

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6057(b) and 6058(a) of the Internal Revenue Code (the Code). ▶ Complete all entries in accordance with the instructions to the Form 5500.	OMB Nos. 1210-0110 1210-0089 2021 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2021 or fiscal plan year beginning <u>10/01/2021</u> and ending <u>09/30/2022</u>	
A This return/report is for:	☐ a multiemployer plan ☐ a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions.) ☒ a single-employer plan ☐ a DFE (specify) _____
B This return/report is:	☐ the first return/report ☐ the final return/report ☐ an amended return/report ☐ a short plan year return/report (less than 12 months)
C If the plan is a collectively-bargained plan, check here.	☐
D Check box if filing under:	☒ Form 5558 ☐ automatic extension ☐ the DFVC program ☐ special extension (enter description)
E If this is a retroactively adopted plan permitted by SECURE Act section 201, check here.	☐

Part II	Basic Plan Information—enter all requested information				
1a Name of plan <u>BROOKSHIRE'S EMPLOYEE STOCK OWNERSHIP AND 401(K) PLAN</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">1b Three-digit plan number (PN) ▶</td> <td style="width: 20%; text-align: center;"><u>001</u></td> </tr> <tr> <td colspan="2">1c Effective date of plan <u>09/16/1960</u></td> </tr> </table>	1b Three-digit plan number (PN) ▶	<u>001</u>	1c Effective date of plan <u>09/16/1960</u>	
1b Three-digit plan number (PN) ▶	<u>001</u>				
1c Effective date of plan <u>09/16/1960</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>BROOKSHIRE HOLDINGS, INC.</u> <u>P.O. BOX 1411</u> <u>TYLER, TX 75710-1411</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td>2b Employer Identification Number (EIN) <u>75-2894614</u></td> </tr> <tr> <td>2c Plan Sponsor's telephone number <u>903-534-3000</u></td> </tr> <tr> <td>2d Business code (see instructions) <u>445110</u></td> </tr> </table>	2b Employer Identification Number (EIN) <u>75-2894614</u>	2c Plan Sponsor's telephone number <u>903-534-3000</u>	2d Business code (see instructions) <u>445110</u>	
2b Employer Identification Number (EIN) <u>75-2894614</u>					
2c Plan Sponsor's telephone number <u>903-534-3000</u>					
2d Business code (see instructions) <u>445110</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.	07/14/2023	DENIS KNIGHT
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	07/14/2023	DENIS KNIGHT
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

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

Form 5500 (2021)
v. 210624

3a Plan administrator's name and address ☒ Same as Plan Sponsor		3b Administrator's EIN	
		3c Administrator's telephone number	
4 If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report: a Sponsor's name c Plan Name		4b EIN 4d PN	
5 Total number of participants at the beginning of the plan year		5	13835
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines 6a(1) , 6a(2) , 6b , 6c , and 6d).			
a(1) Total number of active participants at the beginning of the plan year.....		6a(1)	9571
a(2) Total number of active participants at the end of the plan year		6a(2)	10403
b Retired or separated participants receiving benefits.....		6b	1323
c Other retired or separated participants entitled to future benefits		6c	3580
d Subtotal. Add lines 6a(2) , 6b , and 6c		6d	15306
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.		6e	100
f Total. Add lines 6d and 6e		6f	15406
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)		6g	14417
h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested		6h	360
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item).....		7	
8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions: 2E 2F 2G 2I 2J 2K 2O 2S 2T 3H 3I			
b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:			
9a Plan funding arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor		9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	
10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)			
a Pension Schedules (1) ☒ R (Retirement Plan Information) (2) ☐ MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary (3) ☐ SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary		b General Schedules (1) ☒ H (Financial Information) (2) ☐ I (Financial Information – Small Plan) (3) ☐ A (Insurance Information) (4) ☒ C (Service Provider Information) (5) ☒ D (DFE/Participating Plan Information) (6) ☐ G (Financial Transaction Schedules)	

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

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

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

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

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

Receipt Confirmation Code _____

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

For calendar plan year 2021 or fiscal plan year beginning 10/01/2021 and ending 09/30/2022		
A Name of plan BROOKSHIRE'S EMPLOYEE STOCK OWNERSHIP AND 401(K) PLAN	B Three-digit plan number (PN) ▶	001
C Plan sponsor's name as shown on line 2a of Form 5500 BROOKSHIRE HOLDINGS, INC.	D Employer Identification Number (EIN) 75-2894614	

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

1 Information on Persons Receiving Only Eligible Indirect Compensation

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

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation
PRINCIPAL LIFE INSURANCE COMPANY
42-0127290

(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)

PRINCIPAL LIFE INSURANCE COMPANY

42-0127290

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
13 37 50 64	CONTRACT ADMINISTRATOR	955391	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☐ No ☒

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

HERITAGE INSTITUTIONAL

27-2388726

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
16 99	CONSULTANT	0	Yes ☒ No ☐	Yes ☐ No ☒	87976	Yes ☐ No ☒

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

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

Part I Service Provider Information (continued)

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

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
HERITAGE INSTITUTIONAL	16 99	87976

