

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). <p style="text-align: center;">▶ Complete all entries in accordance with the instructions to the Form 5500.</p>	OMB Nos. 1210-0110 1210-0089 <div style="text-align: center; font-size: 1.5em; font-weight: bold;">2017</div> This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2017 or fiscal plan year beginning <u>01/01/2017</u> and ending <u>12/31/2017</u>	
A This return/report is for:	☐ a multiemployer plan ☐ a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions.) ☒ a single-employer plan ☐ a DFE (specify) ____
B This return/report is:	☐ the first return/report ☐ the final return/report ☐ an amended return/report ☐ a short plan year return/report (less than 12 months)
C If the plan is a collectively-bargained plan, check here. ▶ ☒	
D Check box if filing under:	☒ Form 5558 ☐ automatic extension ☐ the DFVC program ☐ special extension (enter description)

Part II	Basic Plan Information —enter all requested information		
1a Name of plan <u>YALE SECURITY INC. BARGAINING UNIT PENSION PLAN</u>	1b Three-digit plan number (PN) ▶	<u>005</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>ASSA ABLOY INC.</u> <u>110 SARGENT DRIVE</u> <u>NEW HAVEN, CT 06511</u>	1c Effective date of plan <u>07/12/1954</u>	2b Employer Identification Number (EIN) <u>93-0925319</u>	
		2c Plan Sponsor's telephone number <u>203-624-5225</u>	
		2d Business code (see instructions) <u>339900</u>	

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

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

SIGN HERE	Filed with authorized/valid electronic signature.	10/04/2018	JOSEPH HURLEY
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

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

Form 5500 (2017)
v. 170203

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 or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report: a Sponsor's name c Plan Name	4b EIN 4d PN
5 Total number of participants at the beginning of the plan year	5 307
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines 6a(1) , 6a(2) , 6b , 6c , and 6d).	
a(1) Total number of active participants at the beginning of the plan year	6a(1) 0
a(2) Total number of active participants at the end of the plan year	6a(2) 0
b Retired or separated participants receiving benefits	6b 221
c Other retired or separated participants entitled to future benefits	6c 50
d Subtotal. Add lines 6a(2) , 6b , and 6c	6d 271
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.	6e 23
f Total. Add lines 6d and 6e	6f 294
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	6g
h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested	6h 0
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item).....	7

8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions:

1B 1I 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
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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)** ☐ 0 **A** (Insurance Information)
- (4)** ☒ **C** (Service Provider Information)
- (5)** ☒ **D** (DFE/Participating Plan Information)
- (6)** ☐ **G** (Financial Transaction Schedules)

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

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

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

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

11c Enter the Receipt Confirmation Code for the 2017 Form M-1 annual report. If the plan was not required to file the 2017 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 2017 This Form is Open to Public Inspection
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For calendar plan year 2017 or fiscal plan year beginning 01/01/2017 and ending 12/31/2017

▶ **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>YALE SECURITY INC. BARGAINING UNIT PENSION PLAN</u>	B Three-digit plan number (PN) ▶ <u>005</u>
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF <u>ASSA ABLOY INC.</u>	D Employer Identification Number (EIN) <u>93-0925319</u>

E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B	F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500
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Part I Basic Information

1 Enter the valuation date: Month <u>01</u> Day <u>01</u> Year <u>2017</u>			
2 Assets:			
a Market value	2a	<u>14604992</u>	
b Actuarial value	2b	<u>14604992</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>255</u>	<u>18462133</u>	<u>18462133</u>
b For terminated vested participants	<u>52</u>	<u>1836581</u>	<u>1836581</u>
c For active participants	<u>0</u>	<u>0</u>	<u>0</u>
d Total	<u>307</u>	<u>20298714</u>	<u>20298714</u>
4 If the plan is in at-risk status, check the box and complete lines (a) and (b)..... ☐			
a Funding target disregarding prescribed at-risk assumptions	4a		
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor	4b		
5 Effective interest rate	5	<u>5.67 %</u>	
6 Target normal cost	6	<u>28452</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		
Signature of actuary	<u>09/26/2018</u>	Date
<u>LAWRENCE A. GOLDEN</u>	<u>17-04197</u>	Most recent enrollment number
Type or print name of actuary	<u>732-302-2142</u>	Telephone number (including area code)
<u>AON CONSULTING, INC.</u>		
Firm name		
<u>400 ATRIUM DRIVE</u> <u>5TH FLOOR SOUTH</u> <u>SOMERSET, NJ 08873</u>		
Address of the firm		

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

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)	24571	0
8 Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	24571	0
9 Amount remaining (line 7 minus line 8)	0	0
10 Interest on line 9 using prior year's actual return of <u>2.74</u> %	0	0
11 Prior year's excess contributions to be added to prefunding balance:		
a Present value of excess contributions (line 38a from prior year)		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>5.88</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		0
12 Other reductions in balances due to elections or deemed elections	0	0
13 Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	0	0

Part III Funding Percentages

14 Funding target attainment percentage	14	71.95%
15 Adjusted funding target attainment percentage	15	71.95%
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	73.39%
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
04/04/2017	180966	0			
07/12/2017	196922	0			
10/13/2017	180000	0			
01/11/2018	180000	0			
09/12/2018	8000000	0			
Totals ▶			18(b)	8737888	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	7997916

20 Quarterly contributions and liquidity shortfalls:

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

Liquidity shortfall as of end of quarter of this plan year			
(1) 1st	(2) 2nd	(3) 3rd	(4) 4th
0	0	0	0

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

21 Discount rate:				
a Segment rates:	1st segment: 4.16 %	2nd segment: 5.72 %	3rd segment: 6.48 %	☐ N/A, full yield curve used
b Applicable month (enter code)				21b 0
22 Weighted average retirement age.....				22
23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute				

Part VI Miscellaneous Items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment	☐ Yes ☒ No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment.....	☐ Yes ☒ No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment.....	☐ Yes ☒ No
27 If the plan is subject to alternative funding rules, enter applicable code and see instructions regarding attachment	27

Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years

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

Part VIII Minimum Required Contribution For Current Year

31 Target normal cost and excess assets (see instructions):			
a Target normal cost (line 6)	31a	28452	
b Excess assets, if applicable, but not greater than line 31a	31b	0	
32 Amortization installments:	Outstanding Balance	Installment	
a Net shortfall amortization installment.....	5693722	823375	
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	851827	
	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement.....			0
36 Additional cash requirement (line 34 minus line 35)	36	851827	
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	37	7997916	
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)	38a	7146089	
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	63910	
43 Excess installment acceleration amount to be carried over to future plan years	43	0	

SCHEDULE C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2017
		This Form is Open to Public Inspection.

For calendar plan year 2017 or fiscal plan year beginning 01/01/2017 and ending 12/31/2017		
A Name of plan YALE SECURITY INC. BARGAINING UNIT PENSION PLAN	B Three-digit plan number (PN) ▶	005
C Plan sponsor's name as shown on line 2a of Form 5500 ASSA ABLOY INC.	D Employer Identification Number (EIN) 93-0925319	

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

1 Information on Persons Receiving Only Eligible Indirect Compensation

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

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

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

COHNREZNICK LLP

25-1904625

(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	NONE	21000	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

AON CONSULTING

22-2232264

(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?
11 16 50	NONE	5700	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

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

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

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

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

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

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

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

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

Part I Service Provider Information (continued)

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

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

Part II Service Providers Who Fail or Refuse to Provide Information

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

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

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

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

SCHEDULE D (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small>	DFE/Participating Plan Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ► File as an attachment to Form 5500.	OMB No. 1210-0110 2017 This Form is Open to Public Inspection.
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For calendar plan year 2017 or fiscal plan year beginning 01/01/2017 and ending 12/31/2017

A Name of plan <u>YALE SECURITY INC. BARGAINING UNIT PENSION PLAN</u>	B Three-digit plan number (PN) ►	<u>005</u>
C Plan or DFE sponsor's name as shown on line 2a of Form 5500 <u>ASSA ABLOY INC.</u>	D Employer Identification Number (EIN) <u>93-0925319</u>	

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: ASSA ABLOY MASTER PENSION TRUST

b Name of sponsor of entity listed in (a): ASSA ABLOY INC.

c EIN-PN <u>93-0925319-102</u>	d Entity code <u>M</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>14708257</u>
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a Name of MTIA, CCT, PSA, or 103-12 IE:

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

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

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

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

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

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

a Name of MTIA, CCT, PSA, or 103-12 IE:

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

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

a Name of MTIA, CCT, PSA, or 103-12 IE:

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

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

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

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

a Name of MTIA, CCT, PSA, or 103-12 IE:

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

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

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

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

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

SCHEDULE H (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110 2017 This Form is Open to Public Inspection
For calendar plan year 2017 or fiscal plan year beginning <u>01/01/2017</u> and ending <u>12/31/2017</u>		
A Name of plan <u>YALE SECURITY INC. BARGAINING UNIT PENSION PLAN</u>	B Three-digit plan number (PN) ►	<u>005</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>ASSA ABLOY INC.</u>	D Employer Identification Number (EIN) <u>93-0925319</u>	

Part I Asset and Liability Statement			
1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.			
Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a	307	0
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	442577	8180000
(2) Participant contributions	1b(2)		
(3) Other.....	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)		
(2) U.S. Government securities.....	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other.....	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)		
(9) Value of interest in common/collective trusts.....	1c(9)		
(10) Value of interest in pooled separate accounts.....	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)	14169749	14708257
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)		
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
(15) Other	1c(15)		

		(a) Beginning of Year	(b) End of Year
1d	Employer-related investments:		
(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	14612633 22888257
Liabilities			
g	Benefit claims payable	1g	
h	Operating payables	1h	20500 21000
i	Acquisition indebtedness	1i	
j	Other liabilities	1j	
k	Total liabilities (add all amounts in lines 1g through 1j)	1k	20500 21000
Net Assets			
l	Net assets (subtract line 1k from line 1f)	1l	14592133 22867257

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.

		(a) Amount	(b) Total
a	Contributions:		
(1)	Received or receivable in cash from: (A) Employers	2a(1)(A)	8737888
	(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)	8737888
b	Earnings on investments:		
(1)	Interest:		
	(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	
	(B) U.S. Government securities	2b(1)(B)	
	(C) Corporate debt instruments	2b(1)(C)	
	(D) Loans (other than to participants)	2b(1)(D)	
	(E) Participant loans	2b(1)(E)	
	(F) Other	2b(1)(F)	
	(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)	0
(2)	Dividends: (A) Preferred stock	2b(2)(A)	
	(B) Common stock	2b(2)(B)	
	(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	
	(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)	0
(3)	Rents	2b(3)	
(4)	Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)	
	(B) Aggregate carrying amount (see instructions)	2b(4)(B)	
	(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)	0
(5)	Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)	
	(B) Other	2b(5)(B)	
	(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)	0

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		1545258
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		
c Other income.....	2c		
d Total income. Add all income amounts in column (b) and enter total.....	2d		10283146

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers.....	2e(1)	1978190	
(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)		1978190
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)	29832	
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)		
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		29832
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		2008022

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		8275124
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: COHNREZNICK LLP

(2) EIN: 22-1478099

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

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

Part IV Compliance Questions

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

During the plan year:

a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.).....

b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)

	Yes	No	Amount
4a		X	
4b		X	

	Yes	No	Amount
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)		X	
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.)		X	
4d		X	
e Was this plan covered by a fidelity bond?	X		5000000
4e	X		5000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
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?		X	
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?		X	
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.)	X		
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.)	X		
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?		X	
4k		X	
l Has the plan failed to provide any benefit when due under the plan?		X	
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			

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

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 4082139. (See instructions.)

