Claymore Exchange-Traded Fund Trust
Form 40-17G
January 08, 2016

ICI MUTUAL INSURANCE COMPANY,
a Risk Retention Group

1401 H St. NW
Washington, DC 20005

INVESTMENT COMPANY BLANKET BOND

ICI MUTUAL INSURANCE COMPANY,
a Risk Retention Group
1401 H St. NW
Washington, DC 20005

DECLARATIONS

NOTICE

This policy is issued by your risk retention group. Your risk retention group may not be subject to all of the insurance laws and regulations of your state. State insurance insolvency guaranty funds are not available for your risk retention group.

Item 1. Name of Insured (the "Insured") Guggenheim Enhanced Equity Strategy Fund

Bond Number: 05716115B

Principal Office:
2455 Corporate West Drive
Lisle, IL 60532

Mailing Address:
2455 Corporate West Drive
Lisle, IL 60532

Item 2. Bond Period: from 12:01 a.m. on June 15, 2015, to 12:01 a.m. on June 15, 2016, or the earlier effective date of the termination of this Bond, standard time at the Principal Office as to each of said dates.

Item 3. Limit of Liability—
Subject to Sections 9, 10 and 12 hereof:

		LIMIT OF LIABILITY	DEDUCTIBLE AMOUNT
Insuring Agreement A-	FIDELITY	$15,900,000	N/A
Insuring Agreement B-	AUDIT EXPENSE	$50,000	$10,000
Insuring Agreement C-	ON PREMISES	$15,900,000	$50,000
Insuring Agreement D-	IN TRANSIT	$15,900,000	$50,000
Insuring Agreement E-	FORGERY OR ALTERATION	$15,900,000	$50,000
Insuring Agreement F-	SECURITIES	$15,900,000	$50,000
Insuring Agreement G-	COUNTERFEIT CURRENCY	$15,900,000	$50,000
Insuring Agreement H-	UNCOLLECTIBLE ITEMS OF DEPOSIT	$25,000	$5,000
Insuring Agreement I-	PHONE/ELECTRONIC TRANSACTIONS	$15,900,000	$50,000

If “Not Covered” is inserted opposite any Insuring Agreement above, such Insuring Agreement and any reference thereto shall be deemed to be deleted from this Bond.

OPTIONAL INSURING AGREEMENTS ADDED BY RIDER:

Insuring Agreement			
J-	COMPUTER SECURITY	$15,900,000	$50,000

Item 4. Offices or Premises Covered--All the Insured's offices or other premises in existence at the time this Bond becomes effective are covered under this Bond, except the offices or other premises excluded by Rider. Offices or other premises acquired or established after the effective date of this Bond are covered subject to the terms of General Agreement A.

Item 5. The liability of ICI Mutual Insurance Company, a Risk Retention Group (the "Underwriter") is subject to the terms of the following Riders attached hereto:

Riders: 1-2-3-4-5-6

and of all Riders applicable to this Bond issued during the Bond Period.

By: /S/ Matthew Link____________
Authorized Representative

Bond (05/14)

INVESTMENT COMPANY BLANKET BOND

NOTICE

This policy is issued by your risk retention group. Your risk retention group may not be subject to all of the insurance laws and regulations of your state. State insurance insolvency guaranty funds are not available for your risk retention group.

ICI Mutual Insurance Company, a Risk Retention Group (the "Underwriter"), in consideration of an agreed premium, and in reliance upon the Application and all other information furnished to the Underwriter by the Insured, and subject to and in accordance with the Declarations, General Agreements, Provisions, Conditions and Limitations and other terms of this bond (including all riders hereto) ("Bond"), to the extent of the Limit of Liability and subject to the Deductible Amount, agrees to indemnify the Insured for the loss, as described in the Insuring Agreements, sustained by the Insured at any time but discovered during the Bond Period.

