

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6057(b) and 6058(a) of the Internal Revenue Code (the Code). ▶ Complete all entries in accordance with the instructions to the Form 5500.	OMB Nos. 1210-0110 1210-0089 2021 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2021 or fiscal plan year beginning <u>05/03/2021</u> and ending <u>12/02/2021</u>	
A This return/report is for:	☐ a multiemployer plan ☐ a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions.) ☒ a single-employer plan ☐ a DFE (specify) _____
B This return/report is:	☒ the first return/report ☒ the final return/report ☐ an amended return/report ☒ a short plan year return/report (less than 12 months)
C If the plan is a collectively-bargained plan, check here.	☐
D Check box if filing under:	☒ Form 5558 ☐ automatic extension ☐ the DFVC program ☐ special extension (enter description)
E If this is a retroactively adopted plan permitted by SECURE Act section 201, check here.	☐

Part II	Basic Plan Information—enter all requested information				
1a Name of plan <u>COATS NORTH AMERICA PENSION PLAN II</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">1b Three-digit plan number (PN) ▶</td> <td style="width: 20%; text-align: center;"><u>003</u></td> </tr> <tr> <td colspan="2">1c Effective date of plan <u>05/03/2021</u></td> </tr> </table>	1b Three-digit plan number (PN) ▶	<u>003</u>	1c Effective date of plan <u>05/03/2021</u>	
1b Three-digit plan number (PN) ▶	<u>003</u>				
1c Effective date of plan <u>05/03/2021</u>					
2a Plan sponsor's name (employer, if for a single-employer plan) Mailing address (include room, apt., suite no. and street, or P.O. Box) City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions) <u>COATS AMERICAN, INC.</u> <u>14120 BALLANTYNE CORPORATE PLACE</u> <u>SUITE 300</u> <u>CHARLOTTE, NC 28277</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td>2b Employer Identification Number (EIN) <u>13-4924750</u></td> </tr> <tr> <td>2c Plan Sponsor's telephone number <u>704-329-5232</u></td> </tr> <tr> <td>2d Business code (see instructions) <u>313000</u></td> </tr> </table>	2b Employer Identification Number (EIN) <u>13-4924750</u>	2c Plan Sponsor's telephone number <u>704-329-5232</u>	2d Business code (see instructions) <u>313000</u>	
2b Employer Identification Number (EIN) <u>13-4924750</u>					
2c Plan Sponsor's telephone number <u>704-329-5232</u>					
2d Business code (see instructions) <u>313000</u>					

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

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

SIGN HERE	Filed with authorized/valid electronic signature.	09/06/2022	CINDY SCHEMPP
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

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

Form 5500 (2021)
v. 210624

3a Plan administrator's name and address ☒ Same as Plan Sponsor		3b Administrator's EIN	
		3c Administrator's telephone number	
4 If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report: a Sponsor's name c Plan Name		4b EIN 4d PN	
5 Total number of participants at the beginning of the plan year		5	1294
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)	0
a(2) Total number of active participants at the end of the plan year		6a(2)	0
b Retired or separated participants receiving benefits.....		6b	0
c Other retired or separated participants entitled to future benefits		6c	0
d Subtotal. Add lines 6a(2) , 6b , and 6c		6d	0
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.		6e	0
f Total. Add lines 6d and 6e		6f	0
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)		6g	0
h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested		6h	0
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item).....		7	
8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions: 1A 1H 3F 3H			
b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:			
9a Plan funding arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor		9b Plan benefit arrangement (check all that apply) (1) ☒ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	
10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)			
a Pension Schedules (1) ☒ R (Retirement Plan Information) (2) ☐ MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary (3) ☐ SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary		b General Schedules (1) ☒ H (Financial Information) (2) ☐ I (Financial Information – Small Plan) (3) ☐ <u>0</u> A (Insurance Information) (4) ☒ C (Service Provider Information) (5) ☐ D (DFE/Participating Plan Information) (6) ☐ G (Financial Transaction Schedules)	

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

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

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

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

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

Receipt Confirmation Code _____

SCHEDULE C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2021
		This Form is Open to Public Inspection.

