

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 6057(b) and 6058(a) of the Internal Revenue Code (the Code). ► Complete all entries in accordance with the instructions to the Form 5500.	OMB Nos. 1210-0110 1210-0089 2016 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information		
For calendar plan year 2016 or fiscal plan year beginning <u>01/01/2016</u> and ending <u>12/31/2016</u>			
A	This return/report is for:	☐ a multiemployer plan ☐ a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions.)	
	☒ 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 ☐ special extension (enter description)	☐ automatic extension ☐ the DFVC program

Part II	Basic Plan Information —enter all requested information		
1a	Name of plan <u>LIFESTYLE RETIREMENT PLAN</u>	1b	Three-digit plan number (PN) ► <u>010</u>
		1c	Effective date of plan <u>01/01/2000</u>
2a	Plan sponsor's name (employer, if for a single-employer plan) Mailing address (include room, apt., suite no. and street, or P.O. Box) City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions) <u>NCFII HOLDINGS INC. C/O MASCO CORPORATION</u> <u>ATTN BENEFITS DEPARTMENT</u> <u>17450 MASCO WAY</u> <u>LIVONIA, MI 48152</u>	2b	Employer Identification Number (EIN) <u>56-1977928</u>
		2c	Plan Sponsor's telephone number <u>313-274-7400</u>
		2d	Business code (see instructions) <u>337000</u>

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

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

SIGN HERE	Filed with authorized/valid electronic signature.	10/04/2017	STEVE ARMBRUSTER
	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)			Preparer's telephone number

For Paperwork Reduction Act Notice, see the Instructions for Form 5500.

3a Plan administrator's name and address ☒ Same as Plan Sponsor	3b Administrator's EIN
	3c Administrator's telephone number
4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: a Sponsor's name	4b EIN 4c PN
5 Total number of participants at the beginning of the plan year	5 7397
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines 6a(1) , 6a(2) , 6b , 6c , and 6d).	
a(1) Total number of active participants at the beginning of the plan year.....	6a(1) 0
a(2) Total number of active participants at the end of the plan year	6a(2) 0
b Retired or separated participants receiving benefits.....	6b 4679
c Other retired or separated participants entitled to future benefits	6c 1216
d Subtotal. Add lines 6a(2) , 6b , and 6c	6d 5895
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.	6e 742
f Total. Add lines 6d and 6e	6f 6637
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:
 1C 1I 3D 3H

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

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

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

a Pension Schedules	b General Schedules
(1) ☒ R (Retirement Plan Information)	(1) ☒ H (Financial Information)
(2) ☐ MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary	(2) ☐ I (Financial Information – Small Plan)
(3) ☒ SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary	(3) ☐ 0 A (Insurance Information)
	(4) ☒ C (Service Provider Information)
	(5) ☒ D (DFE/Participating Plan Information)
	(6) ☐ G (Financial Transaction Schedules)

Part III Form M-1 Compliance Information (to be completed by welfare benefit plans)

11a If the plan provides welfare benefits, was the plan subject to the Form M-1 filing requirements during the plan year? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

If "Yes" is checked, complete lines 11b and 11c.

11b Is the plan currently in compliance with the Form M-1 filing requirements? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

11c Enter the Receipt Confirmation Code for the 2016 Form M-1 annual report. If the plan was not required to file the 2016 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code _____

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 2016 This Form is Open to Public Inspection
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For calendar plan year 2016 or fiscal plan year beginning 01/01/2016 and ending 12/31/2016

▶ **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>LIFESTYLE RETIREMENT PLAN</u>	B Three-digit plan number (PN) ▶ <u>010</u>
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF <u>NCFII HOLDINGS INC. C/O MASCO CORPORATION</u>	D Employer Identification Number (EIN) <u>56-1977928</u>
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B	F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500

Part I	Basic Information
1 Enter the valuation date: Month <u>01</u> Day <u>01</u> Year <u>2016</u>	
2 Assets:	
a Market value	2a <u>154958737</u>
b Actuarial value	2b <u>166976430</u>
3 Funding target/participant count breakdown	(1) Number of participants (2) Vested Funding Target (3) Total Funding Target
a For retired participants and beneficiaries receiving payment.....	<u>5521</u> <u>134294767</u> <u>134294767</u>
b For terminated vested participants.....	<u>1876</u> <u>39872644</u> <u>39872644</u>
c For active participants.....	<u>0</u> <u>0</u> <u>0</u>
d Total.....	<u>7397</u> <u>174167411</u> <u>174167411</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>5.95 %</u>
6 Target normal cost.....	6 <u>2390000</u>

Statement by Enrolled Actuary

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

SIGN HERE		<u>10/04/2017</u>
	Signature of actuary	Date
<u>MICHAEL RINGUETTE</u>	Type or print name of actuary	<u>17-04837</u>
<u>TOWERS WATSON DELAWARE INC.</u>	Firm name	Most recent enrollment number
<u>26555 EVERGREEN</u> <u>SOUTHFIELD, MI 48076</u>	Address of the firm	<u>248-936-7700</u>
		Telephone number (including area code)

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

For Paperwork Reduction Act Notice, see the Instructions for Form 5500 or 5500-SF.

Schedule SB (Form 5500) 2016
v. 160205

Part II Beginning of Year Carryover and Prefunding Balances		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	0	0
8	Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	0
9	Amount remaining (line 7 minus line 8)	0	0
10	Interest on line 9 using prior year's actual return of <u>-2.31</u> %	0	0
11	Prior year's excess contributions to be added to prefunding balance:		
a	Present value of excess contributions (line 38a from prior year)		8484
b(1)	Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of <u>6.16</u> %		523
b(2)	Interest on line 38b from prior year Schedule SB, using prior year's actual return		0
c	Total available at beginning of current plan year to add to prefunding balance		9007
d	Portion of (c) to be added to prefunding balance		0
12	Other reductions in balances due to elections or deemed elections	0	0
13	Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	0	0

Part III Funding Percentages			
14	Funding target attainment percentage	14	95.87%
15	Adjusted funding target attainment percentage	15	95.87%
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	100.45%
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
07/01/2016	3505000	0			
10/03/2016	5795000	0			
01/03/2017	3471000	0			
04/03/2017	1618000	0			
07/03/2017	3233000	0			
09/01/2017	7198000	0			
Totals ►			18(b)	24820000	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	23232855
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

Part V	Assumptions Used to Determine Funding Target and Target Normal Cost					
21	Discount rate:					
a	Segment rates:	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 33%;">1st segment: 4.43%</td> <td style="width: 33%;">2nd segment: 5.91%</td> <td style="width: 33%;">3rd segment: 6.65%</td> </tr> </table>	1st segment: 4.43%	2nd segment: 5.91%	3rd segment: 6.65%	☐ N/A, full yield curve used
1st segment: 4.43%	2nd segment: 5.91%	3rd segment: 6.65%				
b	Applicable month (enter code)	21b	4			
22	Weighted average retirement age	22				
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	2390000			
b	Excess assets, if applicable, but not greater than line 31a	31b	0			
32	Amortization installments:	Outstanding Balance	Installment			
a	Net shortfall amortization installment	7190981	1188119			
b	Waiver amortization installment	0	0			
33	If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33	0			
34	Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)	34	3578119			
		Carryover balance	Prefunding balance			
35	Balances elected for use to offset funding requirement	0	0			
36	Additional cash requirement (line 34 minus line 35)	36	3578119			
37	Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	37	23232855			
38	Present value of excess contributions for current year (see instructions)					
a	Total (excess, if any, of line 37 over line 36)	38a	19654736			
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	0			
43	Excess installment acceleration amount to be carried over to future plan years	43	0			

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
		2016
		This Form is Open to Public Inspection.
For calendar plan year 2016 or fiscal plan year beginning 01/01/2016 and ending 12/31/2016		
A Name of plan LIFESTYLE RETIREMENT PLAN	B Three-digit plan number (PN) ▶	010
C Plan sponsor's name as shown on line 2a of Form 5500 NCFII HOLDINGS INC. C/O MASCO CORPORATION	D Employer Identification Number (EIN) 56-1977928	

