

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6057(b) and 6058(a) of the Internal Revenue Code (the Code). ▶ Complete all entries in accordance with the instructions to the Form 5500.	OMB Nos. 1210-0110 1210-0089 2021 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2021 or fiscal plan year beginning <u>01/01/2021</u> and ending <u>12/31/2021</u>	
A This return/report is for:	☐ a multiemployer plan ☐ a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions.) ☒ a single-employer plan ☐ a DFE (specify) _____
B This return/report is:	☐ the first return/report ☒ the final return/report ☐ an amended return/report ☐ a short plan year return/report (less than 12 months)
C If the plan is a collectively-bargained plan, check here.	☐
D Check box if filing under:	☒ Form 5558 ☐ automatic extension ☐ the DFVC program ☐ special extension (enter description)
E If this is a retroactively adopted plan permitted by SECURE Act section 201, check here.	☐

Part II	Basic Plan Information—enter all requested information				
1a Name of plan <u>GRACO EMPLOYEE RETIREMENT PLAN - GRAY</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>007</u></td> </tr> <tr> <td colspan="2">1c Effective date of plan <u>10/30/2017</u></td> </tr> </table>	1b Three-digit plan number (PN) ▶	<u>007</u>	1c Effective date of plan <u>10/30/2017</u>	
1b Three-digit plan number (PN) ▶	<u>007</u>				
1c Effective date of plan <u>10/30/2017</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>GRACO INC.</u> <u>88 11TH AVE NE</u> <u>MINNEAPOLIS, MN 55413-1829</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td>2b Employer Identification Number (EIN) <u>41-0285640</u></td> </tr> <tr> <td>2c Plan Sponsor's telephone number <u>612-623-6000</u></td> </tr> <tr> <td>2d Business code (see instructions) <u>333200</u></td> </tr> </table>	2b Employer Identification Number (EIN) <u>41-0285640</u>	2c Plan Sponsor's telephone number <u>612-623-6000</u>	2d Business code (see instructions) <u>333200</u>	
2b Employer Identification Number (EIN) <u>41-0285640</u>					
2c Plan Sponsor's telephone number <u>612-623-6000</u>					
2d Business code (see instructions) <u>333200</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.	09/23/2022	DAVID LOWE
	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	
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		3c Administrator's telephone number 4b EIN 4d PN	
5 Total number of participants at the beginning of the plan year		5	392
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 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 SB (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Single-Employer Defined Benefit Plan Actuarial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500 or 5500-SF.	OMB No. 1210-0110 2021 This Form is Open to Public Inspection
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For calendar plan year 2021 or fiscal plan year beginning 01/01/2021 and ending 12/31/2021

▶ Round off amounts to nearest dollar.

▶ Caution: A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan GRACO EMPLOYEE RETIREMENT PLAN - GRAY	B Three-digit plan number (PN) ▶ 007
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF GRACO INC.	D Employer Identification Number (EIN) 41-0285640
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B	F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500

Part I	Basic Information
1 Enter the valuation date: Month 01 Day 01 Year 2021	
2 Assets:	
a Market value	2a 55838227
b Actuarial value	2b 50254405
3 Funding target/participant count breakdown	
a For retired participants and beneficiaries receiving payment.....	(1) Number of participants 308 (2) Vested Funding Target 33344786 (3) Total Funding Target 33344786
b For terminated vested participants.....	90 3236995 3236999
c For active participants	0 0 0
d Total.....	398 36581781 36581785
4 If the plan is in at-risk status, check the box and complete lines (a) and (b)..... ☐	
a Funding target disregarding prescribed at-risk assumptions	4a
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor.....	4b
5 Effective interest rate	5 5.41 %
6 Target normal cost.....	
a Present value of current plan year accruals.....	6a 0
b Expected plan-related expenses	6b 75000
c Total (line 6a + line 6b)	6c 75000

Statement by Enrolled Actuary

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE		06/10/2022
Signature of actuary		Date
DOUGLAS BERFELDT, ASA		20-04634
Type or print name of actuary		Most recent enrollment number
MERCER		612-642-8832
Firm name		Telephone number (including area code)
MERCER 333, SOUTH 7TH STREET, SUITE 1400 MINNEAPOLIS, MN 55402-2427		
Address of the firm		

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions ☐

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

Schedule SB (Form 5500) 2021
v. 201209

Part II Beginning of Year Carryover and Prefunding Balances

	(a) Carryover balance	(b) Prefunding balance
7 Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	0	8924880
8 Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	347354
9 Amount remaining (line 7 minus line 8)	0	8577526
10 Interest on line 9 using prior year's actual return of <u>21.25</u> %	0	1822724
11 Prior year's excess contributions to be added to prefunding balance:		
a Present value of excess contributions (line 38a from prior year)		0
b(1) Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of <u>5.16</u> %		0
b(2) Interest on line 38b from prior year Schedule SB, using prior year's actual return		0
c Total available at beginning of current plan year to add to prefunding balance		0
d Portion of (c) to be added to prefunding balance		0
12 Other reductions in balances due to elections or deemed elections	0	0
13 Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	0	10400250

Part III Funding Percentages

14 Funding target attainment percentage	14	108.94 %
15 Adjusted funding target attainment percentage	15	137.37 %
16 Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	97.22 %
17 If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

Part IV Contributions and Liquidity Shortfalls**18** Contributions made to the plan for the plan year by employer(s) and employees:

(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
Totals ▶			18(b)	0	18(c) 0

19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:

a Contributions allocated toward unpaid minimum required contributions from prior years	19a	0
b Contributions made to avoid restrictions adjusted to valuation date	19b	0
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	0

20 Quarterly contributions and liquidity shortfalls:

- a** Did the plan have a "funding shortfall" for the prior year? ☒ Yes ☐ No
- b** If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner? ☒ Yes ☐ No
- c** If line 20a is "Yes," see instructions and complete the following table as applicable:

Liquidity shortfall as of end of quarter of this plan year			
(1) 1st	(2) 2nd	(3) 3rd	(4) 4th
0	0	0	0

Part V Assumptions Used to Determine Funding Target and Target Normal Cost**21** Discount rate:**a** Segment rates:1st segment:
4.75 %2nd segment:
5.36 %3rd segment:
6.11 %☐ N/A, full yield curve used**b** Applicable month (enter code)**21b**

