in the receipt by PNC of reportable indirect compensation.	N/A	N/A
Conferences and Training provided to PNC Financial Services Group, Inc. (and certain of its affiliates and their respective employees) and certain third-party vendors.	From time to time, PNC (and its affiliates) may receive marketing and training support payments, conference subsidies, and other types of financial and non-financial compensation and incentives from broker-dealers, fund companies, certain service providers and other vendors to support the sale of their products and services to our clients, including our ERISA plan clients.	Based on our historical experience, the aggregate value of these payments to PNC (and its affiliates) in any particular year has represented less than ½ of one basis point (0.005%) of total customer assets that may be used to procure vendors’ products and services. Note that the level of vendor support is not dependent on or related to the level of assets invested by your Plan or any other of our clients in or with the products or services of the particular vendor.	N/A	N/A

PNC Bank, National Association EIN: 25-1211909
2013 Plan Year Indirect Compensation Disclosure Grid

Type of Indirect Compensation	Purpose/Description of Indirect Compensation	Description of Formula or Estimate	Party Paying Compensation	Party Receiving Compensation
Proxy Delivery Services	PNC, Financial Services Group, Inc. ((and its affiliates, collectively (“PNC”)) acting as a financial intermediary, has certain obligations to forward proxy materials to its clients, which are provided by issuer of the securities in which such clients maintain investments. The issuers of these securities compensate PNC for the cost of the delivery of these materials.	PNC has engaged, at PNC’s expense, a third-party service provider to help facilitate the delivery of these materials. PNC does not expect the amount of the compensation received from the issuers to materially differentiate from the service provider’s cost of delivering such materials. Nevertheless, in the event that the compensation received from the issuers exceeds the cost of delivering such materials, the aggregate value of such excess will not exceed one-tenth of one basis point (0.001%) of total customer assets under management.	N/A	N/A

PNC Bank, National Association
Soft Dollar Disclosure Document
Form 5500 Schedule C Reporting and ERISA Section 408(b)(2)
(April 2014)

During calendar year 2013, PNC Bank, National Association (the “Bank”) received research products and services in connection with securities traded on behalf of its clients through “soft dollar” arrangements. If you have any questions about this disclosure, please contact your PNC Relationship Manager or Investment Officer.

Description of research providers or services/reason for receipt of such research products or services. The Bank acquires research products and services from broker-dealers in connection with brokerage transactions entered into on behalf of the Bank’s clients, which includes ERISA plan clients. The Bank’s use of client brokerage to acquire research products and services is intended to qualify for the safe harbor provided by Section 28(e) of the Securities Exchange Act of 1934.

The research products and services received by the Bank include both third-party research (in which the broker-dealer provides research products or services prepared by a third-party) and proprietary research (in which the research products or services provided are prepared by the broker-dealer providing them).

- **Third-Party Research.** The Bank has arrangements with brokerage firms who agree to provide, in addition to execution services, research products and/or services provided by third-parties (collectively, “Third-Party Research”), in exchange for commissions generated via client brokerage transactions. Such research products and services are paid for by commissions generated from security purchase and sale transactions in client accounts (or “soft dollars”). The types of Third-Party Research that the Bank may receive include: research reports; market and statistical information; research-oriented computer software and services; compilations of securities prices, earnings, dividends and similar data; quotation services; and services related to economic and other consulting services.
- **Proprietary Research.** Certain full service broker-dealers provide both trade execution services and internally created research products and services (collectively, “Proprietary Research”). The types of Proprietary Research that the Bank may receive include: tangible research products (such as research reports and publications); investment ideas; access to the brokers’ traders and analysts; analyses and reports concerning issuers, industries, securities, economic factors and trends, portfolio strategy; and access to management of companies with which the broker has a relationship.

Formula used to determine or value research products or services received or description of eligibility conditions. The Bank becomes eligible to receive Third-Party and Proprietary Research by allocating client trades to those broker-dealers who agree to both execute such trades and either provides the Bank with Third-Party or Proprietary Research, as the case may be.

- **The Cost of Third-Party Research.** The Bank knows the amount of total client commissions that are directed to specific broker-dealers to obtain Third-Party Research. However, the Bank lacks information about what specific transactions and related commissions were used by the broker-dealer to pay the third-party research providers, or the timing of such payments. Accordingly, amounts made available by the broker-dealers for the purpose of obtaining Third-Party Research for the benefit of the Bank, as provided for below, are based on the rate of commissions charged by the broker-dealer. As a general matter, the Bank estimates that for calendar year 2013 when using a broker-dealer that provides soft dollar credits that can be used for the acquisition of Third-Party Research, approximately one-quarter of the commission cost was allocated to pay for execution services, with the remaining three-quarters allocated to pay for the Third-Party Research.

PNC Bank, National Association
Soft Dollar Disclosure Document
Form 5500 Schedule C Reporting and ERISA Section 408(b)(2)
(April 2014)

For calendar year 2013, the additional amounts made available for payment to third-party research providers for the purpose of providing the Bank with Third-Party Research was as follows:

Brokers who provided access to Third Party Research for the Benefit of the Bank	Additional Amounts made available for obtaining Third-Party Research for the period 1/1/2013 - 12/31/2013
BNY Convergenx	\$ 1,315,057
Deutsche Bank Morgan Grenfell	18,725
Instinet	932,466
Janney Montgomery, Scott	66,621
JPMorgan Securities, Inc	1,032,803
SEI/SIDCO/Convergenx	1,069,943
UBS Financial Services	81,301
Totals	\$ 4,516,916

This table represents amounts made available, for the period, by the applicable broker-dealer for the purpose of obtaining Third-Party Research, which may under certain circumstances include Proprietary Research, with respect to commissions paid by all of the Bank's advisory clients.

- **The Cost of Proprietary Research.** Client paid commissions allocated by the Bank to certain full-service broker-dealers entitle the Bank to receive Proprietary Research from the broker-dealer. Bundled into the commission charged to the client are the costs for execution services and the provision of the Proprietary Research. As the broker-dealer does not provide the Bank with information regarding what portion of a client's total commission paid is allocable to pay for the Proprietary Research, the Bank can only estimate this cost. As a general matter, the Bank estimates that for calendar year 2013 when using a full-service broker-dealer to execute a trade, approximately one-quarter of the commission cost was allocated to pay for execution services, with the remaining three-quarters allocated to pay for the Proprietary Research.

Below is a list of the full service broker-dealers (based on total client commissions allocated to them by the Bank) that provided trade execution services and access to Proprietary Research during calendar year 2013, for which the Bank received only Proprietary Research.

Proprietary Research Providers	Commissions paid attributable to obtaining Propriety Research for the period 1/1/2013 – 12/31/2013
Barclays Capital Inc	\$ 166,323
Citigroup Global Markets Inc	128,380
ISI Group Inc	293,967
Totals	\$ 588,670

This disclosures contained herein are intended to meet the disclosure requirements for Eligible Indirect Compensation under the Instructions to Form 5500 Schedule C and ERISA Section 408(b)(2).