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

1 Information on Persons Receiving Only Eligible Indirect Compensation

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

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

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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 ☐

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

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

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

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

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

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

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

Part I Service Provider Information (continued)

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

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

Part II Service Providers Who Fail or Refuse to Provide Information

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

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

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

(complete as many entries as needed)

a Name:	MARTIN KOH	b EIN:	53-0181291
c Position:	ACTUARY		
d Address:	26555 EVERGREEN SUITE 1600 SOUTHFIELD, MI 48076	e Telephone:	248-936-7700

Explanation: WILLIS TOWERS WATSON REMAINS THE ACTUARY FOR THE LIFESTYLE RETIREMENT PLAN. MARTIN KOH HAS BEEN REASSIGNED TO ACCOMMODATE STAFFING NEEDS

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:

<div>SCHEDULE D (Form 5500)</div> <div>Department of the Treasury Internal Revenue Service</div> <div>Department of Labor Employee Benefits Security Administration</div>		<div>DFE/Participating Plan Information</div> <div>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).</div> <div>▶ File as an attachment to Form 5500.</div>		<div>OMB No. 1210-0110</div> <div>2016</div> <div>This Form is Open to Public Inspection.</div>	
For calendar plan year 2016 or fiscal plan year beginning 01/01/2016 and ending 12/31/2016					
A Name of plan LIFESTYLE RETIREMENT PLAN				B Three-digit plan number (PN) ▶ 010	
C Plan or DFE sponsor's name as shown on line 2a of Form 5500 NCFII HOLDINGS INC. C/O MASCO CORPORATION				D Employer Identification Number (EIN) 56-1977928	
Part I Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs) (Complete as many entries as needed to report all interests in DFEs)					
a Name of MTIA, CCT, PSA, or 103-12 IE: MASCO CORP. RETIREMENT MASTER TRUST					
b Name of sponsor of entity listed in (a): MASCO CORPORATION					
c EIN-PN 38-2470859-100		d Entity code M	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 152768918		
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)		
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)		
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)		
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)		
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)		
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)		
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)		
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)		

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Schedule D (Form 5500) 2016 v.160205

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

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

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

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

SCHEDULE H (Form 5500) <small>Internal Revenue Service</small> <hr/> <small>Department of Labor</small> <small>Employee Benefits Security Administration</small> <hr/> <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> 2016 This Form is Open to Public Inspection
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For calendar plan year 2016 or fiscal plan year beginning 01/01/2016 and ending 12/31/2016		
A Name of plan LIFESTYLE RETIREMENT PLAN	B Three-digit plan number (PN) ►	010
C Plan sponsor's name as shown on line 2a of Form 5500 NCFII HOLDINGS INC. C/O MASCO CORPORATION	D Employer Identification Number (EIN) 56-1977928	

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

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions.....	1b(1)	260000	15520000
(2) Participant contributions	1b(2)		
(3) Other.....	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit).....	1c(1)		
(2) U.S. Government securities	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other.....	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common.....	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property).....	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans.....	1c(8)		
(9) Value of interest in common/collective trusts	1c(9)		
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)	154701181	152768918
(12) Value of interest in 103-12 investment entities.....	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)		
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
(15) Other	1c(15)		

1d Employer-related investments:

		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	154961181	168288918

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i	117443	137495
j Other liabilities	1j		
k Total liabilities (add all amounts in lines 1g through 1j)	1k	117443	137495

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	154843738	168151423
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Part II Income and Expense Statement

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

Income

		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	24820000	
(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)		24820000
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)		
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		0
(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)		
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		0
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		0
(5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		0

		(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)		9262911
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		
c Other income.....	2c		
d Total income. Add all income amounts in column (b) and enter total.....	2d		34082911

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	20775226	
(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)		20775226
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense.....	2h		
i Administrative expenses: (1) Professional fees.....	2i(1)		
(2) Contract administrator fees.....	2i(2)		
(3) Investment advisory and management fees.....	2i(3)		
(4) Other	2i(4)		
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		0
j Total expenses. Add all expense amounts in column (b) and enter total	2j		20775226

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		13307685
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: GRANT THORNTON LLP

(2) EIN: 36-6055558

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.)	4c		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)	4d		X	
e Was this plan covered by a fidelity bond?	4e	X		20000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	4f		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?	4g		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?	4h		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	4i		X	
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)	4j		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?	4k		X	
l Has the plan failed to provide any benefit when due under the plan?	4l		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	4m			
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.	4n			
o Defined Benefit Plan or Money Purchase Pension Plan Only: Were any distributions made during the plan year to an employee who attained age 62 and had not separated from service?	4o			

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

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

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

5c If the plan is a defined benefit plan, is it covered under the PBGC insurance program (See ERISA section 4021.)? ☒ Yes ☐ No ☐ Not determined
If "Yes" is checked, enter the My PAA confirmation number from the PBGC premium filing for this plan year 3998997. (See instructions.)

Part V Trust Information

6a Name of trust	6b Trust's EIN
6c Name of trustee or custodian	6d Trustee's or custodian's telephone number

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 sections 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 2016 This Form is Open to Public Inspection.
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For calendar plan year 2016 or fiscal plan year beginning 01/01/2016 and ending 12/31/2016

A Name of plan <u>LIFESTYLE RETIREMENT PLAN</u>	B Three-digit plan number (PN) ▶ <u>010</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>NCFII HOLDINGS INC. C/O MASCO CORPORATION</u>	D Employer Identification Number (EIN) <u>56-1977928</u>

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

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions	1	<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>38-2470859</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>606</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.)
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4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?	☐ Yes	☒ No	☐ N/A
If the plan is a defined benefit plan, go to line 8.			
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____ If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.			
6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived)	6a		
b Enter the amount contributed by the employer to the plan for this plan year	6b		
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount)	6c		
If you completed line 6c, skip lines 8 and 9.			
7 Will the minimum funding amount reported on line 6c be met by the funding deadline?	☐ Yes	☐ No	☐ N/A
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?	☐ Yes	☐ No	☒ N/A

Part III	Amendments
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9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box.....	☐ Increase	☐ Decrease	☐ Both	☒ No
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Part IV	ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.
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10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?	☐ Yes	☐ No
11 a Does the ESOP hold any preferred stock?	☐ Yes	☐ No
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.)	☐ Yes	☐ No
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?	☐ Yes	☐ No

For Paperwork Reduction Act Notice, see the Instructions for Form 5500.

Schedule R (Form 5500) 2016
v. 160205

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: <u>48.0</u> % Investment-Grade Debt: <u>25.0</u> % High-Yield Debt: <u>6.0</u> % Real Estate: <u>0.0</u> % Other: <u>21.0</u> %	
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):	

Part VII IRS Compliance Questions

20a	Is the plan a 401(k) plan? If "No," skip b	☐ Yes	☐ No
20b	How did the plan satisfy the nondiscrimination requirements for employee deferrals under section 401(k)(3) for the plan year? Check all that apply:	☐ Design-based safe harbor	☐ "Prior year" ADP test
		☐ "Current year" ADP test	☐ N/A
21a	What testing method was used to satisfy the coverage requirements under section 410(b) for the plan year? Check all that apply:	☐ Ratio percentage test	☐ Average benefit test ☐ N/A
21b	Did the plan satisfy the coverage and nondiscrimination requirements of sections 410(b) and 401(a)(4) for the plan year by combining this plan with any other plan under the permissive aggregation rules?	☐ Yes	☐ No
22a	If the plan is a master and prototype plan (M&P) or volume submitter plan that received a favorable IRS opinion letter or advisory letter, enter the date of the letter / / and the serial number .		
22b	If the plan is an individually-designed plan that received a favorable determination letter from the IRS, enter the date of the most recent determination letter / / .		

LIFESTYLE RETIREMENT PLAN

FINANCIAL STATEMENTS

2016 AND 2015

LIFESTYLE RETIREMENT PLAN

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Note: The schedules required by Section 2520.103-10 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA have been omitted because they are not applicable.	



REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

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To the Trustee and Participants of
LifeStyle Retirement Plan

Report on the financial statements

We were engaged to audit the accompanying financial statements of LifeStyle Retirement Plan (the “Plan”), which comprise the statements of net assets available for benefits as of December 31, 2016 and 2015, and the related statements of changes in net assets available for benefits for the years then ended, and the related statement of accumulated plan benefits as of December 31, 2015 and the related statement of changes in accumulated plan benefits for the year 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 audit 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

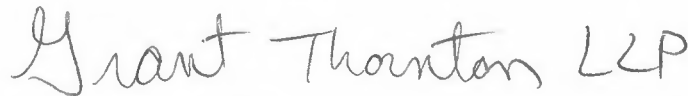
not perform, any auditing procedures with respect to the certified information described in Note I, except for comparing such information with the related information included in the financial statements. We have been informed by the Plan administrator that the certifying entity meets the requirements of 29 CFR 2520.103-8. The Plan administrator obtained a certification from this entity as of December 31, 2016 and 2015, and for the years then ended, stating that the certified information provided to the Plan administrator 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.

Report on form and content in compliance with DOL rules and regulations

The form and content of the information included in the financial statements, other than that derived from the certified information described in Note I, 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.



Southfield, Michigan
October 2, 2017

LIFESTYLE RETIREMENT PLAN
STATEMENTS OF NET ASSETS AVAILABLE
FOR BENEFITS

December 31,

	2016	2015
Assets		
Investments, at fair value:		
Plan interest in Master Trust, net (Note C)	\$ 152,768,918	\$ 154,701,181
Receivables:		
Employer contribution receivable	15,520,000	260,000
Total assets	168,288,918	154,961,181
Liabilities		
Accrued expenses	137,495	117,443
Total liabilities	137,495	117,443
Net assets available for benefits	\$ 168,151,423	\$ 154,843,738

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

LIFESTYLE RETIREMENT PLAN
STATEMENTS OF CHANGES IN NET ASSETS
AVAILABLE FOR BENEFITS

For the years ended December 31,

	2016	2015
Plan interest in Master Trust:		
Investment income (loss), net (Note C)	\$ 12,354,184	\$ (3,242,552)
Employer contributions	24,820,000	860,000
Benefit payments	(20,775,226)	(14,513,400)
Administrative expenses and other, net	(3,091,273)	(2,179,032)
Net increase (decrease)	13,307,685	(19,074,984)
Net assets available for benefits:		
Beginning of year	154,843,738	173,918,722
End of year	\$ 168,151,423	\$ 154,843,738

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

LIFESTYLE RETIREMENT PLAN
STATEMENT OF ACCUMULATED PLAN BENEFITS

As of December 31, 2015

Actuarial present value of accumulated plan benefits (Note G):

Vested benefits:

Participants currently receiving payments	\$	125,013,761
Participants with deferred benefits		35,422,421
		<u>160,436,182</u>

Total actuarial present value of accumulated plan benefits	\$	<u><u>160,436,182</u></u>
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The accompanying notes are an integral part of the financial statements.

LIFESTYLE RETIREMENT PLAN
STATEMENT OF CHANGES IN ACCUMULATED PLAN BENEFITS

For the year ended December 31, 2015

Actuarial present value of accumulated plan benefits at December 31, 2014	\$ 165,286,569
Increase (decrease) during 2015 due to (Note G):	
Increase in interest due to decrease in discount period	11,457,166
Change of assumptions	(2,315,943)
Actuarial losses	521,790
Benefits paid	(14,513,400)
Net decrease	(4,850,387)
Actuarial present value of accumulated plan benefits at December 31, 2015	\$ 160,436,182

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

LIFESTYLE RETIREMENT PLAN

NOTES TO FINANCIAL STATEMENTS

A. DESCRIPTION OF PLAN

The following description of the LifeStyle Retirement Plan (the "Plan") provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

Effective in 2002, NCFII Holdings, Inc. (the "Company"), a subsidiary of Masco Corporation ("Masco"), became the Plan Sponsor for the Plan.

1. *General.* The Plan is a defined benefit pension plan covering eligible employees at various divisions and subsidiaries of the Company. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). The Plan is a cash balance plan which, before it was frozen, provided for individual participant retirement accounts that increase with benefit credits based on annual compensation and investment income. These individual accounts are portable so that each vested participant who terminates from the Plan is entitled to remove their balance.

The Plan is administered by Masco's Benefits Department, which has overall responsibility for the operation and administration of the Plan. Masco's Pension Trust Investment Committee ("Committee"), which is a committee of members of management of Masco, is responsible for the management of the Masco Corporation Retirement Master Trust ("Master Trust"). The Committee sets the investment objectives, goals, and guidelines and monitors investment performance.

Effective December 31, 2001, all benefit accruals under the Plan were frozen for employees of all divisions of the Company except for Robert Allen and Lexington and employees of the Company, for which benefit accruals were frozen effective March 31, 2002. As a result, there are no increases in benefits under the Plan, and no new participants will be added to the Plan from and after December 31, 2001 or, in the case of Robert Allen, Lexington, and the Company, from and after March 31, 2002.

2. *Pension Benefits.* Participants with five or more years of credited service at the time the Plan was frozen or who have attained normal retirement age (65) are entitled to vested annual pension benefits beginning at normal retirement age. Generally, employees may elect to receive their pension benefits in the form of a joint and survivor annuity, lifetime annuity or period certain annuity.

In 2016, the Company offered certain eligible participants with a deferred vested benefit, who have terminated employment, the opportunity to elect to receive their pension benefit early as a lump-sum payment or an immediate annuity, rather than waiting until they otherwise become eligible to receive payments from the Plan. Participants had until November 11, 2016 to elect one of the limited-time early payment options or choose to remain in the Plan and begin monthly payments as described in the Plan document. Distribution amounts pertaining to participants who elected to take the early lump sum option aggregated approximately \$6.3 million.

3. *Death and Disability Benefits.* If a vested participant (who is married) dies before retirement, a pre-retirement survivor annuity is paid to the participant's spouse. This survivor annuity is payable on the first day of the calendar month following the participant's death or as soon as practicable thereafter. Disability retirement benefits are subject to offsets as described in the Plan agreement.

4. *Funding Policy.* The contributions of the Company are designed to fund an amount which falls between the minimum contribution requirements and the maximum deductible allowance, as determined annually under the provisions of the Internal Revenue Code ("IRC"). The yield on investments of the Plan serves to reduce future contributions that would otherwise be required to provide for the defined level of benefits under the Plan. The Company's contributions for 2016 and 2015 of \$24,820,000 and \$860,000, respectively, met or exceeded the minimum funding requirements of ERISA. No participant in the Plan is required to make a contribution under the Plan.

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

LIFESTYLE RETIREMENT PLAN

NOTES TO FINANCIAL STATEMENTS, Continued

B. ACCOUNTING POLICIES

The following is a summary of significant accounting policies (in accordance with accounting principles generally accepted in the United States of America) followed in the preparation of these financial statements.

Basis of Accounting. The accompanying financial statements are prepared on the accrual basis of accounting.

Use of Estimates. The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and changes therein; disclosure of contingent assets and liabilities; and the actuarial present value of accumulated plan benefits at the date of the financial statements, and changes therein. Actual results could differ from these estimates and assumptions.

Risks and Uncertainties. The Plan's invested assets ultimately consist of common and preferred stocks, private equity and hedge funds, corporate debt securities, government and other debt securities, a common collective trust fund, a securities lending collateral pool, and short-term and other investment securities. Investment securities are exposed to various risks, including interest rate, market and credit risks. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is reasonably possible that changes in the value of investment securities in the near term could materially affect the amounts reported in the statements of net assets available for benefits and the statements of changes in net assets available for benefits.

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

Investment Valuation and Income Recognition. Investments represent the Plan's pro rata interest in the fair value of the net assets of the Master Trust, as determined by The Northern Trust Company ("Trustee"). The Plan's Committee determines the Plan's valuation policies utilizing information provided by its investment advisers and Trustee. See Note D for a discussion of fair value measurement.