For calendar plan year 2021 or fiscal plan year beginning 05/03/2021 and ending 12/02/2021		
A Name of plan COATS NORTH AMERICA PENSION PLAN II	B Three-digit plan number (PN) ▶	003
C Plan sponsor's name as shown on line 2a of Form 5500 COATS AMERICAN, INC.	D Employer Identification Number (EIN) 13-4924750	

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

1 Information on Persons Receiving Only Eligible Indirect Compensation

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

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

MERCER

13-2834414

(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?
11 50	ACTUARY	186922	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

UNUM LIFE INSURANCE CO

01-0278678

(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	CONTRACT ADMINISTRATOR	135482	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(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	CONTRACT ADMINISTRATOR	62892	Yes ☒ No ☐	Yes ☒ No ☐	0	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)

GREEN WALKER

56-1434747

(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?
10 50	ACCOUNTANT	12000	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

MOORE & VAN ALLEN PLLC

56-0559307

(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?
29 50	LEGAL	7029	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
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(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
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(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 H (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110 2021 This Form is Open to Public Inspection
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For calendar plan year 2021 or fiscal plan year beginning 05/03/2021 and ending 12/02/2021		
A Name of plan COATS NORTH AMERICA PENSION PLAN II	B Three-digit plan number (PN) ►	003
C Plan sponsor's name as shown on line 2a of Form 5500 COATS AMERICAN, INC.	D Employer Identification Number (EIN) 13-4924750	

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

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

		(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	0
Liabilities			
g	Benefit claims payable	1g	
h	Operating payables	1h	
i	Acquisition indebtedness.....	1i	
j	Other liabilities.....	1j	
k	Total liabilities (add all amounts in lines 1g through 1j)	1k	0
Net Assets			
l	Net assets (subtract line 1k from line 1f)	1l	0

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.

		(a) Amount	(b) Total
a	Contributions:		
(1)	Received or receivable in cash from: (A) Employers	2a(1)(A)	
	(B) Participants	2a(1)(B)	
	(C) Others (including rollovers).....	2a(1)(C)	
(2)	Noncash contributions.....	2a(2)	
(3)	Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)	0
b	Earnings on investments:		
(1)	Interest:		
	(A) Interest-bearing cash (including money market accounts and certificates of deposit).....	2b(1)(A)	
	(B) U.S. Government securities	2b(1)(B)	
	(C) Corporate debt instruments	2b(1)(C)	
	(D) Loans (other than to participants)	2b(1)(D)	
	(E) Participant loans.....	2b(1)(E)	
	(F) Other	2b(1)(F)	312
	(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)	312
(2)	Dividends: (A) Preferred stock.....	2b(2)(A)	
	(B) Common stock	2b(2)(B)	
	(C) Registered investment company shares (e.g. mutual funds).....	2b(2)(C)	464906
	(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)	464906
(3)	Rents	2b(3)	
(4)	Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)	
	(B) Aggregate carrying amount (see instructions).....	2b(4)(B)	
	(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)	0
(5)	Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)	
	(B) Other	2b(5)(B)	
	(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)	0

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts.....	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts.....	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts.....	2b(8)		
(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)		1781598
c Other income.....	2c		
d Total income. Add all income amounts in column (b) and enter total.....	2d		2246816
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers.....	2e(1)	2882534	
(2) To insurance carriers for the provision of benefits.....	2e(2)	65804000	
(3) Other.....	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3).....	2e(4)		68686534
f Corrective distributions (see instructions).....	2f		
g Certain deemed distributions of participant loans (see instructions).....	2g		
h Interest expense.....	2h		
i Administrative expenses: (1) Professional fees.....	2i(1)	205951	
(2) Contract administrator fees.....	2i(2)	201582	
(3) Investment advisory and management fees.....	2i(3)		
(4) Other.....	2i(4)	111284	
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		518817
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		69205351
Net Income and Reconciliation			
k Net income (loss). Subtract line 2j from line 2d.....	2k		-66958535
l Transfers of assets:			
(1) To this plan.....	2l(1)		73958535
(2) From this plan.....	2l(2)		7000000

Part III Accountant's Opinion

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

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

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

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

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

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

(1) Name: GREENWALKER LLP

(2) EIN: 56-1434747

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

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

Part IV Compliance Questions

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

During the plan year:

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

	Yes	No	Amount
4a		X	

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

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

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

5b(1) Name of plan(s)	5b(2) EIN(s)	5b(3) PN(s)
COATS NORTH AMERICA SAVINGS AND INVESTMENT PLAN	13-4924750	009

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 452427.

