

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 2018 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2018 or fiscal plan year beginning <u>01/01/2018</u> and ending <u>12/31/2018</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>THE HILLMAN GROUP, INC. RETIREMENT SAVINGS AND PROFIT SHARING PLAN</u>	1b Three-digit plan number (PN) ▶	<u>012</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>THE HILLMAN GROUP, INC.</u> <u>10590 HAMILTON AVENUE</u> <u>CINCINNATI, OH 45231</u>		1c Effective date of plan <u>04/30/1974</u>	2b Employer Identification Number (EIN) <u>31-1623179</u>
2c Plan Sponsor's telephone number <u>513-851-4900</u>		2d Business code (see instructions) <u>423700</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.	10/14/2019	CARIN STACY
	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 (2018)
v. 171027

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 2981
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines 6a(1) , 6a(2) , 6b , 6c , and 6d). a(1) Total number of active participants at the beginning of the plan year a(2) Total number of active participants at the end of the plan year b Retired or separated participants receiving benefits..... c Other retired or separated participants entitled to future benefits d Subtotal. Add lines 6a(2) , 6b , and 6c e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits. f Total. Add lines 6d and 6e g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested	6a(1) 2380 6a(2) 2346 6b 14 6c 771 6d 3131 6e 2 6f 3133 6g 2875 6h 332
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	7
8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions: 2E 2F 2G 2J 2K 2S 2T 3D 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 2018 Form M-1 annual report. If the plan was not required to file the 2018 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 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
		2018
		This Form is Open to Public Inspection.

For calendar plan year 2018 or fiscal plan year beginning 01/01/2018 and ending 12/31/2018	
A Name of plan THE HILLMAN GROUP, INC. RETIREMENT SAVINGS AND PROFIT SHARING PLAN	B Three-digit plan number (PN) ▶ 012
C Plan sponsor's name as shown on line 2a of Form 5500 THE HILLMAN GROUP, INC.	D Employer Identification Number (EIN) 31-1623179

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
FIDELITY INVESTMENTS INSTITUTIONAL
04-2647786

(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)

FIDELITY INVESTMENTS INSTITUTIONAL

04-2647786

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
37 60 64 65	RECORDKEEPER	81209	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☒ No ☐

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

MCF ADVISORS

20-0566061

(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?
16	CONSULTANT	12786	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

MCF ADVISORS

20-0566061

(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?
16	CONSULTANT	12714	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
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(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.
ABF LG CAP VAL INV - BOSTON FINANC P.O. BOX 8480 400 COLUMBUS BOSTON, MA 02266	0.40%	
(a) Enter service provider name as it appears on line 2		(b) Service Codes (see instructions)
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(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.
AF WASH MUT INV R3 - AMERICAN FUND 95-2566717	0.65%	
(a) Enter service provider name as it appears on line 2		(b) Service Codes (see instructions)
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(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.
COL SM CAP INDEX I - COLUMBIA MGT 245 SUMMER STREET BOSTON, MA 02210	0.10%	

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
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(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.	
DREY MIDCAP IDX INV - DREYFUS TRAN 200 PARK AVENUE NEW YORK, NY 10166	0.35%	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(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.	
GS INTL SM CP INS A - GOLDMAN SACH 13-5108880	0.50%	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(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.	
J H SMALL CAP VAL T - JANUS SERVIC 43-1804048	0.35%	

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
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(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.	
LOOMIS CORE PL BD Y - DST ASSET MA PO BOX 219432 KANSAS CITY, MO 64121	0.20%	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(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.	
TRP DIV GROWTH - T. ROWE PRICE SER 52-2269240	0.15%	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(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.	
TRP MID CAP GRTH ADV - T. ROWE PRI 52-2269240	0.40%	

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
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(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.	
TRP QM US SMCPR ADV - T. ROWE PRI 52-2269240	0.40%	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(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.	
TRP REAL ESTATE - T. ROWE PRICE SE 52-2269240	0.15%	
(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:

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

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

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

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

SCHEDULE H (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110
		2018
		This Form is Open to Public Inspection

For calendar plan year 2018 or fiscal plan year beginning 01/01/2018 and ending 12/31/2018		
A Name of plan THE HILLMAN GROUP, INC. RETIREMENT SAVINGS AND PROFIT SHARING PLAN	B Three-digit plan number (PN) ►	012
C Plan sponsor's name as shown on line 2a of Form 5500 THE HILLMAN GROUP, INC.	D Employer Identification Number (EIN) 31-1623179	

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

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a	0	0
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions.....	1b(1)	0	0
(2) Participant contributions	1b(2)	0	0
(3) Other.....	1b(3)	0	0
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit).....	1c(1)	0	0
(2) U.S. Government securities	1c(2)	0	0
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)	0	0
(B) All other.....	1c(3)(B)	0	0
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)	0	0
(B) Common.....	1c(4)(B)	0	0
(5) Partnership/joint venture interests	1c(5)	0	0
(6) Real estate (other than employer real property).....	1c(6)	0	0
(7) Loans (other than to participants)	1c(7)	0	0
(8) Participant loans.....	1c(8)	2369645	2335356
(9) Value of interest in common/collective trusts	1c(9)	8492884	9323459
(10) Value of interest in pooled separate accounts	1c(10)	0	0
(11) Value of interest in master trust investment accounts	1c(11)	0	0
(12) Value of interest in 103-12 investment entities.....	1c(12)	0	0
(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)	93796958	87596164
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
(15) Other	1c(15)	0	0

1d Employer-related investments:

		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)	0	0
(2) Employer real property	1d(2)	0	0
e Buildings and other property used in plan operation	1e	0	0
f Total assets (add all amounts in lines 1a through 1e)	1f	104659487	99254979

Liabilities

g Benefit claims payable	1g	0	0
h Operating payables	1h	0	0
i Acquisition indebtedness	1i	0	0
j Other liabilities	1j	0	0
k Total liabilities (add all amounts in lines 1g through 1j)	1k	0	0

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	104659487	99254979
---	-----------	-----------	----------

Part II Income and Expense Statement

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

Income

		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	2370809	
(B) Participants	2a(1)(B)	6626341	
(C) Others (including rollovers)	2a(1)(C)	661500	
(2) Noncash contributions	2a(2)	0	9658650
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	0	103335
(B) U.S. Government securities	2b(1)(B)	0	
(C) Corporate debt instruments	2b(1)(C)	0	
(D) Loans (other than to participants)	2b(1)(D)	0	
(E) Participant loans	2b(1)(E)	103335	
(F) Other	2b(1)(F)	0	
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		103335
(2) Dividends: (A) Preferred stock	2b(2)(A)	0	4156818
(B) Common stock	2b(2)(B)	0	
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	4156818	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		4156818
(3) Rents	2b(3)		0
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)	0	0
(B) Aggregate carrying amount (see instructions)	2b(4)(B)	0	
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		
(5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)	0	0
(B) Other	2b(5)(B)	0	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		166584
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		0
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		0
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		0
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		-9465209
c Other income.....	2c		0
d Total income. Add all income amounts in column (b) and enter total	2d		4620178

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	9891395	
(2) To insurance carriers for the provision of benefits	2e(2)	0	
(3) Other	2e(3)	0	
(4) Total benefit payments. Add lines 2e(1) through (3).....	2e(4)		9891395
f Corrective distributions (see instructions)	2f		14390
g Certain deemed distributions of participant loans (see instructions)	2g		11771
h Interest expense	2h		0
i Administrative expenses: (1) Professional fees.....	2i(1)	0	
(2) Contract administrator fees.....	2i(2)	0	
(3) Investment advisory and management fees.....	2i(3)	0	
(4) Other	2i(4)	107130	
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		107130
j Total expenses. Add all expense amounts in column (b) and enter total	2j		10024686

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		-5404508
l Transfers of assets:			
(1) To this plan.....	2l(1)		0
(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: CASSADY SCHILLER & ASSOCIATES, INC.

