

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6057(b) and 6058(a) of the Internal Revenue Code (the Code). <p style="text-align: center;">▶ Complete all entries in accordance with the instructions to the Form 5500.</p>	OMB Nos. 1210-0110 1210-0089 <div style="text-align: center; font-size: 1.5em; font-weight: bold;">2019</div> This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2019 or fiscal plan year beginning <u>01/01/2019</u> and ending <u>12/31/2019</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 HILLSHIRE BRANDS COMPANY CONSOLIDATED HOURLY PENSION PLAN</u>	1b Three-digit plan number (PN) ▶	<u>221</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 HILLSHIRE BRANDS COMPANY</u> <u>C/O TYSON FOODS, INC.</u> <u>P.O. BOX 2020</u> <u>SPRINGDALE, AR 72765</u>		1c Effective date of plan <u>06/30/1990</u>	
		2b Employer Identification Number (EIN) <u>36-2089049</u>	
		2c Plan Sponsor's telephone number <u>479-290-8670</u>	
		2d Business code (see instructions) <u>311900</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.	07/24/2020	LEE KIDD
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	07/24/2020	LEE KIDD
	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 (2019)
v. 190130

3a Plan administrator's name and address ☒ Same as Plan Sponsor	3b Administrator's EIN 3c Administrator's telephone number <div style="background-color: #cccccc; height: 40px; width: 100%;"></div>
4 If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report: a Sponsor's name c Plan Name	4b EIN 4d PN
5 Total number of participants at the beginning of the plan year	5 9915
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) 3404 6a(2) 426 6b 3281 6c 1499 6d 5206 6e 409 6f 5615 6g 6h 0
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	7

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

1B 1I 3H

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

9a Plan funding arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor
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10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules

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

b General Schedules

- (1)** ☒ **H** (Financial Information)
- (2)** ☐ **I** (Financial Information – Small Plan)
- (3)** ☐ 0 **A** (Insurance Information)
- (4)** ☐ **C** (Service Provider Information)
- (5)** ☒ **D** (DFE/Participating Plan Information)
- (6)** ☐ **G** (Financial Transaction Schedules)

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

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

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

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

11c Enter the Receipt Confirmation Code for the 2019 Form M-1 annual report. If the plan was not required to file the 2019 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 _____

<div>SCHEDULE D (Form 5500)</div> <div>Department of the Treasury Internal Revenue Service</div> <div>Department of Labor Employee Benefits Security Administration</div>		<div>DFE/Participating Plan Information</div> <div>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).</div> <div>▶ File as an attachment to Form 5500.</div>		<div>OMB No. 1210-0110</div> <div>2019</div> <div>This Form is Open to Public Inspection.</div>	
For calendar plan year 2019 or fiscal plan year beginning 01/01/2019 and ending 12/31/2019					
A Name of plan THE HILLSHIRE BRANDS COMPANY CONSOLIDATED HOURLY PENSION PLAN				B Three-digit plan number (PN) ▶ 221	
C Plan or DFE sponsor's name as shown on line 2a of Form 5500 THE HILLSHIRE BRANDS COMPANY				D Employer Identification Number (EIN) 36-2089049	
Part I Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs) (Complete as many entries as needed to report all interests in DFEs)					
a Name of MTIA, CCT, PSA, or 103-12 IE: HBC MASTER INV. TRUST FOR DB PLANS					
b Name of sponsor of entity listed in (a): THE HILLSHIRE BRANDS COMPANY					
c EIN-PN 36-2089049-100		d Entity code M		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 224586319	
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):					
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a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in	

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

SCHEDULE H (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	<small>OMB No. 1210-0110</small> 2019 This Form is Open to Public Inspection
For calendar plan year 2019 or fiscal plan year beginning 01/01/2019 and ending 12/31/2019		
A Name of plan THE HILLSHIRE BRANDS COMPANY CONSOLIDATED HOURLY PENSION PLAN	B Three-digit plan number (PN) ►	221
C Plan sponsor's name as shown on line 2a of Form 5500 THE HILLSHIRE BRANDS COMPANY	D Employer Identification Number (EIN) 36-2089049	