PNC Capital Advisors, LLC
Soft Dollar Disclosure Document
Form 5500 Schedule C Reporting and ERISA Section 408(b)(2)
(April 2014)

During calendar year 2013, PNC Capital Advisors, LLC (the “Adviser”) received research products and services in connection with securities traded on behalf of its clients through “soft dollar” arrangements. If you have any questions about this disclosure, please contact your PNC Relationship Manager or Investment Officer.

Description of research providers or services/reason for receipt of such research products or services. The Adviser acquires research products and services from broker-dealers in connection with brokerage transactions entered into on behalf of the Adviser’s clients, which includes ERISA plan clients. The Adviser’s use of client brokerage to acquire research products and services is intended to qualify for the safe harbor provided by Section 28(e) of the Securities Exchange Act of 1934.

The research products and services received by the Adviser include both third-party research (in which the broker-dealer provides research products or services prepared by a third-party) and proprietary research (in which the research products or services provided are prepared by the broker-dealer providing them).

- **Third-Party Research.** The Adviser has arrangements with brokerage firms who agree to provide, in addition to execution services, research products and/or services provided by third-parties (collectively, “Third-Party Research”), in exchange for commissions generated via client brokerage transactions. Such research products and services are paid for by commissions generated from security purchase and sale transactions in client accounts (or “soft dollars”). The types of Third-Party Research that the Adviser may receive include: research reports; market and statistical information; research-oriented computer software and services; compilations of securities prices, earnings, dividends and similar data; quotation services; and services related to economic and other consulting services.
- **Proprietary Research.** Certain full service broker-dealers provide both trade execution services and internally created research products and services (collectively, “Proprietary Research”). The types of Proprietary Research that the Adviser may receive include: tangible research products (such as research reports and publications); investment ideas; access to the brokers’ traders and analysts; analyses and reports concerning issuers, industries, securities, economic factors and trends, portfolio strategy; and access to management of companies with which the broker has a relationship.

Formula used to determine or value research products or services received or description of eligibility conditions. The Adviser becomes eligible to receive Third-Party and Proprietary Research by allocating client trades to those broker-dealers who agree to both execute such trades and either provides the Adviser with Third-Party or Proprietary Research, as the case may be.

- **The Cost of Third-Party Research.** The Adviser knows the amount of total client commissions that are directed to specific broker-dealers to obtain Third-Party Research. However, the Adviser lacks information about what specific transactions and related commissions were used by the broker-dealer to pay the third-party research providers, or the timing of such payments. Accordingly, amounts made available by the broker-dealers for the purpose of obtaining Third-Party Research for the benefit of the Adviser, as provided for below, are based on the rate of commissions charged by the broker-dealer. As a general matter, the Adviser estimates that for calendar year 2013 when using a broker-dealer that provides soft dollar credits that can be used for the acquisition of Third-Party Research, approximately one-quarter of the commission cost was allocated to pay for execution services, with the remaining three-quarters allocated to pay for the Third-Party Research.

PNC Capital Advisors, LLC
Soft Dollar Disclosure Document
Form 5500 Schedule C Reporting and ERISA Section 408(b)(2)
(April 2014)

For calendar year 2013, the additional amounts made available for payment to third-party research providers for the purpose of providing the Adviser with Third-Party Research was as follows:

Brokers who provided access to Third Party Research for the Benefit of the Adviser	Additional Amounts made available for obtaining Third-Party Research for the period 1/1/2013-12/31/2013
Barclays	192,449
Convergex	34,650
Bank of America	664,120
ITG	174,778
Totals	\$1,065,997

This table represents amounts made available, for the period, by the applicable broker-dealer for the purpose of obtaining Third-Party Research, which may under certain circumstances include Proprietary Research, with respect to commissions paid by all of the Adviser's advisory clients.

- **The Cost of Proprietary Research.** Client paid commissions allocated by the Adviser to certain full-service broker-dealers entitle the Adviser to receive Proprietary Research from the broker-dealer. Bundled into the commission charged to the client are the costs for execution services and the provision of the Proprietary Research. As the broker-dealer does not provide the Adviser with information regarding what portion of a client's total commission paid is allocable to pay for the Proprietary Research, the Adviser can only estimate this cost. As a general matter, the Adviser estimates that for calendar year 2013 when using a full-service broker-dealer to execute a trade, approximately one-quarter of the commission cost was allocated to pay for execution services, with the remaining three-quarters allocated to pay for the Proprietary Research.

Below is a list of the full service broker-dealers (based on total client commissions allocated to them by the Adviser) that provided trade execution services and access to Proprietary Research during calendar year 2013, for which the Adviser received only Proprietary Research.

Proprietary Research Providers	Commissions paid attributable to obtaining Propriety Research for the period 1/1/2013 – 12/31/2013
JP Morgan	324,966
Barclays	319,138
Bank of America	276,170
Citigroup	273,748
UBS	237,308
Morgan Stanley	168,144
Goldman Sachs	165,380
Deutsche Bank	156,866
CIBC Oppenheimer	151,369
Keefe Bruyette & Woods	125,789

**PNC Capital Advisors, LLC
Soft Dollar Disclosure Document
Form 5500 Schedule C Reporting and ERISA Section 408(b)(2)
(April 2014)**

This disclosures contained herein are intended to meet the disclosure requirements for Eligible Indirect Compensation under the Instructions to Form 5500 Schedule C and ERISA Section 408(b)(2).

BlackRockSM Funds, BlackRock Funds II and BlackRock Funds III Portfolios Fee Table
Institutional Shares, Service Shares and Investor A Shares
(Revised as of January 24, 2014)

	Investment Advisory Fees	Sub-Advisor Fees	Administrative Fees	Securities Lending Fees	Service Fees
BlackRock Small Cap Growth Equity Portfolio	0.550%, 0-\$1 billion 0.500%, \$1-2 billion 0.475%, \$2-3 billion 0.450%in, > \$3 billion average daily net assets	N/A	(A) 0.075%, 0-\$500 million 0.065%, \$500 million-\$1 billion 0.055%, >\$1 billion average daily net assets of each fund PLUS (B) 0.025%, 0-\$500 million 0.015%, \$500 million-\$1 billion 0.005%, > \$1 billion average daily net assets allocated to each class of each fund PLUS Out-of-pocket expenses LESS fees paid to unaffiliated co-administrator.	The Portfolio retains 65% of securities lending income and pays a fee to the securities lending agent equal to 35% of such income.	0.25% of average daily net asset value of Service Shares and Investor A Shares

