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| <p style="text-align: center;">Form 5500</p> <p style="text-align: center; font-size: small;">Department of the Treasury Internal Revenue Service</p> <hr/> <p style="text-align: center; font-size: small;">Department of Labor Employee Benefits Security Administration</p> <hr/> <p style="text-align: center; font-size: x-small;">Pension Benefit Guaranty Corporation</p> | <p>Annual Return/Report of Employee Benefit Plan</p> <p style="font-size: x-small;">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).</p> <p style="text-align: center;">▶ Complete all entries in accordance with the instructions to the Form 5500.</p> | <p style="font-size: x-small;">OMB Nos. 1210-0110 1210-0089</p> <hr/> <p style="text-align: center; font-size: large;">2022</p> <hr/> <p style="text-align: center; font-size: small;">This Form is Open to Public Inspection</p> |
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| Part I | Annual Report Identification Information |
| For calendar plan year 2022 or fiscal plan year beginning <u>01/01/2019</u> and ending <u>12/31/2019</u> | |
| A | This return/report is for: <input type="checkbox"/> a multiemployer plan <input type="checkbox"/> a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions.) |
| | <input checked="" type="checkbox"/> a single-employer plan <input type="checkbox"/> a DFE (specify) _____ |
| B | This return/report is: <input type="checkbox"/> the first return/report <input type="checkbox"/> the final return/report |
| | <input checked="" type="checkbox"/> an amended return/report <input type="checkbox"/> a short plan year return/report (less than 12 months) |
| C | If the plan is a collectively-bargained plan, check here. <input type="checkbox"/> |
| D | Check box if filing under: <input checked="" type="checkbox"/> Form 5558 <input type="checkbox"/> automatic extension <input type="checkbox"/> the DFVC program |
| | <input type="checkbox"/> special extension (enter description) |
| E | If this is a retroactively adopted plan permitted by SECURE Act section 201, check here. <input type="checkbox"/> |

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| Part II | Basic Plan Information —enter all requested information |
| 1a Name of plan <u>FRED'S, INC. SALARY REDUCTION PROFIT SHARING PLAN</u> | 1b Three-digit plan number (PN) ▶ <u>003</u> |
| | 1c Effective date of plan <u>01/01/1991</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>FRED'S, INC.</u> <u>6625 LENOX PARK DRIVE</u> <u>SUITE 200</u> <u>MEMPHIS, TN 38115</u> | 2b Employer Identification Number (EIN) <u>62-0634010</u> |
| | 2c Plan Sponsor's telephone number <u>901-362-3733</u> |
| | 2d Business code (see instructions) <u>424990</u> |

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

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

| | | | |
|------------------|---|------------|--|
| SIGN HERE | Filed with authorized/valid electronic signature. | 06/16/2023 | DOUGLAS SQUASONI |
| | 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 (2022)
v. 220413

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| 3a Plan administrator's name and address <input checked="" type="checkbox"/> Same as Plan Sponsor | 3b Administrator's EIN | |
| | 3c Administrator's telephone number | |
| 4 If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report: a Sponsor's name c Plan Name | 4b EIN | |
| | 4d PN | |
| 5 Total number of participants at the beginning of the plan year | 5 | 5738 |
| 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 a(2) Total number of active participants at the end of the plan year b Retired or separated participants receiving benefits c Other retired or separated participants entitled to future benefits..... d Subtotal. Add lines 6a(2) , 6b , and 6c e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits. f Total. Add lines 6d and 6e g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)..... h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested..... | 6a(1) | 5161 |
| | 6a(2) | 16 |
| | 6b | 34 |
| | 6c | 796 |
| | 6d | 846 |
| | 6e | 3 |
| | 6f | 849 |
| | 6g | 839 |
| 6h | 0 | |
| 7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item) | 7 | |
| 8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions: 2F 2G 2J 2K 2T 3D 3H 2E | | |
| b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions: | | |

| | |
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| 9a Plan funding arrangement (check all that apply) | 9b Plan benefit arrangement (check all that apply) |
| (1) <input type="checkbox"/> Insurance | (1) <input type="checkbox"/> Insurance |
| (2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts | (2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts |
| (3) <input checked="" type="checkbox"/> Trust | (3) <input checked="" type="checkbox"/> Trust |
| (4) <input type="checkbox"/> General assets of the sponsor | (4) <input type="checkbox"/> 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)

| | |
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| <p>a Pension Schedules</p> <p>(1) <input checked="" type="checkbox"/> R (Retirement Plan Information)</p> <p>(2) <input type="checkbox"/> MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary</p> <p>(3) <input type="checkbox"/> SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary</p> | <p>b General Schedules</p> <p>(1) <input checked="" type="checkbox"/> H (Financial Information)</p> <p>(2) <input type="checkbox"/> I (Financial Information – Small Plan)</p> <p>(3) <input type="checkbox"/> A (Insurance Information)</p> <p>(4) <input checked="" type="checkbox"/> C (Service Provider Information)</p> <p>(5) <input checked="" type="checkbox"/> D (DFE/Participating Plan Information)</p> <p>(6) <input type="checkbox"/> G (Financial Transaction Schedules)</p> |
|---|---|

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 2022 Form M-1 annual report. If the plan was not required to file the 2022 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 _____

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| SCHEDULE C (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small> | 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. | <small>OMB No. 1210-0110</small> 2022 This Form is Open to Public Inspection. |
|--|--|---|

For calendar plan year 2022 or fiscal plan year beginning **01/01/2019** and ending **12/31/2019**

| | | |
|--|--|------------|
| A Name of plan FRED'S, INC. SALARY REDUCTION PROFIT SHARING PLAN | B Three-digit plan number (PN) ▶ | 003 |
| C Plan sponsor's name as shown on line 2a of Form 5500 FRED'S, INC. | D Employer Identification Number (EIN) 62-0634010 | |

Part I Service Provider Information (see instructions)

