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

2019

This Form is Open to Public Inspection

Part I Annual Report Identification Information

For calendar plan year 2019 or fiscal plan year beginning 10/01/2019 and ending 09/30/2020

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.)
- [X] a single-employer plan
- [ ] a DFE (specify) ____

B This return/report is:
- [ ] the first return/report
- [ ] the final return/report
- [X] 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:
- [X] Form 5558
- [ ] automatic extension
- [ ] the DFVC program
- [ ] special extension (enter description)

Part II Basic Plan Information—enter all requested information

1a Name of plan
BROOKSHIRE'S EMPLOYEE STOCK OWNERSHIP AND 401(K) PLAN

1b Three-digit plan number (PN) ▶ 001

1c Effective date of plan 09/16/1960

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)
BROOKSHIRE HOLDINGS, INC.

1600 W SOUTHWEST LOOP 323
TYLER, TX 75701

2b Employer Identification Number (EIN) 75-2894614

2c Plan Sponsor's telephone number 903-534-3000

2d Business code (see instructions) 445110

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.	07/15/2021	MICHAEL ARNETT
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.		
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE	Filed with authorized/valid electronic signature.		
	Signature of DFE	Date	Enter name of individual signing as DFE

3a Plan administrator's name and address [X] 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**	13879
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines **6a(1), 6a(2), 6b, 6c,** and **6d**).		
a(1) Total number of active participants at the beginning of the plan year	**6a(1)**	10365
a(2) Total number of active participants at the end of the plan year	**6a(2)**	9832
b Retired or separated participants receiving benefits	**6b**	745
c Other retired or separated participants entitled to future benefits	**6c**	2670
d Subtotal. Add lines **6a(2)**, **6b**, and **6c**	**6d**	13247
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.	**6e**	65
f Total. Add lines **6d** and **6e**	**6f**	13312
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	11284
h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested	**6h**	229
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 2H 2I 2J 2K 2O 2S 2T 3H 3I

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)** [X] 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)** [X] Trust
- **(4)** [ ] General assets of the sponsor

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

a Pension Schedules

- **(1)** [X] **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)** [X] **H** (Financial Information)
- **(2)** [ ] **I** (Financial Information – Small Plan)
- **(3)** [ ] **A** (Insurance Information)
- **(4)** [X] **C** (Service Provider Information)
- **(5)** [X] **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_____

SCHEDULE C (Form 5500)	Service Provider Information	OMB No. 1210-0110
Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	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.**	**2019** **This Form is Open to Public Inspection.**

For calendar plan year 2019 or fiscal plan year beginning 10/01/2019 and ending 09/30/2020

A Name of plan
BROOKSHIRE'S EMPLOYEE STOCK OWNERSHIP AND 401(K) PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
BROOKSHIRE HOLDINGS, INC.

D Employer Identification Number (EIN)
75-2894614

Part I Service Provider Information (see instructions)

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

1 Information on Persons Receiving Only Eligible Indirect Compensation

a Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions).. . . . . ☐ Yes ☒ No

b If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

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

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

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

PRINCIPAL LIFE INSURANCE COMPANY

42-0127290

(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?
13 50 64 37	CONTRACT ADMINISTRATOR	1022073	Yes [X] No [ ]	Yes [X] No [ ]	9672	Yes [ ] No [X]

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

HERITAGE INSTITUTIONAL

27-2388726

(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 99	CONSULTANT	0	Yes [X] No [ ]	Yes [ ] No [X]	184178	Yes [ ] No [X]

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

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

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

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

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

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

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

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

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

Part I Service Provider Information (continued)

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

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
HERITAGE INSTITUTIONAL	16 99	184178
(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.	
PRINCIPAL LIFE INSURANCE COMPANY 42-0127290	CONSULTING (GENERAL)	

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
PRINCIPAL LIFE INSURANCE COMPANY	13 37 64 50	9672
(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.	
PRINCIPAL LIFE INSURANCE COMPANY 42-0127290	CONTRACT ADMINISTRATOR	

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

Part II Service Providers Who Fail or Refuse to Provide Information

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

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

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

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

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

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

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

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

(complete as many entries as needed)

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

SCHEDULE D (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

DFE/Participating Plan Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

2019

This Form is Open to Public Inspection.

For calendar plan year 2019 or fiscal plan year beginning 10/01/2019 and ending 09/30/2020

A Name of plan
BROOKSHIRE'S EMPLOYEE STOCK OWNERSHIP AND 401(K) PLAN

B Three-digit plan number (PN) ▶ 001

C Plan or DFE sponsor's name as shown on line 2a of Form 5500
BROOKSHIRE HOLDINGS, INC.

D Employer Identification Number (EIN)
75-2894614

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: PRINCIPAL STABLE VALUE Z FUND

b Name of sponsor of entity listed in (a): PRINCIPAL GLOBAL INVESTORS TRUST CO

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)
93-6274328-001	C	5070387

a Name of MTIA, CCT, PSA, or 103-12 IE: JPMCB SMRTRTMT PASS BL INC CF

b Name of sponsor of entity listed in (a): JP MORGAN CHASE BANK, N.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)
26-1164871-001	C	17723065

a Name of MTIA, CCT, PSA, or 103-12 IE: JPMCB SMRTRTMT PASS BL 2020 CF

b Name of sponsor of entity listed in (a): JP MORGAN CHASE BANK, N.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)
26-1165037-001	C	24557689

a Name of MTIA, CCT, PSA, or 103-12 IE: JPMCB SMRTRTMT PASS BL 2025 CF

b Name of sponsor of entity listed in (a): JP MORGAN CHASE BANK, N.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)
26-1165154-001	C	39540722

a Name of MTIA, CCT, PSA, or 103-12 IE: JPMCB SMRTRTMT PASS BL 2030 CF

b Name of sponsor of entity listed in (a): JP MORGAN CHASE BANK, N.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)
26-1165198-001	C	33451115

a Name of MTIA, CCT, PSA, or 103-12 IE: JPMCB SMRTRTMT PASS BL 2035 CF

b Name of sponsor of entity listed in (a): JP MORGAN CHASE BANK, N.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)
26-1165348-001	C	21878619

a Name of MTIA, CCT, PSA, or 103-12 IE: JPMCB SMRTRTMT PASS BL 2040 CF

b Name of sponsor of entity listed in (a): JP MORGAN CHASE BANK, N.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)
26-1165392-001	C	14952547

a Name of MTIA, CCT, PSA, or 103-12 IE: JPMCB SMRTRTMT PASS BL 2045 CF

b Name of sponsor of entity listed in (a): JP MORGAN CHASE BANK, N.A.

c EIN-PN 26-1165449-001	**d** Entity code C	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 9726931

a Name of MTIA, CCT, PSA, or 103-12 IE: JPMCB SMRTRTMT PASS BL 2050 CF

b Name of sponsor of entity listed in (a): JP MORGAN CHASE BANK, N.A.

c EIN-PN 26-1165477-001	**d** Entity code C	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 7420796

a Name of MTIA, CCT, PSA, or 103-12 IE: JPMCB SMRTRTMT PASS BL 2055 CF

b Name of sponsor of entity listed in (a): JP MORGAN CHASE BANK, N.A.

c EIN-PN 45-5590883-001	**d** Entity code C	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 5832929

a Name of MTIA, CCT, PSA, or 103-12 IE: JPMCB SMRTRTMT PASS BL 2060 CF

b Name of sponsor of entity listed in (a): JP MORGAN CHASE BANK, N.A.

c EIN-PN 81-3239155-001	**d** Entity code C	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 5655821

a Name of MTIA, CCT, PSA, or 103-12 IE: INTERNATIONAL STOCK R1 FUND

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

c EIN-PN 82-2436292-342	**d** Entity code C	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 54035

a Name of MTIA, CCT, PSA, or 103-12 IE: LARGE CAP VALUE, R1 FUND

b Name of sponsor of entity listed in (a): WILMINGTON TRUST, N.A.

c EIN-PN 38-4065329-426	**d** Entity code C	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 290186

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

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

2019

This Form is Open to Public Inspection

For calendar plan year 2019 or fiscal plan year beginning 10/01/2019 and ending 09/30/2020

A Name of plan
BROOKSHIRE'S EMPLOYEE STOCK OWNERSHIP AND 401(K) PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
BROOKSHIRE HOLDINGS, INC.