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

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

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

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

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

Part II Service Providers Who Fail or Refuse to Provide Information

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

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

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

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

SCHEDULE D (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration	DFE/Participating Plan Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ► File as an attachment to Form 5500.	OMB No. 1210-0110 2021 This Form is Open to Public Inspection.
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For calendar plan year 2021 or fiscal plan year beginning 10/01/2021 and ending 09/30/2022

A Name of plan <u>BROOKSHIRE'S EMPLOYEE STOCK OWNERSHIP AND 401(K) PLAN</u>	B Three-digit plan number (PN)	<u>001</u>
C Plan or DFE sponsor's name as shown on line 2a of Form 5500 <u>BROOKSHIRE HOLDINGS, INC.</u>	D Employer Identification Number (EIN) <u>75-2894614</u>	

Part I	Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs) (Complete as many entries as needed to report all interests in DFEs)
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a Name of MTIA, CCT, PSA, or 103-12 IE: <u>PRINCIPAL STABLE VALUE Z FUND</u>				
b Name of sponsor of entity listed in (a): <u>PRINCIPAL GLOBAL INVESTORS TRUST CO</u>				
c EIN-PN <u>93-6274328-001</u>	d Entity code <u>C</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>13280025</u>		
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>JPMCB SMRTRTMT PASS BL INC CF</u>				
b Name of sponsor of entity listed in (a): <u>JPMORGAN CHASE BANK, N.A.</u>				
c EIN-PN <u>26-1164871-001</u>	d Entity code <u>C</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>11832429</u>		
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>JPMCB SMRTRTMT PASS BL 2020 CF</u>				
b Name of sponsor of entity listed in (a): <u>JPMORGAN CHASE BANK, N.A.</u>				
c EIN-PN <u>26-1165037-001</u>	d Entity code <u>C</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>17650235</u>		
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>JPMCB SMRTRTMT PASS BL 2025 CF</u>				
b Name of sponsor of entity listed in (a): <u>JPMORGAN CHASE BANK, N.A.</u>				
c EIN-PN <u>26-1165154-001</u>	d Entity code <u>C</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>32789481</u>		
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>JPMCB SMRTRTMT PASS BL 2030 CF</u>				
b Name of sponsor of entity listed in (a): <u>JPMORGAN CHASE BANK, N.A.</u>				
c EIN-PN <u>26-1165198-001</u>	d Entity code <u>C</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>32717976</u>		
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>JPMCB SMRTRTMT PASS BL 2035 CF</u>				
b Name of sponsor of entity listed in (a): <u>JPMORGAN CHASE BANK, N.A.</u>				
c EIN-PN <u>26-1165348-001</u>	d Entity code <u>C</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>21979228</u>		
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>JPMCB SMRTRTMT PASS BL 2040 CF</u>				
b Name of sponsor of entity listed in (a): <u>JPMORGAN CHASE BANK, N.A.</u>				
c EIN-PN <u>26-1165392-001</u>	d Entity code <u>C</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>15356495</u>		

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

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

c EIN-PN 26-1165449-001	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 11337466
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a Name of MTIA, CCT, PSA, or 103-12 IE: JPMCB SMRTRTMT PASS BL 2050 CF

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

c EIN-PN 26-1165477-001	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 9602929
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a Name of MTIA, CCT, PSA, or 103-12 IE: JPMCB SMRTRTMT PASS BL 2055 CF

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

c EIN-PN 45-5590883-001	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 6703271
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a Name of MTIA, CCT, PSA, or 103-12 IE: JPMCB SMRTRTMT PASS BL 2060 CF

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

c EIN-PN 81-3239155-001	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 7028595
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a Name of MTIA, CCT, PSA, or 103-12 IE: INTERNATIONAL STOCK R1 FUND

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

c EIN-PN 82-2436292-342	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 103308
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a Name of MTIA, CCT, PSA, or 103-12 IE: LARGE CAP VALUE R1 FUND

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

c EIN-PN 38-4065329-426	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 668071
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a Name of MTIA, CCT, PSA, or 103-12 IE: MID CAP GROWTH R1 FUND

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

c EIN-PN 38-4126247-549	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 809797
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a Name of MTIA, CCT, PSA, or 103-12 IE: SMALL CAP VALUE II R1 FUND

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

c EIN-PN 38-4126250-554	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 418825
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a Name of MTIA, CCT, PSA, or 103-12 IE: SMALL CAP GROWTH FUND II R1

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

c EIN-PN 38-4126288-592	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 846151
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a Name of MTIA, CCT, PSA, or 103-12 IE:

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

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
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Part II Information on Participating Plans (to be completed by DFEs)

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

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

SCHEDULE H (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110 2021 This Form is Open to Public Inspection
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For calendar plan year 2021 or fiscal plan year beginning <u>10/01/2021</u> and ending <u>09/30/2022</u>		
A Name of plan <u>BROOKSHIRE'S EMPLOYEE STOCK OWNERSHIP AND 401(K) PLAN</u>	B Three-digit plan number (PN) ►	<u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>BROOKSHIRE HOLDINGS, INC.</u>	D Employer Identification Number (EIN) <u>75-2894614</u>	

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

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash.....	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	4972260	7138240
(2) Participant contributions.....	1b(2)	57214	35365
(3) Other	1b(3)	153522	149645
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	262058	93730
(2) U.S. Government securities	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)	135798311	144031593
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)	8483573	8961198
(9) Value of interest in common/collective trusts	1c(9)	210194467	183124282
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)		
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)	25925351	13950448
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
(15) Other.....	1c(15)		

