INVESTMENT CONSULTANTS
(A Registered Investment Advisor)

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From: Bill Gela, Investment Consultants
Topic: The Broaster Company 401(k) Plan -- Quarterly Plan Summary Report

Enclosed is your Plan Summary Report for the quarter ending 6-30-2009, covering your mix of funds. This past 3-month period ending June 30 was up significantly for the overall U.S. stock market and up even more for the aggregate international stock markets, and it was up nicely for the U.S. bond market. Within the U.S. stock market, most stock fund categories (as defined by Lipper investment styles and capitalizations) were up between +15% & +23% for the second quarter. According to Lipper Fund Services, the average diversified U.S. stock mutual fund's second quarter 2009 total return was +18.0%, and the S&P 500 Index was up approximately +15.9% for the second quarter. For the 12 months ending 6-30-2009 the S&P 500 Index was down -26.2%. According to Morningstar™ all of your funds have performed solidly-to-well for both 5 and 10 years relative to similar "peer group" funds. [Notes: The William Blair Small Cap Growth Fund has not been around for the full 10-year period, but it has performed well since its beginning. Your passive "index funds" (versus actively-managed funds) strive to mirror their indices' performances at all times -- no more, no less.]

Relative to similar "peer group" funds, your fund mix has continued to perform solidly (3 of your 11 stock and bond mutual funds finished in the bottom 20% for the past 12 months ending 6-30-2009, and 4 of them finished in the top 20%). For the past 12 months ending 6-30-2009 (with the S&P 500 Index down -26.2%) three of your eight stock-oriented funds either matched or outperformed the S&P 500, and your "balanced" T. Rowe Price Capital Appreciation Fund returned –13.9%).[1] Your William Blair Small Cap Growth Fund led the way for your stock-oriented fund mix with a –11.6% return for the 12 months ending 6-30-2009, and both of your bond funds were at +8.4% for the past year.

[Note: To put your funds' returns into perspective during these unprecedented market conditions, your 8 stock-oriented funds have annualized total returns (compounded each year) of between -2.1% & +6.3% for the past 5 years ending 6/30/2009. This compares to -2.2% for the S&P 500 Index for the same 5-year period: 8 of your 8 stock-oriented funds exceeded the S&P 500 Index' return for this 5-year period.]

[1] According to Lipper, for the past 12 months virtually all domestic stock funds (diversified categories) had negative returns -- most domestic stock fund categories were down between -24% & -32%. For the 12 months ending 6/30/2009 most international stock fund categories were down between -20% and -43%. For the 5-year period ending 6/30/2009 all diversified U.S. stock fund investment categories had negative returns.

2nd QUARTER, 2009 PLAN SUMMARY REPORT – BROASTER COMPANY

Prepared by: ***Investment Consultants (an affiliate of Compensation & Capital)***

Investing Continues to be Quite Interesting! (Some Might Use a Different Phrase.)

Driving along on a trip and looking in the rearview mirror of a car lets us know where we've been, but there are two main problems with this: (1) we better concentrate most on where we are going; and (2) the farther back we look, the harder it is to distinguish the details of where we have been. So how does this relate to investing? #1 is pretty easy. We better keep our destination/goal in mind, which is ahead of us, as are many obstacles, hills and valleys, and stoplights along the way. #2 is a little more obscure. I contend that for most investors those events in the more recent past have a much greater influence on their decision-making than those events in the more distant past. In meetings over the past months, I have heard some plan participants who focused on the past 20 months of generally "down markets" and conversely some have focused on the recent March through May period that witnessed a dramatic uptick in the stock markets. Rather than assume that the markets will always be down (as in the past 20 months) or that they will always be up (past several months), it is probably constructive to assume both ups and downs in the markets over time. Given this assumption, many advisers would suggest: (1) keep putting money into your retirement plan; (2) keep your current investment account diversified; & (3) using your future salary deferrals, continuously purchase stock and/or bond funds. This leads us to the following question:

What can I do if I'm in the following dilemma? – I know that I need to invest a lot in stock funds to have a chance for my money to grow faster over time, but I am "spooked" by the last couple of years' drop in stock prices, and I am afraid that my stock funds' values might plummet further!
An Answer: One way that some investors have dealt with this dilemma is by shifting some of their *existing stock investments* toward more stable funds such as balanced (sometimes called "moderate allocation") funds, bond funds, and money market funds. [Even though balanced and bond funds will fluctuate up and down in price, such a shift toward them will undoubtedly result in lower overall portfolio volatility over time.] Having gotten more conservative with their *existing account balances*, the same investors also shift their *future salary deferral fund purchases* toward stock funds, thereby getting more aggressive with their future purchases. For participants in 401(k) and profit sharing plans: if the stock market drops and the prices of their stock fund investment alternatives drop, their next payroll deduction will buy funds that are less costly than before (because of the market drop). Hopefully, as time goes by this "buying low" will make their average funds' purchase prices smaller, and their long-term investment returns and account balances larger (assuming a long-term market rise). On the other hand, if the stock market rises in the near-term there is a good chance that their stock fund balances will rise – a good thing!

Now, <u>why DO investors invest in bonds?</u> (1) In past reports we have discussed portfolio <u>diversification</u> – spreading one's investments among different types of funds. Diversification does not only relate to owning various types of *stock* funds. Actually, portfolios including both stocks and bonds are more typically considered 'diversified', possessing lowered overall risk or "volatility" than more concentrated strategies. Diversifying into bond funds allows some investors to match their overall goals of targeted return versus risk. By tempering one's portfolio with a portion in bonds, an investor could then hold a rather aggressive mix of *stock* funds while limiting his/her overall portfolio's riskiness. (2) Finally, the simplest of reasons to invest in bond funds is their long term ability to maintain pace with inflation, while adding (though minimally) to the purchasing power of a portfolio, *without* the volatility of stocks. Bonds are toward the conservative end of the spectrum of risk and return, between money market funds and stocks. When we conduct 401(k) and profit-sharing plan "participant education sessions", we encourage individualized matching of one's investment goals with his/her portfolio's risks and targeted returns.

BROASTER COMPANY - 2nd Quarter, 2009 Plan Summary Report
Funds' Performances for Periods Ended June 30, 2009

The following report is intended to help you in evaluating your investments [1], and in selecting your mix of mutual funds for the future. The average diversified U.S. stock mutual fund's second quarter 2009 total return was +18.0%; and for the 12-month period ending June 30, 2009, the total return was -26.8%. [For 12 months: the S&P 500 index returned -26.2%; the small-cap stock index returned -25.0% [2]; & the average international stock fund returned -32.0%]. The 3-month total return for taxable bond mutual funds averaged +7.0%, taking the average taxable bond fund total return to -0.4% for the previous 12 months. Lastly, (retail taxable) money market funds' average yield was +0.8% for the previous 12 months. Remember that one quarter does *not* make your retirement investing a success or a failure, nor does it insure success or failure for the next quarter -- investing is a long-term proposition.

