

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 ☐ an amended return/report	☐ the final 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>KAPSTONE PAPER AND PACKAGING CORPORATION DEFINED BENEFIT RETIREMENT PLAN</u>	1b Three-digit plan number (PN) ►	<u>002</u>
		1c Effective date of plan	<u>01/01/2007</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>KAPSTONE PAPER AND PACKAGING CORPORATION</u> <u>JEFFREY ZROBACK</u> <u>1101 SKOKIE BLVD.</u> <u>SUITE 300</u> <u>NORTHBROOK, IL 60062-4124</u>		
	2b Employer Identification Number (EIN)	<u>20-2699372</u>	
	2c Plan Sponsor's telephone number	<u>847-239-8878</u>	
	2d Business code (see instructions)	<u>322100</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. Signature of plan administrator	<u>10/12/2017</u> Date	<u>JEFFREY ZROBACK</u> 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) <u>ANTHONY MAYER</u> <u>KAPSTONE PAPER AND PACKAGING CO</u> <u>300 FIBRE WAY</u> <u>LONGVIEW, WA 98632</u>			Preparer's telephone number <u>360-442-7639</u>

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 <div style="background-color: #cccccc; height: 40px; width: 100%;"></div>
4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: a Sponsor's name	4b EIN 4c PN
5 Total number of participants at the beginning of the plan year	5 6201
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..... a(2) Total number of active participants at the end of the plan year b Retired or separated participants receiving benefits..... c Other retired or separated participants entitled to future benefits d Subtotal. Add lines 6a(2) , 6b , and 6c e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits. f Total. Add lines 6d and 6e g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	6a(1) 2014 6a(2) 1871 6b 2312 6c 1062 6d 5245 6e 338 6f 5583 6g 6h 16
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item).....	7
8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions: 1A 1B 1C 3H b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:	

9a Plan funding arrangement (check all that apply) (1) ☒ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) ☒ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor
10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)	
a Pension Schedules (1) ☒ R (Retirement Plan Information) (2) ☐ MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary (3) ☒ SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary	b General Schedules (1) ☒ H (Financial Information) (2) ☐ I (Financial Information – Small Plan) (3) ☐ <u>0</u> 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>KAPSTONE PAPER AND PACKAGING CORPORATION DEFINED BENEFIT RETIREMENT PLAN</u>	B Three-digit plan number (PN) ▶ <u>002</u>
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF <u>KAPSTONE PAPER AND PACKAGING CORPORATION</u>	D Employer Identification Number (EIN) <u>20-2699372</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>592339035</u>
b Actuarial value	2b <u>630345402</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>2530</u> <u>334355636</u> <u>334355636</u>
b For terminated vested participants.....	<u>1663</u> <u>61365057</u> <u>61365057</u>
c For active participants.....	<u>2015</u> <u>121099940</u> <u>128577023</u>
d Total.....	<u>6208</u> <u>516820633</u> <u>524297716</u>
4 If the plan is in at-risk status, check the box and complete lines (a) and (b)..... ☐	
a Funding target disregarding prescribed at-risk assumptions	4a
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor	4b
5 Effective interest rate	5 <u>6.04 %</u>
6 Target normal cost.....	6 <u>5528192</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>07/19/2017</u>
	Signature of actuary	Date
<u>CYNTHIA HANNAN</u>	Type or print name of actuary	<u>17-06267</u>
<u>FIDELITY INVESTMENTS</u>	Firm name	Most recent enrollment number
<u>200 SEAPORT BLVD.</u> <u>BOSTON, MA 02210</u>	Address of the firm	<u>617-563-7359</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)	16543467	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)	16543467	0
10	Interest on line 9 using prior year's actual return of <u>-2.60</u> %	-430130	0
11	Prior year's excess contributions to be added to prefunding balance:		
a	Present value of excess contributions (line 38a from prior year)		0
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>6.24</u> %		0
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		0
d	Portion of (c) to be added to prefunding balance		
12	Other reductions in balances due to elections or deemed elections	0	
13	Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	16113337	0

Part III		Funding Percentages	
14	Funding target attainment percentage	14	117.15%
15	Adjusted funding target attainment percentage	15	120.22%
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	127.13%
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	
Totals ►		18(b)	0
		18(c)	0

19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:			
a	Contributions allocated toward unpaid minimum required contributions from prior years	19a	0
b	Contributions made to avoid restrictions adjusted to valuation date	19b	0
c	Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	0
20 Quarterly contributions and liquidity shortfalls:			
a Did the plan have a "funding shortfall" for the prior year?			☐ Yes ☒ No
b If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner?			☐ Yes ☐ No
c If line 20a is "Yes," see instructions and complete the following table as applicable:			
Liquidity shortfall as of end of quarter of this plan year			
(1) 1st	(2) 2nd	(3) 3rd	(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	62			
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	5528192			
b	Excess assets, if applicable, but not greater than line 31a	31b	5528192			
32	Amortization installments:	Outstanding Balance	Installment			
a	Net shortfall amortization installment	0	0			
b	Waiver amortization installment	0	0			
33	If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33				
34	Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)	34	0			
		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	0			
37	Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	37	0			
38	Present value of excess contributions for current year (see instructions)					
a	Total (excess, if any, of line 37 over line 36)	38a	0			
b	Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b	0			
39	Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	39	0			
40	Unpaid minimum required contributions for all years	40	0			
Part IX	Pension Funding Relief Under Pension Relief Act of 2010 (See Instructions)					
41	If an election was made to use PRA 2010 funding relief for this plan:					
a	Schedule elected	☐ 2 plus 7 years ☐ 15 years				
b	Eligible plan year(s) for which the election in line 41a was made	☐ 2008 ☐ 2009 ☐ 2010 ☐ 2011				
42	Amount of acceleration adjustment	42				
43	Excess installment acceleration amount to be carried over to future plan years	43				

SCHEDULE C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		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 KAPSTONE PAPER AND PACKAGING CORPORATION DEFINED BENEFIT RETIREMENT PLAN	B Three-digit plan number (PN) ▶ 002
C Plan sponsor's name as shown on line 2a of Form 5500 KAPSTONE PAPER AND PACKAGING CORPORATION	D Employer Identification Number (EIN) 20-2699372

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 WELLS FARGO BANK, N.A.

95-4428141

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

36-2723087

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation HARBOURVEST PARTNERS VI-PART ASSOC

04-3464297

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation HARBOURVEST PARTNERS LP
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74-3130888

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

THE VANGUARD GROUP, INC.

23-1945930

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

NORTHGATE PRIVATE EQUITY PARTNERS I

20-4662154

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

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

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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)

FID INV INST OPS CO

04-2647786

(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?
15 50	RECORDKEEPER	1181250	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

STANDISH MELLON ASST MGMT CO LLC

25-1890416

(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?
27 50	INVESTMENT	727719	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

WELLINGTON TRUST COMPANY, NA

20-5853753

(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?
27 50	INVESTMENT	336720	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)

JEFFREY SLOCUM & ASSOCIATES

41-1567437

(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?
27 50	INVESTMENT	240000	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

NORTHGATE PRIVATE EQUITY PARTNERS

20-4662154

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
28 50	INVESTMENT MGMT	0	Yes ☒ No ☐	Yes ☒ No ☐	120000	Yes ☐ No ☒

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

KENNEDY CAPITAL MANAGEMENT

43-1225960

(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?
27 50	INVESTMENT	111121	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)

PAVILLION ADVISORY GROUP INC

04-3831795

(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?
27 50	INVESTMENT	97000	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

WELLS FARGO BANK, N.A

95-4428141

(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?
26 50	TRUSTEE	82396	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

GRANT THORTON LLP

36-6055558

(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?
10 50	AUDITOR	22501	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)

NT NORTHERN TRUST

45-6138589

(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?
27 50	INVESTMENT	6724	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:	MATT AVERY	b EIN:	14-0724600
c Position:	ACTUARY		
d Address:	311 S. WACKER DRIVE SUITE 1400 CHICAGO, IL 60606	e Telephone:	312-239-9101

Explanation: THIS FILING REFLECTS A CHANGE IN THE ENROLLED ACTUARY FOR THE PLAN. THE CHANGE IN ACTUARY IS DUE TO AN INTERNAL CHANGE IN RESPONSIBILITIES WITHIN FIDELITY INVESTMENTS.

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

SCHEDULE D (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration	DFE/Participating Plan Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		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 KAPSTONE PAPER AND PACKAGING CORPORATION DEFINED BENEFIT RETIREMENT PLAN	B Three-digit plan number (PN) ▶	002
C Plan or DFE sponsor's name as shown on line 2a of Form 5500 KAPSTONE PAPER AND PACKAGING CORPORATION	D Employer Identification Number (EIN) 20-2699372	

Part I	Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs) (Complete as many entries as needed to report all interests in DFEs)
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a Name of MTIA, CCT, PSA, or 103-12 IE: NT COLLECTIVE S&P 500 INDEX FD		
b Name of sponsor of entity listed in (a): NORTHERN TRUST GLOBAL INVESTMENTS		
c EIN-PN 45-6138589-003	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 47633436
a Name of MTIA, CCT, PSA, or 103-12 IE: WTC-CTF GLOBAL SEL CAP APPRECIATION		
b Name of sponsor of entity listed in (a): WELLINGTON TRUST COMPANY, NA		
c EIN-PN 20-5853753-001	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 48884590
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)**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) Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110
		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 KAPSTONE PAPER AND PACKAGING CORPORATION DEFINED BENEFIT RETIREMENT PLAN	B Three-digit plan number (PN) ►	002
C Plan sponsor's name as shown on line 2a of Form 5500 KAPSTONE PAPER AND PACKAGING CORPORATION	D Employer Identification Number (EIN) 20-2699372	

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)		
(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)	9201985	16972875
(2) U.S. Government securities	1c(2)	85688477	78162969
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other.....	1c(3)(B)	206941406	201241286
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common.....	1c(4)(B)	9885025	12868875
(5) Partnership/joint venture interests	1c(5)	16885880	13343264
(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)	109947135	96518026
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)		
(12) Value of interest in 103-12 investment entities.....	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)	59242200	58095469
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
(15) Other.....	1c(15)	95183048	97153670

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	592975156	574356434

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h	636121	583529
i Acquisition indebtedness	1i		
j Other liabilities	1j		
k Total liabilities (add all amounts in lines 1g through 1j)	1k	636121	583529

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	592339035	573772905
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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)		
(B) Participants	2a(1)(B)		
(C) Others (including rollovers)	2a(1)(C)		
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		0
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
(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)	1763443	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		1763443
(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)	29066840	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		29066840

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		5961179
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		1802674
c Other income.....	2c		
d Total income. Add all income amounts in column (b) and enter total.....	2d		38594136

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	53493462	
(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)		53493462
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)	22501	
(2) Contract administrator fees.....	2i(2)		
(3) Investment advisory and management fees.....	2i(3)	1519284	
(4) Other	2i(4)	2125019	
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		3666804
j Total expenses. Add all expense amounts in column (b) and enter total	2j		57160266

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		-18566130
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		10000000
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 332580. (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>KAPSTONE PAPER AND PACKAGING CORPORATION DEFINED BENEFIT RETIREMENT PLAN</u>	B Three-digit plan number (PN) ▶ <u>002</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>KAPSTONE PAPER AND PACKAGING CORPORATION</u>	D Employer Identification Number (EIN) <u>20-2699372</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>42-0127290</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>534</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
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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>51.0</u> % Investment-Grade Debt: <u>28.0</u> % High-Yield Debt: <u>10.0</u> % Real Estate: <u>5.0</u> % Other: <u>6.0</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
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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 / /	



KapStone Paper and Packaging Corporation
Defined Benefit Retirement Plan

Financial Statements and Report of Independent Certified Public Accountants
December 31, 2016 and 2015

KapStone Paper and Packaging Corporation

Defined Benefit Retirement Plan

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Participants and Administrator of
KapStone Paper and Packaging Corporation Defined Benefit Retirement Plan

Grant Thornton LLP
520 Pike Street, Suite 2800
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We have audited the accompanying financial statements of KapStone Paper and Packaging Corporation Defined Benefit 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 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 our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, information regarding KapStone Paper and Packaging Corporation Defined Benefit Retirement Plan's net assets available for benefits as of December 31, 2016 and changes therein for the year then ended, and its financial status as of December 31, 2015 and changes therein for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Supplementary information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental Schedule of Assets (Held at End of Year) as of December 31, 2016 is presented for purposes of additional analysis and is not a required part of the financial statements, but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. Such supplementary information is the responsibility of the Plan's management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures. These additional procedures included comparing and reconciling the information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental schedule is fairly stated, in all material respects, in relation to the financial statements as a whole.

Grant Thornton LLP

Seattle, Washington
October 12, 2017

KapStone Paper and Packaging Corporation
Defined Benefit Retirement Plan
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
AS OF DECEMBER 31, 2016 AND 2015

	2016	2015
ASSETS		
Investments, at fair value		
Cash and cash equivalents	\$ 16,972,875	\$ 9,201,985
Equity securities	167,482,370	179,074,360
Fixed income:		
Bond Funds	-	10,877,460
Corporate bonds and notes	201,241,286	196,063,946
U.S. government securities	78,162,969	85,688,477
Hedge funds	97,153,670	95,183,048
Limited partnership investments	13,343,264	16,885,880
TOTAL ASSETS	574,356,434	592,975,156
LIABILITIES		
Plan expenses payable	583,529	636,121
NET ASSETS AVAILABLE FOR BENEFITS	\$ 573,772,905	\$ 592,339,035

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

KapStone Paper and Packaging Corporation
Defined Benefit Retirement Plan
STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
ADDITIONS		
Investment income		
Net appreciation (depreciation) in fair value of investments	\$ 36,830,693	\$ (17,305,952)
Dividends	1,763,443	2,052,629
TOTAL ADDITIONS	<u>38,594,136</u>	<u>(15,253,323)</u>
DEDUCTIONS		
Benefits paid to participants	53,493,462	39,874,762
Plan expenses	3,666,804	3,215,480
NET DECREASE	<u>(18,566,130)</u>	<u>(58,343,565)</u>
NET ASSETS AVAILABLE FOR BENEFITS		
Beginning of year	<u>592,339,035</u>	<u>650,682,600</u>
End of year	<u><u>\$ 573,772,905</u></u>	<u><u>\$ 592,339,035</u></u>

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

KapStone Paper and Packaging Corporation

Defined Benefit Retirement Plan

NOTES TO THE FINANCIAL STATEMENTS AS OF DECEMBER 31, 2016 AND 2015, AND FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

NOTE 1 - DESCRIPTION OF THE PLAN

The following brief description of the KapStone Paper and Packaging Corporation Defined Benefit Retirement Plan (the "Plan") is provided for general information purposes only. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

General

Established on January 1, 2007, the Plan is a defined benefit pension plan covering eligible employees of KapStone Paper and Packaging Corporation ("KapStone" or the "Company") who have met certain eligibility requirements for participation in the Plan.

In 2016, management approved a plan to offer lump sum payments and insurance annuities to approximately 1,400 terminated vested Plan participants to reduce the risk of the Plan to its financial statements. Approximately 427 participants have accepted this plan, with a corresponding distribution of approximately \$14.3 million in December 2016 recorded as part of "Benefits Paid". No settlement loss was recorded as the distribution is below the applicable threshold of the sum of service cost and interest cost recognized as components of net periodic pension cost for the year.

Pension Benefits

The Plan provides pension benefits for certain employees who meet eligibility requirements at normal retirement age (65), late retirement age (greater than 65), or a reduced amount at an earlier age if service requirements are met. Benefit calculations are generally based on length of service multiplied by a specified bargained rate or length of service and average compensation for the highest five of the last ten years of service. The Plan also provides certain minimum and maximum pension benefits. Under conditions specified in the Plan, a participant may elect to receive pension benefits in the form of a joint and survivor annuity or a lump sum payment. If certain requirements are met, a death benefit of \$1,000 will be paid to the beneficiary of a retired former Longview participant upon his/her death.

If a participant becomes disabled and has met the specified service requirement, the participant will receive benefits based on the accumulated benefits to the date of disability without reduction due to age, or with a reduction due to age in certain circumstances.

Pre-Retirement Death Benefits

In general, the legal spouse of a vested participant who dies prior to their benefit commencement date is eligible to receive Pre-retirement death benefit. If certain requirements are met, the surviving spouse shall receive monthly annuity payments on the earliest date, on or after the date of the participant's death, on which the participant could have elected to retire had he terminated on the date of his death. The death benefit shall equal the amount payable under a 50 percent joint and survivor annuity form of payment.

In the case of a participant who has a Cash Account Benefit, the death benefit payable to a legal spouse shall equal the amount of a single life annuity that is actuarially equivalent to the Cash Account balance as of the date death benefits commence. The legal spouse may also elect a lump sum payment in lieu of the monthly annuity payments. If a non-spouse beneficiary has been designated by the participant, the death benefit will be payable in a lump sum as soon as administratively possible after the participant's death.

Eligibility and Vesting

The Plan covers certain employees who have fulfilled a length of service requirement and/or an hours of service requirement. Participation in the Plan has been frozen for most groups of employees. No new members will enter the Plan except newly hired or rehired bargaining employees at the Roanoke Rapids, Charleston and Oakland locations who are active members of their local workers union.

The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (“ERISA”), as amended by subsequent legislation.

The service requirement for vesting varies. Legacy KapStone (Roanoke Rapids and Charleston) participants become fully vested upon completion of five years of vesting service. Legacy Longview (Longview, Seattle, Yakima, Oakland, Twin Falls, Spanish Fork, Cedar City) become fully vested upon completion of three years of vesting service. If termination occurs before rendering the required years of vesting service, the right to receive the portion of accumulated plan benefits attributable to the Company’s contributions is forfeited. If the employment service resumes and five consecutive one-year breaks in service do not occur, membership in the Plan will be immediate and all service for benefit accrual purposes before and after the break in service shall be aggregated.

Funding Policy

All contributions to the Plan are made by the Company. The Company’s contribution is based upon the actuarially determined amount required to fund the current year’s normal cost plus an amount sufficient to fund prior service obligations. In the event that the minimum funding required by ERISA is greater than the above-described contribution amount, the Company’s contribution will be the amount required by ERISA.

Based on the January 1, 2016 and 2015 actuarial reports, minimum funding requirements for ERISA purposes were \$0 for both the 2016 and 2015 plan years. The Plan is in compliance with applicable minimum funding requirements for the plan years ended December 31, 2016 and 2015.

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.

Disposition of Funds Upon Termination of the Plan

In the event the Plan terminates, the net assets of the Plan will be allocated, as prescribed by ERISA and its related regulations, generally to provide the following benefits in the order indicated:

- a) To provide for refunds of voluntary contributions made by active and retired members;
- b) Annuity benefits that former employees or their beneficiaries have been receiving for at least three years, or that employees eligible to retire for that three-year period would have been receiving if they had retired with benefits in the normal form of annuity under the Plan. The priority amount is limited to the lowest benefit that was payable (or would have been payable) during those three years. The amount is further limited to the lowest benefit that would be payable under plan provisions in effect at any time during the five years preceding plan termination.
- c) Other vested benefits insured by the PBGC, up to the applicable limitations.
- d) All other vested benefits (that is, vested benefits not insured by the PBGC).
- e) All non-vested benefits.

Payments may be made in lump sums, annuities or as otherwise determined by the Investment Committee.

Certain benefits are insured by the Pension Benefit Guaranty Corporation (“PBGC”), if the Plan terminates. The PBGC typically guarantees most vested normal age retirement benefits, early retirement benefits and certain disability and survivor benefits. However, the PBGC does not guarantee all types of benefits under the Plan, and the amount of benefit protection is subject to certain limitations. Vested benefits under the Plan are guaranteed at the level in effect on the date of the Plan’s termination. However, there is a statutory ceiling, which is adjusted periodically, on the amount of an individual’s monthly benefit that the PBGC guarantees. That ceiling applies to those pensioners who elect to receive their benefits in the form of a single-life annuity and are at least 65 years old at the time of retirement or plan termination (whichever comes later). For younger annuitants, the corresponding ceilings are actuarially adjusted downward.

Whether all participants receive their benefits should the Plan terminate at some future time will depend on the sufficiency, at that time, of the Plan’s net assets to provide for accumulated benefit obligations and may also depend on the financial condition of the Plan sponsor and the level of benefits guaranteed by the PBGC.

Plan Amendment

Plan amendments effective for the year ending December 31, 2016 were incorporated in the Plan description.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following are the significant accounting policies followed by the Plan:

Basis of Accounting

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

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("US GAAP") 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 those estimates.

Investment Valuation and Income Recognition

Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 4 for a discussion of fair value measurements.

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

Payment of Benefits

Benefit payments to participants are recorded upon distribution.

Risks and Uncertainties

The Plan utilizes various investment securities. Investment securities, in general, are exposed to various risks, such as interest rate risk, credit risk and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the financial statements.

Contributions to the Plan and the actuarial present value of accumulated plan benefits are reported based on certain assumptions pertaining to interest rates, inflation rates, and employee compensation and demographics. Due to the changing nature of these assumptions, it is at least reasonably possible that changes in these assumptions will occur in the near term and, due to the uncertainties inherent in setting assumptions, that the effect of such changes could be material to the financial statements.

Plan Expense

A portion of the Plan's administrative expenses, such as modelling scenarios and audit fees, are paid by the Company. As provided in the Plan agreement, all other administrative expenses, such as investment advisory fees and day-to-day administrative fees, are paid by the Plan.

Tax Status

The Internal Revenue Service ("IRS") has determined and informed the Plan by a letter dated October 17, 2013, that the Plan and related trusts are designed in accordance with applicable sections of the Internal Revenue Code ("IRC").

Although the Plan has been amended, the Plan administrator and the Plan's tax counsel believe that the Plan is designed and is currently being operated in compliance with applicable requirements of the IRC.

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, (b) beneficiaries of employees who have died, and (c) present employees or their beneficiaries. The type and amount of benefits are defined by the Plan document and vary by location. 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 the Plan's actuary and is that amount that results from applying actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements such as for death, disability, withdrawal or retirement) between the valuation date and the expected date of payment.

Significant assumptions underlying the actuarial valuation as of January 1, 2016 are:

Assumed rate of return on investment	6.50%
Life expectancy	IRS Prescribed Mortality-Static Annuitant, male and female
Normal Retirement age	Age 62 to 65, varies by location

Significant assumptions underlying the actuarial valuation as of January 1, 2015 are:

Assumed rate of return on investment	6.50%
Life expectancy	IRS Prescribed Mortality-Static Annuitant, male and female
Normal Retirement age	Age 62 to 65, varies by location

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.

Recent Accounting Pronouncements

In May 2015, the Financial Accounting Standards Board ("FASB") issue Accounting Standards Update ("ASU") No. 2015-07, *Fair Value Measurement (Topic 820): Disclosure 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") practical expedient in Accounting Standards Codification ("ASC") 820, *Fair Value Measurement*, from categorization within the fair value hierarchy. The guidance requires retrospective application and is effective for public business entities for fiscal years, and interim periods within those years, beginning after December 15, 2015 with early adoption permitted. For all other entities, the amendments are effective for fiscal years beginning after December 15, 2016 and for interim periods within those fiscal years. Management elected to early adopt the provisions in this new standard. The adoption had no effect on the Plan's change in net assets available for benefits or net assets available for benefits previously reported. However, to conform to this new presentation, investments for which fair value was measured using a NAV practical expedient have been removed from the fair value hierarchy in Note 4.

In July 2015, the FASB issue ASU 2015-12, *Plan Accounting: Defined Benefit Pension Plans (Topic 960), Defined Contribution Pension Plans (Topic 962), and Health and Welfare Benefit Plans (Topic 965): Part (I) Fully Benefit-Responsive Investment Contracts, Part (II) Plan Investment Disclosures, Part (III) Measurement Date Practical Expedient*. This three-part standard simplifies employee benefit plan reporting with respect to fully benefit-responsive investment contracts and plan investment disclosures, and provides for a measurement-date practical expedient. Parts I and II are effective for fiscal years beginning after December 15, 2015 and should be applied retrospectively, with early application permitted. Part III is effective for fiscal years beginning after December 15, 2015 and should be applied prospectively, with early application permitted. Management adopted the provisions of this standard in the current year. The adoption had no effect on the Plan's change in net assets available for benefits or net assets available for benefits previously reported. However, related disclosures have been updated to reflect the requirements in Parts I-III of the ASU, as applicable.

NOTE 3 - ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS

Participants' interests in the Plan are actuarially determined as of the beginning of each plan year. The present value of obligations for plan benefits is determined to be the present value of retirement benefits accumulated by participants during the current and prior years to be paid at or during retirement, less benefits forfeited or previously paid.

Accumulated plan benefits as of January 1, 2016, the valuation date, are summarized as follows:

	As of January 1 2016
Actuarial present value of accumulated plan benefits:	
Vested benefits:	
Participants currently receiving payments	\$ 328,026,519
Participants entitled to deferred benefits	61,084,288
Other participants	109,201,651
Total vested benefits	498,312,458
Non-vested benefits	16,284,063
Total actuarial present value of accumulated plan benefits	\$ 514,596,521

The changes in accumulated plan benefits, for the year ended January 1, 2016, are as follows:

	Year Ended January 1, 2016
Actuarial present value of accumulated plan benefits at January 1, 2015	\$ 521,306,984
Increase (decrease) during the year attributable to:	
Decrease in discount period	32,589,024
Benefits paid	(39,874,762)
Change in actuarial assumptions	(6,437,708)
Plan amendments	—
Additional benefits earned, including experience gains and losses	7,012,983
Net increase	(6,710,463)
Actuarial present value of accumulated plan benefits at January 1, 2016	\$ 514,596,521

Benefits accumulated encompass not only additional benefits earned by active employees, but also actuarial gains and losses and passage of time. The change in actuarial assumptions of \$6.4 million in 2016 was primarily driven by a change in standard mortality tables to the RP-2014 Mortality Table with the MP-2015 projection scale for 2016 compared to the RP-2014 Mortality Table with the MP-2014 projection scale for 2015.

NOTE 4 - FAIR VALUE MEASUREMENTS

Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 820, *Fair Value Measurements and Disclosures*, establishes a three-level hierarchy for disclosure of assets and liabilities recorded at fair value. The classification of assets and liabilities within the hierarchy is based on whether the inputs to the valuation methodology used for measurement are observable or unobservable. Observable inputs reflect market-derived or market-based information obtained from independent sources while unobservable inputs reflect estimates about market data. The level in the fair value hierarchy within which the fair value measurement in its entirety falls is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels:

Level 1 – Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Plan has the ability to access at the measurement date. An active market is one in which transactions for the asset or liability occur with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 – Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, at the measurement date. Fair value is determined through the use of models or other valuation methodologies. Such methodologies include quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; and inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 inputs must be observable for substantially the full term of the asset or liability.