		(a) Beginning of Year	(b) End of Year
1d	Employer-related investments:		
(1)	Employer securities.....	1d(1)	
(2)	Employer real property.....	1d(2)	
e	Buildings and other property used in plan operation	1e	
f	Total assets (add all amounts in lines 1a through 1e)	1f	385846756 357484501
Liabilities			
g	Benefit claims payable	1g	6410 5691
h	Operating payables	1h	600 919
i	Acquisition indebtedness.....	1i	3820405 5969621
j	Other liabilities.....	1j	637
k	Total liabilities (add all amounts in lines 1g through 1j)	1k	3828052 5976231
Net Assets			
l	Net assets (subtract line 1k from line 1f)	1l	382018704 351508270

Part II Income and Expense Statement

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

		(a) Amount	(b) Total
Income			
a	Contributions:		
(1)	Received or receivable in cash from: (A) Employers	2a(1)(A)	7242417
	(B) Participants	2a(1)(B)	19798109
	(C) Others (including rollovers).....	2a(1)(C)	13537040
(2)	Noncash contributions.....	2a(2)	
(3)	Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)	40577566
b	Earnings on investments:		
(1)	Interest:		
	(A) Interest-bearing cash (including money market accounts and certificates of deposit).....	2b(1)(A)	838
	(B) U.S. Government securities	2b(1)(B)	
	(C) Corporate debt instruments	2b(1)(C)	
	(D) Loans (other than to participants)	2b(1)(D)	
	(E) Participant loans.....	2b(1)(E)	318358
	(F) Other	2b(1)(F)	
	(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)	319196
(2)	Dividends: (A) Preferred stock.....	2b(2)(A)	
	(B) Common stock	2b(2)(B)	594680
	(C) Registered investment company shares (e.g. mutual funds).....	2b(2)(C)	160654
	(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)	755334
(3)	Rents	2b(3)	
(4)	Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)	
	(B) Aggregate carrying amount (see instructions).....	2b(4)(B)	
	(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)	0
(5)	Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)	
	(B) Other	2b(5)(B)	11878739
	(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)	11878739

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts.....	2b(6)		-37495290
(7) Net investment gain (loss) from pooled separate accounts.....	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts.....	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities.....	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		-5209745
c Other income.....	2c		97388
d Total income. Add all income amounts in column (b) and enter total.....	2d		10923188
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers.....	2e(1)	40161034	
(2) To insurance carriers for the provision of benefits.....	2e(2)		
(3) Other.....	2e(3)	24775	
(4) Total benefit payments. Add lines 2e(1) through (3).....	2e(4)		40185809
f Corrective distributions (see instructions).....	2f		172853
g Certain deemed distributions of participant loans (see instructions).....	2g		
h Interest expense.....	2h		
i Administrative expenses: (1) Professional fees.....	2i(1)		
(2) Contract administrator fees.....	2i(2)	1074960	
(3) Investment advisory and management fees.....	2i(3)		
(4) Other.....	2i(4)		
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		1074960
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		41433622
Net Income and Reconciliation			
k Net income (loss). Subtract line 2j from line 2d.....	2k		-30510434
l Transfers of assets:			
(1) To this plan.....	2l(1)		
(2) From this plan.....	2l(2)		

Part III Accountant's Opinion

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

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

(1) ☐ Unmodified (2) ☐ Qualified (3) ☒ 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: RSM US LLP

(2) EIN: 42-0714325

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

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

Part IV Compliance Questions

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

During the plan year:

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		564

	Yes	No	Amount
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)			
4b		X	
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)			
4c		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)			
4d		X	
e Was this plan covered by a fidelity bond?	X		10000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
4f		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?			
4g		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?			
4h		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	X		
4i	X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked and see instructions for format requirements.)			
4j		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?			
4k		X	
l Has the plan failed to provide any benefit when due under the plan?			
4l		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)			
4m		X	
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.			
4n			

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

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

5b(1) Name of plan(s)	5b(2) EIN(s)	5b(3) PN(s)

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

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110 2021 This Form is Open to Public Inspection.
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For calendar plan year 2021 or fiscal plan year beginning 10/01/2021 and ending 09/30/2022

A Name of plan BROOKSHIRE'S EMPLOYEE STOCK OWNERSHIP AND 401(K) PLAN	B Three-digit plan number (PN) ► 001
C Plan sponsor's name as shown on line 2a of Form 5500 BROOKSHIRE HOLDINGS, INC.	D Employer Identification Number (EIN) 75-2894614

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

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

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....	1	0
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): 42-0127290		
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year	3	

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

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

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

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

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

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

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

Schedule R (Form 5500) 2021
v. 201209

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

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

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

14a

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

14b

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

14c

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

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

15a

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

15b

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

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

16a

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

16b

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

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

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

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

a Enter the percentage of plan assets held as:

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

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

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

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

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

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

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

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

☐ Yes.