D Employer Identification Number (EIN)
75-2894614

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)	3349694	5084962
(2) Participant contributions	1b(2)		
(3) Other	1b(3)	160653	917171
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	145879	212729
(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)	99192380	120673963
(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)	10598068	9053807
(9) Value of interest in common/collective trusts	1c(9)	183248272	186154836
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)		
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)	16395104	21385871
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		
(15) Other	1c(15)		

			(a) Beginning of Year	(b) End of Year
1d	Employer-related investments:			
	(1) Employer securities	1d(1)		
	(2) Employer real property	1d(2)		
e	Buildings and other property used in plan operation	1e		
f	Total assets (add all amounts in lines 1a through 1e)	1f	313090050	343483339
	Liabilities			
g	Benefit claims payable	1g	25515	25533
h	Operating payables	1h	600	600
i	Acquisition indebtedness	1i		
j	Other liabilities	1j		
k	Total liabilities (add all amounts in lines 1g through1j)	1k	26115	26133
	Net Assets			
l	Net assets (subtract line 1k from line 1f)	1l	313063935	343457206

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)	5189139	
	(B) Participants	2a(1)(B)	15622442	
	(C) Others (including rollovers)	2a(1)(C)	713565	
	(2) Noncash contributions	2a(2)		
	(3) Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)**	2a(3)		21525146
b	**Earnings on investments:**			
	(1) Interest:			
	(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	1697	
	(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)	456330	
	(F) Other	2b(1)(F)		
	(G) Total interest. Add lines **2b(1)(A)** through **(F)**	2b(1)(G)		458027
	(2) Dividends: **(A)** Preferred stock	2b(2)(A)		
	(B) Common stock	2b(2)(B)	1393536	
	(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	179247	
	(D) Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)**	2b(2)(D)		1572783
	(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)		
	(5) Unrealized appreciation (depreciation) of assets: **(A)** Real estate	2b(5)(A)		
	(B) Other	2b(5)(B)	26718928	
	(C) Total unrealized appreciation of assets. Add lines **2b(5)(A)** and **(B)**	2b(5)(C)		26718928

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		10428470
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		4050951
c Other income	2c		8555
d Total income. Add all **income** amounts in column (b) and enter total	2d		64762860
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	33585010	
(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)		33585010
f Corrective distributions (see instructions)	2f		98491
g Certain deemed distributions of participant loans (see instructions)	2g		54050
h Interest expense	2h		
i Administrative expenses: (1) Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)	1020919	
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)		
(5) Total administrative expenses. Add lines **2i(1)** through **(4)**	2i(5)		1020919
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		34758470
Net Income and Reconciliation			
k Net income (loss). Subtract line **2j** from line **2d**	2k		30004390
l Transfers of assets:			
(1) To this plan	2l(1)		388881
(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: BKD, LLP **(2)** EIN: 44-0160260

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:

		Yes	No	Amount
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.)	4a	X		2
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.)	4b		X	0

			Yes	No	Amount
c	Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)	4c		X	
d	Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)	4d		X	
e	Was this plan covered by a fidelity bond?	4e	X		10000000
f	Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	4f		X	
g	Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?	4g		X	
h	Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?	4h		X	
i	Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	4i	X		
j	Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)	4j		X	
k	Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?	4k		X	
l	Has the plan failed to provide any benefit when due under the plan?	4l		X	
m	If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	4m	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.	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

2019

This Form is Open to Public Inspection.

For calendar plan year 2019 or fiscal plan year beginning 10/01/2019 and ending 09/30/2020

A Name of plan
BROOKSHIRE'S EMPLOYEE STOCK OWNERSHIP AND 401(K) PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
BROOKSHIRE HOLDINGS, INC.

D Employer Identification Number (EIN)
75-2894614

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**

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): 42-0127290

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** 0

b Enter the amount contributed by the employer to the plan for this plan year **6b** 0

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**

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

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

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

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

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

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

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

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

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

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

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

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

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

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

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

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

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

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

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

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

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

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):

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_____

Brookshire's Employee Stock Ownership and 401(k) Plan

EIN 75-2894614 PN 001

Independent Auditor's Report and Financial Statements

September 30, 2020 and 2019

Brookshire's Employee Stock Ownership and 401(k) Plan

September 30, 2020 and 2019

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BKD
CPAs & Advisors

14241 Dallas Parkway, Suite 1100 | Dallas, TX 75254-2961
972.702.8262 | Fax 972.702.0673 | bkd.com

Independent Auditor's Report

Plan Committee
Brookshire's Employee Stock Ownership and 401(k) Plan
Tyler, Texas

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of Brookshire's Employee Stock Ownership and 401(k) Plan (Plan), which comprise the statements of net assets available for benefits as of September 30, 2020 and 2019, and the related statements of changes in net assets available for benefits for the twelve and nine months then ended and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's 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 3*, which was certified by Argent Trust Company and Principal Trust Company; the trustee and custodian 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 Principal Trust Company, custodian, holds the Plan's 401(k) investment assets and executes investment transactions. The Plan administrator has obtained certification from the custodian as of and for the year then ended September 30, 2020 and the nine months ended September 30, 2019, that the information provided to the Plan administrator by the custodian is complete and accurate. We have been informed by the Plan administrator that Argent Trust Company, trustee, holds the Plan's employee stock ownership investment assets and executes investment transactions. The Plan administrator has obtained certification from the trustee as of and for the nine months ended September 30, 2019, that the information provided to the Plan administrator by the trustee is complete and accurate.

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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 listed in the table of contents is required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the *Employee Retirement Income Security Act of 1974* and is presented for the purpose of additional analysis and is 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 this supplemental schedule.

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

The form and content of the information included in the financial statements and supplemental schedule, other than that derived from the information certified by the trustee and custodian, 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*.

BKD, LLP

Dallas, Texas
July 15, 2021

Federal Employer Identification Number: 44-0160260

Brookshire's Employee Stock Ownership and 401(k) Plan

Statements of Net Assets Available for Benefits

September 30, 2020 and 2019

Assets

	2020	2019
Investments		
At fair value	$ 328,427,397	$ 297,238,511
Receivables		
Employer contribution	6,002,133	3,510,347
Notes receivable from participants	9,104,211	10,598,068
Accrued income	4	1,526
Total receivables	15,106,348	14,109,941
Total assets	343,533,745	311,348,452
Liabilities		
Accrued expenses	26	600
Net Assets Available for Benefits	$ 343,533,719	$ 311,347,852

Brookshire's Employee Stock Ownership and 401(k) Plan

Statements of Changes in Net Assets Available for Benefits
For the Year Ended September 30, 2020
and Period Ended September 30, 2019

	2020	2019
Investment Income		
Net appreciation in fair value of investments	$ 42,910,406	$ 24,336,005
Dividends	862,057	573,896
Net investment income	43,772,463	24,909,901
Interest Income on Notes Receivable from Participants	483,098	363,360
Contributions		
Participants	15,624,702	10,672,270
Employer	6,002,133	3,510,347
Rollovers	712,882	195,047
	22,339,717	14,377,664
Total additions	66,595,278	39,650,925
Deductions		
Benefits paid to participants	34,409,411	32,095,385
Total deductions	34,409,411	32,095,385
Net Increase	32,185,867	7,555,540
Net Assets Available for Benefits, Beginning of Year	311,347,852	303,792,312
Net Assets Available for Benefits, End of Year	$ 343,533,719	$ 311,347,852

Brookshire's Employee Stock Ownership and 401(k) Plan

Notes to Financial Statements

September 30, 2020 and 2019

Note 1: Description of the Plan

General

The following description of Brookshire's Employee Stock Ownership and 401(k) Plan (Plan) provides only general information. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

Brookshire Holdings, Inc. (Company) established the Brookshire's Employee Stock Ownership and 401(k) Plan for the benefit of its employees. The Plan is a combination 401(k) and stock bonus Plan under Code Section 401(a) and an employee stock ownership Plan (ESOP) as defined in Code Section 4975(e)(7) and is designed to comply with these sections and regulations of the Internal Revenue Code (IRC). The Plan is subject to the provisions of the *Employee Retirement Income Security Act of 1974* (ERISA).