	Investment Advisory Fees	Sub-Advisor Fees	Administrative Fees	Securities Lending Fees	Service Fees
BlackRock Global Dividend Income Portfolio (to be renamed BlackRock Global Dividend Portfolio effective September 23, 2013)	0.60 %, 0-\$1 billion 0.55%, \$1-2 billion 0.525%, \$2-3 billion 0.50%, > \$3 billion average daily net assets	BlackRock International Limited: 46% of monthly advisory fees	(A) 0.075%, 0-\$500 million 0.065%, \$500 million-\$1 billion 0.055%, >\$1 billion average daily net assets of each fund PLUS (B) 0.025%, 0-\$500 million 0.015%, \$500 million-\$1 billion 0.005%, > \$1 billion average daily net assets allocated to each class of each fund PLUS Out-of-pocket expenses LESS fees paid to unaffiliated co-administrator.	The Portfolio retains 65% of securities lending income and pays a fee to the securities lending agent equal to 35% of such income.	0.25% of average daily net asset value of Investor A Shares

	Investment Advisory Fees	Sub-Advisor Fees	Administrative Fees	Securities Lending Fees	Service Fees
BlackRock Managed Volatility Portfolio	0.550% , 0-\$1 billion 0.500%, \$1-2 billion 0.475%, \$2-3 billion 0.450%, > \$3 billion average daily net assets	BlackRock Financial Management, Inc.: 0.40%, 0-\$1 billion 0.35%, \$1-2 billion 0.325%, \$2-3 billion 0.30%, > \$3 billion average daily net assets BlackRock International Limited BlackRock (Hong Kong) Limited BlackRock (Singapore) Limited: For that portion of the Fund for which the Sub-Advisor acts as sub-advisor, Advisor shall pay a fee to Sub-Advisor equal to 46% of the advisory fee received by the Advisor from the Fund with respect to such portion, net of: (i) expense waivers and reimbursements, (ii) expenses relating to distribution and sales support activities borne by the Advisor, and (iii) administrative, networking, recordkeeping, sub-transfer agency and shareholder services expenses borne by the Advisor	(A) 0.075%, 0-\$500 million 0.065%, \$500 million-\$1 billion 0.055%, >\$1 billion average daily net assets of each fund PLUS (B) 0.025%, 0-\$500 million 0.015%, \$500 million-\$1 billion 0.005%, > \$1 billion average daily net assets allocated to each class of each fund PLUS Out-of-pocket expenses LESS fees paid to unaffiliated co-administrator.	The Portfolio retains 65% of securities lending income and pays a fee to the Securities Lending agent equal to 35% of such income.	0.25% of average daily net asset value of Service Shares and Investor A Shares

	Investment Advisory Fees	Sub-Advisor Fees	Administrative Fees	Securities Lending Fees	Service Fees
BlackRock Strategic Income Opportunities Portfolio	0.550%, 0-\$1 billion 0.50%, \$1-2 billion 0.475%, \$2-3 billion 0.450%, > \$3 billion average daily net assets	BlackRock Financial Management, Inc. BlackRock International Limited BlackRock (Singapore) Limited: For that portion of the Fund for which the Sub-Advisor acts as sub-advisor, Advisor shall pay a fee to Sub-Advisor equal to 46% of the advisory fee received by the Advisor from the Fund with respect to such portion, net of: (i) expense waivers and reimbursements, (ii) expenses relating to distribution and sales support activities borne by the Advisor, and (iii) administrative, networking, recordkeeping, sub-transfer agency and shareholder services expenses borne by the Advisor.	(A) 0.075%, 0-\$500 million 0.065%, \$500 million-\$1 billion 0.055%, >\$1 billion average daily net assets of each fund PLUS (B) 0.025%, 0-\$500 million 0.015%, \$500 million-\$1 billion 0.005%, > \$1 billion average daily net assets allocated to each class of each fund PLUS Out-of-pocket expenses LESS fees paid to unaffiliated co-administrator.	The Portfolio retains 65% of securities lending income and pays a fee to the Securities lending agent equal to 35% of such income.	0.25% of average daily net asset value of Investor A Shares

	Investment Advisory Fees	Sub-Advisor Fees	Administrative Fees	Securities Lending Fees	Service Fees
BlackRock Flexible Equity Fund and BlackRock Mid-Cap Growth Equity Portfolio	0.800%, 0-\$1 billion 0.700%, \$1-2 billion 0.650%, \$2-3 billion 0.625%, > \$3 billion average daily net assets per fund	N/A	(A) 0.075%, 0-\$500 million 0.065%, \$500 million-\$1 billion 0.055%, >\$1 billion average daily net assets of each fund PLUS (B) 0.025%, 0-\$500 million 0.015%, \$500 million-\$1 billion 0.005% > \$1 billion average daily net assets allocated to each class of each fund PLUS Out-of-pocket expenses LESS fees paid to unaffiliated co-administrator.	The Portfolios retain 65% of securities lending income and pay a fee to the Securities lending agent equal to 35% of such income.	0.25% of average daily net asset value of Service Shares and Investor A Shares

	Investment Advisory Fees	Sub-Advisor Fees	Administrative Fees	Securities Lending Fees	Service Fees
Core Bond Portfolio, U.S. Government Bond Portfolio and Low Duration Bond Portfolio	0.500%, 0-\$1 billion 0.450%, \$1-2 billion 0.425%, \$2-3 billion 0.400%, > \$3 billion average daily net assets per fund	BlackRock Financial Management, Inc. 0.35%, 0-\$1 billion 0.30%, \$1-2 billion 0.275%, \$2-3 billion 0.25%, > \$3 billion average daily net assets per fund	(A) 0.075%, 0-\$500 million 0.065%, \$500 million-\$1 billion 0.055%, >\$1 billion average daily net assets of each fund PLUS (B) 0.025%, 0-\$500 million 0.015%, \$500 million-\$1 billion 0.005%, > \$1 billion average daily net assets allocated to each class of each fund PLUS Out-of-pocket expenses LESS fees paid to unaffiliated co-administrator.	The Portfolios retain 65% of securities lending income and pay a fee to the Securities lending agent equal to 35% of such income.	0.25% of average daily net asset value of Service Shares and Investor A Shares

	Investment Advisory Fees	Sub-Advisor Fees	Administrative Fees	Securities Lending Fees	Service Fees
BlackRock Money Market Portfolio and BlackRock U.S. Treasury Money Market Portfolio	0.45%, 0-\$1 billion 0.40%, \$1-2 billion 0.375%, \$2-3 billion 0.35%, > \$3 billion average daily net assets per fund	N/A	(A) 0.075%, 0-\$500 million 0.065%, \$500 million-\$1 billion 0.055%, >\$1 billion average daily net assets of each fund PLUS (B) 0.025%, 0-\$500 million 0.015%, \$500 million-\$1 billion 0.005%, > \$1 billion average daily net assets allocated to each class of each fund PLUS Out-of-pocket expenses LESS fees paid to unaffiliated co-administrator.	The Portfolios retain 65% of securities lending income and pay a fee to the Securities lending agent equal to 35% of such income.	0.25% of average daily net asset value of Service Shares and Investor A Shares