4

22 Weighted average retirement age**22****23** Mortality table(s) (see instructions) ☐ Prescribed - combined☒ Prescribed - separate☐ Substitute**Part VI Miscellaneous Items****24** Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment. ☒ Yes ☐ No**25** Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment. ☐ Yes ☒ No**26** Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment. ☐ Yes ☒ No**27** If the plan is subject to alternative funding rules, enter applicable code and see instructions regarding attachment.**27****Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years****28** Unpaid minimum required contributions for all prior years **28** 0**29** Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a) **29** 0**30** Remaining amount of unpaid minimum required contributions (line 28 minus line 29) **30** 0**Part VIII Minimum Required Contribution For Current Year****31** Target normal cost and excess assets (see instructions):**a** Target normal cost (line 6c) **31a** 75000**b** Excess assets, if applicable, but not greater than line 31a **31b** 75000**32** Amortization installments:**a** Net shortfall amortization installment Outstanding Balance 0 Installment 0**b** Waiver amortization installment 0 0**33** If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount **33****34** Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33) **34** 0**35** Balances elected for use to offset funding requirement Carryover balance 0 Prefunding balance 0 Total balance 0**36** Additional cash requirement (line 34 minus line 35) **36** 0**37** Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c) **37** 0**38** Present value of excess contributions for current year (see instructions)**a** Total (excess, if any, of line 37 over line 36) **38a** 0**b** Portion included in line 38a attributable to use of prefunding and funding standard carryover balances **38b****39** Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37) **39** 0**40** Unpaid minimum required contributions for all years **40** 0**Part IX Pension Funding Relief Under Pension Relief Act of 2010 (See Instructions)****41** If an election was made to use PRA 2010 funding relief for this plan:**a** Schedule elected ☐ 2 plus 7 years ☐ 15 years**b** Eligible plan year(s) for which the election in line 41a was made ☐ 2008 ☐ 2009 ☐ 2010 ☐ 2011

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

For calendar plan year 2021 or fiscal plan year beginning 01/01/2021 and ending 12/31/2021		
A Name of plan GRACO EMPLOYEE RETIREMENT PLAN - GRAY	B Three-digit plan number (PN) ▶	007
C Plan sponsor's name as shown on line 2a of Form 5500 GRACO INC.	D Employer Identification Number (EIN) 41-0285640	

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)

JP MORGAN INVESTMENT MANAGEMENT

13-3200244

(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?
28	NONE	207535	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

MERCER (US)INC.

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 27	NONE	158223	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

CLIFTONLARSONALLEN LLP

41-0746749

(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	NONE	15015	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)

GREAT-WEST LIFE & ANNUITY INSURANCE

84-0467907

(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?
28 51	NONE	13405	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
(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
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

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

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

SCHEDULE D (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration	DFE/Participating Plan Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110 2021 This Form is Open to Public Inspection.
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For calendar plan year 2021 or fiscal plan year beginning 01/01/2021 and ending 12/31/2021

A Name of plan <u>GRACO EMPLOYEE RETIREMENT PLAN - GRAY</u>	B Three-digit plan number (PN) ▶ <u>007</u>	
C Plan or DFE sponsor's name as shown on line 2a of Form 5500 <u>GRACO INC.</u>	D Employer Identification Number (EIN) <u>41-0285640</u>	

Part I	Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs) (Complete as many entries as needed to report all interests in DFEs)
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a Name of MTIA, CCT, PSA, or 103-12 IE: <u>LDI DIVERSIFIED BALANCED</u>		
b Name of sponsor of entity listed in (a): <u>JP MORGAN CHASE, N.A.</u>		
c EIN-PN <u>47-2831446-001</u>	d Entity code <u>C</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>13714583</u>
a Name of MTIA, CCT, PSA, or 103-12 IE:		
b Name of sponsor of entity listed in (a):		
c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
a Name of MTIA, CCT, PSA, or 103-12 IE:		
b Name of sponsor of entity listed in (a):		
c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
a Name of MTIA, CCT, PSA, or 103-12 IE:		
b Name of sponsor of entity listed in (a):		
c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
a Name of MTIA, CCT, PSA, or 103-12 IE:		
b Name of sponsor of entity listed in (a):		
c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
a Name of MTIA, CCT, PSA, or 103-12 IE:		
b Name of sponsor of entity listed in (a):		
c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
a Name of MTIA, CCT, PSA, or 103-12 IE:		
b Name of sponsor of entity listed in (a):		
c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

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

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

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

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

SCHEDULE H (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110 2021 This Form is Open to Public Inspection				
For calendar plan year 2021 or fiscal plan year beginning <u>01/01/2021</u> and ending <u>12/31/2021</u>						
A Name of plan <u>GRACO EMPLOYEE RETIREMENT PLAN - GRAY</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">B Three-digit plan number (PN) ►</td> <td style="width: 20%; text-align: center;"><u>007</u></td> </tr> <tr> <td colspan="2" style="height: 20px;"></td> </tr> </table>		B Three-digit plan number (PN) ►	<u>007</u>		
B Three-digit plan number (PN) ►	<u>007</u>					
C Plan sponsor's name as shown on line 2a of Form 5500 <u>GRACO INC.</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">D Employer Identification Number (EIN) <u>41-0285640</u></td> <td style="width: 20%;"></td> </tr> </table>		D Employer Identification Number (EIN) <u>41-0285640</u>			
D Employer Identification Number (EIN) <u>41-0285640</u>						

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	0	0
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	0	0
(2) Participant contributions.....	1b(2)	0	0
(3) Other	1b(3)	350174	38281
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	184596	24566
(2) U.S. Government securities	1c(2)	0	0
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)	0	0
(B) All other.....	1c(3)(B)	0	0
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)	0	0
(B) Common	1c(4)(B)	0	0
(5) Partnership/joint venture interests	1c(5)	0	0
(6) Real estate (other than employer real property)	1c(6)	0	0
(7) Loans (other than to participants).....	1c(7)	0	0
(8) Participant loans	1c(8)	0	0
(9) Value of interest in common/collective trusts	1c(9)	55653630	13714583
(10) Value of interest in pooled separate accounts	1c(10)	0	0
(11) Value of interest in master trust investment accounts.....	1c(11)	0	0
(12) Value of interest in 103-12 investment entities	1c(12)	0	0
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)	0	0
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)	0	0
(15) Other.....	1c(15)	0	0

		(a) Beginning of Year	(b) End of Year
1d	Employer-related investments:		
(1)	Employer securities.....	1d(1)	
(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	56188400 13777430
Liabilities			
g	Benefit claims payable	1g	294746 0
h	Operating payables	1h	117076 0
i	Acquisition indebtedness.....	1i	0 0
j	Other liabilities.....	1j	0 13777430
k	Total liabilities (add all amounts in lines 1g through 1j)	1k	411822 13777430
Net Assets			
l	Net assets (subtract line 1k from line 1f)	1l	55776578 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)	
	(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)	0
(2)	Dividends: (A) Preferred stock.....	2b(2)(A)	
	(B) Common stock	2b(2)(B)	
	(C) Registered investment company shares (e.g. mutual funds).....	2b(2)(C)	4
	(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)	4
(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)		2063810
(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)		
c Other income.....	2c		
d Total income. Add all income amounts in column (b) and enter total.....	2d		2063814
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers.....	2e(1)	2941782	
(2) To insurance carriers for the provision of benefits.....	2e(2)	40836609	
(3) Other.....	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3).....	2e(4)		43778391
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)	181492	
(2) Contract administrator fees.....	2i(2)		
(3) Investment advisory and management fees.....	2i(3)	103079	
(4) Other.....	2i(4)		
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		284571
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		44062962
Net Income and Reconciliation			
k Net income (loss). Subtract line 2j from line 2d.....	2k		-41999148
l Transfers of assets:			
(1) To this plan.....	2l(1)		
(2) From this plan.....	2l(2)		13777430

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: CLIFTONLARSONALLEN LLP

(2) EIN: 41-0746749

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		5000000
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		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 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)	
GRACO EMPLOYEE RETIREMENT PLAN - BLUE	41-0285640	008	
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 446095.			