INSURING AGREEMENTS

A. FIDELITY

Loss caused by any Dishonest or Fraudulent Act or Theft committed by an Employee anywhere, alone or in collusion with other persons (whether or not Employees), during the time such Employee has the status of an Employee as defined herein, and even if such loss is not discovered until after he or she ceases to be an Employee, EXCLUDING loss covered under Insuring Agreement B.

B. AUDIT EXPENSE

Expense incurred by the Insured for that part of audits or examinations required by any governmental regulatory authority or Self Regulatory Organization to be conducted by such authority or Organization or by an independent accountant or other person, by reason of the discovery of loss sustained by the Insured and covered by this Bond.

C. ON PREMISES

Loss resulting from Property that is (1) located or reasonably believed by the Insured to be located within the Insured's offices or premises, and (2) the object of Theft, Dishonest or Fraudulent Act, or Mysterious Disappearance, EXCLUDING loss covered under Insuring Agreement A.

D. IN TRANSIT

Loss resulting from Property that is (1) in transit in the custody of any person authorized by an Insured to act as a messenger, except while in the mail or with a carrier for hire (other than a Security Company), and (2) the object of Theft, Dishonest or Fraudulent Act, or Mysterious Disappearance, EXCLUDING loss covered under Insuring Agreement A. Property is "in transit" beginning immediately upon receipt of such Property by the transporting person and ending immediately upon delivery at the specified destination.

E. FORGERY OR ALTERATION

Loss caused by the Forgery or Alteration of or on (1) any bills of exchange, checks, drafts, or other written orders or directions to pay certain sums in money, acceptances, certificates of deposit, due bills, money orders, or letters of credit; or (2) other written instructions, requests or applications to the Insured, authorizing or acknowledging the transfer, payment, redemption, delivery or receipt of

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Property, or giving notice of any bank account, which instructions or requests or applications purport to have been signed or endorsed by (a) any customer of the Insured, or (b) any shareholder of or subscriber to shares issued by any Investment Company, or (c) any financial or banking institution or stockbroker; or (3) withdrawal orders or receipts for the withdrawal of Property, or receipts or certificates of deposit for Property and bearing the name of the Insured as issuer or of another Investment Company for which the Insured acts as agent. This Insuring Agreement E does not cover loss caused by Forgery or Alteration of Securities or loss covered under Insuring Agreement A.

F. SECURITIES

Loss resulting from the Insured, in good faith, in the ordinary course of business, and in any capacity whatsoever, whether for its own account or for the account of others, having acquired, accepted or received, or sold or delivered, or given any value, extended any credit or assumed any liability on the faith of any Securities, where such loss results from the fact that such Securities (1) were Counterfeit, or (2) were lost or stolen, or (3) contain a Forgery or Alteration, and notwithstanding whether or not the act of the Insured causing such loss violated the constitution, by-laws, rules or regulations of any Self Regulatory Organization, whether or not the Insured was a member thereof, EXCLUDING loss covered under Insuring Agreement A.

G. COUNTERFEIT CURRENCY

Loss caused by the Insured in good faith having received or accepted (1) any money orders which prove to be Counterfeit or to contain an Alteration or (2) paper currencies or coin of the United States of America or Canada which prove to be Counterfeit. This Insuring Agreement G does not cover loss covered under Insuring Agreement A.

H. UNCOLLECTIBLE ITEMS OF DEPOSIT

Loss resulting from the payment of dividends, issuance of Fund shares or redemptions or exchanges permitted from an account with the Fund as a consequence of

(1) uncollectible Items of Deposit of a Fund’s customer, shareholder or subscriber credited by the Insured or its agent to such person’s Fund account, or

(2) any Item of Deposit processed through an automated clearing house which is reversed by a Fund’s customer, shareholder or subscriber and is deemed uncollectible by the Insured;

PROVIDED, that (a) Items of Deposit shall not be deemed uncollectible until the Insured’s collection procedures have failed, (b) exchanges of shares between Funds with exchange privileges shall be covered hereunder only if all such Funds are insured by the Underwriter for uncollectible Items of Deposit, and (c) the Insured Fund shall have implemented and maintained a policy to hold Items of Deposit for the minimum number of days stated in its Application (as amended from time to time) before paying any dividend or permitting any withdrawal with respect to such Items of Deposit (other than exchanges between Funds). Regardless of the number of transactions between Funds in an exchange program, the minimum number of days an Item of Deposit must be held shall begin from the date the Item of Deposit was first credited to any Insured Fund.

