

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 2021 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2021 or fiscal plan year beginning <u>01/01/2021</u> and ending <u>12/31/2021</u>	
A This return/report is for:	☐ a multiemployer plan ☐ a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions.) ☒ a single-employer plan ☐ a DFE (specify) _____
B This return/report is:	☐ the first return/report ☐ the final return/report ☐ an amended return/report ☐ a short plan year return/report (less than 12 months)
C If the plan is a collectively-bargained plan, check here.	☐
D Check box if filing under:	☒ Form 5558 ☐ automatic extension ☐ the DFVC program ☐ special extension (enter description)
E If this is a retroactively adopted plan permitted by SECURE Act section 201, check here.	☐

Part II	Basic Plan Information—enter all requested information				
1a Name of plan <u>ADTRAN, INC. 401(K) RETIREMENT PLAN</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">1b Three-digit plan number (PN) ▶</td> <td style="width: 20%; text-align: center;"><u>001</u></td> </tr> <tr> <td colspan="2">1c Effective date of plan <u>01/01/1990</u></td> </tr> </table>	1b Three-digit plan number (PN) ▶	<u>001</u>	1c Effective date of plan <u>01/01/1990</u>	
1b Three-digit plan number (PN) ▶	<u>001</u>				
1c Effective date of plan <u>01/01/1990</u>					
2a Plan sponsor's name (employer, if for a single-employer plan) Mailing address (include room, apt., suite no. and street, or P.O. Box) City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions) <u>ADTRAN, INC</u> <u>901 EXPLORER BLVD.</u> <u>HUNTSVILLE, AL 35806</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td>2b Employer Identification Number (EIN) <u>63-0918200</u></td> </tr> <tr> <td>2c Plan Sponsor's telephone number <u>256-963-8000</u></td> </tr> <tr> <td>2d Business code (see instructions) <u>541512</u></td> </tr> </table>	2b Employer Identification Number (EIN) <u>63-0918200</u>	2c Plan Sponsor's telephone number <u>256-963-8000</u>	2d Business code (see instructions) <u>541512</u>	
2b Employer Identification Number (EIN) <u>63-0918200</u>					
2c Plan Sponsor's telephone number <u>256-963-8000</u>					
2d Business code (see instructions) <u>541512</u>					

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

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

SIGN HERE	Filed with authorized/valid electronic signature.	06/30/2022	MICHAEL FOLIANO
	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 (2021)
v. 210624

3a Plan administrator's name and address ☒ Same as Plan Sponsor		3b Administrator's EIN	
		3c Administrator's telephone number	
4 If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report: a Sponsor's name c Plan Name		4b EIN 4d PN	
5 Total number of participants at the beginning of the plan year		5	1549
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)	1074
a(2) Total number of active participants at the end of the plan year		6a(2)	1042
b Retired or separated participants receiving benefits.....		6b	10
c Other retired or separated participants entitled to future benefits		6c	456
d Subtotal. Add lines 6a(2) , 6b , and 6c		6d	1508
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.		6e	7
f Total. Add lines 6d and 6e		6f	1515
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)		6g	1442
h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested		6h	0
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item).....		7	
8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions: 2F 2G 2J 2K 2T 3I 3D 2R			
b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:			
9a Plan funding arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor		9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	
10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)			
a Pension Schedules (1) ☒ R (Retirement Plan Information) (2) ☐ MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary (3) ☐ SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary		b General Schedules (1) ☒ H (Financial Information) (2) ☐ I (Financial Information – Small Plan) (3) ☐ <u>0</u> A (Insurance Information) (4) ☒ C (Service Provider Information) (5) ☒ D (DFE/Participating Plan Information) (6) ☐ G (Financial Transaction Schedules)	

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

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

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

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

11c Enter the Receipt Confirmation Code for the 2021 Form M-1 annual report. If the plan was not required to file the 2021 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code _____

SCHEDULE C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2021
		This Form is Open to Public Inspection.
For calendar plan year 2021 or fiscal plan year beginning 01/01/2021 and ending 12/31/2021		
A Name of plan ADTRAN, INC. 401(K) RETIREMENT PLAN	B Three-digit plan number (PN) ▶	001
C Plan sponsor's name as shown on line 2a of Form 5500 ADTRAN, INC	D Employer Identification Number (EIN) 63-0918200	

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

1 Information on Persons Receiving Only Eligible Indirect Compensation

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

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL
04-2647786

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

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

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

MERRILL LYNCH

13-5674085

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
16	CONSULTANT	164156	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

FIDELITY INVESTMENTS INSTITUTIONAL

04-2647786

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
37 60 64 65 71	RECORDKEEPER	-426664	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☒ No ☐

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

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

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

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

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

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

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

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

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

Part I Service Provider Information (continued)

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

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0

(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.
AS SPL MID CP VAL IS - DST ASSET M 430 W 7TH STREET STE 219432 KANSAS CITY, MO 64105	0.15%

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0

(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.
HTFD INTL OP HLS IA - HARTFORD ADM 41-0679409	0.10%

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0

(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.
INVS DIVRS DIVD R5 - INVESCO INVES 11 GREENWAY PLAZA, SUITE 100 HOUSTON, TX 77046	0.35%

Part I Service Provider Information (continued)

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

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
J H VENTURE I - JANUS SERVICES LLC 43-1804048	0.10%	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
JPM SMCP SUST LDR R5 - JPMORGAN DI 1 FEDERAL ST BOSTON, MA 02110	0.25%	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
MM MID CAP GRTH R5 - STATE STREET 04-0025081	0.15%	

Part I Service Provider Information (continued)

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

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
PGIM TOTAL RTN BD Z - PRUDENTIAL M 22-3703799	0.25%	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
AMERICAN STRATEGIC BOND FUND F1 3500 WISEMAN BLVD SAN ANTONIO, TX 78251-4321	0.37%	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
ABSOLUTE CAPITAL OPPORTUNITIES INS PO BOX 588 PORTLAND, ME 04112	0.12%	

Part I Service Provider Information (continued)

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

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
JANUS HENDERSON BALANCED I 151 DETROIT ST. DENVER, CO 80206	\$14.00	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
LEUTHOLD GRIZZLY SHORT FUND 33 SOUTH SIXTH ST. SUITE 4600 MINNEAPOLIS, MN 55402	0.40%	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
T ROWE PRICE GLOBAL TECHNOLOGY 4515 PAINTERS MILL RD OWINGS MILLS, MD 21117	0.15%	

Part I Service Provider Information (continued)

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

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
OIL & GAS ULTRA SECTPRO FDS INVEST 7501 WISCONSIN AVE SUITE 1000 EAST BETHESDA, MD 20814	0.40%	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
T ROWE PRICE DIVIDEND GROWTH 4515 PAINTERS MILL RD OWINGS MILLS, MD 21117	0.15%	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
TOUCHSTONE BALANCED FUND CL Y 303 BROADWAY SUITE 1100 CINCINNATI, OH 45202-4203	0.10%	

Part I Service Provider Information (continued)