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

1 Information on Persons Receiving Only Eligible Indirect Compensation

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

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

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

FIDELITY INVESTMENTS INSTITUTIONAL

04-2647786

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

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

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

WELLS FARGO CLEARING SERVICES LLC

1 N JEFFERSON AVE
MAIL CODE H0004 050
SAINT LOUIS, MO 63103

| (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? |
|------------------------|---|--|--|--|---|--|
| 27 | ADVISOR | 55281 | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> | Yes <input type="checkbox"/> No <input type="checkbox"/> | | Yes <input type="checkbox"/> No <input type="checkbox"/> |

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

FIDELITY INVESTMENTS INSTITUTIONAL

04-2647786

| (b) Service Code(s) | (c) Relationship to employer, employee organization, or person known to be a party-in-interest | (d) Enter direct compensation paid by the plan. If none, enter -0-. | (e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | (f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | (g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | (h) Did the service provider give you a formula instead of an amount or estimated amount? |
|------------------------|---|--|--|--|---|--|
| 60 64 65 | RECORDKEEPER | 5079 | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> | 0 | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> |

(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 <input type="checkbox"/> No <input type="checkbox"/> | Yes <input type="checkbox"/> No <input type="checkbox"/> | | Yes <input type="checkbox"/> No <input type="checkbox"/> |

Part I Service Provider Information (continued)

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

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

| (d) Enter name and EIN (address) of source of indirect compensation | (e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. |
|---|--|
| AC SD INFL PR BD R5 - AMERICAN CEN 44-0619208 | 0.05% |

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

| (d) Enter name and EIN (address) of source of indirect compensation | (e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. |
|---|--|
| BNYM INST S&P500 I - BNY MELLON TR DREYFUS TRANSFER INC 200 PARK AVENUE NEW YORK, NY 10166 | 0.15% |

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

| (d) Enter name and EIN (address) of source of indirect compensation | (e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. |
|---|--|
| CBA SM CAP GR I - BNY MELLON INVES P.O. BOX 9793 PROVIDENCE, RI 02940 | 0.15% |

Part I Service Provider Information (continued)

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

| (a) Enter service provider name as it appears on line 2 | (b) Service Codes (see instructions) | (c) Enter amount of indirect compensation |
|--|--|---|
| FIDELITY INVESTMENTS INSTITUTIONAL | 60 | 0 |
| (d) Enter name and EIN (address) of source of indirect compensation | (e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. | |
| JH DSCPL VAL MDCP I - JOHN HANCOCK 01-0233346 | 0.10% | |
| (a) Enter service provider name as it appears on line 2 | (b) Service Codes (see instructions) | (c) Enter amount of indirect compensation |
| FIDELITY INVESTMENTS INSTITUTIONAL | 60 | 0 |
| (d) Enter name and EIN (address) of source of indirect compensation | (e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. | |
| JPM VALUE ADV L - DST ASSET MANAGE 430 W 7TH STREET STE 219432 KANSAS CITY, MO 64105 | 0.15% | |
| (a) Enter service provider name as it appears on line 2 | (b) Service Codes (see instructions) | (c) Enter amount of indirect compensation |
| FIDELITY INVESTMENTS INSTITUTIONAL | 60 | 0 |
| (d) Enter name and EIN (address) of source of indirect compensation | (e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. | |
| MFS GROWTH R4 - MFS SERVICE CENTER 04-2865649 | 0.15% | |

Part I Service Provider Information (continued)

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

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

| (d) Enter name and EIN (address) of source of indirect compensation | (e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. |
|---|--|
| MFS INTL INTR VAL R4 - MFS SERVICE 04-2865649 | 0.15% |

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

| (d) Enter name and EIN (address) of source of indirect compensation | (e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. |
|---|--|
| TRP RETIRE 2005 ADV - T. ROWE PRIC 52-2269240 | 0.40% |

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

| (d) Enter name and EIN (address) of source of indirect compensation | (e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. |
|---|--|
| TRP RETIRE 2010 ADV - T. ROWE PRIC 52-2269240 | 0.40% |

Part I Service Provider Information (continued)

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

| (a) Enter service provider name as it appears on line 2 | (b) Service Codes (see instructions) | (c) Enter amount of indirect compensation |
|---|--|---|
| FIDELITY INVESTMENTS INSTITUTIONAL | 60 | 0 |
| (d) Enter name and EIN (address) of source of indirect compensation | (e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. | |
| TRP RETIRE 2015 ADV - T. ROWE PRIC 52-2269240 | 0.40% | |
| (a) Enter service provider name as it appears on line 2 | (b) Service Codes (see instructions) | (c) Enter amount of indirect compensation |
| FIDELITY INVESTMENTS INSTITUTIONAL | 60 | 0 |
| (d) Enter name and EIN (address) of source of indirect compensation | (e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. | |
| TRP RETIRE 2020 ADV - T. ROWE PRIC 52-2269240 | 0.40% | |
| (a) Enter service provider name as it appears on line 2 | (b) Service Codes (see instructions) | (c) Enter amount of indirect compensation |
| FIDELITY INVESTMENTS INSTITUTIONAL | 60 | 0 |
| (d) Enter name and EIN (address) of source of indirect compensation | (e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. | |
| TRP RETIRE 2025 ADV - T. ROWE PRIC 52-2269240 | 0.40% | |

Part I Service Provider Information (continued)

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

| (a) Enter service provider name as it appears on line 2 | (b) Service Codes (see instructions) | (c) Enter amount of indirect compensation |
|---|--|---|
| FIDELITY INVESTMENTS INSTITUTIONAL | 60 | 0 |
| (d) Enter name and EIN (address) of source of indirect compensation | (e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. | |
| TRP RETIRE 2030 ADV - T. ROWE PRIC 52-2269240 | 0.40% | |
| (a) Enter service provider name as it appears on line 2 | (b) Service Codes (see instructions) | (c) Enter amount of indirect compensation |
| FIDELITY INVESTMENTS INSTITUTIONAL | 60 | 0 |
| (d) Enter name and EIN (address) of source of indirect compensation | (e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. | |
| TRP RETIRE 2035 ADV - T. ROWE PRIC 52-2269240 | 0.40% | |
| (a) Enter service provider name as it appears on line 2 | (b) Service Codes (see instructions) | (c) Enter amount of indirect compensation |
| FIDELITY INVESTMENTS INSTITUTIONAL | 60 | 0 |
| (d) Enter name and EIN (address) of source of indirect compensation | (e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. | |
| TRP RETIRE 2040 ADV - T. ROWE PRIC 52-2269240 | 0.40% | |