(2) EIN: 31-1311065

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		27243
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.)		X	
4m		X	
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.		X	
4n		X	

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 _____. (See instructions.)

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110 2018 This Form is Open to Public Inspection.
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For calendar plan year 2018 or fiscal plan year beginning 01/01/2018 and ending 12/31/2018

A Name of plan <u>THE HILLMAN GROUP, INC. RETIREMENT SAVINGS AND PROFIT SHARING PLAN</u>	B Three-digit plan number (PN) ▶ <u>012</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>THE HILLMAN GROUP, INC.</u>	D Employer Identification Number (EIN) <u>31-1623179</u>

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

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions	1	
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): <u>04-6568107</u>		
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year	3	

Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part.)
----------------	---

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

Part III	Amendments
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9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box.....	☐ Increase	☐ Decrease	☐ Both	☐ No
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Part IV	ESOPs (see instructions). If this is not a plan described under section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.
----------------	---

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) 2018
v. 171027

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

b The plan year immediately preceding the current plan year

c The second preceding plan year

14a**14b****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

b The corresponding number for the second preceding plan year

15a**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

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

16a**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):

**THE HILLMAN GROUP, INC. RETIREMENT SAVINGS
AND PROFIT SHARING PLAN**

Financial Statements

December 31, 2018 and 2017

Independent Auditor's Report

**THE HILLMAN GROUP, INC. RETIREMENT SAVINGS
AND PROFIT SHARING PLAN
FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017**

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Independent Auditor's Report

To The Hillman Group Retirement Committee and Trustees
The Hillman Group, Inc. Retirement Savings and Profit Sharing Plan

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of The Hillman Group, Inc. Retirement Savings and Profit Sharing Plan (the Plan), which comprise the statement of net assets available for benefits as of December 31, 2018 and 2017, and the related statement of changes in net assets available for benefits for the year ended December 31, 2018, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 7, which was certified by Fidelity Management Trust Company, 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, 2018 and 2017, and for the year ended December 31, 2018, that the information provided to the plan administrator by the trustee is complete and accurate.

Disclaimer of Opinion

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

Other Matter

The supplemental schedule of assets (held at end of year) as of December 31, 2018 and the supplemental schedule of delinquent participant contributions for the year ended December 31, 2018 are required by the Department of Labor'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 the supplemental schedules.

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

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

Cassady Schiller & Associates, Inc.

Cincinnati, Ohio
October 8, 2019

**THE HILLMAN GROUP, INC. RETIREMENT SAVINGS
AND PROFIT SHARING PLAN
STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS
DECEMBER 31, 2018 AND 2017**

	<u>2018</u>	<u>2017</u>
ASSETS		
Investments, at fair value:		
Mutual funds	\$ 87,596,164	\$ 93,796,958
Common collective trust	<u>9,323,459</u>	<u>8,492,884</u>
Total investments, at fair value	96,919,623	102,289,842
Notes receivable from participants	<u>2,335,356</u>	<u>2,369,645</u>
NET ASSETS AVAILABLE FOR BENEFITS	\$ <u>99,254,979</u>	\$ <u>104,659,487</u>

**THE HILLMAN GROUP, INC. RETIREMENT SAVINGS
AND PROFIT SHARING PLAN
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
YEAR ENDED DECEMBER 31, 2018**

ADDITIONS

Additions to net assets attributed to:

Investment income (loss):

Net depreciation in fair value of investments	\$ (9,298,625)
Interest and dividends	<u>4,156,818</u>

Net investment loss	(5,141,807)
---------------------	--------------------

Interest on notes receivable from participants	103,335
--	----------------

Contributions:

Employee	6,626,341
Employer	2,370,809
Rollover	<u>661,500</u>

Total contributions	<u>9,658,650</u>
---------------------	-------------------------

Total additions	4,620,178
-----------------	------------------

DEDUCTIONS

Benefits paid to participants	9,917,556
Administrative expenses	<u>107,130</u>

Total deductions	<u>10,024,686</u>
------------------	--------------------------

Net decrease in net assets	(5,404,508)
----------------------------	--------------------

Net assets available for benefits, beginning of year	<u>104,659,487</u>
--	---------------------------

Net assets available for benefits, end of year	<u>\$ 99,254,979</u>
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**THE HILLMAN GROUP, INC. RETIREMENT SAVINGS
AND PROFIT SHARING PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017**

1. Plan description

The following description of The Hillman Group, Inc. Retirement Savings and Profit Sharing Plan (the Plan) provides only general information. Participants should refer to the plan agreement for a more complete description of the Plan's provisions.

General

The Plan is a defined contribution plan with a cash or deferred arrangement generally covering all employees of The Hillman Group, Inc. (the Employer) who have three months of service and are age twenty-one or older. All employees are automatically enrolled as soon as they meet the Plan's eligibility requirements with a salary deferral of 3% of compensation. If an employee is automatically enrolled, their deferral contribution rate will be increased by 1% each year until it reaches a maximum of 6% of compensation, unless elected otherwise. Employees are allowed to waive the automatic enrollment. Effective January 2, 2018, the Plan was amended to exclude employees working for Hargis Industries, Inc. (DBA S.T. Fastening Systems) from participating in the Plan. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA).

Contributions

Each year participants may contribute up to 60% of their compensation on a pre-tax basis limited to the amount allowed under federal tax laws. Participants may also roll over amounts representing distributions from other qualified defined contribution plans. Participants direct the investment of their contributions into various investment options offered by the Plan. Upon enrollment in the Plan, participants may direct their contributions in twenty-nine mutual funds and a common collective trust. Participants may change their investment options daily. The Employer contributions are invested in accordance with the participants' investment selections. The Employer, at its discretion, may make matching contributions to the Plan each year. For the plan year ended December 31, 2018, the Employer elected to match 50% of the first 6% of the participants' compensation, subject to IRS limitations. The Employer contribution is allocated amongst investment options based on the participant's selected allocation percentages. Employer profit sharing contributions to the Plan are discretionary. The Employer's management group determines annually the amount, if any, of the profit sharing contribution. During 2018, there were no Employer profit sharing contributions.

Participant accounts

Each participant's account is credited with the participant's contributions and allocations of (a) the Employer matching and profit sharing contributions and (b) plan earnings, and charged with (a) an allocation of administrative fees and expenses paid out of the Plan, and (b) decreases in investment value. Allocations of matching contributions are based on participant contributions.