Part I Asset and Liability Statement			
1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.			
Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions.....	1b(1)		
(2) Participant contributions.....	1b(2)		
(3) Other.....	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit).....	1c(1)		
(2) U.S. Government securities	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other.....	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common.....	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property).....	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans.....	1c(8)		
(9) Value of interest in common/collective trusts	1c(9)		
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)	335243358	224586319
(12) Value of interest in 103-12 investment entities.....	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)		
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
(15) Other.....	1c(15)		

1d Employer-related investments:		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	335243358	224586319

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i		
j Other liabilities	1j		
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	335243358	224586319
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Part II Income and Expense Statement

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

Income

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

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		43463142
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		
c Other income	2c		
d Total income. Add all income amounts in column (b) and enter total	2d		43463142

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	150847191	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		150847191
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense	2h		
i Administrative expenses: (1) Professional fees	2i(1)	230179	
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)	3042811	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		3272990
j Total expenses. Add all expense amounts in column (b) and enter total	2j		154120181

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		-110657039
l Transfers of assets:			
(1) To this plan	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

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

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

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

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)? ☒ Yes ☐ No

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

(1) Name: GRANT THORNTON LLP

(2) EIN: 36-6055558

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

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

Part IV Compliance Questions

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

During the plan year:

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

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

	Yes	No	Amount
4a		X	
4b		X	

	Yes	No	Amount
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)		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		9000000
4e	X		9000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
4f		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?.....		X	
4g		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?.....		X	
4h		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)		X	
4i		X	
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)		X	
4j		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?		X	
4k		X	
l Has the plan failed to provide any benefit when due under the plan?.....		X	
4l		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)			
4m			
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.			
4n			

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

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

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

5c If the plan is a defined benefit plan, is it covered under the PBGC insurance program (See ERISA section 4021.)? ☒ Yes ☐ No ☐ Not determined
If "Yes" is checked, enter the My PAA confirmation number from the PBGC premium filing for this plan year 4237474. (See instructions.)

<div>SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation</div>	<div>Retirement Plan Information</div> <div>This schedule is required to be filed under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code).</div> <div>▶ File as an attachment to Form 5500.</div>	<div>OMB No. 1210-0110</div> <div>2019</div> <div>This Form is Open to Public Inspection.</div>
For calendar plan year 2019 or fiscal plan year beginning 01/01/2019 and ending 12/31/2019		
A Name of plan THE HILLSHIRE BRANDS COMPANY CONSOLIDATED HOURLY PENSION PLAN		B Three-digit plan number (PN) ▶ 221
C Plan sponsor's name as shown on line 2a of Form 5500 THE HILLSHIRE BRANDS COMPANY		D Employer Identification Number (EIN) 36-2089049
Part I	Distributions	
All references to distributions relate only to payments of benefits during the plan year.		
1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions		1 0
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): 36-3046063		
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 4600
Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part.)	
4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? ☐ Yes ☐ No ☒ N/A If the plan is a defined benefit plan, go to line 8.		
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month Day Year If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.		
6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived)		6a
b Enter the amount contributed by the employer to the plan for this plan year		6b
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount)		6c
If you completed line 6c, skip lines 8 and 9.		
7 Will the minimum funding amount reported on line 6c be met by the funding deadline? ☐ Yes ☐ No ☐ N/A		
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change? ☐ Yes ☐ No ☒ N/A		
Part III	Amendments	
9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box. ☒ Increase ☐ Decrease ☐ Both ☐ No		
Part IV	ESOPs (see instructions). If this is not a plan described under section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.	
10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan? ☐ Yes ☐ No		
11 a Does the ESOP hold any preferred stock? ☐ Yes ☐ No		
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.) ☐ Yes ☐ No		
12 Does the ESOP hold any stock that is not readily tradable on an established securities market? ☐ Yes ☐ No		
For Paperwork Reduction Act Notice, see the Instructions for Form 5500.		
Schedule R (Form 5500) 2019 v. 190130		

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: 2.0 % Investment-Grade Debt: 98.0 % High-Yield Debt: 0.0 % Real Estate: 0.0 % Other: 0.0 %

- 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):

- 20 PBGC missed contribution reporting requirements.** If this is a multiemployer plan or a single-employer plan that is not covered by PBGC, skip line 20.