This Insuring Agreement H does not cover loss covered under Insuring Agreement A.

I. PHONE/ELECTRONIC TRANSACTIONS

Loss caused by a Phone/Electronic Transaction, where the request for such Phone/Electronic Transaction:

(1) is transmitted to the Insured or its agents by voice over the telephone or by Electronic Transmission; and

(2) is made by an individual purporting to be a Fund shareholder or subscriber or an authorized agent of a Fund shareholder or subscriber; and

(3) is unauthorized or fraudulent and is made with the manifest intent to deceive;

PROVIDED, that the entity receiving such request generally maintains and follows during the Bond Period all Phone/Electronic Transaction Security Procedures with respect to all Phone/Electronic Transactions; and

EXCLUDING loss resulting from:

(1) the failure to pay for shares attempted to be purchased; or

(2) any redemption of Investment Company shares which had been improperly credited to a shareholder's account where such shareholder (a) did not cause, directly or indirectly, such shares to be credited to such account, and (b) directly or indirectly received any proceeds or other benefit from such redemption; or

(3) any redemption of shares issued by an Investment Company where the proceeds of such redemption were requested to be paid or made payable to other than (a) the Shareholder of Record, or (b) any other person or bank account designated to receive redemption proceeds (i) in the initial account application, or (ii) in writing (not to include Electronic Transmission) accompanied by a signature guarantee; or

(4) any redemption of shares issued by an Investment Company where the proceeds of such redemption were requested to be sent to other than any address for such account which was designated (a) in the initial account application, or (b) in writing (not to include Electronic Transmission), where such writing is received at least one (1) day prior to such redemption request, or (c) by voice over the telephone or by Electronic Transmission at least fifteen (15) days prior to such redemption; or

(5) the intentional failure to adhere to one or more Phone/Electronic Transaction Security Procedures; or

(6) a Phone/Electronic Transaction request transmitted by electronic mail or transmitted by any method not subject to the Phone/Electronic Transaction Security Procedures; or

(7) the failure or circumvention of any physical or electronic protection device, including any firewall, that imposes restrictions on the flow of electronic traffic in or out of any Computer System.

This Insuring Agreement I does not cover loss covered under Insuring Agreement A, "Fidelity" or Insuring Agreement J, "Computer Security".

GENERAL AGREEMENTS

A. ADDITIONAL OFFICES OR EMPLOYEES—CONSOLIDATION OR MERGER--NOTICE

1. Except as provided in paragraph 2 below, this Bond shall apply to any additional office(s) established by the Insured during the Bond Period and to all Employees during the Bond Period, without the need to give notice thereof or pay additional premiums to the Underwriter for the Bond Period.

2. If during the Bond Period an Insured Investment Company shall merge or consolidate with an institution in which such Insured is the surviving entity, or purchase substantially all the assets or capital stock of another institution, or acquire or create a separate investment portfolio, and shall within sixty (60) days notify the Underwriter thereof, then this Bond shall automatically apply to the Property and Employees resulting from such merger, consolidation, acquisition or creation from the date thereof; provided, that the Underwriter may make such coverage contingent upon the payment of an additional premium.

B. WARRANTY

No statement made by or on behalf of the Insured, whether contained in the Application or otherwise, shall be deemed to be an absolute warranty, but only a warranty that such statement is true to the best of the knowledge of the person responsible for such statement.