Effective October 1, 2016, Argent Trust Company (Argent) became the Plan trustee and also serves as custodian of the ESOP assets of the Plan. Effective September 30, 2020, GreatBanc Trust Company (GreatBanc) became the Plan trustee and also serves as custodian of the ESOP assets of the Plan. However, the transfer of ESOP assets of the Plan from Argent to GreatBanc did not occur until October 2020.

Effective April 1, 2018, Principal Trust Company (Principal) became the Plan custodian of the 401(k) assets.

Effective, January 1, 2019, the Plan was amended to change the year-end to September 30 of each year. Also, effective January 1, 2019, there was a short Plan year from January 1, 2019 through September 30, 2019.

Participation

The Plan is a defined contribution Plan sponsored by the Company for the benefit of its full-time employees who have at least 90 days of service and are age 18 or older or for part-time employees who have at least one year of service and are age 21 or older. Effective May 1, 2018, part-time employees are eligible upon age 21 and during the first month that commences on or after the date as of which they have completed 1,000 hours of service and the 12-month period beginning on their employment date and ending on the one-year anniversary. Participation is mandatory. A participant is treated as deferring at 4% of eligible compensation unless they elect to defer at a different percentage.

Unallocated and Allocated Shares

The Company has no rights against shares once they are allocated under the Employee Stock Ownership Plan (ESOP). Accordingly, the financial statements of the Plan (*Note 4*) as of September 30, 2020 and 2019, and for the periods then ended present separately the assets and liabilities and changes therein pertaining to:

- The accounts of employees with vested rights in allocated stock (allocated)
- Stock not yet allocated to employees (unallocated)

Contributions

The Plan permits eligible employees through a salary deferral election to have the Company make annual pretax contributions of up to 50% of eligible compensation and post-tax contributions of up to 20% of eligible compensation. Participants who have attained the age of 50 are eligible for catch-up contributions. Employee rollover contributions are also permitted.

The Company makes matching contributions of 50% of employees' salary deferral amounts on the first 4% of employees' compensation and profit-sharing contributions. The Company's profit-sharing contributions are discretionary as determined by the Company's board of directors. Contributions are subject to certain limitations. Forfeitures may be used to reduce the Company's contributions. Only those participants who are eligible employees of the Company on the last day of the Plan year and who have completed 1,000 hours of service during a calendar year will be eligible to receive an allocation of the Company's matching contributions and any discretionary contributions, unless the participant's service ended during the year due to death, disability or retirement. Allocations will be based upon the participant's compensation or account balance, as defined by the Plan document.

Participant Investment Account Options

Investment account options available include various funds. Participants have the option of directing their contributions into any of the separate investment accounts and may change the allocation daily.

Participant Accounts

Each participant's account is credited with the participant's contribution, the Company's contribution, Plan earnings and forfeitures of terminated participant's nonvested accounts as provided for by the Company and is charged with an allocation of administrative expenses. Allocations are based on participant earnings or account balances, as defined in the Plan document. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Vesting

Participants are immediately vested in their contributions plus earnings thereon. Vesting in the Company's contribution portion of their accounts plus earnings thereon is based on years of continuous service. If a participant is credited with an hour of service after December 31, 2001, the participant is not vested until after three years of service. If a participant is not credited with an hour of service after December 31, 2001, the participant is not vested until after five years of service. The nonvested balance is forfeited upon termination of service.

Payment of Benefits

Upon termination of service, participants whose vested Plan benefits are less than $1,000 will receive a lump-sum distribution equal to the vested portion of their account. A participant with a vested account value of $1,000 or more whose service ends due to death, disability or retirement may elect to receive either a lump-sum payment equal to the value of their account or periodic payments for a period of two years or to the life expectancy of the spousal beneficiary or the joint life expectancy of the participant and the spousal beneficiary.

If a participant with a vested ESOP account balance of $5,000 or more whose period of service ends for any reason other than death, disability or retirement, then the distribution will be made in substantially equal annual installments over a period ranging from five years to the joint life expectancy of the participant and the participant's beneficiary. A participant's balance in their ESOP account will be distributed in cash unless an election is made to receive such distributions in the form of whole shares of the Company stock. Fractional shares will be paid in cash.

At September 30, 2020 and 2019, Plan assets include $20,042,701 and $20,510,921, respectively, allocated to accounts of terminated or retired participants.

In 2020, the Plan Sponsor (Company) implemented *Coronavirus Aid, Relief, and Economic Security* Act (CARES Act) provisions for coronavirus-related distributions (CRD). Through December 30, 2020, qualified participants are permitted to take a CRD of up to $100,000 from the Plan. Participants who take a CRD have the option to have the distribution taxed over a three-year period, with the ability to recontribute up to the full amount of the distribution within three years and not be subject to federal income tax as a result. The Plan also waived minimum distribution requirements for any distribution required to be made in 2020.

Forfeited Accounts

At September 30, 2020 and 2019, forfeited nonvested accounts totaled $1,400,009 and $1,317,187 respectively. These accounts may be used to reduce future Company contributions.

Notes Receivable from Participants

Loans are made to any eligible participant demonstrating a qualifying need. The minimum amount of a loan shall be $1,000. The maximum amount of a participant's loan is determined by the available loan balance restricted to the lesser of $50,000 or 50% of the participant's vested account balance. All loans are covered by demand notes and are repayable over a period not to exceed five years (except for loans for the purchase of a principal residence) through payroll withholdings unless the participant is paying the loan in full. Interest on the loans is based on local prevailing rates as determined by the Plan administrator.

In 2020, the Plan Sponsor (Company) adopted the *Coronavirus Aid, Relief, and Economic Security Act* (CARES Act) provisions for loan relief to 1) delay certain required loan repayments for one year and 2) increase loan limits to the lesser of $100,000 or 100 percent of the participant's vested balance for coronavirus-related loans. The CARES Act provided for the increased loan limit for coronavirus-related loans issued from March 27, 2020 through September 22, 2020. The one-year suspension of loan repayments applies to qualified participants' loan payments due between March 27, 2020, and December 31, 2020. Following the suspension period, these loans will be re-amortized over the remaining period of the loans, plus the suspension period.

Voting Rights

All shares of the Company stock shall be voted as directed by the Plan committee (as appointed by the Company's board of directors) or the Plan trustee when designated to do so. However, in limited circumstances as set forth in the Plan document, participants may have the right to direct the voting of any of the Company stock allocated to their discretionary and matching ESOP stock accounts. Any of the Company stock not allocated to a participant's ESOP account shall be voted as the Plan committee directs.

Put Option

Under federal income tax regulations, the Company stock that is held by the Plan and its participants and is not readily tradable on an established market, or is subject to trading limitations that includes a put option. The put option is a right to demand that the Company buy any shares of its stock distributed to participants for which there is no market. The put price is representative of the fair market value of the stock. The Company can pay for the purchase with interest over a period of five years. The purpose of the put option is to ensure that the participant has the ability to ultimately obtain cash.

Diversification

Beginning in 2013, each qualified participant has the right to diversify the investment of a portion of the value of their discretionary Company stock and matching Company stock account balances. Qualified participants are participants who are at least age 55 with at least 10 years of participation in the Plan. Diversification is offered to each eligible participant over a six-year period. Under the diversification terms of the Plan document, the Company may elect to offer participants any of the following choices: a) reinvest the annual affected portion of their Company stock account balances into the 401(k) investment options offered by the Plan; b) distribute to the participant the amount selected for diversification; or c) transfer the amount selected for diversification to the participants matching profit-sharing account. The Company has elected to offer the affected participants the ability to reinvest the annual affected portion of their Company stock account balances into the 401(k) investments options only. In each of the first five years, a participant may diversify up to 25% of their ESOP Company stock balances. In the sixth year, the percentage increases to 50%.

Note 2: Summary of Significant Accounting Policies

Basis of Accounting

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

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of net assets and changes in net assets and disclosure of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates.