<div>SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation</div>	<div>Retirement Plan Information</div> <div>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).</div> <div>▶ File as an attachment to Form 5500.</div>	<div>OMB No. 1210-0110</div> <div>2017</div> <div>This Form is Open to Public Inspection.</div>
For calendar plan year 2017 or fiscal plan year beginning 01/01/2017 and ending 12/31/2017		
A Name of plan YALE SECURITY INC. BARGAINING UNIT PENSION PLAN		B Three-digit plan number (PN) ▶ 005
C Plan sponsor's name as shown on line 2a of Form 5500 ASSA ABLOY INC.		D Employer Identification Number (EIN) 93-0925319
Part I	Distributions	
All references to distributions relate only to payments of benefits during the plan year.		
1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions		1 0
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): 13-5160382		
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 0
Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part.)	
4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? ☐ Yes ☒ No ☐ N/A If the plan is a defined benefit plan, go to line 8.		
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month Day Year If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.		
6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived)		6a
b Enter the amount contributed by the employer to the plan for this plan year		6b
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount)		6c
If you completed line 6c, skip lines 8 and 9.		
7 Will the minimum funding amount reported on line 6c be met by the funding deadline? ☐ Yes ☐ No ☐ N/A		
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change? ☐ Yes ☐ No ☒ N/A		
Part III	Amendments	
9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box. ☐ Increase ☐ Decrease ☐ Both ☒ No		
Part IV	ESOPs (see instructions). If this is not a plan described under section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.	
10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan? ☐ Yes ☐ No		
11 a Does the ESOP hold any preferred stock? ☐ Yes ☐ No		
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.) ☐ Yes ☐ No		
12 Does the ESOP hold any stock that is not readily tradable on an established securities market? ☐ Yes ☐ No		
For Paperwork Reduction Act Notice, see the Instructions for Form 5500.		
Schedule R (Form 5500) 2017 v. 170203		

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- a** Enter the percentage of plan assets held as:
 Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%
- b** Provide the average duration of the combined investment-grade and high-yield debt:
☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more
- c** What duration measure was used to calculate line 19(b)?
☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify): _____

**Yale Security Inc. Bargaining
Unit Pension Plan**

**Financial Statements
(With Supplementary Information)
and Independent Auditor's Report
December 31, 2017 and 2016**

Yale Security Inc. Bargaining Unit Pension Plan

Index to Financial Statements and Supplemental Schedules

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Independent Auditor's Report

To the Participants and Plan Administrator
Yale Security Inc. Bargaining Unit Pension Plan

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of Yale Security Inc. Bargaining Unit Pension Plan (the "Plan"), which comprise the statements of net assets available for benefits as of December 31, 2017 and 2016, 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 conducting the audits in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the *Basis for Disclaimer of Opinion* paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's ("DOL") Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the Plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 10, which was certified by The Bank of New York Mellon/BNY Mellon, N.A., the trustee of the Plan, except for comparing such information with the related information included in the financial statements. We have been informed by the Plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The Plan administrator has obtained a certification from the trustee as of December 31, 2017 and 2016, and for the years then ended, that the information provided to the Plan administrator by the trustee is complete and accurate.

Disclaimer of Opinion

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

Other Matter

The supplemental schedules, Schedule H, Line 4i – Schedule of Assets (Held at End of Year) and Schedule H, Line 4j – Schedule of Reportable Transactions, as of or for the year ended December 31, 2017 are required by the DOL’s Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 and are presented for the purpose of additional analysis and are not a required part of the financial statements. Because of the significance of the matter described in the *Basis for Disclaimer of Opinion* paragraph, we do not express an opinion on these supplemental schedules.

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

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



Hartford, Connecticut
October 4, 2018

Yale Security Inc. Bargaining Unit Pension Plan
Statements of Net Assets Available for Benefits
December 31, 2017 and 2016

	2017	2016
Assets		
Investments, at fair value		
Cash and cash equivalents	\$ -	\$ 307
Plan interest in ASSA ABLOY Inc. Master Trust	14,708,257	14,169,749
Total investments	<u>14,708,257</u>	<u>14,170,056</u>
Receivables		
Employer contributions	<u>8,180,000</u>	<u>442,577</u>
Total assets	<u>22,888,257</u>	<u>14,612,633</u>
Liability		
Accrued expenses and other liabilities	<u>21,000</u>	<u>20,500</u>
Net assets available for benefits	<u>\$ 22,867,257</u>	<u>\$ 14,592,133</u>

See Notes to Financial Statements.

Yale Security Inc. Bargaining Unit Pension Plan
Statements of Changes in Net Assets Available for Benefits
Years Ended December 31, 2017 and 2016

	2017	2016
Additions to net assets attributable to:		
Investment income		
Plan interest in ASSA ABLOY Inc. Master Trust investment income	\$ 1,545,258	\$ 401,769
Total investment income	1,545,258	401,769
Contributions:		
Employer	8,737,888	1,042,577
Total additions	10,283,146	1,444,346
Deductions from net assets attributable to:		
Benefits paid to participants and beneficiaries	1,978,190	2,079,078
Administrative expenses	29,832	206,856
Total deductions	2,008,022	2,285,934
Net increase (decrease) in net assets	8,275,124	(841,588)
Net assets available for benefits, beginning of year	14,592,133	15,433,721
 Net assets available for benefits, end of year	 \$ 22,867,257	 \$ 14,592,133

See Notes to Financial Statements.

Yale Security Inc. Bargaining Unit Pension Plan

Notes to Financial Statements

1. Plan Description

The following description of the Yale Security Inc. Bargaining Unit Pension Plan (the “Plan”) provides only general information. Participants should refer to the Plan document for a more complete description of the Plan’s provisions.

The Plan is a non-contributory, defined benefit pension plan sponsored by ASSA ABLOY Inc. (the “Sponsor”), the parent of Yale Security Inc. (the “Company”) and is subject to the provisions of the Employee Retirement Income Security Act of 1974 (“ERISA”). The Plan is administered by the ASSA ABLOY Inc. Benefits Committee (the “Benefits Committee” and the “Plan Administrator”) which have been appointed by the Sponsor. The Benefits Committee has sole authority to control and manage the operation and administration of the Plan, subject to the terms and provisions of the Plan. The Benefits Committee determines the appropriateness of the Plan’s investment offerings and monitors investment performance. Below are the general provisions of the Plan. Plan participants should refer to the Plan document for a more complete description of the Plan.

Substantially all assets of the Plan are held by the ASSA ABLOY Inc. Master Trust (the “Master Trust”). As of December 31, 2017 and 2016, the Master Trust holds the assets of the Plan as well as the assets of the ASSA ABLOY Inc., U.S. Intruder Group Pension Plan for Salaried Employees, the Corbin Russwin, Inc. Pension Plan for Hourly Employees, the Retirement Plan for Employees of Sargent Manufacturing Company and Amstar Electronics Group and the United Automobile, Aerospace and Agricultural Implement Workers of America and Its Local 1242 McKinney Products Company Pension Plan, which are also sponsored by the Sponsor. The assets of the Master Trust are held by The Bank of New York Mellon/BNY Mellon, N.A. (the “Trustee”). The assets are currently managed by Snowden Capital Advisors, LLC, which has been granted discretionary authority concerning purchases and sales of investments.

Eligibility

The Plan covers all hourly employees who are employed on a full-time basis at the Lenoir City, TN plant who are subject to a collective bargaining agreement (“eligible employees”). Eligible employees automatically become participants in the Plan on their date of hire. Effective April 1, 2011, the Plan along with the Company’s collective bargaining agreement was amended so that a bargained-for hourly paid employee who is initially hired on or after April 1, 2011 shall be ineligible to participate or accrue benefits under the Plan.

Pension Benefits

The normal retirement benefit is based on a single life annuity, payable monthly for life, commencing on the normal retirement date (age 65) and ending upon the death of the participant. Other forms of payment, such as a 50% joint and survivor annuity, are based upon the normal retirement benefit, actuarially reduced.

The monthly benefit is equal to the number of years (including fractions thereof) of credited service multiplied by the monthly base amount in effect when the participant retires.

Yale Security Inc. Bargaining Unit Pension Plan

Notes to Financial Statements

This amount has been adjusted as follows in accordance with union negotiations in 1992, 1995, 1998, 2001, 2004 and 2011:

Effective date	Base Amount	Maximum Years Credited Service
April 1, 1992	\$18.00	39
April 1, 1993	18.50	40
April 1, 1994	19.00	41
April 1, 1995	20.00	44
April 1, 1996	21.00	44
April 1, 1997	22.00	44
April 1, 1998	23.00	47
April 1, 1999	24.00	47
April 1, 2001	24.75	47
April 1, 2002	25.50	47
April 1, 2003	26.25	47
April 1, 2004	27.25	47
April 1, 2005	28.00	47
April 1, 2006	28.75	47
April 1, 2007	29.50	47
April 1, 2008	30.25	47
April 1, 2009	31.00	47
April 1, 2010	31.00	47
April 1, 2011	31.60	47
April 1, 2012	32.20	47
April 1, 2013	32.80	47
April 1, 2014	33.40	47
April 1, 2015	34.00	47

Pursuant to the April 1, 2011 Plan amendment and collective bargaining agreement, the foregoing increase shall apply to participants of the Plan retiring on or after the effective date. Certain pension benefit provisions were added in conjunction with the amendment as follows (1) benefit accruals shall continue for eligible employees as of March 31, 2011 and continuously thereafter for the duration of the collective bargaining agreement, (2) in accordance with the layoff and recall provisions as defined by the collective bargaining agreement, benefit accruals shall also continue for any participants whose employment is terminated before or after April 1, 2011 due to a layoff, and who is reemployed within the defined period of recall rights on or after April 1, 2011, (3) an employee who transfers to a bargained-for hourly position on or after April 1, 2011 shall no longer be eligible to accrue benefits and (4) any other eligible employee whose employment with the Company is terminated before or after August 15, 2011 and is subsequently rehired shall not be eligible to rejoin or accrue benefits.

Pursuant to the 1995 and 1998 union negotiations, a special early retirement benefit was offered to participants who had obtained age 60 and completed 10 or more years of credited service.

Yale Security Inc. Bargaining Unit Pension Plan

Notes to Financial Statements

The special early retirement benefit included in the 1998 union negotiations provided for the following three early retirement periods:

- | | |
|-----------|---|
| Window 1: | Eligible between 04/01/98 – 07/01/98
Elect by 07/01/98
Retire between 04/01/98 – 07/01/98 |
| Window 2: | Eligible between 04/01/98 – 07/01/99
Elect by 07/01/99
Retire between 04/01/99 – 07/01/99 |
| Window 3: | Eligible between 04/01/98 – 07/01/00
Elect by 07/01/00
Retire between 04/01/00 – 07/01/00 |

Benefits for such participants were determined without regard to any actuarial adjustment that would otherwise apply as a result of benefit commencement prior to normal retirement.

Participants are eligible for actuarially reduced early retirement benefits at age 62 provided they have completed ten years of credited service.

Prior to March 28, 2005, if the actuarial equivalent value of the pension benefit otherwise payable under the Plan was \$5,000 or less, it was payable in a single lump-sum payment. Such payment was made without the consent of the participant or his or her beneficiary.

Effective March 28, 2005, participants with balances of \$1,000 or less will receive an automatic lump-sum distribution upon termination. If the actuarial equivalent value of the pension benefit otherwise payable under the Plan is between \$1,000 and \$5,000, the Plan Administrator will distribute such funds to an individual retirement account as directed by the Plan document.

Death and Disability Benefits

The Plan provides for the payment of benefits to beneficiaries of participants who die prior to the commencement of retirement, if certain requirements have been met. If a participant dies after the commencement of retirement benefit payments, benefits are paid in accordance with the participant's benefit election.

Active participants who become totally disabled prior to age 65 and have completed ten years of credited service are eligible for a disability benefit pension. The monthly benefit is \$25 for each year of credited service earned and is payable until the participant becomes eligible for Social Security disability benefits or reaches age 65, whichever occurs first. At such time, the benefit is recalculated using the retirement benefit calculation in effect at the date the participant became disabled.

Termination Benefits

The Plan provides for benefits to participants whose employment is terminated prior to retirement but after they have completed at least five years of vesting service. Normal retirement benefits for these terminated participants begin at age 65. Terminated participants with at least ten years of credited service are eligible at age 62 for early retirement benefits, which are actuarially reduced depending upon the actual commencement date of benefit payments.

Yale Security Inc. Bargaining Unit Pension Plan

Notes to Financial Statements

Vesting

Benefits under the Plan become fully vested on the earlier of age 65 or after five years of service; there is no partial vesting.

Administrative Expenses

The Plan is responsible for payment of the Trustee expenses and recordkeeping fees, actuarial services, Pension Benefits Guarantee Corporation ("PBGC") premiums, and accounting and auditing services. During the years ended December 31, 2017 and 2016, administrative expenses were \$29,832 and \$206,856, respectively.

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.

Investment Valuation and Income Recognition

All Plan assets are held by the Trustee. The Master Trust invests in securities traded on national securities exchanges which are valued by the Trustee at the last reported sales price on the last business day of the Plan year, as well as common/collective trusts and a hedge fund which are valued by the Trustee at the last reported net asset value. These 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 11 – Fair Value Measurements). The Plan's Benefits Committee and Plan Administrator determine the Plan's valuation policies utilizing information provided by its investment advisors and custodians.