Level 3 – Level 3 pricing inputs are unobservable for the investment and include situations where there is little, if any, market activity for the investment. The inputs into the determination of fair value require significant management judgment or estimation.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, the determination of which category within the fair value hierarchy is appropriate for any given investment is based on the lowest level of input that is significant to the fair value measurement. The assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the investment.

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

Cash equivalents: Valued at amortized cost, which approximates fair value.

Common stocks and mutual funds: Valued at the closing price reported on the active market on which the individual securities are traded.

Corporate bonds and notes, U.S. government securities and municipal bonds: Valued at the closing trade price on day of valuation based on information from third-party pricing services as obtained by Wells Fargo.

Limited partnership investments – Limited partnership investments generally have limited liquidity and are made through long-term partnerships or joint ventures that invest in pools of capital invested in primarily non-publicly traded entities. Underlying investments include venture capital, buyout, and special situations investing. Private equity management firms typically acquire and then reorganize private companies to create increased long-term value. Valuation is based on statements received from the investment managers, transaction data, analysis of and judgments about underlying investments and other third-party information deemed reliable for the purposes of developing an estimate of fair market value.

Hedge funds – Hedge funds are privately owned institutional investment funds that generally have moderate liquidity. Hedge funds seek specified levels of return, regardless of market conditions, and generally have a low correlation to public equity and debt markets. Hedge funds often invest substantially in financial market instruments (stocks, bonds, commodities, currencies, derivatives, etc.) using a broad range of trading activities to manage portfolio risks. Plan holdings in hedge funds are valued using the net asset value (“NAV”) provided by the administrator of the fund and reviewed by the Plan. The NAV is based on the value of the underlying assets owned by the fund, minus liabilities and divided by the number of shares or units outstanding. These assets are reported at NAV as a practical expediency. For the year ended December 31, 2016, the Plan held hedge funds with restrictions on redemption for the first year after funds are invested and funds restricting investment redemption to a 25% gate in any given quarter.

The Plan believes that the reported amounts for these investments are a reasonable estimate of their fair value at December 31, 2016 and 2015. However, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value at the reporting date.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although management of 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.

The following table presents the Plans' assets measured at fair value as of December 31, 2016:

ASSET TYPE	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	\$ 16,972,875	\$ -	\$ -	\$ 16,972,875
Equity securities	70,964,344	96,518,026	-	167,482,370
Fixed income:				
Bond Funds	-	-	-	-
Corporate bonds and notes	-	201,241,286	-	201,241,286
U.S. government securities	-	78,162,969	-	78,162,969
Limited partnership investments	-	-	13,343,264	13,343,264
Classified asset total	<u>\$ 87,937,219</u>	<u>\$ 375,922,281</u>	<u>\$ 13,343,264</u>	<u>\$ 477,202,764</u>
Assets measured at Net Asset Value				
Hedge funds:				
Fixed income funds				34,896,626
Equity funds				62,257,044
Total assets at fair value				<u>\$ 574,356,434</u>

The following table presents the Plans' assets measured at fair value as of December 31, 2015:

ASSET TYPE	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	\$ 9,201,985	\$ -	\$ -	\$ 9,201,985
Equity securities	69,127,225	109,947,135	-	179,074,360
Fixed income:				
Bond Funds	10,877,460	-	-	10,877,460
Corporate bonds and notes	-	196,063,946	-	196,063,946
U.S. government securities	-	85,688,477	-	85,688,477
Limited partnership investments	-	-	16,885,880	16,885,880
Classified asset total	<u>\$ 89,206,670</u>	<u>\$ 391,699,558</u>	<u>\$ 16,885,880</u>	<u>\$ 497,792,108</u>
Assets measured at Net Asset Value				
Hedge funds:				
Fixed income funds				34,217,224
Equity funds				60,965,824
Total assets at fair value				<u>\$ 592,975,156</u>

Transfers between Levels

The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value to another. In such instances, the transfer is reported at the beginning of the reporting period.

We evaluated the significance of transfers between levels based upon the nature of the financial instrument and size of the transfer relative to total net assets available for benefits. There were no significant transfers between levels within the Plan for the years ended December 31, 2016 and 2015.

Changes in Fair Value of Level 3 Assets and Related Gains and Losses

The following tables present a summary of changes in the fair value of the Plans' Level 3 assets for the years ended December 31, 2016 and 2015.

Year ended December 31, 2016	Limited Partnership Investments
Balance, beginning of year	\$ 16,885,880
Transfers into Level 3	-
Transfers out of Level 3	-
Total gains or losses	
Included in changes in net assets	1,229,896
Purchases, issuances, sales, and settlements	
Purchases	405,000
Issuances	-
Sales	(5,177,512)
Settlements	-
Balance, end of year	<u>\$ 13,343,264</u>
The amount of total gains or losses for the year included in changes in net assets attributable to the change in unrealized gains or losses relating to assets still held at the reporting date	
	\$ 228,215

Year ended December 31, 2015	Limited Partnership Investments
Balance, beginning of year	\$ 23,510,018
Transfers into Level 3	-
Transfers out of Level 3	-
Total gains or losses	
Included in changes in net assets	551,840
Purchases, issuances, sales, and settlements	
Purchases	800,000
Issuances	-
Sales	(7,975,978)
Settlements	-
Balance, end of year	<u>\$ 16,885,880</u>
The amount of total gains or losses for the year included in changes in net assets attributable to the change in unrealized gains or losses relating to assets still held at the reporting date	
	\$ (1,372,717)

The following table summarizes investments measured at fair value based on net asset value, per share, as of December 31, 2016 and 2015, respectively.

Year Ended	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
December 31, 2016				
Hedge funds				
Fixed income funds	\$ 34,896,626	\$ -	(a)	(a)
Equity funds	62,257,044	-	(a)	(a)
December 31, 2015				
Hedge funds				
Fixed income funds	\$ 34,217,224	\$ -	(a)	(a)
Equity funds	60,965,824	-	(a)	(a)

(a) Hedge funds are privately owned institutional investment funds that generally have moderate liquidity. Hedge funds seek specified levels of return, regardless of market conditions, and generally have a low correlation to public equity and debt markets. Hedge funds often invest substantially in financial market instruments (stocks, bonds, commodities, currencies, derivatives, etc.) using a broad range of trading activities to manage portfolio risks. Plan holdings in hedge funds are valued using the net asset value provided by the administrator of the fund and reviewed by the Plan. The NAV is based on the value of the underlying assets owned by the fund, minus liabilities and divided by the number of shares or units outstanding. These assets are reported at NAV as a practical expedient. For the years ended December 31, 2016 and December 31, 2015, respectively, the Plan held hedge funds with restrictions on redemption for the first year after funds are invested, and funds restricting investment redemption to a 25% gate in any given quarter.

NOTE 5 - COMMITMENTS

As of December 31, 2016 and 2015, the Plan has a commitment to contribute capital to limited partnership groups totaling approximately \$3,059,900 and \$3,466,629, respectively.

NOTE 6 - RELATED PARTY TRANSACTIONS

Certain Plan investments are shares of mutual funds managed by Fidelity or Wells Fargo Bank, N.A., or an affiliate thereof. As such, these transactions qualify as exempt party-in-interest transactions.

NOTE 7 - SUBSEQUENT EVENTS

Subsequent events have been evaluated through October 12, 2017, the date of the report of independent certified public accountants, noting no additional matters that require disclosure or adjustment to the financial statements other than as discussed below.

Effective June 1, 2017, the pension benefits have been frozen for certain Union employees located at the Charleston South Carolina location. Those Union employees at least age 55 or those employees whose combined age and service are at least 70 are considered part of a grandfathered group of employees. Grandfathered employees had a one-time option to elect to receive an ongoing employer contribution into a 401(k) account in lieu of an ongoing pension accrual. This was a one-time un-revocable election for those employees meeting the grandfather requirement that occurred in May, 2017. All non-grandfathered employees had their pension benefit frozen and will no longer accrue additional pension benefits and instead will receive a contribution to the 401(k) plan.

Effective September 1, 2017, the pension benefits have been frozen for certain Union employees located at the Roanoke Rapids North Carolina location. Those Union employees at least age 55 or those employees whose combined age and service are at least 70 are considered part of a grandfathered group of employees. Grandfathered employees had a one-time option to elect to receive an ongoing employer contribution into a 401(k) account in lieu of an ongoing pension accrual. This was a one-time un-revocable election for those employees meeting the grandfather requirement that occurred in September, 2017. All non-grandfathered employees had their pension benefit frozen and will no longer accrue additional pension benefits and instead will receive a contribution to the 401(k) plan.

Supplementary Information

KapStone Paper and Packaging Corporation
Defined Benefit Retirement Plan

SCHEDULE H, PART IV, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)

December 31, 2016

Identity of Issuer	Description	CUSIP	Interest Rate	Maturity Date	Units/Shares	Cost	Market	Investment Type
AMN HEALTHCARE SERVICES I	AMN HEALTHCARE SERVICES I	001744101			1,498.0000	72,560.75	86,275.7	COMMON STOCK
* AARON'S INC	AARON'S INC	002535300			2,706.0000	87,666.78	86,564.9	COMMON STOCK
ALAMO GROUP INC COM	ALAMO GROUP INC COM	011311107			1,715.0000	77,098.13	130,511.5	COMMON STOCK
ALLETE INC	ALLETE INC	018522300			1,406.0000	66,720.64	90,251.1	COMMON STOCK
AMERICAN ASSETS TRUST INC	AMERICAN ASSETS TRUST INC	024013104			1,890.0000	76,130.38	81,421.2	COMMON STOCK
AMERICAN EQUITY INVT LIFE	AMERICAN EQUITY INVT LIFE	025676206			4,560.0000	93,280.19	102,782.4	COMMON STOCK
AMERICAN WOODMARK CORP CO	AMERICAN WOODMARK CORP CO	030506109			1,090.0000	75,960.72	82,022.5	COMMON STOCK
APOGEE ENTERPRISES INC	APOGEE ENTERPRISES INC	037598109			2,386.0000	113,731.07	127,794.2	COMMON STOCK
ASHFORD HOSPITALITY TRUST	ASHFORD HOSPITALITY TRUST	044103109			4,268.0000	44,271.40	33,119.7	COMMON STOCK
ASTEC INDS INC	ASTEC INDS INC	046224101			2,087.0000	84,366.13	140,789.0	COMMON STOCK
BANK OF THE OZARKS INC	BANK OF THE OZARKS INC	063904106			2,577.0000	84,090.57	135,524.4	COMMON STOCK
BEACON ROOFING SUPPLY INC	BEACON ROOFING SUPPLY INC	073685109			925.0000	41,234.05	42,614.8	COMMON STOCK
BELDEN INC	BELDEN INC	077454106			1,272.0000	73,427.44	95,107.4	COMMON STOCK
BRANDYWINE RLTY TR BD	BRANDYWINE RLTY TR BD	105368203			5,126.0000	79,733.97	84,630.3	COMMON STOCK
BROOKS AUTOMATION INC	BROOKS AUTOMATION INC	114340102			3,743.0000	42,221.88	63,893.0	COMMON STOCK
BRUNSWICK CORP	BRUNSWICK CORP	117043109			1,104.0000	46,243.48	60,212.2	COMMON STOCK
CAL MAINE FOODS INC	CAL MAINE FOODS INC	128030202			1,539.0000	64,518.23	67,985.3	COMMON STOCK
CAMBREX CORP COM	CAMBREX CORP COM	132011107			1,262.0000	42,865.18	68,084.9	COMMON STOCK
CAMDEN NATL CORP	CAMDEN NATL CORP	133034108			2,091.0000	51,979.51	92,945.0	COMMON STOCK
CAPITAL BANK FINANCIAL- C	CAPITAL BANK FINANCIAL- C	139794101			2,551.0000	99,214.13	100,126.8	COMMON STOCK
CARRIZO OIL & GAS INC	CARRIZO OIL & GAS INC	144577103			1,456.0000	87,471.10	54,381.6	COMMON STOCK
CASCADE BANCORP	CASCADE BANCORP	147154207			4,672.0000	22,598.97	37,936.6	COMMON STOCK
CASEYS GEN STORES INC	CASEYS GEN STORES INC	147528103			814.0000	54,652.94	96,768.3	COMMON STOCK
CLARCOR INC	CLARCOR INC	179895107			1,190.0000	69,703.90	98,139.3	COMMON STOCK
COLUMBIA BANKING SYSTEM I	COLUMBIA BANKING SYSTEM I	197236102			2,229.0000	58,408.23	99,591.7	COMMON STOCK
COOPER TIRE & RUBR CO	COOPER TIRE & RUBR CO	216831107			3,442.0000	115,885.01	133,721.7	COMMON STOCK
CRAFT BREW ALLIANCE INC	CRAFT BREW ALLIANCE INC	224122101			1,231.0000	17,137.44	20,803.9	COMMON STOCK
DENBURY RESOURCES	DENBURY RESOURCES	247916208			8,736.0000	27,985.35	32,148.5	COMMON STOCK
DELUXE CORP	DELUXE CORP	248019101			1,211.0000	75,294.74	86,719.7	COMMON STOCK
DODGE & COX INT'L STOCK F	DODGE & COX INT'L STOCK F	256206103			655,164.3930	28,283,439.80	24,961,889.3	EQUITY FUNDS
EMPIRE DIST ELEC CO	EMPIRE DIST ELEC CO	291641108			1,411.0000	42,995.17	48,101.0	COMMON STOCK
ENCORE WIRE CORP	ENCORE WIRE CORP	292562105			2,808.0000	116,432.83	121,726.8	COMMON STOCK
ENTERPRISE FINL SVCS CORP	ENTERPRISE FINL SVCS CORP	293712105			2,122.0000	44,894.43	91,246.0	COMMON STOCK
ESTERLINE CORP	ESTERLINE CORP	297425100			513.0000	45,123.66	45,759.6	COMMON STOCK
ETHAN ALLEN INTERIORS INC	ETHAN ALLEN INTERIORS INC	297602104			2,731.0000	70,338.69	100,637.4	COMMON STOCK
EXAR CORP	EXAR CORP	300645108			8,482.0000	72,904.72	91,436.0	COMMON STOCK
FARO TECHNOLOGIES INC	FARO TECHNOLOGIES INC	311642102			787.0000	29,439.09	28,332.0	COMMON STOCK
FIDELITY SOUTHERN CORP	FIDELITY SOUTHERN CORP	316394105			2,898.0000	41,388.51	68,595.7	COMMON STOCK
FIRST SOURCE CORP	FIRST SOURCE CORP	336901103			1,295.0000	45,468.36	57,834.7	COMMON STOCK
LB FOSTER CO	LB FOSTER CO	350060109			3,420.0000	98,044.63	46,512.0	COMMON STOCK
FRANKLIN ELEC INC COM	FRANKLIN ELEC INC COM	353514102			2,435.0000	68,917.72	94,721.5	COMMON STOCK
FULLER H B CO	FULLER H B CO	359694106			2,382.0000	104,226.66	115,074.4	COMMON STOCK
GRAMERCY PROPERTY TRUST	GRAMERCY PROPERTY TRUST	385002100			11,173.0000	93,020.77	102,568.1	COMMON STOCK
GREAT SOUTHN BANCORP INC	GREAT SOUTHN BANCORP INC	390905107			1,726.0000	58,169.79	94,325.9	COMMON STOCK
GREENHILL & CO INC	GREENHILL & CO INC	395259104			3,655.0000	83,187.16	101,243.5	COMMON STOCK
HNI CORPORATION	HNI CORPORATION	404251100			1,859.0000	79,795.95	103,955.3	COMMON STOCK
HARBOR INTL GROWTH FUND #	HARBOR INTL GROWTH FUND #	411511801			1,932,599.4740	25,034,341.15	23,577,713.6	EQUITY FUNDS
HEARTLAND EXPRESS INC	HEARTLAND EXPRESS INC	422347104			4,625.0000	96,466.02	94,165.0	COMMON STOCK

KapStone Paper and Packaging Corporation
Defined Benefit Retirement Plan

SCHEDULE H, PART IV, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)

December 31, 2016

HILL ROM HLDGS	HILL ROM HLDGS	431475102	1,052.0000	41,377.16	59,059.3	COMMON STOCK
HOME BANCSHARES INC/CONWA	HOME BANCSHARES INC/CONWA	436893200	4,952.0000	72,749.26	137,517.0	COMMON STOCK
HORACE MANN EDUCATORS COR	HORACE MANN EDUCATORS COR	440327104	1,429.0000	45,588.75	61,161.2	COMMON STOCK
HORNBECK OFFSHORE SVCS IN	HORNBECK OFFSHORE SVCS IN	440543106	6,094.0000	167,971.28	43,998.7	COMMON STOCK
IBERIABANK CORP	IBERIABANK CORP	450828108	1,791.0000	112,795.49	149,996.3	COMMON STOCK
IDACORP INC	IDACORP INC	451107106	1,095.0000	75,530.41	88,202.3	COMMON STOCK
J & J SNACK FOODS CORP	J & J SNACK FOODS CORP	466032109	267.0000	26,621.29	35,625.8	COMMON STOCK
KIRBY CORP	KIRBY CORP	497266106	999.0000	55,281.26	66,433.5	COMMON STOCK
LAKELAND FINL CORP	LAKELAND FINL CORP	511656100	1,194.0000	30,783.99	56,547.8	COMMON STOCK
LATTICE SEMICONDUCTOR COR	LATTICE SEMICONDUCTOR COR	518415104	7,389.0000	41,309.76	54,383.0	COMMON STOCK
MAGELLAN HEALTH, INC	MAGELLAN HEALTH, INC	559079207	1,644.0000	102,337.30	123,711.0	COMMON STOCK
MARCUS & MILLICHAP INC	MARCUS & MILLICHAP INC	566324109	1,446.0000	40,331.58	38,637.1	COMMON STOCK
MERIT MEDICAL SYS INC	MERIT MEDICAL SYS INC	589889104	2,669.0000	46,489.58	70,728.5	COMMON STOCK
METHODE ELECTRON INC COMM	METHODE ELECTRON INC COMM	591520200	2,455.0000	75,581.55	101,514.3	COMMON STOCK
MICROSEMI CORP COM	MICROSEMI CORP COM	595137100	2,772.0000	66,450.39	149,604.8	COMMON STOCK
THUNDERBIRD RESOURCES EQU	THUNDERBIRD RESOURCES EQU	638998468	1.6800	256,364.32	96,750.0	COMMON STOCK
NATUS MEDICAL INC	NATUS MEDICAL INC	639050103	1,123.0000	31,435.12	39,080.4	COMMON STOCK
NEENAH PAPER INC	NEENAH PAPER INC	640079109	1,730.0000	85,563.73	147,396.0	COMMON STOCK
OIL STATES INTERNATIONAL	OIL STATES INTERNATIONAL	678026105	2,521.0000	80,430.88	98,319.0	COMMON STOCK
OWENS & MINOR INC COM	OWENS & MINOR INC COM	690732102	904.0000	29,521.48	31,902.2	COMMON STOCK
PACWEST BANCORP	PACWEST BANCORP	695263103	2,438.0000	97,500.34	132,724.7	COMMON STOCK
PAREXEL INTL CORP COM	PAREXEL INTL CORP COM	699462107	736.0000	46,791.79	48,369.9	COMMON STOCK
PIPER JAFFRAY COS	PIPER JAFFRAY COS	724078100	2,273.0000	105,538.66	164,792.5	COMMON STOCK
WTC-CTF GLOBAL SELECT CAP	WTC-CTF GLOBAL SELECT CAP	728993585	2,913,265.2060	47,184,792.37	48,884,590.2	FIXED INCOME
PLEXUS CORP COM	PLEXUS CORP COM	729132100	2,528.0000	99,270.52	136,613.1	COMMON STOCK
PORTLAND GEN ELEC CO	PORTLAND GEN ELEC CO	736508847	1,428.0000	52,812.86	61,875.2	COMMON STOCK
POTLATCH HLDGS INC	POTLATCH HLDGS INC	737630103	3,549.0000	117,260.85	147,815.9	COMMON STOCK
QUALITY SYSTEMS INC	QUALITY SYSTEMS INC	747582104	2,005.0000	32,252.59	26,365.8	COMMON STOCK
REGAL BELOIT CORPORATION	REGAL BELOIT CORPORATION	758750103	1,237.0000	86,885.10	85,662.3	COMMON STOCK
RICE ENERGY INC	RICE ENERGY INC	762760106	1,572.0000	25,947.14	33,562.2	COMMON STOCK
ROGERS CORP COM	ROGERS CORP COM	775133101	1,459.0000	87,376.32	112,065.8	COMMON STOCK
RUTH'S HOSPITALITY GROUP	RUTH'S HOSPITALITY GROUP	783332109	270.0000	4,145.93	4,941.0	COMMON STOCK
SANDERSON FARMS INC	SANDERSON FARMS INC	800013104	604.0000	52,199.02	56,921.0	COMMON STOCK
SCANSOURCE INC COM	SCANSOURCE INC COM	806037107	1,349.0000	49,497.68	54,432.2	COMMON STOCK
SIMPSON MFG INC COM	SIMPSON MFG INC COM	829073105	1,329.0000	51,584.68	58,143.8	COMMON STOCK
SKECHERS U S A INC	SKECHERS U S A INC	830566105	1,258.0000	31,896.34	30,921.6	COMMON STOCK
SOUTH JERSEY INDS INC COM	SOUTH JERSEY INDS INC COM	838518108	2,564.0000	68,189.36	86,381.2	COMMON STOCK
SOUTH STATE CORP	SOUTH STATE CORP	840441109	697.0000	39,927.22	60,917.8	COMMON STOCK
SOUTHWEST BANCORP INC OKL	SOUTHWEST BANCORP INC OKL	844767103	3,065.0000	47,447.92	88,885.0	COMMON STOCK
STEELCASE INC CL A	STEELCASE INC CL A	858155203	4,817.0000	75,872.63	86,224.3	COMMON STOCK
STIFEL FINANCIAL CORP	STIFEL FINANCIAL CORP	860630102	3,212.0000	135,245.41	160,439.4	COMMON STOCK
TEXAS ROADHOUSE, INC COMM	TEXAS ROADHOUSE, INC COMM	882681109	1,998.0000	74,576.58	96,383.5	COMMON STOCK
TUPPERWARE BRANDS CORPORA	TUPPERWARE BRANDS CORPORA	899896104	909.0000	49,854.28	47,831.6	COMMON STOCK
UMPQUA HOLDINGS CORP	UMPQUA HOLDINGS CORP	904214103	7,356.0000	118,831.86	138,145.7	COMMON STOCK
UNIFIRST CORP MASS	UNIFIRST CORP MASS	904708104	715.0000	69,773.48	102,709.8	COMMON STOCK
UNIVERSAL FST PRODS INC C	UNIVERSAL FST PRODS INC C	913543104	1,586.0000	70,178.12	162,057.5	COMMON STOCK
VANGUARD EMRG MK STK INDE	VANGUARD EMRG MK STK INDE	922042601	422,084.4410	9,465,312.19	9,555,991.7	EQUITY FUNDS
WABASH NATL CORP	WABASH NATL CORP	929566107	6,939.0000	91,624.11	109,775.0	COMMON STOCK
WASHINGTON FEDERAL INC	WASHINGTON FEDERAL INC	938824109	2,231.0000	46,632.42	76,634.9	COMMON STOCK
WESTERN REFNG INC	WESTERN REFNG INC	959319104	3,713.0000	121,362.78	140,537.1	COMMON STOCK

KapStone Paper and Packaging Corporation
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SCHEDULE H, PART IV, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)