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

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

☐ No. Other. Provide explanation _____

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

Financial Report
September 30, 2022

Contents

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Independent Auditor's Report

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

Scope and Nature of the ERISA Section 103(a)(3)(C) Audit

We have performed audits of the financial statements of Brookshire's Employee Stock Ownership and 401(k) Plan (the Plan), an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), as permitted by ERISA Section 103(a)(3)(C) (ERISA Section 103(a)(3)(C) audit). The financial statements comprise the statements of net assets available for benefits as of September 30, 2022 and 2021, the related statement of changes in net assets available for benefits for the year ended September 30, 2022, and the related notes to the financial statements.

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

Management has obtained certifications from qualified institutions GreatBanc Trust Company (GreatBanc) and Delaware Charter Guarantee and Trust d/b/a Principal Trust Company (Principal) as of September 30, 2022 and 2021, and for the year ended September 30, 2022, stating that the certified investment information, as described in Note 3 to the financial statements, is complete and accurate.

Opinion

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

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

Basis for Opinion

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

Emphasis of Matter – Investments

As discussed in Note 6, the financial statements include an investment representing 40% and 35% of total assets as of September 30, 2022 and 2021, respectively, whose fair value has been estimated by an independent appraisal, in the absence of readily ascertainable fair values, with the assistance of management and approved by the trustee. Because of the inherent uncertainty of the valuation, the estimated value may differ significantly from the value that would have been used had a market for the investment existed, and the difference could be material. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for a reasonable period of time.

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

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

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

Other Matter—Supplemental Schedules Required by ERISA

The supplemental schedules, Schedule H, Line 4a—schedule of delinquent participant contributions for the year ended September 30, 2022, and Schedule H, line 4(i)—schedule of assets (held at end of year) as of September 30, 2022, are presented for purposes of additional analysis and are not a required part of the financial statements but are supplementary information required by the DOL's Rules and Regulations for Reporting and Disclosure under ERISA. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information included in the supplemental schedules, other than that agreed to or derived from the certified investment information, has been subjected to auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. For information included in the supplemental schedules that agreed to or is derived from the certified investment information, we compared such information to the related certified investment information.

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

In our opinion:

- The form and content of the supplemental schedules, other than the information in the supplemental schedules that agreed to or is derived from the certified investment information, are presented, in all material respects, in conformity with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA.

- The information in the supplemental schedules related to assets held by and certified to by qualified institutions agrees to, or is derived from, in all material respects, the information prepared and certified by institutions that management determined meet the requirements of ERISA Section 103(a)(3)(C).

RSM VS LLP

Dallas, Texas
July 13, 2023

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

Statements of Net Assets Available for Benefits September 30, 2022 and 2021

	2022	2021
Assets		
Investments:		
At fair value	<u>\$ 341,173,144</u>	<u>\$ 372,148,910</u>
Receivables:		
Participant contributions	329,304	316,318
Employer contributions	7,242,417	5,076,437
Notes receivable from participants	8,975,740	8,558,748
Dividends receivable	149,645	152,771
Total receivables	<u>16,697,106</u>	<u>14,104,274</u>
Total assets	<u>357,870,250</u>	<u>386,253,184</u>
Liabilities		
Loan payable	<u>5,976,229</u>	<u>3,820,405</u>
Net assets available for benefits	<u><u>\$ 351,894,021</u></u>	<u><u>\$ 382,432,779</u></u>

See notes to financial statements.

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

Statement of Changes in Net Assets Available for Benefits Year Ended September 30, 2022

Investment income (loss):	
Net depreciation in fair value of investments	\$ (30,479,602)
Interest and dividends	756,382
Net investment loss	<u>(29,723,220)</u>
Interest income on notes receivable from participants	<u>314,329</u>
Contributions:	
Participants	20,361,784
Employer	7,242,417
Rollovers	13,105,347
	<u>40,709,548</u>
Total additions	<u>11,300,657</u>
Deductions:	
Administrative expenses	1,072,934
Benefits paid to participants	40,766,481
Total deductions	<u>41,839,415</u>
Net decrease	(30,538,758)
Net assets available for benefits, beginning of year	<u>382,432,779</u>
Net assets available for benefits, end of year	<u><u>\$ 351,894,021</u></u>

See notes to financial statements.

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

Notes to Financial Statements

Note 1. Description of the Plan

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

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

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

GreatBanc Trust Company (GreatBanc) serves as the Plan trustee and also serves as custodian of the ESOP assets of the Plan. Principal Trust Company (Principal) serves as the Plan custodian of the 401(k) assets.

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

Effective July 26, 2022, the Company acquired Reasor's LLC and the Plan was amended effective January 20, 2022, to provide for individuals who were employed with Reasor's LLC credit for service while employed with Reasor's LLC and were able to participate in the Plan as soon as participation requirements were met.

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

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

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

Notes to Financial Statements

Note 1. Description of the Plan (Continued)

The Company makes discretionary matching contributions of 50% of the first 6% of participants' contributions and a discretionary employer contribution as determined by the Company. As part of the January 20, 2022 amendment, participants who were employed with Reasor's LLC and participated in the Reasor's LLC 401(k), effective January 26, 2022 were eligible to continue to receive a discretionary matching contribution of 4% of the participant's contributions. Both the discretionary matching contribution and the discretionary employer contribution can be made in the form of cash or Company shares and deposited into the ESOP. An employee qualifies to receive an allocation of the Company's discretionary matching contribution by making elective contributions during the Plan year and meeting the eligibility requirements for participation in the Plan. During the years ended September 30, 2022 and 2021, the Company made discretionary matching contributions in the form of cash to the ESOP.