Investment Valuation and Income Recognition

Investments are reported at fair value. Quoted market prices, if available, are used to value investments. Mutual funds are valued at the net asset value (NAV) of shares held by the Plan at year-end. The Plan's interest in the collective trusts are valued at NAV value per share using the practical expedient at year-end.

The Plan invests in the Company's common stock which is not actively traded. However, the fair value of the stock was based upon an independent valuation performed for the Plan. This valuation was based upon a combination of the guideline publicly traded company method and the discounted cash flow method consistent with prior years. This methodology results in a publicly traded equivalent value. As there is a limited market for the Company common stock, the value was then discounted to reflect the impact of limited marketability. The appraiser took into account historical and projected cash flow and net income, return on assets, return on equity, market comparables and estimated fair value of the Company's assets and liabilities. The most recent valuation was made as of September 29, 2020, for the valuation used for the Plan as of September 30, 2020.

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 appreciation includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Notes Receivable from Participants

Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Delinquent participant loans may be reclassified as distributions based upon the terms of the Plan document.

Payment of Benefits

Benefit payments to participants are recorded upon distribution.

Administrative Expenses

Administrative expenses may be paid by the Company or the Plan, at the Company's discretion.

Note 3: Certification of Plan Custodian

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, Argent, the trustee, and Principal, the custodian of the Plan, have certified the following information included in the accompanying financial statements and supplemental schedule is complete and accurate:

- Investments and notes receivable from participants as shown in the statements of net assets available for benefits as of September 30, 2020 (except for the employee stock ownership assets of the Plan) and 2019.
- Investment income and interest income from notes receivable from participants as shown in the statements of changes in net assets available for benefits for the year ended September 30, 2020 (except for the employee stock ownership assets of the Plan) and the nine months ended September 30, 2019.
- Investment information and notes receivable from participants included in the accompanying schedule of assets (held at end of period) as of September 30, 2020 (except for the employee stock ownership assets of the Plan).

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

Note 4: Nonparticipant-directed Investments

Information about the net assets and the significant components of the changes in net assets relating to the nonparticipant-directed investments are as follows:

	2020		
	Allocated	Unallocated	Total
Net Assets			
Money market funds	$ 212,702	$ 27	$ 212,729
Common stock – Brookshire Holdings, Inc.	120,458,723	215,240	120,673,963
Employer contribution receivable	6,002,133	-	6,002,133
Total net assets	$ 126,673,558	$ 215,267	$ 126,888,825

	2019		
	Allocated	Unallocated	Total
Net Assets			
Money market funds	$ 145,679	$ 200	$ 145,879
Common stock – Brookshire Holdings, Inc.	97,327,017	165,655	97,492,672
Employer contribution receivable	3,510,347	-	3,510,347
Total net assets	$ 100,983,043	$ 165,855	$ 101,148,898

	2020		
	Allocated	Unallocated	Total
Changes in Net Assets			
Employer's contribution	$ 6,002,133	$ -	$ 6,002,133
Net appreciation	26,123,027	46,679	26,169,707
Dividends and interest	1,465	-	1,465
Other transfers, disbursements and forfeitures	2,953,475	-	2,953,475
Benefits paid to participants	(9,386,853)	-	(9,386,853)
Total changes in net assets	$ 25,693,247	$ 46,679	$ 25,739,927

	2019		
	Allocated	Unallocated	Total
Changes in Net Assets			
Employer's contribution	$ 3,510,347	$ -	$ 3,510,347
Loss on sale of investment	(6,777,609)	-	(6,777,609)
Net appreciation	2,849,376	4,850	2,854,226
Dividends and interest	671,248	-	671,248
Other transfers, disbursements and forfeitures	3,116,414	-	3,116,414
Benefits paid to participants	(8,528,204)	-	(8,528,204)
Total changes in net assets	$ (5,158,428)	$ 4,850	$ (5,153,578)

Note 5: Party-in-Interest Transactions

Party-in-interest transactions include those with fiduciaries or employees of the Plan, any person who provides services to the Plan, an employer whose employees are covered by the Plan, an employee organization whose members are covered by the Plan, a person who owns 50% or more of such an employer or employee association, or relatives of such persons.

The Plan owns shares of the Company's common stock. No shares of the Company's common stock were acquired by the Plan in 2020 and 2019. The Company acquired 75,786 and 84,519 shares of Company common stock back from the Plan during 2020 and 2019, respectively.

The Plan paid $906,550 and $695,833 of administrative fees during 2020 and 2019, respectively. The Company provides certain administrative services at no cost to the Plan.

Note 6: Disclosure About Fair Value of Plan Assets and Liabilities

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

Level 1 Quoted prices in active markets for identical assets or liabilities

Level 2 Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities

Level 3 Unobservable inputs supported by little or no market activity and are significant to the fair value of the assets or liabilities

Recurring Measurements

The following table presents the fair value measurements of assets and liabilities recognized in the accompanying statements of net assets available for benefits measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at September 30, 2020 and the nine months ended September 30, 2019:

		Fair Value Measurements Using		
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
September 30, 2020				
Mutual funds	$ 21,942,813	$ 21,942,813	$ -	$ -
Common stock – related party	120,673,963	-	-	120,673,963
Total assets in the fair value hierarchy	142,616,776	21,942,813	-	120,673,963
Common collective trusts (A)	185,810,621	-	-	-
Investments at fair value	$ 328,427,397	$ 21,942,813	$ -	$ 120,673,963
September 30, 2019				
Mutual funds	$ 16,536,849	$ 16,536,849	$ -	$ -
Common stock – related party	97,492,672	-	-	97,492,672
Total assets in the fair value hierarchy	114,029,521	16,536,849	-	97,492,672
Common collective trust (A)	183,208,990	-	-	-
Investments at fair value	$ 297,238,511	$ 16,536,849	$ -	$ 97,492,672

(A) In accordance with Subtopic 820-10, certain investments that were measured at net asset value 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.

The following is a description of the valuation methodologies and inputs used for assets and liabilities measured at fair value on a recurring basis and recognized in the accompanying statements of net assets available for benefits, as well as the general classification of such assets and liabilities pursuant to the valuation hierarchy. There have been no significant changes in the valuation techniques during the year ended September 30, 2020 and the nine months ended September 30, 2019. The Plan had no liabilities measured at fair value on a recurring basis. In addition, the Plan had no assets or liabilities measured at fair value on a nonrecurring basis.

Investments

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated by using quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based or independently sourced market parameters, including, but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections and cash flows. Such securities are classified in Level 2 of the valuation hierarchy. In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy.

Transfers Between Levels

Transfers in and out of Level 1, Level 2 and Level 3 are the result of participant election changes during 2020 and 2019.

Investments Measured Using the Net Asset Value per Share Practical Expedient

The following tables summarize investments for which fair value is measured using the net asset value per share practical expedient as of September 30, 2020 and 2019. The collective trusts invest primarily in mutual funds and collective trust funds. There are no participant redemption restrictions for these investments; the redemption notice period is applicable only to the Plan.

	September 30, 2020			
	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Common collective trusts	$ 185,810,621	$ -	Daily	1 day

	September 30, 2019			
	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Common collective trust	$ 183,208,990	$ -	Daily	1 day

Note 7: Risks and Uncertainties

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the participants' account balances and the amounts reported in the accompanying statements of net assets available for benefits. At September 30, 2020 and 2019, approximately 34% and 31%, respectively, of the Plan's net assets were invested in Company stock.

The outbreak of the novel coronavirus COVID-19, which was declared a pandemic by the World Health Organization on March 11, 2020, has led to adverse impacts on the U.S. and global economies. Economic uncertainties have arisen, which have resulted in significant volatility in the investment markets and may continue to impact the value of Plan assets. The duration of these uncertainties and the ultimate financial effects cannot be reasonably estimated at this time.

Note 8: 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. In the event of Plan termination, participants would become 100% vested in their employer contributions.