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

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
1919 SOCIALLY RESPON BALANCED I 2020 E. FINANCIAL WAY SUITE 100 GLENDORA, CA 91741	0.12%	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
VALUE LINE ASSET ALLOCATION INSTL 7 TIMES SQUARE SUITE 1606 NEW YORK, NY 10036	0.12%	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
GREEN OWL INTRINSIC VALUE FD INVES 115 SOUTH LASALLE STREET 27TH FLOO CHICAGO, IL 60603	0.40%	

Part I Service Provider Information (continued)

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

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
VIRTUS TACTICAL ALLOCATION FD CL I 101 MUNSON ST. STE. 3 GREENFIELD, MA 01301	0.10%	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

Part II Service Providers Who Fail or Refuse to Provide Information

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

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

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

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

SCHEDULE D (Form 5500) 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 2021 This Form is Open to Public Inspection.
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For calendar plan year 2021 or fiscal plan year beginning 01/01/2021 and ending 12/31/2021

A Name of plan <u>ADTRAN, INC. 401(K) RETIREMENT PLAN</u>	B Three-digit plan number (PN) ►	<u>001</u>
C Plan or DFE sponsor's name as shown on line 2a of Form 5500 <u>ADTRAN, INC</u>	D Employer Identification Number (EIN) <u>63-0918200</u>	

Part I	Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs) (Complete as many entries as needed to report all interests in DFEs)
---------------	--

a Name of MTIA, CCT, PSA, or 103-12 IE: MIP CL 2

b Name of sponsor of entity listed in (a): FIDELITY MANAGEMENT TRUST COMPANY

c EIN-PN <u>04-3022712-024</u>	d Entity code <u>C</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>14913704</u>
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a Name of MTIA, CCT, PSA, or 103-12 IE:

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

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

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

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

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

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

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

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

SCHEDULE H (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110 2021 This Form is Open to Public Inspection
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For calendar plan year 2021 or fiscal plan year beginning 01/01/2021 and ending 12/31/2021		
A Name of plan ADTRAN, INC. 401(K) RETIREMENT PLAN	B Three-digit plan number (PN) ►	001
C Plan sponsor's name as shown on line 2a of Form 5500 ADTRAN, INC	D Employer Identification Number (EIN) 63-0918200	

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

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash.....	1a	0	0
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	0	0
(2) Participant contributions.....	1b(2)	0	0
(3) Other	1b(3)	0	0
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	17922825	16944435
(2) U.S. Government securities	1c(2)	0	0
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)	0	0
(B) All other	1c(3)(B)	0	0
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)	0	9829
(B) Common	1c(4)(B)	2572083	2763209
(5) Partnership/joint venture interests	1c(5)	0	0
(6) Real estate (other than employer real property)	1c(6)	0	0
(7) Loans (other than to participants)	1c(7)	0	0
(8) Participant loans	1c(8)	3538693	3078460
(9) Value of interest in common/collective trusts	1c(9)	13091186	14913704
(10) Value of interest in pooled separate accounts	1c(10)	0	0
(11) Value of interest in master trust investment accounts	1c(11)	0	0
(12) Value of interest in 103-12 investment entities	1c(12)	0	0
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)	316789699	358190318
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)	0	0
(15) Other.....	1c(15)	0	0

		(a) Beginning of Year	(b) End of Year
1d	Employer-related investments:		
(1)	Employer securities.....	1d(1) 3199684	4902377
(2)	Employer real property.....	1d(2) 0	0
e	Buildings and other property used in plan operation	1e 0	0
f	Total assets (add all amounts in lines 1a through 1e)	1f 357114170	400802332

Liabilities

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

Net Assets

l	Net assets (subtract line 1k from line 1f)	1l 357114170	400802332
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Part II Income and Expense Statement

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

Income

		(a) Amount	(b) Total
a	Contributions:		
(1)	Received or receivable in cash from: (A) Employers	2a(1)(A) 4012497	
	(B) Participants	2a(1)(B) 10242080	
	(C) Others (including rollovers).....	2a(1)(C) 320393	
(2)	Noncash contributions.....	2a(2) 0	14574970
(3)	Total contributions. Add lines 2a(1)(A), (B), (C), and line 2a(2)	2a(3)	
b	Earnings on investments:		
(1)	Interest:		
	(A) Interest-bearing cash (including money market accounts and certificates of deposit).....	2b(1)(A) 2712	
	(B) U.S. Government securities	2b(1)(B) 0	
	(C) Corporate debt instruments	2b(1)(C) 0	
	(D) Loans (other than to participants)	2b(1)(D) 0	
	(E) Participant loans.....	2b(1)(E) 150694	
	(F) Other	2b(1)(F) 0	
	(G) Total interest. Add lines 2b(1)(A) through (F).....	2b(1)(G)	153406
(2)	Dividends: (A) Preferred stock.....	2b(2)(A) 376	32646953
	(B) Common stock	2b(2)(B) 103175	
	(C) Registered investment company shares (e.g. mutual funds).....	2b(2)(C) 32543402	
	(D) Total dividends. Add lines 2b(2)(A), (B), and (C)	2b(2)(D)	
(3)	Rents	2b(3)	0
(4)	Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A) 2916097	127530
	(B) Aggregate carrying amount (see instructions).....	2b(4)(B) 2788567	
	(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)	
(5)	Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A) 0	1261775
	(B) Other	2b(5)(B) 1261775	
	(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)	

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts.....	2b(6)		157071
(7) Net investment gain (loss) from pooled separate accounts.....	2b(7)		0
(8) Net investment gain (loss) from master trust investment accounts.....	2b(8)		0
(9) Net investment gain (loss) from 103-12 investment entities.....	2b(9)		0
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		19570748
c Other income.....	2c		295276
d Total income. Add all income amounts in column (b) and enter total.....	2d		68787729
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers.....	2e(1)	25068697	
(2) To insurance carriers for the provision of benefits.....	2e(2)	0	
(3) Other.....	2e(3)	0	
(4) Total benefit payments. Add lines 2e(1) through (3).....	2e(4)		25068697
f Corrective distributions (see instructions).....	2f		0
g Certain deemed distributions of participant loans (see instructions).....	2g		-120
h Interest expense.....	2h		0
i Administrative expenses: (1) Professional fees.....	2i(1)	0	
(2) Contract administrator fees.....	2i(2)	0	
(3) Investment advisory and management fees.....	2i(3)	0	
(4) Other.....	2i(4)	30990	
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		30990
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		25099567
Net Income and Reconciliation			
k Net income (loss). Subtract line 2j from line 2d.....	2k		43688162
l Transfers of assets:			
(1) To this plan.....	2l(1)		0
(2) From this plan.....	2l(2)		0

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 Check the appropriate box(es) to indicate whether the IQPA performed an ERISA section 103(a)(3)(C) audit. Check both boxes (1) and (2) if the audit was performed pursuant to both 29 CFR 2520.103-8 and 29 CFR 2520.103-12(d). Check box (3) if pursuant to neither.

(1) ☐ DOL Regulation 2520.103-8 (2) ☐ DOL Regulation 2520.103-12(d) (3) ☒ neither DOL Regulation 2520.103-8 nor DOL Regulation 2520.103-12(d).