Part I Service Provider Information (continued)

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

| (a) Enter service provider name as it appears on line 2 | (b) Service Codes (see instructions) | (c) Enter amount of indirect compensation |
|---|--|---|
| FIDELITY INVESTMENTS INSTITUTIONAL | 60 | 0 |
| (d) Enter name and EIN (address) of source of indirect compensation | (e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. | |
| TRP RETIRE 2045 ADV - T. ROWE PRIC 52-2269240 | 0.40% | |
| (a) Enter service provider name as it appears on line 2 | (b) Service Codes (see instructions) | (c) Enter amount of indirect compensation |
| FIDELITY INVESTMENTS INSTITUTIONAL | 60 | 0 |
| (d) Enter name and EIN (address) of source of indirect compensation | (e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. | |
| TRP RETIRE 2050 ADV - T. ROWE PRIC 52-2269240 | 0.40% | |
| (a) Enter service provider name as it appears on line 2 | (b) Service Codes (see instructions) | (c) Enter amount of indirect compensation |
| FIDELITY INVESTMENTS INSTITUTIONAL | 60 | 0 |
| (d) Enter name and EIN (address) of source of indirect compensation | (e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. | |
| TRP RETIRE 2055 ADV - T. ROWE PRIC 52-2269240 | 0.40% | |

Part I Service Provider Information (continued)

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

| (a) Enter service provider name as it appears on line 2 | (b) Service Codes (see instructions) | (c) Enter amount of indirect compensation |
|---|--|---|
| FIDELITY INVESTMENTS INSTITUTIONAL | 60 | 0 |
| (d) Enter name and EIN (address) of source of indirect compensation | (e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. | |
| TRP RETIRE 2060 ADV - T. ROWE PRIC 52-2269240 | 0.40% | |
| (a) Enter service provider name as it appears on line 2 | (b) Service Codes (see instructions) | (c) Enter amount of indirect compensation |
| FIDELITY INVESTMENTS INSTITUTIONAL | 60 | 0 |
| (d) Enter name and EIN (address) of source of indirect compensation | (e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. | |
| WA CORE BOND I - BNY MELLON INVEST P.O. BOX 9793 PROVIDENCE, RI 02940 | 0.15% | |
| (a) Enter service provider name as it appears on line 2 | (b) Service Codes (see instructions) | (c) Enter amount of indirect compensation |
| | | |
| (d) Enter name and EIN (address) of source of indirect compensation | (e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. | |
| | | |

Part II Service Providers Who Fail or Refuse to Provide Information

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

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

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

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

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

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

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

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

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

| | | |
|---|---|--|
| <p style="text-align: center;">SCHEDULE D (Form 5500)</p> <p style="text-align: center; font-size: small;">Department of the Treasury Internal Revenue Service</p> <hr/> <p style="text-align: center; font-size: small;">Department of Labor Employee Benefits Security Administration</p> | <p>DFE/Participating Plan Information</p> <p>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).</p> <p>▶ File as an attachment to Form 5500.</p> | <p>OMB No. 1210-0110</p> <hr/> <p style="font-size: 24pt; font-weight: bold;">2022</p> <hr/> <p style="font-weight: bold;">This Form is Open to Public Inspection.</p> |
|---|---|--|

For calendar plan year 2022 or fiscal plan year beginning 01/01/2019 and ending 12/31/2019

| | | |
|---|--|-------------------|
| <p>A Name of plan <u>FRED'S, INC. SALARY REDUCTION PROFIT SHARING PLAN</u></p> | <p>B Three-digit plan number (PN) ▶</p> | <p><u>003</u></p> |
|---|--|-------------------|

| | |
|---|--|
| <p>C Plan or DFE sponsor's name as shown on line 2a of Form 5500 <u>FRED'S, INC.</u></p> | <p>D Employer Identification Number (EIN) <u>62-0634010</u></p> |
|---|--|

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

a Name of MTIA, CCT, PSA, or 103-12 IE: FA STABLE VALUE I

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

| | | |
|---------------------------------------|-------------------------------|--|
| c EIN-PN <u>04-3022712-026</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>5117258</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 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)

| | | |
|--|--|--|
| SCHEDULE H (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small> | 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. | <small>OMB No. 1210-0110</small> 2022 This Form is Open to Public Inspection |
|--|--|--|

For calendar plan year 2022 or fiscal plan year beginning **01/01/2019** and ending **12/31/2019**

| | | |
|--|--|------------|
| A Name of plan FRED'S, INC. SALARY REDUCTION PROFIT SHARING PLAN | B Three-digit plan number (PN) | 003 |
| C Plan sponsor's name as shown on line 2a of Form 5500 FRED'S, INC. | D Employer Identification Number (EIN) 62-0634010 | |

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) 0 | 0 |
| c General investments: | | |
| (1) Interest-bearing cash (include money market accounts & certificates of deposit)..... | 1c(1) 355006 | 611863 |
| (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) 6245647 | 5117258 |
| (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) 32847813 | 26867149 |
| (14) Value of funds held in insurance company general account (unallocated contracts)..... | 1c(14) 0 | 0 |
| (15) Other..... | 1c(15) 0 | 0 |

| 1d Employer-related investments: | | (a) Beginning of Year | (b) End of Year |
|--|-------|-----------------------|-----------------|
| (1) Employer securities..... | 1d(1) | 0 | 0 |
| (2) Employer real property..... | 1d(2) | 0 | 0 |
| e Buildings and other property used in plan operation..... | 1e | 0 | 0 |
| f Total assets (add all amounts in lines 1a through 1e)..... | 1f | 39448466 | 32596270 |