The Plan's proportionate interest in the Master Trust is based on beginning of year fair value of the Plan's interest in the Master Trust plus actual contributions and allocated net investment income less actual distributions and allocated administrative expenses. The net investment income from the Master Trust represents the Plan's proportionate share of the total earnings from investments including interest, dividends, and appreciation (depreciation), which are netted with investment advisory fees. Appreciation (depreciation) in the fair value of investments consists of the realized gains and losses and the changes in unrealized appreciation (depreciation) on those investments.

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

Payment of Benefits

Benefit payments to participants or beneficiaries are recorded upon distribution.

Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires the Plan Administrator 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 and the changes therein at the dates of the financial statements. Actual results could differ from those estimates.

Yale Security Inc. Bargaining Unit Pension Plan

Notes to Financial Statements

Administrative Expenses

The Plan's expenses are paid either by the Plan or the Plan's Sponsor as provided by the Plan document. Expenses that are paid directly by the Plan Sponsor are excluded from these financial statements. Certain administrative expenses of the Plan, such as actuarial, legal, auditing and insurance fees, paid by the Plan. These expenses paid by the Plan are recorded as deductions in the accompanying statements of changes in net assets available for benefits. In addition, certain investment related expenses are included in investment income presented in the accompanying statements of changes in net assets available for benefits.

Risks and Uncertainties

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

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

Subsequent Events

Subsequent events were evaluated through October 4, 2018, which is the date the financial statements were available to be issued.

3. Actuarial Present Value of Accumulated Plan Benefits

Accumulated Plan benefits are those future 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. Benefits under the Plan are accumulated based on years of credited service. Benefits payable under all circumstances - retirement, death, disability and termination of employment - are included, to the extent they are deemed attributable to employee service rendered to the valuation date.

The actuarial present value of accumulated Plan benefits is determined by Aon Consulting, Inc. (the "Actuary") and is that amount which 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 payment dates. The effect of plan amendments (if any) on the accumulated benefits obligation is recognized during the year in which such amendments become effective.

The significant actuarial assumptions used in the valuations as of December 31, 2017 and 2016 also updated for actuarial assumptions used in 2017 and 2016 were (a) life expectancy of participants under the RP-2014 healthy blue collar employee projection scale MP-2017, and life expectancy of participants under the RP-2014 healthy blue collar employee/healthy annuitant male/female mortality using full generation projection scale MP-2016, respectively, (b) retirement age assumptions (the assumed average retirement age was 62 in 2017 and 2016), and (c) the rate which

Yale Security Inc. Bargaining Unit Pension Plan

Notes to Financial Statements

is used to measure investment return (3.90% for 2017 and 4.15% for 2016). These actuarial assumptions are based on the presumption that the Plan will continue. If the Plan were to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated Plan benefits.

The benefits accumulated and actuarial experience amount presented in the statements of changes in accumulated Plan benefits include normal service costs for benefits that have been earned by participants and actuarial gains and losses, as determined by the Actuary.

The computations of the actuarial present value of accumulated Plan benefits were made as of January 1, 2017 and 2016. Had the valuation been performed as of December 31, there would be no material differences.

The life expectancy assumptions were updated from 2016 to 2017 in accordance with the Society of Actuaries issuance of the MP-2017 improvement scale on October 20, 2017.

4. Funding Policy

The Company's funding policy is to contribute such amounts as are determined on an actuarial basis to meet the minimum funding requirements of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), plus such additional amounts as the Company may determine to be appropriate. For 2017 and 2016, the minimum required contribution was \$851,827 and \$1,017,858, respectively.

To satisfy the 2017 minimum required contribution, the Company made cash contributions in the amount of \$557,888 for Plan Year 2017 during 2017 and cash contributions in the amount of \$8,180,000 for Plan Year 2017 during 2018. A final contribution in the amount of \$153,331 for Plan Year 2017 was made on September 12, 2018. To satisfy the 2016 minimum required contribution, the Company elected to apply funding standard carryover balance in the amount of \$24,571 and made cash contributions in the amount of \$600,000 for Plan Year 2016 during 2016 and cash contributions in the amount of \$442,577 for Plan Year 2016 during 2017.

5. Plan Termination

Although it has not expressed any intention to do so, the Sponsor 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.

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 following order:

- a. 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 have been payable under Plan provisions in effect at any time during the five years preceding Plan termination.
- b. Other vested benefits insured by the PBGC (a U.S. government agency) up to the applicable limitations.

Yale Security Inc. Bargaining Unit Pension Plan

Notes to Financial Statements

- c. All other vested benefits (that is, vested benefits not insured by the PBGC).
- d. All nonvested benefits.

Certain benefits under the Plan are insured by the PBGC if the Plan terminates. Generally, the PBGC guarantees most vested normal age retirement benefits, early retirement benefits, and certain disability and survivor's pensions. However, the PBGC does not guarantee all types of benefits under the Plan, and the amount of benefit protection is subject to certain limitations. Vested benefits under the Plan are guaranteed at the level in effect on the date of the Plan's termination.

Whether all participants would 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.

6. Related Party and Party-in-Interest Transactions

Plan assets include investments in funds managed by the Trustee of the Plan and, as such, transactions with the Trustee qualify as party-in-interest transactions. Aon Consulting, Inc. provides actuarial services to the Plan, which also qualify as party-in-interest transactions. Personnel and facilities of the Sponsor have been used to perform administrative functions for the Plan at no charge to the Plan.

7. Accumulated Plan Benefits

Statement of Accumulated Plan Benefits

	December 31, 2016
Actuarial present value of accumulated plan benefits	
Vested benefits:	
Participants currently receiving payments	\$ 20,623,737
Other participants	<u>2,592,365</u>
Total actuarial present value of accumulated plan benefits	<u>\$ 23,216,102</u>

Yale Security Inc. Bargaining Unit Pension Plan

Notes to Financial Statements

Statement of Changes in Accumulated Plan Benefits

	Year Ended December 31, 2016
Actuarial present value of accumulated plan benefits at beginning of year	\$ 24,259,388
Increase/(decrease) during the year attributable to:	
Benefits accumulated and actuarial experience	(201,481)
Increase in interest due to decrease in discount period	964,062
Benefits paid	(2,079,078)
Assumption changes	273,211
Net decrease	(1,043,286)
Actuarial present value of accumulated plan benefits at end of year	\$ 23,216,102

8. Investments

The Plan's proportionate undivided interest in the Master Trust's net assets as of December 31, 2017 and 2016 was 7.6% and 7.9%, respectively. The fair value of the net assets in the Master Trust as of December 31, 2017 and 2016 was \$194,437,310 and \$178,754,532, respectively. Investment income and administrative expenses relating to the Master Trust are allocated to the individual plans based upon average monthly balances invested by each plan. The Master Trust has been set up to facilitate the investment of the participating plans' pooled assets on a diversified basis in accordance with the applicable ERISA requirements.

Yale Security Inc. Bargaining Unit Pension Plan

Notes to Financial Statements

The following table presents the net assets for the Master Trust as of December 31:

	2017	2016
Cash:	\$ 277,589	\$ -
Receivables:		
Accrued income	612,403	591,720
Due from broker for securities sold	1,818,536	167,762
Total receivables	<u>2,430,939</u>	<u>759,482</u>
Investments at fair value:		
Common and preferred stocks	122,755,374	113,524,481
Corporate debt	32,375,443	31,553,828
U.S. government securities	33,139,934	27,289,963
Hedge fund	1,057,834	1,000,864
Common/collective trusts	3,796,224	4,721,647
Total investments	<u>193,124,809</u>	<u>178,090,783</u>
Liabilities:		
Due to broker for securities purchased	(1,396,027)	(95,733)
Net assets	<u>\$ 194,437,310</u>	<u>\$ 178,754,532</u>

Net investment income for the Master Trust for the years ended December 31:

	2017	2016
Changes in Net Assets:		
Net appreciation (depreciation) in fair value of investments:		
Common and preferred stocks	\$ 17,501,719	\$ 2,728,456
Corporate debt	86,106	106,178
U.S. government securities	(191,714)	(126,122)
Hedge fund	56,971	864
Common/collective trusts	46,815	36,684
Interest	1,384,509	1,253,485
Dividends	2,307,373	2,351,072
Net investment income	<u>21,191,779</u>	<u>6,350,617</u>
Net transfers	(4,082,103)	(14,900,044)
Administrative expenses	(1,426,898)	(1,266,654)
Increase (decrease) in net assets	15,682,778	(9,816,081)
Net assets:		
Beginning of year	<u>178,754,532</u>	<u>188,570,613</u>
End of year	<u>\$ 194,437,310</u>	<u>\$ 178,754,532</u>

Yale Security Inc. Bargaining Unit Pension Plan

Notes to Financial Statements

9. Tax Status

The Internal Revenue Service (“IRS”) has determined and informed the Sponsor by a letter dated March 27, 2015, that the Plan is designed in accordance with the applicable sections of the Internal Revenue Code (“IRC”). The Plan Administrator believes that the Plan is currently being operated in accordance with the applicable requirements of the IRC.

Accounting principles generally accepted in the United States of America require Plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would be not sustained upon examination by the IRS. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

10. Certification by Trustee

The Plan Administrator has elected the method of compliance permitted by 29 CFR 2520-103.8 of the Department of Labor’s Rules and Regulations for Reporting and Disclosure under ERISA. The Trustee of the Plan, as of and for the years ended December 31, 2017 and 2016, has certified to the Plan Administrator that the following information as complete and accurate. The information was relied on by the Plan Administrator in the preparation of the Plan’s financial statements in accordance with ERISA.

a. Investments

- The cost and fair value of each of the investment funds of the Master Trust investments, and the Plan’s interest in these investments and cash and cash equivalents, as of December 31, 2017 and 2016.
- Purchases and sales of investments, including gains or losses on sales, for the years ended December 31, 2017 and 2016.

b. Investment Income

- The Plan’s interest in the Master Trust investment income for the years ended December 31, 2017 and 2016.
- The amount of investment advisor fees of the Master Trust, and the Plan’s share of the investment advisor fees of the Master Trust, for the years ended December 31, 2017 and 2016.

11. Fair Value Measurements

Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) 820, *Fair Value Measurements and Disclosures*, provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described below:

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

Yale Security Inc. Bargaining Unit Pension Plan

Notes to Financial Statements

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices those 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 input must be observable for substantially the full term of the asset or liability.

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

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

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2017 and 2016.

Common stocks and U.S. government securities: Valued at the closing price reported on the active market on which the individual securities are traded.

When quoted prices are not available for identical or similar bonds, the bond is valued under a discounted cash flows approach that maximizes observable inputs, such as current yields of similar instruments, but includes adjustments for certain risks that may not be observable, such as credit and liquidity risks or a broker quote if available.

Corporate debt: Valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing value on yields currently available on corporate securities of issues with similar credit ratings.

Hedge Fund: Valued at net asset value ("NAV") of units held. The NAV is used as a practical expedient to estimate fair value. The NAV is based on the fair value of the underlying investments held by the fund less its liability. This practical expedient is not used when it is determined to be probable that the fund will sell the investment for an amount different than the reported NAV.

Common / collective trusts: Valued at the last reported NAV of shares held by the Plan at year end. The NAV, as provided by the Trustee, is used as a practical expedient to estimate fair value. The NAV is based on the fair value of the underlying investments held by the fund less its liabilities. This practical expedient is not used when it is determined to be probable that the fund will sell the investment for an amount different than the reported NAV. Participant transactions (purchases and sales) may occur daily. Were the Plan to initiate a full redemption of the collective trust, the investment adviser reserves the right to temporarily delay withdrawal from the trust in order to ensure that securities liquidations will be carried out in an orderly business manner.

Yale Security Inc. Bargaining Unit Pension Plan

Notes to Financial Statements

The estimated fair value of the common/collective trust is NAV. The use of NAV as fair value is deemed appropriate as the collective trust funds do not have finite lives, unfunded commitments relating to these types of investments, or significant restrictions on redemptions.