December 31, 2016

WINNEBAGO INDS INC	WINNEBAGO INDS INC	974637100			4,665.0000	106,431.98	147,647.3	COMMON STOCK
WOLVERINE WORLD WIDE INC	WOLVERINE WORLD WIDE INC	978097103			4,556.0000	95,781.35	100,004.2	COMMON STOCK
AMERICAN EAGLE OUTFITTERS	AMERICAN EAGLE OUTFITTERS	02553E106			1,585.0000	23,966.01	24,044.5	COMMON STOCK
AT&T INC 4.500% 5/15/35	AT&T INC 4.500% 5/15/35	00206RCP5	4.500	5/15/2035	1,665,000.0000	3,962,711.37	3,908,754.5	FIXED INCOME
AT&T INC 4.125% 2/17/26	AT&T INC 4.125% 2/17/26	00206RCT7	4.125	2/17/2026	1,020,000.0000	1,019,326.80	1,032,821.4	FIXED INCOME
ABBOTT LABORATORIES 4.750	ABBOTT LABORATORIES 4.750	002824BG4	4.750	11/30/2036	920,000.0000	914,112.00	935,290.4	FIXED INCOME
ABBOTT LABORATORIES 4.900	ABBOTT LABORATORIES 4.900	002824BH2	4.900	11/30/2046	1,735,000.0000	1,721,484.35	1,780,699.9	FIXED INCOME
ABBVIE INC 4.300% 5/14/36	ABBVIE INC 4.300% 5/14/36	00287YAV1	4.300	5/14/2036	355,000.0000	353,065.25	338,283.1	FIXED INCOME
* ABBVIE INC 4.450% 5/14/46	ABBVIE INC 4.450% 5/14/46	00287YAW9	4.450	5/14/2046	450,000.0000	446,976.00	430,888.5	FIXED INCOME
* ACE INA HOLDINGS 3.350% 5	ACE INA HOLDINGS 3.350% 5	00440EAR8	3.350	5/15/2024	1,040,000.0000	1,038,440.00	1,059,541.6	FIXED INCOME
* ACE INA HOLDINGS 4.350% 1	ACE INA HOLDINGS 4.350% 1	00440EAW7	4.350	11/3/2045	195,000.0000	194,512.50	205,978.5	FIXED INCOME
* ACTAVIS FUNDING SCS 4.850	ACTAVIS FUNDING SCS 4.850	00507UAH4	4.850	6/15/2044	605,000.0000	598,308.70	599,857.5	FIXED INCOME
ADTRAN INC	ADTRAN INC	00738A106	-		4,931.0000	102,990.99	110,207.9	COMMON STOCK
AETNA INC 4.500% 5/15/42	AETNA INC 4.500% 5/15/42	00817YAJ7	4.500	5/15/2042	270,000.0000	279,009.90	273,839.4	FIXED INCOME
AETNA INC 4.375% 6/15/46	AETNA INC 4.375% 6/15/46	00817YAX6	4.375	6/15/2046	320,000.0000	319,680.00	321,328.0	FIXED INCOME
AETNA INC 4.250% 6/15/36	AETNA INC 4.250% 6/15/36	00817YAY4	4.250	6/15/2036	335,000.0000	333,609.75	335,887.8	FIXED INCOME
AGRIUM INC 6.125% 1/15/41	AGRIUM INC 6.125% 1/15/41	008916AJ7	6.125	1/15/2041	854,000.0000	1,013,940.78	970,289.2	FIXED INCOME
ALCAN INC 6.125% 12/15/33	ALCAN INC 6.125% 12/15/33	013716AU9	6.125	12/15/2033	550,000.0000	659,081.50	608,756.5	FIXED INCOME
ALLSTATE CORP 4.500% 6/15	ALLSTATE CORP 4.500% 6/15	020002BA8	4.500	6/15/2043	160,000.0000	164,116.80	169,699.2	FIXED INCOME
ALTRA HOLDINGS INC	ALTRA HOLDINGS INC	02208R106	-		2,122.0000	67,544.50	78,301.8	COMMON STOCK
ALTRIA GROUP INC 5.375% 1	ALTRIA GROUP INC 5.375% 1	02209SAR4	5.375	1/31/2044	840,000.0000	912,340.80	970,300.8	FIXED INCOME
AMERICAS CAR-MART INC	AMERICAS CAR-MART INC	03062T105	-		1,478.0000	62,268.54	64,662.5	COMMON STOCK
AMGEN INC 3.625% 5/22/24	AMGEN INC 3.625% 5/22/24	031162BV1	3.625	5/22/2024	1,205,000.0000	1,202,999.70	1,225,774.2	FIXED INCOME
AMGEN INC 4.400% 5/01/45	AMGEN INC 4.400% 5/01/45	031162BZ2	4.400	5/1/2045	895,000.0000	931,265.10	857,902.3	FIXED INCOME
P/P AMGEN INC 4.563% 6/15	P/P AMGEN INC 4.563% 6/15	031162CC2	4.563	6/15/2048	1,090,000.0000	1,128,100.95	1,054,313.4	FIXED INCOME
ANADARKO PETROLEUM 6.200%	ANADARKO PETROLEUM 6.200%	032510AC3	6.200	3/15/2040	510,000.0000	556,860.00	584,097.9	FIXED INCOME
ANADARKO PETROLEUM 6.450%	ANADARKO PETROLEUM 6.450%	032511AY3	6.450	9/15/2036	620,000.0000	704,909.00	737,905.4	FIXED INCOME
ANADARKO PETROLEUM 6.600%	ANADARKO PETROLEUM 6.600%	032511BP1	6.600	3/15/2046	340,000.0000	407,860.60	419,342.4	FIXED INCOME
ANHEUSER-BUSCH INBEV 8.20	ANHEUSER-BUSCH INBEV 8.20	03523TBF4	8.200	1/15/2039	825,000.0000	1,268,891.25	1,240,709.3	FIXED INCOME
ANHEUSER-BUSCH INBEV 4.70	ANHEUSER-BUSCH INBEV 4.70	035242AM8	4.700	2/1/2036	785,000.0000	778,453.10	825,718.0	FIXED INCOME
ANHEUSER-BUSCH INBEV 4.90	ANHEUSER-BUSCH INBEV 4.90	035242AN6	4.900	2/1/2046	2,725,000.0000	2,769,492.05	2,945,370.8	FIXED INCOME
APPALACHIAN POWER CO 7.00	APPALACHIAN POWER CO 7.00	037735CM7	7.000	4/1/2038	650,000.0000	883,486.50	857,181.0	FIXED INCOME
APPLE INC 3.450% 2/09/45	APPLE INC 3.450% 2/09/45	037833BA7	3.450	2/9/2045	820,000.0000	812,726.60	723,773.0	FIXED INCOME
APPLE INC 4.375% 5/13/45	APPLE INC 4.375% 5/13/45	037833BH2	4.375	5/13/2045	785,000.0000	782,134.75	806,446.2	FIXED INCOME
APPLE INC 4.650% 2/23/46	APPLE INC 4.650% 2/23/46	037833BX7	4.650	2/23/2046	980,000.0000	1,012,168.30	1,058,253.0	FIXED INCOME
APPLIED INDL TECHNOLOGIES	APPLIED INDL TECHNOLOGIES	03820C105	-		1,834.0000	88,094.72	108,939.6	COMMON STOCK
ASCENSION HEALTH 3.945% 1	ASCENSION HEALTH 3.945% 1	04351LAB6	3.945	11/15/2046	265,000.0000	265,000.00	253,027.3	FIXED INCOME
AT&T INC 5.350% 9/01/40	AT&T INC 5.350% 9/01/40	04650NAB0	5.350	9/1/2040	2,815,000.0000	3,104,438.30	2,891,005.0	FIXED INCOME
AVISTA CORP	AVISTA CORP	05379B107	-		1,932.0000	60,409.97	77,260.7	COMMON STOCK
BANK OF AMERICA CORP 5.62	BANK OF AMERICA CORP 5.62	06051GEC9	5.625	7/1/2020	1,070,000.0000	1,113,848.60	1,176,518.5	FIXED INCOME
BANK OF AMERICA CORP 4.87	BANK OF AMERICA CORP 4.87	06051GFC9	4.875	4/1/2044	1,195,000.0000	1,405,746.20	1,296,658.7	FIXED INCOME
BANK OF AMERICA CORP 4.75	BANK OF AMERICA CORP 4.75	06051GFQ7	4.750	4/21/2045	340,000.0000	342,577.20	344,763.4	FIXED INCOME
BANKUNITED INC	BANKUNITED INC	06652K103	-		3,466.0000	108,033.44	130,633.5	COMMON STOCK
BANNER CORP	BANNER CORP	06652V208	-		1,851.0000	74,807.64	103,304.3	COMMON STOCK
BARRICK NA FINANCE 5.750%	BARRICK NA FINANCE 5.750%	06849RAK8	5.750	5/1/2043	410,000.0000	429,686.45	430,967.4	FIXED INCOME
BECTON DICKINSON AND 3.73	BECTON DICKINSON AND 3.73	075887BF5	3.734	12/15/2024	185,000.0000	185,000.00	189,184.7	FIXED INCOME
BENCHMARK ELECTRS INC COM	BENCHMARK ELECTRS INC COM	08160H101	-		1,366.0000	27,292.00	41,663.0	COMMON STOCK
BERKSHIRE HATHAWAY 5.750%	BERKSHIRE HATHAWAY 5.750%	084664BL4	5.750	1/15/2040	1,285,000.0000	1,541,329.46	1,580,948.4	FIXED INCOME
BOEING CO 6.875% 3/15/39	BOEING CO 6.875% 3/15/39	097023AX3	6.875	3/15/2039	620,000.0000	862,593.60	875,936.0	FIXED INCOME
BUILDERS FIRSTSOURCE INC	BUILDERS FIRSTSOURCE INC	12008R107	19		5,937.0000	35,769.73	65,128.9	COMMON STOCK

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SCHEDULE H, PART IV, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)

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BURLINGTN NORTH SANT 4.95	BURLINGTN NORTH SANT 4.95	12189LAG6	4.950	9/15/2041	2,290,000.0000	2,478,846.60	2,563,242.8	FIXED INCOME
BURLINGTN NORTH SANT 4.15	BURLINGTN NORTH SANT 4.15	12189LAW1	4.150	4/1/2045	525,000.0000	523,283.25	532,407.8	FIXED INCOME
CIGNA CORP 5.375% 2/15/42	CIGNA CORP 5.375% 2/15/42	125509BT5	5.375	2/15/2042	545,000.0000	621,322.63	607,140.9	FIXED INCOME
CSX CORP 4.750% 5/30/42	CSX CORP 4.750% 5/30/42	126408GW7	4.750	5/30/2042	985,000.0000	1,041,154.85	1,025,296.4	FIXED INCOME
CVS HEALTH CORP 5.125% 7/	CVS HEALTH CORP 5.125% 7/	126650CN8	5.125	7/20/2045	1,590,000.0000	1,840,099.50	1,771,975.5	FIXED INCOME
CANADIAN NATL RESOUR 6.25	CANADIAN NATL RESOUR 6.25	136385AL5	6.250	3/15/2038	600,000.0000	680,968.30	682,596.0	FIXED INCOME
CANADIAN NATL RESOUR 6.75	CANADIAN NATL RESOUR 6.75	136385AP6	6.750	2/1/2039	85,000.0000	100,275.35	99,184.8	FIXED INCOME
CARETRUST REIT INC-W/I	CARETRUST REIT INC-W/I	14174T107	-		3,260.0000	36,536.76	49,943.2	COMMON STOCK
CATHOLIC HEALTH INIT 4.35	CATHOLIC HEALTH INIT 4.35	14916RAD6	4.350	11/1/2042	950,000.0000	901,113.00	843,837.5	FIXED INCOME
CELGENE CORP 5.000% 8/15/	CELGENE CORP 5.000% 8/15/	151020AU8	5.000	8/15/2045	460,000.0000	458,578.60	478,275.8	FIXED INCOME
CENTERPOINT ENERGY 5.850%	CENTERPOINT ENERGY 5.850%	15189WAH3	5.850	1/15/2041	700,000.0000	858,837.00	792,008.0	FIXED INCOME
CHARTER COMM OPT LLC 6.48	CHARTER COMM OPT LLC 6.48	161175BA1	6.484	10/23/2045	1,275,000.0000	1,464,746.20	1,474,002.0	FIXED INCOME
CITIGROUP INC 4.400% 6/10	CITIGROUP INC 4.400% 6/10	172967JT9	4.400	6/10/2025	1,335,000.0000	1,329,553.20	1,365,771.8	FIXED INCOME
CITIGROUP INC 4.650% 7/30	CITIGROUP INC 4.650% 7/30	172967JU6	4.650	7/30/2045	507,000.0000	549,664.05	534,403.4	FIXED INCOME
CITIGROUP INC 4.125% 7/25	CITIGROUP INC 4.125% 7/25	172967KU4	4.125	7/25/2028	1,195,000.0000	1,191,307.45	1,180,444.9	FIXED INCOME
CITIZENS BANK NA/RI 2.500	CITIZENS BANK NA/RI 2.500	17401QAD3	2.500	3/14/2019	1,250,000.0000	1,249,862.50	1,259,625.0	FIXED INCOME
COMCAST CORP 6.400% 3/01/	COMCAST CORP 6.400% 3/01/	20030NBB6	6.400	3/1/2040	3,105,000.0000	3,973,996.35	4,041,437.0	FIXED INCOME
COMMONWEALTH EDISON 3.650	COMMONWEALTH EDISON 3.650	202795JJ0	3.650	6/15/2046	540,000.0000	536,495.40	507,470.4	FIXED INCOME
CONOCOPHILLIPS 6.500% 2/0	CONOCOPHILLIPS 6.500% 2/0	20825CAQ7	6.500	2/1/2039	1,085,000.0000	1,469,144.20	1,373,512.4	FIXED INCOME
CONS EDISON CO OF NY 6.75	CONS EDISON CO OF NY 6.75	209111EU3	6.750	4/1/2038	1,050,000.0000	1,396,471.50	1,421,122.5	FIXED INCOME
COOPER-STANDARD HOLDING I	COOPER-STANDARD HOLDING I	21676P103	-		483.0000	43,815.10	49,932.5	COMMON STOCK
RABOBANK NEDERLAND 5.750%	RABOBANK NEDERLAND 5.750%	21684AAB2	5.750	12/1/2043	800,000.0000	914,304.00	927,072.0	FIXED INCOME
CORPORATE OFFICE PROPERTI	CORPORATE OFFICE PROPERTI	22002T108	-		2,148.0000	49,462.15	67,060.6	COMMON STOCK
CRED SUIS GP FUND LT 3.75	CRED SUIS GP FUND LT 3.75	225433AC5	3.750	3/26/2025	785,000.0000	783,116.00	773,068.0	FIXED INCOME
DAIMLERCHRYSLER NA 8.500%	DAIMLERCHRYSLER NA 8.500%	233835AQ0	8.500	1/18/2031	587,000.0000	887,196.34	884,110.1	FIXED INCOME
DEVON FINANCING CORP 7.87	DEVON FINANCING CORP 7.87	25179SAD2	7.875	9/30/2031	860,000.0000	1,206,588.60	1,091,202.4	FIXED INCOME
P/P DIAMOND 1 FIN/DI 8.10	P/P DIAMOND 1 FIN/DI 8.10	25272KAN3	8.100	7/15/2036	435,000.0000	434,682.45	517,467.3	FIXED INCOME
P/P DIAMOND 1 FIN/DI 8.35	P/P DIAMOND 1 FIN/DI 8.35	25272KAR4	8.350	7/15/2046	825,000.0000	954,750.40	1,015,814.3	FIXED INCOME
WALT DISNEY COMPANY/ 4.12	WALT DISNEY COMPANY/ 4.12	25468PDB9	4.125	6/1/2044	390,000.0000	389,333.10	403,201.5	FIXED INCOME
DOMINION RESOURCES 5.950%	DOMINION RESOURCES 5.950%	25746UAV1	5.950	6/15/2035	1,260,000.0000	1,502,348.40	1,455,993.0	FIXED INCOME
DOW CHEMICAL COMPANY 7.37	DOW CHEMICAL COMPANY 7.37	260543BJ1	7.375	11/1/2029	1,620,000.0000	2,157,937.20	2,128,680.0	FIXED INCOME
DREW INDUSTRIES INC	DREW INDUSTRIES INC	26168L205	-		1,204.0000	99,660.93	129,731.0	COMMON STOCK
DUKE ENERGY OHIO INC 3.70	DUKE ENERGY OHIO INC 3.70	26442EAE0	3.700	6/15/2046	1,030,000.0000	1,022,800.30	973,669.3	FIXED INCOME
P/P ERAC USA FINANCE 7.00	P/P ERAC USA FINANCE 7.00	26882PBE1	7.000	10/15/2037	645,000.0000	841,679.85	817,253.7	FIXED INCOME
P/P ERAC USA FINANCE 3.85	P/P ERAC USA FINANCE 3.85	26884TAL6	3.850	11/15/2024	545,000.0000	544,073.50	553,861.7	FIXED INCOME
ECOLAB INC 5.500% 12/08/4	ECOLAB INC 5.500% 12/08/4	278865AM2	5.500	12/8/2041	1,020,000.0000	1,207,414.80	1,199,509.8	FIXED INCOME
EDISON INTERNATIONAL 2.95	EDISON INTERNATIONAL 2.95	281020AJ6	2.950	3/15/2023	695,000.0000	694,694.20	686,833.8	FIXED INCOME
EDUCATION REALTY TRUST IN	EDUCATION REALTY TRUST IN	28140H203	-		1,603.0000	64,655.73	67,806.9	COMMON STOCK
EL PASO ENERGY CORP 7.750	EL PASO ENERGY CORP 7.750	28368EAE6	7.750	1/15/2032	90,000.0000	94,430.70	110,290.5	FIXED INCOME
ENCANA CORP 6.500% 8/15/3	ENCANA CORP 6.500% 8/15/3	292505AD6	6.500	8/15/2034	350,000.0000	389,168.50	376,999.0	FIXED INCOME
VR ENBRIDGE INC 6.000% 1/	VR ENBRIDGE INC 6.000% 1/	29250NAN5	6.000	1/15/2077	750,000.0000	750,000.00	748,125.0	FIXED INCOME
ENERGY TRANSFER PART 4.65	ENERGY TRANSFER PART 4.65	29273RAN9	4.650	6/1/2021	615,000.0000	663,209.85	638,536.1	FIXED INCOME
ENERGY TRANSFER PART 4.90	ENERGY TRANSFER PART 4.90	29273RBE8	4.900	3/15/2035	430,000.0000	429,183.00	401,847.9	FIXED INCOME
ENERGY TRANSFER PART 6.12	ENERGY TRANSFER PART 6.12	29273RBJ7	6.125	12/15/2045	960,000.0000	1,006,049.20	1,021,382.4	FIXED INCOME
ENERSYS	ENERSYS	29275Y102	-		852.0000	53,782.66	66,541.2	COMMON STOCK
ENTERPRISE PRODUCTS 5.950	ENTERPRISE PRODUCTS 5.950	29379VAT0	5.950	2/1/2041	1,630,000.0000	1,964,150.00	1,840,107.0	FIXED INCOME
EVERBANK FINANCIAL CORP	EVERBANK FINANCIAL CORP	29977G102	-		3,569.0000	54,946.87	69,417.1	COMMON STOCK
EXELON GENERATION CO 6.25	EXELON GENERATION CO 6.25	30161MAG8	6.250	10/1/2039	1,640,000.0000	1,899,234.80	1,651,266.8	FIXED INCOME
EXELON CORP 4.450% 4/15/4	EXELON CORP 4.450% 4/15/4	30161NAV3	4.450	4/15/2046	475,000.0000	472,577.50	464,991.8	FIXED INCOME
FCB FINANCIAL HOLDINGS, I	FCB FINANCIAL HOLDINGS, I	30255G103	20		3,073.0000	69,095.89	146,582.1	COMMON STOCK

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FEDERATED RETAIL HLD 6.37	FEDERATED RETAIL HLD 6.37	314275AC2	6.375	3/15/2037	750,000.0000	821,227.50	792,397.5	FIXED INCOME
FEDEX CORP 4.000% 1/15/24	FEDEX CORP 4.000% 1/15/24	31428XAY2	4.000	1/15/2024	640,000.0000	668,761.60	674,604.8	FIXED INCOME
FIDELITY NATIONAL IN 4.50	FIDELITY NATIONAL IN 4.50	31620MAU0	4.500	8/15/2046	625,000.0000	615,187.50	595,031.3	FIXED INCOME
FORD MOTOR COMPANY 7.450%	FORD MOTOR COMPANY 7.450%	345370CA6	7.450	7/16/2031	790,000.0000	1,053,117.40	991,489.5	FIXED INCOME
FORD MOTOR COMPANY 5.291%	FORD MOTOR COMPANY 5.291%	345370CS7	5.291	12/8/2046	690,000.0000	690,504.90	698,963.1	FIXED INCOME
FORD MOTOR CREDIT CO 3.33	FORD MOTOR CREDIT CO 3.33	345397XW8	3.336	3/18/2021	600,000.0000	600,000.00	604,164.0	FIXED INCOME
GE CAPITAL INTL FUND 4.41	GE CAPITAL INTL FUND 4.41	36164QNA2	4.418	11/15/2035	2,964,000.0000	2,804,323.59	3,106,005.2	FIXED INCOME
G-III APPAREL GROUP LTD	G-III APPAREL GROUP LTD	36237H101	-		2,705.0000	108,891.12	79,959.8	COMMON STOCK
GENERAL ELECTRIC CO 4.125	GENERAL ELECTRIC CO 4.125	369604BF9	4.125	10/9/2042	930,000.0000	904,638.90	938,230.5	FIXED INCOME
GENERAL ELEC CAP COR 6.75	GENERAL ELEC CAP COR 6.75	36962GXZ2	6.750	3/15/2032	859,000.0000	1,125,281.41	1,143,440.7	FIXED INCOME
GENERAL MOTORS CO 6.250%	GENERAL MOTORS CO 6.250%	37045VAF7	6.250	10/2/2043	1,165,000.0000	1,299,696.80	1,287,884.2	FIXED INCOME
GENERAL MOTORS FINL 5.250	GENERAL MOTORS FINL 5.250	37045XBG0	5.250	3/1/2026	640,000.0000	637,689.60	672,313.6	FIXED INCOME
GENTHERM INC	GENTHERM INC	37253A103	-		1,791.0000	69,629.63	60,625.4	COMMON STOCK
GEORGIA POWER COMPAN 5.40	GEORGIA POWER COMPAN 5.40	373334JR3	5.400	6/1/2040	1,680,000.0000	1,971,228.00	1,919,820.0	FIXED INCOME
GILEAD SCIENCES INC 4.750	GILEAD SCIENCES INC 4.750	375558BD4	4.750	3/1/2046	820,000.0000	832,569.25	848,429.4	FIXED INCOME
GLAXOSMITHKLINE CAPI 6.37	GLAXOSMITHKLINE CAPI 6.37	377372AE7	6.375	5/15/2038	940,000.0000	1,206,668.60	1,236,335.0	FIXED INCOME
GOLDMAN SACHS GROUP 7.500	GOLDMAN SACHS GROUP 7.500	38141EA25	7.500	2/15/2019	600,000.0000	734,790.00	665,148.0	FIXED INCOME
GOLDMAN SACHS GROUP 6.750	GOLDMAN SACHS GROUP 6.750	38141GFD1	6.750	10/1/2037	1,605,000.0000	1,943,890.87	1,981,934.3	FIXED INCOME
GOLDMAN SACHS GROUP 6.250	GOLDMAN SACHS GROUP 6.250	38141GGM0	6.250	2/1/2041	1,400,000.0000	1,827,924.00	1,735,398.0	FIXED INCOME
GOLDMAN SACHS GROUP 4.750	GOLDMAN SACHS GROUP 4.750	38141GV50	4.750	10/21/2045	195,000.0000	204,886.50	205,849.8	FIXED INCOME
HSBC HOLDINGS PLC 6.800%	HSBC HOLDINGS PLC 6.800%	404280AJ8	6.800	6/1/2038	1,595,000.0000	2,009,811.65	2,019,860.2	FIXED INCOME
HALLIBURTON CO 5.000% 11/	HALLIBURTON CO 5.000% 11/	406216BK6	5.000	11/15/2045	449,000.0000	479,230.55	484,224.1	FIXED INCOME
HESS CORP 5.600% 2/15/41	HESS CORP 5.600% 2/15/41	42809HAD9	5.600	2/15/2041	610,000.0000	691,807.10	616,795.4	FIXED INCOME
HESS CORP 5.800% 4/01/47	HESS CORP 5.800% 4/01/47	42809HAH0	5.800	4/1/2047	620,000.0000	618,233.00	643,448.4	FIXED INCOME
HP ENTERPRISE CO 4.400% 1	HP ENTERPRISE CO 4.400% 1	42824CAN9	4.400	10/15/2022	410,000.0000	409,188.20	426,961.7	FIXED INCOME
HP ENTERPRISE CO 4.900% 1	HP ENTERPRISE CO 4.900% 1	42824CAW9	4.900	10/15/2025	590,000.0000	588,377.50	606,997.9	FIXED INCOME
HP ENTERPRISE CO 6.350% 1	HP ENTERPRISE CO 6.350% 1	42824CAY5	6.350	10/15/2045	825,000.0000	798,094.05	833,332.5	FIXED INCOME
HOME DEPOT INC 5.875% 12/	HOME DEPOT INC 5.875% 12/	437076AS1	5.875	12/16/2036	1,410,000.0000	1,733,941.20	1,781,337.6	FIXED INCOME
HOMESTREET INC	HOMESTREET INC	43785V102	-		5,052.0000	110,278.93	159,643.2	COMMON STOCK
HOPE BANCORP INC	HOPE BANCORP INC	43940T109	-		4,839.0000	86,570.93	105,925.7	COMMON STOCK
INSIGHT ENTERPRISES INC C	INSIGHT ENTERPRISES INC C	45765U103	-		1,305.0000	35,795.37	52,774.2	COMMON STOCK
INTERNATIONAL PAPER 3.650	INTERNATIONAL PAPER 3.650	460146CJ0	3.650	6/15/2024	1,240,000.0000	1,235,362.40	1,253,826.0	FIXED INCOME
JPMORGAN CHASE & CO 6.400	JPMORGAN CHASE & CO 6.400	46625HHF0	6.400	5/15/2038	665,000.0000	831,263.30	861,693.7	FIXED INCOME
JPMORGAN CHASE & CO 5.625	JPMORGAN CHASE & CO 5.625	46625HJM3	5.625	8/16/2043	1,155,000.0000	1,296,348.90	1,325,397.2	FIXED INCOME
JPMORGAN CHASE & CO 3.875	JPMORGAN CHASE & CO 3.875	46625HJY7	3.875	9/10/2024	285,000.0000	283,503.75	288,374.4	FIXED INCOME
JPMORGAN CHASE & CO 1.850	JPMORGAN CHASE & CO 1.850	46625HQJ7	1.850	3/22/2019	945,000.0000	944,395.20	942,013.8	FIXED INCOME
P/P JACKSON NATL LIF 3.05	P/P JACKSON NATL LIF 3.05	46849LSQ5	3.050	4/29/2026	630,000.0000	627,360.30	603,540.0	FIXED INCOME
KINDER MORGAN ENER 6.375%	KINDER MORGAN ENER 6.375%	494550BH8	6.375	3/1/2041	1,920,000.0000	2,160,213.20	2,082,758.4	FIXED INCOME
KINDER MORGAN ENER 3.950%	KINDER MORGAN ENER 3.950%	494550BL9	3.950	9/1/2022	850,000.0000	862,673.50	872,703.5	FIXED INCOME
KINDER MORGAN INC/DE 5.55	KINDER MORGAN INC/DE 5.55	49456BAH4	5.550	6/1/2045	405,000.0000	426,736.35	425,966.9	FIXED INCOME
KRAFT FOODS GROUP IN 6.50	KRAFT FOODS GROUP IN 6.50	50076QAN6	6.500	2/9/2040	940,000.0000	1,171,579.05	1,145,333.6	FIXED INCOME
KRAFT FOODS GROUP IN 6.87	KRAFT FOODS GROUP IN 6.87	50076QAR7	6.875	1/26/2039	600,000.0000	751,704.50	753,810.0	FIXED INCOME
LSC COMMUNICATIONS INC	LSC COMMUNICATIONS INC	50218P107	-		1,506.0000	38,347.68	44,698.1	COMMON STOCK
LYB INTL FINANCE BV 4.875	LYB INTL FINANCE BV 4.875	50247VAC3	4.875	3/15/2044	1,430,000.0000	1,495,896.60	1,480,893.7	FIXED INCOME
LEGACYTEXAS FINANCIAL GRO	LEGACYTEXAS FINANCIAL GRO	52471Y106	-		5,192.0000	106,756.90	223,567.5	COMMON STOCK
LEG & GEN COLLE/LEG & GEN	LEG & GEN COLLE/LEG & GEN	52472A164	-		430,021.0910	46,119,762.03	47,633,436.3	FIXED INCOME
P/P LIBERTY MUTUAL 6.500%	P/P LIBERTY MUTUAL 6.500%	53079EAZ7	6.500	5/1/2042	640,000.0000	815,206.40	758,803.2	FIXED INCOME
LOCKHEED MARTIN CORP 3.60	LOCKHEED MARTIN CORP 3.60	539830BC2	3.600	3/1/2035	750,000.0000	743,535.00	712,500.0	FIXED INCOME
LOCKHEED MARTIN CORP 4.50	LOCKHEED MARTIN CORP 4.50	539830BK4	4.500	5/15/2036	195,000.0000	191,341.80	207,320.1	FIXED INCOME
LOCKHEED MARTIN CORP 4.70	LOCKHEED MARTIN CORP 4.70	539830BL2	4.700	5/15/2046	780,000.0000	768,448.20	848,429.4	FIXED INCOME