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

(1) Name: **WARREN AVERETT, LLC**

(2) EIN: **45-4084437**

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

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

Part IV Compliance Questions

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

During the plan year:

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

	Yes	No	Amount
4a		X	

	Yes	No	Amount
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	
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?	X		3000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
4f		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?			
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.)	X		
4i	X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked and see instructions for format requirements.)			
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 Was the plan a defined benefit plan covered under the PBGC insurance program at any time during this plan year? (See ERISA section 4021 and instructions.) ☐ Yes ☐ No ☐ Not determined
If "Yes" is checked, enter the My PAA confirmation number from the PBGC premium filing for this plan year _____.

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 2021 This Form is Open to Public Inspection.
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For calendar plan year 2021 or fiscal plan year beginning 01/01/2021 and ending 12/31/2021

A Name of plan ADTRAN, INC. 401(K) RETIREMENT PLAN	B Three-digit plan number (PN) ► 001
C Plan sponsor's name as shown on line 2a of Form 5500 ADTRAN, INC	D Employer Identification Number (EIN) 63-0918200

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

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

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

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

Part III	Amendments
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9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box.....	☐ Increase	☐ Decrease	☐ Both	☐ No
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Part IV	ESOPs (see instructions). If this is not a plan described under section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.
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10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?	☐ Yes	☐ No
11 a Does the ESOP hold any preferred stock?	☐ Yes	☐ No
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.)	☐ Yes	☐ No
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?	☐ Yes	☐ No

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

Schedule R (Form 5500) 2021
v. 201209

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 deferred vested and retired participants (inactive participants), as of the beginning of the plan year, whose contributing employer is no longer making contributions to the plan for:

a The current plan year. Check the box to indicate the counting method used to determine the number of inactive participants: ☐ last contributing employer ☐ alternative ☐ reasonable approximation (see instructions for required attachment).....

14a

b The plan year immediately preceding the current plan year. ☐ Check the box if the number reported is a change from what was previously reported (see instructions for required attachment).....

14b

c The second preceding plan year. ☐ Check the box if the number reported is a change from what was previously reported (see instructions for required attachment).....

14c

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

a The corresponding number for the plan year immediately preceding the current plan year.....

15a

b The corresponding number for the second preceding plan year.....

15b

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

a Enter the number of employers who withdrew during the preceding plan year.....

16a

b If line 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers.....

16b

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

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

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

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

a Enter the percentage of plan assets held as:

Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%

b Provide the average duration of the combined investment-grade and high-yield debt:

☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

c What duration measure was used to calculate line 19(b)?

☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify): _____

- 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 _____

ADTRAN, Inc. 401(k) RETIREMENT PLAN

ADTRAN, INC. 401(k) RETIREMENT PLAN

**Financial Statements and Supplemental Schedule
As of December 31, 2019 and 2018
and for the Year Ended December 31, 2019**

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Note: Other schedules required by 29 CFR 2520.103-10 of the Department of Labor's Rules and Regulations for Disclosure under the Employee Retirement Income Security Act of 1974 have been omitted as they are not applicable.

Independent Auditors' Report

To the Administrator of ADTRAN, Inc. 401(k) Retirement Plan

Report on the Financial Statements

We have audited the accompanying financial statements of the ADTRAN, Inc. 401(k) Retirement Plan (the "Plan"), which comprise the statement of net assets available for benefits as of December 31, 2019 and 2018, and the related statement of changes in net assets available for benefits for the year ended December 31, 2019, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2019 and 2018, and the changes in net assets available for benefits for the year ended December 31, 2019 in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

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

Warren Averett, LLC

Atlanta, Georgia
June 29, 2020

ADTRAN, Inc. 401(k) RETIREMENT PLAN
Statements of Net Assets Available for Benefits
December 31, 2019 and 2018

	December 31, 2019	December 31, 2018
Assets		
Investments, at fair value	\$ 314,915,853	\$ 259,146,128
Receivables:		
Employer contributions receivable	399,786	370,449
Employee contributions receivable	459,419	392,743
Notes receivable from participants	3,974,432	4,357,713
Total receivables	4,833,637	5,120,905
Net Assets Available for Benefits	\$ 319,749,490	\$ 264,267,033

See accompanying notes to financial statements.

ADTRAN, Inc. 401(k) RETIREMENT PLAN
Statement of Changes in Net Assets Available for Benefits
Year Ended December 31, 2019

Additions to net assets attributed to:

Investment income:

Interest and dividend income	\$ 14,141,727
Net change in the fair value of investments	47,361,656
Other income	563,923
Total investment income	62,067,306

Interest income on notes receivable from participants	179,940
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Contributions:

Employee	10,742,777
Employer	4,328,875
Rollovers from other qualified plans	544,175
Total contributions	15,615,827

Transfers of assets to the plan	2,050,655
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Total net additions	\$ 79,913,728
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Deductions from net assets attributed to:

Distributions to participants	\$ 24,092,148
Administrative expenses	339,123
Total deductions	24,431,271

Net increase in net assets available for benefits	55,482,457
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Net assets available for benefits, beginning of year	264,267,033
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Net assets available for benefits, end of year	\$ 319,749,490
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See accompanying notes to financial statements.

ADTRAN, Inc. 401(k) RETIREMENT PLAN
Notes to Financial Statements
December 31, 2019 and 2018

Note 1 – Description of the Plan

The following description of the ADTRAN, Inc. 401(k) Retirement Plan (the “Plan”) provides only general information. Participants should refer to the Plan document and summary Plan description for a more complete description of the Plan’s provisions.

General

ADTRAN, Inc. (the “Company” or the “Employer”) adopted the Plan on January 1, 1990 to provide certain retirement benefits for eligible employees (as outlined below). The Plan is a defined contribution plan subject to the provisions set forth in the Employee Retirement Income Security Act of 1974 (“ERISA”) and the provisions of Internal Revenue Code (the “IRC”) Sections 401(a) and 401(k). The Plan assets are held by Fidelity Management Trust Company (“Fidelity”), which executes investment transactions, receives the Plan contributions, credits participants’ individual accounts and pays benefits to participants and their beneficiaries in accordance with the provisions of the Plan.

Eligibility

All regular, full-time employees are eligible to participate in the elective deferral portion of the Plan immediately upon hire, and in the safe harbor matching portion of the Plan following the completion of 12 months of service, except seasonal employees, co-op employees, leased employees, interns and nonresident aliens without income in the United States (the “U.S.”).

Contributions

The Plan allows for pre-tax or Roth contributions of up to 60% of a participant’s eligible compensation, as defined in the Plan document and subject to annual limitations established by the Internal Revenue Service (the “IRS”). The Plan also allows eligible participants who are age 50 or over to make additional deferrals. Participants may change their contribution deferral election under the Plan each pay period.

Under the terms of the Plan, the Company is required to make safe harbor matching contributions of 100% of an eligible participant’s first 3% of contributions and 50% of his or her next 2% of contributions, subject to certain limits.

Participant Accounts and Investment Options

Each participant’s account is credited with the employee’s contribution and the Company’s matching contribution for that employee, when applicable, plus an allocation of Plan earnings. Allocations of Plan earnings are based on account balances and underlying investments within each participant’s account, as defined more fully in the Plan document. Each participant directs how contributions made to the Plan on his/her behalf are to be invested among the investment options available under the Plan. The Plan currently offers 38 investment options, including the Company stock fund. Total investment balances in the Plan for participants are limited to 20% of the Company stock fund.