Investment transactions are reflected on a trade-date basis. Net appreciation (depreciation) includes the Master Trust's realized gains and losses on investments that were both purchased and sold during the period as well as unrealized appreciation (depreciation) of the investments held at year-end. Interest income is recognized on the accrual basis of accounting. Dividend income is recorded on the ex-dividend date. Income from other securities is recorded as earned on an accrual basis.

The Plan presents in the statements of changes in net assets available for benefits the investment income (loss) from its interest in the Master Trust. The investment income (loss) is comprised of the net appreciation (depreciation) in the fair value of its investments which consists of the Plan's pro rata interest in the realized gains or losses and the unrealized appreciation (depreciation) of the investments of the Master Trust. Also included are the Plan's pro rata share of the interest and dividend income of the Master Trust. Such pro rata allocations are made monthly based on the Plan's weighted average interest in the fair value of the Master Trust net assets.

Payment of Benefits. Benefit payments to participants are recorded upon distribution.

Administrative Expenses. The Plan's expenses are paid either by the Plan or the Company, as provided by the Plan document. Expenses that are paid directly by the Company are excluded from these financial statements. Certain expenses incurred in connection with the general administration of the Plan that are paid by the Plan are recorded as deductions in the accompanying statements of changes in net assets available for benefits. In addition, certain investment related expenses are included in investment income (loss), net, presented in the accompanying statements of changes in net assets available for benefits.

Reclassifications. Certain reclassifications of prior year amounts have been made to conform with the current year presentation.

LIFESTYLE RETIREMENT PLAN

NOTES TO FINANCIAL STATEMENTS, Continued

B. ACCOUNTING POLICIES, Concluded

Recently Adopted Accounting Pronouncements. In May 2015, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update 2015-07 ("ASU 2015-07"), "Fair Value Measurement (Topic 820): Disclosures for Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent)," which exempts investments measured using the net asset value ("NAV") (or its equivalent) practical expedient in ASC 820, Fair Value Measurement, from categorization within the fair value hierarchy while being separately presented to permit reconciliation of total pension plan assets. The Plan retrospectively adopted ASU 2015-07 on December 31, 2016. As a result of the adoption, the Master Trust's assets valued using the NAV per share method (or its equivalent) as a practical expedient as of December 31, 2016 and 2015 have been removed from the fair value hierarchies (Note D). The value of these assets has been presented separately to permit reconciliation to total Master Trust assets.

Recently Issued Accounting Pronouncements. In February 2017, the FASB issued Accounting Standards Update 2017-06 ("ASU 2017-06"), "Plan Accounting: Defined Benefit Pension Plans (Topic 960), Defined Contribution Pension Plans (Topic 962), Health and Welfare Benefit Plans (Topic 965): Employee Benefit Plan Master Trust Reporting." This standard expands employee benefit plan reporting with respect to a plan's interest in a master trust. Specifically, the update requires a plan's interest in a master trust and any change in that interest to be presented as separate line items in the statement of net assets available for benefits and in the statement of changes in net assets available for benefits. Additionally, plans must disclose the dollar amount of their interests in each of their general types of investments and other asset and liability balances. The guidance is effective for the Plan for fiscal years beginning after December 15, 2018 and shall be applied retrospectively to all periods presented. The Plan's administrator is currently evaluating the impact adoption of the standard will have on the Plan's financial statements.

C. INVESTMENTS

The Plan's investments at December 31, 2016 and 2015 include its 28.1 and 29.3 percent participation in the Master Trust, respectively.

The following table presents the fair value of the Master Trust's net assets at December 31, 2016 and 2015.

	Master Trust	
	2016	2015
<u>Assets</u>		
Common and Preferred Stocks	\$ 290,979,716	\$ 284,692,415
Government and Other Debt Securities	75,309,491	89,791,456
Private Equity and Hedge Funds	95,067,235	78,263,651
Securities Lending Collateral Pool	36,845,308	52,884,367
Corporate Debt Securities	75,793,232	68,512,845
Common Collective Trust Fund	4,471,379	4,230,681
Short-term and Other Investments	1,987,092	1,678,275
Total Assets	\$ 580,453,453	\$ 580,053,690
<u>Liabilities</u>		
Securities Lending Collateral Payable	\$ (36,845,308)	\$ (52,884,367)
Total Liabilities	\$ (36,845,308)	\$ (52,884,367)
Net Assets	\$ 543,608,145	\$ 527,169,323

With respect to the Master Trust's investments in private equity funds and other debt securities, the Master Trust had, at December 31, 2016 and 2015, commitments to contribute up to \$15 million and \$17 million, respectively, of additional

LIFESTYLE RETIREMENT PLAN

NOTES TO FINANCIAL STATEMENTS, Continued

C. INVESTMENTS (Continued)

capital to such funds and securities representing the Master Trust's aggregate capital commitment to such funds less capital contributions made to date. The Master Trust is contractually obligated to make additional capital contributions to certain of its investments upon receipt of a capital call. The Master Trust has no control over when or if the capital calls will occur. Capital calls are funded in cash and generally result in an increase in the carrying value of the Master Trust's investment when paid.

Investment income (loss) represents interest and dividend income plus realized and unrealized gains and losses. Investment income of the Master Trust for the year ended December 31, 2016 was \$42,084,299 (net of administrative expenses of \$2,052,959) and investment loss for the year ended December 31, 2015 was \$12,745,862 (including administrative expenses of \$1,824,961). Investment income (loss) is summarized as follows:

	Interest	Dividends	Net Appreciation (Depreciation)	Total
<u>Year Ended December 31, 2016</u>				
Master Trust:				
Common and Preferred Stocks	\$ —	\$ 4,307,858	\$ 24,989,933	\$ 29,297,791
Government and Other Debt Securities	3,747,832	—	1,413,299	5,161,131
Private Equity and Hedge Funds	—	—	4,090,222	4,090,222
Securities Lending Collateral Pool	280,392	—	—	280,392
Corporate Debt Securities	2,022,694	—	3,203,350	5,226,044
Common Collective Trust Fund	38,762	—	—	38,762
Short-term and Other Investments	32,055	—	10,861	42,916
	<u>\$ 6,121,735</u>	<u>\$ 4,307,858</u>	<u>\$ 33,707,665</u>	<u>\$ 44,137,258</u>
<u>Year Ended December 31, 2015</u>				
Master Trust:				
Common and Preferred Stocks	\$ —	\$ 4,281,730	\$ (10,392,902)	\$ (6,111,172)
Government and Other Debt Securities	4,216,599	—	(7,112,338)	(2,895,739)
Private Equity and Hedge Funds	—	—	(1,359,071)	(1,359,071)
Securities Lending Collateral Pool	227,903	—	—	227,903
Corporate Debt Securities	2,510,106	—	(3,314,929)	(804,823)
Common Collective Trust Fund	11,936	—	—	11,936
Short-term and Other Investments	7,630	—	2,435	10,065
	<u>\$ 6,974,174</u>	<u>\$ 4,281,730</u>	<u>\$ (22,176,805)</u>	<u>\$ (10,920,901)</u>

Securities Lending:

Masco Corporation has an agreement with The Northern Trust Company authorizing the Trustee to lend securities held in the Master Trust to third parties. The Trustee must obtain collateral from the borrower in the form of U.S. Government securities, irrevocable bank letters of credit, or cash. The cash collateral is invested in interest bearing accounts with The Northern Trust Company. The total collateral for the securities loaned as of December 31, 2016 and 2015 was \$36,845,308 and \$52,884,367, respectively, of which \$770,363 and \$3,514,896 was non-cash as of December 31, 2016 and 2015, respectively. Both the collateral and the securities loaned are marked-to-market on a daily basis so that all loaned securities are, at a minimum, collateralized at 102% of the market value of the borrowed securities. The Master Trust has a corresponding liability (equal to the collateral) to repay the collateral upon return of the securities. In the event that the loaned securities are not returned by the borrower, the Trustee will purchase equivalent securities by applying the collateral to the payment of the purchase price and demand from the borrower any remaining amounts due and owing. All recoveries will be credited to the Master Trust when received.

