

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 2022 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2022 or fiscal plan year beginning 01/01/2022 and ending 12/31/2022	
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 STELLAR DISTRIBUTION SERVICES, INC. 401(K) PLAN	1b Three-digit plan number (PN) ▶ 001
	1c Effective date of plan 01/01/2004
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) STELLAR DISTRIBUTION SERVICES, INC. 619 CREDITSTONE ROAD CONCORD, ONTARIO L4K 4N2 CA	2b Employer Identification Number (EIN) 36-3901405 2c Plan Sponsor's telephone number +9056693227 2d Business code (see instructions) 493100

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

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

SIGN HERE	Filed with authorized/valid electronic signature.	09/18/2023	MOHSEN HAJI BABAEI
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

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

Form 5500 (2022)
v. 220413

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	5 120
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines 6a(1) , 6a(2) , 6b , 6c , and 6d). a(1) Total number of active participants at the beginning of the plan year a(2) Total number of active participants at the end of the plan year b Retired or separated participants receiving benefits c Other retired or separated participants entitled to future benefits..... d Subtotal. Add lines 6a(2) , 6b , and 6c e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits. f Total. Add lines 6d and 6e g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)..... h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6a(1) 78 6a(2) 83 6b 0 6c 50 6d 133 6e 3 6f 136 6g 131 6h 10
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 2J 2K 2S 2T 3D 3H b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:	
9a Plan funding arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor
10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)	
a Pension Schedules (1) ☒ R (Retirement Plan Information) (2) ☐ MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary (3) ☐ SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary	b General Schedules (1) ☒ H (Financial Information) (2) ☐ I (Financial Information – Small Plan) (3) ☐ 0 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 2022 Form M-1 annual report. If the plan was not required to file the 2022 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code _____

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
		2022
		This Form is Open to Public Inspection.

For calendar plan year 2022 or fiscal plan year beginning 01/01/2022 and ending 12/31/2022		
A Name of plan STELLAR DISTRIBUTION SERVICES, INC. 401(K) PLAN	B Three-digit plan number (PN) ▶	001
C Plan sponsor's name as shown on line 2a of Form 5500 STELLAR DISTRIBUTION SERVICES, INC.	D Employer Identification Number (EIN) 36-3901405	

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
FIDELITY INVESTMENTS INSTITUTIONAL
04-2647786

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

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

FIDELITY INVESTMENTS INSTITUTIONAL

04-2647786

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
37 60 64 65	RECORDKEEPER	8038	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☒ No ☐

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

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

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

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

Part I Service Provider Information (continued)

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

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
BAIRD CORE PLUS INST - US BANCORP 39-0281260	0.02%	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
WB SMALL CAP VALUE I - DST ASSET M 430 W 7TH STREET STE 219432 KANSAS CITY, MO 64105	0.15%	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(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 2022 This Form is Open to Public Inspection.
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For calendar plan year 2022 or fiscal plan year beginning 01/01/2022 and ending 12/31/2022		
A Name of plan STELLAR DISTRIBUTION SERVICES, INC. 401(K) PLAN	B Three-digit plan number (PN) ►	001
C Plan or DFE sponsor's name as shown on line 2a of Form 5500 STELLAR DISTRIBUTION SERVICES, INC.	D Employer Identification Number (EIN) 36-3901405	

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: MIP II CL 1		
b Name of sponsor of entity listed in (a): FIDELITY MANAGEMENT TRUST COMPANY		
c EIN-PN 04-3022712-025	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 2864
a Name of MTIA, CCT, PSA, or 103-12 IE: SS TRGT RET 2045 V		
b Name of sponsor of entity listed in (a): STATE STREET BANK & TRUST COMPANY		
c EIN-PN 32-6528132-001	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 343341
a Name of MTIA, CCT, PSA, or 103-12 IE: SS TRGT RET 2050 V		
b Name of sponsor of entity listed in (a): STATE STREET BANK & TRUST COMPANY		
c EIN-PN 32-6528132-002	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 235742
a Name of MTIA, CCT, PSA, or 103-12 IE: SS TRGT RET 2055 V		
b Name of sponsor of entity listed in (a): STATE STREET BANK & TRUST COMPANY		
c EIN-PN 32-6528132-005	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 190207
a Name of MTIA, CCT, PSA, or 103-12 IE: SS TRGT RET 2060 V		
b Name of sponsor of entity listed in (a): STATE STREET BANK & TRUST COMPANY		
c EIN-PN 32-6528132-008	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 109205
a Name of MTIA, CCT, PSA, or 103-12 IE: SS TRGT RET 2065 V		
b Name of sponsor of entity listed in (a): STATE STREET BANK & TRUST COMPANY		
c EIN-PN 32-6528132-046	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 22498
a Name of MTIA, CCT, PSA, or 103-12 IE: SS TRGT RET 2040 V		
b Name of sponsor of entity listed in (a): STATE STREET BANK & TRUST COMPANY		
c EIN-PN 90-0337987-493	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 304756

a Name of MTIA, CCT, PSA, or 103-12 IE: SS TRGT RET INC V

b Name of sponsor of entity listed in (a): STATE STREET BANK & TRUST COMPANY

c EIN-PN 90-0337987-490	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 3787
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a Name of MTIA, CCT, PSA, or 103-12 IE: SS TRGT RET 2020 V

b Name of sponsor of entity listed in (a): STATE STREET BANK & TRUST COMPANY

c EIN-PN 90-0337987-491	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 77878
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a Name of MTIA, CCT, PSA, or 103-12 IE: SS TRGT RET 2025 V

b Name of sponsor of entity listed in (a): STATE STREET BANK & TRUST COMPANY

c EIN-PN 90-0337987-498	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 154769
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a Name of MTIA, CCT, PSA, or 103-12 IE: SS TRGT RET 2030 V

b Name of sponsor of entity listed in (a): STATE STREET BANK & TRUST COMPANY

c EIN-PN 90-0337987-492	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 351454
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a Name of MTIA, CCT, PSA, or 103-12 IE: SS TRGT RET 2035 V

b Name of sponsor of entity listed in (a): STATE STREET BANK & TRUST COMPANY

c EIN-PN 90-0337987-499	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 358458
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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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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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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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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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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
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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 2022 This Form is Open to Public Inspection				
For calendar plan year 2022 or fiscal plan year beginning <u>01/01/2022</u> and ending <u>12/31/2022</u>						
A Name of plan <u>STELLAR DISTRIBUTION SERVICES, INC. 401(K) PLAN</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">B Three-digit plan number (PN) ►</td> <td style="width: 20%; text-align: center;"><u>001</u></td> </tr> <tr> <td colspan="2" style="height: 20px;"></td> </tr> </table>		B Three-digit plan number (PN) ►	<u>001</u>		
B Three-digit plan number (PN) ►	<u>001</u>					
C Plan sponsor's name as shown on line 2a of Form 5500 <u>STELLAR DISTRIBUTION SERVICES, INC.</u>	D Employer Identification Number (EIN) <u>36-3901405</u>					

Part I	Asset and Liability Statement		
1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.			
Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash.....		1a	0
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions.....		1b(1)	1550
(2) Participant contributions.....		1b(2)	3660
(3) Other.....		1b(3)	1165
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit).....		1c(1)	66190
(2) U.S. Government securities		1c(2)	0
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred		1c(3)(A)	0
(B) All other		1c(3)(B)	0
(4) Corporate stocks (other than employer securities):			
(A) Preferred		1c(4)(A)	0
(B) Common.....		1c(4)(B)	0
(5) Partnership/joint venture interests		1c(5)	0
(6) Real estate (other than employer real property)		1c(6)	0
(7) Loans (other than to participants).....		1c(7)	0
(8) Participant loans.....		1c(8)	112631
(9) Value of interest in common/collective trusts.....		1c(9)	2626184
(10) Value of interest in pooled separate accounts		1c(10)	0
(11) Value of interest in master trust investment accounts.....		1c(11)	0
(12) Value of interest in 103-12 investment entities		1c(12)	0
(13) Value of interest in registered investment companies (e.g., mutual funds).....		1c(13)	407103
(14) Value of funds held in insurance company general account (unallocated contracts).....		1c(14)	0
(15) Other		1c(15)	0

1d Employer-related investments:		(a) Beginning of Year	(b) End of Year
(1) Employer securities.....	1d(1)	0	0
(2) Employer real property.....	1d(2)	0	0
e Buildings and other property used in plan operation.....	1e	0	0
f Total assets (add all amounts in lines 1a through 1e).....	1f	3218483	2589008

Liabilities

g Benefit claims payable.....	1g	0	0
h Operating payables.....	1h	1719	1711
i Acquisition indebtedness.....	1i	0	0
j Other liabilities.....	1j	0	0
k Total liabilities (add all amounts in lines 1g through 1j).....	1k	1719	1711

Net Assets

l Net assets (subtract line 1k from line 1f).....	1l	3216764	2587297
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Part II Income and Expense Statement

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

Income

		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers.....	2a(1)(A)	41146	
(B) Participants.....	2a(1)(B)	204650	
(C) Others (including rollovers).....	2a(1)(C)	5464	
(2) Noncash contributions.....	2a(2)	0	
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		251260
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit).....	2b(1)(A)	342	
(B) U.S. Government securities.....	2b(1)(B)	0	
(C) Corporate debt instruments.....	2b(1)(C)	0	
(D) Loans (other than to participants).....	2b(1)(D)	0	
(E) Participant loans.....	2b(1)(E)	5281	
(F) Other.....	2b(1)(F)	0	
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		5623
(2) Dividends: (A) Preferred stock.....	2b(2)(A)	0	
(B) Common stock.....	2b(2)(B)	0	
(C) Registered investment company shares (e.g. mutual funds).....	2b(2)(C)	11008	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		11008
(3) Rents.....	2b(3)		0
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds.....	2b(4)(A)	0	
(B) Aggregate carrying amount (see instructions).....	2b(4)(B)	0	
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result.....	2b(4)(C)		0
(5) Unrealized appreciation (depreciation) of assets: (A) Real estate.....	2b(5)(A)	0	
(B) Other.....	2b(5)(B)	0	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		0