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110 2021 This Form is Open to Public Inspection.
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For calendar plan year 2021 or fiscal plan year beginning 01/01/2021 and ending 12/31/2021

A Name of plan GRACO EMPLOYEE RETIREMENT PLAN - GRAY	B Three-digit plan number (PN) ► 007
C Plan sponsor's name as shown on line 2a of Form 5500 GRACO INC.	D Employer Identification Number (EIN) 41-0285640

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

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....	1	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): 13-3795042		
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.)
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4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?	☐ Yes	☒ No	☐ N/A
If the plan is a defined benefit plan, go to line 8.			
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____ If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.			
6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived)	6a		
b Enter the amount contributed by the employer to the plan for this plan year	6b		
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount)	6c		
If you completed line 6c, skip lines 8 and 9.			
7 Will the minimum funding amount reported on line 6c be met by the funding deadline?	☐ Yes	☐ No	☐ N/A
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?	☐ Yes	☐ No	☒ N/A

Part III	Amendments
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9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box.....	☐ Increase	☐ Decrease	☐ Both	☒ No
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Part IV	ESOPs (see instructions). If this is not a plan described under section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.
----------------	---

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

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

Schedule R (Form 5500) 2021
v. 201209

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

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

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

14a

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

14b

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

14c

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

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

15a

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

15b

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

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

16a

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

16b

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

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

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

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

a Enter the percentage of plan assets held as:

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

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

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

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

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

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

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

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

☐ Yes.

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

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

☐ No. Other. Provide explanation _____

Graco Employee Retirement Plan - Gray

Financial Statements and
ERISA-Required Supplementary Information

Years Ended December 31, 2021 and December 31, 2020

Graco Employee Retirement Plan - Gray
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Years Ended December 31, 2021 and December 31, 2020

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INDEPENDENT AUDITORS' REPORT

Benefits Finance Committee
Graco Employee Retirement Plan - Gray
Minneapolis, Minnesota

Report on the Audit of the Financial Statements

Scope and Nature of the ERISA Section 103(a)(3)(C) Audit for the 2021 Financial Statements

We have performed an audit of the accompanying financial statements of Graco Employee Retirement Plan - Gray, 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 December 31, 2021, and the related statement of changes in net assets available for benefits for the year then ended, statement of accumulated plan benefits and statement of changes in accumulated plan benefits as and for the year ended December 31, 2020 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 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 Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA (qualified institution).

Management has obtained a certification from a qualified institution as of and for the year ended December 31, 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 Auditors' Responsibilities for the Audit of the 2021 Financial Statements section

- The amounts and disclosures in the 2021 financial statements referred to above, 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.
- The information in the 2021 financial statements referred to above related to assets held by and certified to by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

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 Auditors' Responsibilities for the Audit of the 2021 Financial Statements section of our report. We are required to be independent of Graco Employee Retirement Plan - Gray 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.

Responsibilities of Management for the 2021 Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, 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 Graco Employee Retirement Plan - Gray's ability to continue as a going concern for one year after the date that the financial statements are 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.

Auditors' 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 auditors' 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.

Benefits Finance Committee
Graco Employee Retirement Plan - Gray

- 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 Graco Employee Retirement Plan - Gray'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 Graco Employee Retirement Plan – Gray'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 certification, 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 accounting principles generally accepted in the United States of America.

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 accounting principles generally accepted in the United States of America.

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 Schedules Required by ERISA

The supplemental schedule of assets (held at end of year) as of December 31, 2021 and schedule of reportable transactions for the year ended December 31, 2021 are presented for purposes of additional analysis and is not a required part of the financial statements but are supplementary information required by the Department of Labor'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 schedules, other than that agreed to or derived from the certified investment information, have 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 schedules that agreed to or is derived from the certified investment information, we compared such information to the related certified investment information.

Benefits Finance Committee
Graco Employee Retirement Plan - Gray

In forming our opinion on the supplemental schedules, we evaluated whether the supplemental schedules, other than the information agreed to or derived from the certified investment information, including their form and content, are presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

In our opinion:

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

Auditors' Report on the 2020 Financial Statements

We were engaged to audit the 2020 financial statements of Graco Employee Retirement Plan - Gray. 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 us not to perform and we did not perform any auditing procedures with respect to the information certified by a qualified institution. In our report dated September 3, 2021, we indicated that (a) because of the significance of the information that we did not audit, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion and accordingly, we did not express an opinion on the 2020 financial statements, and (b) the form and content of the information included in the 2020 financial statements 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.



CliftonLarsonAllen LLP

Minneapolis, Minnesota
September 20, 2022

Graco Employee Retirement Plan - Gray
Statements of Net Assets Available for Benefits
December 31, 2021 and December 31, 2020

	<u>2021</u>	<u>2020</u>
Assets		
Investments (at Fair Value)		
Cash and Cash Equivalents	\$ 24,566	\$ 184,596
Collective Trust Funds	<u>13,714,583</u>	<u>55,653,630</u>
Total Investments	<u>13,739,149</u>	<u>55,838,226</u>
 Amount Due From Broker	 38,281	 350,167
 Accrued Income	 —	 7
 Total Assets	 <u>13,777,430</u>	 <u>56,188,400</u>
Liabilities		
Assets Transferred to Remaining Plan	13,777,430	—
Amount Due To Broker	—	294,746
Accounts Payable	—	117,076
 Total Liabilities	 <u>13,777,430</u>	 <u>411,822</u>
 Net Assets Available For Benefits	 <u><u>\$ —</u></u>	 <u><u>\$ 55,776,578</u></u>

See accompanying Notes to Financial Statements

Graco Employee Retirement Plan - Gray
Statements of Changes in Net Assets Available for Benefits
Years Ended December 31, 2021 and December 31, 2020

	2021	2020
Additions to Net Assets Available for Benefits Attributed To:		
Investment Income (Loss)		
Net Appreciation in Fair Value of Investments	\$ 2,063,810	\$ 10,308,259
Dividends and Interest	4	287
Less: Investment Management and Trustee Fees	(103,079)	(165,975)
Net Investment Income	<u>1,960,735</u>	<u>10,142,571</u>
 Total Additions	 <u>1,960,735</u>	 <u>10,142,571</u>
 Deductions from Net Assets Available for Benefits Attributed To:		
Benefits Paid Directly to Participants	(2,941,782)	(3,616,993)
Purchase of Annuity Contracts	(40,836,609)	—
Administrative Expenses	(181,492)	(69,240)
Total Transfer of Assets to Graco Retirement Plan - Blue	(13,777,430)	—
Total Deductions	<u>(57,737,313)</u>	<u>(3,686,233)</u>
 Net (Decrease) Increase	 (55,776,578)	 6,456,338
 Net Assets Available for Benefits		
Beginning of Year	55,776,578	49,320,240
End of Year	<u>\$ —</u>	<u>\$ 55,776,578</u>

See accompanying Notes to Financial Statements

Graco Employee Retirement Plan - Gray
Statement of Accumulated Plan Benefits
As of December 31, 2020

