**INVESTMENT CONSULTANTS**
(A Registered Investment Advisor)

*October 12, 2009*

***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 9-30-2009, covering your mix of funds. This past 3-month period ending September 30 was up dramatically 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 +14% & +21% for the third quarter. According to Lipper Fund Services, the average diversified U.S. stock mutual fund's third quarter 2009 total return was +16.7%, and the S&P 500 Index was up approximately +15.6% for the third quarter. For the 12 months ending 9-30-2009 the S&P 500 Index was down -6.9%. 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 exception of the Forward Small Cap Equity Fund that has lagged for the 5-year period and for shorter periods. [Notes: The other small cap growth fund, 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 on average over the past 12 months ending 9-30-2009 – 2 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 9-30-2009 (with the S&P 500 Index down -6.9%) four of your eight stock-oriented funds outperformed the S&P Index.[1] Your top performing stock-oriented fund was the William Blair Small Cap Growth Fund at a +16.1% total return for the 12 months ending 9-30-2009, and your Harbor Bond Fund returned +18.5% 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 +0.7% & +10.2% for the past 5 years ending 9/30/2009. This compares to +1.0% for the S&P 500 Index for the same 5-year period: 7 of your 8 stock-oriented funds exceeded the S&P 500 Index' return for this 5-year period.]***

[1] According to Lipper (10/5/2009 Wall Street Journal), for the past 12 months virtually all domestic stock fund categories (diversified categories) had negative returns -- most were down between –2.5% & -7.3%. For the 12 months ending 9/30/2009 the international stock fund category was up +1.9%. For the 5-year period ending 9/30/2009 all diversified U.S. stock fund investment categories had positive annualized total returns of between +0.5% and +3.2%.

[2] According to Lipper, the average taxable bond fund total return was +10.0% for the previous 12 months.

# 3rd QUARTER, 2009 PLAN SUMMARY REPORT – BROASTER COMPANY

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

## What a Good Quarter – I Guess All Is Well Now!?!?

From the Friday, October 2, 2009 Wall Street Journal: " … what happened in the third quarter, the best three months since 1998, when financials were the top performers and some of the riskiest stocks led the market higher. Both the Dow and the S&P finished up 15%." In fact the S&P 500 Stock Index recently reached a peak after the down period that began in the second half of 2007, haven risen +58% from earlier this year. So does this mean that the stock market is well and the actions taken by the Administration over the past 12 months have worked out? Perhaps now we can just go back to a more comfortable "up-market period" like the recent 4.5-year period, 1/1/2003 through mid-2007 (before the market began imploding). During this period the S&P 500 rose +85.4%, the average foreign large company "blend style" fund was up +148.4%, and the average diversified emerging markets stock fund was up +291.0%. *Not so fast!* Why not? -- Because investing is quite a bit more complicated than that. Nonetheless, in an attempt to make investing more comfortable, let me reinforce two important themes or "cornerstones" of investing that we have addressed at various times in the past – *diversification and rebalancing*.

Over the years you have seen and heard the terms "diversification" and "rebalancing" in many of these quarterly reports. **Diversification** means investing in different asset categories (such as stocks, bonds, and money market funds) and investing in various types of funds (such as U.S. large company growth funds, intermediate-term bond funds, and international or emerging markets stock funds) – that is, *not* putting all of your account balances in one type of investment. **Rebalancing** means that once you have decided on an initial percentage mix (or allocation) of funds that is best for you, you review the percentages that you have in each fund (at least annually). Anytime an asset category's allocation percentage has moved 3-4% or more away from your original percentage mix, you adjust the category's allocation back to its initial percentage. For example, if your objective is to have 25% of your account balance in each of four funds, recalculate your percentage holdings in each fund at least annually, and then "buy" and "sell" as needed to get each of the four funds back to 25% of your account balance. *Rebalancing is intended to keep an investor's overall portfolio risk posture somewhat constant*. (Note: Many investors who benefited greatly from the stock market run-up from 1/1/2003-6/30/2007 did not rebalance, and when the market plummeted from 7/1/2007-2/28/2009, their portfolios lost much more than they would have lost had they rebalanced.) For many investors now is a time to consider rebalancing – after all, the year-to-date 2009 returns of most stock funds (domestic and international) have significantly outperformed the returns of most bond funds – the differences are particularly dramatic since March 1 (see chart below). The result: many portfolios may have become overweighted toward stock funds and, as a result, are more volatile (or risky) than before.