Vesting

All participants are immediately vested in their participant and rollover accounts at the time such contributions are made. Participants become vested in employer matching contributions and profit sharing contributions as follows:

<u>Years of Service</u>	<u>Vested Percentage</u>
1	20%
2	40%
3	60%
4	80%
5	100%

Notes receivable from participants

Under the Plan, participants with account balances may borrow the lesser of \$50,000 or 50% of the amount in the participant's vested account balance with a minimum of \$1,000. Principal and interest are paid through payroll deductions on the basis of straight-line amortization within five years from the date the loan is made except when used to acquire a principal residence. Interest rates on the loans vary from 4.25% to 10.50% with various maturities between 2019 and 2035.

Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Delinquent notes receivable from participants are reclassified as distributions based upon the terms of the plan document.

Expenses of the Plan

All expenses of administration are paid out of the Plan unless paid by the Employer. Such expenses shall include any expenses incident to the functioning of the plan administrator, including, but not limited to, fees of accountants, counsel, and other specialists and their agents, and other costs of administering the Plan. Until paid, the expenses shall constitute a liability of the Plan. However, the Employer may reimburse the Plan for any administration expense incurred. Any administration expense paid to the Plan as a reimbursement shall not be considered an employer contribution. The Employer elected to pay some administration expenses incurred in 2018.

Forfeited accounts

Forfeitures are created when participants terminate employment before becoming fully vested in the employer contributions. These accounts may first be used to pay administrative expenses. Any remaining amounts will be used to reduce future employer contributions payable under the Plan. At December 31, 2018 and 2017, forfeited non-vested accounts totaled \$123,354 and \$16,497, respectively. Also in 2018, forfeited non-vested accounts of \$26,238 were used to pay plan expenses.

Plan termination

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA.

Payment of benefits

On termination of service due to death, disability or retirement, or any other reason, a participant will receive a lump-sum amount equal to the value of the participant's vested interest in his or her account. Participants may elect to apply for a hardship withdrawal in the event of immediate and heavy financial need, subject to approval by the plan administrator.

Net assets of withdrawing participants

No participants had elected to withdraw from the Plan prior to December 31, 2018 that had not received distributions before year end.

2. Summary of accounting policies

Basis of accounting

The financial statements of the Plan are prepared using the accrual method of accounting in accordance with accounting principles generally accepted in the United States of America.

Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, changes therein, and disclosure of contingent assets and liabilities. Accordingly, actual results may differ from those estimates.

Investment valuation and income recognition

Investments are reported at fair value. Fair value of a financial instrument is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The plan administrator determines the Plan's valuation policies utilizing information provided by the investment advisor and trustee. See Note 5 for discussion of fair value measurements.

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

Risks and uncertainties

The Plan utilizes various investment instruments, including mutual funds and a common collective trust. Investment securities, in general, are exposed to various risks such as interest rate, credit and overall market volatility risks. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the Statement of Net Assets Available for Benefits.

Benefits

Benefit payments are recorded when paid.

3. Transactions with related parties

The Plan permits the payment of administrative expenses to be made from the Plan's assets and for them to be allocated either proportionately based on the value of the account balances or as an equal dollar amount based on the number of participants in the Plan. However, substantially all administrative expenses of the Plan are paid by the Company. Expenses related to specific participant transactions (i.e. loan setup, distribution request, etc.) are charged directly against the appropriate participant's account.

Certain plan investments are managed by Fidelity Management Trust Company (Fidelity). Fidelity is the trustee as defined by the Plan and, therefore, these transactions qualify as party-in-interest transactions which are exempt from the prohibited transaction rule.

4. Tax status

On March 31, 2014, the IRS stated that the prototype adopted by the Plan, as then designed, qualifies under Internal Revenue Code (IRC) Section 401(a). The Plan has not received a determination letter specific to the Plan itself; however, the plan administrator and the Plan's tax counsel believe that the Plan is designed and is being operated in compliance with the applicable requirements of the IRC. Therefore, no provision for income taxes has been included in the Plan's financial statements.

Accounting principles generally accepted in the United States of America require plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The plan administrator believes it is no longer subject to income tax examinations for years prior to 2015.

5. Fair value measurements

The framework for measuring fair value 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) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

- 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.
- 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 that are observable for the asset or liability; 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.

ASC 820 establishes a hierarchy which requires an entity to maximize the use of quoted market prices and minimizes the use of unobservable inputs. An asset or liability's level is based on the lowest level of input that is significant to the fair value measurement.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in methodologies used at December 31, 2018 and 2017:

Mutual funds:	Valued at the daily closing price as reported by the fund. Mutual funds held by the Plan are open-end mutual funds that are registered with the U.S. Securities and Exchange Commission. These funds are required to publish their daily net asset value ("NAV") and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.
Common collective trust:	Valued at the NAV of units of a bank collective trust. 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 liabilities.

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2018 and 2017. Classification within the fair value hierarchy table is based on the lowest level of any input that is significant to the fair value measurement.

Assets at Fair Value as of December 31, 2018				
	Level 1	Level 2	Level 3	Total
Mutual funds	\$ 87,596,164	\$ -	\$ -	\$ 87,596,164
Total assets in the fair value hierarchy	87,596,164	-	-	87,596,164
Investments measured at NAV (a)	-	-	-	9,323,459
Investments at fair value	<u>\$ 87,596,164</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 96,919,623</u>

Assets at Fair Value as of December 31, 2017				
	Level 1	Level 2	Level 3	Total
Mutual funds	\$ 93,796,958	\$ -	\$ -	\$ 93,796,958
Total assets in the fair value hierarchy	93,796,958	-	-	93,796,958
Investments measured at NAV (a)	-	-	-	8,492,884
Investments at fair value	<u>\$ 93,796,958</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 102,289,842</u>

(a) 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 Statement of Net Assets Available for Benefits.

For years ended December 31, 2018 and 2017, there were no significant transfers between Levels 1 and 2 and no transfers in or out of Level 3.

6. Reportable transactions

No reportable transactions were noted in 2018 and 2017.

7. Information certified by the Plan's trustee

The plan administrator has elected the method of annual reporting compliance permitted by 29 CFR 2520.103-8 of the Department of Labor's (DOL) Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, Fidelity, the trustee of the Plan has certified that the following information included in the accompanying financial statements and supplemental schedules is complete and accurate:

- Investments and notes receivable from participants, as shown in the Statement of Net Assets Available for Benefits as of December 31, 2018 and 2017
- Net investment income (loss) and interest on notes receivable from participants, as shown in the Statement of Changes in Net Assets Available for Benefits for the year ended December 31, 2018
- Schedule H, Line 4(i) – Schedule of Assets (Held at End of Year) as of December 31, 2018

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

8. Fidelity bonding requirements

The Plan was covered by a \$5,000,000 fidelity bond during 2018 and 2017.

9. Subsequent events

The plan administrator has evaluated subsequent events through October 8, 2019, the date the financial statements were available to be issued.

Effective January 1, 2019, the plan document was amended to allow employees working for Hargis Industries, Inc. (DBA S.T. Fastening Systems), a division of The Hillman Group, Inc., to participate in the Plan.

Effective February 28, 2019, the plan document was amended as follows:

Service with the predecessor employers, Hargis Industries, Inc. (DBA S.T. Fastening Systems) and Minutekey, is credited to participants for purposes of eligibility to participate in the Plan;

The cash out limit was changed from less than or equal to \$1,000 to less than or equal to \$5,000;

The Hargis Industries, Inc. 401(k) Plan and the Minutekey 401(k) Plan were both merged into the Plan with an effective date of February 28, 2019. Assets merged into the Plan totaled \$4,395,487.