The following tables set forth by level, within the fair value hierarchy, the Master Trust's assets at fair value as of December 31, 2017 and 2016:

Assets at Fair Value as of December 31, 2017

	Level 1	Level 2	Level 3	Total
Common stocks	\$ 122,755,374	\$ -	\$ -	\$ 122,755,374
Corporate debt	-	32,375,443	-	32,375,443
U.S. government securities	33,139,934	-	-	33,139,934
	<u>155,895,308</u>	<u>32,375,443</u>	<u>-</u>	<u>188,270,751</u>
Investments measured at NAV (a)	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,854,058</u>
Total assets at fair value	<u>\$ 155,895,308</u>	<u>\$ 32,375,443</u>	<u>\$ -</u>	<u>\$ 193,124,809</u>

Assets at Fair Value as of December 31, 2016

	Level 1	Level 2	Level 3	Total
Common stocks	\$ 113,524,481	\$ -	\$ -	\$ 113,524,481
Corporate debt	-	31,553,828	-	31,553,828
U.S. government securities	27,289,963	-	-	27,289,963
	<u>140,814,444</u>	<u>31,553,828</u>	<u>-</u>	<u>172,368,272</u>
Investments measured at NAV (a)	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,722,511</u>
Total assets at fair value	<u>\$ 140,814,444</u>	<u>\$ 31,553,828</u>	<u>\$ -</u>	<u>\$ 178,090,783</u>

(a) In accordance with Subtopic 820-10, certain investments that were measured at NAV per share (or its equivalent) have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the line items presented in the statements of net assets available for benefits.

For years ended December 31, 2017 and 2016, there were no significant transfers between levels 1 and 2 and no transfers in or out of level 3.

Yale Security Inc. Bargaining Unit Pension Plan

Notes to Financial Statements

Fair Value of investments in entities that calculate NAV:

The following table summarizes the Master Trust's investments measured at fair value based on NAVs per share as of December 31, 2017 and 2016, respectively.

December 31, 2017	Fair Value	Unfunded Commitments	Redemption Frequency (if currently eligible)	Redemption Notice Period
Common / collective trust	\$3,796,224	n/a	Daily	30 days
Hedge fund (a)	\$1,057,834	n/a	Quarterly	90 days

December 31, 2016	Fair Value	Unfunded Commitments	Redemption Frequency (if currently eligible)	Redemption Notice Period
Common / collective trust	\$4,721,647	n/a	Daily	30 days
Hedge fund (a)	\$1,000,864	n/a	Quarterly	90 days

- (a) *Hedge Fund*. The hedge fund allocates capital across a diverse set of strategies and asset classes seeking the optimal mix of return and risk. Those strategies include Relative Value Fundamental Equity, Fixed Income, Commodities and Statistical Arbitrage / Quantitative Strategies, among others. The objective is to achieve absolute returns with minimal risk rather than outperform a given benchmark or asset class.

Yale Security Inc. Bargaining Unit Pension Plan
Schedule H, Line 4i – Schedule of Assets (Held at End of Year)
December 31, 2017

(a)	(b) Identity of issuer, borrower, lessor or similar party	(c) Description of investment, including maturity date, rate of interest, collateral, par or maturity value	(d) Cost	(e) Current value
-----	---	---	----------	-------------------

Cash and Cash Equivalents

*BNY Mellon EB Temporary Investment Fund
Total Cash and Cash Equivalents

Cash	\$ -	\$ -
------	------	------

*Denotes a party in interest.

Employer Identification Number: 93-0925319
Plan Number: 005

The information above has been certified as accurate and complete by the Trustee.

See Independent Auditor's Report.

Yale Security Inc. Bargaining Unit Pension Plan
Schedule H, Line 4j – Schedule of Reportable Transactions
For the Year Ended December 31, 2017

(a) Identity of party involved	(b) Description of assets (including interest rate and maturity in case of loan)	Number of transactions	(c) Purchase price	(d) Selling price	(g) Cost of asset	(h) Current value of asset on transaction date	(i) Net gain (loss)
Single transactions exceeding 5% of current value of Plan assets at the beginning of the year							
BNY Mellon Cash Reserve	Interest Bearing Cash	1	\$ 438	\$ -	\$ -	\$ 438	\$ -
EB Temporary Investment Fund	Interest Bearing Cash	1	307	-	-	307	-
EB Temporary Investment Fund	Interest Bearing Cash	1	351	-	-	351	-
EB Temporary Investment Fund	Interest Bearing Cash	1	1,843	-	-	1,843	-
EB Temporary Investment Fund	Interest Bearing Cash	1	938	-	-	938	-
EB Temporary Investment Fund	Interest Bearing Cash	1	86	-	-	86	-
EB Temporary Investment Fund	Interest Bearing Cash	1	202	-	-	202	-
EB Temporary Investment Fund	Interest Bearing Cash	1	209	-	-	209	-
EB Temporary Investment Fund	Interest Bearing Cash	1	3,390	-	-	3,390	-
EB Temporary Investment Fund	Interest Bearing Cash	1	593	-	-	593	-
EB Temporary Investment Fund	Interest Bearing Cash	1	224	-	-	224	-
EB Temporary Investment Fund	Interest Bearing Cash	1	88	-	-	88	-
EB Temporary Investment Fund	Interest Bearing Cash	1	413	-	-	413	-
EB Temporary Investment Fund	Interest Bearing Cash	1	437	-	-	437	-
EB Temporary Investment Fund	Interest Bearing Cash	1	630	-	-	630	-
EB Temporary Investment Fund	Interest Bearing Cash	1	88	-	-	88	-
EB Temporary Investment Fund	Interest Bearing Cash	1	171	-	-	171	-
EB Temporary Investment Fund	Interest Bearing Cash	1	723	-	-	723	-
		18	11,131	-	-	11,131	-

Yale Security Inc. Bargaining Unit Pension Plan
Schedule H, Line 4j – Schedule of Reportable Transactions
For the Year Ended December 31, 2017

(a) Identity of party involved	(b) Description of assets (including interest rate and maturity in case of loan)	Number of transactions	(c) Purchase price	(d) Selling price	(g) Cost of asset	(h) Current value of asset on transaction date	(i) Net gain (loss)
BNY Mellon Cash Reserve	Interest Bearing Cash	1	\$ -	\$ 438	\$ -	\$ 438	\$ -
EB Temporary Investment Fund	Interest Bearing Cash	1	-	307	-	307	-
EB Temporary Investment Fund	Interest Bearing Cash	1	-	3,525	-	3,525	-
EB Temporary Investment Fund	Interest Bearing Cash	1	-	412	-	412	-
EB Temporary Investment Fund	Interest Bearing Cash	1	-	3,982	-	3,982	-
EB Temporary Investment Fund	Interest Bearing Cash	1	-	317	-	317	-
EB Temporary Investment Fund	Interest Bearing Cash	1	-	413	-	413	-
EB Temporary Investment Fund	Interest Bearing Cash	1	-	438	-	438	-
EB Temporary Investment Fund	Interest Bearing Cash	1	-	718	-	718	-
EB Temporary Investment Fund	Interest Bearing Cash	1	-	894	-	894	-
		<u>10</u>	<u>-</u>	<u>11,444</u>	<u>-</u>	<u>11,444</u>	<u>-</u>
		<u>28</u>	<u>\$ 11,131</u>	<u>\$ 11,444</u>	<u>\$ -</u>	<u>\$ 22,575</u>	<u>\$ -</u>

Employer Identification Number: 93-0925319
Plan Number: 005

The information above has been certified as accurate and complete by the Trustee.

See Independent Auditor's Report.



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Schedule SB Attachment (Form 5500)—2017 Plan Year
Yale Security Inc. Bargaining Unit Pension Plan
EIN: 93-0925319 PN: 005

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

Interest Rates for Minimum Funding Purposes	Based on segment rates with no lookback (as of January 2017), each adjusted as needed to fall within the 25-year average interest rate stabilization corridor
1st Segment Rate	4.16%
2nd Segment Rate	5.72%
3rd Segment Rate	6.48%
Interest Rates for Maximum Tax Purposes	Based on segment rates with no lookback (as of January 2017), without regard to interest rate stabilization
1st Segment Rate	1.57%
2nd Segment Rate	3.77%
3rd Segment Rate	4.73%
Retirement Age	
Active Participants	None
Terminated Vested Participants	Age 62
Mortality Rates	
Healthy and Disabled	2017 static mortality table for annuitants and non-annuitants per §1.430(h)(3)-1(e)
Withdrawal Rates	None
Disability Rates	None
Decrement Timing	Beginning of year decrements
Surviving Spouse Benefit	It is assumed that 85% of males and 85% of females have an eligible spouse, and that males are three years older than their spouses.
Benefit Limits	Projected benefits are limited by the current IRC section 415 maximum benefit of \$215,000.
Valuation of Plan Assets	Fair market value

Schedule SB Attachment (Form 5500)—2017 Plan Year
Yale Security Inc. Bargaining Unit Pension Plan
EIN: 93-0925319 PN: 005

Trust Expenses Included in Target Normal Cost

Plan administrative fees and premiums are anticipated to be paid out of pension assets for the upcoming year. An administrative expense load has been included in the valuation equal to the actual fees for the prior year plus actual PBGC premium payment for the current year. (\$28,452 for 2017)

Actuarial Method

Standard unit credit cost method

Valuation Date

January 1, 2017

Schedule SB Attachment (Form 5500)—2017 Plan Year
Yale Security Inc. Bargaining Unit Pension Plan
EIN: 93-0925319 PN: 005

Expenses

In the development of the minimum required contribution, the normal cost is increased for administrative expenses charged directly to the pension trust.

Funding Cost Method—PPA

The target liability for inactive participants under this cost method is determined as the actuarial present value of the benefits expected to be paid. These participants include retired participants and their beneficiaries currently receiving benefits and terminated vested participants not yet receiving benefits. No target normal costs are now payable with respect to these participants.

Funding Asset Method

The actuarial value of assets is determined by using Market Value.

Dates of Calculations

The funding valuation date is January 1, 2017.

Employees Included in the Calculations

Former employees or their survivors who are receiving or entitled to receive an immediate or deferred benefit under the provisions of the Plan are also included.

Source of Data

Data is as of the valuation date and is supplied to us by ASSA ABLOY.

We rely on ASSA ABLOY to inform us of any former participants who have been rehired and lost prior service because of the length of their break in service. These employees may have participation requirements different from other new employees.

Although we believe these to be accurate and complete, the data and financial information have not been audited by us.

Schedule SB Attachment (Form 5500)—2017 Plan Year
Yale Security Inc. Bargaining Unit Pension Plan
EIN: 93-0925319 PN: 005

Schedule SB, line 19—Discounted Employer Contributions

Year applied for contributions: 2017

Date	Amount	Days to Discount to 1/1/2017 at 5.67%	Interest Adjusted Contribution
April 4, 2017	\$ 180,966	93	\$ 178,441
July 12, 2017	196,922	192	191,291
October 13, 2017	180,000	285	172,413
January 11, 2018	180,000	375	170,084
September 12, 2018	8,000,000	619	7,285,687
Total Contribution	\$ 8,737,888		\$ 7,997,916

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 2017 This Form is Open to Public Inspection
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Part I Annual Report Identification Information	
For calendar plan year 2017 or fiscal plan year beginning <u>01/01/2017</u> and ending <u>12/31/2017</u>	
A This return/report is for:	☐ a multiemployer plan ☐ a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions.) ☒ a single-employer plan ☐ a DFE (specify) _____
B This return/report is:	☐ the first return/report ☐ the final return/report ☐ an amended return/report ☐ a short plan year return/report (less than 12 months)
C If the plan is a collectively-bargained plan, check here.	☒
D Check box if filing under:	☒ Form 5558 ☐ automatic extension ☐ the DFVC program ☐ special extension (enter description)

Part II Basic Plan Information—enter all requested information	
1a Name of plan YALE SECURITY INC. BARGAINING UNIT PENSION PLAN	1b Three-digit plan number (PN) ▶ <u>005</u> 1c Effective date of plan <u>07/12/1954</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) ASSA ABLOY INC. 110 SARGENT DRIVE NEW HAVEN CT 06511	2b Employer Identification Number (EIN) <u>93-0925319</u> 2c Plan Sponsor's telephone number <u>203-624-5225</u> 2d Business code (see instructions) <u>339900</u>

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

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

SIGN HERE		<u>10/4/18</u>	JOSEPH HURLEY
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	 		
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE	 		
	Signature of DFE	Date	Enter name of individual signing as DFE