	Investment Advisory Fees	Sub-Advisor Fees	Administrative Fees	Securities Lending Fees	Service Fees
BlackRock International Bond Portfolio and BlackRock GNMA Portfolio*	0.55%, 0-\$1 billion 0.50%, \$1-2 billion 0.475%, \$2-3 billion 0.45%, > \$3 billion average daily net assets	BlackRock GNMA Portfolio: BlackRock Financial Management, Inc.: 0.40%, 0-\$1 billion 0.35%, \$1-2 billion 0.325%, \$2-3 billion 0.30%, > \$3 billion average daily net assets BlackRock International Bond Portfolio: BlackRock International Limited: For that portion of the Fund for which the Sub-Advisor acts as sub-advisor, Advisor shall pay a fee to Sub-Advisor equal to 46% of the advisory fee received by the Advisor from the Fund with respect to such portion, net of: (i) expense waivers and reimbursements, (ii) expenses relating to distribution and sales support activities borne by the Advisor, and (iii) administrative, networking, recordkeeping, sub-transfer agency and shareholder services expenses borne by the Advisor. BlackRock Financial Management, Inc.: For that portion of the Fund for which the Sub-Advisor acts as sub-advisor, Advisor shall pay a fee to Sub-Advisor equal to 46% of the advisory fee received by the Advisor from the Fund with respect to such portion, net of: (i) expense waivers and reimbursements, (ii) expenses relating to distribution and sales support activities borne by the Advisor, and (iii) administrative, networking, recordkeeping, sub-transfer agency and shareholder services expenses borne by the Advisor.	(A) 0.075%, 0-\$500 million 0.065%, \$500 million-\$1 billion 0.055%, >\$1 billion average daily net assets of each fund PLUS (B) 0.025%, 0-\$500 million 0.015%, \$500 million-\$1 billion 0.005%, > \$1 billion average daily net assets allocated to each class of each fund PLUS Out-of-pocket expenses LESS fees paid to unaffiliated co-administrator.	The Portfolios retain 65% of securities lending income and pay a fee to the Securities lending agent equal to 35% of such income.	0.25% of average daily net asset value of Service Shares and Investor A Shares
BlackRock High Yield Bond Portfolio* and BlackRock Investment Grade Bond Portfolio (Renamed from BlackRock Long Duration Bond Portfolio effective the open of business 7/29/2013)	0.50%, 0-\$1 billion 0.45%, \$1-2 billion 0.425%, \$2-3 billion 0.40%, > \$3 billion average daily net assets	BlackRock Financial Management, Inc. 0.35%, 0-\$1 billion 0.30%, \$1-2 billion 0.275%, \$2-3 billion 0.25%, > \$3 billion average daily net assets			

* These two Portfolios and certain other funds on these tables may also be available in BlackRock Shares. See prospectus for additional information.

	Investment Advisory Fees	Sub-Advisor Fees	Administrative Fees	Securities Lending Fees	Service Fees
BlackRock International Opportunities Portfolio	1.00%, 0-\$1 billion 0.95%, \$1-2 billion 0.90%, \$2-3 billion 0.85%, > \$3 billion average daily net assets	N/A	(A) 0.075%, 0-\$500 million 0.065%, \$500 million-\$1 billion 0.055%, >\$1 billion average daily net assets of each fund PLUS (B) 0.025%, 0-\$500 million 0.015%, \$500 million-\$1 billion 0.005%, > \$1 billion average daily net assets allocated to each class of each fund PLUS Out-of-pocket expenses LESS fees paid to unaffiliated co-administrator.	The Portfolios retain 65% of securities lending income and pay a fee to the Securities lending agent equal to 35% of such income.	0.25% of average daily net asset value of Service Shares and Investor A Shares
BlackRock U.S. Opportunities Portfolio	1.10%, 0-\$1 billion 1.05%, \$1-2 billion 1.025%, \$2-3 billion 1.00%, > \$3 billion average daily net assets	N/A			
BlackRock Science & Technology Opportunities Portfolio	0.90%, 0-\$1 billion 0.85%, \$1-2 billion 0.80%, \$2-3 billion 0.75%, > \$3 billion average daily net assets	N/A			

	Investment Advisory Fees	Sub-Advisor Fees	Administrative Fees	Securities Lending Fees	Service Fees
BlackRock Inflation Protected Bond Portfolio	0.40%, 0-\$1 billion 0.375%, \$1-2 billion 0.350%, \$2-3 billion 0.325%, > \$3 billion average daily net assets	BlackRock Financial Management, Inc. 0.25%, 0-\$1 billion 0.225%, \$1-2 billion 0.20%, \$2-3 billion 0.175%, > \$3 billion average daily net assets	(A) 0.075%, 0-\$500 million 0.065%, \$500 million-\$1 billion 0.055%, >\$1 billion average daily net assets of each fund PLUS (B) 0.025%, 0-\$500 million 0.015%, \$500 million-\$1 billion 0.005%, > \$1 billion average daily net assets allocated to each class of each fund PLUS Out-of-pocket expenses LESS fees paid to unaffiliated co-administrator.	The Portfolio retains 65% of securities lending income and pays a fee to the Securities lending agent equal to 35% of such income.	0.25% of average daily net asset value of Service Shares and Investor A Shares

	Investment Advisory Fees	Sub-Advisor Fees	Administrative Fees	Securities Lending Fees	Service Fees
BlackRock Energy & Resources Portfolio and BlackRock Health Sciences Opportunities Portfolio	0.75%, 0-\$1 billion 0.70%, \$1-2 billion 0.675%, \$2-3 billion 0.650%, > \$3 billion average daily net assets per fund	BlackRock Energy & Resources Portfolio BlackRock International Limited: For that portion of the Fund for which the Sub-Advisor acts as sub-advisor, Advisor shall pay a fee to Sub-Advisor equal to 50.6% of the advisory fee received by the Advisor from the Fund with respect to such portion, net of: (i) expense waivers and reimbursements, (ii) expenses relating to distribution and sales support activities borne by the Advisor, and (iii) administrative, networking, recordkeeping, sub-transfer agency and shareholder services expenses borne by the Advisor. BlackRock Health Sciences Opportunities Portfolio: N/A	(A) 0.075%, 0-\$500 million 0.065%, \$500 million-\$1 billion 0.055%, >\$1 billion average daily net assets of each fund PLUS (B) 0.025%, 0-\$500 million 0.015%, \$500 million-\$1 billion 0.005%, > \$1 billion average daily net assets allocated to each class of each fund PLUS Out-of-pocket expenses LESS fees paid to unaffiliated co-administrator.	The Portfolios retain 65% of securities lending income and pay a fee to the Securities lending agent equal to 35% of such income.	0.25% of average daily net asset value of Service Shares and Investor A Shares