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110 2021 This Form is Open to Public Inspection.
---	--	---

For calendar plan year 2021 or fiscal plan year beginning 05/03/2021 and ending 12/02/2021

A Name of plan COATS NORTH AMERICA PENSION PLAN II	B Three-digit plan number (PN) ▶ 003
C Plan sponsor's name as shown on line 2a of Form 5500 COATS AMERICAN, INC.	D Employer Identification Number (EIN) 13-4924750

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	0

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

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

Part III	Amendments
-----------------	-------------------

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

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

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

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

Schedule R (Form 5500) 2021
v. 201209

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

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

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

14a

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

14b

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

14c

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

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

15a

b The corresponding number for the second preceding plan year

15b

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

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

16a

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

16b

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

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

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

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

a Enter the percentage of plan assets held as:

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

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

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

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

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

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

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

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

☐ Yes.

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

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

☐ No. Other. Provide explanation _____



GreerWalker

INDEPENDENT AUDITORS' REPORT

To the Benefits Committee and Participants of the COATS North America Pension Plan II:

We were engaged to audit the accompanying financial statements of the COATS North America Pension Plan II (the "Plan"), which comprise the statement of net assets in liquidation as of December 2, 2021, the related statement of changes in net assets in liquidation for the period from May 3, 2021 to December 2, 2021, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's ("DOL") Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 ("ERISA"), management instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 3, which was certified by Wells Fargo Bank, N.A. and Principal Life Insurance Company, the Trustees of the Plan, except for comparing the information with the related information included in the financial statements. We have been informed by management that the Trustees hold the Plan's investment assets and execute investment transactions. Management has obtained certifications from the Trustees as of and for the period ended December 2, 2021, that the information provided to management by the Trustees is complete and accurate.

Disclaimer of Opinion

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

Emphasis of Matter

As further discussed in Note 2 to the financial statements, the Board of Directors of Coats American, Inc., the Plan's sponsor, voted on May 3, 2021, to terminate the Plan. In accordance with GAAP, the Plan has changed its basis of accounting from the ongoing plan basis to the liquidation basis used in presenting the financial statements. Our opinion is not modified with respect to this matter.

GreerWalker LLP | GreerWalker Wealth LLC | GreerWalker Corporate Finance LLC

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Greenville Office Wells Fargo Center | 15 South Main St., Suite 800 | Greenville, SC 29601 | USA | Tel 864.752.0080

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Other Matter - Supplemental Schedules

The supplemental schedule of assets (acquired and disposed of within the plan year) and schedule of reportable transactions for the period from May 3, 2021 to December 2, 2021 are required by the DOL's Rules and Regulations for Reporting and Disclosure under ERISA and are presented for the purpose of additional analysis and are not a required part of the financial statements. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on these supplemental schedules.

Report on Form and Content in Compliance with the DOL's Rules and Regulations

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

A handwritten signature in black ink, appearing to read "Greenhalgh".