- a** Is the amount of unpaid minimum required contributions for all years from Schedule SB (Form 5500) line 40 greater than zero? ☐ Yes ☒ No

- b** If line 20a is "Yes," has PBGC been notified as required by ERISA sections 4043(c)(5) and/or 303(k)(4)? Check the applicable box:

☐ Yes.

☐ No. Reporting was waived under 29 CFR 4043.25(c)(2) because contributions equal to or exceeding the unpaid minimum required contribution were made by the 30th day after the due date.

☐ No. The 30-day period referenced in 29 CFR 4043.25(c)(2) has not yet ended, and the sponsor intends to make a contribution equal to or exceeding the unpaid minimum required contribution by the 30th day after the due date.

☐ No. Other. Provide explanation _____

Financial Statements and Report of Independent Certified
Public Accountants

The Hillshire Brands Company
Consolidated Hourly Pension Plan

December 31, 2019 and 2018

The Hillshire Brands Company
Consolidated Hourly Pension Plan
Table of Contents
December 31, 2019 and 2018 (modified cash basis)

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

The Hillshire Brands Company
Hourly Pension Plan

Report on the financial statements

We were engaged to audit the accompanying financial statements of The Hillshire Brands Company Hourly Pension Plan (the "Plan"), which comprise the statements of net assets available for benefits – modified cash basis as of December 31, 2019 and 2018, and the related statements of changes in net assets available for benefits – modified cash basis for the years then ended, and the related notes to the financial statements.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note B; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

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

Basis for disclaimer of opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the Plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the certified information described in Note G, except for comparing such information with the related information included in the financial statements. We have been informed by the Plan administrator that the certifying entity meets the requirements of 29 CFR 2520.103-8. The Plan administrator obtained certifications from this entity as of and for the years ended December 31, 2019 and 2018, stating that the certified information provided to the Plan administrator is complete and accurate.

Disclaimer of opinion

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

Emphasis of matter – plan termination

As described in Notes A, B and F to the financial statements, the Board of Directors of Tyson Corporation approved termination of the Plan on June 28, 2018, and management determined liquidation is imminent. The Plan was then amended on November 15, 2018 to terminate the Plan.

Emphasis of matter – modified cash basis of accounting

The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

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

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



Chicago, Illinois
July 21, 2020

The Hillshire Brands Company
Consolidated Hourly Pension Plan
Statements of Net Assets Available for Benefits
December 31, 2019 and 2018 (modified cash basis)

	<u>2019</u>	<u>2018</u>
Assets:		
Investments (notes C and D):		
Plan interest in The Hillshire Brands Company Master Investment Trust for Defined Benefit Plans	\$ 224,586,319	\$ 335,243,358
Net assets available for benefits	<u><u>\$ 224,586,319</u></u>	<u><u>\$ 335,243,358</u></u>

See accompanying notes to the financial statements.

The Hillshire Brands Company
Consolidated Hourly Pension Plan
Statements of Changes in Net Assets Available for Benefits
Years Ended December 31, 2019 and 2018 (modified cash basis)

	2019	2018
Plan interest in The Hillshire Brands Company Master Investment Trust for Defined Benefit Plans net investment income (loss)	43,463,142	(15,741,754)
Sponsor contribution	—	13,000,000
Benefits paid to participants	(150,847,191)	(14,642,258)
Plan expenses	(3,272,990)	(2,169,835)
Net decrease in net assets available for benefits	(110,657,039)	(19,553,847)
Net assets available for benefits:		
Beginning of year	335,243,358	354,797,205
End of year	<u>\$ 224,586,319</u>	<u>\$ 335,243,358</u>

See accompanying notes to the financial statements.

**The Hillshire Brands Company
Consolidated Hourly Pension Plan
Notes to Financial Statements
December 31, 2019 and 2018 (modified cash basis)**

NOTE A - DESCRIPTION OF PLAN

The following brief description of The Hillshire Brands Company Consolidated Hourly Pension Plan (the Plan) is provided for general information purposes only. Participants should refer to the applicable summary plan description for the Plan for a more complete description of the Plan's provisions. The Plan included employees of multiple divisions of The Hillshire Brands Company (the Company) as defined in the Plan. Participants in former plans sponsored by certain divisions or subsidiaries of the Company that merged into the Plan should refer to the Supplements section of the Plan for additional information.