Note 9: Tax Status

The IRS has determined and informed the Company by a letter dated November 7, 2013, that the Plan and related trust are designed in accordance with applicable sections of the IRC. Although the Plan has been amended since receiving the determination letter, the Plan administrator and the Plan's tax counsel believe that the Plan is designed, and is currently being operated, in compliance with the applicable requirements of the IRC and, therefore, believe that the Plan is qualified, and the related trust is tax-exempt.

Note 10: Plan Amendments

Effective January 1, 2019, the Plan was amended to change the year-end to September 30 of each year. Also, effective January 1, 2019, there was a short Plan year from January 1, 2019 through September 30, 2019.

Note 11: Reconciliation of Financial Statements to Form 5500

The following is a reconciliation of net assets available for benefits per the financial statements at September 30, 2020 and 2019, to Form 5500:

	2020	2019
Net assets available for benefits per the financial statements	$ 343,533,719	$ 311,347,852
Adjustment for valuation of company stock	-	1,699,708
Adjustment from fair value to contract value for fully benefit responsive investment	-	41,890
Other	(50,980)	-
Amounts allocated to withdrawing participants	(25,533)	(25,515)
Net assets per Form 5500	$ 343,457,206	$ 313,063,935

The following is a reconciliation of net increase per the financial statements for the year ended September 30, 2020 and the nine months ended September 30, 2019, to Form 5500:

	2020	2019
Net increase per the financial statements	$ 32,185,867	$ 7,555,540
Adjustment for valuation of company stock	(190,501)	(1,102,400)
Adjustment from fair value to contract value for fully benefit responsive investment	(75,939)	75,939
Other	(50,980)	-
Amounts allocated to withdrawing participants	(1,864,057)	1,838,524
Net income per Form 5500	$ 30,004,390	$ 8,367,603

Note 12: Subsequent Events

Subsequent events have been evaluated through July 15, 2021, which is the date the financial statements were available to be issued.

Supplemental Schedule

Brookshire's Employee Stock Ownership and 401(k) Plan

EIN 75-2894614 PN 001

Schedule H, Line 4i – Schedule of Assets (Held at End of Year)

September 30, 2020

	Identity of Issuer	Description of Investment	Cost	Current Value
	Mutual Funds			
	Federal Treasury Obligations Fund Instl	145,879 shares	**	$ 212,729
	Blackrock IShares US Aggregate Bond Index K Fund	87,319 shares	**	952,648
	Doubleline Core Fixed Inc I Fd	15,648 shares	**	175,723
	Lord Abbett High Yield I Fund	53,346 shares	**	375,559
	Pimco Income Institutional Fund	42,733 shares	**	500,399
	Vanguard Real Estate Index Admiral Fund	3,093 shares	**	339,263
	Blackrock Advisors - IShares S & P 500 Index K Fund	6,429 shares	**	2,557,127
	Blackrock Advisors - IShares Russell Mid-Cap Index K Fund	21,809 shares	**	238,371
	Blackrock Advisors - IShares Msci Eafe Intl Index K Fund	15,622 shares	**	201,836
	Blackrock Advisors - I Shares Russell 2000 Small-Cap Index K Fund	19,287 shares	**	361,443
	Fidelity Intl Cap Apprec Fund	39,854 shares	**	1,000,733
	Hartford Healthcare Y Fund	33,720 shares	**	1,653,677
	Legg Mason Inst. Funds Clearbridge Lg Cap Gr Is Funds	55,632 shares	**	3,666,162
	MassMutual Select Mid Cap Growth Inst Fund	30,803 shares	**	785,791
	Nuveen Asset Mgt - Nuvee SMCap Value R6 Fund	7,150 shares	**	122,567
	T Rowe Price Glbl Tech I Fund	296,774 shares	**	7,069,167
	T Rowe Price Qm US Sc Gr Eq 1 Fund	22,766 shares	**	918,158
	Wilmington TR Colective Invtl Large Cap Val R1 Fund	33,477 shares	**	344,222
	Wells Fargo Sp Md Cp Val R6 Fund	12,840 shares	**	467,238
	Common Collective Trusts			
	JP Morgan Smrtrtmt Pass BL 2060	273,360 shares	**	5,655,821
	JP Morgan Smrtrtmt Pass BL 2050	229,675 shares	**	7,420,796
	JP Morgan Smrtrtmt Pass BL 2055	212,803 shares	**	5,832,929
	JP Morgan Smrtrtmt Pass BL Inc	700,240 shares	**	17,723,065
	JP Morgan Smrtrtmt Pass BL 2045	301,984 shares	**	9,726,931
	JP Morgan Smrtrtmt Pass BL 2040	464,077 shares	**	14,952,547
	JP Morgan Smrtrtmt Pass BL 2035	691,486 shares	**	21,878,619
	JP Morgan Smrtrtmt Pass BL 2030	1,081,510 shares	**	33,451,115
	JP Morgan Smrtrtmt Pass BL 2025	1,326,425 shares	**	39,540,722
	JP Morgan Smrtrtmt Pass BL 2020	864,403 shares	**	24,557,689
	Morley Financial Services - Principal Stable Value Z Fund	218,444 shares	**	5,070,387
	Common Stock			
*	Brookshire Holdings, Inc.	1,527,712 shares	106,069,037	120,673,963
*	**Participant Loans**	3.25% – 6.75%		9,104,211
				$ 337,531,608

* Party-in-interest

** Not required as investments are participant directed

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

2019

This Form is Open to Public Inspection

Part I Annual Report Identification Information

For calendar plan year 2019 or fiscal plan year beginning 10/01/2019 and ending 09/30/2020

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
BROOKSHIRE'S EMPLOYEE STOCK OWNERSHIP AND 401(K) PLAN

1b Three-digit plan number (PN) ▶ 001

1c Effective date of plan 09/16/1960

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)
BROOKSHIRE HOLDINGS, INC.
1600 W SOUTHWEST LOOP 323
TYLER TX 75701

2b Employer Identification Number (EIN) 75-2894614

2c Plan Sponsor's telephone number 903-534-3000

2d Business code (see instructions) 445110

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	RMcArnett	7/15/2021	MICHAEL ARNETT
	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 (2019)
v. 190130

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3a Plan administrator's name and address [X] Same as Plan Sponsor

3b Administrator's EIN
75-2894614

3c Administrator's telephone number
903-534-3000

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:	**4b** EIN	
a	Sponsor's name	**4d** PN	
c	Plan Name		
5	Total number of participants at the beginning of the plan year	**5**	13879
6	Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines **6a(1), 6a(2), 6b, 6c,** and **6d**).		
a(1)	Total number of active participants at the beginning of the plan year	**6a(1)**	10365
a(2)	Total number of active participants at the end of the plan year	**6a(2)**	9832
b	Retired or separated participants receiving benefits	**6b**	745
c	Other retired or separated participants entitled to future benefits	**6c**	2670
d	Subtotal. Add lines **6a(2)**, **6b**, and **6c**.	**6d**	13247
e	Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.	**6e**	65
f	Total. Add lines **6d** and **6e**.	**6f**	13312
g	Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	11284
h	Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	**6h**	229
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 2H 2I 2J 2K 2O 2S 2T 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)** [X] 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)** [X] Trust
- **(4)** [ ] General assets of the sponsor

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

a Pension Schedules

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

Brookshire's Employee Stock Ownership and 401(k) Plan

EIN 75-2894614 PN 001

Independent Auditor's Report and Financial Statements

September 30, 2020 and 2019

Brookshire's Employee Stock Ownership and 401(k) Plan

September 30, 2020 and 2019

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BKD
CPAs & Advisors

14241 Dallas Parkway, Suite 1100 | Dallas, TX 75254-2961
972.702.8262 | Fax 972.702.0673 | bkd.com

Independent Auditor's Report

Plan Committee
Brookshire's Employee Stock Ownership and 401(k) Plan
Tyler, Texas

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of Brookshire's Employee Stock Ownership and 401(k) Plan (Plan), which comprise the statements of net assets available for benefits as of September 30, 2020 and 2019, and the related statements of changes in net assets available for benefits for the twelve and nine months then ended and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's 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 3*, which was certified by Argent Trust Company and Principal Trust Company; the trustee and custodian 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 Principal Trust Company, custodian, holds the Plan's 401(k) investment assets and executes investment transactions. The Plan administrator has obtained certification from the custodian as of and for the year then ended September 30, 2020 and the nine months ended September 30, 2019, that the information provided to the Plan administrator by the custodian is complete and accurate. We have been informed by the Plan administrator that Argent Trust Company, trustee, holds the Plan's employee stock ownership investment assets and executes investment transactions. The Plan administrator has obtained certification from the trustee as of and for the nine months ended September 30, 2019, that the information provided to the Plan administrator by the trustee is complete and accurate.