LIFESTYLE RETIREMENT PLAN

NOTES TO FINANCIAL STATEMENTS, Continued

C. INVESTMENTS, Concluded

The fair value of securities loaned by the Master Trust as of December 31, 2016 and 2015 is shown below by type of security:

	2016	2015
Common Stocks	\$ 30,347,443	\$ 46,549,500
Corporate Debt Securities	5,193,965	4,082,740
U.S. Government Debt Securities	197,867	656,673
	<u>\$ 35,739,275</u>	<u>\$ 51,288,913</u>

The Master Trust and the Trustee each receive a percentage of the net income derived from securities lending activities based on the type of securities. Income earned by the Master Trust related to securities lending activities for the years ended December 31, 2016 and 2015 was \$196,427 and \$159,680, respectively, net of bank fees of \$83,965 and \$68,223 for the years ended December 31, 2016 and 2015, respectively.

Although the securities lending activities are collateralized as described above, they involve both market and credit risk. In this context, market risk refers to the possibility that the borrowed securities will not be fully collateralized upon a sudden material change in the fair value of the loaned securities or the collateral. In 2016 and 2015, based on improving market conditions, the Master Trust did not incur any liability related to the securities lending activities.

Security lending in the Master Trust is handled via an electronic platform provided by Equilend, a joint venture of various securities lending agents and security borrowers, in which The Northern Trust Company has an equity interest. Fees are not charged to the Master Trust for use of the services but are paid by the Trustee.

Since The Northern Trust Company has a financial interest in the successful operation of Equilend, Equilend has obtained a Prohibited Transaction Exemption from the U.S. Department of Labor. The exemption (a) enables The Northern Trust Company to use Equilend's platform for lending the securities of plans and (b) permits Equilend to sell or license ancillary products to The Northern Trust Company or to a plan to which Equilend is a party-in-interest.

D. FAIR VALUE MEASUREMENTS

The Plan follows fair value guidance (ASC 820) that defines fair value, establishes a framework for measuring fair value and requires certain disclosures about fair value measurements. The guidance defines fair value as "the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date." Further, it defines a fair value hierarchy, as follows: Level 1 inputs as quoted prices in active markets for identical assets or liabilities; Level 2 inputs as observable inputs other than Level 1 prices, such as quoted market prices for similar assets or liabilities or other inputs that are observable or can be corroborated by market data; and Level 3 inputs as unobservable inputs that are supported by little or no market activity and that are financial instruments whose value is determined using pricing models or instruments for which the determination of fair value requires significant management judgment or estimation.

The Master Trust has a target asset allocation of the investment portfolio that was developed with the objective of achieving an expected rate of return and reducing the volatility of asset returns. Our investments seek to minimize the volatility of the value of the Plan assets relative to pension liabilities and ensure Plan assets are sufficient to pay Plan benefits. We use a portfolio mix of equity investments and fixed-income securities to obtain these objectives. Equity securities are invested in individual securities or funds that are expected to mirror broad market returns for equity securities. Over time, these equity investments are expected to earn higher returns with more volatility than fixed-income investments. Risks in these investments are broadly diversified by geography, market capitalization, manager mandate size, investment style and process. To minimize asset volatility relative to liabilities, a portion of Plan assets are allocated to fixed-income investments that are exposed to interest rate risk. Rate increases and decreases generally will result in a corresponding increase or decrease in fixed-income assets, with offsetting increases or decreases in the present value of liabilities. The fixed-income portfolio invests in corporate bonds, bond index funds or U.S. Treasury securities.

LIFESTYLE RETIREMENT PLAN

NOTES TO FINANCIAL STATEMENTS, Continued

D. FAIR VALUE MEASUREMENTS, Continued

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2016 and 2015.

Common and Preferred Stocks and Short-Term and Other Investments: Valued at the closing price reported on the active market on which the individual securities are traded, or based on the active market for similar securities. Certain investments are valued based on NAV, which approximates fair value. Such basis is determined by referencing to the respective fund's underlying assets. There are no unfunded commitments or other restrictions associated with these investments.

Private Equity and Hedge Funds: Valued based on an estimated fair value using either a market approach or an income approach, both of which require a significant degree of judgment. There is no active trading market for these investments and they are generally illiquid. Due to the significant unobservable inputs, the fair value measurements used to estimate fair value are a Level 3 input. Certain investments are valued based on NAV, which approximates fair value. Such basis is determined by referencing the respective fund's underlying assets. There are no unfunded commitments or other restrictions associated with the investments which are valued at NAV.

Corporate, Government and Other Debt Securities: Valued based on either the closing price reported on the active market on which individual securities are traded, or using pricing models maximizing the use of observable inputs for similar securities. This includes basing value on yields currently available on comparable securities of issuers with similar credit ratings. Certain investments are valued based on NAV, which approximates fair value. Such basis is determined by referencing the respective fund's underlying assets. There are unfunded commitments of \$3,311,412 and no other restrictions associated with these investments.

Common Collective Trust Fund: Valued based on an amortized cost basis, which approximates fair value. Such basis is determined by reference to the respective fund's underlying assets, which are primarily cash equivalents. There are no unfunded commitments or other restrictions associated with this fund.

Securities Lending Collateral Pool: Primarily invested in cash equivalents which are valued using pricing models maximizing the use of observable inputs for similar securities.

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

LIFESTYLE RETIREMENT PLAN

NOTES TO FINANCIAL STATEMENTS, Continued

D. FAIR VALUE MEASUREMENTS, Concluded

The following tables set forth by level, within the fair value hierarchy, the Master Trust's assets at fair value, as well as those valued at fair value using NAV per share as a practical expedient, as of December 31, 2016 and 2015.

Net Assets at Fair Value as of December 31, 2016					
<u>Assets</u>	Level 1	Level 2	Level 3	Measured at NAV	Total
Common and Preferred Stocks	\$ 156,283,562	\$ 1,117	\$ —	\$ 134,695,037	\$ 290,979,716
Private Equity and Hedge Funds	—	—	61,976,744	33,090,491	95,067,235
Securities Lending Collateral Pool	—	36,845,308	—	—	36,845,308
Corporate Debt Securities	27,442,023	31,435,901	—	16,915,308	75,793,232
Government and Other Debt Securities	71,557,239	2,049,987	—	1,702,265	75,309,491
Common Collective Trust Fund	—	4,471,379	—	—	4,471,379
Short-Term and Other Investments	1,987,092	—	—	—	1,987,092
Total Assets at Fair Value	\$ 257,269,916	\$ 74,803,692	\$ 61,976,744	\$ 186,403,101	\$ 580,453,453
Liabilities					
Securities Lending Collateral Payable	\$ —	\$ (36,845,308)	\$ —	\$ —	\$ (36,845,308)
Total Liabilities at Fair Value	\$ —	\$ (36,845,308)	\$ —	\$ —	\$ (36,845,308)
Net Assets	\$ 257,269,916	\$ 37,958,384	\$ 61,976,744	\$ 186,403,101	\$ 543,608,145
Net Assets at Fair Value as of December 31, 2015					
<u>Assets</u>	Level 1	Level 2	Level 3	Measured at NAV	Total
Common and Preferred Stocks	\$ 154,252,409	\$ 32,128,497	\$ —	\$ 98,311,509	\$ 284,692,415
Private Equity and Hedge Funds	—	—	70,931,475	7,332,176	78,263,651
Securities Lending Collateral Pool	—	52,884,367	—	—	52,884,367
Corporate Debt Securities	19,007,994	33,608,782	—	15,896,069	68,512,845
Government and Other Debt Securities	86,686,380	3,105,076	—	—	89,791,456
Common Collective Trust Fund	—	4,230,681	—	—	4,230,681
Short-Term and Other Investments	1,678,275	—	—	—	1,678,275
Total Assets at Fair Value	\$ 261,625,058	\$ 125,957,403	\$ 70,931,475	\$ 121,539,754	\$ 580,053,690
Liabilities					
Securities Lending Collateral Payable	\$ —	\$ (52,884,367)	\$ —	\$ —	\$ (52,884,367)
Total Liabilities at Fair Value	\$ —	\$ (52,884,367)	\$ —	\$ —	\$ (52,884,367)
Net Assets	\$ 261,625,058	\$ 73,073,036	\$ 70,931,475	\$ 121,539,754	\$ 527,169,323

The table below sets forth a summary of changes in the fair value of the Master Trust's level 3 assets for the years ended December 31, 2016 and 2015.