On August 28, 2014, The Hillshire Brands Company was acquired by Tyson Foods, Inc. (Tyson) and became a wholly owned subsidiary of Tyson.

General

The Plan is a defined benefit pension plan that covered eligible hourly non-union and union employees of the Company. Employees who were members of collective bargaining units participated in the Plan only if their collective bargaining agreements provided for participation in the Plan. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA).

An employee became a participant in the Plan after meeting eligibility requirements, as defined in the Plan document. Eligibility requirements varied by the employee's work location and union contract, as applicable.

Effective April 27, 2015, the Investment Committee of the Plan directed a restructure of the investment structure for the Plan and The Hillshire Brands Company Salaried Pension Plan. Prior to the restructure, both the Plan and the Salaried Pension Plan shared ownership of a single investment pool. After the directed restructure, each plan owned its own pool of assets, however the structure of the trust remained a master trust.

The Plan was amended effective September 28, 2015 to allow any vested participant who had been terminated as of December 31, 2014 (including deferred beneficiaries) to make an election for a lump sum distribution between September 28, 2015 and November 25, 2015. This option did not apply to those over the age of 65, those with linked nonqualified benefits, or those with qualified domestic relations orders (QDRO's) and their alternate payees. Participants electing for lump sum distribution received benefits between December 1, 2015 and December 31, 2015.

Effective December 31, 2015, the following collective bargaining groups were frozen as to participation and benefit accruals for all employees: UFCW Local 2 St. Joseph, MO and IUOE Local 101S St. Joseph, MO.

Effective January 1, 2017, the Plan was frozen with respect to all employees (including but not limited to non-union hourly employees and collective bargaining groups UFCW Local 75 Claryville, KY, BCTGM Local 81 Traverse City, MI, and IUOE New London, WI) such that no additional benefits shall accrue under the Plan (including all Supplements) after January 1, 2017, to the extent such accruals had not already ceased for certain groups of employees pursuant to the terms of the Plan, and no employee shall become a participant in the Plan after such date.

On June 28, 2018, the Sponsor's Board of Directors resolved to terminate the Plan effective December 31, 2018, subject to regulatory approval from the Pension Benefit Guaranty Corporation (PBGC) and the Internal Revenue Service (IRS). The Plan was amended for termination on November 15, 2018 and Notices of Intent to Terminate and Notices to Interested Parties were issued on October 26, 2018. The Sponsor submitted a request for a determination letter from the IRS related to the termination on November 16, 2018. See Note F for more discussion.

As a result of the termination, each affected participant's accrued benefit at the date of termination became fully vested and nonforfeitable. In accordance with the resolution to terminate the Plan, benefit obligations will be satisfied with distribution of Plan assets available for benefits through the purchase of annuity contracts from an insurer or single lump-sum payments. Participants were given the option to make a lump sum distribution election between September 17, 2019 and November 4, 2019. The resulting lump sum distributions of \$135,041,427 were distributed to plan participants during November and December of 2019. The net assets of the Plan will be allocated for payment of Plan benefits to the participants and beneficiaries in an order of priority determined in accordance with ERISA and its related applicable regulations and the Plan document. The majority of the benefit payments will be provided by the then existing net assets of the Plan with additional funding from the Sponsor as needed. As of December 31, 2019, all assets of the Plan have not yet been fully liquidated.

The Hillshire Brands Company
Consolidated Hourly Pension Plan
Notes to Financial Statements
December 31, 2019 and 2018 (modified cash basis)

Contributions

The funding policy for the Plan is to make the necessary contributions to meet minimum funding requirements, as determined by the Plan's independent actuary. No voluntary employee contributions are permitted. The Plan was in compliance with applicable ERISA minimum funding requirements for the years ended December 31, 2019 and 2018.

Pension Benefits

Benefits are provided as follows:

Normal Retirement Benefits - Normal retirement age is 65. Monthly pension benefits vary by work location and union, as defined in the Plan document.

Early Retirement Benefits - An employee who has attained age 55 and completed 10 years of credited service may elect to defer receipt of his or her full accrued amount until age 65 or receive a reduced pension benefit by a reduction factor based on the age that benefits begin.