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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 listed in the table of contents is required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the *Employee Retirement Income Security Act of 1974* and is presented for the purpose of additional analysis and is 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 this supplemental schedule.

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

The form and content of the information included in the financial statements and supplemental schedule, other than that derived from the information certified by the trustee and custodian, 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*.

BKD, LLP

Dallas, Texas
July 15, 2021

Federal Employer Identification Number: 44-0160260

Brookshire's Employee Stock Ownership and 401(k) Plan

Statements of Net Assets Available for Benefits

September 30, 2020 and 2019

Assets

	2020	2019
Investments		
At fair value	$ 328,427,397	$ 297,238,511
Receivables		
Employer contribution	6,002,133	3,510,347
Notes receivable from participants	9,104,211	10,598,068
Accrued income	4	1,526
Total receivables	15,106,348	14,109,941
Total assets	343,533,745	311,348,452
Liabilities		
Accrued expenses	26	600
Net Assets Available for Benefits	$ 343,533,719	$ 311,347,852

Brookshire's Employee Stock Ownership and 401(k) Plan

Statements of Changes in Net Assets Available for Benefits
For the Year Ended September 30, 2020
and Period Ended September 30, 2019

	2020	2019
Investment Income		
Net appreciation in fair value of investments	$ 42,910,406	$ 24,336,005
Dividends	862,057	573,896
Net investment income	43,772,463	24,909,901
Interest Income on Notes Receivable from Participants	483,098	363,360
Contributions		
Participants	15,624,702	10,672,270
Employer	6,002,133	3,510,347
Rollovers	712,882	195,047
	22,339,717	14,377,664
Total additions	66,595,278	39,650,925
Deductions		
Benefits paid to participants	34,409,411	32,095,385
Total deductions	34,409,411	32,095,385
Net Increase	32,185,867	7,555,540
Net Assets Available for Benefits, Beginning of Year	311,347,852	303,792,312
Net Assets Available for Benefits, End of Year	$ 343,533,719	$ 311,347,852

Brookshire's Employee Stock Ownership and 401(k) Plan

Notes to Financial Statements

September 30, 2020 and 2019

Note 1: Description of the Plan

General

The following description of Brookshire's Employee Stock Ownership and 401(k) Plan (Plan) provides only general information. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

Brookshire Holdings, Inc. (Company) established the Brookshire's Employee Stock Ownership and 401(k) Plan for the benefit of its employees. The Plan is a combination 401(k) and stock bonus Plan under Code Section 401(a) and an employee stock ownership Plan (ESOP) as defined in Code Section 4975(e)(7) and is designed to comply with these sections and regulations of the Internal Revenue Code (IRC). The Plan is subject to the provisions of the *Employee Retirement Income Security Act of 1974* (ERISA).

Effective October 1, 2016, Argent Trust Company (Argent) became the Plan trustee and also serves as custodian of the ESOP assets of the Plan. Effective September 30, 2020, GreatBanc Trust Company (GreatBanc) became the Plan trustee and also serves as custodian of the ESOP assets of the Plan. However, the transfer of ESOP assets of the Plan from Argent to GreatBanc did not occur until October 2020.

Effective April 1, 2018, Principal Trust Company (Principal) became the Plan custodian of the 401(k) assets.

Effective, January 1, 2019, the Plan was amended to change the year-end to September 30 of each year. Also, effective January 1, 2019, there was a short Plan year from January 1, 2019 through September 30, 2019.

Participation

The Plan is a defined contribution Plan sponsored by the Company for the benefit of its full-time employees who have at least 90 days of service and are age 18 or older or for part-time employees who have at least one year of service and are age 21 or older. Effective May 1, 2018, part-time employees are eligible upon age 21 and during the first month that commences on or after the date as of which they have completed 1,000 hours of service and the 12-month period beginning on their employment date and ending on the one-year anniversary. Participation is mandatory. A participant is treated as deferring at 4% of eligible compensation unless they elect to defer at a different percentage.

Unallocated and Allocated Shares

The Company has no rights against shares once they are allocated under the Employee Stock Ownership Plan (ESOP). Accordingly, the financial statements of the Plan (*Note 4*) as of September 30, 2020 and 2019, and for the periods then ended present separately the assets and liabilities and changes therein pertaining to:

- The accounts of employees with vested rights in allocated stock (allocated)
- Stock not yet allocated to employees (unallocated)

Contributions

The Plan permits eligible employees through a salary deferral election to have the Company make annual pretax contributions of up to 50% of eligible compensation and post-tax contributions of up to 20% of eligible compensation. Participants who have attained the age of 50 are eligible for catch-up contributions. Employee rollover contributions are also permitted.

The Company makes matching contributions of 50% of employees' salary deferral amounts on the first 4% of employees' compensation and profit-sharing contributions. The Company's profit-sharing contributions are discretionary as determined by the Company's board of directors. Contributions are subject to certain limitations. Forfeitures may be used to reduce the Company's contributions. Only those participants who are eligible employees of the Company on the last day of the Plan year and who have completed 1,000 hours of service during a calendar year will be eligible to receive an allocation of the Company's matching contributions and any discretionary contributions, unless the participant's service ended during the year due to death, disability or retirement. Allocations will be based upon the participant's compensation or account balance, as defined by the Plan document.

Participant Investment Account Options

Investment account options available include various funds. Participants have the option of directing their contributions into any of the separate investment accounts and may change the allocation daily.

Participant Accounts

Each participant's account is credited with the participant's contribution, the Company's contribution, Plan earnings and forfeitures of terminated participant's nonvested accounts as provided for by the Company and is charged with an allocation of administrative expenses. Allocations are based on participant earnings or account balances, as defined in the Plan document. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Vesting

Participants are immediately vested in their contributions plus earnings thereon. Vesting in the Company's contribution portion of their accounts plus earnings thereon is based on years of continuous service. If a participant is credited with an hour of service after December 31, 2001, the participant is not vested until after three years of service. If a participant is not credited with an hour of service after December 31, 2001, the participant is not vested until after five years of service. The nonvested balance is forfeited upon termination of service.

Payment of Benefits

Upon termination of service, participants whose vested Plan benefits are less than $1,000 will receive a lump-sum distribution equal to the vested portion of their account. A participant with a vested account value of $1,000 or more whose service ends due to death, disability or retirement may elect to receive either a lump-sum payment equal to the value of their account or periodic payments for a period of two years or to the life expectancy of the spousal beneficiary or the joint life expectancy of the participant and the spousal beneficiary.

If a participant with a vested ESOP account balance of $5,000 or more whose period of service ends for any reason other than death, disability or retirement, then the distribution will be made in substantially equal annual installments over a period ranging from five years to the joint life expectancy of the participant and the participant's beneficiary. A participant's balance in their ESOP account will be distributed in cash unless an election is made to receive such distributions in the form of whole shares of the Company stock. Fractional shares will be paid in cash.

At September 30, 2020 and 2019, Plan assets include $20,042,701 and $20,510,921, respectively, allocated to accounts of terminated or retired participants.

In 2020, the Plan Sponsor (Company) implemented *Coronavirus Aid, Relief, and Economic Security* Act (CARES Act) provisions for coronavirus-related distributions (CRD). Through December 30, 2020, qualified participants are permitted to take a CRD of up to $100,000 from the Plan. Participants who take a CRD have the option to have the distribution taxed over a three-year period, with the ability to recontribute up to the full amount of the distribution within three years and not be subject to federal income tax as a result. The Plan also waived minimum distribution requirements for any distribution required to be made in 2020.

Forfeited Accounts

At September 30, 2020 and 2019, forfeited nonvested accounts totaled $1,400,009 and $1,317,187 respectively. These accounts may be used to reduce future Company contributions.