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

Form 5500 (2017)
v. 170203

3a Plan administrator's name and address ☒ Same as Plan Sponsor		3b Administrator's EIN
		3c Administrator's telephone number
4 If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report: a Sponsor's name c Plan Name		4b EIN 4d PN
5 Total number of participants at the beginning of the plan year		5 307
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines 6a(1) , 6a(2) , 6b , 6c , and 6d).		
a(1) Total number of active participants at the beginning of the plan year		6a(1) 0
a(2) Total number of active participants at the end of the plan year		6a(2) 0
b Retired or separated participants receiving benefits.....		6b 221
c Other retired or separated participants entitled to future benefits		6c 50
d Subtotal. Add lines 6a(2) , 6b , and 6c		6d 271
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.		6e 23
f Total. Add lines 6d and 6e		6f 294
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)		6g
h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested		6h 0
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)		7
8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions: 1B 1I 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
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10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules

- (1) ☒ **R** (Retirement Plan Information)
- (2) ☐ **MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
- (3) ☒ **SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary

b General Schedules

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

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 2017 Form M-1 annual report. If the plan was not required to file the 2017 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 _____

Yale Security Inc. Bargaining Unit Pension Plan
Schedule H, Line 4j – Schedule of Reportable Transactions
For the Year Ended December 31, 2017

(a) Identity of party involved	(b) Description of assets (including interest rate and maturity in case of loan)	Number of transactions	(c) Purchase price	(d) Selling price	(g) Cost of asset	(h) Current value of asset on transaction date	(i) Net gain (loss)
BNY Mellon Cash Reserve	Interest Bearing Cash	1	\$ -	\$ 438	\$ -	\$ 438	\$ -
EB Temporary Investment Fund	Interest Bearing Cash	1	-	307	-	307	-
EB Temporary Investment Fund	Interest Bearing Cash	1	-	3,525	-	3,525	-
EB Temporary Investment Fund	Interest Bearing Cash	1	-	412	-	412	-
EB Temporary Investment Fund	Interest Bearing Cash	1	-	3,982	-	3,982	-
EB Temporary Investment Fund	Interest Bearing Cash	1	-	317	-	317	-
EB Temporary Investment Fund	Interest Bearing Cash	1	-	413	-	413	-
EB Temporary Investment Fund	Interest Bearing Cash	1	-	438	-	438	-
EB Temporary Investment Fund	Interest Bearing Cash	1	-	718	-	718	-
EB Temporary Investment Fund	Interest Bearing Cash	1	-	894	-	894	-
		<u>10</u>	<u>-</u>	<u>11,444</u>	<u>-</u>	<u>11,444</u>	<u>-</u>
		<u>28</u>	<u>\$ 11,131</u>	<u>\$ 11,444</u>	<u>\$ -</u>	<u>\$ 22,575</u>	<u>\$ -</u>

Employer Identification Number: 93-0925319
Plan Number: 005

The information above has been certified as accurate and complete by the Trustee.

See Independent Auditor's Report.

SCHEDULE SB (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <hr/> <small>Department of Labor Employee Benefits Security Administration</small> <hr/> <small>Pension Benefit Guaranty Corporation</small>	Single-Employer Defined Benefit Plan Actuarial Information <small>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).</small> ► File as an attachment to Form 5500 or 5500-SF.	<small>OMB No. 1210-0110</small> 2017 This Form is Open to Public Inspection
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For calendar plan year 2017 or fiscal plan year beginning 01/01/2017 and ending 12/31/2017

► **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 YALE SECURITY INC. BARGAINING UNIT PENSION PLAN	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">B Three-digit plan number (PN) ►</td> <td style="width: 40%; text-align: center;">005</td> </tr> </table>	B Three-digit plan number (PN) ►	005
B Three-digit plan number (PN) ►	005		
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF ASSA ABLOY Inc.	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td>D Employer Identification Number (EIN) 93-0925319</td> </tr> </table>	D Employer Identification Number (EIN) 93-0925319	
D Employer Identification Number (EIN) 93-0925319			
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>2017</u>			
2	Assets:			
	a Market value.....	2a		14,604,992
	b Actuarial value	2b		14,604,992
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	255	18,462,133	18,462,133
	b For terminated vested participants	52	1,836,581	1,836,581
	c For active participants	0	0	0
	d Total	307	20,298,714	20,298,714
4	If the plan is in at-risk status, check the box and complete lines (a) and (b) ☐			
	a Funding target disregarding prescribed at-risk assumptions.....	4a		
	b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor.....	4b		
5	Effective interest rate.....	5		5.67%
6	Target normal cost	6		28,452

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	<div style="text-align: center;"> LAWRENCE A. GOLDEN </div>	<div style="text-align: center;"> 09/26/2018 Date 1704197 Most recent enrollment number 732-302-2142 Telephone number (including area code) </div>
	Signature of actuary LAWRENCE A. GOLDEN Type or print name of actuary AON CONSULTING, INC. Firm name 400 ATRIUM DRIVE 5TH FLOOR SOUTH SOMERSET NJ 08873 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) 2017

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).....	24,571	0
8 Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	24,571	0
9 Amount remaining (line 7 minus line 8).....	0	0
10 Interest on line 9 using prior year's actual return of <u>2.74%</u>	0	0
11 Prior year's excess contributions to be added to prefunding balance:		
a Present value of excess contributions (line 38a from prior year).....		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>5.88%</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.....		0
12 Other reductions in balances due to elections or deemed elections.....	0	0
13 Balance at beginning of current year (line 9 + line 10 + line 11d – line 12).....	0	0

Part III Funding Percentages

14 Funding target attainment percentage	14	71.95%
15 Adjusted funding target attainment percentage.....	15	71.95%
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	73.39%
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
04/04/2017	180,966	0			
07/12/2017	196,922	0			
10/13/2017	180,000	0			
01/11/2018	180,000	0			
09/12/2018	8,000,000	0			
Totals ▶			18(b)	8,737,888	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	7,997,916

20 Quarterly contributions and liquidity shortfalls:

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

Liquidity shortfall as of end of quarter of this plan year

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

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

21 Discount rate:				
a Segment rates:	1st segment: 4.16 %	2nd segment: 5.72 %	3rd segment: 6.48 %	☐ N/A, full yield curve used
b Applicable month (enter code)				21b 0
22 Weighted average retirement age				22
23 Mortality table(s) (see instructions)	☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute			

Part VI Miscellaneous Items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment.	☐ Yes ☒ No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment.	☐ Yes ☒ No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment.	☐ Yes ☒ No
27 If the plan is subject to alternative funding rules, enter applicable code and see instructions regarding attachment	27

Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years

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

Part VIII Minimum Required Contribution For Current Year

31 Target normal cost and excess assets (see instructions):			
a Target normal cost (line 6)	31a	28,452	
b Excess assets, if applicable, but not greater than line 31a	31b	0	
32 Amortization installments:	Outstanding Balance	Installment	
a Net shortfall amortization installment	5,693,722	823,375	
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	851,827	
	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement			0
36 Additional cash requirement (line 34 minus line 35)	36	851,827	
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	37	7,997,916	
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)	38a	7,146,089	
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	63,910	
43 Excess installment acceleration amount to be carried over to future plan years	43	0	

Schedule SB Attachment (Form 5500)—2017 Plan Year
Yale Security Inc. Bargaining Unit Pension Plan
EIN: 93-0925319 PN: 005

Schedule SB, line 19—Discounted Employer Contributions
Year applied for contributions: 2017

Date	Amount	Days to Discount to 1/1/2017 at 5.67%	Interest Adjusted Contribution
April 4, 2017	\$ 180,966	93	\$ 178,441
July 12, 2017	196,922	192	191,291
October 13, 2017	180,000	285	172,413
January 11, 2018	180,000	375	170,084
September 12, 2018	8,000,000	619	7,285,687
Total Contribution	\$ 8,737,888		\$ 7,997,916

Schedule SB Attachment (Form 5500)—2017 Plan Year
Yale Security Inc. Bargaining Unit Pension Plan
EIN: 93-0925319 PN: 005

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

Interest Rates for Minimum Funding Purposes	Based on segment rates with no lookback (as of January 2017), each adjusted as needed to fall within the 25-year average interest rate stabilization corridor
1st Segment Rate	4.16%
2nd Segment Rate	5.72%
3rd Segment Rate	6.48%
Interest Rates for Maximum Tax Purposes	Based on segment rates with no lookback (as of January 2017), without regard to interest rate stabilization
1st Segment Rate	1.57%
2nd Segment Rate	3.77%
3rd Segment Rate	4.73%
Retirement Age	
Active Participants	None
Terminated Vested Participants	Age 62
Mortality Rates	
Healthy and Disabled	2017 static mortality table for annuitants and non-annuitants per §1.430(h)(3)-1(e)
Withdrawal Rates	None
Disability Rates	None
Decrement Timing	Beginning of year decrements
Surviving Spouse Benefit	It is assumed that 85% of males and 85% of females have an eligible spouse, and that males are three years older than their spouses.
Benefit Limits	Projected benefits are limited by the current IRC section 415 maximum benefit of \$215,000.
Valuation of Plan Assets	Fair market value

Schedule SB Attachment (Form 5500)—2017 Plan Year
Yale Security Inc. Bargaining Unit Pension Plan
EIN: 93-0925319 PN: 005

Trust Expenses Included in Target Normal Cost

Plan administrative fees and premiums are anticipated to be paid out of pension assets for the upcoming year. An administrative expense load has been included in the valuation equal to the actual fees for the prior year plus actual PBGC premium payment for the current year. (\$28,452 for 2017)

Actuarial Method

Standard unit credit cost method

Valuation Date

January 1, 2017

Schedule SB Attachment (Form 5500)—2017 Plan Year
Yale Security Inc. Bargaining Unit Pension Plan
EIN: 93-0925319 PN: 005

Expenses

In the development of the minimum required contribution, the normal cost is increased for administrative expenses charged directly to the pension trust.

Funding Cost Method—PPA

The target liability for inactive participants under this cost method is determined as the actuarial present value of the benefits expected to be paid. These participants include retired participants and their beneficiaries currently receiving benefits and terminated vested participants not yet receiving benefits. No target normal costs are now payable with respect to these participants.

Funding Asset Method

The actuarial value of assets is determined by using Market Value.

Dates of Calculations

The funding valuation date is January 1, 2017.

Employees Included in the Calculations

Former employees or their survivors who are receiving or entitled to receive an immediate or deferred benefit under the provisions of the Plan are also included.

Source of Data

Data is as of the valuation date and is supplied to us by ASSA ABLOY.

We rely on ASSA ABLOY to inform us of any former participants who have been rehired and lost prior service because of the length of their break in service. These employees may have participation requirements different from other new employees.

Although we believe these to be accurate and complete, the data and financial information have not been audited by us.

Schedule SB Attachment (Form 5500)—2017 Plan Year
Yale Security Inc. Bargaining Unit Pension Plan
EIN: 93-0925319 PN: 005

Schedule SB, Part V—Summary of Plan Provisions

Plan Name	Yale Security, Inc. Bargaining Unit Pension Plan
Effective Date	The plan was originally effective July 12, 1954.
Most Recently Amended	<p>A collective bargaining agreement was completed in April, 2011.</p> <p>Effective September 1, 2014, the plan was amended to provide, for a limited time, a lump sum distribution option to certain former employees (or their beneficiaries) with deferred vested benefits who terminated from active service prior to January 1, 2014. Such eligible participants were given the option to elect during the period from September 1, 2014 through October 31, 2014 to receive a lump sum distribution of their vested pension benefits to be payable effective December 1, 2014 or, alternatively, to receive an immediate annuity.</p>
Eligibility	Hourly compensated employees at the Lenoir City Plant who are members of the United Textile Workers of North America, Local No. 297 and the International Association of Tool Craftsmen Local No. 20. Membership commences on date of hire.
Collective Bargaining Agreement in Force	April 1, 2011 to March 31, 2016.
Credited Service	Credited service will be the sum of a member's past and future service.
Past Service	An employee shall be credited with his total period of continuous employment prior to January 1, 1973 rounded to the nearest tenth.
Future Service	Commencing on January 1, 1973, an employee shall be credited with one year of service for each calendar year after 1972 in which his number of credited hours is at least 1,700. In the event that his number of hours credited in a year is less than 1,700, service credit shall be determined by dividing his number of credited hours by 1,700 with the result taken to the nearest one-tenth year.

Schedule SB Attachment (Form 5500)—2017 Plan Year
Yale Security Inc. Bargaining Unit Pension Plan
EIN: 93-0925319 PN: 005

Vesting Service

Vesting service is determined in the same manner as credited service except that for years commencing on and after January 1, 1976, an employee shall be credited with one year of vesting service for each calendar year he receives credit for at least 1,000 hours without credit for partial years.