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		-459237
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		0
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		0
(9) Net investment gain (loss) from 103-12 investment entities.....	2b(9)		0
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		-69962
c Other income	2c		133
d Total income. Add all income amounts in column (b) and enter total	2d		-261175
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	360121	
(2) To insurance carriers for the provision of benefits	2e(2)	0	
(3) Other	2e(3)	0	
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		360121
f Corrective distributions (see instructions)	2f		0
g Certain deemed distributions of participant loans (see instructions)	2g		0
h Interest expense	2h		0
i Administrative expenses: (1) Professional fees	2i(1)	0	
(2) Contract administrator fees	2i(2)	0	
(3) Investment advisory and management fees	2i(3)	0	
(4) Other	2i(4)	8171	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		8171
j Total expenses. Add all expense amounts in column (b) and enter total	2j		368292
Net Income and Reconciliation			
k Net income (loss). Subtract line 2j from line 2d	2k		-629467
l Transfers of assets:			
(1) To this plan	2l(1)		0
(2) From this plan	2l(2)		0

Part III Accountant's Opinion

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

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

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

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

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

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

(1) Name: **KPMG LLP**

(2) EIN: **13-5565207**

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		60298

	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		1000000
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?		X	
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?		X	
4h		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	X		
4i	X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked and see instructions for format requirements.)		X	
4j		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?		X	
4k		X	
l Has the plan failed to provide any benefit when due under the plan?		X	
4l		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)		X	
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.		X	
4n		X	

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

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 2022 This Form is Open to Public Inspection.
For calendar plan year 2022 or fiscal plan year beginning 01/01/2022 and ending 12/31/2022		
A Name of plan STELLAR DISTRIBUTION SERVICES, INC. 401(K) PLAN		B Three-digit plan number (PN) 001
C Plan sponsor's name as shown on line 2a of Form 5500 STELLAR DISTRIBUTION SERVICES, INC.		D Employer Identification Number (EIN) 36-3901405
Part I Distributions		
All references to distributions relate only to payments of benefits during the plan year.		
1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....		1
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): 04-6568107		
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....		3
Part II Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part.)		
4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? ☐ Yes ☐ No ☐ N/A If the plan is a defined benefit plan, go to line 8.		
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____ If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.		
6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived).....		6a
b Enter the amount contributed by the employer to the plan for this plan year.....		6b
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount).....		6c
If you completed line 6c, skip lines 8 and 9.		
7 Will the minimum funding amount reported on line 6c be met by the funding deadline? ☐ Yes ☐ No ☐ N/A		
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change? ☐ Yes ☐ No ☐ N/A		
Part III Amendments		
9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box..... ☐ Increase ☐ Decrease ☐ Both ☐ No		
Part IV ESOPs (see instructions). If this is not a plan described under section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.		
10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?..... ☐ Yes ☐ No		
11 a Does the ESOP hold any preferred stock?..... ☐ Yes ☐ No		
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.)..... ☐ Yes ☐ No		
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?..... ☐ Yes ☐ No		
For Paperwork Reduction Act Notice, see the Instructions for Form 5500.		
Schedule R (Form 5500) 2022 v. 220413		

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that (1) contributed more than 5% of total contributions to the plan during the plan year or (2) was one of the top-ten highest contributors (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

14	Enter the number of deferred vested and retired participants (inactive participants), as of the beginning of the plan year, whose contributing employer is no longer making contributions to the plan for:		
	a The current plan year. Check the box to indicate the counting method used to determine the number of inactive participants: ☐ 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 _____

STELLAR DISTRIBUTION SERVICES, INC. 401(k) PLAN

Financial Statements and Supplemental Schedules
December 31, 2022 and 2021
(With Independent Auditors' Report Thereon)

STELLAR DISTRIBUTION SERVICES, INC. 401(k) PLAN

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All other schedules required by 29 CFR 2520.103-10 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 have been omitted because they are not applicable or required.



KPMG LLP
One Cleveland Center
Suite 2600
1375 East Ninth Street
Cleveland, OH 44114-1796

Independent Auditors' Report

The Plan Administrator and Plan Participants
Stellar Distribution Services, Inc. 401(k) Plan:

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

We have performed audits of the financial statements of Stellar Distribution Services, Inc. 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 December 31, 2022 and December 31, 2021, and the related statement of changes in net assets available for benefits for the year ended December 31, 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 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 Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA (qualified institution).

Management has obtained certifications from a qualified institution as of December 31, 2022 and December 31, 2021, and for the year ended December 31, 2022, stating that the certified investment information, as described in Note 8 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 Auditors' 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 U.S. generally accepted accounting principles.
- The information in the accompanying financial statements related to assets held by and certified to by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

Basis for Opinion

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 Auditors' 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.



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. generally accepted accounting principles, 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 for one year after the date that the financial statements are available to be issued.

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

Auditors' Responsibilities for the Audit of the 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- 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 certification, 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. generally accepted accounting principles.



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. generally accepted accounting principles.

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 of Schedule H, Line 4a - Schedule of Delinquent Participant Contributions for the year ended December 31, 2022, and Schedule H, Line 4i - Schedule of Assets (held at end of year) as of December 31, 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 Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information included in the supplemental schedules, other than that agreed to or derived from the certified investment information, has been subjected to the 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 Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

In our opinion:

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

KPMG LLP

Cleveland, Ohio
September 15, 2023

STELLAR DISTRIBUTION SERVICES, INC. 401(k) PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
DECEMBER 31, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
Assets:		
Investments:		
Investments at fair value	\$ 2,421,390	\$ 3,099,477
Receivables:		
Participant contributions	3,955	3,660
Employer contributions	1,807	1,550
Corrective contributions from plan sponsor (note 6)	5,464	80
Notes receivable from participants	156,334	112,631
Other receivables	58	1,085
Total receivables	<u>167,618</u>	<u>119,006</u>
Total assets	<u>2,589,008</u>	<u>3,218,483</u>
Liability:		
Administrative expense payable	<u>1,711</u>	<u>1,719</u>
Total liability	<u>1,711</u>	<u>1,719</u>
Net assets available for benefits	<u>\$ 2,587,297</u>	<u>\$ 3,216,764</u>

See accompanying notes to financial statements.

STELLAR DISTRIBUTION SERVICES, INC. 401(k) PLAN
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
FOR THE YEAR ENDED DECEMBER 31, 2022

Investment loss:

Dividends and interest	\$ 11,350
Net depreciation in fair value of investments	(529,199)
Total investment loss	(517,849)

Interest income on notes receivable from participants	5,281
---	-------

Other income	133
--------------	-----

Contributions:

Participants	204,650
Employer	41,146
Corrective contributions from plan sponsor (note 6)	5,464
Total contributions	251,260

Deductions:

Participant distributions	(360,121)
Administrative expenses	(8,171)

Total deductions	(368,292)
-------------------------	-----------

Net decrease	(629,467)
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Net assets available for benefits, beginning of year	3,216,764
---	-----------

Net assets available for benefits, end of year	\$ 2,587,297
---	---------------------

See accompanying notes to financial statements.

STELLAR DISTRIBUTION SERVICES, INC. 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

1 – DESCRIPTION OF PLAN

Stellar Distribution Service, Inc. 401(k) Plan (the Plan) covers eligible employees of Stellar Distribution Services, Inc. (Stellar or the Company), the Plan's sponsor. Grand Trunk Corporation (GTC), owns directly or indirectly all of the U.S. affiliates of Canadian National Railway Company (CN), including Stellar, and is a holding company owned by CN. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA), as amended.

The Plan is a defined contribution plan, offering all eligible employees of Stellar an opportunity to defer annually from 1% to 90% of their eligible earnings, subject to the legal limits allowed by the Internal Revenue Service (IRS), for contribution to various investment funds.

The following description of the Stellar Distribution Service, Inc. 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.

Eligibility

Eligible employees may participate in the Plan any time on or after 90 days after their date of hire. The Plan has an "automatic enrollment feature" permitting Stellar to automatically enroll new hires in the Plan. Eligible new employees are automatically enrolled in the Plan at a deferral rate of 3% of their eligible earnings, unless they make an affirmative election to decline participation in the Plan or to change their deferral percentage. An employee failing to respond within the prescribed notification period (30 days after receiving notification from the trustee) would become an active Plan participant.

Administration of the Plan

The Board of Directors of Stellar is responsible for oversight of the Plan. The Company is responsible for the general operation and administration of the Plan and for carrying out and interpreting the Plan's provisions.

Trustee and Record Keeper

Fidelity Management Trust Company (FMTCC) was appointed as trustee and record keeper of the Plan. Other affiliated Fidelity companies may provide certain ministerial record keeping and administrative services to the Plan pursuant to an agreement entered into with the Plan Sponsor.

Contributions

Eligible participants may elect to make contributions to the Plan in amounts ranging from 1% to 90% of their annual eligible earnings on a before-tax basis subject to certain limitations. Such contributions are withheld from each participant's compensation and deposited in the appropriate fund in accordance with the participant's directives.

Consistent with provisions established by the IRS, the Plan's limit on pre-tax contributions by a participant was \$20,500 for 2022. Participants who are at least age 50 by the end of a particular Plan year and have contributed the maximum 401(k) deferral amount allowed under the Plan for that year are eligible to contribute an additional portion of their annual eligible earnings on a before-tax basis as "catch-up" contributions, up to the annual IRS limit of \$6,500 for 2022.

For all eligible employees, the Company contributes to the account balance of the Plan participants a "matching contribution" equal to 50% of the first 6% of annual eligible earnings the participant defers (a maximum Company match of 3% of eligible earnings). The Company may change the 50% matching rate or the 6% rate at any time. The Company does not match the participants' "catch-up" contributions. Although the Company has not expressed any intent to do so, it has the right under the Plan to amend its matching contribution.

Participants may elect to rollover amounts from other qualified plans or individual retirement accounts into the Plan provided that certain conditions are met.

Participant Accounts

Participants direct the investment of their account balance into a broad range of investment funds offered by the Plan. The Plan's record keeper maintains an account balance in the name of each participant to which each participant's pre-tax contributions, the Company's contributions, and share of net earnings, losses and expenses, if any, of the various investment funds, are recorded. Interest, dividends, and realized and unrealized gains and losses on investment of the funds are allocated directly to each participant's account. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

STELLAR DISTRIBUTION SERVICES, INC. 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

Vesting

Participants' contributions and related earnings are fully vested immediately, whereas the Company's matching contribution and related earnings from such contributions are not vested until completion of three years of service, at which time they become fully vested.