Certified Public Accountants
August 22, 2022
Charlotte, NC

COATS NORTH AMERICA PENSION PLAN II

SCHEDULE H, LINE 4j - SCHEDULE OF REPORTABLE TRANSACTIONS
FOR THE PERIOD FROM MAY 3, 2021 TO DECEMBER 2, 2021

EIN: 13-4924750 - PN: 003

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
Identity of party involved	Description of asset	Purchase price	Selling price	Lease rental	Expense incurred with transaction	Cost of asset	Current value of asset on transaction date	Net gain (loss)
Wells Fargo Bank, N.A.	PIMCO Investment Grade Cred Bond Fund - Institutional	\$32,307,725				\$ 32,307,725	\$ 32,307,725	
Wells Fargo Bank, N.A.	PIMCO Investment Grade Cred Bond Fund - Institutional		\$ 33,130,668			\$ 32,307,725	\$ 33,130,669	\$ 822,943
Wells Fargo Bank, N.A.	PIMCO Long Duration Total Return Fund - Institutional	\$11,031,726				\$ 11,031,726	\$ 11,031,726	
Wells Fargo Bank, N.A.	PIMCO Long Duration Total Return Fund - Institutional		\$ 11,721,905			\$ 11,031,726	\$ 11,721,905	\$ 690,179
Wells Fargo Bank, N.A.	PIMCO Moderate Duration Total Return Fund - Institutional	\$35,265,322				\$ 35,265,322	\$ 35,265,322	
Wells Fargo Bank, N.A.	PIMCO Moderate Duration Total Return Fund - Institutional		\$ 35,534,045			\$ 35,265,322	\$ 35,534,045	\$ 268,723
Wells Fargo Bank, N.A.	Wells Fargo Bank Collateralized Institutional Bank Deposit Account	\$92,680,760				\$ 92,680,760	\$ 92,680,760	
Wells Fargo Bank, N.A.	Wells Fargo Bank Collateralized Institutional Bank Deposit Account		\$ 92,680,760			\$ 92,680,760	\$ 92,680,760	\$ -
Principal Global Investors	Liquid Assets Separate Account - Z Class		\$ 5,688,434			\$ 5,688,681	\$ 5,688,434	\$ (247)
Principal Global Investors	Liquid Assets Separate Account - Z Class	\$ 5,688,681				\$ 5,688,681	\$ 5,688,681	

See independent auditors' report.

COATS NORTH AMERICA
PENSION PLAN II

Financial Statements and Supplemental Schedules
for the Period from May 3, 2021 to December 2, 2021
and Independent Auditors' Report



GreerWalker

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GreerWalker

INDEPENDENT AUDITORS' REPORT

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Auditors' Responsibility

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

Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's ("DOL") Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 ("ERISA"), management instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 3, which was certified by Wells Fargo Bank, N.A. and Principal Life Insurance Company, the Trustees of the Plan, except for comparing the information with the related information included in the financial statements. We have been informed by management that the Trustees hold the Plan's investment assets and execute investment transactions. Management has obtained certifications from the Trustees as of and for the period ended December 2, 2021, that the information provided to management by the Trustees is complete and accurate.

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Emphasis of Matter

As further discussed in Note 2 to the financial statements, the Board of Directors of Coats American, Inc., the Plan's sponsor, voted on May 3, 2021, to terminate the Plan. In accordance with GAAP, the Plan has changed its basis of accounting from the ongoing plan basis to the liquidation basis used in presenting the financial statements. Our opinion is not modified with respect to this matter.

GreerWalker LLP | GreerWalker Wealth LLC | GreerWalker Corporate Finance LLC

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Other Matter - Supplemental Schedules

The supplemental schedule of assets (acquired and disposed of within the plan year) and schedule of reportable transactions for the period from May 3, 2021 to December 2, 2021 are required by the DOL's Rules and Regulations for Reporting and Disclosure under ERISA and are presented for the purpose of additional analysis and are not a required part of the financial statements. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on these supplemental schedules.

Report on Form and Content in Compliance with the DOL's Rules and Regulations

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

A handwritten signature in black ink, appearing to read "GreenWalker", written in a cursive style.

Certified Public Accountants
August 22, 2022
Charlotte, NC

COATS NORTH AMERICA PENSION PLAN II

STATEMENT OF NET ASSETS IN LIQUIDATION

DECEMBER 2, 2021

ASSETS:

Investments, at fair value	\$ -
----------------------------	------

NET ASSETS AVAILABLE FOR BENEFITS	<u>\$ -</u>
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See notes to financial statements.

COATS NORTH AMERICA PENSION PLAN II

STATEMENT OF CHANGES IN NET ASSETS IN LIQUIDATION FOR THE PERIOD FROM MAY 3, 2021 TO DECEMBER 2, 2021

ADDITIONS TO NET ASSETS ATTRIBUTED TO:

Investment income:

Net appreciation in fair value of investments	\$ 1,781,598
Interest and dividend income	465,218
Total investment income	<u>2,246,816</u>

DEDUCTIONS FROM NET ASSETS ATTRIBUTED TO:

Benefits paid directly to participants	2,882,534
Purchases of annuity contracts	65,804,000
Administrative expenses	518,817
Total deductions	<u>69,205,351</u>

CHANGE IN NET ASSETS AVAILABLE FOR BENEFITS	(66,958,535)
---	--------------

TRANSFERS OF ASSETS, NET	66,958,535
--------------------------	------------

NET ASSETS AVAILABLE FOR BENEFITS, BEGINNING OF PERIOD	<u>-</u>
--	----------

NET ASSETS AVAILABLE FOR BENEFITS, END OF PERIOD	<u><u>\$ -</u></u>
--	--------------------

See notes to financial statements.