Normal Retirement
Requirement

Age 65.

Monthly Benefit

As a result of collective bargaining effective April 1, 2011, a member's monthly normal retirement benefit is the dollar amount in the table below multiplied by years of credited service:

Termination Dates	Dollar Amount ¹
04/01/2004 to 03/31/2005	\$27.25
04/01/2005 to 03/31/2006	\$28.00
04/01/2006 to 03/31/2007	\$28.75
04/01/2007 to 03/31/2008	\$29.50
04/01/2008 to 03/31/2009	\$30.25
04/01/2009 to 03/31/2011	\$31.00
04/01/2011 to 03/31/2012	\$31.60
04/01/2012 to 03/31/2013	\$32.20
04/01/2013 to 03/31/2014	\$32.80
04/01/2014 to 03/31/2015	\$33.40
04/01/2015 and later	\$34.00

Credited service is limited to 47 years.

Early Retirement
Requirement

Age 62 and 10 years of credited service.

Monthly Benefit

A member may receive pension equal to the accrued normal retirement benefit reduced by $\frac{1}{2}$ of 1% for each month for commencement prior to his normal retirement date.

Deferred Retirement

A member who retires after normal retirement date will receive a monthly benefit commencing on deferred retirement date, based on credited service at deferred retirement date.

¹ Based on bargaining agreement effective April 1, 2011. For purposes of the 2011 funding valuation, monthly pension dollar amount of \$31.00 was valued for retirement dates of April 1, 2009 and later.

Schedule SB Attachment (Form 5500)—2017 Plan Year
Yale Security Inc. Bargaining Unit Pension Plan
EIN: 93-0925319 PN: 005

Disability Retirement
Requirement

Permanent and total disability and 10 years of credited service.

Monthly Benefit

Effective April 1, 1993, a disabled member will receive a monthly benefit equal to \$25 per year of credited service (to a maximum of 44 years), paid from the member's permanent disablement and continuing until the earlier of normal retirement date or the date he becomes eligible for social security benefits upon which his monthly benefit is the rate in effect as of the date of disability per year of credited service (up to 47 years).

Termination Benefits
Requirements

Five years of vesting service.

Monthly Benefit

An employee may receive his vested benefit as a deferred annuity payable at age 65 in an amount equal to his accrued normal retirement benefit. If the former employee had completed 10 years of credited service, he may elect to receive a reduced monthly benefit as early as age 62. The reduction is $\frac{1}{2}$ of 1% for each month for commencement prior to age 65.

Preretirement Death Benefits
Requirement

Five years of vesting service and married for 12-month period.

Monthly Benefit

The death benefit payable to a member's surviving spouse shall commence on the first of the month following the later of (a) the member's date of death or (b) the date on which the member would have reached age 62 and shall be an amount equal to the benefit which the spouse would have received had the member retired on that date and elected a 50% survivor annuity, actuarially reduced for commencement of benefits prior to the member's sixty-fifth birthday, if applicable.

Forms of Payment
Normal Form
Single

Life annuity.

Married

Joint and 50% surviving spouse.

Optional Form
Married

Life annuity or joint and 75% surviving spouse.

Schedule SB Attachment (Form 5500)—2017 Plan Year
Yale Security Inc. Bargaining Unit Pension Plan
EIN: 93-0925319 PN: 005

Plan Changes Since the Prior Year

The funding valuation does not reflect any plan changes.

Other Information to Fully and Fairly Disclose the Actuarial Position of the Plan

Due to software limitations with the electronic filing process, information filed electronically cannot be controlled by the Enrolled Actuary. The values on the signed Schedule SB will govern to the extent there are any differences in the entries filed electronically and the actual data contained on the signed Schedule SB.

Schedule SB Attachment (Form 5500)—2017 Plan Year
Yale Security Inc. Bargaining Unit Pension Plan
EIN: 93-0925319 PN: 005

Schedule SB, line 32—Schedule of Amortization Bases

Type of Base	Present Value of Installment	Date Established	Years Remaining	Amortization Installment
Shortfall	\$ 5,735,022	January 1, 2010	7	\$ 952,655
Shortfall	\$ 302,681	January 1, 2011	2	\$ 165,748
Shortfall	\$ (442,826)	January 1, 2012	2	\$ (225,924)
Shortfall	\$ 39,929	January 1, 2013	3	\$ 13,856
Shortfall	\$ (2,231,491)	January 1, 2014	4	\$ (592,428)
Shortfall	\$ 1,002,261	January 1, 2015	5	\$ 217,116
Shortfall	\$ 772,702	January 1, 2016	6	\$ 143,800
Shortfall	\$ 515,444	January 1, 2017	7	\$ 84,642

Schedule SB Attachment (Form 5500)—2017 Plan Year
Yale Security Inc. Bargaining Unit Pension Plan
EIN: 93-0925319 PN: 005

Schedule SB, Part V—Summary of Plan Provisions

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Eligibility	Hourly compensated employees at the Lenoir City Plant who are members of the United Textile Workers of North America, Local No. 297 and the International Association of Tool Craftsmen Local No. 20. Membership commences on date of hire.
Collective Bargaining Agreement in Force	April 1, 2011 to March 31, 2016.
Credited Service	Credited service will be the sum of a member's past and future service.
Past Service	An employee shall be credited with his total period of continuous employment prior to January 1, 1973 rounded to the nearest tenth.
Future Service	Commencing on January 1, 1973, an employee shall be credited with one year of service for each calendar year after 1972 in which his number of credited hours is at least 1,700. In the event that his number of hours credited in a year is less than 1,700, service credit shall be determined by dividing his number of credited hours by 1,700 with the result taken to the nearest one-tenth year.

Schedule SB Attachment (Form 5500)—2017 Plan Year
Yale Security Inc. Bargaining Unit Pension Plan
EIN: 93-0925319 PN: 005

Vesting Service

Vesting service is determined in the same manner as credited service except that for years commencing on and after January 1, 1976, an employee shall be credited with one year of vesting service for each calendar year he receives credit for at least 1,000 hours without credit for partial years.

Normal Retirement
Requirement

Age 65.

Monthly Benefit

As a result of collective bargaining effective April 1, 2011, a member's monthly normal retirement benefit is the dollar amount in the table below multiplied by years of credited service:

Termination Dates	Dollar Amount ¹
04/01/2004 to 03/31/2005	\$27.25
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04/01/2006 to 03/31/2007	\$28.75
04/01/2007 to 03/31/2008	\$29.50
04/01/2008 to 03/31/2009	\$30.25
04/01/2009 to 03/31/2011	\$31.00
04/01/2011 to 03/31/2012	\$31.60
04/01/2012 to 03/31/2013	\$32.20
04/01/2013 to 03/31/2014	\$32.80
04/01/2014 to 03/31/2015	\$33.40
04/01/2015 and later	\$34.00

Credited service is limited to 47 years.

Early Retirement
Requirement

Age 62 and 10 years of credited service.

Monthly Benefit

A member may receive pension equal to the accrued normal retirement benefit reduced by $\frac{1}{2}$ of 1% for each month for commencement prior to his normal retirement date.

Deferred Retirement

A member who retires after normal retirement date will receive a monthly benefit commencing on deferred retirement date, based on credited service at deferred retirement date.

¹ Based on bargaining agreement effective April 1, 2011. For purposes of the 2011 funding valuation, monthly pension dollar amount of \$31.00 was valued for retirement dates of April 1, 2009 and later.

Schedule SB Attachment (Form 5500)—2017 Plan Year
Yale Security Inc. Bargaining Unit Pension Plan
EIN: 93-0925319 PN: 005

Disability Retirement
Requirement

Permanent and total disability and 10 years of credited service.

Monthly Benefit

Effective April 1, 1993, a disabled member will receive a monthly benefit equal to \$25 per year of credited service (to a maximum of 44 years), paid from the member's permanent disablement and continuing until the earlier of normal retirement date or the date he becomes eligible for social security benefits upon which his monthly benefit is the rate in effect as of the date of disability per year of credited service (up to 47 years).

Termination Benefits
Requirements

Five years of vesting service.

Monthly Benefit

An employee may receive his vested benefit as a deferred annuity payable at age 65 in an amount equal to his accrued normal retirement benefit. If the former employee had completed 10 years of credited service, he may elect to receive a reduced monthly benefit as early as age 62. The reduction is $\frac{1}{2}$ of 1% for each month for commencement prior to age 65.

Preretirement Death Benefits
Requirement

Five years of vesting service and married for 12-month period.

Monthly Benefit

The death benefit payable to a member's surviving spouse shall commence on the first of the month following the later of (a) the member's date of death or (b) the date on which the member would have reached age 62 and shall be an amount equal to the benefit which the spouse would have received had the member retired on that date and elected a 50% survivor annuity, actuarially reduced for commencement of benefits prior to the member's sixty-fifth birthday, if applicable.

Forms of Payment
Normal Form
Single

Life annuity.

Married

Joint and 50% surviving spouse.

Optional Form
Married

Life annuity or joint and 75% surviving spouse.

Schedule SB Attachment (Form 5500)—2017 Plan Year
Yale Security Inc. Bargaining Unit Pension Plan
EIN: 93-0925319 PN: 005

Plan Changes Since the Prior Year

The funding valuation does not reflect any plan changes.

Other Information to Fully and Fairly Disclose the Actuarial Position of the Plan

Due to software limitations with the electronic filing process, information filed electronically cannot be controlled by the Enrolled Actuary. The values on the signed Schedule SB will govern to the extent there are any differences in the entries filed electronically and the actual data contained on the signed Schedule SB.

**Yale Security Inc. Bargaining
Unit Pension Plan**

**Financial Statements
(With Supplementary Information)
and Independent Auditor's Report
December 31, 2017 and 2016**

Yale Security Inc. Bargaining Unit Pension Plan

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Independent Auditor's Report

To the Participants and Plan Administrator
Yale Security Inc. Bargaining Unit Pension Plan

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of Yale Security Inc. Bargaining Unit Pension Plan (the "Plan"), which comprise the statements of net assets available for benefits as of December 31, 2017 and 2016, 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 conducting the audits in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the *Basis for Disclaimer of Opinion* paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's ("DOL") Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the Plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 10, which was certified by The Bank of New York Mellon/BNY Mellon, N.A., the trustee of the Plan, except for comparing such information with the related information included in the financial statements. We have been informed by the Plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The Plan administrator has obtained a certification from the trustee as of December 31, 2017 and 2016, and for the years then ended, that the information provided to the Plan administrator by the trustee is complete and accurate.

Disclaimer of Opinion

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

Other Matter

The supplemental schedules, Schedule H, Line 4i – Schedule of Assets (Held at End of Year) and Schedule H, Line 4j – Schedule of Reportable Transactions, as of or for the year ended December 31, 2017 are required by the DOL’s Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 and are presented for the purpose of additional analysis and are not a required part of the financial statements. Because of the significance of the matter described in the *Basis for Disclaimer of Opinion* paragraph, we do not express an opinion on these supplemental schedules.

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

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



Hartford, Connecticut
October 4, 2018

Yale Security Inc. Bargaining Unit Pension Plan
Statements of Net Assets Available for Benefits
December 31, 2017 and 2016

	2017	2016
Assets		
Investments, at fair value		
Cash and cash equivalents	\$ -	\$ 307
Plan interest in ASSA ABLOY Inc. Master Trust	14,708,257	14,169,749
Total investments	<u>14,708,257</u>	<u>14,170,056</u>
Receivables		
Employer contributions	<u>8,180,000</u>	<u>442,577</u>
Total assets	<u>22,888,257</u>	<u>14,612,633</u>
Liability		
Accrued expenses and other liabilities	<u>21,000</u>	<u>20,500</u>
Net assets available for benefits	<u>\$ 22,867,257</u>	<u>\$ 14,592,133</u>

See Notes to Financial Statements.

Yale Security Inc. Bargaining Unit Pension Plan
Statements of Changes in Net Assets Available for Benefits
Years Ended December 31, 2017 and 2016

	2017	2016
Additions to net assets attributable to:		
Investment income		
Plan interest in ASSA ABLOY Inc. Master Trust investment income	\$ 1,545,258	\$ 401,769
Total investment income	1,545,258	401,769
Contributions:		
Employer	8,737,888	1,042,577
Total additions	10,283,146	1,444,346
Deductions from net assets attributable to:		
Benefits paid to participants and beneficiaries	1,978,190	2,079,078
Administrative expenses	29,832	206,856
Total deductions	2,008,022	2,285,934
Net increase (decrease) in net assets	8,275,124	(841,588)
Net assets available for benefits, beginning of year	14,592,133	15,433,721
 Net assets available for benefits, end of year	 \$ 22,867,257	 \$ 14,592,133

See Notes to Financial Statements.