Forfeited Accounts

Under terms of the Plan, participants' forfeited unvested accounts are used to pay for administrative expenses or reduce Company contributions. At December 31, 2022 and 2021, forfeited unvested accounts available for future use were \$850 and \$38,413 respectively. In 2022, the Company applied \$50,329 of participants' forfeited unvested accounts to reduce Company contributions.

Distributions

Participants are eligible for a distribution of Plan benefits upon termination of service, whether by disability, retirement, death, or termination of employment with the Company. In the event of financial hardship, as defined in the Plan, participants may withdraw amounts from their Plan accounts while they are still employed. Participants who have attained age 59½ may request a distribution of all or a portion of the value in the account. Withdrawals by the participant before attaining age 59½ generally are subject to a penalty of 10%.

A participant may request a hardship withdrawal from his employee contribution account, or, if fully vested, his employer contributions accounts as defined in the Plan. The hardship withdrawal must be approved by the Plan administrator. Effective January 1, 2019, a participant no longer has to exhaust all loans options before taking a hardship withdrawal and can continue to make elective deferrals immediately after the withdrawal.

Notes Receivable from Participants

Participants may borrow from their accounts by taking one loan with a minimum amount of \$1,000, and a maximum amount equal to the lesser of \$50,000, reduced by the participant's highest outstanding loan balance in the prior 12 months (if any), or 50% of their vested account balance. General purpose loans must be repaid within 5 years; if the funds are used to construct or purchase a primary residence, funds must be repaid within 10 years. The interest rate on the loans is equal to the prevailing prime rate as of the beginning of the calendar quarter in which the participant applies for the loan, which ranged from 3.25% to 8.00% for loans outstanding at December 31, 2022. Principal and interest are paid in equal installments through employee payroll deductions. Participants may prepay the entire outstanding loan balance at any time without penalty.

Termination of Service

Upon termination of service, a participant with a vested account may leave their account in the Plan, or may elect to receive the value of their account in a lump-sum payment or as a direct transfer to another qualified retirement plan subject to certain conditions. However, a participant with an account balance of \$5,000 or less may select from the latter two options only.

2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Plan are prepared under the accrual method of accounting.

Use of Estimates

The preparation of the financial statements in conformity with U.S. generally accepted accounting principles (U.S. GAAP) requires the Plan Administrator to make estimates and assumptions that affect the reported amounts of assets, liabilities, and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Investment Valuation and Income Recognition

The Plan's investments are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Plan's valuation policies utilize information provided by the trustee. See note 5 for a discussion of fair value measurements.

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

STELLAR DISTRIBUTION SERVICES, INC. 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

Purchases and sales of securities are recorded on a trade date basis. Dividends are recorded on the ex-dividend date, and interest income is recorded on the accrual basis.

Net depreciation of investments includes the realized gains and losses on the sale of securities and the unrealized appreciation and depreciation in the value of investments.

Notes Receivable from Participants

Notes receivable from participants are measured at their unpaid principal balance plus accrued interest. Interest income is recorded on the accrual basis. Delinquent participant loans are reclassified as a distribution based upon the terms of the Plan document. No allowance for credit losses has been recorded as of December 31, 2022 and 2021.

Distributions

Distributions to participants or beneficiaries are recorded upon payment.

Contributions Receivable

Contributions receivable are the amounts due, as of the date of the financial statements, to the Plan from the Company and participants. Participant contributions from employee payroll deductions made subsequent to the Plan's year-end attributable to the preceding Plan year are accrued, as are Company contributions coinciding with these salary deferrals, if any.

Other income

The Plan has entered into a revenue sharing agreement with Fidelity effective July 1, 2020. Under the terms of the agreement the Plan will earn revenue credits based upon the Plan's holdings. The revenue credits that have been funded by Fidelity to the Plan are recorded as other income. As at December 31, 2022, the Plan recorded a receivable for \$9 related to this agreement.

The Plan earns overnight interest on cash deposits related to transactions in process which is recorded as other income. As at December 31, 2022, the Plan recorded a receivable for \$49 related to overnight interest.

Expenses

Most administrative expenses, consisting of trustee, investment consulting and investment fees, of the Plan are paid from Plan assets. Effective July 1, 2020, administrative fees are now based on a fixed fee by participant approach and deducted from participant accounts quarterly. In accordance with the Plan agreement, all other administrative expenses are paid by the Plan Sponsor and excluded from the financial statements. Fees related to the administration of notes receivable from participants are charged directly to the participant's account and included in administrative expenses.

3 – ADMINISTRATION OF INVESTMENT FUNDS

Participants direct the investment of their account balance into a broad range of investment funds offered by the Plan. The Plan Administrator may add, remove or replace any investment funds as deemed appropriate and as allowed by the Plan document and the Statement of Investment Policy.

4 – PLAN TERMINATION

Although the Company has not expressed any intent to do so, it has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA.

5 - INVESTMENTS

The Plan applies the provisions of Financial Accounting Standards Board Accounting Standards Codification 820 *Fair Value Measurements* ("FASB ASC 820"), for its financial assets and liabilities carried at fair value on a recurring basis in the financial statements. FASB ASC 820 defines fair value as the exchange price that would be received to sell an asset or paid to transfer a liability (an exit price) in an orderly transaction between market participants at the measurement date. FASB ASC 820 also establishes a fair value hierarchy, which requires assets and liabilities measured at fair value to be categorized into one of three levels based on the inputs used in the valuation. Assets and liabilities are classified in their entirety based on the lowest level of input significant to the fair value measurement. The three levels are defined as follows:

STELLAR DISTRIBUTION SERVICES, INC. 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

Level 1 – Observable inputs based on quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Observable inputs, other than those included in Level 1, based on quoted prices for similar assets and liabilities in active markets, or quoted prices for identical or similar assets and liabilities in inactive markets.

Level 3 – Unobservable inputs that reflect an entity’s own assumptions about what inputs a market participant would use in pricing the asset or liability based on the best information available in the circumstances.

Investments are reported at fair value in the statements of net assets available for benefits. Following is a description of the valuation methodology and assumptions used to estimate the fair value. There has been no change in the methodology used at December 31, 2022 and 2021.

Mutual funds and money market fund – These investments consist of various publicly traded money market and mutual funds. Money market and mutual funds are valued at the daily closing price as reported by the fund. These funds are required to publish their daily net asset value (NAV) and to transact at that price. Money market funds held by the Plan are deemed to be actively traded.

Common collective trust fund – The Plan’s investment in the common collective trust fund (CCT) is valued at NAV of the units of the fund. Net asset value per unit is determined each business day. The NAV is based on the underlying investments less liabilities. The fair value of the underlying investments is determined by the Trustee utilizing quoted market prices, most recent bid prices in the principal market in which the securities are normally traded, pricing services and dealer quotes. Redemptions initiated by Plan participants may be made on any business day and are processed on the same business day based on the next determined NAV per unit. Redemptions initiated by the Plan Sponsor are required to provide twelve months written notice. Redemptions made by the Plan participants cannot be reinvested into competing investments for ninety days from the date of transfer. Competing investments are investment options offered by the Plan which may be deemed to compete with the CCT. There are no unfunded commitments related to the investment in the CCT.

Collective investment fund– The Plan’s investment in collective investment funds (CIF) is valued at NAV of the units of the fund. Net asset value per unit is determined at the end of each business day. The NAV is based on the underlying investments less liabilities. The fair value of the underlying investments is determined by the Trustee utilizing quoted market prices, most recent bid prices in the principal market in which the securities are normally traded, pricing services and dealer quotes. Redemptions initiated by Plan participants may be made on any business day and are processed on the same business day based on the next determined NAV per unit. There are no unfunded commitments related to the investment in the CIF.

The money market fund, mutual funds, CCT fund and CIF funds are valued using level 1 inputs.

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
2022				
Mutual Funds	\$ 245,899	—	—	245,899
Money Market Fund	20,532	—	—	20,532
Common collective trust fund	2,864	—	—	2,864
Collective investment fund	2,152,095	—	—	2,152,095
Total	<u>\$ 2,421,390</u>	<u>—</u>	<u>—</u>	<u>2,421,390</u>
2021				
Mutual Funds	\$ 407,103	—	—	407,103
Money Market Fund	66,190	—	—	66,190
Common collective trust fund	2,843	—	—	2,843
Collective investment fund	2,623,341	—	—	2,623,341
Total	<u>\$ 3,099,477</u>	<u>—</u>	<u>—</u>	<u>3,099,477</u>

STELLAR DISTRIBUTION SERVICES, INC. 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

6 – RECEIVABLE FROM PLAN SPONSOR

The Plan Sponsor has encountered administrative and operational discrepancies in the operation of the Plan in accordance with the plan document for 2022 and has accrued a net receivable of \$5,464 as at December 31, 2022 from the Plan Sponsor.

In 2022, the Plan Sponsor remitted via the Self-Correction Program the 2021 accrued receivable for lost earnings of \$80 as at December 31, 2021. The lost earnings corrected in 2022 related to the 2020 and 2018 plan years.

7 – FEDERAL INCOME TAXES

The underlying volume submitter plan has received an opinion letter from the IRS dated March 31, 2014 stating that the form of the Plan is qualified under Section 401(a) of the IRC, and therefore, the related trust is tax exempt. In accordance with Revenue Procedures 2012-6 and 2011-49, the Plan Administrator has determined that it is eligible to and has chosen to rely on the current IRS prototype plan opinion letter. Once qualified, the Plan is required to operate in conformity with the IRC to maintain its qualification. The Plan Administrator has corrected via the Self-Correction Program allowed by the IRS the administrative and operational discrepancies encountered as of December 31, 2021 as referred to in note 6 and believes the Plan is operating in compliance with the applicable requirements of the IRC.

U.S. GAAP requires the Plan Administrator to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain tax position that more likely than not would not be sustained upon examination by the IRS. The Plan Administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2022, there are no uncertain tax positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Plan Administrator believes it is no longer subject to income tax examinations for years prior to 2019.