	Years Ended December 31,	
	2016	2015
Balance, beginning of year	\$ 70,931,475	\$ 79,576,479
Purchases	6,235,812	8,275,920
Sales	(13,362,021)	(12,092,607)
Unrealized losses	(1,828,522)	(4,828,317)
Balance, end of year	\$ 61,976,744	\$ 70,931,475

LIFESTYLE RETIREMENT PLAN

NOTES TO FINANCIAL STATEMENTS, Continued

E. INCOME TAX STATUS

The Internal Revenue Service ("IRS") determined and informed the Company by letter, dated November 4, 2016, that the Plan and the related trust are designed in accordance with applicable sections of the IRC. The Plan has since been amended; however, the Plan administrator believes that the Plan is currently designed and being operated in compliance with the applicable requirements of the IRC. Therefore, no provision for income taxes has been included in the Plan's financial statements.

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 if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The Plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2016 and 2015, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax period in progress.

F. RELATED PARTIES

Certain plan investments are investments managed by The Northern Trust Company as the Plan Trustee. Therefore, the purchases and sales qualify as party-in-interest transactions. Additionally, the Master Trust participates in Securities Lending programs of the Trustee.

G. 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 or terminated employees or their beneficiaries and (b) beneficiaries of employees who have died. Benefits under the Plan are based on employees' credited years of service. Benefits payable under all circumstances (retirement, death, disability and termination of employment) are included to the extent they are deemed attributable to employee service rendered to the valuation date. The actuarial present value of accumulated plan benefits is determined by an actuary from Willis Towers Watson and is that amount that results from applying actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements such as for death, withdrawal or retirement) between the valuation date and the expected date of payment.

The significant actuarial assumptions used in the valuation as of December 31, 2015 and 2014 were (a) life expectancy of participants - the Plan used the RP-2014 annuitants and non-annuitants blue collar adjusted mortality tables with the generational MP-2015 and MP-2014 improvement scales, respectively, (b) retirement age assumption (the assumed weighted average retirement age was 60 for 2015 and 2014), (c) discount rate (based on the assumed rate of return of 7.25 percent in 2015 and 2014) and (d) withdrawal assumptions. The change from the MP-2014 improvement scale to the MP-2015 improvement scale incorporates updated life expectancy improvement data. The foregoing actuarial assumptions are based on the presumption that the Plan will continue. Were the Plan to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated plan benefits. The computation of the actuarial present value of accumulated plan benefits was made as of January 1, 2016. Had the valuation been performed as of December 31, 2015 there would be no material differences.

H. PLAN TERMINATION

Although there is no present intent to terminate the Plan, if the Plan were to terminate at some future time, the net assets of the Plan will first be allocated to provide benefits for participants as prescribed by ERISA and its related regulations. All remaining net assets, to the extent unfunded vested benefits exist, will be paid by the Pension Benefit Guaranty Corporation or in accordance with the Plan document, up to applicable limitations. Plan termination priorities are available from the Pension Benefit Guaranty Corporation.

LIFESTYLE RETIREMENT PLAN

NOTES TO FINANCIAL STATEMENTS, Concluded

I. SUMMARY OF FINANCIAL DATA PROVIDED BY THE TRUSTEE

The Plan administrator has elected the method of compliance permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, as permitted under such election, the following information was certified as complete and accurate by the Trustee and was not subjected to any auditing procedures performed by the independent auditors.

- a. Plan interest in Master Trust, net, as shown on the accompanying statements of net assets available for benefits as of December 31, 2016 and 2015.
- b. Investment income (loss), net, as shown in the accompanying statements of changes in net assets available for benefits for the years ended December 31, 2016 and 2015.
- c. Total Master Trust net assets, interest, dividends and net appreciation (depreciation), as shown in the accompanying Note C as of and for the years ended December 31, 2016 and 2015.

J. SUBSEQUENT EVENTS

The Plan has evaluated subsequent events through October 2, 2017, the date the LifeStyle Retirement Plan financial statements were available to be issued. No events were identified that required disclosure within the financial statements.

SCHEDULE SB ATTACHMENTS

Schedule SB, Part V – Statement of Actuarial Assumptions and Methods

Economic Assumptions

Interest rate basis:

■ Applicable month	September
■ Interest rate basis	3-Segment Rates

Interest rates:

	Reflecting Corridors	Not Reflecting Corridors
■ First segment rate	4.43%	1.34%
■ Second segment rate	5.91%	4.03%
■ Third segment rate	6.65%	5.06%
■ Effective interest rate	5.95%	

Annual rates of increase

■ Compensation:	N/A
■ Future Social Security wage bases	N/A
■ Statutory limits on compensation	Accrued benefits projected to be paid in future years are limited to the maximum presently allowed under IRC Section 415. Plan Compensation is limited to the maximum presently allowed under IRC Section 401(a)(17).

Administrative expenses	\$2,390,000
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Plan Name: LifeStyle Retirement Plan
EIN / PN: 56-1977928/010
Plan Sponsor: NCFII Holdings Inc. C/O Masco Corporation
Valuation Date: January 1, 2016

SCHEDULE SB ATTACHMENTS

Demographic Assumptions

Inclusion date	The valuation date coincident with or next following the date on which the employee is hired.
New or rehired employees	It was assumed there will be no new or rehired employees.
Mortality	
■ Healthy	Separate rates for non-annuitants (based on RP-2000 "Employees" table without collar or amount adjustments, projected to 2031 using Scale AA and annuitants (based on RP-2000 "Healthy Annuitants" table without collar or amount adjustments, projected to 2023 using Scale AA.
■ Disabled	Same as healthy mortality.
Termination	Not applicable.
Disability	None.
Retirement	There are no active participants. Participants with deferred benefits are assumed to retire at age 60.
Benefit commencement date:	
■ Preretirement death benefit	The later of the death of the participant or the date the participant would have attained age 55
■ Deferred vested benefit	The later of age 60 or termination of employment
Form of payment	Participants for whom it was determined by the prior actuary and the plan administrator that the retirement account was more valuable are assumed to elect the lump sum option at the current valuation date. All other participants are assumed to elect the normal form for a single person.
Percent married	60% of males; 30% of females. Used to value pre-retirement surviving spouse benefits and in determining the optional forms expected to be elected at commencement.
Spouse age	Wife three years younger than husband.

Plan Name: LifeStyle Retirement Plan
EIN / PN: 56-1977928/010
Plan Sponsor: NCFII Holdings Inc. C/O Masco Corporation
Valuation Date: January 1, 2016

SCHEDULE SB ATTACHMENTS

Covered pay	Not applicable.
At-risk assumptions	For at-risk calculations, all participants eligible to elect benefits during the current and subsequent ten plan years are assumed to commence benefits at the earliest possible date under the plan, but not before the end of the current plan year, except in accordance with the regular valuation assumptions. In addition, all participants (not just those eligible to begin benefits within the next 11 years) are assumed to elect form of payment based on marital status. The assumed form of payment for a married participant is the 50% Qualified Joint and Survivor Annuity. Single participants are assumed to elect the Single Life Annuity (5-year certain and life for former LFI Salaried Plan participants)
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.

Methods

Valuation date	First day of plan year
Funding target	Present value of accrued benefits as required by regulations under IRC §430.
Target normal cost	Present value of benefits expected to accrue during the plan year plus plan-related expenses expected to be paid from plan assets during the plan year as required by regulations under IRC §430.

Plan Name: LifeStyle Retirement Plan
EIN / PN: 56-1977928/010
Plan Sponsor: NCFII Holdings Inc. C/O Masco Corporation
Valuation Date: January 1, 2016

SCHEDULE SB ATTACHMENTS

Actuarial value of assets for determining minimum required contributions

Average of the fair market value of assets on the valuation date and 12 and 24 months preceding the valuation date, adjusted for contributions, benefits, administrative expenses and expected earnings of 7.25% (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 2015 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.