The Plan also includes Fidelity BrokerageLink, which is a self-directed brokerage account that allows participants to invest in a broad range of securities, including stocks, bonds, mutual funds, exchange-traded funds, certificates of deposit and other investment choices.

Vesting

Participants are 100% vested at all times in their contributions and the Company’s match under the Plan.

Retirement Date

The normal retirement date is the first day of the calendar month following the date a participant reaches age 62. Early retirement is permitted on the first day of the calendar month after a participant reaches age 59-1/2.

Distribution of Benefits

Benefits commence upon the earlier of several dates: normal retirement, early retirement, disability, pre-retirement death or upon termination other than described above. Benefits are distributed by means of systematic withdrawals, partial withdrawals or a lump sum payment. In-kind distributions of the Company's common stock are permitted. Corrective distributions are made for excess deferrals and contributions.

Other

The Plan allows for participant in-service withdrawals at or after age 59-1/2 and hardship withdrawals at any time from the participant's account if certain conditions are met, as outlined below.

Notes Receivable from Participants

Participants may borrow a minimum amount of \$1,000 from their accounts up to a maximum amount equal to the lesser of \$50,000 or 50% of their account balance. The Plan's loan provisions limit outstanding loans to two loans per participant at a time. Loan transactions are treated as transfers between the investment fund and the participant loan fund. Loan terms range from one to five years unless such loan is used to acquire a principal residence, in which case the loan term can be up to ten years. The Plan's outstanding loans at December 31, 2019 and 2018 were collateralized by the balances in the participants' accounts and bore interest at rates commensurate with local prevailing rates as determined quarterly by the Plan Administrator. Loans outstanding as of December 31, 2019 and 2018 had various maturity dates through 2029 and interest rates that ranged from 4.25% to 5.75%.

Administrative Expenses

All expenses incurred in connection with the operation of the Plan may be paid out of Plan assets, paid by the Company or offset by from revenue sharing from the Plan's investments as negotiated with Fidelity. During the Plan year ended December 31, 2019, substantially all of the administrative expenses were offset by revenue sharing except for participant initiated expenses as noted within the Statement of Changes in Net Assets Available for Benefits. The Company paid no administrative expenses on behalf of the Plan for the year ended December 31, 2019.

Plan Termination

While it is the intention of the Company to continue to offer the Plan, the Company has the right to amend or terminate the Plan at any time upon written notice to the Plan administrator and Plan trustee. No amendment may permit any plan assets to revert to the Employer or be used for any purpose other than to provide benefits to participants and their beneficiaries. If the Plan were terminated, the Plan assets would be distributed to participants and their beneficiaries in accordance with the Plan and subject to IRC and ERISA guidelines.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

The accompanying financial statements of the Plan are maintained on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of additions and deductions during the reporting periods. Actual results could differ from those estimates.

Valuation of Investments

The money market funds, mutual funds and common stock investments offered through the Plan and the BrokerageLink account are valued at fair value based on quoted market prices. Quoted market prices are based on the last reported sales price on the last business day of the Plan year as reported by the principal securities exchange on which the security is traded.

Units in commingled trust funds are valued at the net asset value (the “NAV”) of the units of the collective trust. The NAV, as provided by the trustee, is used as a practical expedient to estimate fair value and is based on the fair value of the underlying investments held by the commingled trust fund less its liabilities.

Purchases and sales of investments are reflected as of the trade date. Interest income is recorded when earned and dividend income is recorded on the ex-dividend date.

The appreciation in the fair value of the Plan’s investments, which consists of realized and unrealized gains and losses of those investments, is included in the Statement of Changes in Net Assets Available for Benefits.

Valuation of Notes Receivable from Participants

Notes receivable from participants represent participant loans and are valued at the unpaid principal balance plus any accrued but unpaid interest. Interest income on notes receivable from participants is recorded when earned. Related fees are recorded as administrative expenses and expensed as incurred. No allowance for credit losses was recorded for the years ended December 31, 2019 and 2018.

Contributions

Contributions from the Company are accrued based on the safe harbor contribution provisions of the Plan. Contributions from employees are recorded and remitted in the period in which the Company makes the deductions from the participants' payroll.

Benefit Payments

Benefit payments are recognized when paid.

Subsequent Events

The Plan has evaluated subsequent events through the date the financial statements were issued for events requiring disclosure in the Plan’s financial statements. The Company determined that except for the matters noted below, no significant events requiring disclosure is necessary.

Plan Amendments

The Plan was amended effective January 1, 2020 to include an automatic enrollment provision where an initial pre-tax deferral contribution of 5.00% of eligible compensation will be made for newly eligible employees. Participants loans will no longer be due immediately upon termination but rather will be payable in accordance with the provisions of the loan note and the costs to administer the Plan may be paid from forfeitures, if any.

COVID-19 Pandemic

During the first quarter of 2020, there was a downturn in the global financial markets and a slowdown in the global economy due to the COVID-19 pandemic. In March 2020, the World Health Organization declared the outbreak of COVID-19 a pandemic. COVID-19 continues to spread throughout the U.S. and the world and impact the global economic activity. Following the COVID-19 outbreak, the values of investment securities have been subject to significant volatility. Economic, market conditions and other effects of the COVID-19 outbreak may continue to affect the Plan. Due to the uncertainty of the duration or impact of this pandemic, the short and long-term financial impact to the Plan cannot be reasonably estimated at this time.

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act (the “CARES Act”), was signed into law. The CARES Act contains several provisions that temporarily impact 401(k) plans, including a loan payment pause option and a new hardship withdrawal option of up to \$100,000. The Company has incorporated these provisions into the Plan.

Note 3 – Related Party Transactions

The Plan allows for transactions with certain parties who may perform services or have fiduciary responsibilities to the Plan, including the Company. The Plan invests in shares of mutual funds or commingled trust funds managed by an affiliate of Fidelity, a subsidiary of which is the trustee of the Plan. These transactions qualify as party-in-interest transactions.

The Plan invests in common stock of the Company and issues loans to participants, which are secured by the balances in the participants' accounts. During the year ended December 31, 2019, the Plan purchased 32,912 units of the ADTRAN, Inc. Common Stock Fund for \$370,395 and disposed of 33,994 units for \$399,340. Quarterly dividends of \$0.09 per share were declared and paid by the Company on various dates throughout the year. The Plan received \$75,810 in dividend payments related to the common stock of the Company and purchased an additional 6,924 shares related to these dividend payments for the year ended December 31, 2019. These transactions qualify as party-in-interest transactions.

Fidelity Investments provides certain administrative services to the Plan pursuant to the Fidelity Investments Retirement Plan Service Agreement (the "Agreement") between the Company and Fidelity Investments. The Company receives revenue credits from Fidelity Investments, which result from revenue-sharing agreements from the Plan's investments. This revenue is used to offset administrative expenses incurred by the Plan.

Note 4 – Income Tax Status

The Plan obtained its latest opinion letter on March 31, 2014 from the IRS stating that the Plan, as then designed, was in compliance with the applicable requirements of the IRS. The Plan has subsequently been amended to conform with regulatory requirements and for minor administrative items. The Plan Administrator believes the Plan is designed and is currently being operated in compliance with the applicable provisions of the IRC. Accordingly, no provision for income taxes has been recorded in the Plan's financial statements.