The plan administrator is not aware of any additional subsequent events that would require recognition or disclosure in the Plan's financial statements.

SUPPLEMENTAL SCHEDULES

**THE HILLMAN GROUP, INC. RETIREMENT SAVINGS
AND PROFIT SHARING PLAN
SCHEDULE H, LINE 4(i) – SCHEDULE OF ASSETS (HELD AT END OF YEAR)
DECEMBER 31, 2018**

EIN: 31-1623179

Plan Number: 012

(a)	(b) Identity of issue, borrower, lessor, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value	(d) Cost	(e) Current value
	Mutual funds			
*	Fidelity 500 Index Fund	113621.97 shares	**	\$ 9,896,474
*	Fidelity Contrafund	743297.88 shares	**	8,183,710
	Vanguard Target Retirement 2030 Fund	262217.59 shares	**	8,081,546
	Vanguard Target Retirement 2025 Fund	427502.55 shares	**	7,271,818
	Vanguard Target Retirement 2020 Fund	214551.31 shares	**	6,142,604
	T. Rowe Price Mid Cap Growth Fund	76534.57 shares	**	5,658,966
	Vanguard Target Retirement 2035 Fund	298757.3 shares	**	5,622,612
	Vanguard Target Retirement 2040 Fund	172643.07 shares	**	5,578,097
	American Funds Washington Mutual R3	123312.45 shares	**	5,020,050
*	Fidelity U.S. Bond Index Fund	361899.14 shares	**	4,082,222
	Vanguard Target Retirement 2050 Fund	83349.63 shares	**	2,710,530
	Dreyfus Mid Cap Index Fund	92623.12 shares	**	2,666,620
*	Fidelity International Discovery Fund	67923.56 shares	**	2,477,172
	Vanguard Target Retirement 2045 Fund	117708.22 shares	**	2,378,883
	T. Rowe Price QM US Small-Cap GR Eq Adv	63884.68 shares	**	1,986,813
	Vanguard Target Retirement 2055 Fund	49068.95 shares	**	1,732,134
	Columbia Small Cap Index Fund CI Z	78549.65 shares	**	1,611,839
	T. Rowe Price Dividend Growth Fund	37366.69 shares	**	1,549,597
	Vanguard Target Retirement 2015 Fund	87103.01 shares	**	1,207,248
	Vanguard Target Retirement Income Fund	75332.49 shares	**	960,489
	Loomis Sayles Core Plus Bond Y	67363.02 shares	**	846,080
	Goldman Sachs International Small Cap Insights Fund - Class A	53566.7 shares	**	546,380
	Janus Henderson Small Cap Value T	21388.52 shares	**	393,763
	T. Rowe Price Real Estate	11289.95 shares	**	279,765
	Pimco Real Return Fund - Institutional Class	25115.74 shares	**	265,222
	Aberdeen Emerging Markets Fund Institutional	11395.83 shares	**	154,527
*	Fidelity International Index Fund	3323.87 shares	**	120,823
	Vanguard Target Retirement 2060 Fund	3379.59 shares	**	105,342
	Pimco All Asset Institutional	5921.24 shares	**	64,838
				87,596,164
	Common collective trust			
	Morley Stable Value Fund	355314.75 shares	**	9,323,459
*	Notes receivable from participants	4.25% - 10.50% through April 2035	***	2,335,356
			\$ N/A	\$ 99,254,979

* Denotes party-in-interest

** Historical cost information is not required in Schedule H, Line 4(i) - Schedule of Assets (Held at End of Year)

*** Cost for participant loans is \$0 per the instructions to Form 5500

**THE HILLMAN GROUP, INC. RETIREMENT SAVINGS
AND PROFIT SHARING PLAN
SCHEDULE H, LINE 4(a) - SCHEDULE OF DELINQUENT PARTICIPANT CONTRIBUTIONS
YEAR ENDED DECEMBER 31, 2018**

EIN: 31-1623179

Plan Number: 012

Participant Contributions Transferred Late to Plan	Total that Constitute Nonexempt Prohibited Transactions			Totally Fully Corrected Under VFCP and PTE 2002-51
			Contributions	
			Pending	
	Contributions	Contributions	Correction in	
	Not Corrected	Corrected Outside VFCP	VFCP	
\$ 27,243	\$ -	\$ 27,243	\$ -	\$ -

**THE HILLMAN GROUP, INC. RETIREMENT SAVINGS
AND PROFIT SHARING PLAN**

Financial Statements

December 31, 2018 and 2017

Independent Auditor's Report

**THE HILLMAN GROUP, INC. RETIREMENT SAVINGS
AND PROFIT SHARING PLAN
FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017**

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Independent Auditor's Report

To The Hillman Group Retirement Committee and Trustees
The Hillman Group, Inc. Retirement Savings and Profit Sharing Plan

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of The Hillman Group, Inc. Retirement Savings and Profit Sharing Plan (the Plan), which comprise the statement of net assets available for benefits as of December 31, 2018 and 2017, and the related statement of changes in net assets available for benefits for the year ended December 31, 2018, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 7, which was certified by Fidelity Management Trust Company, 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, 2018 and 2017, and for the year ended December 31, 2018, that the information provided to the plan administrator by the trustee is complete and accurate.

Disclaimer of Opinion

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

Other Matter

The supplemental schedule of assets (held at end of year) as of December 31, 2018 and the supplemental schedule of delinquent participant contributions for the year ended December 31, 2018 are required by the Department of Labor'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 the supplemental schedules.

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

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

Cassady Schiller & Associates, Inc.

Cincinnati, Ohio
October 8, 2019

**THE HILLMAN GROUP, INC. RETIREMENT SAVINGS
AND PROFIT SHARING PLAN
STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS
DECEMBER 31, 2018 AND 2017**

	<u>2018</u>	<u>2017</u>
ASSETS		
Investments, at fair value:		
Mutual funds	\$ 87,596,164	\$ 93,796,958
Common collective trust	<u>9,323,459</u>	<u>8,492,884</u>
Total investments, at fair value	96,919,623	102,289,842
Notes receivable from participants	<u>2,335,356</u>	<u>2,369,645</u>
NET ASSETS AVAILABLE FOR BENEFITS	<u>\$ 99,254,979</u>	<u>\$ 104,659,487</u>

**THE HILLMAN GROUP, INC. RETIREMENT SAVINGS
AND PROFIT SHARING PLAN
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
YEAR ENDED DECEMBER 31, 2018**

ADDITIONS

Additions to net assets attributed to:

Investment income (loss):

Net depreciation in fair value of investments	\$ (9,298,625)
Interest and dividends	<u>4,156,818</u>

Net investment loss	(5,141,807)
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Interest on notes receivable from participants	103,335
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Contributions:

Employee	6,626,341
Employer	2,370,809
Rollover	<u>661,500</u>

Total contributions	<u>9,658,650</u>
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Total additions	4,620,178
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DEDUCTIONS

Benefits paid to participants	9,917,556
Administrative expenses	<u>107,130</u>

Total deductions	<u>10,024,686</u>
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Net decrease in net assets	(5,404,508)
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Net assets available for benefits, beginning of year	<u>104,659,487</u>
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Net assets available for benefits, end of year	<u>\$ 99,254,979</u>
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**THE HILLMAN GROUP, INC. RETIREMENT SAVINGS
AND PROFIT SHARING PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017**

1. Plan description

The following description of The Hillman Group, Inc. Retirement Savings and Profit Sharing Plan (the Plan) provides only general information. Participants should refer to the plan agreement for a more complete description of the Plan's provisions.

