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

2020

This Form is Open to Public Inspection

Part I Annual Report Identification Information

For calendar plan year 2020 or fiscal plan year beginning 10/01/2020 and ending 09/30/2021

A This return/report is for:
- [ ] a multiemployer plan
- [ ] a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions.)
- [X] a single-employer plan
- [ ] a DFE (specify) ____

B This return/report is:
- [ ] the first return/report
- [ ] the final return/report
- [ ] an amended return/report
- [ ] a short plan year return/report (less than 12 months)

C If the plan is a collectively-bargained plan, check here. . . . . ▶ [ ]

D Check box if filing under:
- [X] Form 5558
- [ ] automatic extension
- [ ] the DFVC program
- [ ] special extension (enter description)

Part II Basic Plan Information—enter all requested information

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

1b Three-digit plan number (PN) ▶ 001

1c Effective date of plan 09/16/1960

2a Plan sponsor's name (employer, if for a single-employer plan)
Mailing address (include room, apt., suite no. and street, or P.O. Box)
City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions)
BROOKSHIRE HOLDINGS, INC.

P.O. BOX 1411
TYLER, TX 75710-1411

2b Employer Identification Number (EIN) 75-2894614

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

2d Business code (see instructions) 445110

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

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

SIGN HERE	Filed with authorized/valid electronic signature.	07/15/2022	DENIS KNIGHT
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	07/15/2022	DENIS KNIGHT
	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

3a Plan administrator's name and address [X] Same as Plan Sponsor	**3b** Administrator's EIN	
	3c Administrator's telephone number	
4 If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report: **a** Sponsor's name **c** Plan Name	**4b** EIN **4d** PN	
5 Total number of participants at the beginning of the plan year	**5**	11179
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)**	9024
a(2) Total number of active participants at the end of the plan year	**6a(2)**	9037
b Retired or separated participants receiving benefits	**6b**	467
c Other retired or separated participants entitled to future benefits	**6c**	2889
d Subtotal. Add lines **6a(2)**, **6b**, and **6c**	**6d**	12393
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.	**6e**	42
f Total. Add lines **6d** and **6e**	**6f**	12435
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	10796
h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested	**6h**	328
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	**7**	

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

2E 2F 2G 2I 2J 2K 2O 2S 2T 3H 3I

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

9a Plan funding arrangement (check all that apply)

- **(1)** [ ] Insurance
- **(2)** [ ] Code section 412(e)(3) insurance contracts
- **(3)** [X] Trust
- **(4)** [ ] General assets of the sponsor

9b Plan benefit arrangement (check all that apply)

- **(1)** [ ] Insurance
- **(2)** [ ] Code section 412(e)(3) insurance contracts
- **(3)** [X] Trust
- **(4)** [ ] General assets of the sponsor

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

a Pension Schedules

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

b General Schedules

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

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

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

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

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

11c Enter the Receipt Confirmation Code for the 2020 Form M-1 annual report. If the plan was not required to file the 2020 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code_____

SCHEDULE C (Form 5500)	Service Provider Information	OMB No. 1210-0110
Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ **File as an attachment to Form 5500.**	**2020** **This Form is Open to Public Inspection.**

For calendar plan year 2020 or fiscal plan year beginning 10/01/2020 and ending 09/30/2021

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

B Three-digit plan number (PN) ▶ 001

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

D Employer Identification Number (EIN)
75-2894614

Part I Service Provider Information (see instructions)

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

1 Information on Persons Receiving Only Eligible Indirect Compensation

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

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

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

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

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

HERITAGE INSTITUTIONAL

27-2388726

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
16 99	CONSULTANT	0	Yes [X] No [ ]	Yes [ ] No [X]	88148	Yes [ ] No [X]

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

PRINCIPAL LIFE INSURANCE COMPANY

42-0127290

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
13 50 64 37	CONTRACT ADMINISTRATOR	986591	Yes [X] No [ ]	Yes [X] No [ ]	2000	Yes [ ] No [X]

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

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

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

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

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

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

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

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

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

Part I Service Provider Information (continued)

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

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
HERITAGE INSTITUTIONAL	16 99	88148

(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.
PRINCIPAL LIFE INSURANCE COMPANY 42-0127290	CONSULTING (GENERAL)

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
PRINCIPAL LIFE INSURANCE COMPANY	13 50 64 37	2000

(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.
PRINCIPAL LIFE INSURANCE COMPANY 42-0127290	CONTRACT ADMINISTRATOR

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation

(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.

Part II Service Providers Who Fail or Refuse to Provide Information

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

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

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

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

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

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

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

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

a Name:

b EIN:

c Position:

d Address:

e Telephone:

Explanation:

a Name:

b EIN:

c Position:

d Address:

e Telephone:

Explanation:

a Name:

b EIN:

c Position:

d Address:

e Telephone:

Explanation:

a Name:

b EIN:

c Position:

d Address:

e Telephone:

Explanation:

a Name:

b EIN:

c Position:

d Address:

e Telephone:

Explanation:

SCHEDULE D (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

DFE/Participating Plan Information

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

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

OMB No. 1210-0110

2020

This Form is Open to Public Inspection.