| Type of Fund | Sample Asset Allocation as of 3/1/2009 | Category Average Total Return from 3/1/2009-8/31/2009 | New Sample Asset Allocation as of 8/31/2009 |
|---|---|---|---|
| Money Market (Taxable) | 10% | 0.1% | 7.7% |
| Intermediate-term Bond | 25% | 11.7% | 21.4% |
| Foreign Large Blend (Stock) | 15% | 50.3% | 17.2% |
| S&P 500 Index (Stock) | 50% | 40.5% | 53.7% |

In the example in the table above the Fixed Income (bond & money market funds – in grey) allocation was 35% of the total portfolio on 3/1/2009. Because of the 6-month category returns above, on 8/31/2009 the Fixed Income allocation dropped to 29.1% of the total portfolio, 5.9% less than the 35% on 3/1/2009. Assuming the investor in the example wishes to keep his/her allocation (or risk posture) the same as it was on 3/1/2009, he/she should sell stock funds and use the proceeds to buy money market and bond funds.

# BROASTER COMPANY - 3rd Quarter, 2009 Plan Summary Report
## Funds' Performances for Periods Ended September 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 third quarter 2009 total return was +16.7%; and for the 12-month period ending September 30, 2009, the total return was -4.7%. [For 12 months: the S&P 500 index returned -6.9%; the small-cap stock index returned -9.5% [2]; & the average international stock fund returned +1.9%]. The 3-month total return for taxable bond mutual funds averaged +6.5%, taking the average taxable bond fund total return to +10.0% for the previous 12 months. Lastly, (retail taxable) money market funds' average yield was +0.4% 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 September 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] | -7.2% *($928)* | **1.4%** | **37** | 27 |
| (Vanguard Total Stock Market Index) *[NASDAQ Code = VTSMX] [LB]* | -6.1% *($939)* | **1.8%** | **36** | 40 |
| (Rainier Large Cap Equity) *[NASDAQ Code = RIMEX] [LG]* | -9.7% *($903)* | **2.1%** | **40** | 26 |
| **Mid Cap Fund:** | | | | |
| (Vanguard Mid Cap Index) *[NASDAQ Code = VIMSX] [MB]* | -2.1% *($979)* | **3.8%** | **34** | 25 |
| **Small Cap Funds:** | | | | |
| (Third Avenue Sm-Cap Val) *[NASDAQ Code = TASCX] [SB]* | -13.2% *($868)* | **1.8%** | **53** | 26 |
| (Forward Small Cap Equity) *[NASDAQ Code = FFSCX] [SG]* | -14.5% *($855)* | **0.7%** | **67** | 28 |
| (William Blair Small Cap Growth/N) *[NASDAQ Code = WBSNX] [SG]* | +16.1% *($1,161)* | **2.9%** | **37** | (----) [6] |
| **International Fund:** | | | | |
| (Harbor International Adm) *[NASDAQ Code = HRINX] [LB]* | +2.4% *($1,024)* | **10.2%** | **6** | 7 |
| **Moderate Allocation Fund – Stocks & Bonds:** | | | | |
| (T. Rowe Price Capital Appreciation) *[NASDAQ Code = PRWCX] [LB]* | +2.7% *($1,027)* | **5.0%** | **6** | 2 |
| **Bond-Oriented Funds:** | | | | |
| (Vanguard GNMA) [7] *[NASDAQ Code = VFIIX]* | +9.0% *($1,090)* | **5.6%** | **9** | 6 |
| (Harbor Bond Institutional) [8] *[NASDAQ Code = HABDX]* | +18.5% *($1,185)* | **6.4%** | **3** | 4 |
| **Money Market Fund:** | | | | |
| (TD Bank USA Institutional MMDA) *[NASDAQ Code = N/A]* | +0.6% *($1,006)* | **(-N/A-)** [9] | (-N/A-) | |

(Footnotes on next page) →

# BROASTER COMPANY - 3rd Quarter, 2009 Plan Summary Report

(continued)

## 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 If an investor had put $1,000 into each fund on September 30, 2008, one year later (on September 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 September 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.