General

The Plan is a defined contribution plan with a cash or deferred arrangement generally covering all employees of The Hillman Group, Inc. (the Employer) who have three months of service and are age twenty-one or older. All employees are automatically enrolled as soon as they meet the Plan's eligibility requirements with a salary deferral of 3% of compensation. If an employee is automatically enrolled, their deferral contribution rate will be increased by 1% each year until it reaches a maximum of 6% of compensation, unless elected otherwise. Employees are allowed to waive the automatic enrollment. Effective January 2, 2018, the Plan was amended to exclude employees working for Hargis Industries, Inc. (DBA S.T. Fastening Systems) from participating in the Plan. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA).

Contributions

Each year participants may contribute up to 60% of their compensation on a pre-tax basis limited to the amount allowed under federal tax laws. Participants may also roll over amounts representing distributions from other qualified defined contribution plans. Participants direct the investment of their contributions into various investment options offered by the Plan. Upon enrollment in the Plan, participants may direct their contributions in twenty-nine mutual funds and a common collective trust. Participants may change their investment options daily. The Employer contributions are invested in accordance with the participants' investment selections. The Employer, at its discretion, may make matching contributions to the Plan each year. For the plan year ended December 31, 2018, the Employer elected to match 50% of the first 6% of the participants' compensation, subject to IRS limitations. The Employer contribution is allocated amongst investment options based on the participant's selected allocation percentages. Employer profit sharing contributions to the Plan are discretionary. The Employer's management group determines annually the amount, if any, of the profit sharing contribution. During 2018, there were no Employer profit sharing contributions.

Participant accounts

Each participant's account is credited with the participant's contributions and allocations of (a) the Employer matching and profit sharing contributions and (b) plan earnings, and charged with (a) an allocation of administrative fees and expenses paid out of the Plan, and (b) decreases in investment value. Allocations of matching contributions are based on participant contributions.

Vesting

All participants are immediately vested in their participant and rollover accounts at the time such contributions are made. Participants become vested in employer matching contributions and profit sharing contributions as follows:

<u>Years of Service</u>	<u>Vested Percentage</u>
1	20%
2	40%
3	60%
4	80%
5	100%

Notes receivable from participants

Under the Plan, participants with account balances may borrow the lesser of \$50,000 or 50% of the amount in the participant's vested account balance with a minimum of \$1,000. Principal and interest are paid through payroll deductions on the basis of straight-line amortization within five years from the date the loan is made except when used to acquire a principal residence. Interest rates on the loans vary from 4.25% to 10.50% with various maturities between 2019 and 2035.

Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Delinquent notes receivable from participants are reclassified as distributions based upon the terms of the plan document.

Expenses of the Plan

All expenses of administration are paid out of the Plan unless paid by the Employer. Such expenses shall include any expenses incident to the functioning of the plan administrator, including, but not limited to, fees of accountants, counsel, and other specialists and their agents, and other costs of administering the Plan. Until paid, the expenses shall constitute a liability of the Plan. However, the Employer may reimburse the Plan for any administration expense incurred. Any administration expense paid to the Plan as a reimbursement shall not be considered an employer contribution. The Employer elected to pay some administration expenses incurred in 2018.

Forfeited accounts

Forfeitures are created when participants terminate employment before becoming fully vested in the employer contributions. These accounts may first be used to pay administrative expenses. Any remaining amounts will be used to reduce future employer contributions payable under the Plan. At December 31, 2018 and 2017, forfeited non-vested accounts totaled \$123,354 and \$16,497, respectively. Also in 2018, forfeited non-vested accounts of \$26,238 were used to pay plan expenses.

Plan termination

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA.

Payment of benefits

On termination of service due to death, disability or retirement, or any other reason, a participant will receive a lump-sum amount equal to the value of the participant's vested interest in his or her account. Participants may elect to apply for a hardship withdrawal in the event of immediate and heavy financial need, subject to approval by the plan administrator.

Net assets of withdrawing participants

No participants had elected to withdraw from the Plan prior to December 31, 2018 that had not received distributions before year end.

2. Summary of accounting policies

Basis of accounting

The financial statements of the Plan are prepared using the accrual method of accounting in accordance with accounting principles generally accepted in the United States of America.

Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, changes therein, and disclosure of contingent assets and liabilities. Accordingly, actual results may differ from those estimates.

Investment valuation and income recognition

Investments are reported at fair value. Fair value of a financial instrument is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The plan administrator determines the Plan's valuation policies utilizing information provided by the investment advisor and trustee. See Note 5 for discussion of fair value measurements.

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

Risks and uncertainties

The Plan utilizes various investment instruments, including mutual funds and a common collective trust. Investment securities, in general, are exposed to various risks such as interest rate, credit and overall market volatility risks. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the Statement of Net Assets Available for Benefits.

Benefits

Benefit payments are recorded when paid.

3. Transactions with related parties

The Plan permits the payment of administrative expenses to be made from the Plan's assets and for them to be allocated either proportionately based on the value of the account balances or as an equal dollar amount based on the number of participants in the Plan. However, substantially all administrative expenses of the Plan are paid by the Company. Expenses related to specific participant transactions (i.e. loan setup, distribution request, etc.) are charged directly against the appropriate participant's account.

Certain plan investments are managed by Fidelity Management Trust Company (Fidelity). Fidelity is the trustee as defined by the Plan and, therefore, these transactions qualify as party-in-interest transactions which are exempt from the prohibited transaction rule.

4. Tax status

On March 31, 2014, the IRS stated that the prototype adopted by the Plan, as then designed, qualifies under Internal Revenue Code (IRC) Section 401(a). The Plan has not received a determination letter specific to the Plan itself; however, the plan administrator and the Plan's tax counsel believe that the Plan is designed and is being operated in compliance with the applicable requirements of the IRC. Therefore, no provision for income taxes has been included in the Plan's financial statements.

Accounting principles generally accepted in the United States of America require plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The plan administrator believes it is no longer subject to income tax examinations for years prior to 2015.

5. Fair value measurements

The framework for measuring fair value 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) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

- 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.
- 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 that are observable for the asset or liability; 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.

ASC 820 establishes a hierarchy which requires an entity to maximize the use of quoted market prices and minimizes the use of unobservable inputs. An asset or liability's level is based on the lowest level of input that is significant to the fair value measurement.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in methodologies used at December 31, 2018 and 2017:

Mutual funds:	Valued at the daily closing price as reported by the fund. Mutual funds held by the Plan are open-end mutual funds that are registered with the U.S. Securities and Exchange Commission. These funds are required to publish their daily net asset value ("NAV") and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.
Common collective trust:	Valued at the NAV of units of a bank collective trust. 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 liabilities.

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2018 and 2017. Classification within the fair value hierarchy table is based on the lowest level of any input that is significant to the fair value measurement.