For calendar plan year 2020 or fiscal plan year beginning 10/01/2020 and ending 09/30/2021

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

B Three-digit plan number (PN) ▶ 001

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

D Employer Identification Number (EIN)
75-2894614

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

a Name of MTIA, CCT, PSA, or 103-12 IE:	PRINCIPAL STABLE VALUE Z FUND		
b Name of sponsor of entity listed in (a):	PRINCIPAL GLOBAL INVESTORS TRUST CO		
c EIN-PN	93-6274328-001	**d** Entity code	C
e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	5968488		
a Name of MTIA, CCT, PSA, or 103-12 IE:	JPMCB SMRTRTMT PASS BL INC CF		
b Name of sponsor of entity listed in (a):	JPMORGAN CHASE BANK, N.A.		
c EIN-PN	26-1164871-001	**d** Entity code	C
e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	17152170		
a Name of MTIA, CCT, PSA, or 103-12 IE:	JPMCB SMRTRTMT PASS BL 2020 CF		
b Name of sponsor of entity listed in (a):	JPMORGAN CHASE BANK, N.A.		
c EIN-PN	26-1165037-001	**d** Entity code	C
e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	23679349		
a Name of MTIA, CCT, PSA, or 103-12 IE:	JPMCB SMRTRTMT PASS BL 2025 CF		
b Name of sponsor of entity listed in (a):	JPMORGAN CHASE BANK, N.A.		
c EIN-PN	26-1165154-001	**d** Entity code	C
e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	41681304		
a Name of MTIA, CCT, PSA, or 103-12 IE:	JPMCB SMRTRTMT PASS BL 2030 CF		
b Name of sponsor of entity listed in (a):	JPMORGAN CHASE BANK, N.A.		
c EIN-PN	26-1165198-001	**d** Entity code	C
e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	39014198		
a Name of MTIA, CCT, PSA, or 103-12 IE:	JPMCB SMRTRTMT PASS BL 2035 CF		
b Name of sponsor of entity listed in (a):	JPMORGAN CHASE BANK, N.A.		
c EIN-PN	26-1165348-001	**d** Entity code	C
e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	26104353		
a Name of MTIA, CCT, PSA, or 103-12 IE:	JPMCB SMRTRTMT PASS BL 2040 CF		
b Name of sponsor of entity listed in (a):	JPMORGAN CHASE BANK, N.A.		
c EIN-PN	26-1165392-001	**d** Entity code	C
e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	18264899		

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

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

c EIN-PN 26-1165449-001	**d** Entity code C	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 13031479

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

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

c EIN-PN 26-1165477-001	**d** Entity code C	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 9485614

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

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

c EIN-PN 45-5590883-001	**d** Entity code C	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 7252138

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

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

c EIN-PN 81-3239155-001	**d** Entity code C	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 7476566

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

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

c EIN-PN 82-2436292-342	**d** Entity code C	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 260629

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

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

c EIN-PN 38-4065329-426	**d** Entity code C	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 823280

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
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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

2020

This Form is Open to Public Inspection

For calendar plan year 2020 or fiscal plan year beginning 10/01/2020 and ending 09/30/2021

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

B Three-digit plan number (PN) ▶ 001

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

D Employer Identification Number (EIN)
75-2894614

Part I Asset and Liability Statement

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

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	5084962	4972260
(2) Participant contributions	1b(2)		57214
(3) Other	1b(3)	917171	153522
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	212729	262058
(2) U.S. Government securities	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)	120673963	135798311
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)	9053807	8483573
(9) Value of interest in common/collective trusts	1c(9)	186154836	210194467
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)		
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)	21385871	25925351
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		
(15) Other	1c(15)		

			(a) Beginning of Year	**(b)** End of Year
1d	Employer-related investments:			
	(1) Employer securities	1d(1)		
	(2) Employer real property	1d(2)		
e	Buildings and other property used in plan operation	1e		
f	Total assets (add all amounts in lines 1a through 1e)	1f	343483339	385846756
	Liabilities			
g	Benefit claims payable	1g	25533	6410
h	Operating payables	1h	600	600
i	Acquisition indebtedness	1i		3820405
j	Other liabilities	1j		637
k	Total liabilities (add all amounts in lines 1g through1j)	1k	26133	3828052
	Net Assets			
l	Net assets (subtract line 1k from line 1f)	1l	343457206	382018704

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)	5076437	
	(B) Participants	2a(1)(B)	16427765	
	(C) Others (including rollovers)	2a(1)(C)	1341725	
	(2) Noncash contributions	2a(2)		
	(3) Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)**	2a(3)		22845927
b	**Earnings on investments:**			
	(1) Interest:			
	(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	37	
	(B) U.S. Government securities	2b(1)(B)		
	(C) Corporate debt instruments	2b(1)(C)		
	(D) Loans (other than to participants)	2b(1)(D)		
	(E) Participant loans	2b(1)(E)	354276	
	(F) Other	2b(1)(F)		
	(G) Total interest. Add lines **2b(1)(A)** through **(F)**	2b(1)(G)		354313
	(2) Dividends: **(A)** Preferred stock	2b(2)(A)		
	(B) Common stock	2b(2)(B)	611086	
	(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	147763	
	(D) Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)**	2b(2)(D)		758849
	(3) Rents	2b(3)		
	(4) Net gain (loss) on sale of assets: **(A)** Aggregate proceeds	2b(4)(A)		
	(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
	(C) Subtract line **2b(4)(B)** from line **2b(4)(A)** and enter result	2b(4)(C)		0
	(5) Unrealized appreciation (depreciation) of assets: **(A)** Real estate	2b(5)(A)		
	(B) Other	2b(5)(B)	15124348	
	(C) Total unrealized appreciation of assets. Add lines **2b(5)(A)** and **(B)**	2b(5)(C)		15124348

