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 12-31-2009, covering your mix of funds. This past 3-month period ending December 31 was up for the overall U.S. stock market and up less for the aggregate international stock markets, and it was up 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 +2% & +7% for the fourth quarter. According to Lipper Fund Services, the average diversified U.S. stock mutual fund's fourth quarter 2009 total return was +5.4%, and the <u>S&P 500 Index was up approximately +6.0% for the fourth quarter</u>. <u>For the 12 months ending 12-31-2009 the S&P 500 Index was up +26.5%</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, with the exception of the Forward Small Cap Equity Fund that has lagged 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 12-31-2009 – 4 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 12-31-2009 (with the S&P 500 Index up +26.5%) 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 +69.6% total return for the 12 months ending 12-31-2009, and your Harbor Bond Fund returned +13.8% 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 -1.1% & +8.9% for the past 5 years ending 12/31/2009. This compares to +0.4% 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 (1/6/2010 Wall Street Journal), for the past 12 months all domestic stock fund categories (diversified categories) had large positive returns -- up between +22.9% & +40.4%. For the 12 months ending 12/31/2009 the international (IL) stock fund category was up +32.7%. For the 5-year period ending 12/31/2009 all diversified U.S. stock fund investment categories had annualized total returns of between -0.4% and +1.7%.

[2] According to Lipper, the average intermediate-term bond fund total return was +12.9% for the previous 12 months.

4th QUARTER, 2009 PLAN SUMMARY REPORT – BROASTER COMPANY
Prepared by: ***Investment Consultants (an affiliate of Compensation & Capital)***

A Strong 2009 -- What Now?

The following is summarized from a mailer that we received last year – see the 2 bullet points below:

- A Ned Davis Research study shows that the Standard & Poor's (S&P) 500 Composite Index [stocks of large U.S. companies] has tended to bounce back quickly after bottoming out during the past 10 recessions. The index generated a 24% mean return six months after bottoming and 32% a year later. No one can predict a market bottom with any degree of certainty, but investors who maintained a long-term perspective and held on to their equity investment allocations stood to benefit. While the past can provide historical perspective, the key question is, is it predictive of future results?
- Although they feel like turbulent times, recessions can represent a buying opportunity for investors who stick to a program of investing regularly. Of course, there's no guarantee the market will turn around soon after a recession, and past results should not be viewed as such. However, the S&P 500 generated positive results in nearly every 3-, 6-, 9-, and 12-month period following its low point during the last 10 recessions.

2009 proved to be a strong "bounce-back" year in the markets – the S&P 500 was up +26.5%; the average U.S. stock fund was up even more at +32.0%; the average intermediate-term bond fund was up +12.9%; and the average international (IL) stock fund was up +32.7%.[3] Keep in mind that these increases were based on the market levels reached after the very substantial market decreases experienced from late in the second half of 2007 through February of 2009. Once again the market went down and the market went up, a pattern that has occurred many times over the past century. Where will it go from here? Easy question, but there is not an easy answer. The following bullet points will not definitively answer the "market direction" question just posed, but they may help to give you some insights regarding what are affecting the markets and market subcategories [4]:

- "The effect of free money is remarkable. A year ago investors were panicking and there was talk of another Depression. Now the MSCI world index of global share prices is more than 70% higher than its low in March 2009. That's largely thanks to interest rates of 1% or less in America, Japan, Britain and the euro zone, which have persuaded investors to take their money out of cash and to buy risky assets." Of course, related to this 'free money' is the growth of massive government deficits.
- "In 2003 the stockmarkets of America, Britain and Japan formed 73% of the value of the MSCI all-country index; by the end of 2009 this proportion was just 59%." This is a staggering shift. As a group, emerging market economies are growing rapidly and are both attracting investors' money and are receiving large amounts of currency through exports. Because many emerging countries have strengthened their fiscal positions, they are increasingly the creditors of the American budget deficit – i.e., they effectively lend us money to 'fund' our government's deficit.
- Many emerging market economies have experienced the combination of huge stock market price increases, increases in cheap money for businesses to borrow, and low interest rates (which are often related to their currencies being 'pegged to the dollar'). Many experts believe that these factors make emerging market stock markets candidates to become 'bubbles that could burst'.