Assets at Fair Value as of December 31, 2018				
	Level 1	Level 2	Level 3	Total
Mutual funds	\$ 87,596,164	\$ -	\$ -	\$ 87,596,164
Total assets in the fair value hierarchy	87,596,164	-	-	87,596,164
Investments measured at NAV (a)	-	-	-	9,323,459
Investments at fair value	<u>\$ 87,596,164</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 96,919,623</u>

Assets at Fair Value as of December 31, 2017				
	Level 1	Level 2	Level 3	Total
Mutual funds	\$ 93,796,958	\$ -	\$ -	\$ 93,796,958
Total assets in the fair value hierarchy	93,796,958	-	-	93,796,958
Investments measured at NAV (a)	-	-	-	8,492,884
Investments at fair value	<u>\$ 93,796,958</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 102,289,842</u>

(a) 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 Statement of Net Assets Available for Benefits.

For years ended December 31, 2018 and 2017, there were no significant transfers between Levels 1 and 2 and no transfers in or out of Level 3.

6. Reportable transactions

No reportable transactions were noted in 2018 and 2017.

7. Information certified by the Plan's trustee

The plan administrator has elected the method of annual reporting compliance permitted by 29 CFR 2520.103-8 of the Department of Labor's (DOL) Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, Fidelity, the trustee of the Plan has certified that the following information included in the accompanying financial statements and supplemental schedules is complete and accurate:

- Investments and notes receivable from participants, as shown in the Statement of Net Assets Available for Benefits as of December 31, 2018 and 2017
- Net investment income (loss) and interest on notes receivable from participants, as shown in the Statement of Changes in Net Assets Available for Benefits for the year ended December 31, 2018
- Schedule H, Line 4(i) – Schedule of Assets (Held at End of Year) as of December 31, 2018

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

8. Fidelity bonding requirements

The Plan was covered by a \$5,000,000 fidelity bond during 2018 and 2017.

9. Subsequent events

The plan administrator has evaluated subsequent events through October 8, 2019, the date the financial statements were available to be issued.

Effective January 1, 2019, the plan document was amended to allow employees working for Hargis Industries, Inc. (DBA S.T. Fastening Systems), a division of The Hillman Group, Inc., to participate in the Plan.

Effective February 28, 2019, the plan document was amended as follows:

Service with the predecessor employers, Hargis Industries, Inc. (DBA S.T. Fastening Systems) and Minutekey, is credited to participants for purposes of eligibility to participate in the Plan;

The cash out limit was changed from less than or equal to \$1,000 to less than or equal to \$5,000;

The Hargis Industries, Inc. 401(k) Plan and the Minutekey 401(k) Plan were both merged into the Plan with an effective date of February 28, 2019. Assets merged into the Plan totaled \$4,395,487.

The plan administrator is not aware of any additional subsequent events that would require recognition or disclosure in the Plan's financial statements.

SUPPLEMENTAL SCHEDULES

**THE HILLMAN GROUP, INC. RETIREMENT SAVINGS
AND PROFIT SHARING PLAN
SCHEDULE H, LINE 4(i) – SCHEDULE OF ASSETS (HELD AT END OF YEAR)
DECEMBER 31, 2018**

EIN: 31-1623179

Plan Number: 012

(a)	(b) Identity of issue, borrower, lessor, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value	(d) Cost	(e) Current value
	Mutual funds			
*	Fidelity 500 Index Fund	113621.97 shares	**	\$ 9,896,474
*	Fidelity Contrafund	743297.88 shares	**	8,183,710
	Vanguard Target Retirement 2030 Fund	262217.59 shares	**	8,081,546
	Vanguard Target Retirement 2025 Fund	427502.55 shares	**	7,271,818
	Vanguard Target Retirement 2020 Fund	214551.31 shares	**	6,142,604
	T. Rowe Price Mid Cap Growth Fund	76534.57 shares	**	5,658,966
	Vanguard Target Retirement 2035 Fund	298757.3 shares	**	5,622,612
	Vanguard Target Retirement 2040 Fund	172643.07 shares	**	5,578,097
	American Funds Washington Mutual R3	123312.45 shares	**	5,020,050
*	Fidelity U.S. Bond Index Fund	361899.14 shares	**	4,082,222
	Vanguard Target Retirement 2050 Fund	83349.63 shares	**	2,710,530
	Dreyfus Mid Cap Index Fund	92623.12 shares	**	2,666,620
*	Fidelity International Discovery Fund	67923.56 shares	**	2,477,172
	Vanguard Target Retirement 2045 Fund	117708.22 shares	**	2,378,883
	T. Rowe Price QM US Small-Cap GR Eq Adv	63884.68 shares	**	1,986,813
	Vanguard Target Retirement 2055 Fund	49068.95 shares	**	1,732,134
	Columbia Small Cap Index Fund CI Z	78549.65 shares	**	1,611,839
	T. Rowe Price Dividend Growth Fund	37366.69 shares	**	1,549,597
	Vanguard Target Retirement 2015 Fund	87103.01 shares	**	1,207,248
	Vanguard Target Retirement Income Fund	75332.49 shares	**	960,489
	Loomis Sayles Core Plus Bond Y	67363.02 shares	**	846,080
	Goldman Sachs International Small Cap Insights Fund - Class A	53566.7 shares	**	546,380
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	Aberdeen Emerging Markets Fund Institutional	11395.83 shares	**	154,527
*	Fidelity International Index Fund	3323.87 shares	**	120,823
	Vanguard Target Retirement 2060 Fund	3379.59 shares	**	105,342
	Pimco All Asset Institutional	5921.24 shares	**	64,838
				87,596,164
	Common collective trust			
	Morley Stable Value Fund	355314.75 shares	**	9,323,459
*	Notes receivable from participants	4.25% - 10.50% through April 2035	***	2,335,356
			\$ N/A	\$ 99,254,979

* Denotes party-in-interest

** Historical cost information is not required in Schedule H, Line 4(i) - Schedule of Assets (Held at End of Year)

*** Cost for participant loans is \$0 per the instructions to Form 5500

**THE HILLMAN GROUP, INC. RETIREMENT SAVINGS
AND PROFIT SHARING PLAN
SCHEDULE H, LINE 4(a) - SCHEDULE OF DELINQUENT PARTICIPANT CONTRIBUTIONS
YEAR ENDED DECEMBER 31, 2018**

EIN: 31-1623179

Plan Number: 012

Participant Contributions Transferred Late to Plan	Total that Constitute Nonexempt Prohibited Transactions			Totally Fully Corrected Under VFCP and PTE 2002-51
			Contributions	
			Pending	
	Contributions	Contributions	Correction in	
	Not Corrected	Corrected Outside VFCP	VFCP	
\$ 27,243	\$ -	\$ 27,243	\$ -	\$ -

**THE HILLMAN GROUP, INC. RETIREMENT SAVINGS
AND PROFIT SHARING PLAN**

Financial Statements

December 31, 2018 and 2017

Independent Auditor's Report

**THE HILLMAN GROUP, INC. RETIREMENT SAVINGS
AND PROFIT SHARING PLAN
FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017**

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Independent Auditor's Report

To The Hillman Group Retirement Committee and Trustees
The Hillman Group, Inc. Retirement Savings and Profit Sharing Plan

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of The Hillman Group, Inc. Retirement Savings and Profit Sharing Plan (the Plan), which comprise the statement of net assets available for benefits as of December 31, 2018 and 2017, and the related statement of changes in net assets available for benefits for the year ended December 31, 2018, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 7, which was certified by Fidelity Management Trust Company, 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, 2018 and 2017, and for the year ended December 31, 2018, that the information provided to the plan administrator by the trustee is complete and accurate.