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

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

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

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

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

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

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

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

Notes to Financial Statements

Note 1. Description of the Plan (Continued)

Loan payable: The Plan entered into revolving credit agreement with the Company on July 5, 2019 where the Plan can borrow various amounts for the Company to fund distributions or pay administrative expenses. The amounts are required to be repaid within the year the amount is advanced. The amounts outstanding on the revolving credit agreement as of September 30, 2022 and 2021 totaled \$5,976,229 and \$3,820,405, respectively. These advancements did not bear interest.

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

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

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

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

Note 2. Summary of Significant Accounting Policies

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

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

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

Notes to Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

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

The Employer Stock is valued at fair value. Fair value is determined by the Custodian based on an annual independent appraisal for the Employer Stock, which was \$96.88 and \$88.89 per share as of September 30, 2022 and 2021, respectively. The Plan Administrator believes the independent appraisal provides a reasonable estimate of the value of the Employer Stock. Because of the significance of the assumptions required in the valuation of the Employer Stock, the actual value could materially differ had a ready market for the securities existed.

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 (depreciation) includes the Plan's gains and losses on investments bought and sold, as well as held, during the year.

Notes receivable from participants: Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Delinquent participant loans may be reclassified as distributions based upon the terms of the Plan document. No allowance for credit losses has been recorded at September 30, 2022 and 2021. If a participant ceases to make note repayments and the Plan Administrator deems the participant note to be in default, the participant note balance is written off with a benefit payment being recorded.

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

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

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

Subsequent events: The Plan has evaluated subsequent events (events occurring after September 30, 2022) through July 13, 2023, the date the financial statements were available to be issued. Effective July 11, 2023, Brookshire Grocery Company announced the sale of 120 pharmacies in Texas, Arkansas and Louisiana to Walgreens.

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

Notes to Financial Statements

Note 3. Information Certified and Provided by GreatBanc and Principal

The following is a summary of the Plan's asset information as of September 30, 2022 and 2021, and for the year ended September 30, 2022, included throughout the Plan's financial statements and ERISA-required supplemental schedule, Schedule H, line 4i—schedule of assets (held at end of year), obtained by management and agreed to or derived from information certified by the custodian and trustee, GreatBanc and Principal. The Plan Administrator has obtained certifications from the custodian and trustee that information provided to the Plan Administrator by the custodian and trustee related to the following assets is complete and accurate. Accordingly, as permitted by 29 CFR 2520.103-8 of the Department of Labor's (DOL's) Rules and Regulations for Reporting and Disclosure under ERISA, the Plan Administrator instructed the Plan's independent auditors not to perform any auditing procedures with respect to the information that appears throughout the financial statements and ERISA-required supplemental schedule related to the following assets:

	GreatBanc	Principal	Total
2022:			
Investments at fair value:			
Employer common stock	\$ 144,031,593	\$ -	\$ 144,031,593
Mutual funds	93,730	13,923,539	14,017,269
Common collective trusts	-	183,124,282	183,124,282
	<u>\$ 144,125,323</u>	<u>\$ 197,047,821</u>	<u>\$ 341,173,144</u>
Notes receivable from participants	<u>\$ -</u>	<u>\$ 8,975,740</u>	<u>\$ 8,975,740</u>
Investment income, net appreciation (depreciation) in fair value of investments	\$ 11,878,741	\$ (42,358,343)	\$ (30,479,602)
Interest and dividends	595,523	475,188	1,070,711
	<u>\$ 12,474,264</u>	<u>\$ (41,883,155)</u>	<u>\$ (29,408,891)</u>
2021:			
Investments at fair value:			
Employer common stock	\$ 135,798,311	\$ -	\$ 135,798,311
Mutual funds	229,895	25,926,237	26,156,132
Common collective trusts	-	210,194,467	210,194,467
	<u>\$ 136,028,206</u>	<u>\$ 236,120,704</u>	<u>\$ 372,148,910</u>
Notes receivable from participants	<u>\$ -</u>	<u>\$ 8,558,748</u>	<u>\$ 8,558,748</u>
Investment income, net appreciation in fair value of investments	\$ 15,124,328	\$ 38,100,837	\$ 53,225,165
Interest and dividends	611,085	480,985	1,092,070
	<u>\$ 15,735,413</u>	<u>\$ 38,581,822</u>	<u>\$ 54,317,235</u>

Stock accounts: Total shares certified by the custodian and trustee include allocated shares of 1,486,701 and 1,527,712 as of September 30, 2022 and 2021, respectively. There were no unallocated shares as of September 30, 2022 and 2021. During the year ended September 30, 2022, the Employer Stock appreciated in value by \$7.99 per share.