Disability Retirement Benefits - An employee who is eligible for Social Security disability benefits may receive a pension calculated in the same way as the pension at the normal retirement date, but based on service and compensation as of the early retirement date. The benefit is payable if the employee has completed a specified amount of years of service, as defined in the Plan document.

Deferred Retirement Benefits - An eligible participant who retires after the normal retirement date may receive a pension calculated in the same manner as for normal retirement, with an actuarial increase for benefits not paid upon normal retirement age. If a participant continues to work, benefit payments will commence on April 1 of the calendar year immediately following the calendar year in which the participant attains age 70-1/2.

Termination Benefits - A participant is eligible for termination benefits if he or she terminates employment for any reason other than death before retirement and has completed five years of service or attainment of age 65. The participant will be eligible for benefits payable beginning at the normal retirement date. If a participant has met the service requirement for early retirement, he or she may elect early commencement of his or her pension on the first of any month after attainment of age 55. This accrued benefit will then be reduced for early retirement.

Preretirement Death Benefits - Participants are eligible after completing five years of service. The spouse of the deceased participant of at least one year receives 50% of the amount the employee would have received if retirement had occurred on the date of death.

Vesting

Participants become vested upon completion of five years of service or, if earlier, at age 65, if employed by the Company.

NOTE B - SUMMARY OF ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements have been prepared using the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America (U.S. GAAP). Under the modified cash basis of accounting, investments are recorded at fair value, income is recorded as earned, and payments and contributions are recorded as the cash is paid or received.

The Hillshire Brands Company
Consolidated Hourly Pension Plan
Notes to Financial Statements
December 31, 2019 and 2018 (modified cash basis)

As referenced in Note A, the Sponsor's Board of Directors resolved to terminate the Plan effective December 31, 2018. If the financial statements had been prepared using the liquidation basis of accounting in accordance with U.S. GAAP, accrued expenses expected to be incurred in liquidation of the Plan of approximately \$1,500,000 and \$3,000,000 (liabilities related to purchasing annuities have been included in the plan benefit obligation, see Note E) and contribution receivables of approximately \$5,500,000 and \$22,300,000 (2018 funding was estimated by the actuary and subsequently determined not to be necessary) would have been recorded in the accompanying statements of net assets available for benefits as of December 31, 2019 and 2018, respectively. See Note F for further discussion of termination and the Plan's obligation to settle benefits.

New Accounting Pronouncements

In February 2017, the FASB issued ASU No. 2017-06, Plan Accounting: Defined Benefit Pension Plans (Topic 960); Defined Contribution Pension Plans (Topic 962); Health and Welfare Benefit Plans (Topic 965): Employee Benefit Plan Master Trust Reporting. This update changes reporting and disclosure requirements for plans with a master trusts and eliminates redundant disclosures for plans with 401(h) accounts. This update is effective for the fiscal periods beginning after December 15, 2018. The plan retrospectively adopted the amendment for the plan year ending December 31, 2019. The adoption of the amendment did not have a material impact on the Plan's financial statements. Additional disclosures required pursuant to ASU 2017-06 are reflected in Note C - Plan Interest in Master Investment Trust.

Use of Estimates

The preparation of financial statements using the liquidation basis or modified cash basis of accounting requires the Plan's management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and changes therein, disclosure of contingent assets and liabilities, and the actuarial present value of accumulated Plan benefits at the date of the financial statements. Actual results could differ from these estimates.

Valuation of Investments

The Plan's interest in The Hillshire Brands Company Master Investment Trust for Defined Benefit Plans (the Master Investment Trust) is based on the Plan's relative aggregate contributions, benefit payments and other relevant factors. See Note D 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.

Risks and Uncertainties

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

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

Plan Expenses

Plan expenses are paid by the Plan unless paid by the Company at its discretion. Plan expenses include fees related to actuary, audit, investing and administration costs, and are included in Plan expenses on the accompanying statements of changes in net assets available for benefits.

Payment of Benefits

Benefit payments to participants are recorded when paid.