8 – INFORMATION CERTIFIED BY THE TRUSTEE

The following information included in the financial statements and supplemental schedules was provided and certified by the trustee, as complete and accurate:

- a. Investments and notes receivable from participants as shown in the statements of net assets available for benefits as of December 31, 2022, and 2021;
- b. Total investment income, including interest on participant loans, as shown in the statement of changes in net assets available for benefits for the year ended December 31, 2022;
- c. Investment information included in note 5, exclusive of identification of investment levels presented;
- d. Schedule H, line 4i – Schedule of Assets (held at end of year) as of December 31, 2022.

The Plan's independent auditors did not perform auditing procedures with respect to the certified information, except for comparing such information to the related information included in the financial statements.

STELLAR DISTRIBUTION SERVICES, INC. 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

9 – RELATED-PARTY AND PARTY IN INTEREST TRANSACTIONS

A significant portion of the Plan's assets are invested in funds managed by an affiliate of FMTC in the amount of \$77,327 and \$186,752 at December 31, 2022 and 2021, respectively. FMTC acts as trustee for the Plan, and therefore, these investments qualify as party-in-interest transactions. Administrative fees paid from Plan assets are deducted from the participant's accounts unless they are paid from forfeited unvested accounts. In 2022, administrative fees deducted from participant's accounts and paid to FMTC were \$8,178. For the year ended December 31, 2022, the Plan recorded \$133 in Other income of which \$38 was related to the revenue sharing agreement and \$95 to overnight interest (See note 2 - Other income).

Related party income (loss) for the year ended December 31, 2022 is as follows:

		2022
Dividends and interest	\$	1,413
Net depreciation of investments		(16,103)
Net investment loss	\$	(14,690)

Participant loans also qualify as exempt party in interest transactions.

10 – RISKS AND UNCERTAINTIES

The Plan provides for various investment options in any combination of mutual funds and other investment securities. Investment securities are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in values of investment securities will occur in the near term could materially affect participants' account balances and the amounts reported in the statements of net assets available for benefits, and the statement of changes in net assets available for benefits.

11 – SUBSEQUENT EVENTS

Management has evaluated subsequent events for potential recognition and/or disclosure through September 15, 2023, the date the financial statements were issued, and determined that there were no subsequent events affecting any conditions that existed at the date of the financial statements.

STELLAR DISTRIBUTION SERVICES, INC. 401(k) PLAN
 EIN: 36-3901405 Plan #001
 Schedule H, Line 4a – Schedule of Delinquent Participation Contributions
 FOR THE YEAR ENDED DECEMBER 31, 2022

Participant Contributions Transferred Late to Plan	Total that Constitute Nonexempt Prohibited Transactions			Total Fully Corrected Under VFCP and PTE 2002-51
	Contributions Not Corrected	Contributions Corrected Outside VFCP	Contributions Pending Correction in VFCP	
Check Here if Late Participant Loan Repayments Are Included: ☐ \$60,298		\$60,298	-	-

The Plan failed to remit participant contributions and loan repayments timely in the amount of \$117, \$14,430 and \$45,751 during 2022, 2020 and 2018 plan years, respectively. The untimely remittances occurred due to missing or ineffective controls within Stellar. The Plan has corrected the violation via the Self-Correction Program allowed by the IRS in 2022 including lost earnings related to the untimely remittances.

See accompanying Independent Auditors' Report.

STELLAR DISTRIBUTION SERVICES, INC. 401(k) PLAN

EIN: 36-3901405 Plan #001

Schedule H, Line 4i – Schedule of Assets (held at end of year)

DECEMBER 31, 2022

(a) (b) Identity of issue, borrower, lessor, or similar party	(c) Description of investment, including maturity date, rate of interest, collateral, par,	(d) Cost	(e) Current value
Baird Core Plus Institutional	Mutual Funds		11,573
American Funds EuroPacific Growth R6	Mutual Funds		1,061
* Fidelity 500 Index Fund Institutional	Mutual Funds		49,210
* Fidelity U.S. Bond Index Fund	Mutual Funds		2,439
* Managed Income Portfolio II Class 1	Common Collective Trust Fund		2,864
* FIMM Government Portfolio: Institutional Class	Money Market Fund		20,532
State Street Target Retirement Income Securities Lending Series Fund Class V	Collective Investment Fund		3,787
State Street Target Retirement 2020 Fund Securities Lending Series Fund Class V	Collective Investment Fund		77,878
State Street Target Retirement 2025 Fund Securities Lending Series Fund Class V	Collective Investment Fund		154,769
State Street Target Retirement 2030 Fund Securities Lending Series Fund Class V	Collective Investment Fund		351,454
State Street Target Retirement 2035 Fund Securities Lending Series Fund Class V	Collective Investment Fund		358,458
State Street Target Retirement 2040 Fund Securities Lending Series Fund Class V	Collective Investment Fund		304,756
State Street Target Retirement 2045 Fund Securities Lending Series Fund Class V	Collective Investment Fund		343,341
State Street Target Retirement 2050 Fund Securities Lending Series Fund Class V	Collective Investment Fund		235,742
State Street Target Retirement 2055 Fund Securities Lending Series Fund Class V	Collective Investment Fund		190,207
State Street Target Retirement 2060 Fund Securities Lending Series Fund Class V	Collective Investment Fund		109,205
State Street Target Retirement 2065 Fund Securities Lending Series Fund Class V	Collective Investment Fund		22,498
William Blair Small Cap Value Fund Class I	Mutual Funds		23,249
JP Morgan US Equity R6	Mutual Funds		156,085
* Fidelity Extended Market Index Fund	Mutual Funds		2,282
* Notes receivable from participants	Interest rates ranging from 3.25% to 8.00%, maturing December 2027		156,334
			2,577,724

* Party-in-interest transaction

The information shown on this schedule has been certified as complete and accurate by the Trustee, Fidelity Management Trust Company.

See accompanying Independent Auditors' Report.

STELLAR DISTRIBUTION SERVICES, INC. 401(k) PLAN

Financial Statements and Supplemental Schedules
December 31, 2022 and 2021
(With Independent Auditors' Report Thereon)

STELLAR DISTRIBUTION SERVICES, INC. 401(k) PLAN

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All other schedules required by 29 CFR 2520.103-10 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 have been omitted because they are not applicable or required.



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Independent Auditors' Report

The Plan Administrator and Plan Participants
Stellar Distribution Services, Inc. 401(k) Plan:

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

We have performed audits of the financial statements of Stellar Distribution Services, Inc. 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 December 31, 2022 and December 31, 2021, and the related statement of changes in net assets available for benefits for the year ended December 31, 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 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 Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA (qualified institution).

Management has obtained certifications from a qualified institution as of December 31, 2022 and December 31, 2021, and for the year ended December 31, 2022, stating that the certified investment information, as described in Note 8 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 Auditors' 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 U.S. generally accepted accounting principles.
- The information in the accompanying financial statements related to assets held by and certified to by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

Basis for Opinion

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 Auditors' 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.



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. generally accepted accounting principles, 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 for one year after the date that the financial statements are available to be issued.

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

Auditors' Responsibilities for the Audit of the 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- 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 certification, 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. generally accepted accounting principles.



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. generally accepted accounting principles.

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 of Schedule H, Line 4a - Schedule of Delinquent Participant Contributions for the year ended December 31, 2022, and Schedule H, Line 4i - Schedule of Assets (held at end of year) as of December 31, 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 Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information included in the supplemental schedules, other than that agreed to or derived from the certified investment information, has been subjected to the 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 Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

In our opinion:

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

KPMG LLP

Cleveland, Ohio
September 15, 2023

STELLAR DISTRIBUTION SERVICES, INC. 401(k) PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
DECEMBER 31, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
Assets:		
Investments:		
Investments at fair value	\$ 2,421,390	\$ 3,099,477
Receivables:		
Participant contributions	3,955	3,660
Employer contributions	1,807	1,550
Corrective contributions from plan sponsor (note 6)	5,464	80
Notes receivable from participants	156,334	112,631
Other receivables	58	1,085
Total receivables	<u>167,618</u>	<u>119,006</u>
Total assets	<u>2,589,008</u>	<u>3,218,483</u>
Liability:		
Administrative expense payable	<u>1,711</u>	<u>1,719</u>
Total liability	<u>1,711</u>	<u>1,719</u>
Net assets available for benefits	<u>\$ 2,587,297</u>	<u>\$ 3,216,764</u>

See accompanying notes to financial statements.

STELLAR DISTRIBUTION SERVICES, INC. 401(k) PLAN
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
FOR THE YEAR ENDED DECEMBER 31, 2022

Investment loss:

Dividends and interest	\$ 11,350
Net depreciation in fair value of investments	(529,199)
Total investment loss	(517,849)

Interest income on notes receivable from participants	5,281
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Other income	133
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Contributions:

Participants	204,650
Employer	41,146
Corrective contributions from plan sponsor (note 6)	5,464
Total contributions	251,260

Deductions:

Participant distributions	(360,121)
Administrative expenses	(8,171)

Total deductions	(368,292)
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Net decrease	(629,467)
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Net assets available for benefits, beginning of year	3,216,764
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Net assets available for benefits, end of year	\$ 2,587,297
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See accompanying notes to financial statements.

STELLAR DISTRIBUTION SERVICES, INC. 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

1 – DESCRIPTION OF PLAN

Stellar Distribution Service, Inc. 401(k) Plan (the Plan) covers eligible employees of Stellar Distribution Services, Inc. (Stellar or the Company), the Plan's sponsor. Grand Trunk Corporation (GTC), owns directly or indirectly all of the U.S. affiliates of Canadian National Railway Company (CN), including Stellar, and is a holding company owned by CN. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA), as amended.

The Plan is a defined contribution plan, offering all eligible employees of Stellar an opportunity to defer annually from 1% to 90% of their eligible earnings, subject to the legal limits allowed by the Internal Revenue Service (IRS), for contribution to various investment funds.

The following description of the Stellar Distribution Service, Inc. 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.

Eligibility

Eligible employees may participate in the Plan any time on or after 90 days after their date of hire. The Plan has an "automatic enrollment feature" permitting Stellar to automatically enroll new hires in the Plan. Eligible new employees are automatically enrolled in the Plan at a deferral rate of 3% of their eligible earnings, unless they make an affirmative election to decline participation in the Plan or to change their deferral percentage. An employee failing to respond within the prescribed notification period (30 days after receiving notification from the trustee) would become an active Plan participant.