	<u>2020</u>
Actuarial Present Value of Accumulated Plan Benefits:	
Vested Benefits:	
Participants Currently Receiving Benefits	\$ 33,020,222
Participants With Deferred Benefits	<u>3,404,657</u>
Total Vested Benefits	36,424,879
Total Actuarial Present Value of Accumulated Plan Benefits	<u><u>\$ 36,424,879</u></u>

See accompanying Notes to Financial Statements

Graco Employee Retirement Plan - Gray
Statement of Changes in Accumulated Plan Benefits
Year ending December 31, 2020

	<u>2020</u>
Increases (Decreases) in Actuarial Present Value of Accumulated Plan Benefits Attributable To:	
Benefits Accumulated and (Gains) Losses	\$ (318,153)
Interest	2,057,491
Benefits Paid	(3,653,742)
Change in Actuarial Assumptions	<u>2,068,663</u>
Net Increase	154,259
 Actuarial Present Value of Accumulated Plan Benefits	
Beginning of Period	<u>36,270,620</u>
End of Period	<u><u>\$ 36,424,879</u></u>

See accompanying Notes to Financial Statements

Graco Employee Retirement Plan - Gray
Notes to Financial Statements
December 31, 2021 and 2020

Note 1 - Description of Plan

The following description of the Graco Employee Retirement Plan - Gray ("Plan") is provided for general information purposes only. Participants should refer to the Plan document for more complete information.

On October 7, 2021, the Company entered into an agreement under which \$41 million of pension obligations of the Plan were transferred to an insurance company. Under the agreement, the Company purchased a group annuity contract for 310 plan participants that provides for an irrevocable commitment to make annuity payments to the affected participants. The payment obligation and administration thereof for the affected participants was transferred from the pension plan to the insurance company. The transfer did not change the amount of the monthly pension benefits received by the affected participants. As of December 31, 2021, the remaining participants, obligations and assets of the Plan were merged into the Graco Employee Retirement Plan - Blue.

General

The Plan is a noncontributory defined benefit plan established to provide benefits for eligible employees of Graco Minnesota Inc. and Lubriquip, Inc. (collectively the "Company"). The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA"), as amended.

Eligibility and Vesting

The participants, beneficiaries and alternate payees covered under the Plan as of October 30, 2017 all had a benefit under the Graco Employee Retirement Plan (Legacy Plan) before the spin-off of assets and liabilities. None of the participants under the Plan are actively employed on October 29, 2017 and no participants are eligible to accrue any additional benefits under the Plan. Participation and benefit accruals under this Plan are frozen as of the Plan's effective date.

The spin-off of assets and liabilities from the Legacy Plan included certain individuals in the following categories with respect to the Legacy Plan: (i) former employees who are participants who have not yet commenced benefits (also referred to as deferred vested participants), (ii) former employees who are participants who have commenced benefits (in-pay status participants), and (iii) beneficiaries and alternate payees who have a benefit or are in-pay status. The benefits spun-off from the Legacy Plan to this Plan have the same value and terms. The Plan includes no enhanced benefits compared to the terms of the Legacy Plan.

Benefits

Participants are eligible to receive normal monthly retirement benefit payments upon reaching the normal retirement age of 65. The Plan also provides for early retirement at age 55 with five years of service, disability retirement and a benefit in the event of death.

Normal retirement benefits under the Plan are the greater of the following:

- 1) Eleven dollars (\$11.00), multiplied by the years of benefit service.
- 2) One and forty-five one-hundredths of 1% (1.45%) of the average monthly compensation multiplied by the years of benefit service less the applicable offset. The applicable offset is six-tenths of 1% (.60%) of the lesser of average monthly compensation, covered compensation, or final monthly compensation as defined by the Plan document, multiplied by the years of benefit service.

The benefit for participants formerly part of the Lubriquip, Inc. Pension Plan for Hourly Paid Employees of Warrensville Heights, Ohio is calculated as follows:

- 1) For Lubriquip participants who commenced benefits on or before December 31, 2006, the amount and form of the benefit will remain the same as paid under the prior plan.
- 2) For Lubriquip participants who commence benefits after December 31, 2006, the benefit will be equal to twenty-seven dollars and fifty cents (\$27.50) multiplied by years of credited service.

Graco Employee Retirement Plan - Gray
Notes to Financial Statements
December 31, 2021 and 2020

If the value of the benefits is \$5,000 or less, it will be distributed, as soon as administratively feasible, either as a single lump sum payment or can be rolled over into a qualified plan or individual retirement account. Benefits in excess of \$5,000 are payable in the form of an annuity, as defined.

Note 2 - Summary of Significant Accounting Policies

Basis of Accounting

The accompanying financial statements are prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") for the years ended December 31, 2021 and December 31, 2020.

Investment Valuation and Income Recognition

The Plan's investments are valued at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The cash and cash equivalents are valued at cost, which approximates fair value. Investments in collective trust funds are valued based on the NAV of units (or its equivalent), which is based on the underlying assets, held by the Plan at year-end.

Purchases and sales of securities are recorded on a trade-date basis. Investment income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation includes the Plan's realized gains and losses on investments purchased and sold during the year as well as unrealized appreciation or depreciation of the investments held at the end of the year.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires the Plan administrator to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities, and the actuarial present value of accumulated plan benefits at the date of the financial statements. Actual results could differ from those estimates.

Payment of Benefits

Benefits are recorded when paid.

Administrative Expenses

Substantially all administrative expenses, including investment management fees, are paid by the Plan.

Actuarial Present Value of Accumulated Plan Benefits

Accumulated plan benefits are those future periodic payments, including lump-sum distributions that are attributable under the Plan's provisions to the service employees have rendered. Accumulated plan benefits include all benefits expected to be paid to:

- 1) Retired or terminated employees or their beneficiaries.
- 2) Beneficiaries of employees who have died.

The actuarial present value of accumulated plan benefits is determined as of the beginning of the Plan year and is the amount that results from applying actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements such as death, disability, withdrawal, or retirement) between the valuation date and the expected date of payment. The accumulated plan benefits and changes in accumulated plan benefits are presented as of December 31, 2020 or on a one day roll back from the beginning of the Plan year. This is reasonable as no amendments to the plan were enacted during the one day time-frame that would have impacted the presented valuation.

The effect on the accumulated plan benefits related to a change in actuarial assumptions was due to changes in discount rates, interest rates, long-term rate of return and mortality projection scales used since December 31, 2019.

Graco Employee Retirement Plan - Gray
Notes to Financial Statements
December 31, 2021 and 2020

The significant actuarial assumptions used in the valuations as of December 31, 2020 were:

Normal Retirement Age:	65
Mortality:	Pre-retirement: Pri-2012 sex-distinct, separate employee and retiree mortality tables with no contingent survivor adjustments and no collar adjustments, projected with Scale MMP-2019 to reflect mortality improvements. Post-Retirement: MILES (Mercer Industry Longevity Experience Study) for the Auto, Industrial Goods and Transportation industry group with no collar adjustments and projected using Scale MMP-2019.