Benefits not valued

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

Assumptions Rationale - Significant Economic Assumptions

Discount rate

The basis chosen was selected by the plan sponsor from among choices prescribed by law, all of which are based on observed market data over certain periods of time.

Assumptions Rationale - Significant Demographic Assumptions

Healthy Mortality

Assumptions used for funding purposes are as prescribed by IRC §430(h).

Disabled Mortality

Assumptions used for funding purposes are as prescribed by IRC §430(h).

Retirement

Retirement rates were based on an experience study conducted in December 2015 with annual consideration of whether any conditions have changed that would be expected to produce different results in the future.

Plan Name: LifeStyle Retirement Plan
EIN / PN: 56-1977928/010
Plan Sponsor: NCFII Holdings Inc. C/O Masco Corporation
Valuation Date: January 1, 2016

SCHEDULE SB ATTACHMENTS

Benefit commencement date for deferred benefits:

- Preretirement death benefit
Surviving spouses are assumed to begin benefits at the earliest permitted commencement date because ERISA requires benefits to start then unless the spouse elects to defer. If the spouse elects to defer, actuarial increases from the earliest commencement date must be given, so that a later commencement date is expected to be of approximately equal value, and experience indicates that most spouses do take the benefit as soon as it is available.
- Deferred vested benefit
Deferred vested participants' assumed commencement age is a single age intended to capture the average age at commencement. Deferred vested early commencement factors are not subsidized so that the difference between this approach and using assumed commencement rates at multiple ages is not expected to be significant.

Source of Prescribed Methods

- Funding methods** The methods used for funding purposes as described in Appendix A, including the method of determining plan assets, are "prescribed methods set by law", as defined in the actuarial standards of practice (ASOPs). These methods are required by IRC §430, or were selected by the plan sponsor from a range of methods permitted by IRC §430.

Changes in Assumptions and Methods

- Change in assumptions and methods since prior valuation** The segment interest rates used to calculate the funding target and target normal cost were updated to the current valuation date as required by IRC 430.
- The mortality table used to calculate the funding target and target normal cost was updated to include one additional year of projected mortality improvement, as required by IRC 430.
- The percent married assumption was updated based on the results of an experience study conducted in December 2015.

Plan Name: LifeStyle Retirement Plan
EIN / PN: 56-1977928/010
Plan Sponsor: NCFII Holdings Inc. C/O Masco Corporation
Valuation Date: January 1, 2016

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 2016 This Form is Open to Public Inspection
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For calendar plan year 2016 or fiscal plan year beginning 01/01/2016 and ending 12/31/2016

► **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 LIFESTYLE RETIREMENT PLAN	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:60%;">B Three-digit plan number (PN) ►</td> <td style="width:40%; text-align: center;">010</td> </tr> </table>	B Three-digit plan number (PN) ►	010
B Three-digit plan number (PN) ►	010		
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF NCFII HOLDINGS INC. C/O MASCO CORPORATION	D Employer Identification Number (EIN) 56-1977928		
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B			
F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500			

Part I Basic Information			
1 Enter the valuation date: Month <u>01</u> Day <u>01</u> Year <u>2016</u>			
2 Assets:			
a Market value.....	2a	154,958,737	
b Actuarial value.....	2b	166,976,430	
3 Funding target/participant count breakdown	(1) Number of participants	(2) Vested Funding Target	(3) Total Funding Target
a For retired participants and beneficiaries receiving payment	5,521	134,294,767	134,294,767
b For terminated vested participants	1,876	39,872,644	39,872,644
c For active participants	0	0	0
d Total	7,397	174,167,411	174,167,411
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	5.95%	
6 Target normal cost	6	2,390,000	

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

SIGN HERE		
	Signature of actuary	Date
MICHAEL RINGUETTE		1704837
Type or print name of actuary		Most recent enrollment number
TOWERS WATSON DELAWARE INC.		248-936-7700
Firm name		Telephone number (including area code)
26555 Evergreen		
SOUTHFIELD MI 48076		
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, see the Instructions for Form 5500 or 5500-SF.

**Schedule SB (Form 5500) 2016
v. 160205**

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

21 Discount rate:				
a Segment rates:	1st segment: 4.43 %	2nd segment: 5.91 %	3rd segment: 6.65 %	☐ N/A, full yield curve used
b Applicable month (enter code)				21b 4
22 Weighted average retirement age				22
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	2,390,000	
b Excess assets, if applicable, but not greater than line 31a	31b	0	
32 Amortization installments:	Outstanding Balance	Installment	
a Net shortfall amortization installment	7,190,981	1,188,119	
b Waiver amortization installment	0	0	
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33	0	
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)	34	3,578,119	
	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	3,578,119	
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	37	23,232,855	
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)	38a	19,654,736	
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	0	
43 Excess installment acceleration amount to be carried over to future plan years	43	0	

SCHEDULE SB ATTACHMENTS

Schedule SB – Statement by Enrolled Actuary

Plan Sponsor	NCFII Holdings Inc. C/O Masco Corporation
EIN/PN	56-1977928/010
Plan Name	LifeStyle Retirement Plan
Valuation Date	January 1, 2016
Enrolled Actuary	Michael Ringuette
Enrollment Number	17-04837

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.

SCHEDULE SB ATTACHMENTS

Schedule SB, Part V – Summary of Plan Provisions

Plan Sponsor

NCFII Holding Inc. C/O Masco Corporation

Plan

LifeStyle Retirement Plan (includes these prior plans: LFI Salaried Employees' Pension Plan, LFI Master Hourly Employees' Pension Plan and LFI Employees' Pension Plan)

Effective Date and Most Recent Amendment

The plan was originally effective January 1, 2000 (plans merged at this date had earlier respective effective dates). The last amendment reflected herein was effective December 31, 2008.

Plan Year

The twelve-month period ending December 31, 2016.

Coverage and Participation

Participation was frozen as of December 31, 2001 for employees of Henredon, Drexel,

Maitland-Smith, and Universal Furniture. Participation for all remaining employees was frozen as of March 31, 2002. All covered locations have been closed and there are no remaining active participants. All participants are either retired or terminated with vested benefits.

Normal Retirement Benefit

Normal Retirement Age: Later of age 65 or the 5th anniversary of participation in the plan.

Normal Retirement Date: First day of the month coincident with or next following normal retirement age.

Benefit Formula: The Accrued Benefit.

Normal Form of Benefit: Single life (5-year certain and life for former LFI Salaried Plan participants) annuity, if unmarried, and 50% Joint & Survivor annuity, if married, actuarially equivalent to the Normal Form.

Plan Name:	LifeStyle Retirement Plan
EIN / PN:	56-1977928/010
Plan Sponsor:	NCFII Holdings Inc. C/O Masco Corporation
Valuation Date:	January 1, 2016

SCHEDULE SB ATTACHMENTS

Accrued Benefit

The Accrued Benefit is the monthly benefit equal to the greater of the actuarial equivalent of the participant's Retirement Account, or the participant's Transition Benefit.

No Participants accrued any additional benefits under the Plan after December 31, 2001 for Henredon, Drexel, Maitland-Smith, and Universal Furniture and after March 31, 2002 for all other locations.

Retirement Account (Cash Balance Plan)

A Retirement Account was established for each participant equal to the actuarial equivalent lump sum value of the participant's accrued benefit from the prior plan at the Transition Date. The initial balance was zero for a participants hired after the Transition Date. The initial balances were increased annually with Service Credits equal to 1.5% of compensation until the accrued benefit freeze dates indicated above.

As of the last day of the plan year, the Retirement Account of each participant will be given an interest credit equal to the account balance multiplied by the annual rate of interest on 30-year Treasury Securities established in January of each plan year.

Transition Date

Generally April 1, 2000. January 1, 2000 for Maitland-Smith employees.