BlackRockSM Funds III Fee Table
Service Shares and Class K Shares
(Revised as of January 24, 2014)

	Investment Advisory Fees	Sub-Advisor Fees	Administrative Fees	Securities Lending Fees	Service Fees
BlackRock S&P 500 Stock Fund (Shareholders of Index Equity Fund received shares of S&P 500 Stock Fund on 4/19/2013)	0.05%	N/A	Service Shares 0.19% Average daily net assets of the class Class K Shares 0.11% Average daily net assets of the class	The Portfolio retains 65% of securities lending income and pays a fee to the Securities lending agent equal to 35% of such income.	0.15% of average daily net asset value of Service Shares

Non-Portfolio Funds
Institutional Shares, Service Shares and Investor A Shares
Fees Paid to Affiliates of PNC and BlackRock, and Total Expense Ratios
(Revised as of January 24, 2014)

	Investment Advisory Fees * (BlackRock Advisors, LLC)	Sub-Advisor Fees	Administrative Fees (BlackRock Advisors, LLC)	Securities Lending Fees (BlackRock Investment Management, LLC)	Service Fees
BlackRock Large Cap Growth Fund	0.50%, 0-\$5 billion 0.45%, > \$5 billion average daily net assets	BlackRock Investment Management, LLC: 74% of the monthly advisory fee received by the Advisor from the Fund	0.25% average daily net assets of each fund	The Portfolios retain 65% of securities lending income and pay a fee to the Securities lending agent equal to 35% of such income.	0.25% of average daily net asset value of Service Shares and Investor A Shares
BlackRock Large Cap Value Fund	0.50%, 0-\$3 billion 0.45%, > \$3 billion average daily net assets				
BlackRock Equity Dividend Fund	0.60%, 0-\$8 billion 0.56%, \$8-10 billion 0.54%, \$10-12 billion 0.52%, \$12-17 billion 0.51%, \$17-25 billion 0.50%, \$25-35 billion 0.49%, \$35-50 billion 0.48%, > \$50 billion average daily net assets		N/A		

	Investment Advisory Fees	Sub-Advisor Fees	Administrative Fees	Securities Lending Fees	Service Fees
BlackRock Mid Cap Value Opportunities Fund	0.65%, 0-\$1 billion 0.61%, \$1-3 billion 0.59%, \$3-5 billion 0.57%, \$5-10 billion 0.55%, > \$10 billion average daily net assets	BlackRock Investment Management, LLC: 74% of the monthly advisory fee received by the Advisor from the Corporation	N/A	The Portfolio retains 65% of securities lending income and pays a fee to the Securities lending agent equal to 35% of such income.	0.25% of average daily net asset value of Investor A Shares

	Investment Advisory Fees	Sub-Advisor Fees	Administrative Fees	Securities Lending Fees	Service Fees
BlackRock Large Cap Core Fund	0.50% 0-\$1 billion 0.45% \$1-5 billion 0.40%, > \$5 billion average daily net assets	BlackRock Investment Management, LLC: 74% of monthly advisory fee	0.25% of average daily net assets	The Portfolio retains 65% of securities lending income and pays a fee to the Securities lending agent equal to 35% of such income.	NONE
BlackRock Total Return Fund	0.50%, 0-\$250 million 0.45%, \$250-500 million 0.40%, \$500-750 million 0.35%, > \$750 million average daily net assets	BlackRock Financial Management, Inc.: 59% of the monthly advisory fee received by the Advisor from each Fund BlackRock International Limited: For that portion of the Fund for which the Sub-Advisor acts as sub-advisor, Advisor shall pay a fee to Sub-Advisor equal to 46% of the advisory fee received by the Advisor from the Fund with respect to such portion, net of: (i) expense waivers and reimbursements, (ii) expenses relating to distribution and sales support activities borne by the Advisor, and (iii) administrative, networking, recordkeeping, sub-transfer agency and shareholder services expenses borne by the Advisor. BlackRock (Singapore) Limited: For that portion of the Fund for which the Sub-Advisor acts as sub-advisor, Advisor shall pay a fee to Sub-Advisor equal to 46% of the advisory fee received by the Advisor from the Fund with respect to such portion, net of: (i) expense waivers and reimbursements, (ii) expenses relating to distribution and sales support activities borne by the Advisor, and (iii) administrative, networking, recordkeeping, sub-transfer agency and shareholder services expenses borne by the Advisor.	N/A	The Portfolio retains 65% of securities lending income and pays a fee to the Securities lending agent equal to 35% of such income.	Institutional Shares: None Service Shares: 0.25% of average daily net asset value of Service Shares and Investor A Shares

	Investment Advisory Fees	Sub-Advisor Fees	Administrative Fees	Securities Lending Fees	Service Fees
BlackRock Capital Appreciation	0.65%, 0-\$1 billion 0.625%, \$1-1.5 billion 0.60%, \$1.5-5 billion 0.575%, \$5-7.5 billion 0.55%, > \$7.5 billion average daily net assets	Sub-Advisory Fee: BlackRock Investment Management, LLC: 74% of the monthly advisory fee received by the Advisor from the Fund	N/A	The Portfolio retains 65% of securities lending income and pays a fee to the Securities lending agent equal to 35% of such income.	0.25% of average daily net asset value of Service Shares and Investor A Shares

	Investment Advisory Fees	Sub-Advisor Fees	Administrative Fees	Securities Lending Fees	Service Fees
BlackRock Global Allocation Fund, Inc.	0.75%, 0-\$10 billion 0.69%, \$10-15 billion 0.68%, \$15-20 billion 0.67%, \$20-25 billion 0.65%, \$25-30 billion 0.63%, \$30-40 billion 0.62%, \$40-60 billion 0.61%, \$60-80 billion 0.60%, > \$80 billion average daily net assets	BlackRock Investment Management, LLC: 37% of monthly advisory fee	N/A	The Portfolio retains 65% of securities lending income and pays a fee to the securities lending agent equal to 35% of such income.	N/A

BlackRock Liquidity Funds Fee Table
Institutional Shares
(Revised as of January 24, 2014)

	Investment Advisory Fees
TempFund	0.350%, 0-\$1 billion 0.300%, \$1-2 billion 0.250%, \$2-3 billion 0.200%, \$3-4 billion 0.195%, \$4-5 billion 0.190%, \$5-6 billion 0.180%, \$6-7 billion 0.175%, \$7-8 billion 0.170%, > \$8 billion average daily net assets
Treasury Trust Fund FedFund	0.175%, 0-\$1 billion 0.150%, \$1-2 billion 0.125%, \$2-3 billion 0.100%, \$3-4 billion 0.095%, \$4-5 billion 0.090%, \$5-6 billion 0.085%, \$6-7 billion 0.080%, >\$7 billion combined average daily net assets of the Treasury Trust Fund and FedFund and two other BlackRock Liquidity Funds portfolios (T-Fund and Federal Trust Fund) PLUS 0.175%, 0-\$1 billion 0.150%, \$1-2 billion 0.125%, \$2-3 billion 0.100%, >\$3 billion average daily net assets