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

Notes to Financial Statements

Note 4. Nonparticipant-Directed Investments

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

2022			
	Allocated	Unallocated	Total
Net assets:			
Mutual fund	\$ 93,730	\$ -	\$ 93,730
Common stock—Brookshire Holdings, Inc.	144,031,593	-	144,031,593
Employer contribution receivable	7,242,417	-	7,242,417
Dividends receivable	149,645	-	149,645
Total net assets	\$ 151,517,385	\$ -	\$ 151,517,385

2021			
	Allocated	Unallocated	Total
Net assets:			
Mutual fund	\$ 212,729	\$ -	\$ 212,729
Common stock—Brookshire Holdings, Inc.	135,798,311	-	135,798,311
Employer contribution receivable	5,076,437	-	5,076,437
Dividends receivable	152,771	-	152,771
Total net assets	\$ 141,240,248	\$ -	\$ 141,240,248

2022			
	Allocated	Unallocated	Total
Changes in net assets:			
Employer's contribution	\$ 7,242,417	\$ -	\$ 7,242,417
Net appreciation	11,878,741	-	11,878,741
Dividends and interest	595,523	-	595,523
Other transfers, disbursements and forfeitures	(670,834)	-	(670,834)
Benefits paid to participants	(11,143,025)	-	(11,143,025)
Total changes in net assets	\$ 7,902,822	\$ -	\$ 7,902,822

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

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

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

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

Notes to Financial Statements

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

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

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

Level 2: Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in inactive markets, inputs other than quoted prices that are observable for the asset or liability, and inputs that are 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's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at September 30, 2022 and 2021.

- **Mutual funds:** Mutual funds are valued based on the quoted market prices in the active market in which they are traded.
- **Common collective trusts:** The common collective investment trusts are made up of a stable value fund and common collective trusts. The stable value fund is composed primarily of fully benefit-responsive investment contracts that is valued at the net asset value (NAV) of units of the bank collective trust. The NAV is used as a practical expedient to estimate fair value. This practical expedient would not be used if it is determined to be probable that the fund will sell the investment for an amount different from the reported NAV. The common collective trusts invest primarily in common stocks and mutual funds. Valued at the NAV of shares in each account held by the Plan at year-end. The net asset value is not a public-quoted price in an active market. The NAV, as provided by the trustee, is used as a practical expedient to estimating fair value.
- **Investment in Brookshire Holdings, Inc. common stock:** Valued by the custodian based on an annual independent appraisal. The appraiser utilizes a combination of the guideline publicly traded company method and the discounted cash flow method. This methodology results in a publicly traded equivalent value. As there is a limited market for the Company common stock, the value was then discounted to reflect the impact of limited marketability. The appraiser took into account historical and projected cash flow and net income, return on assets, return on equity, market comparables and estimated fair value of the Company's assets and liabilities.

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

Notes to Financial Statements

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

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following tables set forth by level, within the fair value hierarchy, the Plan's investments at fair value as of September 30, 2022 and 2021:

2022				
Fair Value Measurements Using				
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	Fair Value			
Mutual funds	\$ 14,017,269	\$ 14,017,269	\$ -	\$ -
Common stock—related party	144,031,593	-	-	144,031,593
Total assets in the fair value hierarchy	158,048,862	14,017,269	-	144,031,593
Common collective trusts (A)	183,124,282	-	-	-
Investments at fair value	<u>\$ 341,173,144</u>	<u>\$ 14,017,269</u>	<u>\$ -</u>	<u>\$ 144,031,593</u>
2021				
Fair Value Measurements Using				
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	Fair Value			
Mutual funds	\$ 26,156,132	\$ 26,156,132	\$ -	\$ -
Common stock—related party	135,798,311	-	-	135,798,311
Total assets in the fair value hierarchy	161,954,443	26,156,132	-	135,798,311
Common collective trusts (A)	210,194,467	-	-	-
Investments at fair value	<u>\$ 372,148,910</u>	<u>\$ 26,156,132</u>	<u>\$ -</u>	<u>\$ 135,798,311</u>

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

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

Notes to Financial Statements

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

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

There were no purchases, issuances, or transfers within Level 3 investments during the year ended September 30, 2022.

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

Instrument	Fair Value at September 30, 2022	Valuation Techniques	Unobservable Input
Employer common stock	\$ 144,031,593	Discounted cash flow (income approach)	Discount rate Growth rate
		Guideline public company method (market approach)	Price multiples from comparable companies Minority interest and lack of marketability adjustments
Instrument	Fair Value at September 30, 2021	Valuation Techniques	Unobservable Input
Employer common stock	\$ 135,798,311	Discounted cash flow (income approach)	Discount rate Growth rate
		Guideline public company method (market approach)	Price multiples from comparable companies Minority interest and lack of marketability adjustments

Investments measured using the NAV per share practical expedient: The following tables summarize investments for which fair value is measured using the NAV per share practical expedient as of September 30, 2022 and 2021.

September 30, 2022				
	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Common collective trusts	\$ 183,124,282	\$ -	Daily	1 day
September 30, 2021				
	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Common collective trusts	\$ 210,194,467	\$ -	Daily	1 day

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

Notes to Financial Statements

Note 7. Risks and Uncertainties

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

The Plan invests in various investment securities (including Brookshire Holdings, Inc. common stock). Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the 2022 statement of net assets available for benefits.