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LUMENTUM HOLDINGS INC	LUMENTUM HOLDINGS INC	55024U109	-		2,065.0000	48,415.76	79,812.3	COMMON STOCK
MARATHON OIL CORP 6.600%	MARATHON OIL CORP 6.600%	565849AE6	6.600	10/1/2037	630,000.0000	663,763.20	688,476.6	FIXED INCOME
MARATHON PETROLEUM 5.125%	MARATHON PETROLEUM 5.125%	56585AAD4	5.125	3/1/2021	910,000.0000	1,032,285.80	993,419.7	FIXED INCOME
P/P MASS MUTUAL LIFE 8.87	P/P MASS MUTUAL LIFE 8.87	575767AG3	8.875	6/1/2039	750,000.0000	1,202,467.50	1,125,870.0	FIXED INCOME
MCKESSON CORP 6.000% 3/01	MCKESSON CORP 6.000% 3/01	58155QAE3	6.000	3/1/2041	720,000.0000	852,516.00	833,047.2	FIXED INCOME
MEDTRONIC INC 4.625% 3/15	MEDTRONIC INC 4.625% 3/15	585055BU9	4.625	3/15/2045	670,000.0000	766,660.90	724,551.4	FIXED INCOME
MERITAGE HOMES CORPORATIO	MERITAGE HOMES CORPORATIO	59001A102	-		2,215.0000	84,191.70	77,082.0	COMMON STOCK
MERRILL LYNCH & CO 7.750%	MERRILL LYNCH & CO 7.750%	59023VAA8	7.750	5/14/2038	1,115,000.0000	1,524,470.93	1,535,132.0	FIXED INCOME
METLIFE INC 6.400% 12/15/	METLIFE INC 6.400% 12/15/	59156RAP3	6.400	12/15/2036	600,000.0000	626,697.44	648,000.0	FIXED INCOME
MICROSOFT CORP 5.300% 2/0	MICROSOFT CORP 5.300% 2/0	594918AM6	5.300	2/8/2041	1,195,000.0000	1,376,469.15	1,420,855.0	FIXED INCOME
MICROSOFT CORP 3.500% 2/1	MICROSOFT CORP 3.500% 2/1	594918BC7	3.500	2/12/2035	825,000.0000	815,512.50	794,128.5	FIXED INCOME
MICROSOFT CORP 3.450% 8/0	MICROSOFT CORP 3.450% 8/0	594918BS2	3.450	8/8/2036	830,000.0000	826,787.90	788,798.8	FIXED INCOME
MICROSOFT CORP 3.700% 8/0	MICROSOFT CORP 3.700% 8/0	594918BT0	3.700	8/8/2046	460,000.0000	457,769.00	433,076.2	FIXED INCOME
MORGAN STANLEY 4.350% 9/0	MORGAN STANLEY 4.350% 9/0	6174467Y9	4.350	9/8/2026	260,000.0000	259,542.40	266,435.0	FIXED INCOME
MORGAN STANLEY 4.000% 7/2	MORGAN STANLEY 4.000% 7/2	6174468C6	4.000	7/23/2025	350,000.0000	349,713.00	358,757.0	FIXED INCOME
MORGAN STANLEY 4.300% 1/2	MORGAN STANLEY 4.300% 1/2	61747YDY8	4.300	1/27/2045	940,000.0000	932,343.20	936,775.8	FIXED INCOME
P/P MYLAN NV 5.250% 6/15/	P/P MYLAN NV 5.250% 6/15/	62854AAG9	5.250	6/15/2046	1,325,000.0000	1,309,846.50	1,222,034.3	FIXED INCOME
NATURAL GAS SERVICES GROU	NATURAL GAS SERVICES GROU	63886Q109	-		2,348.0000	74,105.73	75,488.2	COMMON STOCK
NAUTILUS INC	NAUTILUS INC	63910B102	-		1,779.0000	35,840.14	32,911.5	COMMON STOCK
NEVADA POWER CO 6.750% 7/	NEVADA POWER CO 6.750% 7/	641423BU1	6.750	7/1/2037	1,540,000.0000	2,111,201.40	2,023,298.2	FIXED INCOME
P/P NEW YORK LIFE IN 6.75	P/P NEW YORK LIFE IN 6.75	64952GAF5	6.750	11/15/2039	730,000.0000	986,857.80	960,176.3	FIXED INCOME
P/P NEW YORK LIFE GL 2.35	P/P NEW YORK LIFE GL 2.35	64952WCH4	2.350	7/14/2026	630,000.0000	629,609.40	587,128.5	FIXED INCOME
NEWSTAR FINANCIAL INC	NEWSTAR FINANCIAL INC	65251F105	-		3,161.0000	35,358.28	29,239.3	COMMON STOCK
NORFOLK SOUTHERN COR 4.83	NORFOLK SOUTHERN COR 4.83	655844BH0	4.837	10/1/2041	1,005,000.0000	1,084,827.15	1,091,319.5	FIXED INCOME
OCCIDENTAL PETROLEUM 4.40	OCCIDENTAL PETROLEUM 4.40	674599CJ2	4.400	4/15/2046	585,000.0000	580,460.40	595,319.4	FIXED INCOME
ORACLE CORP 6.125% 7/08/3	ORACLE CORP 6.125% 7/08/3	68389XAH8	6.125	7/8/2039	615,000.0000	771,185.40	773,909.9	FIXED INCOME
ORACLE CORP 3.850% 7/15/3	ORACLE CORP 3.850% 7/15/3	68389XBH7	3.850	7/15/2036	385,000.0000	384,942.25	375,729.2	FIXED INCOME
ORACLE CORP 4.000% 7/15/4	ORACLE CORP 4.000% 7/15/4	68389XB3J	4.000	7/15/2046	1,000,000.0000	999,820.00	956,500.0	FIXED INCOME
PNM RES INC	PNM RES INC	69349H107	-		2,634.0000	67,830.18	90,346.2	COMMON STOCK
PPL ELECTRIC UTILITI 4.12	PPL ELECTRIC UTILITI 4.12	69351UAS2	4.125	6/15/2044	1,000,000.0000	988,270.00	1,013,470.0	FIXED INCOME
PACIFIC GAS & ELECTR 6.05	PACIFIC GAS & ELECTR 6.05	694308GE1	6.050	3/1/2034	1,600,000.0000	1,949,072.00	2,002,352.0	FIXED INCOME
P/P PACIFIC LIFE INS 9.25	P/P PACIFIC LIFE INS 9.25	694475AA2	9.250	6/15/2039	635,000.0000	974,667.85	937,971.2	FIXED INCOME
PACIFICORP 4.100% 2/01/42	PACIFICORP 4.100% 2/01/42	695114CN6	4.100	2/1/2042	1,570,000.0000	1,539,871.70	1,576,656.8	FIXED INCOME
PERFICIENT INC	PERFICIENT INC	71375U101	-		3,897.0000	68,061.58	68,158.5	COMMON STOCK
P/P PERIOD-RICARD SA 4.45	P/P PERIOD-RICARD SA 4.45	714264AD0	4.450	1/15/2022	800,000.0000	856,832.00	848,784.0	FIXED INCOME
PERRIGO CO PLC 5.300% 11/	PERRIGO CO PLC 5.300% 11/	714294AH8	5.300	11/15/2043	550,000.0000	536,802.50	531,965.5	FIXED INCOME
PETRO-CANADA 6.800% 5/15/	PETRO-CANADA 6.800% 5/15/	71644EAJ1	6.800	5/15/2038	1,185,000.0000	1,564,282.95	1,536,672.5	FIXED INCOME
PHIBRO ANIMAL HEALTH CORP	PHIBRO ANIMAL HEALTH CORP	71742Q106	-		1,218.0000	29,124.21	35,687.4	COMMON STOCK
PHILIP MORRIS INTL 6.375%	PHILIP MORRIS INTL 6.375%	718172AC3	6.375	5/16/2038	845,000.0000	1,070,074.20	1,083,492.8	FIXED INCOME
PHILLIPS 66 5.875% 5/01/4	PHILLIPS 66 5.875% 5/01/4	718546AH7	5.875	5/1/2042	475,000.0000	577,752.00	562,428.5	FIXED INCOME
PINNACLE FINL PARTNERS IN	PINNACLE FINL PARTNERS IN	72346Q104	-		1,654.0000	79,285.47	114,622.2	COMMON STOCK
PINNACLE ENTERTAINMENT IN	PINNACLE ENTERTAINMENT IN	72348Y105	-		3,626.0000	45,150.32	52,577.0	COMMON STOCK
POTASH CORP-SASKATCH 3.62	POTASH CORP-SASKATCH 3.62	73755LAL1	3.625	3/15/2024	850,000.0000	866,464.50	843,140.5	FIXED INCOME
PROGRESS ENERGY INC 6.000	PROGRESS ENERGY INC 6.000	743263AP0	6.000	12/1/2039	2,300,000.0000	2,890,732.00	2,763,772.0	FIXED INCOME
VR PRUDENTIAL FINA 5.375%	VR PRUDENTIAL FINA 5.375%	744320AV4	5.375	5/15/2045	710,000.0000	710,000.00	725,975.0	FIXED INCOME
PRUDENTIAL FINANCIAL 5.80	PRUDENTIAL FINANCIAL 5.80	74432QBU8	5.800	11/16/2041	450,000.0000	542,304.00	528,759.0	FIXED INCOME
PRUDENTIAL FINANCIAL 2.35	PRUDENTIAL FINANCIAL 2.35	74432QCB9	2.350	8/15/2019	565,000.0000	564,548.00	570,452.3	FIXED INCOME
PUBLIC SERVICE ELECT 4.00	PUBLIC SERVICE ELECT 4.00	74456QBF2	4.000	6/1/2044	865,000.0000	856,791.15	872,707.2	FIXED INCOME
RETAIL OPPORTUNITY INVEST	RETAIL OPPORTUNITY INVEST	76131N101	-		6,251.0000	110,806.60	132,083.6	COMMON STOCK
REXFORD INDUSTRIAL REALTY	REXFORD INDUSTRIAL REALTY	76169C100	22		2,876.0000	39,780.83	66,694.4	COMMON STOCK

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ROGERS COMMUNICATION 5.45	ROGERS COMMUNICATION 5.45	775109AZ4	5.450	10/1/2043	1,105,000.0000	1,220,373.05	1,219,135.5	FIXED INCOME
SM ENERGY CO	SM ENERGY CO	78454L100	-		3,581.0000	126,293.99	123,472.9	COMMON STOCK
SABRA HEALTH CARE REIT -	SABRA HEALTH CARE REIT -	78573L106	-		3,554.0000	71,872.25	86,788.7	COMMON STOCK
SAIA INC	SAIA INC	78709Y105	-		3,156.0000	125,726.60	139,337.4	COMMON STOCK
SENSIENT TECHNOLOGIES COR	SENSIENT TECHNOLOGIES COR	81725T100	-		1,251.0000	65,279.68	98,303.6	COMMON STOCK
SHELL INTERNATIONAL 5.500	SHELL INTERNATIONAL 5.500	822582AN2	5.500	3/25/2040	1,485,000.0000	1,756,116.45	1,726,891.7	FIXED INCOME
SHELL INTERNATIONAL 2.250	SHELL INTERNATIONAL 2.250	822582BP6	2.250	11/10/2020	870,000.0000	865,223.70	868,790.7	FIXED INCOME
SIMON PROPERTY GROUP 6.75	SIMON PROPERTY GROUP 6.75	828807CE5	6.750	2/1/2040	750,000.0000	1,012,477.50	1,000,830.0	FIXED INCOME
SOUTH CAROLINA ELEC& 6.05	SOUTH CAROLINA ELEC& 6.05	837004CB4	6.050	1/15/2038	820,000.0000	1,041,924.80	1,013,938.2	FIXED INCOME
SOUTH CAROLINA ELEC& 4.50	SOUTH CAROLINA ELEC& 4.50	837004CH1	4.500	6/1/2064	340,000.0000	336,389.20	335,168.6	FIXED INCOME
SOUTH CAROLINA ELEC& 4.10	SOUTH CAROLINA ELEC& 4.10	837004CK4	4.100	6/15/2046	565,000.0000	563,836.10	559,254.0	FIXED INCOME
SOUTHERN CAL EDISON 6.050	SOUTHERN CAL EDISON 6.050	842400FL2	6.050	3/15/2039	470,000.0000	603,724.40	602,192.2	FIXED INCOME
SPECTRA ENERGY PARTN 5.95	SPECTRA ENERGY PARTN 5.95	84756NAE9	5.950	9/25/2043	1,160,000.0000	1,398,814.30	1,312,853.2	FIXED INCOME
P/P SPIRIT REALTY LP 4.45	P/P SPIRIT REALTY LP 4.45	84861TAA6	4.450	9/15/2026	745,000.0000	740,366.10	702,050.8	FIXED INCOME
STAG INDUSTRIAL INC	STAG INDUSTRIAL INC	85254J102	-		4,474.0000	99,240.91	106,794.4	COMMON STOCK
STRYKER CORP 4.625% 3/15/	STRYKER CORP 4.625% 3/15/	863667AJ0	4.625	3/15/2046	620,000.0000	613,142.80	632,201.6	FIXED INCOME
SUMMIT MATERIALS INC	SUMMIT MATERIALS INC	86614U100	-		3,785.0000	74,733.88	90,045.2	COMMON STOCK
SUNOCO LOGISTICS PAR 5.35	SUNOCO LOGISTICS PAR 5.35	86765BAQ2	5.350	5/15/2045	240,000.0000	225,348.00	231,758.4	FIXED INCOME
SUNOCO LOGISTICS PAR 3.90	SUNOCO LOGISTICS PAR 3.90	86765BAT6	3.900	7/15/2026	560,000.0000	561,531.56	542,046.4	FIXED INCOME
SUPER MICRO COMPUTER INC	SUPER MICRO COMPUTER INC	86800U104	-		1,518.0000	38,673.13	42,579.9	COMMON STOCK
P/P TEACHERS INSUR 6.850%	P/P TEACHERS INSUR 6.850%	878091BC0	6.850	12/16/2039	485,000.0000	625,060.67	629,394.2	FIXED INCOME
TELEFONICA EMISIONES 7.04	TELEFONICA EMISIONES 7.04	87938WAC7	7.045	6/20/2036	730,000.0000	922,710.34	847,318.3	FIXED INCOME
TEXAS CAP BANCSHARES INC	TEXAS CAP BANCSHARES INC	88224Q107	-		344.0000	21,290.06	26,969.6	COMMON STOCK
TIME WARNER CO INC 7.570%	TIME WARNER CO INC 7.570%	887315BH1	7.570	2/1/2024	1,330,000.0000	1,765,521.80	1,644,678.0	FIXED INCOME
TIME WARNER INC 4.650% 6/	TIME WARNER INC 4.650% 6/	887317AU9	4.650	6/1/2044	870,000.0000	860,691.00	831,850.5	FIXED INCOME
TIME WARNER INC 3.800% 2/	TIME WARNER INC 3.800% 2/	887317BB0	3.800	2/15/2027	570,000.0000	567,805.50	566,762.4	FIXED INCOME
TIME WARNER CABLE IN 5.87	TIME WARNER CABLE IN 5.87	88732JAY4	5.875	11/15/2040	585,000.0000	683,519.85	623,873.3	FIXED INCOME
TIME WARNER CABLE IN 5.50	TIME WARNER CABLE IN 5.50	88732JBB3	5.500	9/1/2041	1,065,000.0000	987,683.55	1,082,689.7	FIXED INCOME
TOPBUILD CORP	TOPBUILD CORP	89055F103	-		2,756.0000	81,647.06	98,113.6	COMMON STOCK
TRANS-CANADA PIPELIN 4.62	TRANS-CANADA PIPELIN 4.62	89352HAM1	4.625	3/1/2034	1,600,000.0000	1,694,224.00	1,687,184.0	FIXED INCOME
TRAVELERS COS INC 6.250%	TRAVELERS COS INC 6.250%	89417EAD1	6.250	6/15/2037	555,000.0000	720,262.35	713,186.1	FIXED INCOME
TRINITY ACQUISITION 6.125	TRINITY ACQUISITION 6.125	89641UAB7	6.125	8/15/2043	615,000.0000	678,271.20	657,447.3	FIXED INCOME
21ST CENTY FOX AMER 7.750	21ST CENTY FOX AMER 7.750	90131HBR5	7.750	12/1/2045	1,830,000.0000	2,618,821.50	2,537,734.2	FIXED INCOME
P/P 21ST CENTURY FOX 4.75	P/P 21ST CENTURY FOX 4.75	90131HCC7	4.750	11/15/2046	480,000.0000	482,947.20	481,430.4	FIXED INCOME
UNION PACIFIC CORP 3.646%	UNION PACIFIC CORP 3.646%	907818DR6	3.646	2/15/2024	1,300,000.0000	1,349,374.00	1,357,174.0	FIXED INCOME
UNITED COMMUNITY BANKS IN	UNITED COMMUNITY BANKS IN	90984P303	-		6,385.0000	116,658.86	189,123.7	COMMON STOCK
US TREASURY BOND 6.500% 1	US TREASURY BOND 6.500% 1	912810EY0	6.500	11/15/2026	17,445,000.0000	24,703,972.81	23,625,065.7	FIXED INCOME
US TREASURY BOND 5.250% 1	US TREASURY BOND 5.250% 1	912810FF0	5.250	11/15/2028	16,580,000.0000	21,395,208.10	21,107,169.0	FIXED INCOME
US TREASURY BOND 4.750% 2	US TREASURY BOND 4.750% 2	912810PT9	4.750	2/15/2037	270,000.0000	380,397.26	351,410.4	FIXED INCOME
US TREASURY BOND 5.000% 5	US TREASURY BOND 5.000% 5	912810PU6	5.000	5/15/2037	1,885,000.0000	2,598,001.85	2,530,989.5	FIXED INCOME
US TREASURY BOND 3.750% 1	US TREASURY BOND 3.750% 1	912810RD2	3.750	11/15/2043	2,905,000.0000	3,151,033.42	3,293,660.0	FIXED INCOME
US TREASURY BOND 3.125% 8	US TREASURY BOND 3.125% 8	912810RH3	3.125	8/15/2044	11,830,000.0000	12,782,227.49	11,973,261.3	FIXED INCOME
US TREASURY BOND 3.000% 1	US TREASURY BOND 3.000% 1	912810RJ9	3.000	11/15/2044	605,000.0000	651,952.68	597,649.3	FIXED INCOME
US TREASURY BOND 3.000% 5	US TREASURY BOND 3.000% 5	912810RM2	3.000	5/15/2045	790,000.0000	808,574.03	779,319.2	FIXED INCOME
US TREASURY BOND 2.500% 5	US TREASURY BOND 2.500% 5	912810RS9	2.500	5/15/2046	2,575,000.0000	2,673,637.42	2,288,325.3	FIXED INCOME
US TREASURY BOND 2.250% 8	US TREASURY BOND 2.250% 8	912810RT7	2.250	8/15/2046	170,000.0000	141,060.16	142,939.4	FIXED INCOME
US TREASURY NOTE 1.500% 8	US TREASURY NOTE 1.500% 8	9128282A7	1.500	8/15/2026	2,910,000.0000	2,872,476.76	2,676,414.3	FIXED INCOME
US TREASURY NOTE 2.125% 1	US TREASURY NOTE 2.125% 1	912828B58	2.125	1/31/2021	1,855,000.0000	1,878,514.29	1,879,708.6	FIXED INCOME
US TREASURY NOTE 1.625% 5	US TREASURY NOTE 1.625% 5	912828R36	1.625	5/15/2026	4,955,000.0000	4,808,844.16	4,620,537.5	FIXED INCOME
UNITED TECHNOLOGIES 6.125	UNITED TECHNOLOGIES 6.125	913017BP3	6.125	7/15/2038	1,600,000.0000	2,047,920.00	2,035,344.0	FIXED INCOME

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UNITED TECHNOLOGIES 6.125	UNITED TECHNOLOGIES 6.125	913017BP3	6.125	7/15/2038	1,600,000.0000	2,047,920.00	2,035,344.0	FIXED INCOME
UNITEDHEALTH GROUP 4.625%	UNITEDHEALTH GROUP 4.625%	91324PBU5	4.625	11/15/2041	795,000.0000	837,588.15	839,639.3	FIXED INCOME
VENTAS REALTY LP/CAP 5.70	VENTAS REALTY LP/CAP 5.70	92277GAB3	5.700	9/30/2043	530,000.0000	622,394.90	595,370.2	FIXED INCOME
VERIZON COMMUNICATIO 5.01	VERIZON COMMUNICATIO 5.01	92343VCM4	5.012	8/21/2054	1,299,000.0000	1,349,977.11	1,292,193.2	FIXED INCOME
VERIZON COMMUNICATIO 4.27	VERIZON COMMUNICATIO 4.27	92343VCV4	4.272	1/15/2036	2,262,000.0000	1,966,843.65	2,165,028.1	FIXED INCOME
VERIZON COMMUNICATIO 4.67	VERIZON COMMUNICATIO 4.67	92343VCZ5	4.672	3/15/2055	1,532,000.0000	1,430,315.56	1,438,716.5	FIXED INCOME
VIACOM INC 4.375% 3/15/43	VIACOM INC 4.375% 3/15/43	92553PAP7	4.375	3/15/2043	510,000.0000	401,966.70	406,245.6	FIXED INCOME
VIACOM INC 5.850% 9/01/43	VIACOM INC 5.850% 9/01/43	92553PAU6	5.850	9/1/2043	425,000.0000	480,370.08	416,500.0	FIXED INCOME
VIRGINIA ELEC & POWE 4.45	VIRGINIA ELEC & POWE 4.45	927804FR0	4.450	2/15/2044	205,000.0000	219,376.65	215,223.4	FIXED INCOME
VISA INC 4.300% 12/14/45	VISA INC 4.300% 12/14/45	92826CAF9	4.300	12/14/2045	1,515,000.0000	1,512,469.95	1,599,097.7	FIXED INCOME
VIRTUSA CORP	VIRTUSA CORP	92827P102	-		667.0000	23,244.33	16,755.0	COMMON STOCK
P/P WEA FINANCE LLC/ 4.75	P/P WEA FINANCE LLC/ 4.75	92890HAD4	4.750	9/17/2044	690,000.0000	687,812.70	682,044.3	FIXED INCOME
WAL-MART STORES INC 6.200	WAL-MART STORES INC 6.200	931142CM3	6.200	4/15/2038	810,000.0000	1,033,771.05	1,067,733.9	FIXED INCOME
WALGREENS BOOTS ALLI 4.80	WALGREENS BOOTS ALLI 4.80	931427AC2	4.800	11/18/2044	350,000.0000	331,089.50	359,733.5	FIXED INCOME
WELLPOINT INC 4.650% 1/15	WELLPOINT INC 4.650% 1/15	94973VBB2	4.650	1/15/2043	555,000.0000	568,480.95	557,164.5	FIXED INCOME
WELLS FARGO & COMPAN 3.50	WELLS FARGO & COMPAN 3.50	94974BFC9	3.500	3/8/2022	1,405,000.0000	1,453,177.45	1,445,534.3	FIXED INCOME
WELLS FARGO & COMPAN 5.37	WELLS FARGO & COMPAN 5.37	94974BFP0	5.375	11/2/2043	1,935,000.0000	2,126,868.30	2,135,562.8	FIXED INCOME
WELLS FARGO & COMPAN 4.30	WELLS FARGO & COMPAN 4.30	94974BGL8	4.300	7/22/2027	640,000.0000	637,568.00	658,284.8	FIXED INCOME
WESTERN GAS PARTNERS 5.45	WESTERN GAS PARTNERS 5.45	958254AD6	5.450	4/1/2044	615,000.0000	631,219.45	633,425.4	FIXED INCOME
WINTRUST FINL CORP	WINTRUST FINL CORP	97650W108	-		2,381.0000	107,893.22	172,789.2	COMMON STOCK
XCEL ENERGY INC 3.300% 6/	XCEL ENERGY INC 3.300% 6/	98389BAR1	3.300	6/1/2025	1,390,000.0000	1,399,521.50	1,390,375.3	FIXED INCOME
ZIMMER HOLDINGS INC 3.550	ZIMMER HOLDINGS INC 3.550	98956PAF9	3.550	4/1/2025	1,070,000.0000	1,067,485.50	1,042,169.3	FIXED INCOME
		CASH	-		208.5000	1,254.40	1,254.4	CASH
		CASH	-		317,135.0000	317,138.40	317,138.4	CASH
ARGO GROUP INTL HLDGS LTD	ARGO GROUP INTL HLDGS LTD	G0464B107	-		970.0000	40,250.91	63,923.0	COMMON STOCK
HELEN OF TROY LIMITED	HELEN OF TROY LIMITED	G4388N106	-		828.0000	44,282.35	69,924.6	COMMON STOCK
MAIDEN HOLDINGS LTD	MAIDEN HOLDINGS LTD	G5753U112	-		7,062.0000	82,278.66	123,231.9	COMMON STOCK
NABORS INDUSTRIES LTD	NABORS INDUSTRIES LTD	G6359F103	-		8,436.0000	93,955.39	138,350.4	COMMON STOCK
NORTHGATE PEP III LP	NORTHGATE PEP III LP	MS6097211	-		9,263,327.6700	9,263,327.67	6,018,001.0	VENTURE/LMTD PART/CLS HLD
HARBOURVEST PTNRS VIII BU	HARBOURVEST PTNRS VIII BU	MS6101187	-		3,862,862.0000	3,862,862.00	4,042,756.0	VENTURE/LMTD PART/CLS HLD
HARBOURVEST VIII MEZZ & D	HARBOURVEST VIII MEZZ & D	MS6101195	-		419,826.0000	419,826.00	380,435.0	VENTURE/LMTD PART/CLS HLD
INVESCO VENTURE PARTNERSH	INVESCO VENTURE PARTNERSH	MS6162544	-		1,185,495.2400	1,185,495.24	11,310.0	VENTURE/LMTD PART/CLS HLD
INVESCO NON-US PARTNERSHI	INVESCO NON-US PARTNERSHI	MS6162551	-		191,822.0900	191,822.09	93,837.0	VENTURE/LMTD PART/CLS HLD
INVESCO US BUYOUT PARTNER	INVESCO US BUYOUT PARTNER	MS6162569	-		210,059.6000	210,059.60	74,318.0	VENTURE/LMTD PART/CLS HLD
HARBOURVEST PTNRS VIII VE	HARBOURVEST PTNRS VIII VE	MS6422286	-		1,040,944.0000	1,040,944.00	1,151,447.0	VENTURE/LMTD PART/CLS HLD
INDEPENDENT FRNCHSE PRTNR	INDEPENDENT FRNCHSE PRTNR	MS6653161	-		37,400,000.0000	37,400,000.00	40,631,865.0	VENTURE/LMTD PART/CLS HLD
CANYON VAL REALIZATION FU	CANYON VAL REALIZATION FU	MS6653385	-		2,136.0968	16,900,000.00	17,707,660.0	VENTURE/LMTD PART/CLS HLD
PENTWATER EVENT FUND LTD	PENTWATER EVENT FUND LTD	MS6653419	-		10,173.0344	19,300,000.00	20,249,780.0	VENTURE/LMTD PART/CLS HLD
RIMROCK HIGH INC PLUS FUN	RIMROCK HIGH INC PLUS FUN	MS6653427	-		63,825.8184	16,900,000.00	17,188,966.0	VENTURE/LMTD PART/CLS HLD
HARBVEST PART VI-BUYOUT F	HARBVEST PART VI-BUYOUT F	MS6688977	-		1,172,557.0000	1,172,557.00	806,253.0	VENTURE/LMTD PART/CLS HLD
HARBOURVEST PART VI-PART	HARBOURVEST PART VI-PART	MS6688985	-		998,464.0000	998,464.00	764,907.0	VENTURE/LMTD PART/CLS HLD
HLDBK-LITESPEED OFFSHORE	HLDBK-LITESPEED OFFSHORE	MS6757566	-		1,375,398.6500	1,375,398.65	1,375,398.7	MISCELLANEOUS
WF GOVT MM FD-INSTL #1751	WF GOVT MM FD-INSTL #1751	VP4560000	0.364		2,668,547.2200	2,668,547.22	2,668,547.2	CASH EQUIVALENTS
WF GOVT MM FD-INSTL #1751	WF GOVT MM FD-INSTL #1751	VP4560000	0.364		489,612.6700	489,612.6700	489,612.7	CASH EQUIVALENTS
WF GOVT MM FD-INSTL #1751	WF GOVT MM FD-INSTL #1751	VP4560000	0.364		13,492,497.5300	13,492,497.5300	13,492,497.5	CASH EQUIVALENTS
							<u>574,356.434</u>	