Issues such as these suggest that **diversifying** one's investments across different types of funds and **rebalancing** one's investments to keep the percentages of different types of funds relatively constant continue to make sense for long-term investors. [See last quarter's Participant report for a discussion of these two prominent investing concepts.]

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[3] These total return statistics are from the January 6, 2010 Wall Street Journal's "Quarterly Analysis" section (Source: Lipper).
[4] The following is both taken from and based on articles in the January 9-15, 2010 "Economist" magazine.

BROASTER COMPANY - 4th Quarter, 2009 Plan Summary Report
Funds' Performances for Periods Ended December 31, 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 fourth quarter 2009 total return was +5.4%; and for the 12-month period ending December 31, 2009, the total return was +32.0%. [For 12 months: the S&P 500 index returned +26.5%; the small-cap stock index returned +27.2% [2]; & the average international stock fund returned +32.7%]. The 3-month total return for taxable bond mutual funds averaged +1.8%, taking the average taxable bond fund total return to +18.3% for the previous 12 months.[3] Lastly, (retail taxable) money market funds' average yield was +0.1% 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 December 31, 2009: 1-Year Total Return *(Growth of $1,000)* [4]	**5-Year Average Return**	Fund Ranking [5] **5 Years**	Fund Ranking [5] 10 Years
Stock-oriented:				
Large Cap Funds:				
(T. Rowe Price Equity Income) *[NASDAQ Code = PRFDX] [LV]* [6]	+25.6% *($1,256)*	**0.7%**	**35**	24
(Vanguard Total Stock Market Index) *[NASDAQ Code = VTSMX] [LB]*	+28.7% *($1,287)*	**0.9%**	**38**	45
(Rainier Large Cap Equity) *[NASDAQ Code = RIMEX] [LG]*	+23.3% *($1,233)*	**1.2%**	**48**	26
Mid Cap Fund:				
(Vanguard Mid Cap Index) *[NASDAQ Code = VIMSX] [MB]*	+40.2% *($1,402)*	**2.3%**	**41**	25
Small Cap Funds:				
(Third Avenue Sm-Cap Val) *[NASDAQ Code = TASCX] [SB]*	+25.3% *($1,253)*	**0.6%**	**48**	32
(Forward Small Cap Equity) *[NASDAQ Code = FFSCX] [SG]*	+20.6% *($1,206)*	**-1.1%**	**70**	16
(William Blair Small Cap Growth/N) *[NASDAQ Code = WBSNX] [SG]*	+69.6% *($1,696)*	**0.4%**	**51**	1
International Fund:				
(Harbor International Adm) *[NASDAQ Code = HRINX] [LB]*	+38.2% *($1,382)*	**8.9%**	**4**	4
Moderate Allocation Fund – Stocks & Bonds:				
(T. Rowe Price Capital Appreciation) *[NASDAQ Code = PRWCX] [LV]*	+33.1% *($1,331)*	**4.4%**	**6**	2
Bond-Oriented Funds:				
(Vanguard GNMA) [7] *[NASDAQ Code = VFIIX]*	+5.3% *($1,053)*	**5.4%**	**10**	8
(Harbor Bond Institutional) [8] *[NASDAQ Code = HABDX]*	+13.8% *($1,138)*	**6.4%**	**3**	4
Money Market Fund:				
(TD Bank USA Institutional MMDA) *[NASDAQ Code = N/A]*	+0.2% *($1,002)*	**(-N/A-)** [9]	(-N/A-)	

(Footnotes on next page) →

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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] This +18.3% average is due to "junk bond" funds being up +46.4% and "world bond" funds being up +18.8%. More importantly "intermediate (term) bond" funds were up +12.9% for the past 12 months.

[4] If an investor had put $1,000 into each fund on December 31, 2008, one year later (on December 31, 2009) 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 December 31, 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.

[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, 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.