BlackRockSM Multi-State Municipal Series
Institutional Shares
(Revised as of January 24, 2014)

	Investment Advisory Fees	Sub-Advisor Fees
BlackRock New Jersey Municipal Bond Fund BlackRock Pennsylvania Municipal Bond Fund	0.550%, <\$500 million 0.525%, \$500m - \$1billion 0.500%, >\$1billion	BlackRock Investment Management, LLC: 59% of the monthly advisory fee received by the Advisor from each Fund

BlackRockSM Municipal Bond Fund, Inc.
Institutional Shares
(Revised as of January 24, 2014)

	Investment Advisory Fees	Sub-Advisor Fees
BlackRock Short-Term Municipal Fund*	0.400% <\$250 million 0.375% \$250- \$400 million 0.350% \$400 - \$550 million 0.325% >\$550 million	BlackRock Investment Management, LLC: 59% of the monthly advisory fee received by the Advisor from each Fund
BlackRock National Municipal Fund*	0.500%, <\$250 million 0.475%, \$250 - \$400 million 0.475%, \$400 - \$550 million 0.475%, >\$550 million	

* The reductions shall be applicable to each Fund regardless of size on a “uniform percentage” basis. Determination of the portion of the Net Assets of each Fund to which a reduced rate is applicable is made by multiplying the Net Assets of that Fund by “uniform percentages,” derived by dividing the amount by which the combined assets of all Funds exceed the various applicable breakpoints by such combined assets.”

PNC Funds and PNC Advantage Funds¹ Fee Table
Class I, Class A, Class C, Class R4, Class R5, Class S & Class T
(Revised as of January 24, 2014)

	Investment Advisory Fees ("IA Fee") (A)	Sub-Advisory Fees	Co-Administration and Accounting Fees²	Distribution & Service Fees (B)
Money Market Funds: Government Money Market Fund (1) Money Market Fund (2) Treasury Money Market Fund (3) Ohio Municipal Money Market Fund (4) Pennsylvania Tax Exempt Money Market Fund (5) Tax Exempt Money Market Fund (6)	(1,2,3) 0.25% of average daily net assets per fund gross of waivers (4,5,6) 0.20% of average daily net assets per fund gross of waivers	NA	Annual Co-Administration and Accounting Fees 0.05% of average daily net assets per fund allocated between the Advisor and unaffiliated Co-Administrator	(1,2,3,4,5,6) A Shares - Up to 0.10% of average daily net asset value for distribution (12b-1) Fees and up to 0.25% for Shareholder Servicing Fees (2) C Shares - Up to 0.75% of average daily net asset value for distribution (12b-1) Fees and up to 0.25% for Shareholder Servicing Fees (4,5,6) T Shares - Up to 0.10% for Shareholder Servicing Fees
Fixed Income Funds and Tax Exempt Bond Funds: Bond Fund (1) Government Mortgage Fund (2) High Yield Bond Fund (3)(14) Intermediate Bond Fund (4)(15) Limited Maturity Bond Fund (5) Total Return Advantage Fund (6) Ultra Short Bond Fund (7) Intermediate Tax Exempt Bond Fund (8)(15) Maryland Tax Exempt Bond (9)(16) Michigan Intermediate Tax Exempt Bond Fund (10) Ohio Intermediate Tax Exempt Bond Fund (11) Pennsylvania Intermediate Municipal Bond Fund(12) Tax Exempt Limited Maturity Bond Fund (13)(17)	(1) 0.45% of average daily net assets gross of waivers (2,4,6,8,9,10,11,12,13) 0.40% of average daily net assets per fund gross of waivers (3) 0.50% of average daily net assets gross of waivers (5) 0.35% of average daily net assets gross of waivers (7) 0.20% of average daily net assets gross of waivers (14, 15, 16, 17) (B) Investment Advisory Fees may be contractually waived in order to limit net operating expenses for Class I of the Fund at no higher than: 0.75%, 0.53%, 0.53%, 0.53%, respectively. Contractual net operating expense limits also apply to Class A and C shares (see Fund's prospectus for details)	NA	Annual Co-Administration and Accounting Fees 0.05% of average daily net assets per fund allocated between the Advisor and unaffiliated Co-Administrator	A Shares - Up to 0.10% of average daily net asset value for distribution (12b-1) Fees and up to 0.25% for Shareholder Servicing Fees C Shares - Up to 0.75% of average daily net asset value for distribution (12b-1) Fees and up to 0.25% for Shareholder Servicing Fees

PNC Funds and PNC Advantage Funds¹ Fee Table
Class I, Class A, Class C, Class R4, Class R5, Class S & Class T
(Revised as of January 24, 2014)

	Investment Advisory Fees (“IA Fee”) (A)	Sub-Advisory Fees	Co-Administration and Accounting Fees²	Distribution & Service Fees (B)
Equity Funds: Balanced Allocation Fund (1)(12) International Equity Fund (2)(14) Large Cap Core Fund renamed from Large Cap Core Equity Fund as of October 1, 2013 (3)(13) Large Cap Growth Fund (4)(14) Large Cap Value Fund (5)(14) Mid Cap Fund (6) Multi-Factor Small Cap Core Fund (7)(15) Multi-Factor Small Cap Growth Fund (8)(16) Multi-Factor Small Cap Value Fund (9)(17) S&P 500 Index Fund (10) Small Cap Fund (11)	<p>(1,6) 0.75% of average daily net assets per fund gross of waivers</p> <p>(2) 1.00% of average daily net assets gross of waivers</p> <p>(10) 0.15% of the first \$50 million, 0.10% of the next \$50 million and 0.075% of average daily net assets in excess of \$100 million gross of waivers</p> <p>(3,4,5) 0.75% of the first \$1 billion, 0.70% of the next \$500 million, 0.65% of average daily net assets in excess of \$1.5 billion gross of waivers</p> <p>(7,8,9,11) 1.00% of the first \$500 million, 0.95% of the next \$500 million, 0.90% of average daily net assets in excess of \$1 billion gross of waivers</p> <p>(10, 12, 13, 14, 15, 16, 17) (B) Investment Advisory Fees may be contractually waived in order to limit net operating expenses for Class I of the Fund at no higher than: 0.20%, 1.00%, 0.94%, 0.98%, 0.95%, 0.95%, 1.25%, respectively. Contractual net operating expense limits also apply to Class A and C shares (see Fund’s prospectus for details)</p>	<p>(2) Polaris Capital Management: 0.35% of the first \$125 million, 0.40% of the next \$75 million, and 0.50% of average daily net assets in excess of \$200 million of the fund.</p> <p>All other Funds - NA</p>	<p>Annual Co-Administration and Accounting Fees 0.05% of average daily net assets per fund allocated between the Advisor and unaffiliated Co-Administrator</p>	<p>A Shares - Up to 0.10% of average daily net asset value for distribution (12b-1) Fees and up to 0.25% for Shareholder Servicing Fees</p> <p>C Shares - Up to 0.75% of average daily net asset value for distribution (12b-1) Fees and up to 0.25% for Shareholder Servicing Fees</p> <p>R4 Shares - Up to 0.15% for Shareholder Servicing Fees</p> <p>R5 Shares - Up to 0.05% for Shareholder Servicing Fees</p>
PNC Advantage Funds: Institutional Money Market Fund (1) Institutional Government Money Market Fund (2) Institutional Treasury Money Market Fund (3)	<p>0.15% of average daily net assets gross of waivers</p>	<p>NA</p>	<p>Annual Co-Administration and Accounting Fees</p> <p>The Advisor receives a fee of 0.01% of average daily net assets per fund.</p>	<p>(1,2,3) Advisor Shares - Up to 0.10% for Shareholder Servicing Fees</p> <p>(1,2,3) Service Shares - Up to 0.25% for Shareholder Servicing Fees</p>