Attachment to 2016 Schedule SB
Line 26: Schedule of Active Participant Data – All Actives
KapStone Paper and Packaging Corporation Defined Benefit Retirement Plan
EIN: 20-2699372
Plan Number: 002

Completed Years of Credited Service on January 1, 2016

Attained Age	<1	1-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40+	Total
Under 25	14	10	0	0	0	0	0	0	0	0	24
25-29	9	42	20	0	0	0	0	0	0	0	71
30-34	7	52	52	11	0	0	0	0	0	0	122
35-39	7	31	91	24	6	0	0	0	0	0	159
40-44	4	39	100	20	42	13	0	0	0	0	218
45-49	5	46	158	26	56	30	11	0	0	0	332
50-54	10	46	185	15	39	47	54	8	0	0	404
55-59	5	28	197	19	29	27	42	23	43	0	413
60-64	4	22	125	15	9	5	15	5	14	9	223
65-69	1	7	33	0	3	0	1	1	0	1	47
Over 69	0	0	2	0	0	0	0	0	0	0	2
Total	66	323	963	130	184	122	123	37	57	10	2,015

Attachment to 2016 Schedule SB
Line 26: Schedule of Active Participant Data – All Actives with a Cash Balance Account
KapStone Paper and Packaging Corporation Defined Benefit Retirement Plan
EIN: 20-2699372
Plan Number: 002

Completed Years of Credited Service on January 1, 2016

Attained Age	Statistic	<1	1-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40+	Total
Under 25	Count	10	9	0	0	0	0	0	0	0	0	19
	Avg Balance											
25-29	Count	5	20	4	0	0	0	0	0	0	0	29
	Avg Balance		13,034									14,613
30-34	Count	4	22	6	8	0	0	0	0	0	0	40
	Avg Balance		17,199									23,137
35-39	Count	4	16	14	13	5	0	0	0	0	0	52
	Avg Balance											31,453
40-44	Count	3	23	12	13	38	13	0	0	0	0	102
	Avg Balance		24,511			32,097						29,979
45-49	Count	4	29	9	14	55	30	10	0	0	0	151
	Avg Balance		32,505			23,868	44,830					34,034
50-54	Count	9	32	15	9	36	45	53	8	0	0	207
	Avg Balance		26,126			29,186	44,688	67,604				46,234
55-59	Count	5	20	12	14	29	26	42	22	43	0	213
	Avg Balance		31,513			33,471	45,791	60,580	86,394	89,165		59,090
60-64	Count	2	19	15	10	9	4	14	5	14	9	101
	Avg Balance											58,432
65+	Count	1	6	5	0	3	0	1	1	0	1	18
	Avg Balance											
Total	Count	47	196	92	81	175	118	120	36	57	10	932
	Avg Balance	5,581	24,562	52,049	32,126	31,105	45,119	64,459	84,804	91,005		43,109

Actuarial Assumptions and Methods

ERISA Interest Rates based on plan sponsor election:

“Minimum” means for the purpose of calculating the PPA funding liability and normal cost for the minimum required contribution.

“Maximum” means for the purpose of calculating the PPA funding liability and normal cost for the maximum tax-deductible contribution.

	2016 Plan Year		2015 Plan Year	
Purpose	Minimum	Maximum	Minimum	Maximum
Segment rates or full yield curve	Segment	Segment	Segment	Segment
Look-back months	4	4	4	4
First 5 years	4.43%	1.34%	4.72%	1.15%
Next 15 years	5.91%	4.03%	6.11%	4.06%
Over 20 years	6.65%	5.06%	6.81%	5.15%
Applicable Law for the segment rates corridor	BBA	Not Applicable	HATFA	Not Applicable

Interest Credit for Increasing Account Balances:

- *2001 and 2010 Cash Account:* 3.50% compounded annually
- *2009 Cash Account:* 6.50% compounded quarterly

These assumed rates are based on a review of historical returns for the 10 year Treasury and third segment interest rates and our expectations regarding future levels of these rates.

Salary Scale: 3.00%. This is a long-term assumption based on the Taxable Wage Base (TWB) assumption and increase in Consumer Price Index. This assumption was determined by the prior actuary for this plan. There has been no pattern of significant consistent gains or consistent losses related to this assumption.

Increase in Consumer Price Index: 3.00%. This is based on long-term historical inflation rates of about 3.80% (since 1952), adjusted to lower by 0.80% to reflect the current low rate environment.

Increase in Social Security Taxable Wage Base: N/A.

Administrative Expenses: \$2,634,000. Estimated based on the non-investment related administrative expenses, net of PBGC premiums, paid from the Trust in the prior year, plus current year's PBGC premium (previously \$0).

Mortality:

IRS 2016 Static Mortality Table using separate tables for annuitants and non-annuitants (previously IRS 2015 Static Mortality Table). These tables include future mortality improvement of 7 years for annuitants and 15 years for non-annuitants.

Actuarial Assumptions and Methods (continued)

Retirement Rates: Based on the assumption used by the prior actuary for this plan. There has been no pattern of significant consistent gains or consistent losses related to this decrement.

Longview: Rates varying by age for actives:

Age	Longview Non-Union	Longview Union
55	7%	5%
56	7%	5%
57	7%	3%
58	7%	4%
59	7%	4%
60	20%	5%
61	25%	5%
62	50%	35%
63	35%	30%
64	35%	35%
65	35%	100%
66	35%	100%
67	35%	100%
68	35%	100%
69	35%	100%
70	100%	100%

Former Longview employees are assumed to retire at age 65.

KapStone:

Active:

Attachment to 2016 Schedule SB

Part V: Statement of Actuarial Assumptions/Methods

KapStone Paper and Packaging Corporation Defined Benefit Retirement Plan

EIN: 20-2699372

Plan Number: 002

Roanoke: All active participants are assumed to retire at age 62.

Charleston: The later of attained age 62 and 20 years of service, but not later than age 65.

Inactive:

All inactive participants are assumed to retire at age 65.

Actuarial Assumptions and Methods (continued)

Termination:

Longview: Rates varying by age, plan (union or non-union) and sex.

Sample rates are shown below:

Age	Longview Non-Union Male	Longview Non-Union Female	Longview Union Male	Longview Union Female
20	26.1%	31.5%	22.5%	31.5%
25	20.3%	21.7%	16.5%	23.3%
30	15.1%	15.1%	12.1%	16.0%
35	11.1%	11.1%	8.6%	10.8%
40	8.5%	8.5%	5.6%	6.9%
45	6.3%	6.3%	3.8%	4.8%
50	5.5%	5.5%	3.3%	4.2%
55	4.9%	4.9%	2.7%	3.5%
60	4.4%	4.4%	1.9%	3.0%
64	4.0%	4.0%	1.3%	2.8%

KapStone: 2003 Society of Actuaries Small Plan Age Table, multiplied by 0.25.

Disability:

Longview Non-Union: None.

Longview Union: Sample rates as follows:

Age	Longview Union
45	0.25%
50	0.75%
55	1.25%
60	1.25%
65	0.00%

KapStone: 1987 Commissioner's Group Disability Table.

Actuarial Assumptions and Methods (continued)

Marital Status: 100% of males and females are assumed married, with females 4 years younger than males based on the assumption used by the prior actuary and checked for reasonability each year.

Maximum Benefit: \$210,000 for 2016. For determining limitations under funding amounts, no future increases in the IRC Section 415 limit have been reflected.

Maximum Salary: N/A.

Form of Payment:

The assumed form of payment varies by legacy plan and is summarized below. To the extent optional forms of payment are elected and conversions are determined under an actuarial basis, which differs from the basis funded in the valuation, gains or losses will occur. These gains or losses will be recognized through the routine application of the actuarial cost method.

Longview Non-Union: All employees are assumed to take their 2001 Cash Account immediately upon termination. For the Cash Account, employees who terminate prior to satisfying both age 55 and 15 years of service are assumed to take their benefit immediately as a lump sum. For those who satisfy both age 55 and 15 years of service, 40% are assumed to take an immediate lump sum and 60% are assumed to elect a monthly single life annuity. All employees are assumed to take their Frozen Formula benefit in the form of a single life annuity.

Longview Union: Employees are assumed to take all Cash Accounts immediately as a lump sum. Frozen monthly benefits are assumed to be taken in the single life annuity form.

KapStone: Employees are assumed to be paid in the normal annuity form applicable to the particular benefit.

Data Assumptions:

- Estimated accrued benefits for 19 terminated vested participants based on benefit service.
- Vesting or benefit service was estimated for 12 participants.

Actuarial Assumptions and Methods (continued)

Actuarial Value of Plan Assets for Funding Purposes: The actuarial value of assets is equal to:

- a) the market value of assets, including discounted receivables, on the valuation date, less
- b) the following percentages of prior years' investment gains (losses):
 - i) 67% of the prior year, and
 - ii) 33% of the second prior year,

Investment gains and losses are defined as the excess or deficiency of the expected return on the market value (at an assumed rate of 6.50%, not to exceed the third segment rate for that year) over the actual return on the market value of assets, including discounted receivables, for any given year.

- c) The actuarial value of assets can be neither less than 90% nor greater than 110% of the market value of assets, including discounted receivables.

Actuarial Assumptions and Methods (continued)

Actuarial Cost Method: The unit credit cost method is used for ERISA funding target (FT) purposes. Under this method, accrued pension benefits are determined for all eligible active participants. These benefits reflect service, salary and negotiated benefit increases to date. The liability is then equal to the present value of all benefits (PVAB) for inactive participants plus the PVAB for active participants.

The normal cost is determined on an individual basis for all active participants who have not attained the assumed retirement age and is equal to the present value of the difference between the current accrued benefit and the anticipated accrued benefit one year later, with the accrued benefit based upon earnings, or negotiated benefit increases, to date in both cases. The total normal cost is based upon the sum of the individual normal costs. The target normal cost for funding is equal to the total normal cost plus assumed administrative expenses expected to be paid from the trust.

The projected unit credit method is used for IRS maximum deductible limit cushion amount purposes. Under this method, accrued pension benefits are determined for all eligible active participants. These benefits reflect service to date and anticipated salary and negotiated benefit increases to the assumed retirement age. The liability is then equal to the present value of all benefits for inactive participants plus the PVAB for active participants.

The normal cost is determined on an individual basis for all active participants who have not attained the assumed retirement age and is equal to the present value of the difference between the current accrued benefit and the anticipated accrued benefit one year later, with the accrued benefit based upon earnings and negotiated benefit increases projected to assumed retirement age in both cases. The total normal cost is based upon the sum of the individual normal costs.

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 KAPSTONE PAPER AND PACKAGING CORPORATION DEFINED BENEFIT RETIREMENT PLAN	B Three-digit plan number (PN) ►	002
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF KAPSTONE PAPER AND PACKAGING CORPORATION	D Employer Identification Number (EIN) 20-2699372	
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	592339035	
b Actuarial value	2b	630345402	
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	2530	334355636	334355636
b For terminated vested participants	1663	61365057	61365057
c For active participants	2015	121099940	128577023
d Total	6208	516820633	524297716
4 If the plan is in at-risk status, check the box and complete lines (a) and (b) ☐			
a Funding target disregarding prescribed at-risk assumptions	4a		
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor	4b		
5 Effective interest rate	5	6.04%	
6 Target normal cost	6	5528192	

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		07/19/2017 Date
	Cynthia Hannan Type or print name of actuary	1706267 Most recent enrollment number
	Fidelity Investments Firm name	617-563-7359 Telephone number (including area code)
	200 Seaport Blvd. Boston MA 02210 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 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)	16543467	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)	16543467	0
10	Interest on line 9 using prior year's actual return of <u>-2.60%</u>	-430130	0
11	Prior year's excess contributions to be added to prefunding balance:		
	a Present value of excess contributions (line 38a from prior year)		0
	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>6.24%</u>		0
	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		0
	d Portion of (c) to be added to prefunding balance		
12	Other reductions in balances due to elections or deemed elections	0	
13	Balance at beginning of current year (line 9 + line 10 + line 11d - line 12)	16113337	0

Part III Funding Percentages			
14	Funding target attainment percentage	14	117.15%
15	Adjusted funding target attainment percentage	15	120.22%
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	127.13%
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage.	17	%

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

19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:

a Contributions allocated toward unpaid minimum required contributions from prior years	19a	0
b Contributions made to avoid restrictions adjusted to valuation date	19b	0
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	0

20 Quarterly contributions and liquidity shortfalls:

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

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

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

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

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 62
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	5528192	
b Excess assets, if applicable, but not greater than line 31a	31b	5528192	
32 Amortization installments:	Outstanding Balance		Installment
a Net shortfall amortization installment	0		0
b Waiver amortization installment	0		0
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33		
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)	34	0	
	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement	0	0	0
36 Additional cash requirement (line 34 minus line 35)	36	0	
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	37	0	
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)	38a	0	
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b	0	
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	39	0	
40 Unpaid minimum required contributions for all years	40	0	

Part IX Pension Funding Relief Under Pension Relief Act of 2010 (See Instructions)

41 If an election was made to use PRA 2010 funding relief for this plan:			
a Schedule elected	☐ 2 plus 7 years ☐ 15 years		
b Eligible plan year(s) for which the election in line 41a was made	☐ 2008 ☐ 2009 ☐ 2010 ☐ 2011		
42 Amount of acceleration adjustment	42		
43 Excess installment acceleration amount to be carried over to future plan years	43		

Description of Weighted Average Retirement Age

Age	Legacy Longview Union (523 Actives)	Legacy Longview Non-Union (584 Actives)	Legacy Kapstone (908 Actives)	Weighted Average Retirement Rates	Probability of Not Retiring Before Age	Weighted Retirement Age
55.5	0.05	0.07		0.033266	1.000000	1.846236
56.5	0.05	0.07		0.033266	0.966734	1.816979
57.5	0.03	0.07		0.028074	0.934576	1.508667
58.5	0.04	0.07		0.030670	0.908338	1.629734
59.5	0.04	0.07		0.030670	0.880479	1.606754
60.5	0.05	0.20		0.070943	0.853475	3.663155
61.5	0.05	0.25		0.085434	0.792927	4.166201
62.5	0.35	0.50	1.00	0.686377	0.725184	31.109350
63.5	0.30	0.35	1.00	0.629926	0.227434	9.097430
64.5	0.35	0.35	1.00	0.642903	0.084168	3.490199
65.5	1.00	0.35	1.00	0.811613	0.030056	1.597795
66.5	1.00	0.35	1.00	0.811613	0.005662	0.305599
67.5	1.00	0.35	1.00	0.811613	0.001067	0.058437
68.5	1.00	0.35	1.00	0.811613	0.000201	0.011172
69.5	1.00	0.35	1.00	0.811613	0.000038	0.002135
70	1.00	1.00	1.00	1.000000	0.000007	0.000499

Weighted Average Retirement Age 61.91034

Rounded Weighted Average Retirement Age 62

The weighted average retirement rate was calculated by multiplying the retirement rate for each legacy group by the percentage of active participants in that group.

The weighted average retirement age was calculated by multiplying each possible retirement age by the probability of surviving to that age and then retiring. These products were then summed to produce the weighted average retirement age.



KAPSTONE PAPER AND PACKAGING CORPORATION

1101 Skokie Blvd. - Suite 300 Northbrook, IL 60062-4124
847-239-8800

August 22, 2017

Fidelity Workplace Investing LLC
311 S Wacker Drive, Suite 1400
Chicago, IL 60606

I, as plan administrator, verify that the explanation that is reproduced below is the explanation concerning your termination reported on the Schedule C (Form 5500) attached to the 2016 Form 5500, Annual Return/Report of Employee Benefit Plan, for the **Kapstone Paper and Packaging Corporation Defined Benefit Retirement Plan.**

This Form 5500 is identified in line 2b by the nine-digit EIN – 20 - 2699372, and in line 1b by the three-digit PN 002.

Explanation: This filing reflects a change in the Enrolled Actuary for the plan. The change in actuary is due to an internal change in responsibilities within Fidelity Investments.

You have the opportunity to comment to the Department of Labor concerning any aspect of this explanation. Comments should include the name, EIN, and PN of the plan and be submitted to:

Office of Enforcement,
Employee Benefits Security Administration
U.S. Department of Labor,
200 Constitution Avenue, N.W.
Washington, DC 20210

Signature of Plan Administrator

8/22/17

Date

Plan Provisions

Plan History

Effective December 31, 2014, the Employees' Pension Plan of Longview Fibre Paper and Packaging, Inc. and the Union Hourly Retirement Plan of Longview Fibre Paper and Packaging, Inc. merged into the KapStone Paper and Packaging Corporation Defined Benefit Retirement Plan. The most recent amendment of the plan is as of July, 2016.

Longview Non-Union Employees

Effective Date: January 1, 1971.

Covered Employees: All regular (non-union) employees of Longview Fibre Paper and Packaging, Inc. and its participating affiliated companies. Employees who are covered by a collective bargaining agreement, leased employees, or nonresident aliens without income in the United States are not considered Covered Employees.

Eligibility: Covered Employees become participants in the plan on the first day of the first pay period coincident with or next following 30 days of employment. Closed to new entrants effective December 31, 2014.

Definitions:

Vesting Service: The sum of service prior to 2009 calculated as the greater of (a) and (b) plus service for 2009 and beyond using the elapsed time method.

(a) Starting with the anniversary of the date of hire a participant is credited with a year of service if they have 870 or more hours of service.

(b) Period of service during which a Covered Employee is in full-time, continuous employment status. Measured in complete 12 month periods and includes sick leave, vacations, holidays, military leave, leave of absence and time off due to industrial illness or injury.

Normal retirement date (NRD): The first day of the month coincident with or next following a participant's 65th birthday.

Frozen Formula Benefit: Age 65 monthly accrued benefit frozen as of December 31, 2008.

2001 Cash Account: Cash balance benefit frozen in regards to pay credits effective June 1, 2006. Current balance continues to accrue interest credits monthly based upon yield rate of the 10 year US Treasury rate with constant maturity for the November of the prior year. Actuarial equivalence for annuity conversion is based on IRC Section 417(e)(3) applicable interest and mortality.

2009 Cash Account: Cash balance benefit frozen in regards to pay credits effective December 31, 2014. Current balance continues to accrue interest credits quarterly based upon the maximum of four percent and the third segment rate as defined in IRC Section 430 (using 24-month averaging) for the November of the prior year. Actuarial equivalence for annuity conversion is based on IRC Section 417(e)(3) applicable interest and mortality.

Eligibility for Benefits:

NRD: Retirement on NRD.

Early retirement: Optional retirement upon termination and being vested (3 years of Vesting Service).

Deferred vested: Terminations for reasons other than death or retirement after three years of Vesting Service.

Pre-retirement spouse benefit: Death while eligible for Normal, Early, or Deferred vested retirement benefits, with a surviving spouse.

Bridge benefit: Active participant on January 1, 2009 who was at least 45 years old and had at least 5 years of service, but not satisfying both age 50 and 10 years of service. Participant must satisfy 55 years of age and 15 years of service at time of retirement and retire after 2013 or later.

Benefits Paid Upon the Following Events:

Normal retirement: Monthly Frozen Formula Benefit plus Cash Account and 2001 Cash Account as of NRD.

Early retirement: The monthly Frozen Formula Benefit payable at age 65 reduced 5% per year that benefit commencement precedes age 62 provided that the participant satisfies 55 years of age and 15 years of service. If participant does not satisfy this requirement, then the Frozen Formula Benefit will receive a full actuarial reduction from age 65. Both the Cash Account and 2001 Cash Account may be paid as lump sums or actuarially equivalent annuities.

Termination with deferred vested benefit: Monthly Frozen Formula Benefit will receive a full actuarial reduction from age 65. Both the Cash Account and 2001 Cash Account may be paid as lump sums or actuarially equivalent annuities.

Death with pre-retirement spouse benefit: Both the Cash Account and 2001 Cash Account may be paid as lump sums or actuarially equivalent annuities payable to the spouse. Amount payable is 50% of the benefit payable to the participant assuming termination and retirement at the date of death in the form of a 50% joint and survivor annuity. If a participant does not satisfy 55 years of age and 15 years of service, yet the sum of the participant's age and service is at least 70 then the benefit is alternatively calculated using a 3% reduction factor. An additional ancillary death benefit is available to a beneficiary who does not receive any employer-provided insurance proceeds from the death of the participant. This benefit is a lump sum in the amount of \$1,000, assuming the participant was eligible for early or normal retirement upon death.

Bridge benefit: \$600 per month in 2014 indexed annually based upon the third segment rate under IRC Section 430 for the preceding November. This benefit is paid only as a temporary life annuity until age 65.

Forms of Payment:

Normal form (single participants): Single life annuity.

Normal form (married participants): Actuarially reduced 50% joint and survivor annuity with spouse as beneficiary.

Optional forms: Participants who retire under the plan may elect a life annuity or joint and survivor annuity (50%, 75%, or 100%) for any portion of their benefit (with the exception of the Bridge benefit). A participant may elect to receive their Cash Account or 2001 Cash Account as a lump sum. If the present value of their total benefit is \$1,000 or less, a lump sum will be paid. If the value of the total benefit is at least \$1,000 but not greater than \$5,000, the participant has the option of taking their entire benefit as a lump sum.

Maximum on Benefits and Pay: All benefits and pay for any calendar year may not exceed the maximum limitations for that year as defined in the Internal Revenue Code. The plan provides for increasing the dollar limits automatically as such changes become effective.

Future Plan Changes: No future plan changes were recognized in determining pension cost.

Longview Union Employees

Effective Date: January 1, 1948.

Covered Employees: All union employees of Longview Fibre Paper and Packaging, Inc. who are covered by a collective bargaining agreement that allows participation in the plan.

Eligibility: Covered Employees become participants in the plan on the first day of the first pay period coincident with or next following one year of service. Closed to Longview and Seattle employees effective January 1, 2011.

Definitions:

Vesting Service: The greater of (a) and (b):

(a) Starting with the anniversary of the date of hire a participant is credited with a year of service if they have 870 or more hours of service.

(b) Period of service during which a Covered Employee is in continuous employment status. Measured in complete 12 month periods and includes sick leave, leave of absence, holidays, vacations, military leave and time off due to industrial illness or injury.

Normal retirement date (NRD): The first day of the month coincident with or next following a participant's 65th birthday.

Frozen Bargained Pension (Longview and Seattle): Age 65 monthly accrued benefit frozen as of December 31, 2010.

2001 Cash Account (Longview and Seattle): Cash balance benefit frozen in regards to contribution credits effective June 1, 2006. Current balance continues to accrue interest credits monthly based upon yield rate of the 10 year US Treasury rate with constant maturity for the November of the prior year. Actuarial equivalence for annuity conversion is based on IRC Section 417(e)(3) applicable interest and mortality.

2010 Cash Account (Longview and Seattle): Cash balance benefit frozen in regards to contribution credits effective December 31, 2013. Current balance continues to accrue interest credits monthly based upon the yield rate of the 10 year US Treasury rate with constant maturity for the November of the prior year. Actuarial equivalence for annuity conversion is based on IRC Section 417(e)(3) applicable interest and mortality.

Bargained Pension (Oakland): Flat benefit amount based upon service and date of termination.

Termination Date on or After	Rate
01/01/2005	\$32.00
01/01/2006	\$33.00
01/01/2007	\$34.00
01/01/2008	\$35.00
01/01/2009	\$36.00
01/01/2011	\$38.00
01/01/2015	\$39.00

Eligibility for Benefits:

NRD: Retirement on NRD.

Early retirement:

Longview/Seattle: Optional retirement upon termination after age 55 with 15 years of service.

Oakland: Optional retirement upon termination after age 55 with 20 years of service.

Disability: Deemed disabled by the Social Security Administration and having 10 years (Longview/Seattle) or 15 years (Oakland) of service (part (b) only of the Vesting Service described above).

Deferred vested: Terminations for reasons other than death or retirement after three years of service (part (a) of the Vesting Service described above) or 10 years of service (part (b) only of the Vesting Service described above).

Pre-retirement spouse benefit: Death while eligible for Normal, Early, or Deferred vested retirement benefits, with a surviving spouse and having three years of service (part (a) of the Vesting Service described above) or 10 years of service (part (b) of the Vesting Service described above).

Benefits Paid Upon the Following Events:

Normal retirement: Monthly Bargained Pension or the monthly Frozen Bargained Pension plus 2001 Cash Account and 2010 Cash Account as of NRD (if applicable).

Early retirement:

Longview/Seattle: The monthly Frozen Bargained Pension payable at age 65 reduced 3% per year benefit commencement precedes age 62 provided that the participant satisfies 55 years of age and 15 years of service. Both the Cash Account and 2001 Cash Account may be paid as lump sums or actuarially equivalent annuities.

Oakland: The monthly Bargained Pension payable at age 65 reduced 6.67% per year from age 65 to age 60, then reduced 3.33% per year from age 60 to age 55 provided that the participant satisfies 55 years of age and 20 years of service. There is no reduction at age 62 if the participant has 30 years of service. Both the Cash Account and 2001 Cash Account may be paid as lump sums or actuarially equivalent annuities.

Disability: Accrued benefit payable immediately without reduction. This does not include any cash account benefits which may be taken at any time as a lump sum or actuarially equivalent annuity.

Termination with deferred vested benefit: Amount payable is the accrued benefit at NRD with the exception of those who satisfy age 55 and 15 years of service (*part (b) of the Vesting Service described above*) (Longview/Seattle) or 20 years of service (*part (b) of the Vesting Service described above*) (Oakland). These participants can receive an actuarially equivalent amount on or after age 55. Any deferred vested participant can take their respective Cash Accounts as lump sums or actuarially equivalent annuities.