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		32724750
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		5349014
c Other income	2c		27966
d Total income. Add all **income** amounts in column (b) and enter total	2d		77185167
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	37605333	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines **2e(1)** through **(3)**	2e(4)		37605333
f Corrective distributions (see instructions)	2f		23579
g Certain deemed distributions of participant loans (see instructions)	2g		8765
h Interest expense	2h		
i Administrative expenses: **(1)** Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)	985992	
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)		
(5) Total administrative expenses. Add lines **2i(1)** through **(4)**	2i(5)		985992
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		38623669
Net Income and Reconciliation			
k Net income (loss). Subtract line **2j** from line **2d**	2k		38561498
l Transfers of assets:			
(1) To this plan	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

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

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

(1) [ ] Unmodified **(2)** [ ] Qualified **(3)** [X] 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) [X] 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: RSM US LLP **(2)** EIN: 42-0714325

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

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

Part IV Compliance Questions

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

During the plan year:

		Yes	No	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.)	4a		X	

			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?	**4e**	X		10000000
f	Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	**4f**		X	
g	Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?	**4g**		X	
h	Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?	**4h**		X	
i	Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	**4i**	X		
j	Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked and see instructions for format requirements.)	**4j**		X	
k	Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?	**4k**		X	
l	Has the plan failed to provide any benefit when due under the plan?	**4l**		X	
m	If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	**4m**		X	
n	If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3	**4n**			

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

2020

This Form is Open to Public Inspection.

For calendar plan year 2020 or fiscal plan year beginning 10/01/2020 and ending 09/30/2021

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

B Three-digit plan number (PN) ▶ 001

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

D Employer Identification Number (EIN)
75-2894614

Part I Distributions

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

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions ..... | 1 | 0

2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits):

EIN(s): 42-0127290

Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.

3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year ..... | 3 |

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

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? ..... ☐ Yes ☐ No ☐ N/A

If the plan is a defined benefit plan, go to line 8.

5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. **Date:** Month _____ Day _____ Year _____

If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.

6	a	Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived)	6a	
	b	Enter the amount contributed by the employer to the plan for this plan year	6b	
	c	Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount)	6c	

If you completed line 6c, skip lines 8 and 9.

7 Will the minimum funding amount reported on line 6c be met by the funding deadline? ..... ☐ Yes ☐ No ☐ N/A

8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change? ..... ☐ Yes ☐ No ☐ N/A

Part III Amendments

9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box. ..... ☐ Increase ☐ Decrease ☐ Both ☐ No

Part IV ESOPs (see instructions). If this is not a plan described under section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.

10		Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?	☐ Yes	☒ No
11	a	Does the ESOP hold any preferred stock?	☐ Yes	☒ No
	b	If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.)	☐ Yes	☒ No
12		Does the ESOP hold any stock that is not readily tradable on an established securities market?	☒ Yes	☐ No

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_____

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

Financial Report
September 30, 2021

Contents

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RSM US LLP

Independent Auditor's Report

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

Scope and Nature of the ERISA Section 103(a)(3)(C) Audit of the 2021 Financial Statements
We have performed an audit of the financial statements of Brookshire's Employee Stock Ownership and 401(k) Plan (the Plan), an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), as permitted by ERISA Section 103(a)(3)(C) (ERISA Section 103(a)(3)(C) audit). The financial statements comprise the statement of net assets available for benefits as of September 30, 2021, the related statement of changes in net assets available for benefits for the year then ended, and the related notes to the financial statements (2021 financial statements).

Management, having determined it is permissible in the circumstances, has elected to have the audit of the 2021 financial statements performed in accordance with ERISA Section 103(a)(3)(C) pursuant to 29 CFR 2520.103-8 of the Department of Labor's (DOL) Rules and Regulations for Reporting and Disclosure under ERISA. As permitted by ERISA Section 103(a)(3)(C), our audit need not extend to any statements or information related to assets held for investment of the Plan (investment information) by a bank or similar institution or insurance carrier that is regulated, supervised, and subject to periodic examination by a state or federal agency, provided that the statements or information regarding assets so held are prepared and certified to by the bank or similar institution or insurance carrier in accordance with 29 CFR 2520.103-5 of the DOL's Rules and Regulations for Reporting and Disclosure under ERISA (qualified institution).

Management has obtained certifications from qualified institutions GreatBanc Trust Company (GreatBanc) and Delaware Charter Guarantee and Trust d/b/a Principal Trust Company (Principal) as of and for the year ended September 30, 2021, stating that the certified investment information, as described in Note 3 to the financial statements, is complete and accurate.

Opinion on the 2021 Financial Statements
In our opinion, based on our audit and on the procedures performed as described in the Auditor's Responsibilities for the Audit of the 2021 Financial Statements section:

- The amounts and disclosures in the accompanying 2021 financial statements, other than those agreed to or derived from the certified investment information, are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).
- The information in the accompanying 2021 financial statements related to assets held by and certified to by qualified institutions agrees to, or is derived from, in all material respects, the information prepared and certified by institutions that management determined meet the requirements of ERISA Section 103(a)(3)(C).

RSM US LLP is the U.S. member firm of RSM International, a global network of independent audit, tax, and consulting firms. Visit rsmus.com/aboutus for more information regarding RSM US LLP and RSM International.

Basis for Opinion on the 2021 Financial Statements
We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the 2021 Financial Statements section of our report. We are required to be independent of the Plan and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our ERISA Section 103(a)(3)(C) audit opinion.