U.S. GAAP requires Plan management to evaluate tax positions taken by the Plan and recognize a tax liability or asset if the Plan has taken an uncertain tax position that more likely than not would not be sustained upon examination by the IRS. The Plan Administrator has analyzed the tax positions taken by the Plan and has concluded that as of December 31, 2019, there are no uncertain tax positions taken or expected to be taken that would require recognition of a liability or asset or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

Note 5 – Reconciliation to Form 5500

The following is a reconciliation of Net Assets Available for Benefits per the financial statements to the amounts reported on Form 5500 at December 31, 2019 and 2018:

	2019	2018
Net assets available for benefits per the financial statements	\$319,749,490	\$ 264,267,033
Contributions receivable	(859,205)	(763,192)
Net assets available for benefits per Form 5500	<u>\$318,890,285</u>	<u>\$ 263,503,841</u>

The following is a reconciliation of the Statement of Changes in Net Assets per the financial statements to the amounts reported on Form 5500 for the year ended December 31, 2019:

	2019
Net increase per financial statements	\$ 55,482,457
Net decrease in receivables	(96,013)
Net income per Form 5500	<u>\$ 55,386,444</u>

Contributions that are not received by the Plan until the subsequent year are not accrued on the Form 5500.

Note 6 – Risks and Uncertainties

The Plan participants invest in various types of 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 and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in risks in the near term could materially affect participants' account balances and the amounts reported in the Statements of Net Assets Available for Benefits and the Statement of Changes in Net Assets Available for Benefits.

Note 7 – Fair Value Measurements

U.S. GAAP establishes a three-level valuation hierarchy based upon observable and unobservable inputs for fair value measurement of financial instruments:

- Level 1 – Observable outputs; values based on unadjusted quoted prices for identical assets or liabilities in an active market;
- Level 2 – Significant inputs that are observable; values based on quoted prices in markets that are not active or model inputs that are observable either directly or indirectly;
- Level 3 – Significant unobservable inputs; values based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement.

The following tables presents, by level within the fair value hierarchy, the Plan's investments at fair value as of December 31, 2019 and 2018:

Fair Value Measurements as of December 31, 2019 Using				
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Mutual funds	\$ 288,658,325	\$ 288,658,325	\$ —	\$ —
Money market funds	11,989,567	11,989,567	—	—
ADTRAN common stock fund	2,227,930	2,227,930	—	—
BrokerageLink	3,932,565	3,932,565	—	—
Total investments at fair value	306,808,387	306,808,387	—	—
Investments measured at net asset value ^(a)	8,107,466			
Total investments at fair value	\$ 314,915,853	\$ 306,808,387	\$ —	\$ —

Fair Value Measurements as of December 31, 2018 Using				
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Mutual funds	\$ 234,378,352	\$ 234,378,352	\$ —	\$ —
Money market funds	11,447,870	11,447,870	—	—
ADTRAN common stock fund	2,341,271	2,341,271	—	—
BrokerageLink	2,779,576	2,779,576	—	—
Total investments at fair value	250,947,069	250,947,069	—	—
Investments measured at net asset value ^(a)	8,199,059			
Total investments at fair value	\$ 259,146,128	\$ 250,947,069	\$ —	\$ —

- (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.

Investments held in BrokerageLink are valued at the quoted NAV of shares held by the Plan, which represents fair value.

The commingled trust fund is valued at the NAV of the units of the collective trust. The NAV, as provided by the trustee, is used as a practical expedient to estimate fair value. The NAV is based on the fair value of the underlying investments held by the commingled trust fund less its liabilities. Plan level liquidations require notice to Fidelity and could result in the Plan's investment being placed into an investment only account for up to 12 months. There are no unfunded commitments related to the commingled trust fund.

The ADTRAN common stock fund reflects the combined fair value of ADTRAN common stock and the short-term cash position. The fair value of ADTRAN stock is based on the closing price as quoted on the NASDAQ Global Select Market.

The valuation methodologies described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine fair value of certain financial instruments could result in a different fair value measurement at the reporting date. There have been no changes in the valuation methodologies used at December 31, 2019 and 2018 to value the Plan's assets at fair value.

ADTRAN, INC. 401(k) RETIREMENT PLAN

EIN: 63-0918200 Plan 001

**Schedule H, line 4i – Schedule of Assets (Held at End of Year)
As of December 31, 2019**

(a)	(b) Identity of issue, borrower, lessor or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par or maturity value	(d) Cost **	(e) Current Value
Money Market Funds:				
*	Fidelity Investments	Government Money Market Fund - Premium Class	\$	11,989,567
Commingled Trust Fund:				
*	Fidelity Investments	Managed Income Portfolio		8,107,466
Common Stock Fund:				
*	ADTRAN, Inc.	Common stock (217,755 shares and \$87,398 cash)		2,227,930
Other Investments:				
*	Fidelity Investments BrokerageLink	Various investments		3,932,565
Mutual Funds:				
	American Beacon Advisors, Inc.	American Beacon Large Cap Value Fund Institutional Class		3,514,573
	BlackRock	BlackRock Inflation Protected Bond Fund		1,152,019
	DFA	U.S. Small Cap Value Portfolio Institutional Class		876,264
*	Fidelity Investments	Balanced Fund - Class K		20,198,484
*	Fidelity Investments	Contrafund - Class K		31,004,081
*	Fidelity Investments	Diversified International Fund - Class K		8,712,509
*	Fidelity Investments	Extended Market Index Fund		1,927,918
*	Fidelity Investments	Freedom 2005 Fund K		979,737
*	Fidelity Investments	Freedom 2010 Fund K		2,781,092
*	Fidelity Investments	Freedom 2015 Fund K		2,275,314
*	Fidelity Investments	Freedom 2020 Fund K		17,212,888
*	Fidelity Investments	Freedom 2025 Fund K		14,559,920
*	Fidelity Investments	Freedom 2030 Fund K		12,913,306
*	Fidelity Investments	Freedom 2035 Fund K		14,868,291
*	Fidelity Investments	Freedom 2040 Fund K		8,584,978
*	Fidelity Investments	Freedom 2045 Fund K		5,062,269
*	Fidelity Investments	Freedom 2050 Fund K		3,199,731
*	Fidelity Investments	Freedom 2055 Fund K		1,978,119
*	Fidelity Investments	Freedom 2060 Fund K		679,729
*	Fidelity Investments	Freedom Income Fund K		3,468,537
*	Fidelity Investments	Government Income Fund		4,818,279
*	Fidelity Investments	Growth Company Fund - Class K		32,950,804
*	Fidelity Investments	International Index Fund		1,565,333
*	Fidelity Investments	Low-Priced Stock Fund - Class K		13,963,970
*	Fidelity Investments	Fidelity 500 Index Fund		22,321,199
*	Fidelity Investments	Fidelity U.S. Bond Index Fund		6,625,016
	MassMutual	MassMutual Select Mid Cap Growth Fund Class R5		3,254,911
	Hartford	Hartford International Opportunities HLS Fund Class IA		2,133,538

