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 9-30-2015, covering your mix of funds. This past 3-month period ending September 30 was down significantly for the overall U.S. stock market and slightly more for the aggregate international stock markets, and down for the overall U.S. bond market. Within the U.S. stock market, the diversified stock fund categories (as defined by Lipper investment styles and capitalizations) had returns of between -6.3% & -12.0% for the third quarter. According to Lipper Fund Services, the average U.S. stock mutual fund's third quarter 2015 total return was -8.2%, and the <u>S&P 500 Index was down -6.4% for the third quarter</u>. <u>For the 12 months ending 9-30-2015 the S&P 500 Index was down -0.6%</u>. According to Morningstar™ all of your funds have performed solidly-to-well for both 5 and 10 years relative to similar "peer group" funds. 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 well on average over the past 12 months ending 9-30-2015 – 7 funds within the top 25% of their peer groups' funds and 0 funds within the bottom 25% of their peer groups' funds. For the past 12 months ending 9-30-2015 (with the S&P 500 Index down -0.6%) five of your six domestic stock-oriented funds matched or outperformed the S&P 500 Index.[1] For this time period the place to be invested was in U.S. growth companies, with U.S. small-cap growth companies leading the way. Your top performing stock-oriented fund was the Loomis Sayles Small Cap Growth Fund at a +5.8% total return for the 12 months ending 9-30-2015, and your Harbor Bond Fund returned +1.8% for the same 12-month period.[2]

[Note: To put your funds' returns into perspective during the past five years' dynamic "up" market conditions, your 7 stock-oriented funds have annualized total returns (compounded each year) of between +4.9% & +14.4% for the past 5 years ending 9/30/2015. This compares to +13.3% for the S&P 500 Index for the same 5-year period: 6 of your 7 stock-oriented funds matched or exceeded the S&P 500 Index' return for this 5-year period. Your laggard is your foreign large cap fund, most of which have significantly lagged U.S. stock funds for this period.]

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1 According to Lipper (10/5/2015 Wall Street Journal), for the past 12 months ending 9/30/2015 all domestic diversified, non-specialty stock fund categories had returns between -5.4% & +2.8%. <u>For the past 12 months the S&P 500 Index outperformed all but 4 of the 13 diversified domestic stock fund categories. One of your stock-oriented funds is a foreign/international fund. For the 12 months ending 9/30/2015 the International stock fund category was down -7.9%</u>. For the 5-year period ending 9/30/2015 all domestic diversified, non-specialty U.S. stock fund investment categories had *annualized* total returns of between +10.1% and +13.0%. [International stock fund category = +3.5% per year.]

2 According to Lipper, the average intermediate-term (U.S.) taxable-bond fund total return was -1.5% for the previous 12 months ending 9/30/2015.

3rd QUARTER, 2015 PLAN SUMMARY REPORT – BROASTER COMPANY

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

What's Going On? …&… Some Items to Think About!

In the third quarter of 2015 (7/1/2015-9/30/2015) stocks had their worst quarter since 2011 – the S&P 500 Index was down -6.9%, led by energy stocks (down -18.1%) and materials stocks (down -17.3%). Of course, we've all heard and read about the drop in oil prices worldwide; and about the slowdown in the second-largest economy, China, which has resulted in their buying less raw materials. These things, along with the Chinese government's manipulating its currency have adversely affected the markets and have "spooked" investors.

Another related situation that is going on is that *volatility* has increased in the stock markets globally. In finance, *volatility* is the degree of variation of an investment's trading price over time. In other words, the stock market's moving way up and way down (day-to-day, week-to-week, etc.) indicates that market volatility is up. Is this bad? In its own right, not necessarily. Of greater importance is – going forward, is the stock market trending up or down in the medium- to the long-term? Of course, no one knows for sure; but one thing is clear – to most investors increased stock market volatility is unsettling. It reminds us that the stock market can go down – sometimes down a lot, as it did in 2008. We're going to borrow from several Money Magazine articles to emphasize some additional important points for you to consider.

In the recent (October, 2015) Money Magazine, there is an article titled "Keep Calm Amid Panic". Like many such articles in reputable magazines, it details some good points for investors to consider: (1) "…in late August when Wall Street suffered its biggest skid in four years. This is the closest investors have come to bear-market territory since the summer of 2011, when the S&P 500 fell nearly 20%." & "… this [current] selloff has been modest, so far, by historical standards …" "Over the past quarter-century, only two out of the nine market selloffs of 10% or more morphed into real bears, [a 'bear market' is] formally defined as a decline of at least 20%. The seven that didn't averaged losses of 16%, nearly what you've already endured." Later the article states, "History shows that downturns, thankfully, don't last all that long. The average correction[1] runs for only 138 days, while the typical bear market survives less than 18 months." & "The natural inclination in a selloff is to, well, sell. Feed your need to do something by raising your savings rate to compensate for your losses. If you're not sure you can swing this, just do it while the selloff lasts, says Morningstar's Benz." In the August, 2012 Money Magazine is the article, "How to Reach $1Million – 5 Strategies to Save, Earn & Invest Your Way to Real Wealth". In a section titled "Power Saving": (1) "Aim to save at least 15% of your income for a period of 10 years or more …"; (2) "Power savers … many substantially increased contributions to their 401(k) or other retirement accounts after their children left home or during periods when both spouses were working …"; (3) "Set a target. Studies show that people who calculate how much money they need for retirement end up saving much more than those who don't."[2]; (4) "Every time you get a bonus, tax refund, or other windfall, put half into savings." Lastly, in the March, 2015 Money Magazine article "7 Steps to Total Financial Fitness" the suggestion is made "Rather than plan to 'cut costs', focus on, say, paying off your mortgage five years early."