Notes Receivable from Participants

Loans are made to any eligible participant demonstrating a qualifying need. The minimum amount of a loan shall be $1,000. The maximum amount of a participant's loan is determined by the available loan balance restricted to the lesser of $50,000 or 50% of the participant's vested account balance. All loans are covered by demand notes and are repayable over a period not to exceed five years (except for loans for the purchase of a principal residence) through payroll withholdings unless the participant is paying the loan in full. Interest on the loans is based on local prevailing rates as determined by the Plan administrator.

In 2020, the Plan Sponsor (Company) adopted the *Coronavirus Aid, Relief, and Economic Security Act* (CARES Act) provisions for loan relief to 1) delay certain required loan repayments for one year and 2) increase loan limits to the lesser of $100,000 or 100 percent of the participant's vested balance for coronavirus-related loans. The CARES Act provided for the increased loan limit for coronavirus-related loans issued from March 27, 2020 through September 22, 2020. The one-year suspension of loan repayments applies to qualified participants' loan payments due between March 27, 2020, and December 31, 2020. Following the suspension period, these loans will be re-amortized over the remaining period of the loans, plus the suspension period.

Voting Rights

All shares of the Company stock shall be voted as directed by the Plan committee (as appointed by the Company's board of directors) or the Plan trustee when designated to do so. However, in limited circumstances as set forth in the Plan document, participants may have the right to direct the voting of any of the Company stock allocated to their discretionary and matching ESOP stock accounts. Any of the Company stock not allocated to a participant's ESOP account shall be voted as the Plan committee directs.

Put Option

Under federal income tax regulations, the Company stock that is held by the Plan and its participants and is not readily tradable on an established market, or is subject to trading limitations that includes a put option. The put option is a right to demand that the Company buy any shares of its stock distributed to participants for which there is no market. The put price is representative of the fair market value of the stock. The Company can pay for the purchase with interest over a period of five years. The purpose of the put option is to ensure that the participant has the ability to ultimately obtain cash.

Diversification

Beginning in 2013, each qualified participant has the right to diversify the investment of a portion of the value of their discretionary Company stock and matching Company stock account balances. Qualified participants are participants who are at least age 55 with at least 10 years of participation in the Plan. Diversification is offered to each eligible participant over a six-year period. Under the diversification terms of the Plan document, the Company may elect to offer participants any of the following choices: a) reinvest the annual affected portion of their Company stock account balances into the 401(k) investment options offered by the Plan; b) distribute to the participant the amount selected for diversification; or c) transfer the amount selected for diversification to the participants matching profit-sharing account. The Company has elected to offer the affected participants the ability to reinvest the annual affected portion of their Company stock account balances into the 401(k) investments options only. In each of the first five years, a participant may diversify up to 25% of their ESOP Company stock balances. In the sixth year, the percentage increases to 50%.

Note 2: Summary of Significant Accounting Policies

Basis of Accounting

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

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of net assets and changes in net assets and disclosure of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates.

Investment Valuation and Income Recognition

Investments are reported at fair value. Quoted market prices, if available, are used to value investments. Mutual funds are valued at the net asset value (NAV) of shares held by the Plan at year-end. The Plan's interest in the collective trusts are valued at NAV value per share using the practical expedient at year-end.

The Plan invests in the Company's common stock which is not actively traded. However, the fair value of the stock was based upon an independent valuation performed for the Plan. This valuation was based upon a combination of the guideline publicly traded company method and the discounted cash flow method consistent with prior years. This methodology results in a publicly traded equivalent value. As there is a limited market for the Company common stock, the value was then discounted to reflect the impact of limited marketability. The appraiser took into account historical and projected cash flow and net income, return on assets, return on equity, market comparables and estimated fair value of the Company's assets and liabilities. The most recent valuation was made as of September 29, 2020, for the valuation used for the Plan as of September 30, 2020.

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 appreciation includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Notes Receivable from Participants

Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Delinquent participant loans may be reclassified as distributions based upon the terms of the Plan document.

Payment of Benefits

Benefit payments to participants are recorded upon distribution.

Administrative Expenses

Administrative expenses may be paid by the Company or the Plan, at the Company's discretion.

Note 3: Certification of Plan Custodian

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, Argent, the trustee, and Principal, the custodian of the Plan, have certified the following information included in the accompanying financial statements and supplemental schedule is complete and accurate:

- Investments and notes receivable from participants as shown in the statements of net assets available for benefits as of September 30, 2020 (except for the employee stock ownership assets of the Plan) and 2019.
- Investment income and interest income from notes receivable from participants as shown in the statements of changes in net assets available for benefits for the year ended September 30, 2020 (except for the employee stock ownership assets of the Plan) and the nine months ended September 30, 2019.
- Investment information and notes receivable from participants included in the accompanying schedule of assets (held at end of period) as of September 30, 2020 (except for the employee stock ownership assets of the Plan).

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

Note 4: Nonparticipant-directed Investments

Information about the net assets and the significant components of the changes in net assets relating to the nonparticipant-directed investments are as follows:

	2020		
	Allocated	Unallocated	Total
Net Assets			
Money market funds	$ 212,702	$ 27	$ 212,729
Common stock – Brookshire Holdings, Inc.	120,458,723	215,240	120,673,963
Employer contribution receivable	6,002,133	-	6,002,133
Total net assets	$ 126,673,558	$ 215,267	$ 126,888,825

	2019		
	Allocated	Unallocated	Total
Net Assets			
Money market funds	$ 145,679	$ 200	$ 145,879
Common stock – Brookshire Holdings, Inc.	97,327,017	165,655	97,492,672
Employer contribution receivable	3,510,347	-	3,510,347
Total net assets	$ 100,983,043	$ 165,855	$ 101,148,898

	2020		
	Allocated	Unallocated	Total
Changes in Net Assets			
Employer's contribution	$ 6,002,133	$ -	$ 6,002,133
Net appreciation	26,123,027	46,679	26,169,707
Dividends and interest	1,465	-	1,465
Other transfers, disbursements and forfeitures	2,953,475	-	2,953,475
Benefits paid to participants	(9,386,853)	-	(9,386,853)
Total changes in net assets	$ 25,693,247	$ 46,679	$ 25,739,927

	2019		
	Allocated	Unallocated	Total
Changes in Net Assets			
Employer's contribution	$ 3,510,347	$ -	$ 3,510,347
Loss on sale of investment	(6,777,609)	-	(6,777,609)
Net appreciation	2,849,376	4,850	2,854,226
Dividends and interest	671,248	-	671,248
Other transfers, disbursements and forfeitures	3,116,414	-	3,116,414
Benefits paid to participants	(8,528,204)	-	(8,528,204)
Total changes in net assets	$ (5,158,428)	$ 4,850	$ (5,153,578)

Note 5: Party-in-Interest Transactions

Party-in-interest transactions include those with fiduciaries or employees of the Plan, any person who provides services to the Plan, an employer whose employees are covered by the Plan, an employee organization whose members are covered by the Plan, a person who owns 50% or more of such an employer or employee association, or relatives of such persons.

The Plan owns shares of the Company's common stock. No shares of the Company's common stock were acquired by the Plan in 2020 and 2019. The Company acquired 75,786 and 84,519 shares of Company common stock back from the Plan during 2020 and 2019, respectively.

The Plan paid $906,550 and $695,833 of administrative fees during 2020 and 2019, respectively. The Company provides certain administrative services at no cost to the Plan.