Administration of the Plan

The Board of Directors of Stellar is responsible for oversight of the Plan. The Company is responsible for the general operation and administration of the Plan and for carrying out and interpreting the Plan's provisions.

Trustee and Record Keeper

Fidelity Management Trust Company (FMTCC) was appointed as trustee and record keeper of the Plan. Other affiliated Fidelity companies may provide certain ministerial record keeping and administrative services to the Plan pursuant to an agreement entered into with the Plan Sponsor.

Contributions

Eligible participants may elect to make contributions to the Plan in amounts ranging from 1% to 90% of their annual eligible earnings on a before-tax basis subject to certain limitations. Such contributions are withheld from each participant's compensation and deposited in the appropriate fund in accordance with the participant's directives.

Consistent with provisions established by the IRS, the Plan's limit on pre-tax contributions by a participant was \$20,500 for 2022. Participants who are at least age 50 by the end of a particular Plan year and have contributed the maximum 401(k) deferral amount allowed under the Plan for that year are eligible to contribute an additional portion of their annual eligible earnings on a before-tax basis as "catch-up" contributions, up to the annual IRS limit of \$6,500 for 2022.

For all eligible employees, the Company contributes to the account balance of the Plan participants a "matching contribution" equal to 50% of the first 6% of annual eligible earnings the participant defers (a maximum Company match of 3% of eligible earnings). The Company may change the 50% matching rate or the 6% rate at any time. The Company does not match the participants' "catch-up" contributions. Although the Company has not expressed any intent to do so, it has the right under the Plan to amend its matching contribution.

Participants may elect to rollover amounts from other qualified plans or individual retirement accounts into the Plan provided that certain conditions are met.

Participant Accounts

Participants direct the investment of their account balance into a broad range of investment funds offered by the Plan. The Plan's record keeper maintains an account balance in the name of each participant to which each participant's pre-tax contributions, the Company's contributions, and share of net earnings, losses and expenses, if any, of the various investment funds, are recorded. Interest, dividends, and realized and unrealized gains and losses on investment of the funds are allocated directly to each participant's account. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

STELLAR DISTRIBUTION SERVICES, INC. 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

Vesting

Participants' contributions and related earnings are fully vested immediately, whereas the Company's matching contribution and related earnings from such contributions are not vested until completion of three years of service, at which time they become fully vested.

Forfeited Accounts

Under terms of the Plan, participants' forfeited unvested accounts are used to pay for administrative expenses or reduce Company contributions. At December 31, 2022 and 2021, forfeited unvested accounts available for future use were \$850 and \$38,413 respectively. In 2022, the Company applied \$50,329 of participants' forfeited unvested accounts to reduce Company contributions.

Distributions

Participants are eligible for a distribution of Plan benefits upon termination of service, whether by disability, retirement, death, or termination of employment with the Company. In the event of financial hardship, as defined in the Plan, participants may withdraw amounts from their Plan accounts while they are still employed. Participants who have attained age 59½ may request a distribution of all or a portion of the value in the account. Withdrawals by the participant before attaining age 59½ generally are subject to a penalty of 10%.

A participant may request a hardship withdrawal from his employee contribution account, or, if fully vested, his employer contributions accounts as defined in the Plan. The hardship withdrawal must be approved by the Plan administrator. Effective January 1, 2019, a participant no longer has to exhaust all loans options before taking a hardship withdrawal and can continue to make elective deferrals immediately after the withdrawal.

Notes Receivable from Participants

Participants may borrow from their accounts by taking one loan with a minimum amount of \$1,000, and a maximum amount equal to the lesser of \$50,000, reduced by the participant's highest outstanding loan balance in the prior 12 months (if any), or 50% of their vested account balance. General purpose loans must be repaid within 5 years; if the funds are used to construct or purchase a primary residence, funds must be repaid within 10 years. The interest rate on the loans is equal to the prevailing prime rate as of the beginning of the calendar quarter in which the participant applies for the loan, which ranged from 3.25% to 8.00% for loans outstanding at December 31, 2022. Principal and interest are paid in equal installments through employee payroll deductions. Participants may prepay the entire outstanding loan balance at any time without penalty.

Termination of Service

Upon termination of service, a participant with a vested account may leave their account in the Plan, or may elect to receive the value of their account in a lump-sum payment or as a direct transfer to another qualified retirement plan subject to certain conditions. However, a participant with an account balance of \$5,000 or less may select from the latter two options only.

2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Plan are prepared under the accrual method of accounting.

Use of Estimates

The preparation of the financial statements in conformity with U.S. generally accepted accounting principles (U.S. GAAP) requires the Plan Administrator to make estimates and assumptions that affect the reported amounts of assets, liabilities, and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Investment Valuation and Income Recognition

The Plan's investments are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Plan's valuation policies utilize information provided by the trustee. See note 5 for a discussion of fair value measurements.

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

STELLAR DISTRIBUTION SERVICES, INC. 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

Purchases and sales of securities are recorded on a trade date basis. Dividends are recorded on the ex-dividend date, and interest income is recorded on the accrual basis.

Net depreciation of investments includes the realized gains and losses on the sale of securities and the unrealized appreciation and depreciation in the value of investments.

Notes Receivable from Participants

Notes receivable from participants are measured at their unpaid principal balance plus accrued interest. Interest income is recorded on the accrual basis. Delinquent participant loans are reclassified as a distribution based upon the terms of the Plan document. No allowance for credit losses has been recorded as of December 31, 2022 and 2021.

Distributions

Distributions to participants or beneficiaries are recorded upon payment.

Contributions Receivable

Contributions receivable are the amounts due, as of the date of the financial statements, to the Plan from the Company and participants. Participant contributions from employee payroll deductions made subsequent to the Plan's year-end attributable to the preceding Plan year are accrued, as are Company contributions coinciding with these salary deferrals, if any.

Other income

The Plan has entered into a revenue sharing agreement with Fidelity effective July 1, 2020. Under the terms of the agreement the Plan will earn revenue credits based upon the Plan's holdings. The revenue credits that have been funded by Fidelity to the Plan are recorded as other income. As at December 31, 2022, the Plan recorded a receivable for \$9 related to this agreement.

The Plan earns overnight interest on cash deposits related to transactions in process which is recorded as other income. As at December 31, 2022, the Plan recorded a receivable for \$49 related to overnight interest.

Expenses

Most administrative expenses, consisting of trustee, investment consulting and investment fees, of the Plan are paid from Plan assets. Effective July 1, 2020, administrative fees are now based on a fixed fee by participant approach and deducted from participant accounts quarterly. In accordance with the Plan agreement, all other administrative expenses are paid by the Plan Sponsor and excluded from the financial statements. Fees related to the administration of notes receivable from participants are charged directly to the participant's account and included in administrative expenses.

3 – ADMINISTRATION OF INVESTMENT FUNDS

Participants direct the investment of their account balance into a broad range of investment funds offered by the Plan. The Plan Administrator may add, remove or replace any investment funds as deemed appropriate and as allowed by the Plan document and the Statement of Investment Policy.

4 – PLAN TERMINATION

Although the Company has not expressed any intent to do so, it has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA.

5 - INVESTMENTS

The Plan applies the provisions of Financial Accounting Standards Board Accounting Standards Codification 820 *Fair Value Measurements* ("FASB ASC 820"), for its financial assets and liabilities carried at fair value on a recurring basis in the financial statements. FASB ASC 820 defines fair value as the exchange price that would be received to sell an asset or paid to transfer a liability (an exit price) in an orderly transaction between market participants at the measurement date. FASB ASC 820 also establishes a fair value hierarchy, which requires assets and liabilities measured at fair value to be categorized into one of three levels based on the inputs used in the valuation. Assets and liabilities are classified in their entirety based on the lowest level of input significant to the fair value measurement. The three levels are defined as follows:

STELLAR DISTRIBUTION SERVICES, INC. 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

Level 1 – Observable inputs based on quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Observable inputs, other than those included in Level 1, based on quoted prices for similar assets and liabilities in active markets, or quoted prices for identical or similar assets and liabilities in inactive markets.

Level 3 – Unobservable inputs that reflect an entity’s own assumptions about what inputs a market participant would use in pricing the asset or liability based on the best information available in the circumstances.

Investments are reported at fair value in the statements of net assets available for benefits. Following is a description of the valuation methodology and assumptions used to estimate the fair value. There has been no change in the methodology used at December 31, 2022 and 2021.

Mutual funds and money market fund – These investments consist of various publicly traded money market and mutual funds. Money market and mutual funds are valued at the daily closing price as reported by the fund. These funds are required to publish their daily net asset value (NAV) and to transact at that price. Money market funds held by the Plan are deemed to be actively traded.

Common collective trust fund – The Plan’s investment in the common collective trust fund (CCT) is valued at NAV of the units of the fund. Net asset value per unit is determined each business day. The NAV is based on the underlying investments less liabilities. The fair value of the underlying investments is determined by the Trustee utilizing quoted market prices, most recent bid prices in the principal market in which the securities are normally traded, pricing services and dealer quotes. Redemptions initiated by Plan participants may be made on any business day and are processed on the same business day based on the next determined NAV per unit. Redemptions initiated by the Plan Sponsor are required to provide twelve months written notice. Redemptions made by the Plan participants cannot be reinvested into competing investments for ninety days from the date of transfer. Competing investments are investment options offered by the Plan which may be deemed to compete with the CCT. There are no unfunded commitments related to the investment in the CCT.

Collective investment fund- The Plan’s investment in collective investment funds (CIF) is valued at NAV of the units of the fund. Net asset value per unit is determined at the end of each business day. The NAV is based on the underlying investments less liabilities. The fair value of the underlying investments is determined by the Trustee utilizing quoted market prices, most recent bid prices in the principal market in which the securities are normally traded, pricing services and dealer quotes. Redemptions initiated by Plan participants may be made on any business day and are processed on the same business day based on the next determined NAV per unit. There are no unfunded commitments related to the investment in the CIF.

The money market fund, mutual funds, CCT fund and CIF funds are valued using level 1 inputs.