ADTRAN, INC. 401(k) RETIREMENT PLAN

EIN: 63-0918200 Plan 001

**Schedule H, line 4i – Schedule of Assets (Held at End of Year)
As of December 31, 2019**

(a)	(b) Identity of issue, borrower, lessor or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par or maturity value	(d) Cost **	(e) Current Value
	Invesco	Invesco Diversified Dividend Fund R5 Class		12,786,185
	JP Morgan	JP Morgan Small Cap Core Fund Class R5		1,907,567
	Prudential Investments	Prudential Total Return Bond Fund Class Z		8,122,619
	Janus Henderson	Janus Henderson Venture Fund Class I		16,423,040
	Prudential Investments	Prudential Jennison Mid-Cap Growth Fund, Inc Class Q		1,096,981
	Wells Fargo	Advantage Special Mid Cap Value Fund Institutional Class		4,739,124
	Total Investments (held at end of year)			314,915,853
Notes Receivable:				
*	Participants	Loans with various maturities through 2029 and interest rates ranging from 4.25% to 5.75%		3,974,432
	Total Assets (held at end of year)			\$ 318,890,285

* Related party to the Plan

** Cost information has been omitted as all investments are participant directed.

ADTRAN, Inc. 401(k) RETIREMENT PLAN

ADTRAN, INC. 401(k) RETIREMENT PLAN

**Financial Statements and Supplemental Schedule
As of December 31, 2019 and 2018
and for the Year Ended December 31, 2019**

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<u>Schedule H, line 4i – Schedule of Assets (Held at End of Year) – December 31, 2019</u>	<u>10</u>

Note: Other schedules required by 29 CFR 2520.103-10 of the Department of Labor's Rules and Regulations for Disclosure under the Employee Retirement Income Security Act of 1974 have been omitted as they are not applicable.

Independent Auditors' Report

To the Administrator of ADTRAN, Inc. 401(k) Retirement Plan

Report on the Financial Statements

We have audited the accompanying financial statements of the ADTRAN, Inc. 401(k) Retirement Plan (the "Plan"), which comprise the statement of net assets available for benefits as of December 31, 2019 and 2018, and the related statement of changes in net assets available for benefits for the year ended December 31, 2019, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2019 and 2018, and the changes in net assets available for benefits for the year ended December 31, 2019 in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

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

Warren Averett, LLC

Atlanta, Georgia
June 29, 2020

ADTRAN, Inc. 401(k) RETIREMENT PLAN
Statements of Net Assets Available for Benefits
December 31, 2019 and 2018

	December 31, 2019	December 31, 2018
Assets		
Investments, at fair value	\$ 314,915,853	\$ 259,146,128
Receivables:		
Employer contributions receivable	399,786	370,449
Employee contributions receivable	459,419	392,743
Notes receivable from participants	3,974,432	4,357,713
Total receivables	4,833,637	5,120,905
Net Assets Available for Benefits	\$ 319,749,490	\$ 264,267,033

See accompanying notes to financial statements.

ADTRAN, Inc. 401(k) RETIREMENT PLAN
Statement of Changes in Net Assets Available for Benefits
Year Ended December 31, 2019

Additions to net assets attributed to:

Investment income:

Interest and dividend income	\$ 14,141,727
Net change in the fair value of investments	47,361,656
Other income	563,923
Total investment income	62,067,306

Interest income on notes receivable from participants	179,940
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Contributions:

Employee	10,742,777
Employer	4,328,875
Rollovers from other qualified plans	544,175
Total contributions	15,615,827

Transfers of assets to the plan	2,050,655
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Total net additions	\$ 79,913,728
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Deductions from net assets attributed to:

Distributions to participants	\$ 24,092,148
Administrative expenses	339,123
Total deductions	24,431,271

Net increase in net assets available for benefits	55,482,457
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Net assets available for benefits, beginning of year	264,267,033
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Net assets available for benefits, end of year	\$ 319,749,490
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See accompanying notes to financial statements.

ADTRAN, Inc. 401(k) RETIREMENT PLAN
Notes to Financial Statements
December 31, 2019 and 2018

Note 1 – Description of the Plan

The following description of the ADTRAN, Inc. 401(k) Retirement Plan (the “Plan”) provides only general information. Participants should refer to the Plan document and summary Plan description for a more complete description of the Plan’s provisions.

General

ADTRAN, Inc. (the “Company” or the “Employer”) adopted the Plan on January 1, 1990 to provide certain retirement benefits for eligible employees (as outlined below). The Plan is a defined contribution plan subject to the provisions set forth in the Employee Retirement Income Security Act of 1974 (“ERISA”) and the provisions of Internal Revenue Code (the “IRC”) Sections 401(a) and 401(k). The Plan assets are held by Fidelity Management Trust Company (“Fidelity”), which executes investment transactions, receives the Plan contributions, credits participants’ individual accounts and pays benefits to participants and their beneficiaries in accordance with the provisions of the Plan.

Eligibility

All regular, full-time employees are eligible to participate in the elective deferral portion of the Plan immediately upon hire, and in the safe harbor matching portion of the Plan following the completion of 12 months of service, except seasonal employees, co-op employees, leased employees, interns and nonresident aliens without income in the United States (the “U.S.”).

Contributions

The Plan allows for pre-tax or Roth contributions of up to 60% of a participant’s eligible compensation, as defined in the Plan document and subject to annual limitations established by the Internal Revenue Service (the “IRS”). The Plan also allows eligible participants who are age 50 or over to make additional deferrals. Participants may change their contribution deferral election under the Plan each pay period.

Under the terms of the Plan, the Company is required to make safe harbor matching contributions of 100% of an eligible participant’s first 3% of contributions and 50% of his or her next 2% of contributions, subject to certain limits.

Participant Accounts and Investment Options

Each participant’s account is credited with the employee’s contribution and the Company’s matching contribution for that employee, when applicable, plus an allocation of Plan earnings. Allocations of Plan earnings are based on account balances and underlying investments within each participant’s account, as defined more fully in the Plan document. Each participant directs how contributions made to the Plan on his/her behalf are to be invested among the investment options available under the Plan. The Plan currently offers 38 investment options, including the Company stock fund. Total investment balances in the Plan for participants are limited to 20% of the Company stock fund.

The Plan also includes Fidelity BrokerageLink, which is a self-directed brokerage account that allows participants to invest in a broad range of securities, including stocks, bonds, mutual funds, exchange-traded funds, certificates of deposit and other investment choices.

Vesting

Participants are 100% vested at all times in their contributions and the Company’s match under the Plan.

Retirement Date

The normal retirement date is the first day of the calendar month following the date a participant reaches age 62. Early retirement is permitted on the first day of the calendar month after a participant reaches age 59-1/2.

Distribution of Benefits

Benefits commence upon the earlier of several dates: normal retirement, early retirement, disability, pre-retirement death or upon termination other than described above. Benefits are distributed by means of systematic withdrawals, partial withdrawals or a lump sum payment. In-kind distributions of the Company's common stock are permitted. Corrective distributions are made for excess deferrals and contributions.

Other

The Plan allows for participant in-service withdrawals at or after age 59-1/2 and hardship withdrawals at any time from the participant's account if certain conditions are met, as outlined below.

