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 6-30-2010, covering your mix of funds. This past 3-month period ending June 30 was down significantly for the overall U.S. stock market, down (even more) for the aggregate international stock markets, and it was up slightly 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 down between -9.2% & -12.3% for the second quarter. According to Lipper Fund Services, the average diversified U.S. stock mutual fund's second quarter 2010 total return was -10.3%, and the S&P 500 Index was down approximately -11.4% for the second quarter. For the 12 months ending 6-30-2010 the S&P 500 Index was up +14.4%. According to Morningstar™ all of your funds have performed solidly-to-well for both 5 and 10 years relative to similar "peer group" funds, with the exceptions of the Forward Small Cap Equity Fund and the Third Avenue Small-Cap Value Fund that have lagged significantly for the 5-year period and for shorter timeperiods. [Note: 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 on average over the past 12 months ending 6-30-2010 – 5 funds within the top 25% of their peer groups' funds and 3 funds within the bottom 25% of their peer groups' funds. For the past 12 months ending 6-30-2010 (with the S&P 500 Index up +14.4%) four of your eight stock-oriented funds outperformed the S&P Index.[1] Your top performing stock-oriented fund was the Vanguard Mid Cap Index Fund at a +26.7% total return for the 12 months ending 6-30-2010, and your Harbor Bond Fund returned +12.6% for the same 12-month period.[2]

[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 -3.2% & +6.2% for the past 5 years ending 6/30/2010. This compares to -0.8% for the S&P 500 Index for the same 5-year period: 5 of your 8 stock-oriented funds exceeded the S&P 500 Index' return for this 5-year period.]

[1] According to Lipper (7/6/2010 Wall Street Journal), for the past 12 months all domestic stock fund categories (diversified categories) had significant positive returns -- up between +11.3% & +25.4%. For the 12 months ending 6/30/2010 the International (IL) stock fund category was up +7.8%. For the 5-year period ending 6/30/2010 all diversified U.S. stock fund investment categories had *annualized* total returns of between -1.6% and +1.1%.

[2] According to Lipper, the average intermediate-term (U.S.) taxable-bond fund total return was +13.0% for the previous 12 months ending 6/30/2010.

2nd QUARTER, 2010 PLAN SUMMARY REPORT – BROASTER COMPANY

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

You've Got Style! … but … Do You Have the Right Style? [1]

2009 was a year, like most years, that "style" mattered! What does this mean, and is this always the case? First, let me state that if you have, or have ever had, a teenage daughter, you already have been told many times that you have absolutely no style! That said, regarding long-term investing, and to understand the performance of your individual fund investments in 2009 and over time, read on.

Like clothing styles, investment styles are defined by their characteristics – a sport jacket might have narrow or wide lapels; or in the case of a mutual fund, it might hold stocks and/or bonds that are associated with big, stable "value" companies, or with speculative, small "growth" companies. At different times, professional investment managers favor different styles (as do different clothing designers); then again, there are professionals in each profession who stick with a certain style, no matter what is "hot" at the time. Most long-term investors prefer professional investment managers (called portfolio managers for mutual funds) who are consistent in their styles. Why? There are two main reasons: (1) Associated with different investment styles are different levels of risk and different levels of long-term returns (both historical returns and expected future returns). If an investment manager is continuously switching styles, it is impossible to anticipate future levels of investment risk and performance, and it is impossible to monitor and measure a mutual fund's performance in a consistent, objective fashion relative to other mutual funds of the same investment style. & (2) Many long-term investors attempt to put together a mix (or a portfolio) of mutual funds that are both distinctively different from, and at the same time complementary to, one another. Without consistency in the way mutual funds are managed, it is impossible to structure such a portfolio mix to match an individual's needs.

Let's look at some of the most prominent stock mutual fund investment styles. There are 3 broad categories of stock mutual funds – (i) U.S. or domestic funds, invest predominantly in stocks of U.S.-based companies; (ii) foreign or international funds, invest predominantly in stocks of non-U.S.-based companies; & (iii) global or world funds, invest in stocks of companies worldwide. For all 3 of these mutual fund investment categories: Large, Medium, and Small refer to the average size of the company whose stock is held in the mutual fund – for example, a "Large U.S. Value Stock Fund" holds stocks of large companies on average (sometimes these are called "large cap" stocks). "Value" style refers to funds which hold stocks that are "lower priced"; for instance, the share price of one company's stock relative to the same company's yearly earnings is lower than the same measurement for another company's stock. Investment managers following a "Value" style might say they are "buying earnings" at a cheaper price. "Growth" style refers to funds which hold stocks that are relatively "higher priced". In "Growth" mutual funds, the portfolio manager is willing to buy a relatively higher priced stock because he or she believes it will have superior performance over time, in spite of its higher initial price. 2009 was a year in which it was an advantage for a mutual fund to hold either larger U.S. company "Growth" stocks or smaller U.S. company "Growth" stocks.