Liabilities

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

Net Assets

| | | | |
|---|----|----------|----------|
| l Net assets (subtract line 1k from line 1f)..... | 1l | 39448466 | 32596270 |
|---|----|----------|----------|

Part II Income and Expense Statement

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

Income

| | | (a) Amount | (b) Total |
|--|----------|------------|-----------|
| a Contributions: | | | |
| (1) Received or receivable in cash from: (A) Employers..... | 2a(1)(A) | 0 | |
| (B) Participants..... | 2a(1)(B) | 1823325 | |
| (C) Others (including rollovers)..... | 2a(1)(C) | 895 | |
| (2) Noncash contributions..... | 2a(2) | 0 | |
| (3) Total contributions. Add lines 2a(1)(A), (B), (C), and line 2a(2)..... | 2a(3) | | 1824220 |
| b Earnings on investments: | | | |
| (1) Interest: | | | |
| (A) Interest-bearing cash (including money market accounts and certificates of deposit)..... | 2b(1)(A) | 9284 | |
| (B) U.S. Government securities..... | 2b(1)(B) | 0 | |
| (C) Corporate debt instruments..... | 2b(1)(C) | 0 | |
| (D) Loans (other than to participants)..... | 2b(1)(D) | 0 | |
| (E) Participant loans..... | 2b(1)(E) | 0 | |
| (F) Other..... | 2b(1)(F) | 0 | |
| (G) Total interest. Add lines 2b(1)(A) through (F)..... | 2b(1)(G) | | 9284 |
| (2) Dividends: (A) Preferred stock..... | 2b(2)(A) | 0 | |
| (B) Common stock..... | 2b(2)(B) | 0 | |
| (C) Registered investment company shares (e.g. mutual funds)..... | 2b(2)(C) | 1137329 | |
| (D) Total dividends. Add lines 2b(2)(A), (B), and (C)..... | 2b(2)(D) | | |
| (3) Rents..... | 2b(3) | | 0 |
| (4) Net gain (loss) on sale of assets: (A) Aggregate proceeds..... | 2b(4)(A) | 0 | |
| (B) Aggregate carrying amount (see instructions)..... | 2b(4)(B) | 0 | |
| (C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result..... | 2b(4)(C) | | |
| (5) Unrealized appreciation (depreciation) of assets: (A) Real estate..... | 2b(5)(A) | 0 | |
| (B) Other..... | 2b(5)(B) | 0 | |
| (C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)..... | 2b(5)(C) | | |

| | | (a) Amount | (b) Total |
|--|---------------|------------|-----------|
| (6) Net investment gain (loss) from common/collective trusts | 2b(6) | | 253673 |
| (7) Net investment gain (loss) from pooled separate accounts | 2b(7) | | 0 |
| (8) Net investment gain (loss) from master trust investment accounts | 2b(8) | | 0 |
| (9) Net investment gain (loss) from 103-12 investment entities..... | 2b(9) | | 0 |
| (10) Net investment gain (loss) from registered investment companies (e.g., mutual funds) | 2b(10) | | 6166365 |
| c Other income | 2c | | 0 |
| d Total income. Add all income amounts in column (b) and enter total | 2d | | 9390871 |
| Expenses | | | |
| e Benefit payment and payments to provide benefits: | | | |
| (1) Directly to participants or beneficiaries, including direct rollovers | 2e(1) | 15737624 | |
| (2) To insurance carriers for the provision of benefits | 2e(2) | 0 | |
| (3) Other | 2e(3) | 0 | |
| (4) Total benefit payments. Add lines 2e(1) through (3) | 2e(4) | | 15737624 |
| f Corrective distributions (see instructions) | 2f | | 446599 |
| g Certain deemed distributions of participant loans (see instructions) | 2g | | 0 |
| h Interest expense | 2h | | 0 |
| i Administrative expenses: (1) Professional fees | 2i(1) | 0 | |
| (2) Contract administrator fees..... | 2i(2) | 0 | |
| (3) Investment advisory and management fees | 2i(3) | 0 | |
| (4) Other | 2i(4) | 60360 | |
| (5) Total administrative expenses. Add lines 2i(1) through (4) | 2i(5) | | 60360 |
| j Total expenses. Add all expense amounts in column (b) and enter total | 2j | | 16244583 |
| Net Income and Reconciliation | | | |
| k Net income (loss). Subtract line 2j from line 2d | 2k | | -6853712 |
| l Transfers of assets: | | | |
| (1) To this plan | 2l(1) | | 1516 |
| (2) From this plan..... | 2l(2) | | 0 |

Part III Accountant's Opinion

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

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

- (1)** Unmodified **(2)** Qualified **(3)** Disclaimer **(4)** Adverse

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

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

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

(1) Name: HUSELTON, MORGAN & MAULTSBY, P.C.

(2) EIN: 75-2409112

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?..... | 4e | X | | 2000000 |
| f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty? | 4f | | X | |
| g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser? | 4g | | X | |
| h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?..... | 4h | | X | |
| i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)..... | 4i | X | | |
| j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked and see instructions for format requirements.)..... | 4j | | X | |
| k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC? | 4k | | X | |
| l Has the plan failed to provide any benefit when due under the plan? | 4l | | X | |
| m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.) | 4m | | X | |
| n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3. | 4n | | X | |

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

5c Was the plan a defined benefit plan covered under the PBGC insurance program at any time during this plan year? (See ERISA section 4021 and instructions.) Yes No Not determined
 If "Yes" is checked, enter the My PAA confirmation number from the PBGC premium filing for this plan year _____.

| | | |
|--|---|---|
| SCHEDULE R (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small> | 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. | <small>OMB No. 1210-0110</small> 2022 This Form is Open to Public Inspection. |
|--|---|---|

For calendar plan year 2022 or fiscal plan year beginning 01/01/2019 and ending 12/31/2019

| | | |
|--|--|------------|
| A Name of plan <u>FRED'S, INC. SALARY REDUCTION PROFIT SHARING PLAN</u> | B Three-digit plan number (PN) ▶ | <u>003</u> |
| C Plan sponsor's name as shown on line 2a of Form 5500 <u>FRED'S, INC.</u> | D Employer Identification Number (EIN) <u>62-0634010</u> | |

| | |
|---------------|----------------------|
| Part I | Distributions |
|---------------|----------------------|

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

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

| | |
|---|--|
| 1 | |
|---|--|

2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits):
EIN(s): 04-6568107

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

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

| | |
|---|--|
| 3 | |
|---|--|

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

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? Yes No N/A
If the plan is a defined benefit plan, go to line 8.