Death with pre-retirement spouse benefit: Both the 2001 Cash Account and 2010 Cash Account may be paid as lump sums or actuarially equivalent annuities payable to the spouse. Amount payable is 50% of the benefit payable to the participant assuming termination and retirement at the date of death in the form of a 50% joint and survivor annuity. An additional ancillary death benefit is available to a beneficiary who does not receive any employer-provided insurance proceeds from the death of the participant. This benefit is a lump sum in the amount of \$1,000, assuming the participant was eligible for Early or Normal retirement upon death.

Forms of Payment:

Normal form (single participants): Single life annuity.

Normal form (married participants): Actuarially reduced 50% joint and survivor annuity with spouse as beneficiary.

Attachment to 2016 Schedule SB

Part V: Summary of Plan Provisions

KapStone Paper and Packaging Corporation Defined Benefit Retirement Plan

EIN: 20-2699372

Plan Number: 002

Optional forms: Participants who retire under the plan may elect a life annuity or joint and survivor annuity (50%, 75%, or 100%) for any portion of their benefit. A participant may elect to receive their 2001 Cash Account or 2010 Cash Account as a lump sum. If the present value of their total benefit is \$1,000 or less, a lump sum will be paid. If the value of the total benefit is at least \$1,000 but not greater than \$5,000, the participant has the option of taking their entire benefit as a lump sum.

Maximum on Benefits and Pay: All benefits and pay for any calendar year may not exceed the maximum limitations for that year as defined in the Internal Revenue Code. The plan provides for increasing the dollar limits automatically as such changes become effective.

KapStone Employees

Effective Date: January 1, 2007.

Covered Employees: All employees of the KapStone Paper and Packaging Corporation who are covered by a collective bargaining agreement that allows participation in the plan.

Plan Eligibility:

Roanoke: Covered Employees who are part of the United Steel Workers Local 9-425, Roanoke Rapids, NC and have attained age 21 and 1 year of eligibility service (1000 hour rule).

Charleston: Covered Employees who are part of the USWA Local 9-0508, USWA 9-1435, IAM 183 or IBEW Local 1753, Charleston, SC become eligible immediately.

Fordyce: Employees are no longer eligible as a result of the sale of the Fordyce location on 3/20/2009.

Definitions:

Normal retirement date (NRD): The first day of the month coincident with or next following a participant's 65th birthday.

Accrued Benefit: Age 65 monthly accrued benefit payable for life:
Roanoke: Flat benefit amount based upon service and date of termination.

Termination Date on or After	Rate
Before 06/01/2007	\$42.00
06/01/2007	\$45.00
01/01/2011	\$48.00
01/01/2012	\$50.00
01/01/2014	\$51.50

Additional benefit is provided in the amount of \$3 times service prior to 01/01/2007 under the Retirement Plan of the International Paper Company.

Charleston: Flat benefit amount based upon service (earned after 06/30/2008) and date of termination.

Termination Date on or After	Rate
Before 04/01/2009	\$45.00
04/01/2009	\$46.00
04/01/2010	\$48.00
04/01/2011	\$50.00
04/01/2012	\$51.00
04/01/2013	\$51.50

Fordyce: Flat benefit amount based upon service and date of termination. All participants are inactive thus amounts are frozen.

Eligibility for Benefits:

NRD: Retirement on NRD.

Early retirement:

Roanoke/Fordyce: Optional retirement upon termination after age 55 with 10 years of vesting service or age 50 with 20 years of vesting service and actively employed on the date of a mill closure.

Charleston: Optional retirement upon termination after age 55 with 5 years of vesting service.

Disability:

Roanoke: Deemed disabled by the Social Security Administration.

Charleston: Deemed disabled by the Social Security Administration and having 10 years of vesting service.

Deferred vested: Terminations for reasons other than death, disability, retirement or mill closure after five years of service.

Pre-retirement spouse benefit: Death while participant is partially or fully vested in their Accrued Benefit.

Benefits Paid Upon the Following Events:

Normal retirement: Accrued Benefit.

Early retirement:

Roanoke/Fordyce: Accrued Benefit multiplied by the applicable percentage in the table below:

Age	Percentage (%)
64	100
63	100
62	100
61	94*
60	87
59	83
58	78
57	73
56	69
55	65
54	61**
53	57**
52	53**
51	49**
50	45**

*If a participant is age 61 with at least 20 years of service, then no reduction shall apply.

** Only those participants who retired due to a mill closure are eligible.

Charleston: Accrued Benefit multiplied by the applicable percentage in the table below:

Age	Percentage (%) if Service < 20*	Percentage (%) if Service >= 20
64	97	100
63	94	100
62	91	100
61	85	94
60	79	88
59	73	82
58	67	76
57	61	70
56	55	64
55	49	58

* If a participant has less than 20 years of service when they retire under the MeadWestvaco Corporation Retirement Plan for Bargained Union Employees, yet have at least 20 years of service upon retirement in this plan, then the benefit will be increased to reflect the difference in amounts attributable to the early retirement factors between the plans.

Disability:

Roanoke: Accrued benefit on the date of disability unless a participant has at least 10 years of vesting service in which case the amount payable from date of disability to NRD has a minimum value of \$250, after which the accrued benefit is paid.

Charleston: Accrued benefit on the date of disability without any reduction for any MeadWestvaco benefits until those benefits commence.

Termination with deferred vested benefit: Amount payable is the Accrued Benefit.

Death with pre-retirement spouse benefit: Amount payable is 50% of the benefit payable to the participant assuming termination at the date of death in the form of a 50% joint and survivor annuity based upon the participant surviving to their earliest retirement age.

Forms of Payment:

Normal form (single participants): Single life annuity.

Normal form (married participants): Actuarially reduced 50% joint and survivor annuity with spouse as beneficiary.

Attachment to 2016 Schedule SB

Part V: Summary of Plan Provisions

KapStone Paper and Packaging Corporation Defined Benefit Retirement Plan

EIN: 20-2699372

Plan Number: 002

Optional forms: Participants who retire under the plan may elect a life annuity, joint and survivor annuity, certain and life annuity or a level income option annuity for their benefit. If the present value of their total benefit is \$1,000 or less, a lump sum will be paid. If the value of the total benefit is at least \$1,000 but not greater than \$5,000, the participant has the option of taking their entire benefit as a lump sum.

Maximum on Benefits and Pay: All benefits and pay for any calendar year may not exceed the maximum limitations for that year as defined in the Internal Revenue Code. The plan provides for increasing the dollar limits automatically as such changes become effective.

Future Plan Changes: None

Changes to Plan Provisions since the Prior Valuation: There have been no changes in benefits valued since the prior year. The plan was amended in July 2016 to allow former participants, who were fully vested in their benefits but had not yet commenced receiving benefits under the Plan ("Terminated Vested Participants"), to elect to receive a one-time opportunity to elect a lump sum benefit payable in December 2016. This amendment will be reflected in the 1/1/2017 valuation.

KapStone Paper and Packaging Corporation
Defined Benefit Retirement Plan

SCHEDULE H, PART IV, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)

December 31, 2016

Identity of Issuer	Description	CUSIP	Interest Rate	Maturity Date	Units/Shares	Cost	Market	Investment Type
AMN HEALTHCARE SERVICES I	AMN HEALTHCARE SERVICES I	001744101			1,498.0000	72,560.75	86,275.7	COMMON STOCK
* AARON'S INC	AARON'S INC	002535300			2,706.0000	87,666.78	86,564.9	COMMON STOCK
ALAMO GROUP INC COM	ALAMO GROUP INC COM	011311107			1,715.0000	77,098.13	130,511.5	COMMON STOCK
ALLETE INC	ALLETE INC	018522300			1,406.0000	66,720.64	90,251.1	COMMON STOCK
AMERICAN ASSETS TRUST INC	AMERICAN ASSETS TRUST INC	024013104			1,890.0000	76,130.38	81,421.2	COMMON STOCK
AMERICAN EQUITY INVT LIFE	AMERICAN EQUITY INVT LIFE	025676206			4,560.0000	93,280.19	102,782.4	COMMON STOCK
AMERICAN WOODMARK CORP CO	AMERICAN WOODMARK CORP CO	030506109			1,090.0000	75,960.72	82,022.5	COMMON STOCK
APOGEE ENTERPRISES INC	APOGEE ENTERPRISES INC	037598109			2,386.0000	113,731.07	127,794.2	COMMON STOCK
ASHFORD HOSPITALITY TRUST	ASHFORD HOSPITALITY TRUST	044103109			4,268.0000	44,271.40	33,119.7	COMMON STOCK
ASTEC INDS INC	ASTEC INDS INC	046224101			2,087.0000	84,366.13	140,789.0	COMMON STOCK
BANK OF THE OZARKS INC	BANK OF THE OZARKS INC	063904106			2,577.0000	84,090.57	135,524.4	COMMON STOCK
BEACON ROOFING SUPPLY INC	BEACON ROOFING SUPPLY INC	073685109			925.0000	41,234.05	42,614.8	COMMON STOCK
BELDEN INC	BELDEN INC	077454106			1,272.0000	73,427.44	95,107.4	COMMON STOCK
BRANDYWINE RLTY TR BD	BRANDYWINE RLTY TR BD	105368203			5,126.0000	79,733.97	84,630.3	COMMON STOCK
BROOKS AUTOMATION INC	BROOKS AUTOMATION INC	114340102			3,743.0000	42,221.88	63,893.0	COMMON STOCK
BRUNSWICK CORP	BRUNSWICK CORP	117043109			1,104.0000	46,243.48	60,212.2	COMMON STOCK
CAL MAINE FOODS INC	CAL MAINE FOODS INC	128030202			1,539.0000	64,518.23	67,985.3	COMMON STOCK
CAMBREX CORP COM	CAMBREX CORP COM	132011107			1,262.0000	42,865.18	68,084.9	COMMON STOCK
CAMDEN NATL CORP	CAMDEN NATL CORP	133034108			2,091.0000	51,979.51	92,945.0	COMMON STOCK
CAPITAL BANK FINANCIAL- C	CAPITAL BANK FINANCIAL- C	139794101			2,551.0000	99,214.13	100,126.8	COMMON STOCK
CARRIZO OIL & GAS INC	CARRIZO OIL & GAS INC	144577103			1,456.0000	87,471.10	54,381.6	COMMON STOCK
CASCADE BANCORP	CASCADE BANCORP	147154207			4,672.0000	22,598.97	37,936.6	COMMON STOCK
CASEYS GEN STORES INC	CASEYS GEN STORES INC	147528103			814.0000	54,652.94	96,768.3	COMMON STOCK
CLARCOR INC	CLARCOR INC	179895107			1,190.0000	69,703.90	98,139.3	COMMON STOCK
COLUMBIA BANKING SYSTEM I	COLUMBIA BANKING SYSTEM I	197236102			2,229.0000	58,408.23	99,591.7	COMMON STOCK
COOPER TIRE & RUBR CO	COOPER TIRE & RUBR CO	216831107			3,442.0000	115,885.01	133,721.7	COMMON STOCK
CRAFT BREW ALLIANCE INC	CRAFT BREW ALLIANCE INC	224122101			1,231.0000	17,137.44	20,803.9	COMMON STOCK
DENBURY RESOURCES	DENBURY RESOURCES	247916208			8,736.0000	27,985.35	32,148.5	COMMON STOCK
DELUXE CORP	DELUXE CORP	248019101			1,211.0000	75,294.74	86,719.7	COMMON STOCK
DODGE & COX INT'L STOCK F	DODGE & COX INT'L STOCK F	256206103			655,164.3930	28,283,439.80	24,961,889.3	EQUITY FUNDS
EMPIRE DIST ELEC CO	EMPIRE DIST ELEC CO	291641108			1,411.0000	42,995.17	48,101.0	COMMON STOCK
ENCORE WIRE CORP	ENCORE WIRE CORP	292562105			2,808.0000	116,432.83	121,726.8	COMMON STOCK
ENTERPRISE FINL SVCS CORP	ENTERPRISE FINL SVCS CORP	293712105			2,122.0000	44,894.43	91,246.0	COMMON STOCK
ESTERLINE CORP	ESTERLINE CORP	297425100			513.0000	45,123.66	45,759.6	COMMON STOCK
ETHAN ALLEN INTERIORS INC	ETHAN ALLEN INTERIORS INC	297602104			2,731.0000	70,338.69	100,637.4	COMMON STOCK
EXAR CORP	EXAR CORP	300645108			8,482.0000	72,904.72	91,436.0	COMMON STOCK
FARO TECHNOLOGIES INC	FARO TECHNOLOGIES INC	311642102			787.0000	29,439.09	28,332.0	COMMON STOCK
FIDELITY SOUTHERN CORP	FIDELITY SOUTHERN CORP	316394105			2,898.0000	41,388.51	68,595.7	COMMON STOCK
FIRST SOURCE CORP	FIRST SOURCE CORP	336901103			1,295.0000	45,468.36	57,834.7	COMMON STOCK
LB FOSTER CO	LB FOSTER CO	350060109			3,420.0000	98,044.63	46,512.0	COMMON STOCK
FRANKLIN ELEC INC COM	FRANKLIN ELEC INC COM	353514102			2,435.0000	68,917.72	94,721.5	COMMON STOCK
FULLER H B CO	FULLER H B CO	359694106			2,382.0000	104,226.66	115,074.4	COMMON STOCK
GRAMERCY PROPERTY TRUST	GRAMERCY PROPERTY TRUST	385002100			11,173.0000	93,020.77	102,568.1	COMMON STOCK
GREAT SOUTHN BANCORP INC	GREAT SOUTHN BANCORP INC	390905107			1,726.0000	58,169.79	94,325.9	COMMON STOCK
GREENHILL & CO INC	GREENHILL & CO INC	395259104			3,655.0000	83,187.16	101,243.5	COMMON STOCK
HNI CORPORATION	HNI CORPORATION	404251100			1,859.0000	79,795.95	103,955.3	COMMON STOCK
HARBOR INTL GROWTH FUND #	HARBOR INTL GROWTH FUND #	411511801			1,932,599.4740	25,034,341.15	23,577,713.6	EQUITY FUNDS
HEARTLAND EXPRESS INC	HEARTLAND EXPRESS INC	422347104			4,625.0000	96,466.02	94,165.0	COMMON STOCK

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HILL ROM HLDGS	HILL ROM HLDGS	431475102	1,052.0000	41,377.16	59,059.3	COMMON STOCK
HOME BANCSHARES INC/CONWA	HOME BANCSHARES INC/CONWA	436893200	4,952.0000	72,749.26	137,517.0	COMMON STOCK
HORACE MANN EDUCATORS COR	HORACE MANN EDUCATORS COR	440327104	1,429.0000	45,588.75	61,161.2	COMMON STOCK
HORNBECK OFFSHORE SVCS IN	HORNBECK OFFSHORE SVCS IN	440543106	6,094.0000	167,971.28	43,998.7	COMMON STOCK
IBERIABANK CORP	IBERIABANK CORP	450828108	1,791.0000	112,795.49	149,996.3	COMMON STOCK
IDACORP INC	IDACORP INC	451107106	1,095.0000	75,530.41	88,202.3	COMMON STOCK
J & J SNACK FOODS CORP	J & J SNACK FOODS CORP	466032109	267.0000	26,621.29	35,625.8	COMMON STOCK
KIRBY CORP	KIRBY CORP	497266106	999.0000	55,281.26	66,433.5	COMMON STOCK
LAKELAND FINL CORP	LAKELAND FINL CORP	511656100	1,194.0000	30,783.99	56,547.8	COMMON STOCK
LATTICE SEMICONDUCTOR COR	LATTICE SEMICONDUCTOR COR	518415104	7,389.0000	41,309.76	54,383.0	COMMON STOCK
MAGELLAN HEALTH, INC	MAGELLAN HEALTH, INC	559079207	1,644.0000	102,337.30	123,711.0	COMMON STOCK
MARCUS & MILLICHAP INC	MARCUS & MILLICHAP INC	566324109	1,446.0000	40,331.58	38,637.1	COMMON STOCK
MERIT MEDICAL SYS INC	MERIT MEDICAL SYS INC	589889104	2,669.0000	46,489.58	70,728.5	COMMON STOCK
METHODE ELECTRON INC COMM	METHODE ELECTRON INC COMM	591520200	2,455.0000	75,581.55	101,514.3	COMMON STOCK
MICROSEMI CORP COM	MICROSEMI CORP COM	595137100	2,772.0000	66,450.39	149,604.8	COMMON STOCK
THUNDERBIRD RESOURCES EQU	THUNDERBIRD RESOURCES EQU	638998468	1.6800	256,364.32	96,750.0	COMMON STOCK
NATUS MEDICAL INC	NATUS MEDICAL INC	639050103	1,123.0000	31,435.12	39,080.4	COMMON STOCK
NEENAH PAPER INC	NEENAH PAPER INC	640079109	1,730.0000	85,563.73	147,396.0	COMMON STOCK
OIL STATES INTERNATIONAL	OIL STATES INTERNATIONAL	678026105	2,521.0000	80,430.88	98,319.0	COMMON STOCK
OWENS & MINOR INC COM	OWENS & MINOR INC COM	690732102	904.0000	29,521.48	31,902.2	COMMON STOCK
PACWEST BANCORP	PACWEST BANCORP	695263103	2,438.0000	97,500.34	132,724.7	COMMON STOCK
PAREXEL INTL CORP COM	PAREXEL INTL CORP COM	699462107	736.0000	46,791.79	48,369.9	COMMON STOCK
PIPER JAFFRAY COS	PIPER JAFFRAY COS	724078100	2,273.0000	105,538.66	164,792.5	COMMON STOCK
WTC-CTF GLOBAL SELECT CAP	WTC-CTF GLOBAL SELECT CAP	728993585	2,913,265.2060	47,184,792.37	48,884,590.2	FIXED INCOME
PLEXUS CORP COM	PLEXUS CORP COM	729132100	2,528.0000	99,270.52	136,613.1	COMMON STOCK
PORTLAND GEN ELEC CO	PORTLAND GEN ELEC CO	736508847	1,428.0000	52,812.86	61,875.2	COMMON STOCK
POTLATCH HLDGS INC	POTLATCH HLDGS INC	737630103	3,549.0000	117,260.85	147,815.9	COMMON STOCK
QUALITY SYSTEMS INC	QUALITY SYSTEMS INC	747582104	2,005.0000	32,252.59	26,365.8	COMMON STOCK
REGAL BELOIT CORPORATION	REGAL BELOIT CORPORATION	758750103	1,237.0000	86,885.10	85,662.3	COMMON STOCK
RICE ENERGY INC	RICE ENERGY INC	762760106	1,572.0000	25,947.14	33,562.2	COMMON STOCK
ROGERS CORP COM	ROGERS CORP COM	775133101	1,459.0000	87,376.32	112,065.8	COMMON STOCK
RUTH'S HOSPITALITY GROUP	RUTH'S HOSPITALITY GROUP	783332109	270.0000	4,145.93	4,941.0	COMMON STOCK
SANDERSON FARMS INC	SANDERSON FARMS INC	800013104	604.0000	52,199.02	56,921.0	COMMON STOCK
SCANSOURCE INC COM	SCANSOURCE INC COM	806037107	1,349.0000	49,497.68	54,432.2	COMMON STOCK
SIMPSON MFG INC COM	SIMPSON MFG INC COM	829073105	1,329.0000	51,584.68	58,143.8	COMMON STOCK
SKECHERS U S A INC	SKECHERS U S A INC	830566105	1,258.0000	31,896.34	30,921.6	COMMON STOCK
SOUTH JERSEY INDS INC COM	SOUTH JERSEY INDS INC COM	838518108	2,564.0000	68,189.36	86,381.2	COMMON STOCK
SOUTH STATE CORP	SOUTH STATE CORP	840441109	697.0000	39,927.22	60,917.8	COMMON STOCK
SOUTHWEST BANCORP INC OKL	SOUTHWEST BANCORP INC OKL	844767103	3,065.0000	47,447.92	88,885.0	COMMON STOCK
STEELCASE INC CL A	STEELCASE INC CL A	858155203	4,817.0000	75,872.63	86,224.3	COMMON STOCK
STIFEL FINANCIAL CORP	STIFEL FINANCIAL CORP	860630102	3,212.0000	135,245.41	160,439.4	COMMON STOCK
TEXAS ROADHOUSE, INC COMM	TEXAS ROADHOUSE, INC COMM	882681109	1,998.0000	74,576.58	96,383.5	COMMON STOCK
TUPPERWARE BRANDS CORPORA	TUPPERWARE BRANDS CORPORA	899896104	909.0000	49,854.28	47,831.6	COMMON STOCK
UMPQUA HOLDINGS CORP	UMPQUA HOLDINGS CORP	904214103	7,356.0000	118,831.86	138,145.7	COMMON STOCK
UNIFIRST CORP MASS	UNIFIRST CORP MASS	904708104	715.0000	69,773.48	102,709.8	COMMON STOCK
UNIVERSAL FST PRODS INC C	UNIVERSAL FST PRODS INC C	913543104	1,586.0000	70,178.12	162,057.5	COMMON STOCK
VANGUARD EMRG MK STK INDE	VANGUARD EMRG MK STK INDE	922042601	422,084.4410	9,465,312.19	9,555,991.7	EQUITY FUNDS
WABASH NATL CORP	WABASH NATL CORP	929566107	6,939.0000	91,624.11	109,775.0	COMMON STOCK
WASHINGTON FEDERAL INC	WASHINGTON FEDERAL INC	938824109	2,231.0000	46,632.42	76,634.9	COMMON STOCK
WESTERN REFNG INC	WESTERN REFNG INC	959319104	3,713.0000	121,362.78	140,537.1	COMMON STOCK

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WINNEBAGO INDS INC	WINNEBAGO INDS INC	974637100			4,665.0000	106,431.98	147,647.3	COMMON STOCK
WOLVERINE WORLD WIDE INC	WOLVERINE WORLD WIDE INC	978097103			4,556.0000	95,781.35	100,004.2	COMMON STOCK
AMERICAN EAGLE OUTFITTERS	AMERICAN EAGLE OUTFITTERS	02553E106			1,585.0000	23,966.01	24,044.5	COMMON STOCK
AT&T INC 4.500% 5/15/35	AT&T INC 4.500% 5/15/35	00206RCP5	4.500	5/15/2035	1,665,000.0000	3,962,711.37	3,908,754.5	FIXED INCOME
AT&T INC 4.125% 2/17/26	AT&T INC 4.125% 2/17/26	00206RCT7	4.125	2/17/2026	1,020,000.0000	1,019,326.80	1,032,821.4	FIXED INCOME
ABBOTT LABORATORIES 4.750	ABBOTT LABORATORIES 4.750	002824BG4	4.750	11/30/2036	920,000.0000	914,112.00	935,290.4	FIXED INCOME
ABBOTT LABORATORIES 4.900	ABBOTT LABORATORIES 4.900	002824BH2	4.900	11/30/2046	1,735,000.0000	1,721,484.35	1,780,699.9	FIXED INCOME
ABBVIE INC 4.300% 5/14/36	ABBVIE INC 4.300% 5/14/36	00287YAV1	4.300	5/14/2036	355,000.0000	353,065.25	338,283.1	FIXED INCOME
* ABBVIE INC 4.450% 5/14/46	ABBVIE INC 4.450% 5/14/46	00287YAW9	4.450	5/14/2046	450,000.0000	446,976.00	430,888.5	FIXED INCOME
* ACE INA HOLDINGS 3.350% 5	ACE INA HOLDINGS 3.350% 5	00440EAR8	3.350	5/15/2024	1,040,000.0000	1,038,440.00	1,059,541.6	FIXED INCOME
* ACE INA HOLDINGS 4.350% 1	ACE INA HOLDINGS 4.350% 1	00440EAW7	4.350	11/3/2045	195,000.0000	194,512.50	205,978.5	FIXED INCOME
* ACTAVIS FUNDING SCS 4.850	ACTAVIS FUNDING SCS 4.850	00507UAH4	4.850	6/15/2044	605,000.0000	598,308.70	599,857.5	FIXED INCOME
ADTRAN INC	ADTRAN INC	00738A106	-		4,931.0000	102,990.99	110,207.9	COMMON STOCK
AETNA INC 4.500% 5/15/42	AETNA INC 4.500% 5/15/42	00817YAJ7	4.500	5/15/2042	270,000.0000	279,009.90	273,839.4	FIXED INCOME
AETNA INC 4.375% 6/15/46	AETNA INC 4.375% 6/15/46	00817YAX6	4.375	6/15/2046	320,000.0000	319,680.00	321,328.0	FIXED INCOME
AETNA INC 4.250% 6/15/36	AETNA INC 4.250% 6/15/36	00817YAY4	4.250	6/15/2036	335,000.0000	333,609.75	335,887.8	FIXED INCOME
AGRIUM INC 6.125% 1/15/41	AGRIUM INC 6.125% 1/15/41	008916AJ7	6.125	1/15/2041	854,000.0000	1,013,940.78	970,289.2	FIXED INCOME
ALCAN INC 6.125% 12/15/33	ALCAN INC 6.125% 12/15/33	013716AU9	6.125	12/15/2033	550,000.0000	659,081.50	608,756.5	FIXED INCOME
ALLSTATE CORP 4.500% 6/15	ALLSTATE CORP 4.500% 6/15	020002BA8	4.500	6/15/2043	160,000.0000	164,116.80	169,699.2	FIXED INCOME
ALTRA HOLDINGS INC	ALTRA HOLDINGS INC	02208R106	-		2,122.0000	67,544.50	78,301.8	COMMON STOCK
ALTRIA GROUP INC 5.375% 1	ALTRIA GROUP INC 5.375% 1	02209SAR4	5.375	1/31/2044	840,000.0000	912,340.80	970,300.8	FIXED INCOME
AMERICAS CAR-MART INC	AMERICAS CAR-MART INC	03062T105	-		1,478.0000	62,268.54	64,662.5	COMMON STOCK
AMGEN INC 3.625% 5/22/24	AMGEN INC 3.625% 5/22/24	031162BV1	3.625	5/22/2024	1,205,000.0000	1,202,999.70	1,225,774.2	FIXED INCOME
AMGEN INC 4.400% 5/01/45	AMGEN INC 4.400% 5/01/45	031162BZ2	4.400	5/1/2045	895,000.0000	931,265.10	857,902.3	FIXED INCOME
P/P AMGEN INC 4.563% 6/15	P/P AMGEN INC 4.563% 6/15	031162CC2	4.563	6/15/2048	1,090,000.0000	1,128,100.95	1,054,313.4	FIXED INCOME
ANADARKO PETROLEUM 6.200%	ANADARKO PETROLEUM 6.200%	032510AC3	6.200	3/15/2040	510,000.0000	556,860.00	584,097.9	FIXED INCOME
ANADARKO PETROLEUM 6.450%	ANADARKO PETROLEUM 6.450%	032511AY3	6.450	9/15/2036	620,000.0000	704,909.00	737,905.4	FIXED INCOME
ANADARKO PETROLEUM 6.600%	ANADARKO PETROLEUM 6.600%	032511BP1	6.600	3/15/2046	340,000.0000	407,860.60	419,342.4	FIXED INCOME
ANHEUSER-BUSCH INBEV 8.20	ANHEUSER-BUSCH INBEV 8.20	03523TBF4	8.200	1/15/2039	825,000.0000	1,268,891.25	1,240,709.3	FIXED INCOME
ANHEUSER-BUSCH INBEV 4.70	ANHEUSER-BUSCH INBEV 4.70	035242AM8	4.700	2/1/2036	785,000.0000	778,453.10	825,718.0	FIXED INCOME
ANHEUSER-BUSCH INBEV 4.90	ANHEUSER-BUSCH INBEV 4.90	035242AN6	4.900	2/1/2046	2,725,000.0000	2,769,492.05	2,945,370.8	FIXED INCOME
APPALACHIAN POWER CO 7.00	APPALACHIAN POWER CO 7.00	037735CM7	7.000	4/1/2038	650,000.0000	883,486.50	857,181.0	FIXED INCOME
APPLE INC 3.450% 2/09/45	APPLE INC 3.450% 2/09/45	037833BA7	3.450	2/9/2045	820,000.0000	812,726.60	723,773.0	FIXED INCOME
APPLE INC 4.375% 5/13/45	APPLE INC 4.375% 5/13/45	037833BH2	4.375	5/13/2045	785,000.0000	782,134.75	806,446.2	FIXED INCOME
APPLE INC 4.650% 2/23/46	APPLE INC 4.650% 2/23/46	037833BX7	4.650	2/23/2046	980,000.0000	1,012,168.30	1,058,253.0	FIXED INCOME
APPLIED INDL TECHNOLOGIES	APPLIED INDL TECHNOLOGIES	03820C105	-		1,834.0000	88,094.72	108,939.6	COMMON STOCK
ASCENSION HEALTH 3.945% 1	ASCENSION HEALTH 3.945% 1	04351LAB6	3.945	11/15/2046	265,000.0000	265,000.00	253,027.3	FIXED INCOME
AT&T INC 5.350% 9/01/40	AT&T INC 5.350% 9/01/40	04650NAB0	5.350	9/1/2040	2,815,000.0000	3,104,438.30	2,891,005.0	FIXED INCOME
AVISTA CORP	AVISTA CORP	05379B107	-		1,932.0000	60,409.97	77,260.7	COMMON STOCK
BANK OF AMERICA CORP 5.62	BANK OF AMERICA CORP 5.62	06051GEC9	5.625	7/1/2020	1,070,000.0000	1,113,848.60	1,176,518.5	FIXED INCOME
BANK OF AMERICA CORP 4.87	BANK OF AMERICA CORP 4.87	06051GFC9	4.875	4/1/2044	1,195,000.0000	1,405,746.20	1,296,658.7	FIXED INCOME
BANK OF AMERICA CORP 4.75	BANK OF AMERICA CORP 4.75	06051GFQ7	4.750	4/21/2045	340,000.0000	342,577.20	344,763.4	FIXED INCOME
BANKUNITED INC	BANKUNITED INC	06652K103	-		3,466.0000	108,033.44	130,633.5	COMMON STOCK
BANNER CORP	BANNER CORP	06652V208	-		1,851.0000	74,807.64	103,304.3	COMMON STOCK
BARRICK NA FINANCE 5.750%	BARRICK NA FINANCE 5.750%	06849RAK8	5.750	5/1/2043	410,000.0000	429,686.45	430,967.4	FIXED INCOME
BECTON DICKINSON AND 3.73	BECTON DICKINSON AND 3.73	075887BF5	3.734	12/15/2024	185,000.0000	185,000.00	189,184.7	FIXED INCOME
BENCHMARK ELECTRS INC COM	BENCHMARK ELECTRS INC COM	08160H101	-		1,366.0000	27,292.00	41,663.0	COMMON STOCK
BERKSHIRE HATHAWAY 5.750%	BERKSHIRE HATHAWAY 5.750%	084664BL4	5.750	1/15/2040	1,285,000.0000	1,541,329.46	1,580,948.4	FIXED INCOME
BOEING CO 6.875% 3/15/39	BOEING CO 6.875% 3/15/39	097023AX3	6.875	3/15/2039	620,000.0000	862,593.60	875,936.0	FIXED INCOME
BUILDERS FIRSTSOURCE INC	BUILDERS FIRSTSOURCE INC	12008R107	19		5,937.0000	35,769.73	65,128.9	COMMON STOCK