For the previous full 10 years (according to a Morningstar, Inc. data study): a domestic small company value stock index led the way in 2000, 2001 and 2004; a domestic small company growth stock index in 2003; an international stock index in 2005 and 2006; a domestic large company growth stock index in 2007 and 2009; and a domestic bond index in 2002 and 2008.

Because different mutual fund investment styles outperform one another in different timeperiods, most long-term investors *diversify* their mutual fund mixes by investing in numerous stock and bond investment styles.

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[1] Periodically we revisit and update report topics. A report similar to this one was distributed in the second quarter of 1999.

BROASTER COMPANY - 2nd Quarter, 2010 Plan Summary Report

Funds' Performances for Periods Ended June 30, 2010

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 2010 total return was -10.3%; and for the 12-month period ending June 30, 2010, the total return was +15.2%. [For 12 months: the S&P 500 index returned +14.4%; the small-cap stock index returned +21.5% [2]; & the average international stock fund returned +7.8%]. The 3-month total return for taxable bond mutual funds averaged +1.8%, taking the average taxable bond fund total return to +13.0% for the previous 12 months.[3] Lastly, (retail taxable) money market funds' average yield was +0.03% 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, 2010: 1-Year Total Return *(Growth of $1,000)* [4]	**5-Year Average Return**	Fund Ranking [5] **5 Years**	10 Years
Stock-oriented:				
Large Cap Funds:				
(T. Rowe Price Equity Income) *[NASDAQ Code = PRFDX] [LV]* [6]	+17.2% *($1,172)*	**-0.4%**	**26**	20
(Vanguard Total Stock Market Index) *[NASDAQ Code = VTSMX] [LB]*	+15.9% *($1,159)*	**-0.3%**	**35**	42
(Rainier Large Cap Equity) *[NASDAQ Code = RIMEX] [LG]*	+9.1% *($1,091)*	**-1.1%**	**66**	24
Mid Cap Fund:				
(Vanguard Mid Cap Index) *[NASDAQ Code = VIMSX] [MB]*	+26.7% *($1,267)*	**1.1%**	**43**	31
Small Cap Funds:				
(Third Avenue Sm-Cap Val) *[NASDAQ Code = TASCX] [SB]*	+13.5% *($1,135)*	**-1.8%**	**75**	37
(Forward Small Cap Equity) *[NASDAQ Code = FFSCX] [SG]*	+8.1% *($1,081)*	**-3.2%**	**91**	29
(William Blair Small Cap Growth/N) *[NASDAQ Code = WBSNX] [SG]*	+17.4% *($1,174)*	**0.5%**	**49**	3
International Fund:				
(Harbor International Adm) *[NASDAQ Code = HRINX] [LB]*	+13.4% *($1,134)*	**6.2%**	**3**	3
Moderate Allocation Fund – Stocks & Bonds:				
(T. Rowe Price Capital Appreciation) *[NASDAQ Code = PRWCX] [LB]*	+14.6% *($1,146)*	**3.8%**	**5**	1
Bond-Oriented Funds:				
(Vanguard GNMA) [7] *[NASDAQ Code = VFIIX]*	+8.3% *($1,083)*	**6.1%**	**12**	7
(Harbor Bond Institutional) [8] *[NASDAQ Code = HABDX]*	+12.6% *($1,126)*	**7.0%**	**4**	4
Money Market Fund:				
(TD Bank USA Institutional MMDA) *[NASDAQ Code = N/A]*	+0.1% *($1,001)*	**(-N/A-)** [9]	(-N/A-)	

(Footnotes on next page) →

Footnotes:

[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] This +13.0% average is somewhat inflated due to "high-yield taxable"/junk bond funds being up +24.0%. More importantly "intermediate (term) bond" funds were also up +13.0% for the past 12 months.

[4] If an investor had put $1,000 into each fund on June 30, 2009, one year later (on June 30, 2010) each fund would have been worth the amount in italics and parentheses below.

[5] 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, 2010. 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.

[6] 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.

[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". Over time it is diversified across various bonds, including corporate and government bonds.

[9] This fund came into existence on August 18, 2009 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.