	Level 1	Level 2	Level 3	Total
2022				
Mutual Funds	\$ 245,899	—	—	245,899
Money Market Fund	20,532	—	—	20,532
Common collective trust fund	2,864	—	—	2,864
Collective investment fund	2,152,095	—	—	2,152,095
Total	<u>\$ 2,421,390</u>	<u>—</u>	<u>—</u>	<u>2,421,390</u>
2021				
Mutual Funds	\$ 407,103	—	—	407,103
Money Market Fund	66,190	—	—	66,190
Common collective trust fund	2,843	—	—	2,843
Collective investment fund	2,623,341	—	—	2,623,341
Total	<u>\$ 3,099,477</u>	<u>—</u>	<u>—</u>	<u>3,099,477</u>

STELLAR DISTRIBUTION SERVICES, INC. 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

6 – RECEIVABLE FROM PLAN SPONSOR

The Plan Sponsor has encountered administrative and operational discrepancies in the operation of the Plan in accordance with the plan document for 2022 and has accrued a net receivable of \$5,464 as at December 31, 2022 from the Plan Sponsor.

In 2022, the Plan Sponsor remitted via the Self-Correction Program the 2021 accrued receivable for lost earnings of \$80 as at December 31, 2021. The lost earnings corrected in 2022 related to the 2020 and 2018 plan years.

7 – FEDERAL INCOME TAXES

The underlying volume submitter plan has received an opinion letter from the IRS dated March 31, 2014 stating that the form of the Plan is qualified under Section 401(a) of the IRC, and therefore, the related trust is tax exempt. In accordance with Revenue Procedures 2012-6 and 2011-49, the Plan Administrator has determined that it is eligible to and has chosen to rely on the current IRS prototype plan opinion letter. Once qualified, the Plan is required to operate in conformity with the IRC to maintain its qualification. The Plan Administrator has corrected via the Self-Correction Program allowed by the IRS the administrative and operational discrepancies encountered as of December 31, 2021 as referred to in note 6 and believes the Plan is operating in compliance with the applicable requirements of the IRC.

U.S. GAAP requires the Plan Administrator to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain tax position that more likely than not would not be sustained upon examination by the IRS. The Plan Administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2022, there are no uncertain tax positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Plan Administrator believes it is no longer subject to income tax examinations for years prior to 2019.

8 – INFORMATION CERTIFIED BY THE TRUSTEE

The following information included in the financial statements and supplemental schedules was provided and certified by the trustee, as complete and accurate:

- a. Investments and notes receivable from participants as shown in the statements of net assets available for benefits as of December 31, 2022, and 2021;
- b. Total investment income, including interest on participant loans, as shown in the statement of changes in net assets available for benefits for the year ended December 31, 2022;
- c. Investment information included in note 5, exclusive of identification of investment levels presented;
- d. Schedule H, line 4i – Schedule of Assets (held at end of year) as of December 31, 2022.

The Plan's independent auditors did not perform auditing procedures with respect to the certified information, except for comparing such information to the related information included in the financial statements.

STELLAR DISTRIBUTION SERVICES, INC. 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

9 – RELATED-PARTY AND PARTY IN INTEREST TRANSACTIONS

A significant portion of the Plan's assets are invested in funds managed by an affiliate of FMTC in the amount of \$77,327 and \$186,752 at December 31, 2022 and 2021, respectively. FMTC acts as trustee for the Plan, and therefore, these investments qualify as party-in-interest transactions. Administrative fees paid from Plan assets are deducted from the participant's accounts unless they are paid from forfeited unvested accounts. In 2022, administrative fees deducted from participant's accounts and paid to FMTC were \$8,178. For the year ended December 31, 2022, the Plan recorded \$133 in Other income of which \$38 was related to the revenue sharing agreement and \$95 to overnight interest (See note 2 - Other income).

Related party income (loss) for the year ended December 31, 2022 is as follows:

		2022
Dividends and interest	\$	1,413
Net depreciation of investments		(16,103)
Net investment loss	\$	(14,690)

Participant loans also qualify as exempt party in interest transactions.

10 – RISKS AND UNCERTAINTIES

The Plan provides for various investment options in any combination of mutual funds and other investment securities. Investment securities are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in values of investment securities will occur in the near term could materially affect participants' account balances and the amounts reported in the statements of net assets available for benefits, and the statement of changes in net assets available for benefits.

11 – SUBSEQUENT EVENTS

Management has evaluated subsequent events for potential recognition and/or disclosure through September 15, 2023, the date the financial statements were issued, and determined that there were no subsequent events affecting any conditions that existed at the date of the financial statements.

STELLAR DISTRIBUTION SERVICES, INC. 401(k) PLAN
 EIN: 36-3901405 Plan #001
 Schedule H, Line 4a – Schedule of Delinquent Participation Contributions
 FOR THE YEAR ENDED DECEMBER 31, 2022

Participant Contributions Transferred Late to Plan	Total that Constitute Nonexempt Prohibited Transactions			Total Fully Corrected Under VFCP and PTE 2002-51
	Contributions Not Corrected	Contributions Corrected Outside VFCP	Contributions Pending Correction in VFCP	
Check Here if Late Participant Loan Repayments Are Included: ☐ \$60,298		\$60,298	-	-

The Plan failed to remit participant contributions and loan repayments timely in the amount of \$117, \$14,430 and \$45,751 during 2022, 2020 and 2018 plan years, respectively. The untimely remittances occurred due to missing or ineffective controls within Stellar. The Plan has corrected the violation via the Self-Correction Program allowed by the IRS in 2022 including lost earnings related to the untimely remittances.

See accompanying Independent Auditors' Report.

STELLAR DISTRIBUTION SERVICES, INC. 401(k) PLAN

EIN: 36-3901405 Plan #001

Schedule H, Line 4i – Schedule of Assets (held at end of year)

DECEMBER 31, 2022

(a) (b) Identity of issue, borrower, lessor, or similar party	(c) Description of investment, including maturity date, rate of interest, collateral, par,	(d) Cost	(e) Current value
Baird Core Plus Institutional	Mutual Funds		11,573
American Funds EuroPacific Growth R6	Mutual Funds		1,061
* Fidelity 500 Index Fund Institutional	Mutual Funds		49,210
* Fidelity U.S. Bond Index Fund	Mutual Funds		2,439
* Managed Income Portfolio II Class 1	Common Collective Trust Fund		2,864
* FIMM Government Portfolio: Institutional Class	Money Market Fund		20,532
State Street Target Retirement Income Securities Lending Series Fund Class V	Collective Investment Fund		3,787
State Street Target Retirement 2020 Fund Securities Lending Series Fund Class V	Collective Investment Fund		77,878
State Street Target Retirement 2025 Fund Securities Lending Series Fund Class V	Collective Investment Fund		154,769
State Street Target Retirement 2030 Fund Securities Lending Series Fund Class V	Collective Investment Fund		351,454
State Street Target Retirement 2035 Fund Securities Lending Series Fund Class V	Collective Investment Fund		358,458
State Street Target Retirement 2040 Fund Securities Lending Series Fund Class V	Collective Investment Fund		304,756
State Street Target Retirement 2045 Fund Securities Lending Series Fund Class V	Collective Investment Fund		343,341
State Street Target Retirement 2050 Fund Securities Lending Series Fund Class V	Collective Investment Fund		235,742
State Street Target Retirement 2055 Fund Securities Lending Series Fund Class V	Collective Investment Fund		190,207
State Street Target Retirement 2060 Fund Securities Lending Series Fund Class V	Collective Investment Fund		109,205
State Street Target Retirement 2065 Fund Securities Lending Series Fund Class V	Collective Investment Fund		22,498
William Blair Small Cap Value Fund Class I	Mutual Funds		23,249
JP Morgan US Equity R6	Mutual Funds		156,085
* Fidelity Extended Market Index Fund	Mutual Funds		2,282
* Notes receivable from participants	Interest rates ranging from 3.25% to 8.00%, maturing December 2027		156,334
			2,577,724

* Party-in-interest transaction

The information shown on this schedule has been certified as complete and accurate by the Trustee, Fidelity Management Trust Company.

See accompanying Independent Auditors' Report.

STELLAR DISTRIBUTION SERVICES, INC. 401(k) PLAN

Financial Statements and Supplemental Schedules
December 31, 2022 and 2021
(With Independent Auditors' Report Thereon)

STELLAR DISTRIBUTION SERVICES, INC. 401(k) PLAN

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All other schedules required by 29 CFR 2520.103-10 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 have been omitted because they are not applicable or required.



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Independent Auditors' Report

The Plan Administrator and Plan Participants
Stellar Distribution Services, Inc. 401(k) Plan:

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

We have performed audits of the financial statements of Stellar Distribution Services, Inc. 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 December 31, 2022 and December 31, 2021, and the related statement of changes in net assets available for benefits for the year ended December 31, 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 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 Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA (qualified institution).

Management has obtained certifications from a qualified institution as of December 31, 2022 and December 31, 2021, and for the year ended December 31, 2022, stating that the certified investment information, as described in Note 8 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 Auditors' 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 U.S. generally accepted accounting principles.
- The information in the accompanying financial statements related to assets held by and certified to by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

Basis for Opinion

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 Auditors' 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.



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. generally accepted accounting principles, 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 for one year after the date that the financial statements are available to be issued.

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

Auditors' Responsibilities for the Audit of the 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- 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 certification, 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. generally accepted accounting principles.



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. generally accepted accounting principles.

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 of Schedule H, Line 4a - Schedule of Delinquent Participant Contributions for the year ended December 31, 2022, and Schedule H, Line 4i - Schedule of Assets (held at end of year) as of December 31, 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 Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information included in the supplemental schedules, other than that agreed to or derived from the certified investment information, has been subjected to the 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 Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

In our opinion:

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

KPMG LLP

Cleveland, Ohio
September 15, 2023

STELLAR DISTRIBUTION SERVICES, INC. 401(k) PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
DECEMBER 31, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
Assets:		
Investments:		
Investments at fair value	\$ 2,421,390	\$ 3,099,477
Receivables:		
Participant contributions	3,955	3,660
Employer contributions	1,807	1,550
Corrective contributions from plan sponsor (note 6)	5,464	80
Notes receivable from participants	156,334	112,631
Other receivables	58	1,085
Total receivables	<u>167,618</u>	<u>119,006</u>
Total assets	<u>2,589,008</u>	<u>3,218,483</u>
Liability:		
Administrative expense payable	<u>1,711</u>	<u>1,719</u>
Total liability	<u>1,711</u>	<u>1,719</u>
Net assets available for benefits	<u>\$ 2,587,297</u>	<u>\$ 3,216,764</u>

See accompanying notes to financial statements.