5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. **Date:** Month _____ Day _____ Year _____
If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.

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

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

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

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

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

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

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

10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?..... Yes No

11 a Does the ESOP hold any preferred stock?..... Yes No

b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.)..... Yes No

12 Does the ESOP hold any stock that is not readily tradable on an established securities market?..... Yes No

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that (1) contributed more than 5% of total contributions to the plan during the plan year or (2) was one of the top-ten highest contributors (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: <input type="checkbox"/> last contributing employer <input type="checkbox"/> alternative <input type="checkbox"/> reasonable approximation (see instructions for required attachment)..... | 14a | |
| b The plan year immediately preceding the current plan year. <input type="checkbox"/> 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. <input type="checkbox"/> 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 _____

**FRED'S INC. SALARY REDUCTION
PROFIT SHARING PLAN
FINANCIAL STATEMENTS
AND SUPPLEMENTAL INFORMATION
As of December 31, 2019 (in Liquidation) and 2018
And for the Year Ended December 31, 2019 (in Liquidation)
with
Independent Auditors' Report**

FRED'S INC. SALARY REDUCTION PROFIT SHARING PLAN

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INDEPENDENT AUDITORS' REPORT

To the Advisory Committee of
Fred's Inc. Salary Reduction Profit Sharing Plan

Report on the Financial Statements

We have audited the accompanying financial statements of Fred's Inc. Salary Reduction Profit Sharing Plan (the "Plan"), which comprise the statement of net assets available for benefits as of December 31, 2019 (in liquidation), and the related statement of changes in net assets available for benefits for the year then ended (in liquidation), and the statement of net assets available for benefits as of December 31, 2018 (ongoing), and the related notes to the financial statements.

Plan Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's ("DOL") Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 ("ERISA"), plan management instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 3, which was certified by Fidelity Management Trust Company ("Fidelity"), the custodian of the Plan, except for comparing such information with the related information included in the financial statements and supplemental information.

We have been informed by plan management that the custodian holds the Plan's investments and executes investment transactions. Plan management has obtained a certification from the custodian as of December 31, 2019 and 2018, and for the year ended December 31, 2019, that the information provided to plan management by the custodian is complete and accurate.

Disclaimer of Opinion

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

Emphasis of Matter

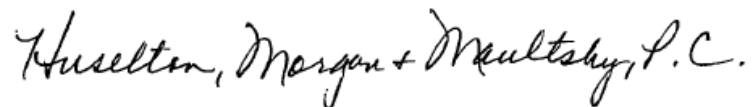
As described in Note 1 to the financial statements, the Advisory Committee of the Plan voted to terminate the Plan effective December 1, 2019, and plan management determined liquidation is imminent. As a result, the Plan has changed its basis of accounting from the going concern basis as used in presenting the 2018 financial statements to the liquidation basis used in presenting the 2019 financial statements. Our disclaimer of opinion is not modified with respect to that matter.

Other Matter

The supplemental information as of December 31, 2019 is required by the DOL's Rules and Regulations for Reporting and Disclosure under ERISA and is presented for the purpose of additional analysis and is not a required part of the financial statements. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on the supplemental information.

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

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

A handwritten signature in cursive script that reads "Huselton, Morgan + Maulsby, P.C.".

Dallas, Texas
October 8, 2020

FRED'S INC. SALARY REDUCTION PROFIT SHARING PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
December 31, 2019 (In Liquidation) and 2018

| ASSETS | | |
|--------------------------------------|------------------|---------------|
| | (In Liquidation) | |
| | 2019 | 2018 |
| Investments at fair value | \$ 32,521,039 | \$ 39,513,211 |
| Participant contributions receivable | - | 78,342 |
| Total assets | 32,521,039 | 39,591,553 |
| LIABILITIES | | |
| Excess contributions payable | 107,011 | 446,599 |
| Total liabilities | 107,011 | 446,599 |
| Net assets available for benefits | \$ 32,414,028 | \$ 39,144,954 |

See accompanying notes to financial statements.

FRED'S INC. SALARY REDUCTION PROFIT SHARING PLAN
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
(IN LIQUIDATION)

For the Year Ended December 31, 2019

Additions to net assets attributed to:

Investment income:

| | |
|---|--------------|
| Net appreciation in fair value of investments | \$ 6,280,062 |
| Dividends | 1,137,329 |
| Interest | <u>9,284</u> |
| Total investment income | 7,426,675 |

Contributions:

| | |
|---------------------|------------------|
| Participants | 1,637,972 |
| Rollovers | <u>895</u> |
| Total contributions | <u>1,638,867</u> |
| Total additions | <u>9,065,542</u> |

Deductions from net assets attributed to:

| | |
|-------------------------------|-------------------|
| Benefits paid to participants | 15,737,624 |
| Administrative expenses | <u>60,360</u> |
| Total deductions | <u>15,797,984</u> |
| Net decrease | (6,732,442) |

Net assets available for benefits:

| | |
|----------------------------------|-----------------------------|
| Beginning of year | 39,144,954 |
| Transfer of assets into the Plan | <u>1,516</u> |
| End of year | <u><u>\$ 32,414,028</u></u> |

See accompanying notes to financial statements.

FRED'S INC. SALARY REDUCTION PROFIT SHARING PLAN

NOTES TO FINANCIAL STATEMENTS

December 31, 2019 (In Liquidation) and 2018

1. DESCRIPTION OF PLAN

The following description of the Fred's Inc. (the "Company") Salary Reduction Profit Sharing Plan (the "Plan") provides only general information. Participants should refer to the plan document for a more complete description of the Plan's provisions.