COATS NORTH AMERICA PENSION PLAN II

NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD FROM MAY 3, 2021 TO DECEMBER 2, 2021

1. PLAN DESCRIPTION

The following description of the COATS North America Pension Plan II (the "Plan") provides only general information. Participants should refer to the plan document for a more complete description of the Plan's provisions.

General - The Plan was a noncontributory defined benefit pension plan covering all employees of Coats American, Inc. (the "Employer") that were retired and began receiving benefits under the Coats North America Pension Plan on or before May 1, 2020. The Plan was subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA"). As of December 2, 2021, all assets of the Plan have been liquidated and the Plan was fully terminated.

The Plan was administered by the Employer's Benefits Committee. The Benefits Committee had overall responsibility for the operation and administration of the Plan. The Benefits Committee determined the appropriateness of the Plan's investment offerings and monitored investment performance.

Contributions - The Plan's funding policy was for the Employer to contribute an amount which would meet or exceed the annual ERISA minimum funding requirement. For the period from May 3, 2021 to December 2, 2021, no contributions were required by the Employer to meet or exceed the annual ERISA minimum funding requirement.

Vesting - All participants were immediately 100% vested.

Pension Benefits - Employees were eligible for monthly retirement benefit payments upon reaching age 65, as provided for by the plan document. Benefits were calculated using a formula whereby final average earnings, as defined, of a salaried employee are multiplied by years of service and reduced by a factor of Social Security benefits to arrive at the pension benefit amount. An hourly employee's monthly retirement benefit was calculated based upon years of service multiplied by an amount as defined by Section 4 of the plan document. Grandfathered employees of acquisitions were entitled to a monthly retirement benefit payable under previous plans plus a benefit calculated based on the salaried or hourly calculation previously noted. Participants were eligible for early retirement after five years of service and having reached age 55. Benefits were reduced from 3% to 5% for each year that retirement preceded age 65. The Plan provided for lump sum and immediate annuity payment options under certain circumstances.

Death and Disability Benefits - If an active participant died at age fifty-five or older; a death benefit was computed assuming a married participant had terminated on date of death and had elected a 50% joint and survivor option. Post-retirement death benefits were dependent upon the form of payment selected. Participants who were entitled to receive payment of any retirement income benefit payments and payments from the Employer's separate plan of long or short term disability income benefits or workers' compensation benefits, would have the payment of retirement income under the Plan deferred until the earlier of the date such long or short term disability income or workers' compensation benefits cease or the participant reached normal retirement age. The participant would be credited with service, for purposes of vesting and benefit accrual while disabled and compensation, for the purpose of computing any benefits, would be the amount of the participant's regular wage or salary that they were receiving at the time they became disabled.

Purchases of Annuity Contracts - The Plan entered into an agreement with F&G Annuities and Life to provide annuity benefits for all participants. During the period from May 3, 2021 to December 2, 2021, funds of \$65,804,000 have been allocated and applied to purchase annuities (that is, F&G Annuities and Life is obligated to pay the related pension benefits) and are excluded from the Plan's assets.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting - Effective May 3, 2021, the Board of Directors of the Employer adopted a resolution to terminate the Plan. As a result, the Plan's financial statements as of December 2, 2021, and for the period from May 3, 2021 to December 2, 2021, have been prepared on the liquidation basis of accounting, in accordance with generally accepted accounting principles in the United States of America ("GAAP"). This basis of accounting is considered appropriate when, among other things, liquidation of the Plan is probable and the net realizable value of assets are reasonably determinable. Under the liquidation basis of accounting, assets are stated at their estimate net realized cash value and liabilities are stated at their anticipated settlement amounts.

Use of Estimates - The preparation of financial statements in accordance with GAAP required management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and changes therein; and disclosure of contingent assets and liabilities at the date of the financial statements, and changes therein. Actual results could have differed from those estimates. Any adjustments applied to estimated amounts were recognized in the year in which such adjustments were determined.