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BURLINGTN NORTH SANT 4.95	BURLINGTN NORTH SANT 4.95	12189LAG6	4.950	9/15/2041	2,290,000.0000	2,478,846.60	2,563,242.8	FIXED INCOME
BURLINGTN NORTH SANT 4.15	BURLINGTN NORTH SANT 4.15	12189LAW1	4.150	4/1/2045	525,000.0000	523,283.25	532,407.8	FIXED INCOME
CIGNA CORP 5.375% 2/15/42	CIGNA CORP 5.375% 2/15/42	125509BT5	5.375	2/15/2042	545,000.0000	621,322.63	607,140.9	FIXED INCOME
CSX CORP 4.750% 5/30/42	CSX CORP 4.750% 5/30/42	126408GW7	4.750	5/30/2042	985,000.0000	1,041,154.85	1,025,296.4	FIXED INCOME
CVS HEALTH CORP 5.125% 7/	CVS HEALTH CORP 5.125% 7/	126650CN8	5.125	7/20/2045	1,590,000.0000	1,840,099.50	1,771,975.5	FIXED INCOME
CANADIAN NATL RESOUR 6.25	CANADIAN NATL RESOUR 6.25	136385AL5	6.250	3/15/2038	600,000.0000	680,968.30	682,596.0	FIXED INCOME
CANADIAN NATL RESOUR 6.75	CANADIAN NATL RESOUR 6.75	136385AP6	6.750	2/1/2039	85,000.0000	100,275.35	99,184.8	FIXED INCOME
CARETRUST REIT INC-W/I	CARETRUST REIT INC-W/I	14174T107	-		3,260.0000	36,536.76	49,943.2	COMMON STOCK
CATHOLIC HEALTH INIT 4.35	CATHOLIC HEALTH INIT 4.35	14916RAD6	4.350	11/1/2042	950,000.0000	901,113.00	843,837.5	FIXED INCOME
CELGENE CORP 5.000% 8/15/	CELGENE CORP 5.000% 8/15/	151020AU8	5.000	8/15/2045	460,000.0000	458,578.60	478,275.8	FIXED INCOME
CENTERPOINT ENERGY 5.850%	CENTERPOINT ENERGY 5.850%	15189WAH3	5.850	1/15/2041	700,000.0000	858,837.00	792,008.0	FIXED INCOME
CHARTER COMM OPT LLC 6.48	CHARTER COMM OPT LLC 6.48	161175BA1	6.484	10/23/2045	1,275,000.0000	1,464,746.20	1,474,002.0	FIXED INCOME
CITIGROUP INC 4.400% 6/10	CITIGROUP INC 4.400% 6/10	172967JT9	4.400	6/10/2025	1,335,000.0000	1,329,553.20	1,365,771.8	FIXED INCOME
CITIGROUP INC 4.650% 7/30	CITIGROUP INC 4.650% 7/30	172967JU6	4.650	7/30/2045	507,000.0000	549,664.05	534,403.4	FIXED INCOME
CITIGROUP INC 4.125% 7/25	CITIGROUP INC 4.125% 7/25	172967KU4	4.125	7/25/2028	1,195,000.0000	1,191,307.45	1,180,444.9	FIXED INCOME
CITIZENS BANK NA/RI 2.500	CITIZENS BANK NA/RI 2.500	17401QAD3	2.500	3/14/2019	1,250,000.0000	1,249,862.50	1,259,625.0	FIXED INCOME
COMCAST CORP 6.400% 3/01/	COMCAST CORP 6.400% 3/01/	20030NBB6	6.400	3/1/2040	3,105,000.0000	3,973,996.35	4,041,437.0	FIXED INCOME
COMMONWEALTH EDISON 3.650	COMMONWEALTH EDISON 3.650	202795JJ0	3.650	6/15/2046	540,000.0000	536,495.40	507,470.4	FIXED INCOME
CONOCOPHILLIPS 6.500% 2/0	CONOCOPHILLIPS 6.500% 2/0	20825CAQ7	6.500	2/1/2039	1,085,000.0000	1,469,144.20	1,373,512.4	FIXED INCOME
CONS EDISON CO OF NY 6.75	CONS EDISON CO OF NY 6.75	209111EU3	6.750	4/1/2038	1,050,000.0000	1,396,471.50	1,421,122.5	FIXED INCOME
COOPER-STANDARD HOLDING I	COOPER-STANDARD HOLDING I	21676P103	-		483.0000	43,815.10	49,932.5	COMMON STOCK
RABOBANK NEDERLAND 5.750%	RABOBANK NEDERLAND 5.750%	21684AAB2	5.750	12/1/2043	800,000.0000	914,304.00	927,072.0	FIXED INCOME
CORPORATE OFFICE PROPERTI	CORPORATE OFFICE PROPERTI	22002T108	-		2,148.0000	49,462.15	67,060.6	COMMON STOCK
CRED SUIS GP FUND LT 3.75	CRED SUIS GP FUND LT 3.75	225433AC5	3.750	3/26/2025	785,000.0000	783,116.00	773,068.0	FIXED INCOME
DAIMLERCHRYSLER NA 8.500%	DAIMLERCHRYSLER NA 8.500%	233835AQ0	8.500	1/18/2031	587,000.0000	887,196.34	884,110.1	FIXED INCOME
DEVON FINANCING CORP 7.87	DEVON FINANCING CORP 7.87	25179SAD2	7.875	9/30/2031	860,000.0000	1,206,588.60	1,091,202.4	FIXED INCOME
P/P DIAMOND 1 FIN/DI 8.10	P/P DIAMOND 1 FIN/DI 8.10	25272KAN3	8.100	7/15/2036	435,000.0000	434,682.45	517,467.3	FIXED INCOME
P/P DIAMOND 1 FIN/DI 8.35	P/P DIAMOND 1 FIN/DI 8.35	25272KAR4	8.350	7/15/2046	825,000.0000	954,750.40	1,015,814.3	FIXED INCOME
WALT DISNEY COMPANY/ 4.12	WALT DISNEY COMPANY/ 4.12	25468PDB9	4.125	6/1/2044	390,000.0000	389,333.10	403,201.5	FIXED INCOME
DOMINION RESOURCES 5.950%	DOMINION RESOURCES 5.950%	25746UAV1	5.950	6/15/2035	1,260,000.0000	1,502,348.40	1,455,993.0	FIXED INCOME
DOW CHEMICAL COMPANY 7.37	DOW CHEMICAL COMPANY 7.37	260543BJ1	7.375	11/1/2029	1,620,000.0000	2,157,937.20	2,128,680.0	FIXED INCOME
DREW INDUSTRIES INC	DREW INDUSTRIES INC	26168L205	-		1,204.0000	99,660.93	129,731.0	COMMON STOCK
DUKE ENERGY OHIO INC 3.70	DUKE ENERGY OHIO INC 3.70	26442EAE0	3.700	6/15/2046	1,030,000.0000	1,022,800.30	973,669.3	FIXED INCOME
P/P ERAC USA FINANCE 7.00	P/P ERAC USA FINANCE 7.00	26882PBE1	7.000	10/15/2037	645,000.0000	841,679.85	817,253.7	FIXED INCOME
P/P ERAC USA FINANCE 3.85	P/P ERAC USA FINANCE 3.85	26884TAL6	3.850	11/15/2024	545,000.0000	544,073.50	553,861.7	FIXED INCOME
ECOLAB INC 5.500% 12/08/4	ECOLAB INC 5.500% 12/08/4	278865AM2	5.500	12/8/2041	1,020,000.0000	1,207,414.80	1,199,509.8	FIXED INCOME
EDISON INTERNATIONAL 2.95	EDISON INTERNATIONAL 2.95	281020AJ6	2.950	3/15/2023	695,000.0000	694,694.20	686,833.8	FIXED INCOME
EDUCATION REALTY TRUST IN	EDUCATION REALTY TRUST IN	28140H203	-		1,603.0000	64,655.73	67,806.9	COMMON STOCK
EL PASO ENERGY CORP 7.750	EL PASO ENERGY CORP 7.750	28368EAE6	7.750	1/15/2032	90,000.0000	94,430.70	110,290.5	FIXED INCOME
ENCANA CORP 6.500% 8/15/3	ENCANA CORP 6.500% 8/15/3	292505AD6	6.500	8/15/2034	350,000.0000	389,168.50	376,999.0	FIXED INCOME
VR ENBRIDGE INC 6.000% 1/	VR ENBRIDGE INC 6.000% 1/	29250NAN5	6.000	1/15/2077	750,000.0000	750,000.00	748,125.0	FIXED INCOME
ENERGY TRANSFER PART 4.65	ENERGY TRANSFER PART 4.65	29273RAN9	4.650	6/1/2021	615,000.0000	663,209.85	638,536.1	FIXED INCOME
ENERGY TRANSFER PART 4.90	ENERGY TRANSFER PART 4.90	29273RBE8	4.900	3/15/2035	430,000.0000	429,183.00	401,847.9	FIXED INCOME
ENERGY TRANSFER PART 6.12	ENERGY TRANSFER PART 6.12	29273RBJ7	6.125	12/15/2045	960,000.0000	1,006,049.20	1,021,382.4	FIXED INCOME
ENERSYS	ENERSYS	29275Y102	-		852.0000	53,782.66	66,541.2	COMMON STOCK
ENTERPRISE PRODUCTS 5.950	ENTERPRISE PRODUCTS 5.950	29379VAT0	5.950	2/1/2041	1,630,000.0000	1,964,150.00	1,840,107.0	FIXED INCOME
EVERBANK FINANCIAL CORP	EVERBANK FINANCIAL CORP	29977G102	-		3,569.0000	54,946.87	69,417.1	COMMON STOCK
EXELON GENERATION CO 6.25	EXELON GENERATION CO 6.25	30161MAG8	6.250	10/1/2039	1,640,000.0000	1,899,234.80	1,651,266.8	FIXED INCOME
EXELON CORP 4.450% 4/15/4	EXELON CORP 4.450% 4/15/4	30161NAV3	4.450	4/15/2046	475,000.0000	472,577.50	464,991.8	FIXED INCOME
FCB FINANCIAL HOLDINGS, I	FCB FINANCIAL HOLDINGS, I	30255G103	20		3,073.0000	69,095.89	146,582.1	COMMON STOCK

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FEDERATED RETAIL HLD 6.37	FEDERATED RETAIL HLD 6.37	314275AC2	6.375	3/15/2037	750,000.0000	821,227.50	792,397.5	FIXED INCOME
FEDEX CORP 4.000% 1/15/24	FEDEX CORP 4.000% 1/15/24	31428XAY2	4.000	1/15/2024	640,000.0000	668,761.60	674,604.8	FIXED INCOME
FIDELITY NATIONAL IN 4.50	FIDELITY NATIONAL IN 4.50	31620MAU0	4.500	8/15/2046	625,000.0000	615,187.50	595,031.3	FIXED INCOME
FORD MOTOR COMPANY 7.450%	FORD MOTOR COMPANY 7.450%	345370CA6	7.450	7/16/2031	790,000.0000	1,053,117.40	991,489.5	FIXED INCOME
FORD MOTOR COMPANY 5.291%	FORD MOTOR COMPANY 5.291%	345370CS7	5.291	12/8/2046	690,000.0000	690,504.90	698,963.1	FIXED INCOME
FORD MOTOR CREDIT CO 3.33	FORD MOTOR CREDIT CO 3.33	345397XW8	3.336	3/18/2021	600,000.0000	600,000.00	604,164.0	FIXED INCOME
GE CAPITAL INTL FUND 4.41	GE CAPITAL INTL FUND 4.41	36164QNA2	4.418	11/15/2035	2,964,000.0000	2,804,323.59	3,106,005.2	FIXED INCOME
G-III APPAREL GROUP LTD	G-III APPAREL GROUP LTD	36237H101	-		2,705.0000	108,891.12	79,959.8	COMMON STOCK
GENERAL ELECTRIC CO 4.125	GENERAL ELECTRIC CO 4.125	369604BF9	4.125	10/9/2042	930,000.0000	904,638.90	938,230.5	FIXED INCOME
GENERAL ELEC CAP COR 6.75	GENERAL ELEC CAP COR 6.75	36962GXZ2	6.750	3/15/2032	859,000.0000	1,125,281.41	1,143,440.7	FIXED INCOME
GENERAL MOTORS CO 6.250%	GENERAL MOTORS CO 6.250%	37045VAF7	6.250	10/2/2043	1,165,000.0000	1,299,696.80	1,287,884.2	FIXED INCOME
GENERAL MOTORS FINL 5.250	GENERAL MOTORS FINL 5.250	37045XBG0	5.250	3/1/2026	640,000.0000	637,689.60	672,313.6	FIXED INCOME
GENTHERM INC	GENTHERM INC	37253A103	-		1,791.0000	69,629.63	60,625.4	COMMON STOCK
GEORGIA POWER COMPAN 5.40	GEORGIA POWER COMPAN 5.40	373334JR3	5.400	6/1/2040	1,680,000.0000	1,971,228.00	1,919,820.0	FIXED INCOME
GILEAD SCIENCES INC 4.750	GILEAD SCIENCES INC 4.750	375558BD4	4.750	3/1/2046	820,000.0000	832,569.25	848,429.4	FIXED INCOME
GLAXOSMITHKLINE CAPI 6.37	GLAXOSMITHKLINE CAPI 6.37	377372AE7	6.375	5/15/2038	940,000.0000	1,206,668.60	1,236,335.0	FIXED INCOME
GOLDMAN SACHS GROUP 7.500	GOLDMAN SACHS GROUP 7.500	38141EA25	7.500	2/15/2019	600,000.0000	734,790.00	665,148.0	FIXED INCOME
GOLDMAN SACHS GROUP 6.750	GOLDMAN SACHS GROUP 6.750	38141GFD1	6.750	10/1/2037	1,605,000.0000	1,943,890.87	1,981,934.3	FIXED INCOME
GOLDMAN SACHS GROUP 6.250	GOLDMAN SACHS GROUP 6.250	38141GGM0	6.250	2/1/2041	1,400,000.0000	1,827,924.00	1,735,398.0	FIXED INCOME
GOLDMAN SACHS GROUP 4.750	GOLDMAN SACHS GROUP 4.750	38141GV50	4.750	10/21/2045	195,000.0000	204,886.50	205,849.8	FIXED INCOME
HSBC HOLDINGS PLC 6.800%	HSBC HOLDINGS PLC 6.800%	404280AJ8	6.800	6/1/2038	1,595,000.0000	2,009,811.65	2,019,860.2	FIXED INCOME
HALLIBURTON CO 5.000% 11/	HALLIBURTON CO 5.000% 11/	406216BK6	5.000	11/15/2045	449,000.0000	479,230.55	484,224.1	FIXED INCOME
HESS CORP 5.600% 2/15/41	HESS CORP 5.600% 2/15/41	42809HAD9	5.600	2/15/2041	610,000.0000	691,807.10	616,795.4	FIXED INCOME
HESS CORP 5.800% 4/01/47	HESS CORP 5.800% 4/01/47	42809HAH0	5.800	4/1/2047	620,000.0000	618,233.00	643,448.4	FIXED INCOME
HP ENTERPRISE CO 4.400% 1	HP ENTERPRISE CO 4.400% 1	42824CAN9	4.400	10/15/2022	410,000.0000	409,188.20	426,961.7	FIXED INCOME
HP ENTERPRISE CO 4.900% 1	HP ENTERPRISE CO 4.900% 1	42824CAW9	4.900	10/15/2025	590,000.0000	588,377.50	606,997.9	FIXED INCOME
HP ENTERPRISE CO 6.350% 1	HP ENTERPRISE CO 6.350% 1	42824CAY5	6.350	10/15/2045	825,000.0000	798,094.05	833,332.5	FIXED INCOME
HOME DEPOT INC 5.875% 12/	HOME DEPOT INC 5.875% 12/	437076AS1	5.875	12/16/2036	1,410,000.0000	1,733,941.20	1,781,337.6	FIXED INCOME
HOMESTREET INC	HOMESTREET INC	43785V102	-		5,052.0000	110,278.93	159,643.2	COMMON STOCK
HOPE BANCORP INC	HOPE BANCORP INC	43940T109	-		4,839.0000	86,570.93	105,925.7	COMMON STOCK
INSIGHT ENTERPRISES INC C	INSIGHT ENTERPRISES INC C	45765U103	-		1,305.0000	35,795.37	52,774.2	COMMON STOCK
INTERNATIONAL PAPER 3.650	INTERNATIONAL PAPER 3.650	460146CJ0	3.650	6/15/2024	1,240,000.0000	1,235,362.40	1,253,826.0	FIXED INCOME
JPMORGAN CHASE & CO 6.400	JPMORGAN CHASE & CO 6.400	46625HHF0	6.400	5/15/2038	665,000.0000	831,263.30	861,693.7	FIXED INCOME
JPMORGAN CHASE & CO 5.625	JPMORGAN CHASE & CO 5.625	46625HJM3	5.625	8/16/2043	1,155,000.0000	1,296,348.90	1,325,397.2	FIXED INCOME
JPMORGAN CHASE & CO 3.875	JPMORGAN CHASE & CO 3.875	46625HJY7	3.875	9/10/2024	285,000.0000	283,503.75	288,374.4	FIXED INCOME
JPMORGAN CHASE & CO 1.850	JPMORGAN CHASE & CO 1.850	46625HQJ7	1.850	3/22/2019	945,000.0000	944,395.20	942,013.8	FIXED INCOME
P/P JACKSON NATL LIF 3.05	P/P JACKSON NATL LIF 3.05	46849LSQ5	3.050	4/29/2026	630,000.0000	627,360.30	603,540.0	FIXED INCOME
KINDER MORGAN ENER 6.375%	KINDER MORGAN ENER 6.375%	494550BH8	6.375	3/1/2041	1,920,000.0000	2,160,213.20	2,082,758.4	FIXED INCOME
KINDER MORGAN ENER 3.950%	KINDER MORGAN ENER 3.950%	494550BL9	3.950	9/1/2022	850,000.0000	862,673.50	872,703.5	FIXED INCOME
KINDER MORGAN INC/DE 5.55	KINDER MORGAN INC/DE 5.55	49456BAH4	5.550	6/1/2045	405,000.0000	426,736.35	425,966.9	FIXED INCOME
KRAFT FOODS GROUP IN 6.50	KRAFT FOODS GROUP IN 6.50	50076QAN6	6.500	2/9/2040	940,000.0000	1,171,579.05	1,145,333.6	FIXED INCOME
KRAFT FOODS GROUP IN 6.87	KRAFT FOODS GROUP IN 6.87	50076QAR7	6.875	1/26/2039	600,000.0000	751,704.50	753,810.0	FIXED INCOME
LSC COMMUNICATIONS INC	LSC COMMUNICATIONS INC	50218P107	-		1,506.0000	38,347.68	44,698.1	COMMON STOCK
LYB INTL FINANCE BV 4.875	LYB INTL FINANCE BV 4.875	50247VAC3	4.875	3/15/2044	1,430,000.0000	1,495,896.60	1,480,893.7	FIXED INCOME
LEGACYTEXAS FINANCIAL GRO	LEGACYTEXAS FINANCIAL GRO	52471Y106	-		5,192.0000	106,756.90	223,567.5	COMMON STOCK
LEG & GEN COLLE/LEG & GEN	LEG & GEN COLLE/LEG & GEN	52472A164	-		430,021.0910	46,119,762.03	47,633,436.3	FIXED INCOME
P/P LIBERTY MUTUAL 6.500%	P/P LIBERTY MUTUAL 6.500%	53079EAZ7	6.500	5/1/2042	640,000.0000	815,206.40	758,803.2	FIXED INCOME
LOCKHEED MARTIN CORP 3.60	LOCKHEED MARTIN CORP 3.60	539830BC2	3.600	3/1/2035	750,000.0000	743,535.00	712,500.0	FIXED INCOME
LOCKHEED MARTIN CORP 4.50	LOCKHEED MARTIN CORP 4.50	539830BK4	4.500	5/15/2036	195,000.0000	191,341.80	207,320.1	FIXED INCOME
LOCKHEED MARTIN CORP 4.70	LOCKHEED MARTIN CORP 4.70	539830BL2	4.700	5/15/2046	780,000.0000	768,448.20	848,429.4	FIXED INCOME