STELLAR DISTRIBUTION SERVICES, INC. 401(k) PLAN
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
FOR THE YEAR ENDED DECEMBER 31, 2022

Investment loss:

Dividends and interest	\$ 11,350
Net depreciation in fair value of investments	(529,199)
Total investment loss	(517,849)

Interest income on notes receivable from participants	5,281
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Other income	133
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Contributions:

Participants	204,650
Employer	41,146
Corrective contributions from plan sponsor (note 6)	5,464
Total contributions	251,260

Deductions:

Participant distributions	(360,121)
Administrative expenses	(8,171)

Total deductions	(368,292)
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Net decrease	(629,467)
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Net assets available for benefits, beginning of year	3,216,764
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Net assets available for benefits, end of year	\$ 2,587,297
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See accompanying notes to financial statements.

STELLAR DISTRIBUTION SERVICES, INC. 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

1 – DESCRIPTION OF PLAN

Stellar Distribution Service, Inc. 401(k) Plan (the Plan) covers eligible employees of Stellar Distribution Services, Inc. (Stellar or the Company), the Plan's sponsor. Grand Trunk Corporation (GTC), owns directly or indirectly all of the U.S. affiliates of Canadian National Railway Company (CN), including Stellar, and is a holding company owned by CN. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA), as amended.

The Plan is a defined contribution plan, offering all eligible employees of Stellar an opportunity to defer annually from 1% to 90% of their eligible earnings, subject to the legal limits allowed by the Internal Revenue Service (IRS), for contribution to various investment funds.

The following description of the Stellar Distribution Service, Inc. 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.

Eligibility

Eligible employees may participate in the Plan any time on or after 90 days after their date of hire. The Plan has an "automatic enrollment feature" permitting Stellar to automatically enroll new hires in the Plan. Eligible new employees are automatically enrolled in the Plan at a deferral rate of 3% of their eligible earnings, unless they make an affirmative election to decline participation in the Plan or to change their deferral percentage. An employee failing to respond within the prescribed notification period (30 days after receiving notification from the trustee) would become an active Plan participant.

Administration of the Plan

The Board of Directors of Stellar is responsible for oversight of the Plan. The Company is responsible for the general operation and administration of the Plan and for carrying out and interpreting the Plan's provisions.

Trustee and Record Keeper

Fidelity Management Trust Company (FMTCC) was appointed as trustee and record keeper of the Plan. Other affiliated Fidelity companies may provide certain ministerial record keeping and administrative services to the Plan pursuant to an agreement entered into with the Plan Sponsor.

Contributions

Eligible participants may elect to make contributions to the Plan in amounts ranging from 1% to 90% of their annual eligible earnings on a before-tax basis subject to certain limitations. Such contributions are withheld from each participant's compensation and deposited in the appropriate fund in accordance with the participant's directives.

Consistent with provisions established by the IRS, the Plan's limit on pre-tax contributions by a participant was \$20,500 for 2022. Participants who are at least age 50 by the end of a particular Plan year and have contributed the maximum 401(k) deferral amount allowed under the Plan for that year are eligible to contribute an additional portion of their annual eligible earnings on a before-tax basis as "catch-up" contributions, up to the annual IRS limit of \$6,500 for 2022.

For all eligible employees, the Company contributes to the account balance of the Plan participants a "matching contribution" equal to 50% of the first 6% of annual eligible earnings the participant defers (a maximum Company match of 3% of eligible earnings). The Company may change the 50% matching rate or the 6% rate at any time. The Company does not match the participants' "catch-up" contributions. Although the Company has not expressed any intent to do so, it has the right under the Plan to amend its matching contribution.

Participants may elect to rollover amounts from other qualified plans or individual retirement accounts into the Plan provided that certain conditions are met.

Participant Accounts

Participants direct the investment of their account balance into a broad range of investment funds offered by the Plan. The Plan's record keeper maintains an account balance in the name of each participant to which each participant's pre-tax contributions, the Company's contributions, and share of net earnings, losses and expenses, if any, of the various investment funds, are recorded. Interest, dividends, and realized and unrealized gains and losses on investment of the funds are allocated directly to each participant's account. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

STELLAR DISTRIBUTION SERVICES, INC. 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

Vesting

Participants' contributions and related earnings are fully vested immediately, whereas the Company's matching contribution and related earnings from such contributions are not vested until completion of three years of service, at which time they become fully vested.

Forfeited Accounts

Under terms of the Plan, participants' forfeited unvested accounts are used to pay for administrative expenses or reduce Company contributions. At December 31, 2022 and 2021, forfeited unvested accounts available for future use were \$850 and \$38,413 respectively. In 2022, the Company applied \$50,329 of participants' forfeited unvested accounts to reduce Company contributions.

Distributions

Participants are eligible for a distribution of Plan benefits upon termination of service, whether by disability, retirement, death, or termination of employment with the Company. In the event of financial hardship, as defined in the Plan, participants may withdraw amounts from their Plan accounts while they are still employed. Participants who have attained age 59½ may request a distribution of all or a portion of the value in the account. Withdrawals by the participant before attaining age 59½ generally are subject to a penalty of 10%.

A participant may request a hardship withdrawal from his employee contribution account, or, if fully vested, his employer contributions accounts as defined in the Plan. The hardship withdrawal must be approved by the Plan administrator. Effective January 1, 2019, a participant no longer has to exhaust all loans options before taking a hardship withdrawal and can continue to make elective deferrals immediately after the withdrawal.

Notes Receivable from Participants

Participants may borrow from their accounts by taking one loan with a minimum amount of \$1,000, and a maximum amount equal to the lesser of \$50,000, reduced by the participant's highest outstanding loan balance in the prior 12 months (if any), or 50% of their vested account balance. General purpose loans must be repaid within 5 years; if the funds are used to construct or purchase a primary residence, funds must be repaid within 10 years. The interest rate on the loans is equal to the prevailing prime rate as of the beginning of the calendar quarter in which the participant applies for the loan, which ranged from 3.25% to 8.00% for loans outstanding at December 31, 2022. Principal and interest are paid in equal installments through employee payroll deductions. Participants may prepay the entire outstanding loan balance at any time without penalty.

Termination of Service

Upon termination of service, a participant with a vested account may leave their account in the Plan, or may elect to receive the value of their account in a lump-sum payment or as a direct transfer to another qualified retirement plan subject to certain conditions. However, a participant with an account balance of \$5,000 or less may select from the latter two options only.

2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Plan are prepared under the accrual method of accounting.

Use of Estimates

The preparation of the financial statements in conformity with U.S. generally accepted accounting principles (U.S. GAAP) requires the Plan Administrator to make estimates and assumptions that affect the reported amounts of assets, liabilities, and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Investment Valuation and Income Recognition

The Plan's investments are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Plan's valuation policies utilize information provided by the trustee. See note 5 for a discussion of fair value measurements.

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

STELLAR DISTRIBUTION SERVICES, INC. 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

Purchases and sales of securities are recorded on a trade date basis. Dividends are recorded on the ex-dividend date, and interest income is recorded on the accrual basis.

Net depreciation of investments includes the realized gains and losses on the sale of securities and the unrealized appreciation and depreciation in the value of investments.

Notes Receivable from Participants

Notes receivable from participants are measured at their unpaid principal balance plus accrued interest. Interest income is recorded on the accrual basis. Delinquent participant loans are reclassified as a distribution based upon the terms of the Plan document. No allowance for credit losses has been recorded as of December 31, 2022 and 2021.

Distributions

Distributions to participants or beneficiaries are recorded upon payment.

Contributions Receivable

Contributions receivable are the amounts due, as of the date of the financial statements, to the Plan from the Company and participants. Participant contributions from employee payroll deductions made subsequent to the Plan's year-end attributable to the preceding Plan year are accrued, as are Company contributions coinciding with these salary deferrals, if any.

Other income

The Plan has entered into a revenue sharing agreement with Fidelity effective July 1, 2020. Under the terms of the agreement the Plan will earn revenue credits based upon the Plan's holdings. The revenue credits that have been funded by Fidelity to the Plan are recorded as other income. As at December 31, 2022, the Plan recorded a receivable for \$9 related to this agreement.

The Plan earns overnight interest on cash deposits related to transactions in process which is recorded as other income. As at December 31, 2022, the Plan recorded a receivable for \$49 related to overnight interest.

Expenses

Most administrative expenses, consisting of trustee, investment consulting and investment fees, of the Plan are paid from Plan assets. Effective July 1, 2020, administrative fees are now based on a fixed fee by participant approach and deducted from participant accounts quarterly. In accordance with the Plan agreement, all other administrative expenses are paid by the Plan Sponsor and excluded from the financial statements. Fees related to the administration of notes receivable from participants are charged directly to the participant's account and included in administrative expenses.

3 – ADMINISTRATION OF INVESTMENT FUNDS

Participants direct the investment of their account balance into a broad range of investment funds offered by the Plan. The Plan Administrator may add, remove or replace any investment funds as deemed appropriate and as allowed by the Plan document and the Statement of Investment Policy.

4 – PLAN TERMINATION

Although the Company has not expressed any intent to do so, it has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA.

5 - INVESTMENTS

The Plan applies the provisions of Financial Accounting Standards Board Accounting Standards Codification 820 *Fair Value Measurements* ("FASB ASC 820"), for its financial assets and liabilities carried at fair value on a recurring basis in the financial statements. FASB ASC 820 defines fair value as the exchange price that would be received to sell an asset or paid to transfer a liability (an exit price) in an orderly transaction between market participants at the measurement date. FASB ASC 820 also establishes a fair value hierarchy, which requires assets and liabilities measured at fair value to be categorized into one of three levels based on the inputs used in the valuation. Assets and liabilities are classified in their entirety based on the lowest level of input significant to the fair value measurement. The three levels are defined as follows:

STELLAR DISTRIBUTION SERVICES, INC. 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

Level 1 – Observable inputs based on quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Observable inputs, other than those included in Level 1, based on quoted prices for similar assets and liabilities in active markets, or quoted prices for identical or similar assets and liabilities in inactive markets.