C. COURT COSTS AND ATTORNEYS' FEES

The Underwriter will indemnify the Insured against court costs and reasonable attorneys' fees incurred and paid by the Insured in defense of any legal proceeding brought against the Insured seeking recovery for any loss which, if established against the Insured, would constitute a loss covered under the terms of this Bond; provided, however, that with respect to Insuring Agreement A this indemnity shall apply only in the event that

1. an Employee admits to having committed or is adjudicated to have committed a Dishonest or Fraudulent Act or Theft which caused the loss; or

2. in the absence of such an admission or adjudication, an arbitrator or arbitrators acceptable to the Insured and the Underwriter concludes, after a review of an agreed statement of facts, that an Employee has committed a Dishonest or Fraudulent Act or Theft which caused the loss.

The Insured shall promptly give notice to the Underwriter of any such legal proceeding and upon request shall furnish the Underwriter with copies of all pleadings and other papers therein. At the Underwriter's election the Insured shall permit the Underwriter to conduct the defense of such legal proceeding in the Insured's name, through attorneys of the Underwriter's selection. In such event, the Insured shall give all reasonable information and assistance which the Underwriter shall deem necessary to the proper defense of such legal proceeding.

If the amount of the Insured's liability or alleged liability in any such legal proceeding is greater than the amount which the Insured would be entitled to recover under this Bond (other than pursuant to this General Agreement C), or if a Deductible Amount is applicable, or both, the indemnity liability of the Underwriter under this General Agreement C is limited to the proportion of court costs and attorneys' fees incurred and paid by the Insured or by the Underwriter that the amount which the Insured would be entitled to recover under this Bond (other than pursuant to this General Agreement C) bears to the

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sum of such amount plus the amount which the Insured is not entitled to recover. Such indemnity shall be in addition to the Limit of Liability for the applicable Insuring Agreement.

D. INTERPRETATION

This Bond shall be interpreted with due regard to the purpose of fidelity bonding under Rule 17g-1 of the Investment Company Act of 1940 (i.e., to protect innocent third parties from harm) and to the structure of the investment management industry (in which a loss of Property resulting from a cause described in any Insuring Agreement ordinarily gives rise to a potential legal liability on the part of the Insured), such that the term "loss" as used herein shall include an Insured's legal liability for direct compensatory damages resulting directly from a misappropriation, or measurable diminution in value, of Property.

THIS BOND, INCLUDING THE FOREGOING INSURING AGREEMENTS AND GENERAL AGREEMENTS, IS SUBJECT TO THE FOLLOWING PROVISIONS, CONDITIONS AND LIMITATIONS:

SECTION 1. DEFINITIONS

The following terms used in this Bond shall have the meanings stated in this Section:

A. "Alteration" means the marking, changing or altering in a material way of the terms, meaning or legal effect of a document with the intent to deceive.

B. "Application" means the Insured's application (and any attachments and materials submitted in connection therewith) furnished to the Underwriter for this Bond.

C. "Computer System" means (1) computers with related peripheral components, including storage components, (2) systems and applications software, (3) terminal devices, (4) related communications networks or customer communication systems, and (5) related electronic funds transfer systems; by which data or monies are electronically collected, transmitted, processed, stored or retrieved.

D. "Counterfeit" means, with respect to any item, one which is false but is intended to deceive and to be taken for the original authentic item.

E. "Deductible Amount" means, with respect to any Insuring Agreement, the amount set forth under the heading "Deductible Amount" in Item 3 of the Declarations or in any Rider for such Insuring Agreement, applicable to each Single Loss covered by such Insuring Agreement.

F. "Depository" means any "securities depository" (other than any foreign securities depository) in which an Investment Company may deposit its Securities in accordance with Rule 17f-4 under the Investment Company Act of 1940.