¹ The Funds were formerly known as the Allegiant Funds and Allegiant Advantage Funds.

² Fee schedules effective July 1, 2011

(A) Agreement with PNC Capital Advisors, LLC (the “Advisor”) (gross fees exclude the effect of advisory fee waivers required to maintain contractual net operating expense limits (where applicable) and voluntary advisory fee waivers (where applicable)). Funds with voluntary yield-based or contractual net operating expense limit based fee waivers will experience daily waiver amount fluctuations.

(B) Pursuant to expense limitation agreements between the Advisor and applicable Funds, the Advisor has contractually agreed to waive its management fee and reimburse or pay certain operating expenses for each applicable Fund to the extent necessary so that a Fund’s or Class’ total annual operating expenses do not exceed percentages of average daily net assets set forth in the table above. The expense limitation agreement for the Funds listed above continues through September 30, 2014, at which time the Advisor will determine whether to renew, revise or discontinue it. Additionally, each applicable Fund may be obligated to pay the Advisor all amounts previously waived or reimbursed by the Advisor (“recoupment payments”) pursuant to the expense limitation agreements, provided that the amount of such recoupment payments in any year, together with all other expenses of the Fund or Class, in the aggregate, would not cause the Class’ total annual operating expenses to exceed the amounts set forth in the tables above and provided further that no additional payments by the Fund will be made with respect to amounts paid, waived or reimbursed by the Advisor. Information for Class I only is presented in the table above. See Fund’s prospectus for information applicable to Class A, C, R4 and R5.

(C) Distribution Agreement with PNC Funds Distributor, LLC and selling agreements with multiple unaffiliated broker-dealers

SCHEDULE SB ATTACHMENTS

Schedule SB, Part V Summary of Plan Provisions

Effective date and most recent amendment

June 1, 1963 (replaces prior programs effective November 1, 1950 and June 1, 1944) as amended July 1, 1984, January 1, 1988, January 1, 1989, July 1, 1989, September 1, 1989, July 1, 1990, and July 1, 1992. Amended and restated effective April 1, 2000. Amended January 1, 2002, July 1, 2002, July 1, 2004, July 1, 2005, July 1, 2007, July 1, 2008 and April 1, 2009. Amended and restated effective July 1, 2010.

Plan year

The twelve-month period ending June 30.

Coverage and participation

Age 20 with six months of service on July 1 following calendar year of hire. The plan was closed to new hires effective April 1, 2009.

Normal retirement benefit

Normal retirement date: Age 65.

Benefit formula:

For service prior to April 1, 2000

Monthly benefit is \$2.25 per year of credited service, maximum 40 years; plus, if a Contributing Participant, 1½% of Average Monthly Earnings per year of "Contributory Credited Service" after July 1, 1992 as defined in the Plan, maximum 30 years (subject to minimum benefit due to participation in prior Plan). The maximum service is reduced for Contributory Service before July 1, 1992. The benefit payable for Contributory Service earned prior to July 1, 1992 is 1½% of Average Monthly Earnings in excess of \$400 per year of such service, maximum 30 years.

For service post March 31, 2000

Monthly benefit is determined under a Cash Balance benefit formula. Principle Credits equal to 2% of Salary and Interest Credits based on 30-year Treasury bill interest rates are accrued annually from April 1, 2000 (or date of hire if later). The sum of Interest and Principal Credits are converted to a monthly benefit using the lump sum assumption. Normal form of benefit is life with 120 payments certain.

The plan was closed to future benefit accruals effective April 1, 2009.

Plan Name:	Sparton Corporation Pension Plan
EIN / PN:	38-1054690 / 001
Plan Sponsor:	Sparton Corporation
Valuation Date	July 1, 2013

SCHEDULE SB ATTACHMENTS

Early retirement benefit

Eligibility: Age 60 and 3 Years of Service or Age 55 and 10 Years of Service.

Benefit: Accrued portion of normal formula reduced by 6/10 of 1% for each of the first 60 complete calendar months by which your benefit commencement precedes age 65 plus 3/10 of 1% for each of the next 60 complete calendar months preceding age 65.

Vested benefits upon termination of service

Vesting: 3 Years of Service; Participants terminating prior to July 1, 2008, 5 Years of Service. All participants at April 1, 2009 became 100% vested.

Termination Benefit: A vested Participant is entitled to a monthly benefit equal to his or her Accrued Benefit commencing at age 65. On or after age 60 (or age 55 and 10 Years of Service), the Participant may elect to receive a benefit in the amount of his Accrued Benefit reduced by 6/10 of 1% for each calendar month under 65 plus 3/10 of 1% for each calendar month under 60.

Disability benefit

Eligibility: Age 50 and 15 Years of Service.

Benefit: Accrued benefit is paid without actuarial reduction. Upon attainment of Normal Retirement Date, the disability benefit will be recomputed as a Normal Retirement Benefit.

Death benefits for participants in active service

Eligibility: Upon the death of a participant eligible for a vested retirement benefit before the commencement of such benefit.

Benefit: A qualified preretirement survivor annuity (QPSA) is provided to the surviving spouse of an active or terminated Participant who dies after having earned at least 3 Years of Service. The QPSA, payable on the first day of the month following the Participant's 60th (or age 55 with 10 Years of Service) birthday (or date of death if later), is equal to the survivor annuity otherwise payable as if the Participant had, on the day before his death, retired and elected to have his benefits commence immediately under the Qualified Joint and Survivor Annuity, and then died the next day.