Emphasis of Matter—Investments
As discussed in Note 6, the financial statements include an investment representing 35% of total assets as of September 30, 2021, whose fair value has been estimated by an independent appraisal, in the absence of readily ascertainable fair values, with the assistance of management and approved by the trustee. Because of the inherent uncertainty of the valuation, the estimated value may differ significantly from the value that would have been used had a market for the investment existed, and the difference could be material. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the 2021 Financial Statements
Management is responsible for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. Management's election of the ERISA Section 103(a)(3)(C) audit does not affect management's responsibility for the financial statements.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern within one year after the date that the financial statements are issued or available to be issued.

Management is also responsible for maintaining a current plan instrument, including all plan amendments, administering the Plan, and determining that the Plan's transactions that are presented and disclosed in the financial statements are in conformity with the Plan's provisions, including maintaining sufficient records with respect to each of the participants, to determine the benefits due or which may become due to such participants.

Auditor’s Responsibilities for the Audit of the 2021 Financial Statements
Except as described in the Scope and Nature of the ERISA Section 103(a)(3)(C) Audit of the 2021 Financial Statements section of our report, our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if, there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for a reasonable period of time.

Our audit did not extend to the certified investment information, except for obtaining and reading the certifications, comparing the certified investment information with the related information presented and disclosed in the 2021 financial statements, and reading the disclosures relating to the certified investment information to assess whether they are in accordance with the presentation and disclosure requirements of U.S. GAAP.

Accordingly, the objective of an ERISA Section 103(a)(3)(C) audit is not to express an opinion about whether the financial statements as a whole are presented fairly, in all material respects, in accordance with U.S. GAAP.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Matters

2021 Supplemental Schedule Required by ERISA

The supplemental schedule, Schedule H, line 4(i)-schedule of assets (held at end of year) as of September 30, 2021, is presented for purposes of additional analysis and is not a required part of the financial statements but is supplementary information required by the DOL's Rules and Regulations for Reporting and Disclosure under ERISA. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information included in the supplemental schedule, other than that agreed to or derived from the certified investment information, has been subjected to 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 GAAS. For information included in the supplemental schedule that agreed to or is derived from the certified investment information, we compared such information to the related certified investment information.

In forming our opinion on the supplemental schedule, we evaluated whether the supplemental schedule, other than the information agreed to or derived from the certified investment information, including its form and content, is presented in conformity with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA.

In our opinion:

- The form and content of the supplemental schedule, other than the information in the supplemental schedule that agreed to or is derived from the certified investment information, are presented, in all material respects, in conformity with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA.
- The information in the supplemental schedule related to assets held by and certified to by qualified institutions agrees to, or is derived from, in all material respects, the information prepared and certified by institutions that management determined meet the requirements of ERISA Section 103(a)(3)(C).

Other Matter—Auditor's Report on the 2020 Financial Statements
The 2020 financial statements of the Plan were audited by predecessor auditors. As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA, the Plan Administrator instructed the predecessor auditors not to perform, and they did not perform, any auditing procedures with respect to the information certified by a qualified institution. Their report dated July 15, 2021, indicated that (a) because of the significance of the information that they did not audit, they were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion and accordingly, they did not express an opinion on the financial statements and supplemental schedule, and (b) the form and content of the information included in the financial statements and supplemental schedule other than that derived from the certified information, were presented in compliance with the Department of Labor’s Rules and Regulations for Reporting and Disclosure under ERISA.

RSM US LLP

Dallas, Texas
July 15, 2022

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

Statements of Net Assets Available for Benefits
September 30, 2021 and 2020

	2021	2020
Assets		
Investments:		
At fair value	**$ 372,148,910**	$ 328,427,397
Receivables:		
Participant contributions	**316,318**	-
Employer contributions	**5,229,208**	6,002,133
Notes receivable from participants	**8,558,748**	9,104,211
Accrued income	**-**	4
Total receivables	**14,104,274**	15,106,348
Total assets	**386,253,184**	343,533,745
Liabilities		
Loan payable	**3,820,405**	-
Accrued expenses	**-**	26
Net assets available for benefits	**$ 382,432,779**	$ 343,533,719

See notes to financial statements.

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

Statement of Changes in Net Assets Available for Benefits
Year Ended September 30, 2021

Investment income:	
Net appreciation in fair value of investments	$ 53,225,165
Interest and dividends	744,062
Net investment income	53,969,227
Interest income on notes receivable from participants	348,008
Contributions:	
Participants	16,714,628
Employer	5,076,437
Rollovers	1,341,725
	23,132,790
Total additions	77,450,025
Deductions:	
Administrative expenses	976,118
Benefits paid to participants	37,574,847
Total deductions	38,550,965
Net increase	38,899,060
Net assets available for benefits, beginning of year	343,533,719
Net assets available for benefits, end of year	$ 382,432,779

See notes to financial statements.

Note 1. Description of the Plan

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

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

Plan assets consist of common stock of the Company (Employer Stock) and participant-directed 401(k) investment accounts. Plan accounts for participants with Employer Stock are called ESOP Accounts.

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

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

Participation: Full-time employees who have at least 90 days of service and are age 18 or older are eligible to participate in the Plan. Part-time employees are eligible upon age 21 and during the first month that commences on or after the date as of which they have completed 1,000 hours of service and the 12-month period beginning on their employment date and ending on the one-year anniversary. Participants may contribute either pre-tax, after-tax, or through rollover contributions. Participants are automatically enrolled within 90 days of meeting the eligibility requirements, unless they elect to not participate in the Plan.

Contributions: The Employer Stock accounts are nonparticipant-directed and cover eligible employees of the Company. There are certain limitations on annual additions to a participant's account.