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LUMENTUM HOLDINGS INC	LUMENTUM HOLDINGS INC	55024U109	-		2,065.0000	48,415.76	79,812.3	COMMON STOCK
MARATHON OIL CORP 6.600%	MARATHON OIL CORP 6.600%	565849AE6	6.600	10/1/2037	630,000.0000	663,763.20	688,476.6	FIXED INCOME
MARATHON PETROLEUM 5.125%	MARATHON PETROLEUM 5.125%	56585AAD4	5.125	3/1/2021	910,000.0000	1,032,285.80	993,419.7	FIXED INCOME
P/P MASS MUTUAL LIFE 8.87	P/P MASS MUTUAL LIFE 8.87	575767AG3	8.875	6/1/2039	750,000.0000	1,202,467.50	1,125,870.0	FIXED INCOME
MCKESSON CORP 6.000% 3/01	MCKESSON CORP 6.000% 3/01	58155QAE3	6.000	3/1/2041	720,000.0000	852,516.00	833,047.2	FIXED INCOME
MEDTRONIC INC 4.625% 3/15	MEDTRONIC INC 4.625% 3/15	585055BU9	4.625	3/15/2045	670,000.0000	766,660.90	724,551.4	FIXED INCOME
MERITAGE HOMES CORPORATIO	MERITAGE HOMES CORPORATIO	59001A102	-		2,215.0000	84,191.70	77,082.0	COMMON STOCK
MERRILL LYNCH & CO 7.750%	MERRILL LYNCH & CO 7.750%	59023VAA8	7.750	5/14/2038	1,115,000.0000	1,524,470.93	1,535,132.0	FIXED INCOME
METLIFE INC 6.400% 12/15/	METLIFE INC 6.400% 12/15/	59156RAP3	6.400	12/15/2036	600,000.0000	626,697.44	648,000.0	FIXED INCOME
MICROSOFT CORP 5.300% 2/0	MICROSOFT CORP 5.300% 2/0	594918AM6	5.300	2/8/2041	1,195,000.0000	1,376,469.15	1,420,855.0	FIXED INCOME
MICROSOFT CORP 3.500% 2/1	MICROSOFT CORP 3.500% 2/1	594918BC7	3.500	2/12/2035	825,000.0000	815,512.50	794,128.5	FIXED INCOME
MICROSOFT CORP 3.450% 8/0	MICROSOFT CORP 3.450% 8/0	594918BS2	3.450	8/8/2036	830,000.0000	826,787.90	788,798.8	FIXED INCOME
MICROSOFT CORP 3.700% 8/0	MICROSOFT CORP 3.700% 8/0	594918BT0	3.700	8/8/2046	460,000.0000	457,769.00	433,076.2	FIXED INCOME
MORGAN STANLEY 4.350% 9/0	MORGAN STANLEY 4.350% 9/0	6174467Y9	4.350	9/8/2026	260,000.0000	259,542.40	266,435.0	FIXED INCOME
MORGAN STANLEY 4.000% 7/2	MORGAN STANLEY 4.000% 7/2	6174468C6	4.000	7/23/2025	350,000.0000	349,713.00	358,757.0	FIXED INCOME
MORGAN STANLEY 4.300% 1/2	MORGAN STANLEY 4.300% 1/2	61747YDY8	4.300	1/27/2045	940,000.0000	932,343.20	936,775.8	FIXED INCOME
P/P MYLAN NV 5.250% 6/15/	P/P MYLAN NV 5.250% 6/15/	62854AAG9	5.250	6/15/2046	1,325,000.0000	1,309,846.50	1,222,034.3	FIXED INCOME
NATURAL GAS SERVICES GROU	NATURAL GAS SERVICES GROU	63886Q109	-		2,348.0000	74,105.73	75,488.2	COMMON STOCK
NAUTILUS INC	NAUTILUS INC	63910B102	-		1,779.0000	35,840.14	32,911.5	COMMON STOCK
NEVADA POWER CO 6.750% 7/	NEVADA POWER CO 6.750% 7/	641423BU1	6.750	7/1/2037	1,540,000.0000	2,111,201.40	2,023,298.2	FIXED INCOME
P/P NEW YORK LIFE IN 6.75	P/P NEW YORK LIFE IN 6.75	64952GAF5	6.750	11/15/2039	730,000.0000	986,857.80	960,176.3	FIXED INCOME
P/P NEW YORK LIFE GL 2.35	P/P NEW YORK LIFE GL 2.35	64952WCH4	2.350	7/14/2026	630,000.0000	629,609.40	587,128.5	FIXED INCOME
NEWSTAR FINANCIAL INC	NEWSTAR FINANCIAL INC	65251F105	-		3,161.0000	35,358.28	29,239.3	COMMON STOCK
NORFOLK SOUTHERN COR 4.83	NORFOLK SOUTHERN COR 4.83	655844BH0	4.837	10/1/2041	1,005,000.0000	1,084,827.15	1,091,319.5	FIXED INCOME
OCCIDENTAL PETROLEUM 4.40	OCCIDENTAL PETROLEUM 4.40	674599CJ2	4.400	4/15/2046	585,000.0000	580,460.40	595,319.4	FIXED INCOME
ORACLE CORP 6.125% 7/08/3	ORACLE CORP 6.125% 7/08/3	68389XAH8	6.125	7/8/2039	615,000.0000	771,185.40	773,909.9	FIXED INCOME
ORACLE CORP 3.850% 7/15/3	ORACLE CORP 3.850% 7/15/3	68389XBH7	3.850	7/15/2036	385,000.0000	384,942.25	375,729.2	FIXED INCOME
ORACLE CORP 4.000% 7/15/4	ORACLE CORP 4.000% 7/15/4	68389XB33	4.000	7/15/2046	1,000,000.0000	999,820.00	956,500.0	FIXED INCOME
PNM RES INC	PNM RES INC	69349H107	-		2,634.0000	67,830.18	90,346.2	COMMON STOCK
PPL ELECTRIC UTILITI 4.12	PPL ELECTRIC UTILITI 4.12	69351UAS2	4.125	6/15/2044	1,000,000.0000	988,270.00	1,013,470.0	FIXED INCOME
PACIFIC GAS & ELECTR 6.05	PACIFIC GAS & ELECTR 6.05	694308GE1	6.050	3/1/2034	1,600,000.0000	1,949,072.00	2,002,352.0	FIXED INCOME
P/P PACIFIC LIFE INS 9.25	P/P PACIFIC LIFE INS 9.25	694475AA2	9.250	6/15/2039	635,000.0000	974,667.85	937,971.2	FIXED INCOME
PACIFICORP 4.100% 2/01/42	PACIFICORP 4.100% 2/01/42	695114CN6	4.100	2/1/2042	1,570,000.0000	1,539,871.70	1,576,656.8	FIXED INCOME
PERFICIENT INC	PERFICIENT INC	71375U101	-		3,897.0000	68,061.58	68,158.5	COMMON STOCK
P/P PERIOD-RICARD SA 4.45	P/P PERIOD-RICARD SA 4.45	714264AD0	4.450	1/15/2022	800,000.0000	856,832.00	848,784.0	FIXED INCOME
PERRIGO CO PLC 5.300% 11/	PERRIGO CO PLC 5.300% 11/	714294AH8	5.300	11/15/2043	550,000.0000	536,802.50	531,965.5	FIXED INCOME
PETRO-CANADA 6.800% 5/15/	PETRO-CANADA 6.800% 5/15/	71644EAJ1	6.800	5/15/2038	1,185,000.0000	1,564,282.95	1,536,672.5	FIXED INCOME
PHIBRO ANIMAL HEALTH CORP	PHIBRO ANIMAL HEALTH CORP	71742Q106	-		1,218.0000	29,124.21	35,687.4	COMMON STOCK
PHILIP MORRIS INTL 6.375%	PHILIP MORRIS INTL 6.375%	718172AC3	6.375	5/16/2038	845,000.0000	1,070,074.20	1,083,492.8	FIXED INCOME
PHILLIPS 66 5.875% 5/01/4	PHILLIPS 66 5.875% 5/01/4	718546AH7	5.875	5/1/2042	475,000.0000	577,752.00	562,428.5	FIXED INCOME
PINNACLE FINL PARTNERS IN	PINNACLE FINL PARTNERS IN	72346Q104	-		1,654.0000	79,285.47	114,622.2	COMMON STOCK
PINNACLE ENTERTAINMENT IN	PINNACLE ENTERTAINMENT IN	72348Y105	-		3,626.0000	45,150.32	52,577.0	COMMON STOCK
POTASH CORP-SASKATCH 3.62	POTASH CORP-SASKATCH 3.62	73755LAL1	3.625	3/15/2024	850,000.0000	866,464.50	843,140.5	FIXED INCOME
PROGRESS ENERGY INC 6.000	PROGRESS ENERGY INC 6.000	743263AP0	6.000	12/1/2039	2,300,000.0000	2,890,732.00	2,763,772.0	FIXED INCOME
VR PRUDENTIAL FINA 5.375%	VR PRUDENTIAL FINA 5.375%	744320AV4	5.375	5/15/2045	710,000.0000	710,000.00	725,975.0	FIXED INCOME
PRUDENTIAL FINANCIAL 5.80	PRUDENTIAL FINANCIAL 5.80	74432QBU8	5.800	11/16/2041	450,000.0000	542,304.00	528,759.0	FIXED INCOME
PRUDENTIAL FINANCIAL 2.35	PRUDENTIAL FINANCIAL 2.35	74432QCB9	2.350	8/15/2019	565,000.0000	564,548.00	570,452.3	FIXED INCOME
PUBLIC SERVICE ELECT 4.00	PUBLIC SERVICE ELECT 4.00	74456QBF2	4.000	6/1/2044	865,000.0000	856,791.15	872,707.2	FIXED INCOME
RETAIL OPPORTUNITY INVEST	RETAIL OPPORTUNITY INVEST	76131N101	-		6,251.0000	110,806.60	132,083.6	COMMON STOCK
REXFORD INDUSTRIAL REALTY	REXFORD INDUSTRIAL REALTY	76169C100	22		2,876.0000	39,780.83	66,694.4	COMMON STOCK

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SCHEDULE H, PART IV, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)

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ROGERS COMMUNICATION 5.45	ROGERS COMMUNICATION 5.45	775109AZ4	5.450	10/1/2043	1,105,000.0000	1,220,373.05	1,219,135.5	FIXED INCOME
SM ENERGY CO	SM ENERGY CO	78454L100	-		3,581.0000	126,293.99	123,472.9	COMMON STOCK
SABRA HEALTH CARE REIT -	SABRA HEALTH CARE REIT -	78573L106	-		3,554.0000	71,872.25	86,788.7	COMMON STOCK
SAIA INC	SAIA INC	78709Y105	-		3,156.0000	125,726.60	139,337.4	COMMON STOCK
SENSIENT TECHNOLOGIES COR	SENSIENT TECHNOLOGIES COR	81725T100	-		1,251.0000	65,279.68	98,303.6	COMMON STOCK
SHELL INTERNATIONAL 5.500	SHELL INTERNATIONAL 5.500	822582AN2	5.500	3/25/2040	1,485,000.0000	1,756,116.45	1,726,891.7	FIXED INCOME
SHELL INTERNATIONAL 2.250	SHELL INTERNATIONAL 2.250	822582BP6	2.250	11/10/2020	870,000.0000	865,223.70	868,790.7	FIXED INCOME
SIMON PROPERTY GROUP 6.75	SIMON PROPERTY GROUP 6.75	828807CE5	6.750	2/1/2040	750,000.0000	1,012,477.50	1,000,830.0	FIXED INCOME
SOUTH CAROLINA ELEC& 6.05	SOUTH CAROLINA ELEC& 6.05	837004CB4	6.050	1/15/2038	820,000.0000	1,041,924.80	1,013,938.2	FIXED INCOME
SOUTH CAROLINA ELEC& 4.50	SOUTH CAROLINA ELEC& 4.50	837004CH1	4.500	6/1/2064	340,000.0000	336,389.20	335,168.6	FIXED INCOME
SOUTH CAROLINA ELEC& 4.10	SOUTH CAROLINA ELEC& 4.10	837004CK4	4.100	6/15/2046	565,000.0000	563,836.10	559,254.0	FIXED INCOME
SOUTHERN CAL EDISON 6.050	SOUTHERN CAL EDISON 6.050	842400FL2	6.050	3/15/2039	470,000.0000	603,724.40	602,192.2	FIXED INCOME
SPECTRA ENERGY PARTN 5.95	SPECTRA ENERGY PARTN 5.95	84756NAE9	5.950	9/25/2043	1,160,000.0000	1,398,814.30	1,312,853.2	FIXED INCOME
P/P SPIRIT REALTY LP 4.45	P/P SPIRIT REALTY LP 4.45	84861TAA6	4.450	9/15/2026	745,000.0000	740,366.10	702,050.8	FIXED INCOME
STAG INDUSTRIAL INC	STAG INDUSTRIAL INC	85254J102	-		4,474.0000	99,240.91	106,794.4	COMMON STOCK
STRYKER CORP 4.625% 3/15/	STRYKER CORP 4.625% 3/15/	863667AJ0	4.625	3/15/2046	620,000.0000	613,142.80	632,201.6	FIXED INCOME
SUMMIT MATERIALS INC	SUMMIT MATERIALS INC	86614U100	-		3,785.0000	74,733.88	90,045.2	COMMON STOCK
SUNOCO LOGISTICS PAR 5.35	SUNOCO LOGISTICS PAR 5.35	86765BAQ2	5.350	5/15/2045	240,000.0000	225,348.00	231,758.4	FIXED INCOME
SUNOCO LOGISTICS PAR 3.90	SUNOCO LOGISTICS PAR 3.90	86765BAT6	3.900	7/15/2026	560,000.0000	561,531.56	542,046.4	FIXED INCOME
SUPER MICRO COMPUTER INC	SUPER MICRO COMPUTER INC	86800U104	-		1,518.0000	38,673.13	42,579.9	COMMON STOCK
P/P TEACHERS INSUR 6.850%	P/P TEACHERS INSUR 6.850%	878091BC0	6.850	12/16/2039	485,000.0000	625,060.67	629,394.2	FIXED INCOME
TELEFONICA EMISIONES 7.04	TELEFONICA EMISIONES 7.04	87938WAC7	7.045	6/20/2036	730,000.0000	922,710.34	847,318.3	FIXED INCOME
TEXAS CAP BANCSHARES INC	TEXAS CAP BANCSHARES INC	88224Q107	-		344.0000	21,290.06	26,969.6	COMMON STOCK
TIME WARNER CO INC 7.570%	TIME WARNER CO INC 7.570%	887315BH1	7.570	2/1/2024	1,330,000.0000	1,765,521.80	1,644,678.0	FIXED INCOME
TIME WARNER INC 4.650% 6/	TIME WARNER INC 4.650% 6/	887317AU9	4.650	6/1/2044	870,000.0000	860,691.00	831,850.5	FIXED INCOME
TIME WARNER INC 3.800% 2/	TIME WARNER INC 3.800% 2/	887317BB0	3.800	2/15/2027	570,000.0000	567,805.50	566,762.4	FIXED INCOME
TIME WARNER CABLE IN 5.87	TIME WARNER CABLE IN 5.87	88732JAY4	5.875	11/15/2040	585,000.0000	683,519.85	623,873.3	FIXED INCOME
TIME WARNER CABLE IN 5.50	TIME WARNER CABLE IN 5.50	88732JBB3	5.500	9/1/2041	1,065,000.0000	987,683.55	1,082,689.7	FIXED INCOME
TOPBUILD CORP	TOPBUILD CORP	89055F103	-		2,756.0000	81,647.06	98,113.6	COMMON STOCK
TRANS-CANADA PIPELIN 4.62	TRANS-CANADA PIPELIN 4.62	89352HAM1	4.625	3/1/2034	1,600,000.0000	1,694,224.00	1,687,184.0	FIXED INCOME
TRAVELERS COS INC 6.250%	TRAVELERS COS INC 6.250%	89417EAD1	6.250	6/15/2037	555,000.0000	720,262.35	713,186.1	FIXED INCOME
TRINITY ACQUISITION 6.125	TRINITY ACQUISITION 6.125	89641UAB7	6.125	8/15/2043	615,000.0000	678,271.20	657,447.3	FIXED INCOME
21ST CENTY FOX AMER 7.750	21ST CENTY FOX AMER 7.750	90131HBR5	7.750	12/1/2045	1,830,000.0000	2,618,821.50	2,537,734.2	FIXED INCOME
P/P 21ST CENTURY FOX 4.75	P/P 21ST CENTURY FOX 4.75	90131HCC7	4.750	11/15/2046	480,000.0000	482,947.20	481,430.4	FIXED INCOME
UNION PACIFIC CORP 3.646%	UNION PACIFIC CORP 3.646%	907818DR6	3.646	2/15/2024	1,300,000.0000	1,349,374.00	1,357,174.0	FIXED INCOME
UNITED COMMUNITY BANKS IN	UNITED COMMUNITY BANKS IN	90984P303	-		6,385.0000	116,658.86	189,123.7	COMMON STOCK
US TREASURY BOND 6.500% 1	US TREASURY BOND 6.500% 1	912810EY0	6.500	11/15/2026	17,445,000.0000	24,703,972.81	23,625,065.7	FIXED INCOME
US TREASURY BOND 5.250% 1	US TREASURY BOND 5.250% 1	912810FF0	5.250	11/15/2028	16,580,000.0000	21,395,208.10	21,107,169.0	FIXED INCOME
US TREASURY BOND 4.750% 2	US TREASURY BOND 4.750% 2	912810PT9	4.750	2/15/2037	270,000.0000	380,397.26	351,410.4	FIXED INCOME
US TREASURY BOND 5.000% 5	US TREASURY BOND 5.000% 5	912810PU6	5.000	5/15/2037	1,885,000.0000	2,598,001.85	2,530,989.5	FIXED INCOME
US TREASURY BOND 3.750% 1	US TREASURY BOND 3.750% 1	912810RD2	3.750	11/15/2043	2,905,000.0000	3,151,033.42	3,293,660.0	FIXED INCOME
US TREASURY BOND 3.125% 8	US TREASURY BOND 3.125% 8	912810RH3	3.125	8/15/2044	11,830,000.0000	12,782,227.49	11,973,261.3	FIXED INCOME
US TREASURY BOND 3.000% 1	US TREASURY BOND 3.000% 1	912810RJ9	3.000	11/15/2044	605,000.0000	651,952.68	597,649.3	FIXED INCOME
US TREASURY BOND 3.000% 5	US TREASURY BOND 3.000% 5	912810RM2	3.000	5/15/2045	790,000.0000	808,574.03	779,319.2	FIXED INCOME
US TREASURY BOND 2.500% 5	US TREASURY BOND 2.500% 5	912810RS9	2.500	5/15/2046	2,575,000.0000	2,673,637.42	2,288,325.3	FIXED INCOME
US TREASURY BOND 2.250% 8	US TREASURY BOND 2.250% 8	912810RT7	2.250	8/15/2046	170,000.0000	141,060.16	142,939.4	FIXED INCOME
US TREASURY NOTE 1.500% 8	US TREASURY NOTE 1.500% 8	9128282A7	1.500	8/15/2026	2,910,000.0000	2,872,476.76	2,676,414.3	FIXED INCOME
US TREASURY NOTE 2.125% 1	US TREASURY NOTE 2.125% 1	912828B58	2.125	1/31/2021	1,855,000.0000	1,878,514.29	1,879,708.6	FIXED INCOME
US TREASURY NOTE 1.625% 5	US TREASURY NOTE 1.625% 5	912828R36	1.625	5/15/2026	4,955,000.0000	4,808,844.16	4,620,537.5	FIXED INCOME
UNITED TECHNOLOGIES 6.125	UNITED TECHNOLOGIES 6.125	913017BP3	6.125	7/15/2038	1,600,000.0000	2,047,920.00	2,035,344.0	FIXED INCOME

KapStone Paper and Packaging Corporation
Defined Benefit Retirement Plan

SCHEDULE H, PART IV, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)

December 31, 2016

UNITED TECHNOLOGIES 6.125	UNITED TECHNOLOGIES 6.125	913017BP3	6.125	7/15/2038	1,600,000.0000	2,047,920.00	2,035,344.0	FIXED INCOME
UNITEDHEALTH GROUP 4.625%	UNITEDHEALTH GROUP 4.625%	91324PBU5	4.625	11/15/2041	795,000.0000	837,588.15	839,639.3	FIXED INCOME
VENTAS REALTY LP/CAP 5.70	VENTAS REALTY LP/CAP 5.70	92277GAB3	5.700	9/30/2043	530,000.0000	622,394.90	595,370.2	FIXED INCOME
VERIZON COMMUNICATIO 5.01	VERIZON COMMUNICATIO 5.01	92343VCM4	5.012	8/21/2054	1,299,000.0000	1,349,977.11	1,292,193.2	FIXED INCOME
VERIZON COMMUNICATIO 4.27	VERIZON COMMUNICATIO 4.27	92343VCV4	4.272	1/15/2036	2,262,000.0000	1,966,843.65	2,165,028.1	FIXED INCOME
VERIZON COMMUNICATIO 4.67	VERIZON COMMUNICATIO 4.67	92343VCZ5	4.672	3/15/2055	1,532,000.0000	1,430,315.56	1,438,716.5	FIXED INCOME
VIACOM INC 4.375% 3/15/43	VIACOM INC 4.375% 3/15/43	92553PAP7	4.375	3/15/2043	510,000.0000	401,966.70	406,245.6	FIXED INCOME
VIACOM INC 5.850% 9/01/43	VIACOM INC 5.850% 9/01/43	92553PAU6	5.850	9/1/2043	425,000.0000	480,370.08	416,500.0	FIXED INCOME
VIRGINIA ELEC & POWE 4.45	VIRGINIA ELEC & POWE 4.45	927804FR0	4.450	2/15/2044	205,000.0000	219,376.65	215,223.4	FIXED INCOME
VISA INC 4.300% 12/14/45	VISA INC 4.300% 12/14/45	92826CAF9	4.300	12/14/2045	1,515,000.0000	1,512,469.95	1,599,097.7	FIXED INCOME
VIRTUSA CORP	VIRTUSA CORP	92827P102	-		667.0000	23,244.33	16,755.0	COMMON STOCK
P/P WEA FINANCE LLC/ 4.75	P/P WEA FINANCE LLC/ 4.75	92890HAD4	4.750	9/17/2044	690,000.0000	687,812.70	682,044.3	FIXED INCOME
WAL-MART STORES INC 6.200	WAL-MART STORES INC 6.200	931142CM3	6.200	4/15/2038	810,000.0000	1,033,771.05	1,067,733.9	FIXED INCOME
WALGREENS BOOTS ALLI 4.80	WALGREENS BOOTS ALLI 4.80	931427AC2	4.800	11/18/2044	350,000.0000	331,089.50	359,733.5	FIXED INCOME
WELLPOINT INC 4.650% 1/15	WELLPOINT INC 4.650% 1/15	94973VBB2	4.650	1/15/2043	555,000.0000	568,480.95	557,164.5	FIXED INCOME
WELLS FARGO & COMPAN 3.50	WELLS FARGO & COMPAN 3.50	94974BFC9	3.500	3/8/2022	1,405,000.0000	1,453,177.45	1,445,534.3	FIXED INCOME
WELLS FARGO & COMPAN 5.37	WELLS FARGO & COMPAN 5.37	94974BFP0	5.375	11/2/2043	1,935,000.0000	2,126,868.30	2,135,562.8	FIXED INCOME
WELLS FARGO & COMPAN 4.30	WELLS FARGO & COMPAN 4.30	94974BGL8	4.300	7/22/2027	640,000.0000	637,568.00	658,284.8	FIXED INCOME
WESTERN GAS PARTNERS 5.45	WESTERN GAS PARTNERS 5.45	958254AD6	5.450	4/1/2044	615,000.0000	631,219.45	633,425.4	FIXED INCOME
WINTRUST FINL CORP	WINTRUST FINL CORP	97650W108	-		2,381.0000	107,893.22	172,789.2	COMMON STOCK
XCEL ENERGY INC 3.300% 6/	XCEL ENERGY INC 3.300% 6/	98389BAR1	3.300	6/1/2025	1,390,000.0000	1,399,521.50	1,390,375.3	FIXED INCOME
ZIMMER HOLDINGS INC 3.550	ZIMMER HOLDINGS INC 3.550	98956PAF9	3.550	4/1/2025	1,070,000.0000	1,067,485.50	1,042,169.3	FIXED INCOME
		CASH	-		208.5000	1,254.40	1,254.4	CASH
		CASH	-		317,135.0000	317,138.40	317,138.4	CASH
ARGO GROUP INTL HLDGS LTD	ARGO GROUP INTL HLDGS LTD	G0464B107	-		970.0000	40,250.91	63,923.0	COMMON STOCK
HELEN OF TROY LIMITED	HELEN OF TROY LIMITED	G4388N106	-		828.0000	44,282.35	69,924.6	COMMON STOCK
MAIDEN HOLDINGS LTD	MAIDEN HOLDINGS LTD	G5753U112	-		7,062.0000	82,278.66	123,231.9	COMMON STOCK
NABORS INDUSTRIES LTD	NABORS INDUSTRIES LTD	G6359F103	-		8,436.0000	93,955.39	138,350.4	COMMON STOCK
NORTHGATE PEP III LP	NORTHGATE PEP III LP	MS6097211	-		9,263,327.6700	9,263,327.67	6,018,001.0	VENTURE/LMTD PART/CLS HLD
HARBOURVEST PTNRS VIII BU	HARBOURVEST PTNRS VIII BU	MS6101187	-		3,862,862.0000	3,862,862.00	4,042,756.0	VENTURE/LMTD PART/CLS HLD
HARBOURVEST VIII MEZZ & D	HARBOURVEST VIII MEZZ & D	MS6101195	-		419,826.0000	419,826.00	380,435.0	VENTURE/LMTD PART/CLS HLD
INVESCO VENTURE PARTNERSH	INVESCO VENTURE PARTNERSH	MS6162544	-		1,185,495.2400	1,185,495.24	11,310.0	VENTURE/LMTD PART/CLS HLD
INVESCO NON-US PARTNERSHI	INVESCO NON-US PARTNERSHI	MS6162551	-		191,822.0900	191,822.09	93,837.0	VENTURE/LMTD PART/CLS HLD
INVESCO US BUYOUT PARTNER	INVESCO US BUYOUT PARTNER	MS6162569	-		210,059.6000	210,059.60	74,318.0	VENTURE/LMTD PART/CLS HLD
HARBOURVEST PTNRS VIII VE	HARBOURVEST PTNRS VIII VE	MS6422286	-		1,040,944.0000	1,040,944.00	1,151,447.0	VENTURE/LMTD PART/CLS HLD
INDEPENDENT FRNCHSE PRTNR	INDEPENDENT FRNCHSE PRTNR	MS6653161	-		37,400,000.0000	37,400,000.00	40,631,865.0	VENTURE/LMTD PART/CLS HLD
CANYON VAL REALIZATION FU	CANYON VAL REALIZATION FU	MS6653385	-		2,136.0968	16,900,000.00	17,707,660.0	VENTURE/LMTD PART/CLS HLD
PENTWATER EVENT FUND LTD	PENTWATER EVENT FUND LTD	MS6653419	-		10,173.0344	19,300,000.00	20,249,780.0	VENTURE/LMTD PART/CLS HLD
RIMROCK HIGH INC PLUS FUN	RIMROCK HIGH INC PLUS FUN	MS6653427	-		63,825.8184	16,900,000.00	17,188,966.0	VENTURE/LMTD PART/CLS HLD
HARBVEST PART VI-BUYOUT F	HARBVEST PART VI-BUYOUT F	MS6688977	-		1,172,557.0000	1,172,557.00	806,253.0	VENTURE/LMTD PART/CLS HLD
HARBOURVEST PART VI-PART	HARBOURVEST PART VI-PART	MS6688985	-		998,464.0000	998,464.00	764,907.0	VENTURE/LMTD PART/CLS HLD
HLDBK-LITESPEED OFFSHORE	HLDBK-LITESPEED OFFSHORE	MS6757566	-		1,375,398.6500	1,375,398.65	1,375,398.7	MISCELLANEOUS
WF GOVT MM FD-INSTL #1751	WF GOVT MM FD-INSTL #1751	VP4560000	0.364		2,668,547.2200	2,668,547.22	2,668,547.2	CASH EQUIVALENTS
WF GOVT MM FD-INSTL #1751	WF GOVT MM FD-INSTL #1751	VP4560000	0.364		489,612.6700	489,612.6700	489,612.7	CASH EQUIVALENTS
WF GOVT MM FD-INSTL #1751	WF GOVT MM FD-INSTL #1751	VP4560000	0.364		13,492,497.5300	13,492,497.5300	13,492,497.5	CASH EQUIVALENTS
							<u>574,356,434</u>	

Attachment to 2016 Schedule SB

Line 24: Change in Actuarial Assumptions

KapStone Paper and Packaging Corporation Defined Benefit Retirement Plan

EIN: 20-2699372

Plan Number: 002

The expense load assumption was updated from \$0 to \$2,634,000 to reflect our expectations for the current plan year.