Forms of payment

Optional forms of payment

- (1) Life Annuity
- (2) 3/4 Joint and Survivor Annuity
- (3) Lump sum

Plan Name:	Sparton Corporation Pension Plan
EIN / PN:	38-1054690 / 001
Plan Sponsor:	Sparton Corporation
Valuation Date	July 1, 2013

SCHEDULE SB ATTACHMENTS

Maximum on benefits and pay

All benefits and pay for any calendar year may not exceed the maximum limitations for that year as defined in the Internal Revenue Code. The plan provides for increasing the dollar limits automatically as such changes become effective. Increases in the dollar limits are assumed for determining pension cost but not for determining contributions.

Future plan changes

No future plan changes were recognized in determining pension cost or in determining minimum and maximum contributions. Towers Watson is not aware of any future plan changes which are required to be reflected.

Changes in plan provisions since last actuarial valuation

None.

Plan Name:	Sparton Corporation Pension Plan
EIN / PN:	38-1054690 / 001
Plan Sponsor:	Sparton Corporation
Valuation Date	July 1, 2013

Sparton Corporation Pension Plan

Schedule H, Line 4i - Schedule of Assets (Held at End of Year)

EIN: 38-1054690

Plan Number: 001

June 30, 2014

Identity of Issuer, Borrower, Lessor or Similar Party		Description of Investment, Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	Cost	Current Value
(a)	(b)	(c)	(d)	(e)
Money Market Funds				
*	PNC Money Market	104,242 units	\$ 104,242	\$ 104,242
*	PNC Money Market	34,389 units	34,389	34,389
Total money market funds			138,631	138,631
Mutual Funds				
	Baird Intermediate Bond Fund	67,690 shares	750,000	756,092
	iShares Core S&P 500 ETF	6,779 shares	1,180,542	1,335,463
	iShares Core S&P MidCap ETF	2,400 shares	288,864	343,392
*	PNC International Equity Fund	42,249 shares	580,028	873,288
*	PNC Small Cap Core Fund	15,183 shares	173,362	318,238
*	PNC Intermediate Bond Fund	201,789 shares	2,220,608	2,231,786
Total mutual funds			5,193,404	5,858,259
Common Stocks				
	Invesco Ltd.	640 shares	21,100	24,160
	Ace Limited	240 shares	23,799	24,888
	TE Connectivity Ltd.	545 shares	31,671	33,703
	NXP Semiconductors	480 shares	20,399	31,766
	Aetna Inc New	500 shares	31,023	40,540
	Allergan Inc.	122 shares	7,365	20,645
	Altria Group Inc	730 shares	26,996	30,616
	American Express Co.	318 shares	14,484	30,169
	Amgen Inc.	245 shares	28,536	29,001
	Apple Inc.	1,029 shares	51,373	95,625
	Becton Dickinson & Co	190 shares	17,236	22,477
	Boeing Co	220 shares	16,103	27,991
	CBS Corp Class B	390 shares	19,673	24,235
	CVS Caremark Corp	470 shares	24,368	35,424
	Cisco Systems Inc.	1,655 shares	35,556	41,127
	Coca Cola Co.	550 shares	26,117	26,279
	Comcast Corporation CL A	620 shares	14,698	33,282

Sparton Corporation Pension Plan

Schedule H, Line 4i - Schedule of Assets (Held at End of Year)

June 30, 2014

(a)	Identity of Issuer, Borrower, Lessor or Similar Party	Description of Investment, Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	Cost (d)	Current Value (e)
	Conocophillips	425 shares	\$ 29,157	\$ 36,435
	Constellation Brands Inc	340 shares	27,581	29,964
	Crown Holdings Inc	440 shares	22,060	21,894
	Delta Air Lines Inc	1,010 shares	21,677	39,107
	Disney Walt Co.	575 shares	34,228	49,300
	Discover Financial W/I	410 shares	14,555	25,412
	EOG Res Inc	340 shares	26,434	39,732
	Eastman Chem Co	220 shares	19,789	19,217
	Exxon Mobil Corp.	241 shares	18,682	24,264
	Foot Locker Inc	480 shares	23,033	24,346
	Franklin Resources Inc	450 shares	29,344	26,028
	General Electric Co.	1,997 shares	39,373	52,481
	Gilead Sciences Inc	340 shares	27,342	28,189
	Google Inc. - Class A	42 shares	15,871	24,556
	HanesBrands Inc	300 shares	22,202	29,532
	Helmerich & Payne Inc	310 shares	19,950	35,994
	Home Depot Inc.	300 shares	13,280	24,288
	JP Morgan Chase & Co.	747 shares	27,287	43,042
	Johnson & Johnson	447 shares	29,098	46,765
	Kroger Co	740 shares	34,258	36,578
	Las Vegas Sands Corp	265 shares	19,236	20,198
	Lincoln National Corp	475 shares	23,237	24,434
	Lockheed Martin Corp	150 shares	21,213	24,109
	Magna International	340 shares	27,588	36,635
	Manpower Group Inc	280 shares	22,575	23,758
	McKesson Corporation	200 shares	31,054	37,242
	Microsoft Corp.	890 shares	28,930	37,113
	Oracle Corporation	991 shares	30,449	40,165
	Packaging Corp PKG	460 shares	32,930	32,885
	Polaris Inds Inc	190 shares	15,673	24,746
	Proctor & Gamble Co.	461 shares	30,741	36,230

Sparton Corporation Pension Plan

Schedule H, Line 4i - Schedule of Assets (Held at End of Year)

June 30, 2014

(a)	Identity of Issuer, 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)
	Qualcomm Inc.	395 shares	\$ 22,162	\$ 31,284
	Quanta Svcs Inc	550 shares	20,218	19,019
	Regions Financial Corp	1,780 shares	17,456	18,904
	St Jude Medical Inc	340 shares	23,034	23,545
	Schlumberger Ltd	450 shares	39,928	53,078
	Shire PLC	278 shares	25,642	65,466
	Skyworks Solutions Inc	700 shares	27,102	32,872
	Southwest Airlines Co	810 shares	22,125	21,757
	Suncor Energy Inc	520 shares	20,299	22,168
	Suntrust Banks Inc	510 shares	19,333	20,431
	The Travelers Cos Inc	300 shares	27,224	28,221
	Union Pacific Corp.	258 shares	10,849	25,736
	United Technologies Corp.	269 shares	18,104	31,056
	Verizon Communications Inc	565 shares	30,213	27,645
	Visa Inc	100 shares	15,756	21,071
	Wells Fargo & Company	1,018 shares	28,340	53,506
	Wisconsin Energy Corp	758 shares	19,493	35,565
	Wyndham Worldwide Corp	420 shares	27,210	31,802
	Zimmer Holdings Inc	200 shares	19,389	20,772
Total common stocks			1,623,201	2,150,465
Total Investments			\$ 6,955,236	\$ 8,147,355

* A party-in-interest as defined by ERISA.