Investment Valuation and Income Recognition - Investments were reported at fair value. Fair value was the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants as of the measurement date. The Benefits Committee determined the Plan's valuation policies utilizing information provided by the investment advisors, and Wells Fargo Bank, N.A. and Principal Life Insurance Company, the Trustees of the Plan. As of December 2, 2021, the Plan did not have any investments.

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

Payment of Benefits - Benefits were recorded when paid.

Administrative Expenses - The Plan's expenses were paid either by the Plan or the Employer, as provided by the plan document. Expenses that were paid directly by the Employer were excluded from these financial statements. Certain expenses incurred in connection with the general administration of the Plan are paid by the Plan were recorded as deductions in the accompanying statement of changes in net assets in liquidation. Investment related expenses were included in net appreciation in fair value of investments.

Subsequent Events - Management has evaluated subsequent events through August 22, 2022, which is the date the financial statements were available to be issued.

3. INFORMATION CERTIFIED BY TRUSTEES

The following is a summary of the Plan's asset information for the period from May 3, 2021 to December 2, 2021, included in the financial statements and supplemental schedules, that was prepared by, or derived from, information prepared by the Trustees and furnished to management. Management has obtained certifications from the Trustees that such information is complete and accurate for the period from May 3, 2021 to December 2, 2021.

Income:

Net appreciation in fair value of investments	\$ 1,781,598
Interest and dividend income	\$ 465,218

4. TRANSFERS

During May 2021, \$79,350,001 was transferred to the Plan from the Coats North America Pension Plan to pay benefits for the participants. In conjunction with the termination of the Plan, the remaining excess assets were transferred to the Coats North America Pension Plan. Accordingly, during December 2021, \$5,391,466 was transferred to the Coats North America Pension Plan.

In conjunction with the termination of the Plan, the remaining excess assets were transferred to the Employer's defined contribution plan. Accordingly, during August 2021 and November 2021, amounts totaling \$7,000,000 were transferred to the Coats North America Savings and Investment Plan.

5. RELATED-PARTY TRANSACTIONS AND PARTY IN INTEREST TRANSACTIONS

Certain investments of the Plan were managed by Wells Fargo Bank, N.A. and Principal Life Insurance Company. Wells Fargo Bank, N.A. and Principal Life Insurance Company were the Trustees for the Plan and, therefore, these transactions qualified as exempt party in interest transactions.

6. PLAN TERMINATION

On May 3, 2021, the Plan was terminated. Benefits were accrued through May 1, 2020 under the Coats North America Pension Plan, and were considered to be fully vested for all participants transferred to the Plan, and no additional service was earned after May 1, 2020. During August 2021, the Plan purchased annuity contracts from F&L Annuities and Life amounting to \$65,804,000 to provide benefits to all current retirees of the Plan.

7. TAX STATUS

The Employer has applied for a determination letter for the Plan but has not received a response from the IRS as of the financial statement date. Management has operated the Plan consistent with its other sponsored pension plans and believes that the Plan was currently designed and was being operated in compliance with applicable requirements of the Internal Revenue Code. Therefore, management and the Plan's tax counsel believe that the Plan was qualified and the related trust was tax exempt, as of the financial statement date.

GAAP required management to evaluate tax positions taken by the Plan and recognize a tax liability if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the taxing authorities. Management has analyzed the tax positions taken by the Plan, and has concluded that as of December 2, 2021, there were no uncertain positions taken or expected to be taken that would have required recognition of a liability or disclosure in the financial statements. The Plan was subject to routine audits by taxing jurisdictions; however, there are currently no audits of any tax period in progress.