Note 8. Plan Termination

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

Note 9. Tax Status

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

Note 10. Reconciliation of Financial Statements to Form 5500

The following is a reconciliation of net assets available for benefits per the financial statements at September 30, 2022 and 2021, to Form 5500:

	2022	2021
Net assets available for benefits per the financial statements	\$ 351,894,021	\$ 382,432,779
Other	(91,812)	(154,971)
Employee contributions receivable	(293,939)	(259,104)
Net assets per Form 5500	<u>\$ 351,508,270</u>	<u>\$ 382,018,704</u>

The following is a reconciliation of net (decrease) increase per the financial statements for the years ended September 30, 2022 and 2021, to Form 5500:

	2022	2021
Net (decrease) increase per the financial statements	\$ (30,538,758)	\$ 38,899,060
Employee contributions receivable	(293,939)	(259,104)
Other	322,263	(78,458)
Net (decrease) increase per Form 5500	<u>\$ (30,510,434)</u>	<u>\$ 38,561,498</u>

Supplementary Information

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

**Schedule H, Line 4a—Schedule of Delinquent Participant Contributions
Year Ended September 30, 2022**

Employer Identification Number: 75-2894614

Plan Number: 001

		Participant Contributions Transferred Late to Plan	Totals That Constitute Non-Exempt Prohibited Transactions						
		Check Here if Late Participant Loan Repayments are Included [☐]	Contributions Not Corrected	Contributions Corrected Outside VFCP	Contributions Pending Correction in VFCP	Total Fully Corrected Under VFCP and PTE 2002-51			
2022	\$	564	\$ 564	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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

Employer Identification Number 75-2894614, Plan Number 001 Schedule H, Line 4i—Schedule of Assets (Held at End of Year) September 30, 2022

Identity of Issuer, Borrower, Lessor or Similar Party	Description of Investment, Including Maturity Date, Rate of Interest, Par or Maturity Value	Cost	Current Value
Mutual funds:			
Federated Hermes	Federal Treasury Obligations Fund Instl	93,730	\$ 93,730
Blackrock Advisors	Ishares US Aggregate Bond Index K Fund	**	509,168
Doubleline	Core Fixed Inc I Fund	**	169,109
Lord Abbett	High Yield I Fund	**	218,211
PIMCO	Income Institutional Fund	**	401,064
Vanguard	Real Estate Index Admiral Fund	**	606,910
Blackrock Advisors	Ishares S & P 500 Index K Fund	**	2,222,009
Blackrock Advisors	Ishares Russell Mid-Cap Index K Fund	**	344,987
Blackrock Advisors	Ishares Msci Eafe Intl Index K Fund	**	266,849
Blackrock Advisors	Ishares Russell 2000 Small-Cap Index K Fund	**	533,669
Fidelity	Intl Cap Apprec Fund	**	834,365
Hartford	Healthcare Y Fund	**	1,116,916
Legg Mason	Inst. Funds Clearbridge Lg Cap Gr Is Fund	**	1,958,084
Putnam	Global tech R6 Fund	**	4,303,818
Wells Fargo	Sp Md Cap Val R6 Fund	**	438,380
Common collective trusts:			
Wilmington Trust, N.A	Large Cap Value R1 Fund	**	668,071
Wilmington Trust, N.A	International Stock R1 Fund	**	103,308
Wilmington Trust, N.A	Mid Cap Growth R1 Fund	**	809,797
Wilmington Trust, N.A	Small Cap Growth Fund II R1	**	846,151
Wilmington Trust, N.A	Small Cap Value II R1 Fund	**	418,825
JP Morgan	Smrttrmt Pass BL 2060	**	7,028,595
JP Morgan	Smrttrmt Pass BL 2050	**	9,602,929
JP Morgan	Smrttrmt Pass BL 2055	**	6,703,271
JP Morgan	Smrttrmt Pass BL 2045	**	11,337,466
JP Morgan	Smrttrmt Pass BL 2040	**	15,356,495
JP Morgan	Smrttrmt Pass BL 2035	**	21,979,228
JP Morgan	Smrttrmt Pass BL 2030	**	32,717,976
JP Morgan	Smrttrmt Pass BL 2025	**	32,789,481
JP Morgan	Smrttrmt Pass BL 2020	**	17,650,235
JP Morgan	Smrttrmt Pass BI Inc CF	**	11,832,429
* Principal Life Insurance Company	Morley Financial Services—Stable Value Z Fund	**	13,280,025
* Brookshire Holdings, Inc.	Common stock—1,527,712 shares	117,463,066	144,031,593
* Participants	Participant loans interest rates of 3.25% to 7.75% maturing through 2032		8,975,740
			<u>\$ 350,148,884</u>