Level 3 – Unobservable inputs that reflect an entity’s own assumptions about what inputs a market participant would use in pricing the asset or liability based on the best information available in the circumstances.

Investments are reported at fair value in the statements of net assets available for benefits. Following is a description of the valuation methodology and assumptions used to estimate the fair value. There has been no change in the methodology used at December 31, 2022 and 2021.

Mutual funds and money market fund – These investments consist of various publicly traded money market and mutual funds. Money market and mutual funds are valued at the daily closing price as reported by the fund. These funds are required to publish their daily net asset value (NAV) and to transact at that price. Money market funds held by the Plan are deemed to be actively traded.

Common collective trust fund – The Plan’s investment in the common collective trust fund (CCT) is valued at NAV of the units of the fund. Net asset value per unit is determined each business day. The NAV is based on the underlying investments less liabilities. The fair value of the underlying investments is determined by the Trustee utilizing quoted market prices, most recent bid prices in the principal market in which the securities are normally traded, pricing services and dealer quotes. Redemptions initiated by Plan participants may be made on any business day and are processed on the same business day based on the next determined NAV per unit. Redemptions initiated by the Plan Sponsor are required to provide twelve months written notice. Redemptions made by the Plan participants cannot be reinvested into competing investments for ninety days from the date of transfer. Competing investments are investment options offered by the Plan which may be deemed to compete with the CCT. There are no unfunded commitments related to the investment in the CCT.

Collective investment fund- The Plan’s investment in collective investment funds (CIF) is valued at NAV of the units of the fund. Net asset value per unit is determined at the end of each business day. The NAV is based on the underlying investments less liabilities. The fair value of the underlying investments is determined by the Trustee utilizing quoted market prices, most recent bid prices in the principal market in which the securities are normally traded, pricing services and dealer quotes. Redemptions initiated by Plan participants may be made on any business day and are processed on the same business day based on the next determined NAV per unit. There are no unfunded commitments related to the investment in the CIF.

The money market fund, mutual funds, CCT fund and CIF funds are valued using level 1 inputs.

	Level 1	Level 2	Level 3	Total
2022				
Mutual Funds	\$ 245,899	—	—	245,899
Money Market Fund	20,532	—	—	20,532
Common collective trust fund	2,864	—	—	2,864
Collective investment fund	2,152,095	—	—	2,152,095
Total	<u>\$ 2,421,390</u>	<u>—</u>	<u>—</u>	<u>2,421,390</u>
2021				
Mutual Funds	\$ 407,103	—	—	407,103
Money Market Fund	66,190	—	—	66,190
Common collective trust fund	2,843	—	—	2,843
Collective investment fund	2,623,341	—	—	2,623,341
Total	<u>\$ 3,099,477</u>	<u>—</u>	<u>—</u>	<u>3,099,477</u>

STELLAR DISTRIBUTION SERVICES, INC. 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

6 – RECEIVABLE FROM PLAN SPONSOR

The Plan Sponsor has encountered administrative and operational discrepancies in the operation of the Plan in accordance with the plan document for 2022 and has accrued a net receivable of \$5,464 as at December 31, 2022 from the Plan Sponsor.

In 2022, the Plan Sponsor remitted via the Self-Correction Program the 2021 accrued receivable for lost earnings of \$80 as at December 31, 2021. The lost earnings corrected in 2022 related to the 2020 and 2018 plan years.

7 – FEDERAL INCOME TAXES

The underlying volume submitter plan has received an opinion letter from the IRS dated March 31, 2014 stating that the form of the Plan is qualified under Section 401(a) of the IRC, and therefore, the related trust is tax exempt. In accordance with Revenue Procedures 2012-6 and 2011-49, the Plan Administrator has determined that it is eligible to and has chosen to rely on the current IRS prototype plan opinion letter. Once qualified, the Plan is required to operate in conformity with the IRC to maintain its qualification. The Plan Administrator has corrected via the Self-Correction Program allowed by the IRS the administrative and operational discrepancies encountered as of December 31, 2021 as referred to in note 6 and believes the Plan is operating in compliance with the applicable requirements of the IRC.

U.S. GAAP requires the Plan Administrator to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain tax position that more likely than not would not be sustained upon examination by the IRS. The Plan Administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2022, there are no uncertain tax positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Plan Administrator believes it is no longer subject to income tax examinations for years prior to 2019.

8 – INFORMATION CERTIFIED BY THE TRUSTEE

The following information included in the financial statements and supplemental schedules was provided and certified by the trustee, as complete and accurate:

- a. Investments and notes receivable from participants as shown in the statements of net assets available for benefits as of December 31, 2022, and 2021;
- b. Total investment income, including interest on participant loans, as shown in the statement of changes in net assets available for benefits for the year ended December 31, 2022;
- c. Investment information included in note 5, exclusive of identification of investment levels presented;
- d. Schedule H, line 4i – Schedule of Assets (held at end of year) as of December 31, 2022.

The Plan's independent auditors did not perform auditing procedures with respect to the certified information, except for comparing such information to the related information included in the financial statements.

STELLAR DISTRIBUTION SERVICES, INC. 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

9 – RELATED-PARTY AND PARTY IN INTEREST TRANSACTIONS

A significant portion of the Plan's assets are invested in funds managed by an affiliate of FMTC in the amount of \$77,327 and \$186,752 at December 31, 2022 and 2021, respectively. FMTC acts as trustee for the Plan, and therefore, these investments qualify as party-in-interest transactions. Administrative fees paid from Plan assets are deducted from the participant's accounts unless they are paid from forfeited unvested accounts. In 2022, administrative fees deducted from participant's accounts and paid to FMTC were \$8,178. For the year ended December 31, 2022, the Plan recorded \$133 in Other income of which \$38 was related to the revenue sharing agreement and \$95 to overnight interest (See note 2 - Other income).

Related party income (loss) for the year ended December 31, 2022 is as follows:

		2022
Dividends and interest	\$	1,413
Net depreciation of investments		(16,103)
Net investment loss	\$	(14,690)

Participant loans also qualify as exempt party in interest transactions.

10 – RISKS AND UNCERTAINTIES

The Plan provides for various investment options in any combination of mutual funds and other investment securities. Investment securities are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in values of investment securities will occur in the near term could materially affect participants' account balances and the amounts reported in the statements of net assets available for benefits, and the statement of changes in net assets available for benefits.

11 – SUBSEQUENT EVENTS

Management has evaluated subsequent events for potential recognition and/or disclosure through September 15, 2023, the date the financial statements were issued, and determined that there were no subsequent events affecting any conditions that existed at the date of the financial statements.

STELLAR DISTRIBUTION SERVICES, INC. 401(k) PLAN
 EIN: 36-3901405 Plan #001
 Schedule H, Line 4a – Schedule of Delinquent Participation Contributions
 FOR THE YEAR ENDED DECEMBER 31, 2022

Participant Contributions Transferred Late to Plan	Total that Constitute Nonexempt Prohibited Transactions			Total Fully Corrected Under VFCP and PTE 2002-51
	Contributions Not Corrected	Contributions Corrected Outside VFCP	Contributions Pending Correction in VFCP	
Check Here if Late Participant Loan Repayments Are Included: ☐ \$60,298		\$60,298	-	-

The Plan failed to remit participant contributions and loan repayments timely in the amount of \$117, \$14,430 and \$45,751 during 2022, 2020 and 2018 plan years, respectively. The untimely remittances occurred due to missing or ineffective controls within Stellar. The Plan has corrected the violation via the Self-Correction Program allowed by the IRS in 2022 including lost earnings related to the untimely remittances.

See accompanying Independent Auditors' Report.

STELLAR DISTRIBUTION SERVICES, INC. 401(k) PLAN

EIN: 36-3901405 Plan #001

Schedule H, Line 4i – Schedule of Assets (held at end of year)

DECEMBER 31, 2022

(a) (b) Identity of issue, borrower, lessor, or similar party	(c) Description of investment, including maturity date, rate of interest, collateral, par,	(d) Cost	(e) Current value
Baird Core Plus Institutional	Mutual Funds		11,573
American Funds EuroPacific Growth R6	Mutual Funds		1,061
* Fidelity 500 Index Fund Institutional	Mutual Funds		49,210
* Fidelity U.S. Bond Index Fund	Mutual Funds		2,439
* Managed Income Portfolio II Class I	Common Collective Trust Fund		2,864
* FIMM Government Portfolio: Institutional Class	Money Market Fund		20,532
State Street Target Retirement Income Securities Lending Series Fund Class V	Collective Investment Fund		3,787
State Street Target Retirement 2020 Fund Securities Lending Series Fund Class V	Collective Investment Fund		77,878
State Street Target Retirement 2025 Fund Securities Lending Series Fund Class V	Collective Investment Fund		154,769
State Street Target Retirement 2030 Fund Securities Lending Series Fund Class V	Collective Investment Fund		351,454
State Street Target Retirement 2035 Fund Securities Lending Series Fund Class V	Collective Investment Fund		358,458
State Street Target Retirement 2040 Fund Securities Lending Series Fund Class V	Collective Investment Fund		304,756
State Street Target Retirement 2045 Fund Securities Lending Series Fund Class V	Collective Investment Fund		343,341
State Street Target Retirement 2050 Fund Securities Lending Series Fund Class V	Collective Investment Fund		235,742
State Street Target Retirement 2055 Fund Securities Lending Series Fund Class V	Collective Investment Fund		190,207
State Street Target Retirement 2060 Fund Securities Lending Series Fund Class V	Collective Investment Fund		109,205
State Street Target Retirement 2065 Fund Securities Lending Series Fund Class V	Collective Investment Fund		22,498
William Blair Small Cap Value Fund Class I	Mutual Funds		23,249
JP Morgan US Equity R6	Mutual Funds		156,085
* Fidelity Extended Market Index Fund	Mutual Funds		2,282
* Notes receivable from participants	Interest rates ranging from 3.25% to 8.00%, maturing December 2027		156,334
			2,577,724

* Party-in-interest transaction

The information shown on this schedule has been certified as complete and accurate by the Trustee, Fidelity Management Trust Company.

See accompanying Independent Auditors' Report.