Note 6: Disclosure About Fair Value of Plan Assets and Liabilities

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

Level 1 Quoted prices in active markets for identical assets or liabilities

Level 2 Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities

Level 3 Unobservable inputs supported by little or no market activity and are significant to the fair value of the assets or liabilities

Recurring Measurements

The following table presents the fair value measurements of assets and liabilities recognized in the accompanying statements of net assets available for benefits measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at September 30, 2020 and the nine months ended September 30, 2019:

		Fair Value Measurements Using		
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
September 30, 2020				
Mutual funds	$ 21,942,813	$ 21,942,813	$ -	$ -
Common stock – related party	120,673,963	-	-	120,673,963
Total assets in the fair value hierarchy	142,616,776	21,942,813	-	120,673,963
Common collective trusts (A)	185,810,621	-	-	-
Investments at fair value	$ 328,427,397	$ 21,942,813	$ -	$ 120,673,963
September 30, 2019				
Mutual funds	$ 16,536,849	$ 16,536,849	$ -	$ -
Common stock – related party	97,492,672	-	-	97,492,672
Total assets in the fair value hierarchy	114,029,521	16,536,849	-	97,492,672
Common collective trust (A)	183,208,990	-	-	-
Investments at fair value	$ 297,238,511	$ 16,536,849	$ -	$ 97,492,672

(A) In accordance with Subtopic 820-10, certain investments that were measured at net asset value 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.

The following is a description of the valuation methodologies and inputs used for assets and liabilities measured at fair value on a recurring basis and recognized in the accompanying statements of net assets available for benefits, as well as the general classification of such assets and liabilities pursuant to the valuation hierarchy. There have been no significant changes in the valuation techniques during the year ended September 30, 2020 and the nine months ended September 30, 2019. The Plan had no liabilities measured at fair value on a recurring basis. In addition, the Plan had no assets or liabilities measured at fair value on a nonrecurring basis.

Investments

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated by using quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based or independently sourced market parameters, including, but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections and cash flows. Such securities are classified in Level 2 of the valuation hierarchy. In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy.

Transfers Between Levels

Transfers in and out of Level 1, Level 2 and Level 3 are the result of participant election changes during 2020 and 2019.

Investments Measured Using the Net Asset Value per Share Practical Expedient

The following tables summarize investments for which fair value is measured using the net asset value per share practical expedient as of September 30, 2020 and 2019. The collective trusts invest primarily in mutual funds and collective trust funds. There are no participant redemption restrictions for these investments; the redemption notice period is applicable only to the Plan.

	September 30, 2020			
	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Common collective trusts	$ 185,810,621	$ -	Daily	1 day

	September 30, 2019			
	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Common collective trust	$ 183,208,990	$ -	Daily	1 day

Note 7: Risks and Uncertainties

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the participants' account balances and the amounts reported in the accompanying statements of net assets available for benefits. At September 30, 2020 and 2019, approximately 34% and 31%, respectively, of the Plan's net assets were invested in Company stock.

The outbreak of the novel coronavirus COVID-19, which was declared a pandemic by the World Health Organization on March 11, 2020, has led to adverse impacts on the U.S. and global economies. Economic uncertainties have arisen, which have resulted in significant volatility in the investment markets and may continue to impact the value of Plan assets. The duration of these uncertainties and the ultimate financial effects cannot be reasonably estimated at this time.

Note 8: 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. In the event of Plan termination, participants would become 100% vested in their employer contributions.

Note 9: Tax Status

The IRS has determined and informed the Company by a letter dated November 7, 2013, that the Plan and related trust are designed in accordance with applicable sections of the IRC. Although the Plan has been amended since receiving the determination letter, the Plan administrator and the Plan's tax counsel believe that the Plan is designed, and is currently being operated, in compliance with the applicable requirements of the IRC and, therefore, believe that the Plan is qualified, and the related trust is tax-exempt.

Note 10: Plan Amendments

Effective January 1, 2019, the Plan was amended to change the year-end to September 30 of each year. Also, effective January 1, 2019, there was a short Plan year from January 1, 2019 through September 30, 2019.

Note 11: Reconciliation of Financial Statements to Form 5500

The following is a reconciliation of net assets available for benefits per the financial statements at September 30, 2020 and 2019, to Form 5500:

	2020	2019
Net assets available for benefits per the financial statements	$ 343,533,719	$ 311,347,852
Adjustment for valuation of company stock	-	1,699,708
Adjustment from fair value to contract value for fully benefit responsive investment	-	41,890
Other	(50,980)	-
Amounts allocated to withdrawing participants	(25,533)	(25,515)
Net assets per Form 5500	$ 343,457,206	$ 313,063,935

The following is a reconciliation of net increase per the financial statements for the year ended September 30, 2020 and the nine months ended September 30, 2019, to Form 5500:

	2020	2019
Net increase per the financial statements	$ 32,185,867	$ 7,555,540
Adjustment for valuation of company stock	(190,501)	(1,102,400)
Adjustment from fair value to contract value for fully benefit responsive investment	(75,939)	75,939
Other	(50,980)	-
Amounts allocated to withdrawing participants	(1,864,057)	1,838,524
Net income per Form 5500	$ 30,004,390	$ 8,367,603

Note 12: Subsequent Events

Subsequent events have been evaluated through July 15, 2021, which is the date the financial statements were available to be issued.

Supplemental Schedule

Brookshire's Employee Stock Ownership and 401(k) Plan

EIN 75-2894614 PN 001

Schedule H, Line 4i – Schedule of Assets (Held at End of Year)

September 30, 2020

	Identity of Issuer	Description of Investment	Cost	Current Value
	Mutual Funds			
	Federal Treasury Obligations Fund Instl	145,879 shares	**	$ 212,729
	Blackrock IShares US Aggregate Bond Index K Fund	87,319 shares	**	952,648
	Doubleline Core Fixed Inc I Fd	15,648 shares	**	175,723
	Lord Abbett High Yield I Fund	53,346 shares	**	375,559
	Pimco Income Institutional Fund	42,733 shares	**	500,399
	Vanguard Real Estate Index Admiral Fund	3,093 shares	**	339,263
	Blackrock Advisors - IShares S & P 500 Index K Fund	6,429 shares	**	2,557,127
	Blackrock Advisors - IShares Russell Mid-Cap Index K Fund	21,809 shares	**	238,371
	Blackrock Advisors - IShares Msci Eafe Intl Index K Fund	15,622 shares	**	201,836
	Blackrock Advisors - I Shares Russell 2000 Small-Cap Index K Fund	19,287 shares	**	361,443
	Fidelity Intl Cap Apprec Fund	39,854 shares	**	1,000,733
	Hartford Healthcare Y Fund	33,720 shares	**	1,653,677
	Legg Mason Inst. Funds Clearbridge Lg Cap Gr Is Funds	55,632 shares	**	3,666,162
	MassMutual Select Mid Cap Growth Inst Fund	30,803 shares	**	785,791
	Nuveen Asset Mgt - Nuvee SMCap Value R6 Fund	7,150 shares	**	122,567
	T Rowe Price Glbl Tech I Fund	296,774 shares	**	7,069,167
	T Rowe Price Qm US Sc Gr Eq 1 Fund	22,766 shares	**	918,158
	Wilmington TR Colective Invtl Large Cap Val R1 Fund	33,477 shares	**	344,222
	Wells Fargo Sp Md Cp Val R6 Fund	12,840 shares	**	467,238
	Common Collective Trusts			
	JP Morgan Smrtrtmt Pass BL 2060	273,360 shares	**	5,655,821
	JP Morgan Smrtrtmt Pass BL 2050	229,675 shares	**	7,420,796
	JP Morgan Smrtrtmt Pass BL 2055	212,803 shares	**	5,832,929
	JP Morgan Smrtrtmt Pass BL Inc	700,240 shares	**	17,723,065
	JP Morgan Smrtrtmt Pass BL 2045	301,984 shares	**	9,726,931
	JP Morgan Smrtrtmt Pass BL 2040	464,077 shares	**	14,952,547
	JP Morgan Smrtrtmt Pass BL 2035	691,486 shares	**	21,878,619
	JP Morgan Smrtrtmt Pass BL 2030	1,081,510 shares	**	33,451,115
	JP Morgan Smrtrtmt Pass BL 2025	1,326,425 shares	**	39,540,722
	JP Morgan Smrtrtmt Pass BL 2020	864,403 shares	**	24,557,689
	Morley Financial Services - Principal Stable Value Z Fund	218,444 shares	**	5,070,387
	Common Stock			
*	Brookshire Holdings, Inc.	1,527,712 shares	106,069,037	120,673,963
*	**Participant Loans**	3.25% – 6.75%		9,104,211
				$ 337,531,608

* Party-in-interest

** Not required as investments are participant directed