Fund Type	Periods Ended June 30, 2009: 1-Year Total Return *(Growth of $1,000)* [3]	**5-Year Average Return**	Fund Ranking [4] **5 Years**	10 Years
Stock-oriented:				
Large Cap Funds:				
(T. Rowe Price Equity Income) *[NASDAQ Code = PRFDX] [LV]* [5]	-24.9% *($751)*	**-1.7%**	**41**	26
(Vanguard Total Stock Market Index) *[NASDAQ Code = VTSMX] [LB]*	-26.2% *($738)*	**-1.7%**	**38**	39
(Rainier Large Cap Equity) *[NASDAQ Code = RIMEX] [LG]*	-33.3% *($667)*	**-1.1%**	**34**	27
Mid Cap Fund:				
(Vanguard Mid Cap Index) *[NASDAQ Code = VIMSX] [MB]*	-31.6% *($684)*	**-0.3%**	**41**	31
Small Cap Funds:				
(Third Avenue Sm-Cap Val) *[NASDAQ Code = TASCX] [SB]*	-33.7% *($663)*	**-1.5%**	**44**	25
(Forward Small Cap Equity) *[NASDAQ Code = FFSCX] [SG]*	-33.2% *($668)*	**-2.1%**	**48**	33
(William Blair Small Cap Growth/N) *[NASDAQ Code = WBSNX] [SG]*	-11.6% *($884)*	**-1.0%**	**35**	(----) [6]
International Fund:				
(Harbor International Adm) *[NASDAQ Code = HRINX] [LV]*	-33.6% *($664)*	**6.3%**	**3**	6
Moderate Allocation Fund – Stocks & Bonds:				
(T. Rowe Price Capital Appreciation) *[NASDAQ Code = PRWCX] [LB]*	-13.9% *($861)*	**3.1%**	**6**	2
Bond-Oriented Funds:				
(Vanguard GNMA) [7] *[NASDAQ Code = VFIIX]*	+8.4% *($1,084)*	**5.6%**	**3**	4
(Harbor Bond Institutional) [8] *[NASDAQ Code = HABDX]*	+8.4% *($1,084)*	**6.1%**	**2**	2
Money Market Fund:				
(TD Bank USA Institutional MMDA) *[NASDAQ Code = N/A]*	(-N/A-) [9]	**(-N/A-)**	(-N/A-)	

(Footnotes on next page) →

BROASTER COMPANY - 2nd Quarter, 2009 Plan Summary Report

(continued)

Footnotes:

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[1] Remember that past performance is absolutely ***not*** a guarantee of future performance.

[2] Russell 2000 Index. All statistics in this paragraph are from the Wall Street Journal (Source: Lipper).

[3] If an investor had put $1,000 into each fund on June 30, 2008, one year later (on June 30, 2009) each fund would have been worth the amount in italics and parentheses below.

[4] Example -- "35" below means that the fund ranked in the top 35% in investment performance, as compared to funds with a similar investment style or objective, for the 5-year period or for 10 years ending June 30, 2009. This is commonly stated as "the fund ranked in the 35th percentile of its peer group." For percentile rankings, lower is better – a 35th percentile fund outperformed 65% of peer group funds for the timeperiod stated. Data supplied by Morningstar.

[5] The following categories are as defined by Morningstar. Small Cap, Mid Cap, and Large Cap refer to the average size of the companies whose stock is held in the fund. For your stock funds (and the stock holdings of your balanced fund): [first letter] L = Large Cap, M = Mid Cap, S = Small Cap; [second letter] G = Growth, V = Value, B = Blend (Value/Growth). Example – *[LV]* means a large cap, value style. A "Value" style means that typically the fund portfolio manager buys stocks that he/she thinks will both grow in price *and* currently can be purchased at a price that is a good value. A "Growth" style manager focuses on buying stocks that are anticipated to grow in price, regardless of the current price of the stock (that is, even if based on historical standards, the stock price seems expensive already). "Moderate Allocation" and "Conservative Allocation" funds are "balanced funds" that hold a mixture of predominantly U.S. stocks and bonds; the former has a relatively higher position in stocks (50%-70%), while the latter has a relatively higher position in fixed income and cash (50%-80%). A "Foreign or International Equity" fund holds predominantly non-U.S. stocks, whereas a "World Stock" fund holds non-U.S. and U.S. stocks.

[6] Fund has not been in existence for all 10 years.

[7] Morningstar categorizes the Vanguard GNMA Fund as an "intermediate-term government bond fund".

[8] Morningstar categorizes the Harbor Bond Fund as an "intermediate-term bond fund". It is diversified across various bonds, including corporate and government bonds.

[9] This fund came into existence on August 18, 2008 as a result of the merger of Fiserv Trust Company into TD Ameritrade Trust Company. The new fund is the successor fund to your previous Fiserv Trust Institutional Money Market Fund. The new fund is a FDIC-insured deposit account. Its annualized total return since inception was 0.86% through June 30, 2009.