The participants of the participant-directed 401(k) investment accounts are allowed to voluntarily contribute between 1% and 50% of pre-tax eligible compensation and 1% and 20% of after-tax eligible compensation, as defined, to the Plan. A participant is automatically enrolled with a 4% pre-tax deferral of eligible compensation unless they elect to defer at a different percentage or elect to opt out of the Plan. Participants who have attained age 50 before the end of the Plan year are eligible to make catch-up contributions, subject to the maximum limitation imposed by the IRC. Participants may also contribute rollover amounts representing distributions from other qualified plans.

Note 1. Description of the Plan (Continued)

The Company makes discretionary matching contributions of 50% of the first 4% of participants' contributions and a discretionary employer contribution as determined by the Company. Both the discretionary matching contribution and the discretionary employer contribution can be made in the form of cash or Company shares and deposited into the ESOP. An employee qualifies to receive an allocation of the Company's discretionary matching contribution by making elective contributions during the Plan year and meeting the eligibility requirements for participation in the Plan. During the years ended September 30, 2021 and 2020, the Company made discretionary matching contributions in the form of cash to the ESOP.

Only those participants who are employees of the Company on the last day of the Plan year and who have completed 1,000 hours of service during a calendar year will be eligible to receive an allocation of the Company's discretionary matching contributions and any discretionary employer contributions, unless the participant's service ended during the year due to death, disability or retirement.

Contributions are subject to certain limitations. Forfeitures may be used to fund the Company's contributions. Allocation of forfeitures will be based upon the participant's compensation or account balance, as defined by the Plan document.

Participant investment account options: Participants may direct their participant-directed 401(k) salary deferral contributions to selected investments as made available and determined by the Plan Administrator. Participant-directed 401(k) investment accounts may be invested in a variety of mutual funds and common collective trusts offered by Principal. Participants may change their investment options any time throughout the year via direct phone or internet access to Principal.

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

Vesting: Participants are immediately vested in their contributions plus earnings thereon. Vesting in the Company's contribution portion of their accounts plus earnings thereon is based on years of continuous service. Participants are not vested until after three years of service. The nonvested balance is forfeited upon termination of service.

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

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

Note 1. Description of the Plan (Continued)

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

Loan payable: The Plan entered into a promissory note with the Company on September 21, 2021 in the amount of $3,820,405 to fund the distributions to qualified participants. The loan did not bear interest, had a maturity date of December 31, 2021, and was fully repaid by the Plan on December 20, 2021.

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

In 2020, the Plan adopted the CARES Act provisions for loan relief to (1) delay certain required loan repayments for one year and (2) increase loan limits to the lesser of $100,000 or 100% of the participant's vested balance for coronavirus-related loans. The CARES Act provided for the increased loan limit for coronavirus-related loans issued from March 27, 2020 through September 22, 2020. The one-year suspension of loan repayments applied to qualified participants' loan payments due between March 27, 2020 and December 31, 2020. Following the suspension period, these loans were reamortized over the remaining period of the loans, plus the suspension period.

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

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

Note 1. Description of the Plan (Continued)

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

Note 2. Summary of Significant Accounting Policies

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

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

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

The Plan invests in the Company's common stock, which is not actively traded. However, the fair value of the stock was based upon an independent valuation performed for the Plan. The most recent valuation was made as of September 28, 2021, for the valuation used for the Plan as of September 30, 2021.

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

Notes receivable from participants: Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Delinquent participant loans may be reclassified as distributions based upon the terms of the Plan document. No allowance for credit losses has been recorded at December 31, 2021 or 2020. If a participant ceases to make note repayments and the Plan Administrator deems the participant note to be in default, the participant note balance is written off with a benefit payment being recorded.

Notes receivable from participants have been classified as investment assets for Form 5500 reporting purposes and, accordingly, have been included as investments in supplemental, Schedule H, Part IV, Line 4i—Schedule of assets (held at end of year).

Payment of benefits: Benefit payments to participants are recorded upon distribution.

Note 2. Summary of Significant Accounting Policies (Continued)

Administrative expenses: Administrative expenses may be paid by the Company or the Plan, at the Company's discretion. Administrative expenses paid by the Company are excluded from these financial statements.

Subsequent events: The Plan has evaluated subsequent events (events occurring after September 30, 2021) through July 15, 2022, the date the financial statements were available to be issued.

Note 3. Information Certified and Provided by GreatBanc and Principal

The following is a summary of the Plan's asset information as of September 30, 2021 and 2020, and for the year ended September 30, 2021, included throughout the Plan's financial statements and ERISA required supplemental schedule, obtained by management and agreed to or derived from information certified by the custodian and trustee, GreatBanc and Principal. The Plan Administrator has obtained certifications from the custodian and trustee that information provided to the Plan Administrator by the custodian and trustee related to the following assets is complete and accurate. Accordingly, as permitted by 29 CFR 2520.103-8 of the Department of Labor's (DOL's) Rules and Regulations for Reporting and Disclosure under ERISA, the Plan Administrator instructed the Plan's independent auditors not to perform any auditing procedures with respect to the information that appears throughout the financial statements and ERISA-required supplemental schedule related to the following assets:

	GreatBanc	Principal	Total
2021:			
Investments at fair value:			
Employer common stock	$ 135,798,311	$ -	$ 135,798,311
Mutual funds	229,895	25,926,237	26,156,132
Common collective trusts	-	210,194,467	210,194,467
	$ 136,028,206	$ 236,120,704	$ 372,148,910
Notes receivable from participants	$ -	$ 8,558,748	$ 8,558,748
Investment income, net appreciation in fair value of investments	$ 15,124,328	$ 38,100,837	$ 53,225,165
Interest and dividends	611,085	480,985	1,092,070
	$ 15,735,413	$ 38,581,822	$ 54,317,235
2020:			
Employer common stock	$ 120,673,963	$ -	$ 120,673,963
Mutual funds	212,729	21,730,084	21,942,813
Common collective trusts	-	185,810,621	185,810,621
	$ 120,886,692	$ 207,540,705	$ 328,427,397
Notes receivable from participants	$ -	$ 9,104,211	$ 9,104,211

Note 3. Information Certified and Provided by GreatBanc and Principal (Continued)

Stock accounts: Total shares certified by the custodian and trustee include allocated shares of 1,527,712 as of September 30, 2021 and 2020, respectively. There were no unallocated shares as of September 30, 2021 and 2020. During the year ended September 30, 2021, the Employer Stock appreciated in value by $9.90 per share.

Note 4. Nonparticipant-Directed Investments

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

	2021		
	Allocated	Unallocated	Total
Net assets:			
Mutual fund	$ 212,729	$ -	$ 212,729
Common stock—Brookshire Holdings, Inc.	135,798,311	-	135,798,311
Employer contribution receivable	5,229,208	-	5,229,208
Total net assets	$ 141,240,248	$ -	$ 141,240,248

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

	2021		
	Allocated	Unallocated	Total
Changes in net assets:			
Employer's contribution	$ 5,076,437	$ -	$ 5,076,437
Net appreciation	15,124,328	-	15,124,328
Dividends and interest	611,085	-	611,085
Other transfers, disbursements and forfeitures	(514,937)	-	(514,937)
Benefits paid to participants	(9,716,565)	-	(9,716,565)
Total changes in net assets	$ 10,580,348	$ -	$ 10,580,348

	2020		
	Allocated	Unallocated	Total
Changes in net assets:			
Employer's contribution	$ 6,002,133	$ -	$ 6,002,133
Net appreciation	26,123,027	46,679	26,169,706
Dividends and interest	1,465	-	1,465
Other transfers, disbursements and forfeitures	2,953,475	-	2,953,475
Benefits paid to participants	(9,386,853)	-	(9,386,853)
Total changes in net assets	$ 25,693,247	$ 46,679	$ 25,739,926

Note 5. Related Party and Party-in-Interest Transactions

Parties-in-interest are defined under Department of Labor Regulations as any fiduciary to the Plan or party rendering services to the Plan, the employer and certain others. As such, transactions conducted with the Company and trustee and custodian qualify as party-in-interest transactions.

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

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

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

Level 2: Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in inactive markets, inputs other than quoted prices that are observable for the asset or liability, and inputs that are derive principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

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

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

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at September 30, 2021 and 2020.

- **Mutual funds:** Mutual funds are valued based on the quoted market prices in the active market in which they are traded.

- **Common collective trusts:** The common collective investment trusts are made up of a stable value fund and common collective trusts. The stable value fund is composed primarily of fully benefit-responsive investment contracts that is valued at the NAV of units of the bank collective trust. The NAV is used as a practical expedient to estimate fair value. This practical expedient would not be used if it is determined to be probable that the fund will sell the investment for an amount different from the reported NAV. The common collective trusts invest primarily in common stocks and mutual funds. Valued at the NAV of shares in each account held by the Plan at year end. The net asset value is not a public-quoted price in an active market. The NAV, as provided by the trustee, is used as a practical expedient to estimating fair value.

- **Investment in Brookshire Holdings, Inc. common stock:** Valued by the custodian based on an annual independent appraisal. The appraiser utilizes a combination of the guideline publicly traded company method and the discounted cash flow method. This methodology results in a publicly traded equivalent value. As there is a limited market for the Company common stock, the value was then discounted to reflect the impact of limited marketability. The appraiser took into account historical and projected cash flow and net income, return on assets, return on equity, market comparables and estimated fair value of the Company's assets and liabilities.

Note 6. Disclosure About Fair Value of Plan Assets and Liabilities (Continued)

The methods 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 the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the Plan's investments at fair value as of September 30, 2021 and 2020:

	2021			
		Fair Value Measurements Using		
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Mutual funds	$ 26,156,132	$ 26,156,132	$ -	$ -
Common stock—related party	135,798,311	-	-	135,798,311
Total assets in the fair value hierarchy	161,954,443	26,156,132	-	135,798,311
Common collective trusts (A)	210,194,467	-	-	-
Investments at fair value	$ 372,148,910	$ 26,156,132	$ -	$ 135,798,311

	2020			
		Fair Value Measurements Using		
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Mutual funds	$ 21,942,813	$ 21,942,813	$ -	$ -
Common stock—related party	120,673,963	-	-	120,673,963
Total assets in the fair value hierarchy	142,616,776	21,942,813	-	120,673,963
Common collective trusts (A)	185,810,621	-	-	-
Investments at fair value	$ 328,427,397	$ 21,942,813	$ -	$ 120,673,963

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

Note 6. Disclosure About Fair Value of Plan Assets and Liabilities (Continued)

To assess the appropriate classification of investments within the fair value hierarchy, the availability of market data is monitored. Changes in economic conditions or valuation techniques may require the transfer of investments from one fair value level to another. In such instances, the transfer is reported at the end of the reporting period.

There were no purchases, issuances, or transfers within Level 3 investments during the year ended September 30, 2021.

Unobservable (Level 3) inputs: The following table presents quantitative and qualitative information about unobservable inputs used in recurring Level 3 fair value measurements.