The Hillshire Brands Company
Consolidated Hourly Pension Plan
Notes to Financial Statements
December 31, 2019 and 2018 (modified cash basis)

NOTE C - PLAN INTEREST IN MASTER INVESTMENT TRUST

The Plan's investments are in the Master Investment Trust, which was established for the investment of assets of the Plan and several other defined benefit plans sponsored by the Company. The assets of the Master Investment Trust are held by The Northern Trust Company (the Trustee). Investment income relating to the Master Investment Trust is allocated to the individual plans based on average balances invested by each plan.

The Plan's interest in the net assets of the Master Investment Trust is included in the accompanying statements of net assets available for benefits. A summary of the net assets of the Master Investment Trust and the Plan's interest in the net assets of the Master Investment Trust as of December 31, 2019 and 2018, are as follows:

	2019		2018	
	Master Trust	Plan's Interest in Master Trust	Master Trust	Plan's Interest in Master Trust
Investments, at fair value				
Cash & cash equivalents	\$ 6,571,545	\$ 1,347,546	\$ —	\$ —
U.S. Government securities	147,748,210	12,561,565	—	—
Corporate debt instruments - preferred	159,566,442	31,846,427	—	—
Corporate debt instruments - other	735,778,855	154,927,765	—	—
Interest in common/collective trusts	49,862,849	12,102,916	1,335,639,123	335,241,076
Other	39,780,895	9,926,034	—	—
Total investments	1,139,308,796	222,712,253	1,335,639,123	335,241,076
Receivables	9,573,618	1,874,066	11,341	2,282
Net assets of Master Investment Trust	<u>\$ 1,148,882,414</u>	<u>\$ 224,586,319</u>	<u>\$ 1,335,650,464</u>	<u>\$ 335,243,358</u>

Master Investment Trust income allocated to the participating plans for the years ended December 31, 2019 and 2018, is as follows:

	2019	2018
Net appreciation (depreciation)		
U.S. Government securities	\$ (2,165,550)	\$ —
Corporate debt instruments - preferred	281,897	—
Corporate debt instruments - other	1,291,787	—
Corporate stocks - common	25,720	—
Interest in common/collective trusts	153,542,913	(53,436,203)
Other	(1,844,107)	—
Unrealized gain (loss)	(567,638)	—
Net appreciation (depreciation) in fair value of investments	150,565,022	(53,427,850)
Interest and dividends	28,832,327	130,265
Net investment income (loss)	<u>\$ 179,397,349</u>	<u>\$ (53,297,585)</u>

NOTE D - VALUATION OF INVESTMENTS IN THE MASTER INVESTMENT TRUST

Accounting guidance defines fair value as the price that would be received by the Master Investment Trust for an asset or paid by the Master Investment Trust to transfer a liability (an exit price) in an orderly transaction between market participants on the measurement date in the Master Investment Trust's principal or most advantageous market for the asset or liability. The guidance establishes a fair value hierarchy that requires the Master Investment Trust to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The fair value hierarchy places the highest priority on unadjusted quoted market prices in active markets for identical assets or liabilities (Level 1 measurements) and gives the lowest priority to unobservable inputs (Level 3 measurements). The three levels of inputs within the fair value hierarchy are defined as follows:

Level 1 - Quoted prices (unadjusted) for identical assets or liabilities in active markets that the Master Investment Trust has the ability to access as of the measurement date.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, including the following:

- 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 assets or liabilities (including volatilities)
- 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 - Significant unobservable inputs for the asset or liability (including the Master Investment Trust's own assumptions about the assumptions that market participants would use in pricing an asset or liability) and significant to the fair value measurement.

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

The following descriptions of the valuation methods and assumptions used by the Plan to estimate the fair value of investments apply to investments held as underlying investments of the Master Investment Trust:

Cash and cash equivalents - Valued at cost, which approximates fair value.

U.S. government securities - Valued at the closing price reported in the active market in which the security is traded.

Corporate debt instruments - Valued at the closing price reported for identical or similar assets in inactive markets.

Other - The Other category is predominantly comprised of municipal bonds and derivative instruments, which are valued at the closing price reported for identical or similar assets in inactive markets and using pricing models based on the prevailing forward exchange rate of the underlying securities, respectively.

Common/Collective trusts - Based on the Net Asset Value (NAV) provided by the administrator of the fund. The NAV, as provided by the trustee, is used as a practical expedient to estimate fair value. The NAV is based on the value of the underlying assets owned by the fund, minus its liabilities, and then divided by the number of shares outstanding. Investments in units of collective trust funds and short-term investment funds are valued at their respective NAVs as reported by the funds daily.