Yale Security Inc. Bargaining Unit Pension Plan

Notes to Financial Statements

1. Plan Description

The following description of the Yale Security Inc. Bargaining Unit Pension Plan (the “Plan”) provides only general information. Participants should refer to the Plan document for a more complete description of the Plan’s provisions.

The Plan is a non-contributory, defined benefit pension plan sponsored by ASSA ABLOY Inc. (the “Sponsor”), the parent of Yale Security Inc. (the “Company”) and is subject to the provisions of the Employee Retirement Income Security Act of 1974 (“ERISA”). The Plan is administered by the ASSA ABLOY Inc. Benefits Committee (the “Benefits Committee” and the “Plan Administrator”) which have been appointed by the Sponsor. The Benefits Committee has sole authority to control and manage the operation and administration of the Plan, subject to the terms and provisions of the Plan. The Benefits Committee determines the appropriateness of the Plan’s investment offerings and monitors investment performance. Below are the general provisions of the Plan. Plan participants should refer to the Plan document for a more complete description of the Plan.

Substantially all assets of the Plan are held by the ASSA ABLOY Inc. Master Trust (the “Master Trust”). As of December 31, 2017 and 2016, the Master Trust holds the assets of the Plan as well as the assets of the ASSA ABLOY Inc., U.S. Intruder Group Pension Plan for Salaried Employees, the Corbin Russwin, Inc. Pension Plan for Hourly Employees, the Retirement Plan for Employees of Sargent Manufacturing Company and Amstar Electronics Group and the United Automobile, Aerospace and Agricultural Implement Workers of America and Its Local 1242 McKinney Products Company Pension Plan, which are also sponsored by the Sponsor. The assets of the Master Trust are held by The Bank of New York Mellon/BNY Mellon, N.A. (the “Trustee”). The assets are currently managed by Snowden Capital Advisors, LLC, which has been granted discretionary authority concerning purchases and sales of investments.

Eligibility

The Plan covers all hourly employees who are employed on a full-time basis at the Lenoir City, TN plant who are subject to a collective bargaining agreement (“eligible employees”). Eligible employees automatically become participants in the Plan on their date of hire. Effective April 1, 2011, the Plan along with the Company’s collective bargaining agreement was amended so that a bargained-for hourly paid employee who is initially hired on or after April 1, 2011 shall be ineligible to participate or accrue benefits under the Plan.

Pension Benefits

The normal retirement benefit is based on a single life annuity, payable monthly for life, commencing on the normal retirement date (age 65) and ending upon the death of the participant. Other forms of payment, such as a 50% joint and survivor annuity, are based upon the normal retirement benefit, actuarially reduced.

The monthly benefit is equal to the number of years (including fractions thereof) of credited service multiplied by the monthly base amount in effect when the participant retires.

Yale Security Inc. Bargaining Unit Pension Plan

Notes to Financial Statements

This amount has been adjusted as follows in accordance with union negotiations in 1992, 1995, 1998, 2001, 2004 and 2011:

Effective date	Base Amount	Maximum Years Credited Service
April 1, 1992	\$18.00	39
April 1, 1993	18.50	40
April 1, 1994	19.00	41
April 1, 1995	20.00	44
April 1, 1996	21.00	44
April 1, 1997	22.00	44
April 1, 1998	23.00	47
April 1, 1999	24.00	47
April 1, 2001	24.75	47
April 1, 2002	25.50	47
April 1, 2003	26.25	47
April 1, 2004	27.25	47
April 1, 2005	28.00	47
April 1, 2006	28.75	47
April 1, 2007	29.50	47
April 1, 2008	30.25	47
April 1, 2009	31.00	47
April 1, 2010	31.00	47
April 1, 2011	31.60	47
April 1, 2012	32.20	47
April 1, 2013	32.80	47
April 1, 2014	33.40	47
April 1, 2015	34.00	47

Pursuant to the April 1, 2011 Plan amendment and collective bargaining agreement, the foregoing increase shall apply to participants of the Plan retiring on or after the effective date. Certain pension benefit provisions were added in conjunction with the amendment as follows (1) benefit accruals shall continue for eligible employees as of March 31, 2011 and continuously thereafter for the duration of the collective bargaining agreement, (2) in accordance with the layoff and recall provisions as defined by the collective bargaining agreement, benefit accruals shall also continue for any participants whose employment is terminated before or after April 1, 2011 due to a layoff, and who is reemployed within the defined period of recall rights on or after April 1, 2011, (3) an employee who transfers to a bargained-for hourly position on or after April 1, 2011 shall no longer be eligible to accrue benefits and (4) any other eligible employee whose employment with the Company is terminated before or after August 15, 2011 and is subsequently rehired shall not be eligible to rejoin or accrue benefits.

Pursuant to the 1995 and 1998 union negotiations, a special early retirement benefit was offered to participants who had obtained age 60 and completed 10 or more years of credited service.

Yale Security Inc. Bargaining Unit Pension Plan

Notes to Financial Statements

The special early retirement benefit included in the 1998 union negotiations provided for the following three early retirement periods:

- | | |
|-----------|---|
| Window 1: | Eligible between 04/01/98 – 07/01/98
Elect by 07/01/98
Retire between 04/01/98 – 07/01/98 |
| Window 2: | Eligible between 04/01/98 – 07/01/99
Elect by 07/01/99
Retire between 04/01/99 – 07/01/99 |
| Window 3: | Eligible between 04/01/98 – 07/01/00
Elect by 07/01/00
Retire between 04/01/00 – 07/01/00 |

Benefits for such participants were determined without regard to any actuarial adjustment that would otherwise apply as a result of benefit commencement prior to normal retirement.

Participants are eligible for actuarially reduced early retirement benefits at age 62 provided they have completed ten years of credited service.

Prior to March 28, 2005, if the actuarial equivalent value of the pension benefit otherwise payable under the Plan was \$5,000 or less, it was payable in a single lump-sum payment. Such payment was made without the consent of the participant or his or her beneficiary.

Effective March 28, 2005, participants with balances of \$1,000 or less will receive an automatic lump-sum distribution upon termination. If the actuarial equivalent value of the pension benefit otherwise payable under the Plan is between \$1,000 and \$5,000, the Plan Administrator will distribute such funds to an individual retirement account as directed by the Plan document.

Death and Disability Benefits

The Plan provides for the payment of benefits to beneficiaries of participants who die prior to the commencement of retirement, if certain requirements have been met. If a participant dies after the commencement of retirement benefit payments, benefits are paid in accordance with the participant's benefit election.

Active participants who become totally disabled prior to age 65 and have completed ten years of credited service are eligible for a disability benefit pension. The monthly benefit is \$25 for each year of credited service earned and is payable until the participant becomes eligible for Social Security disability benefits or reaches age 65, whichever occurs first. At such time, the benefit is recalculated using the retirement benefit calculation in effect at the date the participant became disabled.

Termination Benefits

The Plan provides for benefits to participants whose employment is terminated prior to retirement but after they have completed at least five years of vesting service. Normal retirement benefits for these terminated participants begin at age 65. Terminated participants with at least ten years of credited service are eligible at age 62 for early retirement benefits, which are actuarially reduced depending upon the actual commencement date of benefit payments.

Yale Security Inc. Bargaining Unit Pension Plan

Notes to Financial Statements

Vesting

Benefits under the Plan become fully vested on the earlier of age 65 or after five years of service; there is no partial vesting.

Administrative Expenses

The Plan is responsible for payment of the Trustee expenses and recordkeeping fees, actuarial services, Pension Benefits Guarantee Corporation ("PBGC") premiums, and accounting and auditing services. During the years ended December 31, 2017 and 2016, administrative expenses were \$29,832 and \$206,856, respectively.

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.

Investment Valuation and Income Recognition

All Plan assets are held by the Trustee. The Master Trust invests in securities traded on national securities exchanges which are valued by the Trustee at the last reported sales price on the last business day of the Plan year, as well as common/collective trusts and a hedge fund which are valued by the Trustee at the last reported net asset value. These 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 11 – Fair Value Measurements). The Plan's Benefits Committee and Plan Administrator determine the Plan's valuation policies utilizing information provided by its investment advisors and custodians.

The Plan's proportionate interest in the Master Trust is based on beginning of year fair value of the Plan's interest in the Master Trust plus actual contributions and allocated net investment income less actual distributions and allocated administrative expenses. The net investment income from the Master Trust represents the Plan's proportionate share of the total earnings from investments including interest, dividends, and appreciation (depreciation), which are netted with investment advisory fees. Appreciation (depreciation) in the fair value of investments consists of the realized gains and losses and the changes in unrealized appreciation (depreciation) on those investments.

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

Payment of Benefits

Benefit payments to participants or beneficiaries are recorded upon distribution.

Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires the Plan Administrator 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 and the changes therein at the dates of the financial statements. Actual results could differ from those estimates.

Yale Security Inc. Bargaining Unit Pension Plan

Notes to Financial Statements

Administrative Expenses

The Plan's expenses are paid either by the Plan or the Plan's Sponsor as provided by the Plan document. Expenses that are paid directly by the Plan Sponsor are excluded from these financial statements. Certain administrative expenses of the Plan, such as actuarial, legal, auditing and insurance fees, paid by the Plan. These expenses paid by the Plan are recorded as deductions in the accompanying statements of changes in net assets available for benefits. In addition, certain investment related expenses are included in investment income presented in the accompanying statements of changes in net assets available for benefits.

Risks and Uncertainties

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

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

Subsequent Events

Subsequent events were evaluated through October 4, 2018, which is the date the financial statements were available to be issued.

3. Actuarial Present Value of Accumulated Plan Benefits

Accumulated Plan benefits are those future 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. Benefits under the Plan are accumulated based on years of credited service. Benefits payable under all circumstances - retirement, death, disability and termination of employment - are included, to the extent they are deemed attributable to employee service rendered to the valuation date.

The actuarial present value of accumulated Plan benefits is determined by Aon Consulting, Inc. (the "Actuary") and is that amount which 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 payment dates. The effect of plan amendments (if any) on the accumulated benefits obligation is recognized during the year in which such amendments become effective.

The significant actuarial assumptions used in the valuations as of December 31, 2017 and 2016 also updated for actuarial assumptions used in 2017 and 2016 were (a) life expectancy of participants under the RP-2014 healthy blue collar employee projection scale MP-2017, and life expectancy of participants under the RP-2014 healthy blue collar employee/healthy annuitant male/female mortality using full generation projection scale MP-2016, respectively, (b) retirement age assumptions (the assumed average retirement age was 62 in 2017 and 2016), and (c) the rate which

Yale Security Inc. Bargaining Unit Pension Plan

Notes to Financial Statements

is used to measure investment return (3.90% for 2017 and 4.15% for 2016). These actuarial assumptions are based on the presumption that the Plan will continue. If the Plan were to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated Plan benefits.

The benefits accumulated and actuarial experience amount presented in the statements of changes in accumulated Plan benefits include normal service costs for benefits that have been earned by participants and actuarial gains and losses, as determined by the Actuary.

The computations of the actuarial present value of accumulated Plan benefits were made as of January 1, 2017 and 2016. Had the valuation been performed as of December 31, there would be no material differences.

The life expectancy assumptions were updated from 2016 to 2017 in accordance with the Society of Actuaries issuance of the MP-2017 improvement scale on October 20, 2017.

4. Funding Policy

The Company's funding policy is to contribute such amounts as are determined on an actuarial basis to meet the minimum funding requirements of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), plus such additional amounts as the Company may determine to be appropriate. For 2017 and 2016, the minimum required contribution was \$851,827 and \$1,017,858, respectively.

To satisfy the 2017 minimum required contribution, the Company made cash contributions in the amount of \$557,888 for Plan Year 2017 during 2017 and cash contributions in the amount of \$8,180,000 for Plan Year 2017 during 2018. A final contribution in the amount of \$153,331 for Plan Year 2017 was made on September 12, 2018. To satisfy the 2016 minimum required contribution, the Company elected to apply funding standard carryover balance in the amount of \$24,571 and made cash contributions in the amount of \$600,000 for Plan Year 2016 during 2016 and cash contributions in the amount of \$442,577 for Plan Year 2016 during 2017.

