

To: All Participants in the Company Managed Profit Sharing Pooled Fund
From: Joe Dubeck
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Enclosed is your Profit Sharing account statement detailing Third Quarter, 2011 activity in the Company Managed Profit Sharing Pooled Fund ('PS Pooled Fund'). Compensation & Capital Incorporated, our Plans' independent investment counsel, has supplied the following comments specific to the PS Pooled Fund's investment performance, financial market events and investing for retirement in general:

For the trailing periods ending 9/30/2011, the PS Pooled Fund *lost* 7.7% for the third quarter of 2011. It *lost* 3.0% for the first 9 months of 2011 and *gained* 3.6% for the preceding 12 months. Over multi-year trailing periods through 9/30/2011, it has cumulatively *gained* 12.8% during the past 3 years, and cumulatively *gained* 10.6% over the past 5 years. Since the Plans' investments restructuring 12¼ years ago in July, 1999, the Fund has cumulatively *gained* 40.2%. For reference, all-stock portfolios as measured by the S&P 500 Index of the 500 largest U.S. companies have gained only 2.9% since July, 1999 with far greater volatility.

From one day to the next, the financial markets can't seem to decide whether the European debt crisis OR a resurgence of global growth is in our futures. The past quarter was characterized by dramatic swings in prices of both stocks and bonds. The overall stock market as represented by the S&P 500 *lost* 13.9% of its value from July 1 through September 30 making this past quarter's performance its worst since the debacles of the 2008-2009 financial crisis. The overall bond market – as should be expected during times of stock market sell-off's – added 3.8% to its June 30th value over the course of the third quarter.

Meanwhile, your PS Pooled Fund's "steady as she goes" approach to asset allocation (with its quarterly rebalanced 60% weighting to stocks and 40% to bonds) has steamed through the markets' almost daily shift between "risk-on" and "risk-off" fixations to perform far better than more risky portfolios for the first nine months of 2011. In fact, over the 12¼ years that it has been in existence, it has provided the benefits of that same steady approach for CBC Plans participants attempting to utilize their Profit Sharing account balance as a core holding for their overall retirement savings. This objective of attempting to match personal risk/return objectives with portfolio asset allocation strategy has been fine tuned as of October 1st through the Plans' investing and reporting restructuring.

You have been kept informed of these changes through several mailings and introduction to the Plans' new website www.planspecs.com/cbc. The new investing options are comprehensively explained on the website under the "Plan Investing" button on the left-side navigation bar. Specific to the PS Pooled Fund participants, you were informed in a mailing dated August 22nd that in the absence of your direction to other available Plan investment(s) before September 23rd your PS Pooled Fund account balance would be automatically transferred into the Vanguard Target Retirement Fund appropriate to your age. These funds are explained on the website under the "Vanguard Auto-Balanced Funds" button under "Plan Investing."

In short, younger participants were transferred into Target funds with higher allocations to stock and lower allocations to bonds than the 60%/40% split used for all participants in the PS Pooled Fund. Older participants moved to Target funds with less stock exposure. Participants born between 1947 and 1956 were placed in one of two Target Funds that have asset allocations very similar to the former PS Pooled Fund. If you allowed your PS Pooled Fund balance to auto-transfer to an appropriate Vanguard Target Retirement fund, we suggest that you review that fund's asset allocation on www.planspecs.com/cbc to be sure that it is in keeping with your investing objectives. If you would like to move your current investment to something more appropriate, contact us at info@planspecs.com. We will guide you through the process.