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

The following tables set forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31:

	2019			
	Level 1	Level 2	Level 3	Total
Investments, at fair value				
Cash & cash equivalents	\$ 6,571,545	\$ —	\$ —	\$ 6,571,545
U.S. Government securities	—	147,748,210	—	147,748,210
Corporate debt instruments - preferred	—	159,566,442	—	159,566,442
Corporate debt instruments - other	—	735,778,855	—	735,778,855
Interest in common/collective trusts ⁽¹⁾	—	—	—	49,862,849
Other	—	39,780,895	—	39,780,895
Total investments	\$ 6,571,545	\$ 1,082,874,402	\$ —	\$ 1,139,308,796

	2018			
	Level 1	Level 2	Level 3	Total
Investments, at fair value				
Interest in common/collective trusts(1)	—	—	—	1,335,639,123
Total investments	—	—	—	\$ 1,335,650,123

(1) Common Collective Trusts that are measured at fair value using the net asset value per share practical expedient have not been categorized in the fair value hierarchy. Redemption of the common collective trusts are generally permitted daily and there are no unfunded commitments. The amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in Note C.

NOTE E - ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS

Accumulated Plan benefits represent the estimated future periodic payments, including lump-sum distributions, under the Plan's provisions that are attributable to services rendered by employees through the valuation date. Accumulated Plan benefits include benefits expected to be paid to the following: (1) retired or terminated employees or their beneficiaries, (2) beneficiaries of employees who have died and (3) present employees or their beneficiaries. Benefits payable under all circumstances are included to the extent that they are deemed attributable to employee service rendered through the valuation date.

The actuarial present value of accumulated Plan benefits is determined by the Plan's actuary, Aon, and is that amount that results from applying actuarial assumptions to adjust the accumulated Plan benefits to reflect the time value of money (through discounts for interest) and the probability of payment between the valuation date and the expected date of payment.

The estimated obligation to pay benefits based on liquidation assumptions is estimated to be \$240,465,112 as of December 31, 2019. This estimate is based on the current market rate of annuities, adjusted for additional expectations of Tyson constructed from previous obligations and purchases of similar investments. See Note F for further discussion of termination of Plan.

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The significant actuarial assumptions used in the valuations as of January 1, 2019 and 2018 are as follows:

	2019 (in liquidation)	2018 (ongoing)
Interest rate	For annuity purchase premium estimate: December 31, 2019 immediate and deferred annuity rates of 2.66% and 2.76%, respectively, based on Aon surveys for annuity purchase rates. For lump sums paid in December 2019: IRC Section 417(e) rates for October 2018 of 3.33%, 4.39%, 4.72%	4.33%
Mortality	Healthy: 107% of the aggregate 2006 base rates from the RP- 2014 mortality study projected generationally from 2006 using Scale MP-2018 Disabled: 2006 disabled base rates from the RP- 2014 mortality study projected generationally from 2006 using Scale MP-2018	98% of the blue collar 2006 base rates from the RP- 2014 mortality study projected generationally from 2006 using Scale MP-2017
Normal retirement age	65	65
	These actuarial assumptions are based on the presumption that the Plan will terminate.	These actuarial assumptions are based on the presumption that the Plan will continue.

The actuarial present value of accumulated Plan benefits as of January 1, 2019 and 2018, is as follows:

	2019 (in liquidation)	2018 (ongoing)
Actuarial present value of accumulated Plan benefits		
Vested benefits		
Participants currently receiving payments	\$ 205,512,548	\$ 159,621,365
Other participants	175,899,195	178,043,173
Total vested benefits	381,411,743	337,664,538
Non-vested benefits	—	33,400
Total actuarial present value of accumulated Plan benefits	<u>\$ 381,411,743</u>	<u>\$ 337,697,938</u>

The change in the actuarial present value of accumulated Plan benefits for the year ended January 1, 2019, consists of the following:

Actuarial present value of accumulated Plan benefits as of January 1, 2018 (ongoing)	\$ 337,697,938
Change during the year attributed to	
Interest Accumulation	14,308,675
Benefits paid	(14,642,258)
Assumption Changes	42,974,112
Other Changes ¹	1,073,276
Net change	<u>43,713,805</u>
Actuarial present value of accumulated Plan benefits as of January 1, 2019 (in liquidation)	<u>\$ 381,411,743</u>

¹ The “Other Changes” component represents plan experience that is not associated with plan asset performance and miscellaneous valuation changes to reflect the anticipated final distributions related to plan termination.