Instrument	Fair Value at September 30, 2021	Valuation Techniques	Unobservable Input
Employer common stock	$ 135,798,311	Discounted cash flow (income approach)	Discount rate Growth rate
		Guideline public company method (market approach)	Price multiples from comparable companies Minority interest and lack of marketability adjustments

Instrument	Fair Value at September 30, 2020	Valuation Techniques	Unobservable Input
Employer common stock	$ 120,673,963	Discounted cash flow (income approach)	Discount rate Growth rate
		Guideline public company method (market approach)	Price multiples from comparable companies Minority interest and lack of marketability adjustments

Investments measured using the NAV per share practical expedient: The following tables summarize investments for which fair value is measured using the NAV per share practical expedient as of September 30, 2021 and 2020.

	September 30, 2021			
	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Common collective trusts	$ 210,194,467	$ -	Daily	1 days

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

Note 7. Risks and Uncertainties

The Company is primarily a retail grocery chain with locations in East Texas and Western Louisiana. A significant downturn in those regions could have a material adverse effect on the Company and its stock value.

The Plan invests in various investment securities (including Brookshire Holdings, Inc. common stock). Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the 2021 statement of net assets available for benefits.

Note 8. Plan Termination

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, participants would become 100% vested in their accounts.

Note 9. Tax Status

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

Note 10. Reconciliation of Financial Statements to Form 5500

The following is a reconciliation of net assets available for benefits per the financial statements at September 30, 2021 and 2020, to Form 5500:

	2021	2020
Net assets available for benefits per the financial statements	$382,432,779	$343,533,719
Other	(154,971)	(50,980)
2021 employee contributions receivable	(259,104)	-
Amounts allocated to withdrawing participants	-	(25,533)
Net assets per Form 5500	$382,018,704	$343,457,206

The following is a reconciliation of net increase per the financial statements for the years ended September 30, 2021 and 2020, to Form 5500:

	2021
Net increase per the financial statements	$ 38,899,060
2021 employee contributions receivable	(259,104)
Other	(78,458)
Net increase per Form 5500	$ 38,561,498

Supplementary Information

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

Employer Identification Number 75-2894614, Plan Number 001
Schedule H, Line 4i—Schedule of Assets (Held at End of Year)
September 30, 2021

	Identity of Issuer, Borrower, Lessor or Similar Party	Description of Investment, Including Maturity Date, Rate of Interest, Par or Maturity Value	Cost	Current Value
	Mutual funds:			
	Federated Hermes	Federal Treasury Obligations Fund Instl	**	$ 229,895
	Blackrock Advisors	Ishares US Aggregate Bond Index K Fund	**	657,708
	Doubleline	Core Fixed Inc I Fund	**	205,624
	Lord Abbett	High Yield I Fund	**	494,925
	PIMCO	Income Institutional Fund	**	587,369
	Vanguard	Real Estate Index Admiral Fund	**	886,692
	Blackrock Advisors	Ishares S & P 500 Index K Fund	**	2,876,358
	Blackrock Advisors	Ishares Russell Mid-Cap Index K Fund	**	489,276
	Blackrock Advisors	Ishares Msci Eafe Intl Index K Fund	**	571,326
	Blackrock Advisors	Ishares Russell 2000 Small-Cap Index K Fund	**	612,455
	Fidelity	Intl Cap Apprec Fund	**	1,348,118
	Hartford	Healthcare Y Fund	**	1,718,759
	Legg Mason	Inst. Funds Clearbridge Lg Cap Gr Is Fund	**	3,112,915
	MassMutual	Select Mid Cap Growth Inst Fund	**	1,495,425
	Putnam	Global tech R6 Fund	**	8,338,128
	Janus Henderson	Sm Cap Val N	**	296,921
	T Rowe Price	Qm US Sc Gr Eq 1 fund	**	1,511,367
	Wells Fargo	Sp Md Cap Val R6 Fund	**	722,871
	Common collective trusts:			
	Wilmington Trust, N.A	Large Cap Value R1 Fund	**	823,280
	Wilmington Trust, N.A	International Stock R1 Fund	**	260,629
	JP Morgan	Smrtrtmt Pass BL 2060	**	7,476,566
	JP Morgan	Smrtrtmt Pass BL 2050	**	9,485,614
	JP Morgan	Smrtrtmt Pass BL 2055	**	7,252,138
	JP Morgan	Smrtrtmt Pass BL 2045	**	13,031,479
	JP Morgan	Smrtrtmt Pass BL 2040	**	18,264,899
	JP Morgan	Smrtrtmt Pass BL 2035	**	26,104,353
	JP Morgan	Smrtrtmt Pass BL 2030	**	39,014,198
	JP Morgan	Smrtrtmt Pass BL 2025	**	41,681,304
	JP Morgan	Smrtrtmt Pass BL 2020	**	23,679,349
	JP Morgan	Smrtrtmt Pass Bl Inc CF	**	17,152,170
*	Principal Life Insurance Company	Morley Financial Services—Stable Value Z Fund	**	5,968,488
*	Brookshire Holdings, Inc.	Common stock—1,527,712 shares	106,069,037	135,798,311
*	Participants	Participant loans interest rates of 3.25% to 7.75% maturing through 2032		8,558,748
				$ 380,707,658

*Party in interest
**Not required as investments are participant-directed

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SCHEDULE H, line 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)