In Money Magazine and other prominent publications, an investor can read articles which argue why the stock markets will surely go up and why they will surely go down. But, although none of these articles guarantee that U.S. or global markets will go up or down, there are nonetheless actions (some listed above) that a long term investor (such as someone in a 401(k) and/or Profit Sharing Plan) should consider taking.

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[1] A market correction refers to a price decline of at least 10% of any security or market index.

[2] A study by Gail Matthews, a psychology professor at Dominican University, found that you're 42% more likely to achieve your aims just by writing them down. Additionally, a Wells Fargo survey found that people with a written financial plan save more than twice as much as those without a plan.

BROASTER COMPANY - 3rd Quarter, 2015 Plan Summary Report
Funds' Performances for Periods Ended September 30, 2015

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 2015 total return was -8.2%; and for the 12-month period ending September 30, 2015, the total return was -1.5%. [For 12 months: the S&P 500 index returned -0.6%; the small-cap stock index returned +1.2% [2]; & the average international stock fund returned -7.9%]. The 3-month total return for taxable bond mutual funds averaged -1.9%, taking the average taxable bond fund total return to -1.7% for the previous 12 months. Lastly, (retail taxable) money market funds' average yield was +0.01% 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.

	Periods Ended September 30, 2015:		Fund Ranking [4]	
Fund Type	1-Year Total Return *(Growth of $1,000)* [3]	**5-Year Average Return**	**5 Years**	10 Years
Stock-oriented:				
Large Cap Funds:				
(Fidelity Contrafund) *[NASDAQ Code = FCNTX] [LG]* [5]	+3.3% *($1,033)*	**13.3%**	**36**	**16**
(Vanguard Total Stock Market Index) *[NASDAQ Code = VTSAX] [LB]*	-0.6% *($994)*	**13.3%**	**17**	**14**
(Vanguard Equity-Income/Adm) *[NASDAQ Code = VEIRX] [LV]*	-2.0% *($980)*	**13.4%**	**6**	**5**
Mid Cap Fund:				
(Vanguard Mid Cap Index/Adm) *[NASDAQ Code = VIMAX] [MB]*	+1.7% *($1,017)*	**13.6%**	**11**	**18**
Small Cap Funds:				
(Loomis Sayles Small Cap Growth) *[NASDAQ Code = LSSIX] [SG]*	+5.8% *($1,058)*	**14.4%**	**14**	**4**
(Vanguard Tax-Mged Small Cap/Adm) *[NASDAQ Code = VTMSX] [SB]*	+4.4% *($1,044)*	**14.1%**	**8**	**13**
International Fund:				
(T. Rowe Price Overseas Stock) *[NASDAQ Code = TROSX] [LB]*	-7.5% *($925)*	**4.9%**	**15**	**(----)** [6]
Moderate Allocation Fund – Stocks & Bonds:				
(T. Rowe Price Capital Appreciation) *[NASDAQ Code = PRWCX] [LG]*	+5.7% *($1,057)*	**12.3%**	**1**	**1**
Bond-Oriented Funds:				
(Harbor Bond Institutional) [7] *[NASDAQ Code = HABDX]*	+1.8% *($1,018)*	**3.0%**	**60**	**11**
(Templeton Global Bond Adv) [8] *[NASDAQ Code = TGBAX]*	-7.7% *($923)*	**2.4%**	**27**	**1**
(Vanguard Sht-Term Inv-Grade/Adm) *[NASDAQ Code = VFSUX]*	+1.6% *($1,016)*	**2.2%**	**17**	**16**
Money Market Fund:				
(TD Bank USA Institutional MMDA) *[NASDAQ Code = N/A]*	+0.0% *($1,000)*	**0.0%**	(-N/A-)	

(Endnotes on next page) →

Endnotes:

[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, 2014, one year later (on September 30, 2015) 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, 2015. 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 10 years.

[7] 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.

[8] Morningstar categorizes the Templeton Global Bond Fund as a "world bond fund". Over time it is diversified across various geographies worldwide.