On January 6, 2020, the Advisory Committee of the Plan voted to terminate the Plan effective December 1, 2019. See Note 7 for further discussion.

General

The Plan is a defined contribution plan established on January 1, 1991 covering substantially all employees of the participating employers except for leased employees, nonresident aliens and any non-hourly employees. The participating employers are Fred's Capital Management Company, National Equipment Management and Leasing Company, Fred's Stores of Tennessee, Inc., Fred's Capital Finance, Inc., Drugs for Less, Inc., National Pharmaceutical Network, Inc., Fred's Dollar Store of McComb and Reeves-Sain Drug Store, Inc. Eligible participants need to have completed three months of service and are age 21 or older. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA"). The Plan is administered by an advisory committee selected by the Company's Board who is responsible for oversight of the Plan and determines the appropriateness of the Plan's investment offerings and monitors investment performance. Fidelity Management Trust Company ("Fidelity") serves as Trustee of the Plan. Fidelity also serves as custodian of the Plan's assets and maintains the records relating to each participant's account.

Contributions

Each year, participants may contribute up to 60 percent of pretax annual compensation, as defined in the plan document. Participants who have attained age 50 before the end of the plan year are eligible to make catch-up contributions. Participants may also contribute amounts

representing distributions from other qualified defined benefit or defined contribution plans (rollovers). Participants direct the investment of their contributions into various investment options offered by the Plan. The Company's matching contributions are discretionary and determined annually by the Company's Board of Directors. For the year ended December 31, 2019, the Company did not make any discretionary matching contribution. Contributions are subject to certain Internal Revenue Service ("IRS") limitations.

Participant Accounts

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

Vesting

Participants are vested immediately in their contributions plus actual earnings thereon. Vesting in the Company's contribution portion of their accounts is based on years of continuous service. Participants vest 20 percent after 2 years of service and at a rate of 20 percent each year thereafter until the sixth year, at which time the participant is fully vested. Participants are 100 percent vested upon death or disability.

Notes Receivable from Participants

Loans are not permitted by the Plan.

Payment of Benefits

On termination of service due to death, disability, retirement, or other reasons, a participant whose vested balance is in excess of \$1,000 may elect to receive either a lump-sum amount equal to the value of the participant's vested interest in his or her account, installment payments, or partial withdrawals. A participant whose vested balance is less than \$1,000 is subject to mandatory cash out provisions as defined by the plan document.

Forfeited Accounts

As of December 31, 2019 and 2018, forfeited non-vested accounts total \$62,050 and \$39,107, respectively. These accounts may be used to pay plan expenses or to reduce future employer contributions.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

For the year ended December 31, 2019, the Plan's basis of accounting is the liquidation basis. There are no material differences in the Plan's financial statements using the liquidation basis of accounting compared to the accrual basis of accounting. For the year ended December 31, 2018, the financial statements of the Plan are prepared on the accrual basis of accounting.

Use of Estimates

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

Investment Valuation and Income Recognition

Investments are reported 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 Advisory Committee of the Plan determines the Plan's valuation policies utilizing information provided by the Plan's investment advisor and custodian. See Note 4 for discussion of fair value measurements.

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

Payments of Benefits

Benefits are recorded when paid.

Excess Contributions Payable

Amounts payable to participants for contributions in excess of amounts allowed by the IRS are recorded as a liability with a corresponding decrease to participant contributions. The Plan distributed the 2019 excess contributions to the applicable participants on February 7, 2020.

Expenses

Certain expenses of maintaining the Plan are paid by the Plan, unless otherwise paid by the Company. Expenses that are paid by the Company on behalf of the Plan are excluded from these financial statements. Fees related to the administration of benefits paid to participants are charged directly to the participant's account and are included in administrative expenses. Investment related expenses are included in both net appreciation in fair value of investments and in administrative expenses.

Concentrations

The following table presents investments that represent 10 percent or more of the Plan's net assets available for benefits as of December 31, 2019 and 2018:

| | (In Liquidation) | |
|--|------------------|--------------|
| | 2019 | 2018 |
| Fidelity Advisor Stable Value I | \$ 5,042,027 | \$ 6,310,392 |
| BNY Mellon Institutional S&P 500 Index I | \$ 3,765,801 | ** |
| Dreyfus Institutional S&P 500 Index I | ** | \$ 4,192,354 |

** Value does not represent 10 percent or more of the Plan's net assets available for benefits as of the respective date.

Subsequent Events

Plan management has evaluated subsequent events through October 8, 2020, the date the financial statements were available to be issued. See Note 11 for further discussion.

3. INFORMATION CERTIFIED BY THE PLAN'S CUSTODIAN

Plan management has elected the method of annual reporting compliance permitted by 29 CFR 2520.103-8 of the Department of Labor's ("DOL") Rules and Regulations for Reporting and Disclosure under ERISA. The custodian certified that the following data included in the accompanying financial statements and supplemental information is complete and accurate as of December 31, 2019 and 2018, and for the year ended December 31, 2019.

| | (In Liquidation) | |
|---|----------------------|----------------------|
| | 2019 | 2018 |
| Investments at fair value | <u>\$ 32,521,039</u> | <u>\$ 39,513,211</u> |
| Net appreciation in fair value of investments | <u>\$ 6,280,062</u> | |
| Dividends | <u>\$ 1,137,329</u> | |
| Interest | <u>\$ 9,284</u> | |

4. FAIR VALUE MEASUREMENTS

The framework for measuring fair value 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) and the lowest priority to unobservable inputs (level 3). The three levels of the fair value hierarchy under FASB ASC 820 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 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 maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for investments measured at fair value. There have been no changes in the methodologies used as of December 31, 2019 and 2018.

Registered investment companies: Valued at the daily closing price as reported by the fund. Funds held by the Plan are open-ended funds that are registered with U.S. Securities and Exchange Commission. These funds are required to publish their daily net asset value (“NAV”) and to transact at that price. The funds held by the Plan are deemed to be actively traded.

Interest bearing cash: Valued at the daily closing price reported in the active market on which the investment is traded.