COATS NORTH AMERICA PENSION PLAN II

SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (ACQUIRED AND DISPOSED OF WITHIN YEAR)

FOR THE PERIOD FROM MAY 3, 2021 TO DECEMBER 2, 2021

EIN: 13-4924750 - PN: 003

(a) Identity of issuer, borrower, lessor or similar party	(b) Description of investment including maturity date, rate of interest, collateral, par or maturity value	(c) Cost of acquisition	(d) Proceeds of dispositions
Pacific Investment Management Company, LLC	PIMCO Investment Grade Cred Bond Fund - Institutional	\$ 32,307,725	\$ 33,130,668
Pacific Investment Management Company, LLC	PIMCO Long Duration Total Return Fund - Institutional	11,031,726	11,721,905
Pacific Investment Management Company, LLC	PIMCO Moderate Duration Total Return Fund - Institutional	35,265,322	35,534,045
Wells Fargo Bank, N.A	Wells Fargo Bank Collateralized Institutional Bank Deposit Account	92,680,760	92,680,760
Principal Global Investors LLC	Liquid Assets Separate Account - Z Class	5,688,681	5,688,434
	Total	<u>\$ 176,974,214</u>	<u>\$ 178,755,812</u>

See independent auditors' report.

COATS NORTH AMERICA PENSION PLAN IISCHEDULE H, LINE 4i - SCHEDULE OF REPORTABLE TRANSACTIONS
FOR THE PERIOD FROM MAY 3, 2021 TO DECEMBER 2, 2021

EIN: 13-4924750 - PN: 003

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
Identity of party involved	Description of asset	Purchase price	Selling price	Lease rental	Expense incurred with transaction	Cost of asset	Current value of asset on transaction date	Net gain (loss)
Wells Fargo Bank, N.A.	PIMCO Investment Grade Cred Bond Fund - Institutional	\$32,307,725				\$ 32,307,725	\$ 32,307,725	
Wells Fargo Bank, N.A.	PIMCO Investment Grade Cred Bond Fund - Institutional		\$ 33,130,668			\$ 32,307,725	\$ 33,130,669	\$ 822,943
Wells Fargo Bank, N.A.	PIMCO Long Duration Total Return Fund - Institutional	\$11,031,726				\$ 11,031,726	\$ 11,031,726	
Wells Fargo Bank, N.A.	PIMCO Long Duration Total Return Fund - Institutional		\$ 11,721,905			\$ 11,031,726	\$ 11,721,905	\$ 690,179
Wells Fargo Bank, N.A.	PIMCO Moderate Duration Total Return Fund - Institutional	\$35,265,322				\$ 35,265,322	\$ 35,265,322	
Wells Fargo Bank, N.A.	PIMCO Moderate Duration Total Return Fund - Institutional		\$ 35,534,045			\$ 35,265,322	\$ 35,534,045	\$ 268,723
Wells Fargo Bank, N.A.	Wells Fargo Bank Collateralized Institutional Bank Deposit Account	\$92,680,760				\$ 92,680,760	\$ 92,680,760	
Wells Fargo Bank, N.A.	Wells Fargo Bank Collateralized Institutional Bank Deposit Account		\$ 92,680,760			\$ 92,680,760	\$ 92,680,760	-
Principal Global Investors	Liquid Assets Separate Account - Z Class		\$ 5,688,434			\$ 5,688,681	\$ 5,688,434	\$ (247)
Principal Global Investors	Liquid Assets Separate Account - Z Class	\$ 5,688,681				\$ 5,688,681	\$ 5,688,681	

See independent auditors' report.

COATS NORTH AMERICA PENSION PLAN II

SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (ACQUIRED AND DISPOSED OF WITHIN YEAR)

FOR THE PERIOD FROM MAY 3, 2021 TO DECEMBER 2, 2021

EIN: 13-4924750 - PN: 003

(a) Identity of issuer, borrower, lessor or similar party	(b) Description of investment including maturity date, rate of interest, collateral, par or maturity value	(c) Cost of acquisition	(d) Proceeds of dispositions
Pacific Investment Management Company, LLC	PIMCO Investment Grade Cred Bond Fund - Institutional	\$ 32,307,725	\$ 33,130,668
Pacific Investment Management Company, LLC	PIMCO Long Duration Total Return Fund - Institutional	11,031,726	11,721,905
Pacific Investment Management Company, LLC	PIMCO Moderate Duration Total Return Fund - Institutional	35,265,322	35,534,045
Wells Fargo Bank, N.A	Wells Fargo Bank Collateralized Institutional Bank Deposit Account	92,680,760	92,680,760
Principal Global Investors LLC	Liquid Assets Separate Account - Z Class	5,688,681	5,688,434
	Total	\$ 176,974,214	\$ 178,755,812

See independent auditors' report.