UNITED SUPERMARKETS, L.L.C.

Notes to Financial Statements

(Dollars in thousands)

The Company expects net periodic pension income for 2014 to be approximately $580, using actuarial assumptions of a 5.00% discount rate and a 6.75% return on assets rate.

The accounting guidance for fair value measurements prioritizes the inputs used in measuring fair value into the following hierarchy:

Level 1— Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2— Inputs other than quoted prices included within Level 1 that are either directly or indirectly observable.

Level 3— Unobservable inputs in which little or no market activity exists, therefore requiring an entity to develop its own assumptions about the assumptions that market participants would use in pricing.

The following table sets forth, by level, the Plan's assets at fair value:

	Level 1	Level 2	Level 3	Total
December 28, 2013:				
Cash and cash equivalents	**$ 7,983**	**$ —**	**$ —**	**$ 7,983**
U.S. government securities	**—**	**8,591**		**8,591**
Corporate bonds—investment grade	**—**	**7,773**	**—**	**7,773**
Corporate stocks—U.S. companies	**25,425**	**—**	**—**	**25,425**
	$33,408	**$16,364**	**$ —**	**$49,772**
January 26, 2013:				
Cash and cash equivalents	$ 6,312	$ —	$ —	$ 6,312
U.S. government securities	—	9,268	—	9,268
Corporate bonds—investment grade	—	7,467	—	7,467
Corporate stocks—U.S. companies	22,643	—	—	22,643
	$28,955	$16,735	$ —	$45,690

The fair values of the Plan's Level 1 assets are based on quoted market prices of the identical underlying security. The fair values of the Plan's Level 2 assets are obtained from readily-available pricing sources for the identical underlying security that may not be actively traded. The Company utilizes a pricing service to assist in obtaining fair value pricing for the majority of the Plan assets. The Company conducts reviews on an annual basis to verify pricing, assess liquidity, and determine if significant inputs have changed that would impact the fair value hierarchy disclosure. During the eleven-month period ended December 28, 2013, the Plan did not make significant transfers between Level 1 and Level 2 assets. As of December 28, 2013 and January 26, 2013, the Plan did not have any significant Level 3 financial assets.

(Continued)