5. Plan Termination

Although it has not expressed any intention to do so, the Sponsor 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.

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 following order:

- a. 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 have been payable under Plan provisions in effect at any time during the five years preceding Plan termination.
- b. Other vested benefits insured by the PBGC (a U.S. government agency) up to the applicable limitations.

Yale Security Inc. Bargaining Unit Pension Plan

Notes to Financial Statements

- c. All other vested benefits (that is, vested benefits not insured by the PBGC).
- d. All nonvested benefits.

Certain benefits under the Plan are insured by the PBGC if the Plan terminates. Generally, the PBGC guarantees most vested normal age retirement benefits, early retirement benefits, and certain disability and survivor's pensions. However, the PBGC does not guarantee all types of benefits under the Plan, and the amount of benefit protection is subject to certain limitations. Vested benefits under the Plan are guaranteed at the level in effect on the date of the Plan's termination.

Whether all participants would 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.

6. Related Party and Party-in-Interest Transactions

Plan assets include investments in funds managed by the Trustee of the Plan and, as such, transactions with the Trustee qualify as party-in-interest transactions. Aon Consulting, Inc. provides actuarial services to the Plan, which also qualify as party-in-interest transactions. Personnel and facilities of the Sponsor have been used to perform administrative functions for the Plan at no charge to the Plan.

7. Accumulated Plan Benefits

Statement of Accumulated Plan Benefits

	December 31, 2016
Actuarial present value of accumulated plan benefits	
Vested benefits:	
Participants currently receiving payments	\$ 20,623,737
Other participants	<u>2,592,365</u>
 Total actuarial present value of accumulated plan benefits	 <u>\$ 23,216,102</u>

Yale Security Inc. Bargaining Unit Pension Plan

Notes to Financial Statements

Statement of Changes in Accumulated Plan Benefits

	Year Ended December 31, 2016
Actuarial present value of accumulated plan benefits at beginning of year	\$ 24,259,388
Increase/(decrease) during the year attributable to:	
Benefits accumulated and actuarial experience	(201,481)
Increase in interest due to decrease in discount period	964,062
Benefits paid	(2,079,078)
Assumption changes	273,211
Net decrease	(1,043,286)
Actuarial present value of accumulated plan benefits at end of year	\$ 23,216,102

8. Investments

The Plan's proportionate undivided interest in the Master Trust's net assets as of December 31, 2017 and 2016 was 7.6% and 7.9%, respectively. The fair value of the net assets in the Master Trust as of December 31, 2017 and 2016 was \$194,437,310 and \$178,754,532, respectively. Investment income and administrative expenses relating to the Master Trust are allocated to the individual plans based upon average monthly balances invested by each plan. The Master Trust has been set up to facilitate the investment of the participating plans' pooled assets on a diversified basis in accordance with the applicable ERISA requirements.

Yale Security Inc. Bargaining Unit Pension Plan

Notes to Financial Statements

The following table presents the net assets for the Master Trust as of December 31:

	2017	2016
Cash:	\$ 277,589	\$ -
Receivables:		
Accrued income	612,403	591,720
Due from broker for securities sold	1,818,536	167,762
Total receivables	<u>2,430,939</u>	<u>759,482</u>
Investments at fair value:		
Common and preferred stocks	122,755,374	113,524,481
Corporate debt	32,375,443	31,553,828
U.S. government securities	33,139,934	27,289,963
Hedge fund	1,057,834	1,000,864
Common/collective trusts	3,796,224	4,721,647
Total investments	<u>193,124,809</u>	<u>178,090,783</u>
Liabilities:		
Due to broker for securities purchased	(1,396,027)	(95,733)
Net assets	<u>\$ 194,437,310</u>	<u>\$ 178,754,532</u>

Net investment income for the Master Trust for the years ended December 31:

	2017	2016
Changes in Net Assets:		
Net appreciation (depreciation) in fair value of investments:		
Common and preferred stocks	\$ 17,501,719	\$ 2,728,456
Corporate debt	86,106	106,178
U.S. government securities	(191,714)	(126,122)
Hedge fund	56,971	864
Common/collective trusts	46,815	36,684
Interest	1,384,509	1,253,485
Dividends	2,307,373	2,351,072
Net investment income	<u>21,191,779</u>	<u>6,350,617</u>
Net transfers	(4,082,103)	(14,900,044)
Administrative expenses	(1,426,898)	(1,266,654)
Increase (decrease) in net assets	15,682,778	(9,816,081)
Net assets:		
Beginning of year	<u>178,754,532</u>	<u>188,570,613</u>
End of year	<u>\$ 194,437,310</u>	<u>\$ 178,754,532</u>

Yale Security Inc. Bargaining Unit Pension Plan

Notes to Financial Statements

9. Tax Status

The Internal Revenue Service (“IRS”) has determined and informed the Sponsor by a letter dated March 27, 2015, that the Plan is designed in accordance with the applicable sections of the Internal Revenue Code (“IRC”). The Plan Administrator believes that the Plan is currently being operated in accordance with the applicable requirements of the IRC.

Accounting principles generally accepted in the United States of America require Plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would be not sustained upon examination by the IRS. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

10. Certification by Trustee

The Plan Administrator has elected the method of compliance permitted by 29 CFR 2520-103.8 of the Department of Labor’s Rules and Regulations for Reporting and Disclosure under ERISA. The Trustee of the Plan, as of and for the years ended December 31, 2017 and 2016, has certified to the Plan Administrator that the following information as complete and accurate. The information was relied on by the Plan Administrator in the preparation of the Plan’s financial statements in accordance with ERISA.

a. Investments

- The cost and fair value of each of the investment funds of the Master Trust investments, and the Plan’s interest in these investments and cash and cash equivalents, as of December 31, 2017 and 2016.
- Purchases and sales of investments, including gains or losses on sales, for the years ended December 31, 2017 and 2016.

b. Investment Income

- The Plan’s interest in the Master Trust investment income for the years ended December 31, 2017 and 2016.
- The amount of investment advisor fees of the Master Trust, and the Plan’s share of the investment advisor fees of the Master Trust, for the years ended December 31, 2017 and 2016.

11. Fair Value Measurements

Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) 820, *Fair Value Measurements and Disclosures*, provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described below:

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

Yale Security Inc. Bargaining Unit Pension Plan

Notes to Financial Statements

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices those 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 input must be observable for substantially the full term of the asset or liability.

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

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

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2017 and 2016.

Common stocks and U.S. government securities: Valued at the closing price reported on the active market on which the individual securities are traded.

When quoted prices are not available for identical or similar bonds, the bond is valued under a discounted cash flows approach that maximizes observable inputs, such as current yields of similar instruments, but includes adjustments for certain risks that may not be observable, such as credit and liquidity risks or a broker quote if available.

Corporate debt: Valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing value on yields currently available on corporate securities of issues with similar credit ratings.

Hedge Fund: Valued at net asset value ("NAV") of units held. The NAV is used as a practical expedient to estimate fair value. The NAV is based on the fair value of the underlying investments held by the fund less its liability. This practical expedient is not used when it is determined to be probable that the fund will sell the investment for an amount different than the reported NAV.

Common / collective trusts: Valued at the last reported NAV of shares held by the Plan at year end. The NAV, as provided by the Trustee, is used as a practical expedient to estimate fair value. The NAV is based on the fair value of the underlying investments held by the fund less its liabilities. This practical expedient is not used when it is determined to be probable that the fund will sell the investment for an amount different than the reported NAV. Participant transactions (purchases and sales) may occur daily. Were the Plan to initiate a full redemption of the collective trust, the investment adviser reserves the right to temporarily delay withdrawal from the trust in order to ensure that securities liquidations will be carried out in an orderly business manner.

Yale Security Inc. Bargaining Unit Pension Plan

Notes to Financial Statements

The estimated fair value of the common/collective trust is NAV. The use of NAV as fair value is deemed appropriate as the collective trust funds do not have finite lives, unfunded commitments relating to these types of investments, or significant restrictions on redemptions.

The following tables set forth by level, within the fair value hierarchy, the Master Trust's assets at fair value as of December 31, 2017 and 2016:

Assets at Fair Value as of December 31, 2017

	Level 1	Level 2	Level 3	Total
Common stocks	\$ 122,755,374	\$ -	\$ -	\$ 122,755,374
Corporate debt	-	32,375,443	-	32,375,443
U.S. government securities	33,139,934	-	-	33,139,934
	<u>155,895,308</u>	<u>32,375,443</u>	<u>-</u>	<u>188,270,751</u>
Investments measured at NAV (a)	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,854,058</u>
Total assets at fair value	<u>\$ 155,895,308</u>	<u>\$ 32,375,443</u>	<u>\$ -</u>	<u>\$ 193,124,809</u>

Assets at Fair Value as of December 31, 2016

	Level 1	Level 2	Level 3	Total
Common stocks	\$ 113,524,481	\$ -	\$ -	\$ 113,524,481
Corporate debt	-	31,553,828	-	31,553,828
U.S. government securities	27,289,963	-	-	27,289,963
	<u>140,814,444</u>	<u>31,553,828</u>	<u>-</u>	<u>172,368,272</u>
Investments measured at NAV (a)	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,722,511</u>
Total assets at fair value	<u>\$ 140,814,444</u>	<u>\$ 31,553,828</u>	<u>\$ -</u>	<u>\$ 178,090,783</u>

(a) In accordance with Subtopic 820-10, certain investments that were measured at NAV per share (or its equivalent) have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the line items presented in the statements of net assets available for benefits.

For years ended December 31, 2017 and 2016, there were no significant transfers between levels 1 and 2 and no transfers in or out of level 3.

Yale Security Inc. Bargaining Unit Pension Plan

Notes to Financial Statements

Fair Value of investments in entities that calculate NAV:

The following table summarizes the Master Trust's investments measured at fair value based on NAVs per share as of December 31, 2017 and 2016, respectively.

December 31, 2017	Fair Value	Unfunded Commitments	Redemption Frequency (if currently eligible)	Redemption Notice Period
Common / collective trust	\$3,796,224	n/a	Daily	30 days
Hedge fund (a)	\$1,057,834	n/a	Quarterly	90 days

December 31, 2016	Fair Value	Unfunded Commitments	Redemption Frequency (if currently eligible)	Redemption Notice Period
Common / collective trust	\$4,721,647	n/a	Daily	30 days
Hedge fund (a)	\$1,000,864	n/a	Quarterly	90 days

- (a) *Hedge Fund*. The hedge fund allocates capital across a diverse set of strategies and asset classes seeking the optimal mix of return and risk. Those strategies include Relative Value Fundamental Equity, Fixed Income, Commodities and Statistical Arbitrage / Quantitative Strategies, among others. The objective is to achieve absolute returns with minimal risk rather than outperform a given benchmark or asset class.

Yale Security Inc. Bargaining Unit Pension Plan
Schedule H, Line 4i – Schedule of Assets (Held at End of Year)
December 31, 2017

(a)	(b) Identity of issuer, borrower, lessor or similar party	(c) Description of investment, including maturity date, rate of interest, collateral, par or maturity value	(d) Cost	(e) Current value
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Cash and Cash Equivalents

*BNY Mellon EB Temporary Investment Fund
Total Cash and Cash Equivalents

Cash	\$ -	\$ -
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*Denotes a party in interest.

Employer Identification Number: 93-0925319
Plan Number: 005

The information above has been certified as accurate and complete by the Trustee.

See Independent Auditor's Report.

Schedule SB Attachment (Form 5500)—2017 Plan Year
Yale Security Inc. Bargaining Unit Pension Plan
EIN: 93-0925319 PN: 005

Schedule SB, line 32—Schedule of Amortization Bases

Type of Base	Present Value of Installment	Date Established	Years Remaining	Amortization Installment
Shortfall	\$ 5,735,022	January 1, 2010	7	\$ 952,655
Shortfall	\$ 302,681	January 1, 2011	2	\$ 165,748
Shortfall	\$ (442,826)	January 1, 2012	2	\$ (225,924)
Shortfall	\$ 39,929	January 1, 2013	3	\$ 13,856
Shortfall	\$ (2,231,491)	January 1, 2014	4	\$ (592,428)
Shortfall	\$ 1,002,261	January 1, 2015	5	\$ 217,116
Shortfall	\$ 772,702	January 1, 2016	6	\$ 143,800
Shortfall	\$ 515,444	January 1, 2017	7	\$ 84,642