Investment Return: 5.20% compounded annually

Subsequent Events

In preparing these financial statements, the Plan has evaluated events and transactions for potential recognition or disclosure through September 20, 2022, the date the financial statements were available to be issued.

As described in Note 1, the transfer of the remaining Gray plan participants and assets to the Blue plan was completed on December 31, 2021 with final settlement of cash on January 3, 2022.

Note 3 - Certification of Investment Information

The trustees are responsible for the Plan's investment assets and investing transactions.

Great-West Trust Company has supplied the Plan administrator with a certification as to the completeness and accuracy of all investment information presented in the accompanying statements of net assets available for benefits as of December 31, 2021 and 2020, and the statements of changes in net assets available for benefits for the years then ended, the schedules of assets held and the schedules of reportable transactions as of and for the year ended December 31, 2021.

Note 4 - Funding Policy

The Company's funding policy is to make contributions to the Plan in amounts estimated to be sufficient to provide the Plan with assets with which to pay pension benefits to the Plan's participants. The contribution requirements are determined annually by the Plan's actuary as of January 1 of the Plan year. The Company's contributions met the minimum funding requirement of ERISA in 2021 and 2020.

Graco Employee Retirement Plan - Gray
Notes to Financial Statements
December 31, 2021 and 2020

Note 5 - Fair Value Measurements

The Plan categorizes its assets and liabilities measured at fair value into a three-level hierarchy based on the priority of the inputs to the valuation technique used to determine 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 are described as follows:

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;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

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

The asset 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. There have been no changes in the valuation methodologies used as of December 31, 2021 and December 31, 2020.

The following tables set forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2021 and December 31, 2020. Classification within the fair value hierarchy table is based on the lowest level of any input that is significant to the fair value measurement.

As of December 31, 2021				
	Level 1	Level 2	Level 3	Total
Cash and Cash Equivalents	\$ 24,566	\$ —	\$ —	\$ 24,566
Investments Measured at Net Asset Value ⁽¹⁾	—	—	—	13,714,583
Total Investments at Fair Value	<u>\$ 24,566</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 13,739,148</u>
As of December 31, 2020				
	Level 1	Level 2	Level 3	Total
Cash and Cash Equivalents	\$ 184,596	\$ —	\$ —	\$ 184,596
Investments Measured at Net Asset Value ⁽¹⁾	—	—	—	55,653,630
Total Investments at Fair Value	<u>\$ 184,596</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 55,838,226</u>

(1) Investments measured at fair value using the net asset value per share practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statement of net assets available for benefits.

Graco Employee Retirement Plan - Gray
Notes to Financial Statements
December 31, 2021 and 2020

The following table sets forth a fair value measurement of investments in certain entities that calculate net asset value per share (or its equivalent) for the year and period ended December 31, 2021 and December 31, 2020, respectively.

As of December 31, 2021				
	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
JP Morgan Funds JPMCB LDI Diversified Bal Fund	\$ 13,714,583	\$ —	Daily	Daily
Total Collective Trust Funds ⁽¹⁾	13,714,583	—		
Total	<u>\$ 13,714,583</u>	<u>\$ —</u>		
As of December 31, 2020				
	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
JP Morgan Funds JPMCB LDI Diversified Bal Fund	\$ 55,653,630	\$ —	Daily	Daily
Total Collective Trust Funds ⁽¹⁾	55,653,630	—		
Total	<u>\$ 55,653,630</u>	<u>\$ —</u>		

(1) Disclosure of the investment strategy is not required for funds measured using the net asset value per share practical expedient that file U.S. Department of Labor Form 5500 as a direct filing entity. All collective trust funds for the plan meet this criteria.

Note 6 - Tax Status

The Plan obtained its latest determination letter on April 17, 2018, in which the Internal Revenue Service stated that the Plan was in compliance with the applicable requirements of the Internal Revenue Code ("IRC").

Accounting principles generally accepted in the United States of America require Plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

Note 7 - Risks and Uncertainties

The Plan provides for investment in a variety of investment funds. Investments, in general, are exposed to various risks, such as interest rate, credit and overall market volatility risk. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the values of the investments will occur in the near term and that such changes could materially affect the financial status of the Plan and the amounts reported in the statements of net assets available for benefits.

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

Graco Employee Retirement Plan - Gray
Notes to Financial Statements
December 31, 2021 and 2020

Note 8 - Party-in-Interest Transactions

Certain Plan investments are shares of a money market fund and collective trust funds managed by the Trustee. Therefore, these transactions qualify as party-in-interest transactions. Fees paid by the Plan to the Trustee were \$103,079 and \$165,975 for investment management services for the years ended December 31, 2021 and December 31, 2020, respectively.

Graco Employee Retirement Plan
E.I.N. 41-0285640 Plan No. 007
Schedule H, Line 4i – Schedule of Assets (Held at End of Year)
December 31, 2021

(a)	(b)	(c)	(d)	(e)
	Identity of Issue, Borrower, Lessor or Similar Party	Description of Investment	Cost	Current Value
	JP Morgan Money Market Fund	Cash and Cash Equivalents	\$ 24,566	\$ 24,566
	JP Morgan Funds JPMCB LDI Diversified Bal Fund	Collective Trust Funds	9,994,540	13,714,583
	Total Investments Held at End of Year		<u>\$ 10,019,106</u>	<u>\$ 13,739,149</u>

Graco Employee Retirement Plan - Gray
E.I.N. 41-0285640 Plan No. 007
Schedule H, Line 4j – Schedule of Reportable Transactions
For the Year Ended December 31, 2021

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
Identity of Party Involved	Description of Assets	Purchase Price	Selling Price	Leased Rental	Expense Incurred With Transaction	Cost	Current Value	Net Gain (Loss)
<u>Category (i) - Single Transaction in Excess of 5% of Plan Assets</u>								
SA SECURITIES ADMINISTRATION	JP MORGAN FUNDS JPMCB LDI DIVERSIFIED BAL FUND	—	27,000,000	—	—	\$25,926,195	\$27,000,000	\$1,073,805
SA SECURITIES ADMINISTRATION	JP MORGAN FUNDS JPMCB LDI DIVERSIFIED BAL FUND	—	17,000,000	—	—	16,616,193	17,000,000	383,807
SA SECURITIES ADMINISTRATION	JP MORGAN FUNDS JPMCB LDI DIVERSIFIED BAL FUND	3,163,391	—	—	—	3,163,391	3,163,391	—
SWP SWEEP ACCOUNTS	JPMORGAN FUNDS MONEY MARKET FUND	17,000,000	—	—	—	17,000,000	17,000,000	—
SWP SWEEP ACCOUNTS	JPMORGAN FUNDS MONEY MARKET FUND	—	3,163,390	—	—	3,163,390	3,163,390	—
SWP SWEEP ACCOUNTS	JPMORGAN FUNDS MONEY MARKET FUND	—	13,996,651	—	—	13,996,651	13,996,651	—
SA SECURITIES ADMINISTRATION	JP MORGAN JPMCB INTERMEDIATE CREDIT FUND	27,000,000	—	—	—	27,000,000	27,000,000	—
SA SECURITIES ADMINISTRATION	JP MORGAN JPMCB INTERMEDIATE CREDIT FUND	—	26,839,958	—	—	27,000,000	26,839,958	(160,042)