NOTE F - PLAN TERMINATION AND PENSION BENEFIT GUARANTY CORPORATION MATTERS

The Company has the right under the Plan to terminate the Plan subject to the provisions of ERISA. In the event of termination of the Plan, distribution of the Plan assets shall be made to the participants according to the provisions for such distribution in the Plan. In addition, the Company reserves the right to amend or modify the Plan from time to time to the extent permitted by applicable law.

If the Plan terminates, a portion of the benefits under the Plan is insured by the PBGC, a U.S. government agency. Generally, the PBGC guarantees most vested normal age retirement benefits, early retirement benefits, and certain disability and survivor benefits. However, the PBGC does not guarantee all types of benefits under the Plan, and the amount of benefit protection is subject to certain limitations. Whether all participants receive their benefits should the Plan terminate at some future time will depend on the sufficiency, at that time, of the Plan's net assets to provide those benefits and may also depend on the level of benefits guaranteed by the PBGC.

On June 28, 2018, the Sponsor's Board of Directors resolved to terminate the plan effective December 31, 2018, subject to regulatory approval from the PBGC and the IRS. The Plan was amended for termination on November 15, 2018 and Notices of Intent to Terminate and Notices to Interested Parties were issued on October 26, 2018. The Sponsor submitted a request for a determination letter from the IRS related to the termination on November 16, 2018. The Sponsor determined that termination was imminent as this is a standard termination and the likelihood of the termination being blocked by a third party is remote.

As a result of the termination, each affected participant's accrued benefit at the date of termination, to the extent funded, became fully vested and nonforfeitable. In accordance with the resolution to terminate the Plan, benefit obligations will be satisfied with distribution of plan assets available for benefits through the purchase of annuity contracts from an insurer or single lump-sum payments. The net assets of the Plan will be allocated for payment of plan benefits to the participants and beneficiaries in an order of priority determined in accordance with ERISA and its related applicable regulations and the Plan document. The majority of the benefit payments will be provided for by the then existing net assets of the Plan with additional funding from the Sponsor as needed.

NOTE G - INFORMATION CERTIFIED BY TRUSTEE

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

- Investment, as shown in the statements of net assets available for benefits as of December 31, 2019 and 2018.
- Plan interest in The Hillshire Brands Company Master Investment Trust for Defined Benefit Plans net investment income (loss), as shown in the statements of changes in net assets available for benefits for the years ended December 31, 2019 and 2018.
- Master Investment Trust investment information, as shown in Note C.

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

NOTE H - TAX STATUS

The Plan submitted a request for determination after amending the Plan to reflect the termination. A determination letter dated November 21, 2019, was received from the IRS stating that the termination did not affect the Plan's qualified status for the proposed termination date of December 31, 2018.

U.S. GAAP requires Plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the organization has taken an uncertain position that more likely than not would not be sustained upon examination by applicable taxing authorities. The Plan administrator has analyzed tax positions taken by the Plan and has concluded that, as of December 31, 2019 and 2018, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements.

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The Plan is subject to routine audits by taxing jurisdictions from time to time. However, there are currently no audits for any tax period in progress.

NOTE I - RELATED-PARTY TRANSACTIONS

Certain assets of the Master Investment Trust are invested in investments managed by the Trustee of the Plan; therefore, these transactions qualify as party-in-interest transactions. Fees paid by the Plan during 2019 and 2018 for legal, accounting and other professional services rendered by parties-in-interest were based on customary and reasonable rates for such services.

NOTE J - SUBSEQUENT EVENTS

Subsequent events have been evaluated through July 21, 2020, the date these financial statements were available for issuance.

In February 2020, annuities totaling approximately \$226,000,000 were purchased in connection with the plan termination. The plan sponsor is in the process of settling any remaining expenses and expects to fully liquidate by the end of 2020.