Disclaimer of Opinion

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

Other Matter

The supplemental schedule of assets (held at end of year) as of December 31, 2018 and the supplemental schedule of delinquent participant contributions for the year ended December 31, 2018 are required by the Department of Labor'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 the supplemental schedules.

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

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

Cassady Schiller & Associates, Inc.

Cincinnati, Ohio
October 8, 2019

**THE HILLMAN GROUP, INC. RETIREMENT SAVINGS
AND PROFIT SHARING PLAN
STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS
DECEMBER 31, 2018 AND 2017**

	<u>2018</u>	<u>2017</u>
ASSETS		
Investments, at fair value:		
Mutual funds	\$ 87,596,164	\$ 93,796,958
Common collective trust	<u>9,323,459</u>	<u>8,492,884</u>
Total investments, at fair value	96,919,623	102,289,842
Notes receivable from participants	<u>2,335,356</u>	<u>2,369,645</u>
NET ASSETS AVAILABLE FOR BENEFITS	\$ <u>99,254,979</u>	\$ <u>104,659,487</u>

**THE HILLMAN GROUP, INC. RETIREMENT SAVINGS
AND PROFIT SHARING PLAN
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
YEAR ENDED DECEMBER 31, 2018**

ADDITIONS

Additions to net assets attributed to:

Investment income (loss):

Net depreciation in fair value of investments	\$ (9,298,625)
Interest and dividends	<u>4,156,818</u>

Net investment loss	(5,141,807)
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Interest on notes receivable from participants	103,335
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Contributions:

Employee	6,626,341
Employer	2,370,809
Rollover	<u>661,500</u>

Total contributions	<u>9,658,650</u>
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Total additions	4,620,178
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DEDUCTIONS

Benefits paid to participants	9,917,556
Administrative expenses	<u>107,130</u>

Total deductions	<u>10,024,686</u>
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Net decrease in net assets	(5,404,508)
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Net assets available for benefits, beginning of year	<u>104,659,487</u>
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Net assets available for benefits, end of year	<u>\$ 99,254,979</u>
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**THE HILLMAN GROUP, INC. RETIREMENT SAVINGS
AND PROFIT SHARING PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017**

1. Plan description

The following description of The Hillman Group, Inc. Retirement Savings and Profit Sharing Plan (the Plan) provides only general information. Participants should refer to the plan agreement for a more complete description of the Plan's provisions.

General

The Plan is a defined contribution plan with a cash or deferred arrangement generally covering all employees of The Hillman Group, Inc. (the Employer) who have three months of service and are age twenty-one or older. All employees are automatically enrolled as soon as they meet the Plan's eligibility requirements with a salary deferral of 3% of compensation. If an employee is automatically enrolled, their deferral contribution rate will be increased by 1% each year until it reaches a maximum of 6% of compensation, unless elected otherwise. Employees are allowed to waive the automatic enrollment. Effective January 2, 2018, the Plan was amended to exclude employees working for Hargis Industries, Inc. (DBA S.T. Fastening Systems) from participating in the Plan. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA).

Contributions

Each year participants may contribute up to 60% of their compensation on a pre-tax basis limited to the amount allowed under federal tax laws. Participants may also roll over amounts representing distributions from other qualified defined contribution plans. Participants direct the investment of their contributions into various investment options offered by the Plan. Upon enrollment in the Plan, participants may direct their contributions in twenty-nine mutual funds and a common collective trust. Participants may change their investment options daily. The Employer contributions are invested in accordance with the participants' investment selections. The Employer, at its discretion, may make matching contributions to the Plan each year. For the plan year ended December 31, 2018, the Employer elected to match 50% of the first 6% of the participants' compensation, subject to IRS limitations. The Employer contribution is allocated amongst investment options based on the participant's selected allocation percentages. Employer profit sharing contributions to the Plan are discretionary. The Employer's management group determines annually the amount, if any, of the profit sharing contribution. During 2018, there were no Employer profit sharing contributions.

Participant accounts

Each participant's account is credited with the participant's contributions and allocations of (a) the Employer matching and profit sharing contributions and (b) plan earnings, and charged with (a) an allocation of administrative fees and expenses paid out of the Plan, and (b) decreases in investment value. Allocations of matching contributions are based on participant contributions.

Vesting

All participants are immediately vested in their participant and rollover accounts at the time such contributions are made. Participants become vested in employer matching contributions and profit sharing contributions as follows:

<u>Years of Service</u>	<u>Vested Percentage</u>
1	20%
2	40%
3	60%
4	80%
5	100%

Notes receivable from participants

Under the Plan, participants with account balances may borrow the lesser of \$50,000 or 50% of the amount in the participant's vested account balance with a minimum of \$1,000. Principal and interest are paid through payroll deductions on the basis of straight-line amortization within five years from the date the loan is made except when used to acquire a principal residence. Interest rates on the loans vary from 4.25% to 10.50% with various maturities between 2019 and 2035.

Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Delinquent notes receivable from participants are reclassified as distributions based upon the terms of the plan document.

Expenses of the Plan

All expenses of administration are paid out of the Plan unless paid by the Employer. Such expenses shall include any expenses incident to the functioning of the plan administrator, including, but not limited to, fees of accountants, counsel, and other specialists and their agents, and other costs of administering the Plan. Until paid, the expenses shall constitute a liability of the Plan. However, the Employer may reimburse the Plan for any administration expense incurred. Any administration expense paid to the Plan as a reimbursement shall not be considered an employer contribution. The Employer elected to pay some administration expenses incurred in 2018.

Forfeited accounts

Forfeitures are created when participants terminate employment before becoming fully vested in the employer contributions. These accounts may first be used to pay administrative expenses. Any remaining amounts will be used to reduce future employer contributions payable under the Plan. At December 31, 2018 and 2017, forfeited non-vested accounts totaled \$123,354 and \$16,497, respectively. Also in 2018, forfeited non-vested accounts of \$26,238 were used to pay plan expenses.

Plan termination

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA.

Payment of benefits

On termination of service due to death, disability or retirement, or any other reason, a participant will receive a lump-sum amount equal to the value of the participant's vested interest in his or her account. Participants may elect to apply for a hardship withdrawal in the event of immediate and heavy financial need, subject to approval by the plan administrator.

Net assets of withdrawing participants

No participants had elected to withdraw from the Plan prior to December 31, 2018 that had not received distributions before year end.

2. Summary of accounting policies

Basis of accounting

The financial statements of the Plan are prepared using the accrual method of accounting in accordance with accounting principles generally accepted in the United States of America.

Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, changes therein, and disclosure of contingent assets and liabilities. Accordingly, actual results may differ from those estimates.

Investment valuation and income recognition

Investments are reported at fair value. Fair value of a financial instrument is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The plan administrator determines the Plan's valuation policies utilizing information provided by the investment advisor and trustee. See Note 5 for discussion of fair value measurements.