Graco Employee Retirement Plan - Gray
E.I.N. 41-0285640 Plan No. 007
Schedule H, Line 4j – Schedule of Reportable Transactions
For the Year Ended December 31, 2021

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
Identity of Party Involved	Description of Assets	Purchase Price	Selling Price	Leased Rental	Expense Incurred With Transaction	Cost	Current Value	Net Gain (Loss)
<u>Category (iii) - A Series of Transactions in Excess of 5% of Plan Assets</u>								
SA SECURITIES ADMINISTRATION	JP MORGAN FUNDS JPMCB LDI DIVERSIFIED BAL FUND	\$3,163,391	—	—	—	\$3,163,391	\$3,163,391	—
SA SECURITIES ADMINISTRATION	JP MORGAN FUNDS JPMCB LDI DIVERSIFIED BAL FUND	—	45,840,692	—	—	45,840,692	47,326,289	1,485,598
SWP SWEEP ACCOUNTS	JPMORGAN FUNDS MONEY MARKET FUND	—	17,519,632	—	—	17,519,632	17,519,632	—
SWP SWEEP ACCOUNTS	JPMORGAN FUNDS MONEY MARKET FUND	17,359,602	—	—	—	17,359,602	17,359,602	—
SA SECURITIES ADMINISTRATION	JP MORGAN JPMCB INTERMEDIATE CREDIT FUND	27,000,000	—	—	—	27,000,000	27,000,000	—
SA SECURITIES ADMINISTRATION	JP MORGAN JPMCB INTERMEDIATE CREDIT FUND	—	27,000,000	—	—	27,000,000	26,839,958	(160,042)

There were no category (ii), or (iv) reportable transactions for the year ended December 31, 2021.

Schedule SB, Part V — Statement of Actuarial Assumptions/Methods**Actuarial assumptions for January 1, 2021 funding valuation**

Discount rate sponsor elections			
• Segment rates or full yield curve	Segment		
• Look-back months	4		
	<u>Stabilized</u>	<u>Nonstabilized</u>	
• First 5 years	4.75%	2.22%	
• Next 15 years	5.36%	3.38%	
• Over 20 years	6.11%	3.92%	
Mortality sponsor elections			
• Healthy participants	Section 430(h)(3) prescribed separate static annuitant and nonannuitant mortality tables. These tables are based on the RP-2014 mortality tables with improvements beyond 2006 removed with static mortality improvement based on the IRS methodology and projection scale MP-2019.		
• Disabled participants	Same as healthy participants.		
Other economic assumptions			
• Salary increases	Not applicable.		
• Flat-dollar benefit increases	Not applicable.		
• Assumed overtime	Not applicable.		
• Social Security wage base	Not applicable.		
• Inflation	2.20% per year.		
• Expected investment return	6.25% for 2019, 4.84% for 2020 and 4.35% for 2021.		
• Expenses	\$75,000 added to current year normal cost.		
Demographic assumptions			
• Withdrawal	Not applicable.		
• Disability incidence	Not applicable.		
• Retirement age	Not applicable.		
• Benefit commencement age for			
— Future vested deferred	Not applicable.		
— Current vested deferred	65, or current age if later.		
• Spouse assumptions	Male participants	Female participants	
— Percentage married	75%	60%	
— Spouse age difference	2 years younger	2 years older	
Form of payment	Single life	50% J&S	100% J&S
• Current vested deferred	60%	20%	20%
Unpredictable contingent event assumptions	Not applicable.		

Schedule SB, Part V — Statement of Actuarial Assumptions/Methods**Rationale for economic assumptions**

- Discount rate – Prescribed by the IRS and based on the company's current elections.
- Inflation – The inflation assumption is based on the long-term expected inflation rate included in Mercer Investment Consulting's Capital Market Outlook.
- Expected investment return – Based on the median simulated investment return using capital market assumptions published in Mercer Investment Consulting's Capital Market Outlook for the plan's current asset mix.
- Expenses – Based on the actual administrative expenses from the prior year.

Rationale for demographic assumptions

- Mortality – Prescribed by the IRS.
- Form of payment – Based on a plan experience study completed in 2017.
- Percentage married/Spouse age difference – Based on a plan experience study completed in 2017.

Schedule SB, Part V — Statement of Actuarial Assumptions/Methods**Actuarial methods for funding****Asset methods- Effective October 30, 2017**

The asset valuation method is an average of the adjusted market value for each year during the last two years preceding the valuation date. The adjusted market value is the market value at each determination date adjusted to the valuation date based on actual cash flows and expected interest at the lesser of the expected rate of return and the third segment rate. This amount is adjusted to be no greater than 110% and no less than 90% of the fair market value, as defined in IRC Section 430.

A characteristic of this asset method is that, over time, it is slightly more likely to produce an actuarial value of assets that is less than the market value of assets than an actuarial value that is greater than the market value.

The market value is the amount reported in the year-end trustee statement plus discounted receivable contributions.

Participant methods- Effective October 30, 2017

Participants or former participants are included or excluded from the valuation as described below:

- **Participants included:** The plan sponsor provides us with data on all employees as of the valuation date, but only those employees who have completed the plan's eligibility requirements are included in the valuation of liabilities.
- **Participants excluded:** No actuarial liability is included for nonvested participants who terminated prior to the valuation date. For this purpose, participants with a break in service on the valuation date are treated as terminated participants.
- **Insurance contracts:** *The plan does not have any insurance contracts.*

Minimum funding methods- Effective October 30, 2017

The funding target for minimum funding calculations is computed using the traditional unit credit method of funding. The objective under this method is to fund each participant's benefits under the plan as they accrue. Thus, the total pension to which each participant is expected to become entitled at retirement is broken down into units, each associated with a year of past or future credited service.

A detailed description of the calculation follows:

- The plan's valuation date is the beginning of the plan year.
- An individual's **funding target** is the present value of future benefits based on credited service and average pay as of the beginning of the plan year, and an individual's **target normal cost** is the present value of the benefit expected to accrue in the plan year. If multiple decrements are used, the funding target and the target normal cost for an individual is the sum of the component funding targets and target normal costs associated with the various anticipated separation dates.
- The plan's **target normal cost** is the sum of the individual target normal costs, and the plan's **funding target** is the sum of the individual funding targets for all participants under the plan.