Common collective trust (“CCT”): Valued at the NAV provided by the administrator of the trust. The NAV is based on market value of the underlying assets held by the trust less its liabilities. This practical expedient would not be used if it is determined to be probable that the trust will sell the investment for an amount different from the reported NAV. The fair market value has been established using the NAV under the practical expedient approach and therefore is not assigned to a level in the hierarchy table.

The following table sets forth by level, within the fair value hierarchy, the Plan's investments at fair value as of December 31, 2019 and 2018, with the exception of the CCT measured at fair value using the NAV practical expedient. The fair value of the CCT is provided below to permit reconciliation of the fair value hierarchy to the amounts presented in the Statements of Net Assets Available for Benefits:

| (In Liquidation) | | | | |
|---|----------------------|-------------|-------------|----------------------|
| Investments at Fair Value as of December 31, 2019 | | | | |
| | Level 1 | Level 2 | Level 3 | Total |
| Registered investment companies | \$ 26,867,149 | \$ - | \$ - | \$ 26,867,149 |
| Interest bearing cash | 611,863 | - | - | 611,863 |
| Total investments in the fair value hierarchy | <u>\$ 27,479,012</u> | <u>\$ -</u> | <u>\$ -</u> | <u>27,479,012</u> |
| Investments measured at NAV | | | | <u>5,042,027</u> |
| Total | | | | <u>\$ 32,521,039</u> |
| Investments at Fair Value as of December 31, 2018 | | | | |
| | Level 1 | Level 2 | Level 3 | Total |
| Registered investment companies | \$ 32,847,813 | \$ - | \$ - | \$ 32,847,813 |
| Interest bearing cash | 355,006 | - | - | 355,006 |
| Total investments in the fair value hierarchy | <u>\$ 33,202,819</u> | <u>\$ -</u> | <u>\$ -</u> | <u>33,202,819</u> |
| Investments measured at NAV | | | | <u>6,310,392</u> |
| Total | | | | <u>\$ 39,513,211</u> |

The following table summarizes investments for which fair value is measured using the NAV per share as a practical expedient as of December 31, 2019 and 2018, respectively. There are no participant redemption restrictions for these investments; the redemption notice period is applicable only to the Plan.

| | Fair Value as of December 31, 2019 | Fair Value as of December 31, 2018 | Unfunded Commitments | Redemption Frequency | Redemption Notice Period |
|-----|--|--|-------------------------|-------------------------|--------------------------------|
| CCT | \$ 5,042,027 | \$ 6,310,392 | \$ - | Daily | Daily |

5. RELATED PARTY AND PARTY-IN-INTEREST TRANSACTIONS

Certain plan investments are held and managed by Fidelity. Fidelity is the trustee, custodian, and recordkeeper as defined by the plan document and, therefore, these transactions qualify as party-in-interest transactions which are exempt from the prohibited transaction rules. Fees incurred by the Plan for investment management fees are included in net appreciation in fair value of investments. Fees incurred by the Plan for recordkeeping and administrating services are included in both administrative expenses and net appreciation in fair value of investments.

Investment related services are provided by Wells Fargo Clearing Services LLC (“Wells Fargo”). Wells Fargo is the Plan’s investment advisor and, therefore, these transactions qualify as party-in-interest transactions. Fees incurred by the Plan for these services are included in both administrative expenses and net appreciation in fair value of investments.

6. INACTIVE PARTICIPANTS WITH ACCOUNT BALANCES

As of December 31, 2019 and 2018, the value of the accounts held by participants who have separated from employment with the Company and have decided to continue to invest in the Plan totals \$31,832,931 and \$19,540,570, respectively. For the year ended December 31, 2019, there were no distributions requested but not paid to participants who have elected to withdraw from the Plan.

7. PLAN TERMINATION

The Company has the right under the plan document to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. On January 6, 2020, the Advisory Committee of the Plan approved to terminate the Plan subject to the provisions of ERISA, effective December 1, 2019. As of the date of termination, participants became 100 percent vested in the Company's contribution portion of their accounts. Liquidation is scheduled to occur in 2021.

8. TAX STATUS

Plan management adopted a prototype plan offered by Fidelity Management and Research Co. ("Fidelity Management"). The IRS has determined and informed Fidelity Management by a letter signed March 31, 2014 that the Plan is designed in accordance with applicable sections of the Internal Revenue Code ("IRC"). Although the Plan has been amended since Fidelity Management received the determination letter, plan management and the Plan's tax counsel believe that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC and, therefore, believe that the Plan is qualified and the related trust is tax-exempt.

Accounting principles generally accepted in the United States of America require plan management to evaluate tax positions taken by the Plan, disclose within the footnotes to the financials any potential impact to the Plan, and recognize a tax liability at the company level if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by taxing jurisdictions. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

9. RISKS AND UNCERTAINTIES

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investments securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the Statements of Net Assets Available for Benefits. See Note 11 for further discussion.

10. RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

The following is a reconciliation of the financial statements to the Form 5500 as of December 31, 2019 and 2018, and for the year ended December 31, 2019:

| | <u>2019</u> | <u>2018</u> |
|---|-----------------------|----------------------|
| Net assets available for benefits per the financials | \$ 32,414,028 | \$ 39,144,954 |
| Excess contributions payable | 107,011 | 446,599 |
| Adjustment other | 75,231 | (64,745) |
| Employee contribution receivable | - | (78,342) |
| Net assets available for benefits per the Form 5500 | <u>\$ 32,596,270</u> | <u>\$ 39,448,466</u> |
| Decrease in net assets available for benefits per the financials | \$ (6,732,442) | |
| Employee contribution receivable - prior year | 78,342 | |
| Excess contributions payable - prior year | (446,599) | |
| Excess contributions payable - current year | 107,011 | |
| Adjustment other | <u>139,976</u> | |
| Decrease in net assets available for benefits per the Form 5500 | <u>\$ (6,853,712)</u> | |

11. SUBSEQUENT EVENTS

As of October 8, 2020, the date that the financial statements were available to be issued, liquidation is scheduled to occur by February 2021.