B' E S O 401

EIN 75 2894614
PLAN NUMBER 001
PLAN YEAR 10/01/2020 TO 09/30/2021

(A)	(B) Identity of issuer, borrower, lessor or similar party.	(C) Description of investment including maturity date, rate of interest, collateral, par or maturity value.	(D) Cost	(E) Current Value
	BlackRock	Registered Investment Company iShares MSCI EAFE Int Idx K Fd	$ 0.00	$ 571,326.08
	BlackRock	Registered Investment Company iShares S&P 500 Index K Fund	$ 0.00	$ 2,876,358.41
	BlackRock	Registered Investment Company iShs Russ Md-Cp Index K Fund	$ 0.00	$ 489,276.19
	BlackRock	Registered Investment Company iShs Russ 2000 SC Index K Fund	$ 0.00	$ 612,455.48
	BlackRock	Registered Investment Company iShs US Agg Bond Index K Fund	$ 0.00	$ 657,707.66
	Legg Mason	Registered Investment Company ClearBridge Lg Cap Gr IS Fd	$ 0.00	$ 3,112,915.44
	DoubleLine	Registered Investment Company DoubleLine Core Fixed Inc I Fd	$ 0.00	$ 205,623.65
	Fidelity Investments	Registered Investment Company Fidelity Intl Cap Apprec Fund	$ 0.00	$ 1,348,117.91
	Hartford Mutual Funds	Registered Investment Company Hartford Healthcare Y Fund	$ 0.00	$ 1,718,759.18
	Wilmington Trust	Common/Collective Trust International Stock R1 Fund	$ 0.00	$ 260,628.99
	Janus International Holding, LLC	Registered Investment Company JANUSHENDERSON SMCP VAL N	$ 0.00	$ 296,921.44
	JPMORGAN CHASE BANK, N.A.	Common/Collective Trust JPMCB SmrtRtmt Pass Bl Inc CF	$ 0.00	$ 17,152,169.99
	JPMORGAN CHASE BANK, N.A.	Common/Collective Trust JPMCB SmrtRtmt Pass Bl 2020 CF	$ 0.00	$ 23,679,348.51
	JPMORGAN CHASE BANK, N.A.	Common/Collective Trust JPMCB SmrtRtmt Pass Bl 2025 CF	$ 0.00	$ 41,681,304.49
	JPMORGAN CHASE BANK, N.A.	Common/Collective Trust JPMCB SmrtRtmt Pass Bl 2030 CF	$ 0.00	$ 39,014,197.91

SCHEDULE H, line 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)

SCHEDULE H, line 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)

B' E S O 401

EIN 75 2894614
PLAN NUMBER 001
PLAN YEAR 10/01/2020 TO 09/30/2021

(A)	(B) Identity of issuer, borrower, lessor or similar party.	(C) Description of investment including maturity date, rate of interest, collateral, par or maturity value.	(D) Cost	(E) Current Value
	JPMORGAN CHASE BANK, N.A.	Common/Collective Trust JPMCB SmrtRtmt Pass Bl 2035 CF	$ 0.00	$ 26,104,352.80
	JPMORGAN CHASE BANK, N.A.	Common/Collective Trust JPMCB SmrtRtmt Pass Bl 2040 CF	$ 0.00	$ 18,264,898.84
	JPMORGAN CHASE BANK, N.A.	Common/Collective Trust JPMCB SmrtRtmt Pass Bl 2045 CF	$ 0.00	$ 13,031,478.85
	JPMORGAN CHASE BANK, N.A.	Common/Collective Trust JPMCB SmrtRtmt Pass Bl 2050 CF	$ 0.00	$ 9,485,614.25
	JPMORGAN CHASE BANK, N.A.	Common/Collective Trust JPMCB SmrtRtmt Pass Bl 2055 CF	$ 0.00	$ 7,252,138.17
	JPMORGAN CHASE BANK, N.A.	Common/Collective Trust JPMCB SmrtRtmt Pass Bl 2060 CF	$ 0.00	$ 7,476,565.89
	Wilmington Trust, N.A.	Common/Collective Trust Large Cap Value R1 Fund	$ 0.00	$ 823,280.34
	Lord Abbett	Registered Investment Company Lord Abbett High Yield I Fund	$ 0.00	$ 494,924.52
	MassMutual Financial Group	Registered Investment Company MassMutual Mid Cap Gr I Fd	$ 0.00	$ 1,495,424.92
*	Principal Global Investors Trust Co	Common/Collective Trust Principal Stable Value Z Fund	$ 0.00	$ 5,968,488.00
	PIMCO Funds	Registered Investment Company PIMCO Income Institutional Fd	$ 0.00	$ 587,369.26
	Putnam Investments	Registered Investment Company PUTNAM GLOBAL TECH R6 FUND	$ 0.00	$ 8,337,240.65
	T. Rowe Price Funds	Registered Investment Company T Rowe Price QM US SC Gr Eq I	$ 0.00	$ 1,511,367.28
	Vanguard Group	Registered Investment Company Vanguard RE Index Adm Fund	$ 0.00	$ 886,691.84
	Wells Fargo	Registered Investment Company Wells Fargo Sp Md Cp Val R6 Fd	$ 0.00	$ 722,870.83

SCHEDULE H, line 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)

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SCHEDULE H, line 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)

B' E S O 401

EIN 75 2894614
PLAN NUMBER 001
PLAN YEAR 10/01/2020 TO 09/30/2021

(A)	(B) Identity of issuer, borrower, lessor or similar party.	(C) Description of investment including maturity date, rate of interest, collateral, par or maturity value.	(D) Cost	(E) Current Value
*	Participant Loans	Range of Interest Rates Rates Range From 3.25% To 7.75%	$ 0.00	$ 8,483,573.00

SCHEDULE H, line 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)