Notes Receivable from Participants

Participants may borrow a minimum amount of \$1,000 from their accounts up to a maximum amount equal to the lesser of \$50,000 or 50% of their account balance. The Plan's loan provisions limit outstanding loans to two loans per participant at a time. Loan transactions are treated as transfers between the investment fund and the participant loan fund. Loan terms range from one to five years unless such loan is used to acquire a principal residence, in which case the loan term can be up to ten years. The Plan's outstanding loans at December 31, 2019 and 2018 were collateralized by the balances in the participants' accounts and bore interest at rates commensurate with local prevailing rates as determined quarterly by the Plan Administrator. Loans outstanding as of December 31, 2019 and 2018 had various maturity dates through 2029 and interest rates that ranged from 4.25% to 5.75%.

Administrative Expenses

All expenses incurred in connection with the operation of the Plan may be paid out of Plan assets, paid by the Company or offset by from revenue sharing from the Plan's investments as negotiated with Fidelity. During the Plan year ended December 31, 2019, substantially all of the administrative expenses were offset by revenue sharing except for participant initiated expenses as noted within the Statement of Changes in Net Assets Available for Benefits. The Company paid no administrative expenses on behalf of the Plan for the year ended December 31, 2019.

Plan Termination

While it is the intention of the Company to continue to offer the Plan, the Company has the right to amend or terminate the Plan at any time upon written notice to the Plan administrator and Plan trustee. No amendment may permit any plan assets to revert to the Employer or be used for any purpose other than to provide benefits to participants and their beneficiaries. If the Plan were terminated, the Plan assets would be distributed to participants and their beneficiaries in accordance with the Plan and subject to IRC and ERISA guidelines.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

The accompanying financial statements of the Plan are maintained on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of additions and deductions during the reporting periods. Actual results could differ from those estimates.

Valuation of Investments

The money market funds, mutual funds and common stock investments offered through the Plan and the BrokerageLink account are valued at fair value based on quoted market prices. Quoted market prices are based on the last reported sales price on the last business day of the Plan year as reported by the principal securities exchange on which the security is traded.

Units in commingled trust funds are valued at the net asset value (the “NAV”) of the units of the collective trust. The NAV, as provided by the trustee, is used as a practical expedient to estimate fair value and is based on the fair value of the underlying investments held by the commingled trust fund less its liabilities.

Purchases and sales of investments are reflected as of the trade date. Interest income is recorded when earned and dividend income is recorded on the ex-dividend date.

The appreciation in the fair value of the Plan’s investments, which consists of realized and unrealized gains and losses of those investments, is included in the Statement of Changes in Net Assets Available for Benefits.

Valuation of Notes Receivable from Participants

Notes receivable from participants represent participant loans and are valued at the unpaid principal balance plus any accrued but unpaid interest. Interest income on notes receivable from participants is recorded when earned. Related fees are recorded as administrative expenses and expensed as incurred. No allowance for credit losses was recorded for the years ended December 31, 2019 and 2018.

Contributions

Contributions from the Company are accrued based on the safe harbor contribution provisions of the Plan. Contributions from employees are recorded and remitted in the period in which the Company makes the deductions from the participants' payroll.

Benefit Payments

Benefit payments are recognized when paid.

Subsequent Events

The Plan has evaluated subsequent events through the date the financial statements were issued for events requiring disclosure in the Plan’s financial statements. The Company determined that except for the matters noted below, no significant events requiring disclosure is necessary.

Plan Amendments

The Plan was amended effective January 1, 2020 to include an automatic enrollment provision where an initial pre-tax deferral contribution of 5.00% of eligible compensation will be made for newly eligible employees. Participants loans will no longer be due immediately upon termination but rather will be payable in accordance with the provisions of the loan note and the costs to administer the Plan may be paid from forfeitures, if any.

COVID-19 Pandemic

During the first quarter of 2020, there was a downturn in the global financial markets and a slowdown in the global economy due to the COVID-19 pandemic. In March 2020, the World Health Organization declared the outbreak of COVID-19 a pandemic. COVID-19 continues to spread throughout the U.S. and the world and impact the global economic activity. Following the COVID-19 outbreak, the values of investment securities have been subject to significant volatility. Economic, market conditions and other effects of the COVID-19 outbreak may continue to affect the Plan. Due to the uncertainty of the duration or impact of this pandemic, the short and long-term financial impact to the Plan cannot be reasonably estimated at this time.

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act (the “CARES Act”), was signed into law. The CARES Act contains several provisions that temporarily impact 401(k) plans, including a loan payment pause option and a new hardship withdrawal option of up to \$100,000. The Company has incorporated these provisions into the Plan.

Note 3 – Related Party Transactions

The Plan allows for transactions with certain parties who may perform services or have fiduciary responsibilities to the Plan, including the Company. The Plan invests in shares of mutual funds or commingled trust funds managed by an affiliate of Fidelity, a subsidiary of which is the trustee of the Plan. These transactions qualify as party-in-interest transactions.

The Plan invests in common stock of the Company and issues loans to participants, which are secured by the balances in the participants' accounts. During the year ended December 31, 2019, the Plan purchased 32,912 units of the ADTRAN, Inc. Common Stock Fund for \$370,395 and disposed of 33,994 units for \$399,340. Quarterly dividends of \$0.09 per share were declared and paid by the Company on various dates throughout the year. The Plan received \$75,810 in dividend payments related to the common stock of the Company and purchased an additional 6,924 shares related to these dividend payments for the year ended December 31, 2019. These transactions qualify as party-in-interest transactions.

Fidelity Investments provides certain administrative services to the Plan pursuant to the Fidelity Investments Retirement Plan Service Agreement (the "Agreement") between the Company and Fidelity Investments. The Company receives revenue credits from Fidelity Investments, which result from revenue-sharing agreements from the Plan's investments. This revenue is used to offset administrative expenses incurred by the Plan.

Note 4 – Income Tax Status

The Plan obtained its latest opinion letter on March 31, 2014 from the IRS stating that the Plan, as then designed, was in compliance with the applicable requirements of the IRS. The Plan has subsequently been amended to conform with regulatory requirements and for minor administrative items. The Plan Administrator believes the Plan is designed and is currently being operated in compliance with the applicable provisions of the IRC. Accordingly, no provision for income taxes has been recorded in the Plan's financial statements.

U.S. GAAP requires Plan management to evaluate tax positions taken by the Plan and recognize a tax liability or asset if the Plan has taken an uncertain tax position that more likely than not would not be sustained upon examination by the IRS. The Plan Administrator has analyzed the tax positions taken by the Plan and has concluded that as of December 31, 2019, there are no uncertain tax positions taken or expected to be taken that would require recognition of a liability or asset or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

Note 5 – Reconciliation to Form 5500

The following is a reconciliation of Net Assets Available for Benefits per the financial statements to the amounts reported on Form 5500 at December 31, 2019 and 2018:

	2019	2018
Net assets available for benefits per the financial statements	\$319,749,490	\$ 264,267,033
Contributions receivable	(859,205)	(763,192)
Net assets available for benefits per Form 5500	<u>\$318,890,285</u>	<u>\$ 263,503,841</u>

The following is a reconciliation of the Statement of Changes in Net Assets per the financial statements to the amounts reported on Form 5500 for the year ended December 31, 2019:

	2019
Net increase per financial statements	\$ 55,482,457
Net decrease in receivables	(96,013)
Net income per Form 5500	<u>\$ 55,386,444</u>

Contributions that are not received by the Plan until the subsequent year are not accrued on the Form 5500.