*Party-in- interest

**Not required as investments are participant-directed

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

B' E S O 401

EIN 75 2894614
 PLAN NUMBER 001
 PLAN YEAR 10/01/2021 TO 09/30/2022

(A)	(B) Identity of issuer, borrower, lessor or similar party.	(C) Description of investment including maturity date, rate of interest, collateral, par or maturity value.	(D) Cost	(E) Current Value
	BlackRock	Registered Investment Company iShares MSCI EAFE Int Idx K Fd	\$ 0.00	\$ 266,848.80
	BlackRock	Registered Investment Company iShares S&P 500 Index K Fund	\$ 0.00	\$ 2,222,008.81
	BlackRock	Registered Investment Company iShs Russ Md-Cp Index K Fund	\$ 0.00	\$ 344,987.26
	BlackRock	Registered Investment Company iShs Russ 2000 SC Index K Fund	\$ 0.00	\$ 533,668.65
	BlackRock	Registered Investment Company iShs US Agg Bond Index K Fund	\$ 0.00	\$ 509,168.39
	SEI TRUST COMPANY	Registered Investment Company Allspring Spec M Cap Value R6	\$ 0.00	\$ 438,379.79
	Brookshire	Corporate Stock - Common Brookshire ESOP - Employer Security	\$ 0.00	\$144,031,592.88
	Legg Mason	Registered Investment Company ClearBridge Lg Cap Gr IS Fd	\$ 0.00	\$ 1,958,084.43
	DoubleLine	Registered Investment Company DoubleLine Core Fixed Inc I Fd	\$ 0.00	\$ 169,109.24
	GreatBanc	Interest Bearing Cash ESOP Cash - Interest Bearing Cash	\$ 0.00	\$ 93,730.44
	Fidelity Investments	Registered Investment Company Fidelity Intl Cap Apprec Fund	\$ 0.00	\$ 834,364.93
	Hartford Mutual Funds	Registered Investment Company Hartford Healthcare Y Fund	\$ 0.00	\$ 1,116,916.25
	Wilmington Trust	Common/Collective Trust International Stock R1 Fund	\$ 0.00	\$ 103,307.66
	JPMORGAN CHASE BANK, N.A.	Common/Collective Trust JPMCB SmrtRtmt Pass BL Inc CF	\$ 0.00	\$ 11,832,429.27
	JPMORGAN CHASE BANK, N.A.	Common/Collective Trust JPMCB SmrtRtmt Pass BL 2020 CF	\$ 0.00	\$ 17,650,234.79

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

B' E S O 401

EIN 75 2894614
PLAN NUMBER 001
PLAN YEAR 10/01/2021 TO 09/30/2022

(A)	(B) Identity of issuer, borrower, lessor or similar party.	(C) Description of investment including maturity date, rate of interest, collateral, par or maturity value.	(D) Cost	(E) Current Value
	JPMORGAN CHASE BANK, N.A.	Common/Collective Trust JPMCB SmrtRtmt Pass BL 2025 CF	\$ 0.00	\$ 32,789,481.28
	JPMORGAN CHASE BANK, N.A.	Common/Collective Trust JPMCB SmrtRtmt Pass BL 2030 CF	\$ 0.00	\$ 32,717,975.55
	JPMORGAN CHASE BANK, N.A.	Common/Collective Trust JPMCB SmrtRtmt Pass BL 2035 CF	\$ 0.00	\$ 21,979,228.18
	JPMORGAN CHASE BANK, N.A.	Common/Collective Trust JPMCB SmrtRtmt Pass BL 2040 CF	\$ 0.00	\$ 15,356,494.66
	JPMORGAN CHASE BANK, N.A.	Common/Collective Trust JPMCB SmrtRtmt Pass BL 2045 CF	\$ 0.00	\$ 11,337,465.55
	JPMORGAN CHASE BANK, N.A.	Common/Collective Trust JPMCB SmrtRtmt Pass BL 2050 CF	\$ 0.00	\$ 9,602,929.27
	JPMORGAN CHASE BANK, N.A.	Common/Collective Trust JPMCB SmrtRtmt Pass BL 2055 CF	\$ 0.00	\$ 6,703,271.22
	JPMORGAN CHASE BANK, N.A.	Common/Collective Trust JPMCB SmrtRtmt Pass BL 2060 CF	\$ 0.00	\$ 7,028,595.05
	Wilmington Trust, N.A.	Common/Collective Trust Large Cap Value R1 Fund	\$ 0.00	\$ 668,071.14
	Lord Abbett	Registered Investment Company Lord Abbett High Yield I Fund	\$ 0.00	\$ 218,210.81
	WILMINGTON TRUST, N.A.	Common/Collective Trust MID CAP GROWTH R1 FUND	\$ 0.00	\$ 809,797.16
*	Principal Global Investors Trust Co	Common/Collective Trust Principal Stable Value Z Fund	\$ 0.00	\$ 13,280,025.00
	Putnam Investments	Registered Investment Company Putnam Global Tech R6 Fund	\$ 0.00	\$ 4,330,726.75
	PIMCO Funds	Registered Investment Company PIMCO Income Institutional Fd	\$ 0.00	\$ 401,063.87
	WILMINGTON TRUST, N.A.	Common/Collective Trust SMALL CAP GROWTH FUND II R1	\$ 0.00	\$ 846,150.69

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

B' E S O 401
EIN 75 2894614
PLAN NUMBER 001
PLAN YEAR 10/01/2021 TO 09/30/2022

(A)	(B) Identity of issuer, borrower, lessor or similar party.	(C) Description of investment including maturity date, rate of interest, collateral, par or maturity value.	(D) Cost	(E) Current Value
	WILMINGTON TRUST, N.A.	Common/Collective Trust SMALL CAP VALUE II R1 FUND	\$ 0.00	\$ 418,825.15
	Vanguard Group	Registered Investment Company Vanguard RE Index Adm Fund	\$ 0.00	\$ 606,909.66
*	Participant Loans	Range of Interest Rates Rates Range From 0.00% To 7.75%	\$ 0.00	\$ 8,961,198.00