Plan Name: LifeStyle Retirement Plan
EIN / PN: 56-1977928/010
Plan Sponsor: NCFII Holdings Inc. C/O Masco Corporation
Valuation Date: January 1, 2016

SCHEDULE SB ATTACHMENTS

Transition Benefit

For the 10-year period beginning with the Transition Date (a period which was subsequently cut short when Accrued Benefits were frozen on the dates noted above), active participants continued to accrue a "Transition Benefit" calculated as though the provisions of their respective prior plans had continued. For a participant who was not a participant in a prior plan, no Transition Benefit is payable. Details regarding the prior plan provisions can be found in the current and prior plan documents. A brief summary of the type of benefit at each location follows.

Type of Plan

Prior Plan/Structure ¹	Type of Defined Benefit Plan
a. LFI Employees' Pension Plan (Lexington location, excluding plants #15 and #16) – apply to location codes: 700 Lexington and 1900 Lexington #11, Mocksville	Final average compensation
b. LFI Employees' Pension Plan (Beacon Hill, Robert Allen) – apply to location codes: 400 Beacon Hill and 500 Robert Allen	Final average compensation
c. LFI Employees' Pension Salaried Plan – apply to location codes: 1100 LFI Salaried Contract and 1200 LFI Salaried Corporate	Final average compensation
d. LFI Employees' Pension Plan (Henredon, Maitland-Smith and Lexington Plant #16) – apply to location codes: 800 Maitland- Smith, 900 Henredon and 1000 Lexington #16, Lineage Spruce Pines (Henredon)	Final average compensation
e. LFI Employees' Pension Plan (Drexel Salaried) – apply to location code 600 Drexel Salaried	Final average compensation
f. LFI Master Hourly Employees' Pension Plan – apply to location code 200 Drexel Hourly	\$ benefit level multiplied by years of Credited Service.

Participants at locations 1400, 1600, 1700, and 1800 are not entitled to benefits under any prior plans.

¹ Mapping of location codes to prior plan was provided by Masco and the prior actuary.

Plan Name: LifeStyle Retirement Plan
EIN / PN: 56-1977928/010
Plan Sponsor: NCFII Holdings Inc. C/O Masco Corporation
Valuation Date: January 1, 2016

SCHEDULE SB ATTACHMENTS

Early Retirement Eligibility

Age 55 and 5 years of vesting Service, except as follows:

- For Beacon Hill and Robert Allen participants hired prior to January 1, 1992, age 50 and 15 years of Vesting Service.

Early Retirement Benefit

The Transition Benefit is reduced for early commencement based on the factors summarized below for each prior plan.

Prior Plan	Age	Factors
a. LFI Employees' Pension Plan (Lexington location, excluding plants #15 and #16)	55	48%
	56	52%
	57	57%
	58	61%
	59	65%
	60	69%
	61	73%
	62	76%
	63	84%
	64	92%
	65	100%
b. LFI Employees' Pension Plan (Beacon Hill, Robert Allen)	55	38.57%
	56	42.05%
	57	45.71%
	58	50.22%
	59	55.03%
	60	60.44%
	61	66.51%
	62	73.37%
	63	81.13%
	64	89.95%
	65	100%
c. LFI Salaried Employees' Pension Plan	1/15 th for each of the first 5 years and 1/30 th for each of the next 5 years that benefits commence before Normal Retirement Date.	
d. LFI Employees' Pension Plan (Henredon, Maitland-Smith and Lexington Plant #16)	1/15 th for each of the first 5 years and 1/30 th for each of the next 5 years that benefits commence before Normal Retirement Date.	

Plan Name: LifeStyle Retirement Plan
 EIN / PN: 56-1977928/010
 Plan Sponsor: NCFII Holdings Inc. C/O Masco Corporation
 Valuation Date: January 1, 2016

SCHEDULE SB ATTACHMENTS

- | | | |
|----|---|---|
| e. | LFI Employees' Pension Plan (Drexel Salaried) | 4.8% reduction for each year that benefits commence before Normal Retirement Date. For those participants employed on or before August 16, 1977, the 4.8% reduction is from age 62. |
| f. | LFI Master Hourly Employees' Pension Plan | 4.8% reduction for each year that benefits commence before Normal Retirement Date. |
-

Vested Benefits upon Termination of Service

Vesting: Participants are 100% vested upon completion of 5 Years of Service.

Termination Benefit: Accrued benefit

Surviving Spouse Benefit

Eligibility: Upon death, provided participant is 100% vested.

Benefit: If the participant's beneficiary is a surviving spouse, the surviving spouse shall be entitled to receive the greater of a) the participant's Retirement Account or b) the lump sum equivalent of the minimum death benefit. This benefit is payable as a qualified Joint and Survivor Annuity or as a lump sum. (See "Actuarial Equivalence" lump sum payments listed below).

If the participant's beneficiary is not a surviving spouse, the beneficiary shall receive the balance in the participant's Retirement Account.

Minimum Death Benefit: The monthly benefit that would be payable to a participant's spouse had the participant terminated service on his date of death or actual termination date if earlier, commenced a 50% Joint and Survivor benefit at the earliest possible date and died on the day thereafter.

Post Retirement Death Benefit

The post retirement death benefit is in accordance with the form of benefit selected at retirement. In addition, if a Drexel Salaried Participant dies after retiring under the Early, Normal, or Postponed retirement provisions of the plan, the beneficiary will receive a \$3,000 lump sum death benefit.

Plan Name:	LifeStyle Retirement Plan
EIN / PN:	56-1977928/010
Plan Sponsor:	NCFII Holdings Inc. C/O Masco Corporation
Valuation Date:	January 1, 2016

SCHEDULE SB ATTACHMENTS

Postponed Retirement Benefit

The benefit amount for Vested Participants who commences after their Normal Retirement Date will be actuarially increased from their Normal Retirement Date. The postponed retirement benefit is the greater of such benefit and the monthly benefit actuarially equivalent to the Retirement Account balance as of retirement.

Optional Forms of Retirement Income in Lieu of Normal Form

All plans offer the following option forms: Single Life Annuity; 50% and 100% Joint & Survivor Annuity; 10 Year Certain and Life Annuity. Some of the plans also offer a 5 Year Certain and Life Annuity and a 75% Joint & Survivor Annuity. There are additional options only for Drexel Salaried prior plan participants including Full Cash Refund and Social Security Leveling Annuities as well as 15 and 20 Year Certain and Life Annuities. All optional forms of payment are actuarial equivalent amounts.

Immediate lump sums are payable for values under \$1,000. A full lump sum option is available for Retirement Account Accrued Benefits and for Beacon Hill and Robert Allen employees hired prior to January 1, 1991.

Actuarial Equivalence for calculation of the Social Security Level Income Option and lump sums is the PPA lump sum mortality with 3-segment interest rates. Actuarial equivalence for conversion to all other optional annuity forms is the UP84 Mortality Table (with a 3 year set-back for the beneficiary) and 6% interest.

Changes in Plan Provisions since Last Actuarial Valuation

None.

Plan Name: LifeStyle Retirement Plan
EIN / PN: 56-1977928/010
Plan Sponsor: NCFII Holdings Inc. C/O Masco Corporation
Valuation Date: January 1, 2016

SCHEDULE SB ATTACHMENTS

Schedule SB, Line 32
Schedule of Amortization Bases
as of January 1, 2016

Type of Base	Date Established	Initial Amount	Remaining Amortization Period (Years)	Outstanding Balance	Amortization Payment
1 Shortfall	01/01/2016	7,190,981	7	7,190,981	1,188,119
Total				7,190,981	1,188,119

Plan Name: LifeStyle Retirement Plan
EIN / PN: 56-1977928/010
Plan Sponsor: NCFII Holdings Inc. C/O Masco Corporation
Valuation Date: January 1, 2016

SCHEDULE SB ATTACHMENTS

Schedule SB, Line 24 Changes in Actuarial Assumption as of January 1, 2016

Changes in actuarial assumptions were made to comply with PPA requirements and better reflect anticipated future experience. The changes did not decrease the plan's funding target.

The percent married assumption was updated based on the results of an experience study conducted in December 2015.

Plan Name: LifeStyle Retirement Plan
EIN / PN: 56-1977928/010
Plan Sponsor: NCFII Holdings Inc. C/O Masco Corporation
Valuation Date: January 1, 2016