Note 6 – Risks and Uncertainties

The Plan participants invest in various types of 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 and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in risks in the near term could materially affect participants' account balances and the amounts reported in the Statements of Net Assets Available for Benefits and the Statement of Changes in Net Assets Available for Benefits.

Note 7 – Fair Value Measurements

U.S. GAAP establishes a three-level valuation hierarchy based upon observable and unobservable inputs for fair value measurement of financial instruments:

- Level 1 – Observable outputs; values based on unadjusted quoted prices for identical assets or liabilities in an active market;
- Level 2 – Significant inputs that are observable; values based on quoted prices in markets that are not active or model inputs that are observable either directly or indirectly;
- Level 3 – Significant unobservable inputs; values based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement.

The following tables presents, by level within the fair value hierarchy, the Plan's investments at fair value as of December 31, 2019 and 2018:

Fair Value Measurements as of December 31, 2019 Using				
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Mutual funds	\$ 288,658,325	\$ 288,658,325	\$ —	\$ —
Money market funds	11,989,567	11,989,567	—	—
ADTRAN common stock fund	2,227,930	2,227,930	—	—
BrokerageLink	3,932,565	3,932,565	—	—
Total investments at fair value	306,808,387	306,808,387	—	—
Investments measured at net asset value ^(a)	8,107,466			
Total investments at fair value	\$ 314,915,853	\$ 306,808,387	\$ —	\$ —

Fair Value Measurements as of December 31, 2018 Using				
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Mutual funds	\$ 234,378,352	\$ 234,378,352	\$ —	\$ —
Money market funds	11,447,870	11,447,870	—	—
ADTRAN common stock fund	2,341,271	2,341,271	—	—
BrokerageLink	2,779,576	2,779,576	—	—
Total investments at fair value	250,947,069	250,947,069	—	—
Investments measured at net asset value ^(a)	8,199,059			
Total investments at fair value	\$ 259,146,128	\$ 250,947,069	\$ —	\$ —

- (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.

Investments held in BrokerageLink are valued at the quoted NAV of shares held by the Plan, which represents fair value.

The commingled trust fund is valued at the NAV of the units of the collective trust. The NAV, as provided by the trustee, is used as a practical expedient to estimate fair value. The NAV is based on the fair value of the underlying investments held by the commingled trust fund less its liabilities. Plan level liquidations require notice to Fidelity and could result in the Plan's investment being placed into an investment only account for up to 12 months. There are no unfunded commitments related to the commingled trust fund.

The ADTRAN common stock fund reflects the combined fair value of ADTRAN common stock and the short-term cash position. The fair value of ADTRAN stock is based on the closing price as quoted on the NASDAQ Global Select Market.

The valuation methodologies described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine fair value of certain financial instruments could result in a different fair value measurement at the reporting date. There have been no changes in the valuation methodologies used at December 31, 2019 and 2018 to value the Plan's assets at fair value.

ADTRAN, INC. 401(k) RETIREMENT PLAN

EIN: 63-0918200 Plan 001

**Schedule H, line 4i – Schedule of Assets (Held at End of Year)
As of December 31, 2019**

(a)	(b) Identity of issue, borrower, lessor or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par or maturity value	(d) Cost **	(e) Current Value
Money Market Funds:				
*	Fidelity Investments	Government Money Market Fund - Premium Class	\$	11,989,567
Commingled Trust Fund:				
*	Fidelity Investments	Managed Income Portfolio		8,107,466
Common Stock Fund:				
*	ADTRAN, Inc.	Common stock (217,755 shares and \$87,398 cash)		2,227,930
Other Investments:				
*	Fidelity Investments BrokerageLink	Various investments		3,932,565
Mutual Funds:				
	American Beacon Advisors, Inc.	American Beacon Large Cap Value Fund Institutional Class		3,514,573
	BlackRock	BlackRock Inflation Protected Bond Fund		1,152,019
	DFA	U.S. Small Cap Value Portfolio Institutional Class		876,264
*	Fidelity Investments	Balanced Fund - Class K		20,198,484
*	Fidelity Investments	Contrafund - Class K		31,004,081
*	Fidelity Investments	Diversified International Fund - Class K		8,712,509
*	Fidelity Investments	Extended Market Index Fund		1,927,918
*	Fidelity Investments	Freedom 2005 Fund K		979,737
*	Fidelity Investments	Freedom 2010 Fund K		2,781,092
*	Fidelity Investments	Freedom 2015 Fund K		2,275,314
*	Fidelity Investments	Freedom 2020 Fund K		17,212,888
*	Fidelity Investments	Freedom 2025 Fund K		14,559,920
*	Fidelity Investments	Freedom 2030 Fund K		12,913,306
*	Fidelity Investments	Freedom 2035 Fund K		14,868,291
*	Fidelity Investments	Freedom 2040 Fund K		8,584,978
*	Fidelity Investments	Freedom 2045 Fund K		5,062,269
*	Fidelity Investments	Freedom 2050 Fund K		3,199,731
*	Fidelity Investments	Freedom 2055 Fund K		1,978,119
*	Fidelity Investments	Freedom 2060 Fund K		679,729
*	Fidelity Investments	Freedom Income Fund K		3,468,537
*	Fidelity Investments	Government Income Fund		4,818,279
*	Fidelity Investments	Growth Company Fund - Class K		32,950,804
*	Fidelity Investments	International Index Fund		1,565,333
*	Fidelity Investments	Low-Priced Stock Fund - Class K		13,963,970
*	Fidelity Investments	Fidelity 500 Index Fund		22,321,199
*	Fidelity Investments	Fidelity U.S. Bond Index Fund		6,625,016
	MassMutual	MassMutual Select Mid Cap Growth Fund Class R5		3,254,911
	Hartford	Hartford International Opportunities HLS Fund Class IA		2,133,538

ADTRAN, INC. 401(k) RETIREMENT PLAN

EIN: 63-0918200 Plan 001

**Schedule H, line 4i – Schedule of Assets (Held at End of Year)
As of December 31, 2019**

(a)	(b) Identity of issue, borrower, lessor or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par or maturity value	(d) Cost **	(e) Current Value
	Invesco	Invesco Diversified Dividend Fund R5 Class		12,786,185
	JP Morgan	JP Morgan Small Cap Core Fund Class R5		1,907,567
	Prudential Investments	Prudential Total Return Bond Fund Class Z		8,122,619
	Janus Henderson	Janus Henderson Venture Fund Class I		16,423,040
	Prudential Investments	Prudential Jennison Mid-Cap Growth Fund, Inc Class Q		1,096,981
	Wells Fargo	Advantage Special Mid Cap Value Fund Institutional Class		4,739,124
	Total Investments (held at end of year)			314,915,853
Notes Receivable:				
*	Participants	Loans with various maturities through 2029 and interest rates ranging from 4.25% to 5.75%		3,974,432
	Total Assets (held at end of year)			\$ 318,890,285

* Related party to the Plan

** Cost information has been omitted as all investments are participant directed.