In March 2020, the World Health Organization categorized Coronavirus Disease 2019 ("COVID-19") as a pandemic, and the President of the United States declared the COVID-19 outbreak a national emergency. The COVID-19 pandemic has led to volatility in financial markets and has affected, and may continue to affect, the market price of plan assets. The potential economic impact brought by, and the duration of, COVID-19 is difficult to assess or predict and will depend on future developments that are highly uncertain and cannot be predicted.

SUPPLEMENTAL INFORMATION

Included with Schedule H of Internal Revenue Service Form 5500

As of December 31, 2019

FRED'S INC. SALARY REDUCTION PROFIT SHARING PLAN

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

Plan Number:

003

As of December 31, 2019

EIN:

62-0634010

| (a) | (b) | (c) | (d) | (e) |
|---|---|------|------------------|-----|
| Identity of issue, borrower, lessor, or similar party | Description of investment including maturity date, rate of interest, collateral, par, or maturity value | Cost | Current Value | |
| * FA STABLE VALUE I | Common Collective Trust | ** | \$ 5,117,258 | |
| BNYM INST S&P500 I | Registered Investment Company | ** | 3,765,801 | |
| MFS GROWTH R4 | Registered Investment Company | ** | 2,925,440 | |
| JH DSCPL VAL MDCP I | Registered Investment Company | ** | 2,672,339 | |
| TRP RETIRE 2030 ADV | Registered Investment Company | ** | 2,168,323 | |
| * FA VALUE STRAT I | Registered Investment Company | ** | 1,858,959 | |
| WA CORE BOND I | Registered Investment Company | ** | 1,717,059 | |
| TRP RETIRE 2025 ADV | Registered Investment Company | ** | 1,545,874 | |
| JPM VALUE ADV L | Registered Investment Company | ** | 1,524,416 | |
| TRP RETIRE 2040 ADV | Registered Investment Company | ** | 1,472,809 | |
| MFS INTL INTR VAL R4 | Registered Investment Company | ** | 1,459,898 | |
| TRP RETIRE 2035 ADV | Registered Investment Company | ** | 1,132,867 | |
| CBA SM CAP GR I | Registered Investment Company | ** | 951,791 | |
| TRP RETIRE 2050 ADV | Registered Investment Company | ** | 687,888 | |
| TRP RETIRE 2020 ADV | Registered Investment Company | ** | 633,696 | |
| * FID GOVT MMKT | Interest Bearing Cash | ** | 611,863 | |
| TRP RETIRE 2005 ADV | Registered Investment Company | ** | 591,290 | |
| TRP RETIRE 2045 ADV | Registered Investment Company | ** | 559,457 | |
| TRP RETIRE 2055 ADV | Registered Investment Company | ** | 420,893 | |
| TRP RETIRE 2015 ADV | Registered Investment Company | ** | 396,716 | |
| AC SD INFL PR BD R5 | Registered Investment Company | ** | 257,974 | |
| TRP RETIRE 2010 ADV | Registered Investment Company | ** | 69,077 | |
| TRP RETIRE 2060 ADV | Registered Investment Company | ** | 54,582 | |
| Total assets held for investment purposes | | | \$ 32,596,270 | |

* Party in interest

** Column (d) cost information not required as accounts are participant directed.

See accompanying independent auditors' report.

FRED'S INC. SALARY REDUCTION PROFIT SHARING PLAN

Schedule H, Line 4i - Schedule of Assets (Held at End of Year) Plan Number: 003
As of December 31, 2019 EIN: 62-0634010

| (a) | (b) | (c) | (d) | (e) |
|---|---|------|------------------|-----|
| Identity of issue, borrower, lessor, or similar party | Description of investment including maturity date, rate of interest, collateral, par, or maturity value | Cost | Current Value | |
| * FA STABLE VALUE I | Common Collective Trust | ** | \$ 5,117,258 | |
| BNYM INST S&P500 I | Registered Investment Company | ** | 3,765,801 | |
| MFS GROWTH R4 | Registered Investment Company | ** | 2,925,440 | |
| JH DSCPL VAL MDCP I | Registered Investment Company | ** | 2,672,339 | |
| TRP RETIRE 2030 ADV | Registered Investment Company | ** | 2,168,323 | |
| * FA VALUE STRAT I | Registered Investment Company | ** | 1,858,959 | |
| WA CORE BOND I | Registered Investment Company | ** | 1,717,059 | |
| TRP RETIRE 2025 ADV | Registered Investment Company | ** | 1,545,874 | |
| JPM VALUE ADV L | Registered Investment Company | ** | 1,524,416 | |
| TRP RETIRE 2040 ADV | Registered Investment Company | ** | 1,472,809 | |
| MFS INTL INTR VAL R4 | Registered Investment Company | ** | 1,459,898 | |
| TRP RETIRE 2035 ADV | Registered Investment Company | ** | 1,132,867 | |
| CBA SM CAP GR I | Registered Investment Company | ** | 951,791 | |
| TRP RETIRE 2050 ADV | Registered Investment Company | ** | 687,888 | |
| TRP RETIRE 2020 ADV | Registered Investment Company | ** | 633,696 | |
| * FID GOVT MMKT | Interest Bearing Cash | ** | 611,863 | |
| TRP RETIRE 2005 ADV | Registered Investment Company | ** | 591,290 | |
| TRP RETIRE 2045 ADV | Registered Investment Company | ** | 559,457 | |
| TRP RETIRE 2055 ADV | Registered Investment Company | ** | 420,893 | |
| TRP RETIRE 2015 ADV | Registered Investment Company | ** | 396,716 | |
| AC SD INFL PR BD R5 | Registered Investment Company | ** | 257,974 | |
| TRP RETIRE 2010 ADV | Registered Investment Company | ** | 69,077 | |
| TRP RETIRE 2060 ADV | Registered Investment Company | ** | 54,582 | |
| Total assets held for investment purposes | | | \$ 32,596,270 | |

* Party in interest

** Column (d) cost information not required as accounts are participant directed.

See accompanying independent auditors' report.