Graco Employee Retirement Plan - Gray
E.I.N. 41-0285640 Plan No. 007
Schedule H, Line 4j – Schedule of Reportable Transactions
For the Year Ended December 31, 2021

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
Identity of Party Involved	Description of Assets	Purchase Price	Selling Price	Leased Rental	Expense Incurred With Transaction	Cost	Current Value	Net Gain (Loss)
<u>Category (i) - Single Transaction in Excess of 5% of Plan Assets</u>								
SA SECURITIES ADMINISTRATION	JP MORGAN FUNDS JPMCB LDI DIVERSIFIED BAL FUND	—	27,000,000	—	—	\$25,926,195	\$27,000,000	\$1,073,805
SA SECURITIES ADMINISTRATION	JP MORGAN FUNDS JPMCB LDI DIVERSIFIED BAL FUND	—	17,000,000	—	—	16,616,193	17,000,000	383,807
SA SECURITIES ADMINISTRATION	JP MORGAN FUNDS JPMCB LDI DIVERSIFIED BAL FUND	3,163,391	—	—	—	3,163,391	3,163,391	—
SWP SWEEP ACCOUNTS	JPMORGAN FUNDS MONEY MARKET FUND	17,000,000	—	—	—	17,000,000	17,000,000	—
SWP SWEEP ACCOUNTS	JPMORGAN FUNDS MONEY MARKET FUND	—	3,163,390	—	—	3,163,390	3,163,390	—
SWP SWEEP ACCOUNTS	JPMORGAN FUNDS MONEY MARKET FUND	—	13,996,651	—	—	13,996,651	13,996,651	—
SA SECURITIES ADMINISTRATION	JP MORGAN JPMCB INTERMEDIATE CREDIT FUND	27,000,000	—	—	—	27,000,000	27,000,000	—
SA SECURITIES ADMINISTRATION	JP MORGAN JPMCB INTERMEDIATE CREDIT FUND	—	26,839,958	—	—	27,000,000	26,839,958	(160,042)

Graco Employee Retirement Plan - Gray
E.I.N. 41-0285640 Plan No. 007
Schedule H, Line 4j – Schedule of Reportable Transactions
For the Year Ended December 31, 2021

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
Identity of Party Involved	Description of Assets	Purchase Price	Selling Price	Leased Rental	Expense Incurred With Transaction	Cost	Current Value	Net Gain (Loss)
<u>Category (iii) - A Series of Transactions in Excess of 5% of Plan Assets</u>								
SA SECURITIES ADMINISTRATION	JP MORGAN FUNDS JPMCB LDI DIVERSIFIED BAL FUND	\$3,163,391	—	—	—	\$3,163,391	\$3,163,391	—
SA SECURITIES ADMINISTRATION	JP MORGAN FUNDS JPMCB LDI DIVERSIFIED BAL FUND	—	45,840,692	—	—	45,840,692	47,326,289	1,485,598
SWP SWEEP ACCOUNTS	JPMORGAN FUNDS MONEY MARKET FUND	—	17,519,632	—	—	17,519,632	17,519,632	—
SWP SWEEP ACCOUNTS	JPMORGAN FUNDS MONEY MARKET FUND	17,359,602	—	—	—	17,359,602	17,359,602	—
SA SECURITIES ADMINISTRATION	JP MORGAN JPMCB INTERMEDIATE CREDIT FUND	27,000,000	—	—	—	27,000,000	27,000,000	—
SA SECURITIES ADMINISTRATION	JP MORGAN JPMCB INTERMEDIATE CREDIT FUND	—	27,000,000	—	—	27,000,000	26,839,958	(160,042)

There were no category (ii), or (iv) reportable transactions for the year ended December 31, 2021.

SCHEDULE SB (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Single-Employer Defined Benefit Plan Actuarial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500 or 5500-SF.	OMB No. 1210-0110 2021 This Form is Open to Public Inspection
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For calendar plan year 2021 or fiscal plan year beginning 01/01/2021 and ending 12/31/2021

▶ **Round off amounts to nearest dollar.**

▶ **Caution:** A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan Graco Employee Retirement Plan - Gray	B Three-digit plan number (PN) ▶ 007
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF Graco Inc.	D Employer Identification Number (EIN) 41-0285640
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B	F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500

Part I	Basic Information
1	Enter the valuation date: Month <u>01</u> Day <u>01</u> Year <u>2021</u>
2	Assets:
a	Market value 2a 55,838,227
b	Actuarial value 2b 50,254,405
3	Funding target/participant count breakdown
	(1) Number of participants (2) Vested Funding Target (3) Total Funding Target
a	For retired participants and beneficiaries receiving payment..... 308 33,344,786 33,344,786
b	For terminated vested participants..... 90 3,236,999 3,236,999
c	For active participants 0 0 0
d	Total..... 398 36,581,785 36,581,785
4	If the plan is in at-risk status, check the box and complete lines (a) and (b)..... ☐
a	Funding target disregarding prescribed at-risk assumptions 4a
b	Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor..... 4b
5	Effective interest rate 5 5.41%
6	Target normal cost.....
a	Present value of current plan year accruals..... 6a 0
b	Expected plan-related expenses 6b 75,000
c	Total (line 6a + line 6b) 6c 75,000

Statement by Enrolled Actuary

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE	<i>DAB</i> Signature of actuary	06/10/2022 Date
DOUGLAS BERFELDT, ASA	Type or print name of actuary	2004634 Most recent enrollment number
MERCER	Firm name	612-642-8832 Telephone number (including area code)
MERCER 333 SOUTH 7TH STREET, SUITE 1400 MINNEAPOLIS MN 55402-2427	Address of the firm	

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions ☐

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

Schedule SB (Form 5500) 2021
v. 201209

Part II Beginning of Year Carryover and Prefunding Balances

	(a) Carryover balance	(b) Prefunding balance
7 Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	0	8,924,880
8 Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	347,354
9 Amount remaining (line 7 minus line 8)	0	8,577,526
10 Interest on line 9 using prior year's actual return of <u>21.25%</u>	0	1,822,724
11 Prior year's excess contributions to be added to prefunding balance:		
a Present value of excess contributions (line 38a from prior year)		0
b(1) Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of <u>5.16%</u>		0
b(2) Interest on line 38b from prior year Schedule SB, using prior year's actual return		0
c Total available at beginning of current plan year to add to prefunding balance		0
d Portion of (c) to be added to prefunding balance		0
12 Other reductions in balances due to elections or deemed elections	0	0
13 Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	0	10,400,250

Part III Funding Percentages

14 Funding target attainment percentage	14	108.94%
15 Adjusted funding target attainment percentage	15	137.37%
16 Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	97.22%
17 If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

Part IV Contributions and Liquidity Shortfalls

18 Contributions made to the plan for the plan year by employer(s) and employees:					
(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
Totals ▶			18(b)	0	18(c)
19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:					
a Contributions allocated toward unpaid minimum required contributions from prior years.			19a	0	
b Contributions made to avoid restrictions adjusted to valuation date			19b	0	
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date			19c	0	
20 Quarterly contributions and liquidity shortfalls:					
a Did the plan have a "funding shortfall" for the prior year? ☒ Yes ☐ No					
b If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner? ☒ Yes ☐ No					
c If line 20a is "Yes," see instructions and complete the following table as applicable:					
Liquidity shortfall as of end of quarter of this plan year					
(1) 1st	(2) 2nd	(3) 3rd	(4) 4th		
0	0	0	0		

Part V Assumptions Used to Determine Funding Target and Target Normal Cost

21 Discount rate:				
a Segment rates:	1st segment: 4.75 %	2nd segment: 5.36 %	3rd segment: 6.11 %	☐ N/A, full yield curve used
b Applicable month (enter code)				21b 4
22 Weighted average retirement age				22
23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute				

Part VI Miscellaneous Items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment.		☒ Yes ☐ No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment.		☐ Yes ☒ No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment.		☐ Yes ☒ No
27 If the plan is subject to alternative funding rules, enter applicable code and see instructions regarding attachment.	27	

Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years

28 Unpaid minimum required contributions for all prior years	28	0
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a)	29	0
30 Remaining amount of unpaid minimum required contributions (line 28 minus line 29)	30	0

Part VIII Minimum Required Contribution For Current Year

31 Target normal cost and excess assets (see instructions):			
a Target normal cost (line 6c)	31a	75,000	
b Excess assets, if applicable, but not greater than line 31a	31b	75,000	
32 Amortization installments:		Outstanding Balance	Installment
a Net shortfall amortization installment		0	0
b Waiver amortization installment		0	0
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount		33	
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)		34	0
	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement	0	0	0
36 Additional cash requirement (line 34 minus line 35)		36	0
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)		37	0
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)		38a	0
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances		38b	
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)		39	0
40 Unpaid minimum required contributions for all years		40	0

Part IX Pension Funding Relief Under Pension Relief Act of 2010 (See Instructions)

41 If an election was made to use PRA 2010 funding relief for this plan:	
a Schedule elected	☐ 2 plus 7 years ☐ 15 years
b Eligible plan year(s) for which the election in line 41a was made	
☐ 2008 ☐ 2009 ☐ 2010 ☐ 2011	

Schedule SB, Part V — Summary of Plan Provisions**Summary of major plan provisions**

Effective date and plan year	Original plan: January 1, 1961 (H.G. Fischer Division) and January 1, 1972 (Graco Inc.). Plans merged: January 1, 1984 Prior plan: Graco Employee Retirement Plan Plan adoption/effective date: October 30, 2017 Plan year: Calendar year
Most recent amendment	First Amendment adopted May 6, 2019.
Status of the plan	The Plan has no active participants and is closed to new participants.
Significant events that occurred during the year	None.
Definitions	
• Participation	All regular employees. Employees are eligible to become participants on the first day of the month following the completion of one year of service and attainment of age 21. The Plan was closed to new participants effective December 31, 2005.
• Vesting service	One year for each year in which at least 1,000 hours of service are completed.
• Benefit service	Continuous service based on calendar months worked for salaried employees and hours worked for hourly employees.
• Average monthly compensation	Average of the five highest consecutive years of earnings out of the last ten.
• Covered Compensation	The average of Social Security wage bases for the 35 years ending in the year of termination. For employees over Social Security Retirement Age at termination, the average of wage bases for the 35 years ending in the year Social Security Retirement Age was attained.
• Accrued benefit	The benefit is equal to the greater of \$11.00 per month for each year of Benefit Service or 1.45% of Average Monthly Compensation less 0.60% of Average Monthly Compensation up to Covered Compensation for each year of Benefit Service.
Normal retirement	
• Eligibility	Normal Retirement Date is the first day of the month coinciding with or first following attainment of age 65.
• Benefit	The Accrued Benefit at Normal Retirement Date.
Early retirement	
• Eligibility	Eligible after five years of Vesting Service and attainment of age 55.
• Benefit	Accrued Benefit payable at Normal Retirement Date. For early commencement, the benefit is reduced 0.5% for each month the commencement date precedes age 65.
	If a participant has thirty years of Vesting Service, the Accrued Benefit is reduced as follows:

Schedule SB, Part V — Summary of Plan Provisions

The participant's Average Monthly Compensation is reduced 0.5% for each month the commencement date precedes age 62 and the Covered Compensation offset amount is reduced 0.5% for each month the commencement date precedes age 65. If a participant has an Accrued Benefit based on the \$11.00 minimum, the benefit is reduced 0.5% for each month the commencement date precedes age 62.	
Deferred vested	
• Eligibility	Eligible after five years of Vesting Service.
• Benefit	Accrued Benefit is payable at Normal Retirement Date. For early commencement, the benefit is reduced 0.5% for each month the commencement date precedes the Normal Retirement Date. If the participant has thirty years of Vesting Service, the benefit is reduced under the same provisions as the Early Retirement Benefit.
Pre-retirement death	
• Eligibility	For all Vested Participants.
• Benefit	A benefit payable to an eligible spouse for life commencing on the date the participant would have first been eligible for Early Retirement (commences first of month following death if eligible for Early Retirement). The amount of the benefit is the amount the spouse would have received if the participant had terminated on the date of death (or date of termination if earlier), survived until eligible for Early Retirement, commenced benefits under the 50% Joint and Survivor Option and then died. Active participants with a qualified dependent also receive a benefit of 20% of salary at death payable until the earlier of five years or until the qualified dependent ceases to be a qualified dependent.
Form of benefits	
• Automatic form for unmarried participants	Life Annuity; optional forms are the actuarial equivalent of the automatic form.
• Automatic form for married participants	50% Joint and Survivor Annuity; optional forms are the actuarial equivalent of the automatic form.
• Optional forms	Optional forms include 50%, 66-2/3%, 75% and 100% joint and survivor annuities and 10 and 15 year certain and life annuities.
• Optional form conversion factors	GATT 2003 mortality table and an interest rate of 6%.
Miscellaneous	
• Maximum benefits	Annual benefits may not exceed the limits in IRC Section 415. This limit is indexed annually. For 2021, the limit is \$230,000.

Schedule SB, Part V — Summary of Plan Provisions**Benefits included or excluded**

Unless noted below, all benefits provided by the plan, as adopted and effective October 30, 2017 and as amended May 6, 2019, are included in this valuation:

- **Most recent plan amendments included:** First Amendment adopted May 6, 2019.
- **Plan amendments excluded:** *None.*

Plan provisions specific to funding**Additional benefits included or excluded**

- **IRC Section 436 benefit restrictions:**
 - *Unpredictable contingent event benefits:* See below.
 - *Plan amendments:* See above.
 - *Prohibited payments:* Limitations on prohibited benefits (if any) are reflected for annuity starting dates before the valuation date but are ignored for annuity starting dates on or after the valuation date.
 - *Benefit accruals:* The plan's funding target *does not reflect any limitation on benefit accruals.* The target normal cost does not reflect any limitation on benefit accruals.
- **Unpredictable contingent event benefits:** *The plan does not have any unpredictable contingent event benefits.*

Plan provision changes since prior valuation

None.

Graco Employee Retirement Plan
E.I.N. 41-0285640 Plan No. 007
Schedule H, Line 4i – Schedule of Assets (Held at End of Year)
December 31, 2021

(a)	(b)	(c)	(d)	(e)
	Identity of Issue, Borrower, Lessor or Similar Party	Description of Investment	Cost	Current Value
	JP Morgan Money Market Fund	Cash and Cash Equivalents	\$ 24,566	\$ 24,566
	JP Morgan Funds JPMCB LDI Diversified Bal Fund	Collective Trust Funds	9,994,540	13,714,583
	Total Investments Held at End of Year		<u>\$ 10,019,106</u>	<u>\$ 13,739,149</u>

Schedule SB, line 24 — Change in Actuarial Assumptions

Actuarial assumption changes since prior valuation

- Interest discounts and mortality rates were updated from 2020 to 2021 in accordance with PPA.
- The expected investment return was changed from 4.84% to 4.35%.