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

Risks and uncertainties

The Plan utilizes various investment instruments, including mutual funds and a common collective trust. Investment securities, in general, are exposed to various risks such as interest rate, credit and overall market volatility risks. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the Statement of Net Assets Available for Benefits.

Benefits

Benefit payments are recorded when paid.

3. Transactions with related parties

The Plan permits the payment of administrative expenses to be made from the Plan's assets and for them to be allocated either proportionately based on the value of the account balances or as an equal dollar amount based on the number of participants in the Plan. However, substantially all administrative expenses of the Plan are paid by the Company. Expenses related to specific participant transactions (i.e. loan setup, distribution request, etc.) are charged directly against the appropriate participant's account.

Certain plan investments are managed by Fidelity Management Trust Company (Fidelity). Fidelity is the trustee as defined by the Plan and, therefore, these transactions qualify as party-in-interest transactions which are exempt from the prohibited transaction rule.

4. Tax status

On March 31, 2014, the IRS stated that the prototype adopted by the Plan, as then designed, qualifies under Internal Revenue Code (IRC) Section 401(a). The Plan has not received a determination letter specific to the Plan itself; however, the plan administrator and the Plan's tax counsel believe that the Plan is designed and is being operated in compliance with the applicable requirements of the IRC. Therefore, no provision for income taxes has been included in the Plan's financial statements.

Accounting principles generally accepted in the United States of America require plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The plan administrator believes it is no longer subject to income tax examinations for years prior to 2015.

5. Fair value measurements

The framework for measuring fair value 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) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

- 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.
- 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 that are observable for the asset or liability; 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.

ASC 820 establishes a hierarchy which requires an entity to maximize the use of quoted market prices and minimizes the use of unobservable inputs. An asset or liability's level is based on the lowest level of input that is significant to the fair value measurement.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in methodologies used at December 31, 2018 and 2017:

Mutual funds:	Valued at the daily closing price as reported by the fund. Mutual funds held by the Plan are open-end mutual funds that are registered with the U.S. Securities and Exchange Commission. These funds are required to publish their daily net asset value ("NAV") and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.
Common collective trust:	Valued at the NAV of units of a bank collective trust. 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 liabilities.

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2018 and 2017. Classification within the fair value hierarchy table is based on the lowest level of any input that is significant to the fair value measurement.

Assets at Fair Value as of December 31, 2018				
	Level 1	Level 2	Level 3	Total
Mutual funds	\$ 87,596,164	\$ -	\$ -	\$ 87,596,164
Total assets in the fair value hierarchy	87,596,164	-	-	87,596,164
Investments measured at NAV (a)	-	-	-	9,323,459
Investments at fair value	<u>\$ 87,596,164</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 96,919,623</u>

Assets at Fair Value as of December 31, 2017				
	Level 1	Level 2	Level 3	Total
Mutual funds	\$ 93,796,958	\$ -	\$ -	\$ 93,796,958
Total assets in the fair value hierarchy	93,796,958	-	-	93,796,958
Investments measured at NAV (a)	-	-	-	8,492,884
Investments at fair value	<u>\$ 93,796,958</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 102,289,842</u>

(a) 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 Statement of Net Assets Available for Benefits.

For years ended December 31, 2018 and 2017, there were no significant transfers between Levels 1 and 2 and no transfers in or out of Level 3.

6. Reportable transactions

No reportable transactions were noted in 2018 and 2017.

7. Information certified by the Plan's trustee

The plan administrator has elected the method of annual reporting compliance permitted by 29 CFR 2520.103-8 of the Department of Labor's (DOL) Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, Fidelity, the trustee of the Plan has certified that the following information included in the accompanying financial statements and supplemental schedules is complete and accurate:

- Investments and notes receivable from participants, as shown in the Statement of Net Assets Available for Benefits as of December 31, 2018 and 2017
- Net investment income (loss) and interest on notes receivable from participants, as shown in the Statement of Changes in Net Assets Available for Benefits for the year ended December 31, 2018
- Schedule H, Line 4(i) – Schedule of Assets (Held at End of Year) as of December 31, 2018

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

8. Fidelity bonding requirements

The Plan was covered by a \$5,000,000 fidelity bond during 2018 and 2017.

9. Subsequent events

The plan administrator has evaluated subsequent events through October 8, 2019, the date the financial statements were available to be issued.

Effective January 1, 2019, the plan document was amended to allow employees working for Hargis Industries, Inc. (DBA S.T. Fastening Systems), a division of The Hillman Group, Inc., to participate in the Plan.

Effective February 28, 2019, the plan document was amended as follows:

Service with the predecessor employers, Hargis Industries, Inc. (DBA S.T. Fastening Systems) and Minutekey, is credited to participants for purposes of eligibility to participate in the Plan;

The cash out limit was changed from less than or equal to \$1,000 to less than or equal to \$5,000;

The Hargis Industries, Inc. 401(k) Plan and the Minutekey 401(k) Plan were both merged into the Plan with an effective date of February 28, 2019. Assets merged into the Plan totaled \$4,395,487.

The plan administrator is not aware of any additional subsequent events that would require recognition or disclosure in the Plan's financial statements.

SUPPLEMENTAL SCHEDULES

**THE HILLMAN GROUP, INC. RETIREMENT SAVINGS
AND PROFIT SHARING PLAN
SCHEDULE H, LINE 4(i) – SCHEDULE OF ASSETS (HELD AT END OF YEAR)
DECEMBER 31, 2018**

EIN: 31-1623179

Plan Number: 012

(a)	(b) Identity of issue, borrower, lessor, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value	(d) Cost	(e) Current value
	Mutual funds			
*	Fidelity 500 Index Fund	113621.97 shares	**	\$ 9,896,474
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	Vanguard Target Retirement 2030 Fund	262217.59 shares	**	8,081,546
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	Dreyfus Mid Cap Index Fund	92623.12 shares	**	2,666,620
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*	Fidelity International Index Fund	3323.87 shares	**	120,823
	Vanguard Target Retirement 2060 Fund	3379.59 shares	**	105,342
	Pimco All Asset Institutional	5921.24 shares	**	64,838
				87,596,164
	Common collective trust			
	Morley Stable Value Fund	355314.75 shares	**	9,323,459
*	Notes receivable from participants	4.25% - 10.50% through April 2035	***	2,335,356
			\$ N/A	\$ 99,254,979

* Denotes party-in-interest

** Historical cost information is not required in Schedule H, Line 4(i) - Schedule of Assets (Held at End of Year)

*** Cost for participant loans is \$0 per the instructions to Form 5500

**THE HILLMAN GROUP, INC. RETIREMENT SAVINGS
AND PROFIT SHARING PLAN
SCHEDULE H, LINE 4(a) - SCHEDULE OF DELINQUENT PARTICIPANT CONTRIBUTIONS
YEAR ENDED DECEMBER 31, 2018**

EIN: 31-1623179

Plan Number: 012

Participant Contributions Transferred Late to Plan	Total that Constitute Nonexempt Prohibited Transactions			Totally Fully Corrected Under VFCP and PTE 2002-51
			Contributions	
			Pending	
	Contributions	Contributions	Correction in	
	Not Corrected	Corrected Outside VFCP	VFCP	
\$ 27,243	\$ -	\$ 27,243	\$ -	\$ -