G. "Dishonest or Fraudulent Act" means any dishonest or fraudulent act, including "larceny and embezzlement" as defined in Section 37 of the Investment Company Act of 1940, committed with the conscious manifest intent (1) to cause the Insured to sustain a loss and (2) to obtain financial benefit for the perpetrator or any other person (other than salaries, commissions, fees, bonuses, awards, profit sharing, pensions or other employee benefits). A Dishonest or Fraudulent Act does not mean or include a reckless act, a negligent act, or a grossly negligent act.

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H. "Electronic Transmission" means any transmission effected by electronic means, including but not limited to a transmission effected by telephone tones, Telefacsimile, wireless device, or over the Internet.

I. "Employee" means:

(1) each officer, director, trustee, partner or employee of the Insured, and

(2) each officer, director, trustee, partner or employee of any predecessor of the Insured whose principal assets are acquired by the Insured by consolidation or merger with, or purchase of assets or capital stock of, such predecessor, and

(3) each attorney performing legal services for the Insured and each employee of such attorney or of the law firm of such attorney while performing services for the Insured, and

(4) each student who is an authorized intern of the Insured, while in any of the Insured's offices, and

(5) each officer, director, trustee, partner or employee of

(a) an investment adviser,
(b) an underwriter (distributor),
(c) a transfer agent or shareholder accounting recordkeeper, or
(d) an administrator authorized by written agreement to keep financial and/or other required records,

for an Investment Company named as an Insured, BUT ONLY while (i) such officer, partner or employee is performing acts coming within the scope of the usual duties of an officer or employee of an Insured, or (ii) such officer, director, trustee, partner or employee is acting as a member of any committee duly elected or appointed to examine or audit or have custody of or access to the Property of the Insured, or (iii) such director or trustee (or anyone acting in a similar capacity) is acting outside the scope of the usual duties of a director or trustee;PROVIDED, that the term "Employee" shall not include any officer, director, trustee, partner or employee of a transfer agent, shareholder accounting recordkeeper or administrator (x) which is not an "affiliated person" (as defined in Section 2(a) of the Investment Company Act of 1940) of an Investment Company named as Insured or of the adviser or underwriter of such Investment Company, or (y) which is a "Bank" (as defined in Section 2(a) of the Investment Company Act of 1940), and

(6) each individual assigned, by contract or by any agency furnishing temporary personnel, in either case on a contingent or part-time basis, to perform the usual duties of an employee in any office of the Insured, and

(7) each individual assigned to perform the usual duties of an employee or officer of any entity authorized by written agreement with the Insured to perform services as electronic data processor of checks or other accounting records of the Insured, but excluding a processor which acts as transfer agent or in any other agency capacity for the Insured in issuing checks, drafts or securities, unless included under subsection (5) hereof, and

(8) each officer, partner or employee of

(a) any Depository or Exchange,
(b) any nominee in whose name is registered any Security included in the systems for the central handling of securities established and maintained by any Depository, and
(c) any recognized service company which provides clerks or other personnel to any Depository or Exchange on a contract basis,

while such officer, partner or employee is performing services for any Depository in the operation of systems for the central handling of securities, and

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(9) in the case of an Insured which is an "employee benefit plan" (as defined in Section 3 of the Employee Retirement Income Security Act of 1974 ("ERISA")) for officers, directors or employees of another Insured ("In-House Plan"), any "fiduciary" or other "plan official" (within the meaning of Section 412 of ERISA) of such In-House Plan, provided that such fiduciary or other plan official is a director, partner, officer, trustee or employee of an Insured (other than an In-House Plan).

Each employer of temporary personnel and each entity referred to in subsections (6) and (7) and their respective partners, officers and employees shall collectively be deemed to be one person for all the purposes of this Bond.

Brokers, agents, independent contractors, or representatives of the same general character shall not be considered Employees, except as provided in subsections (3), (6), and (7).

J. "Exchange" means any national securities exchange registered under the Securities Exchange Act of 1934.

K. "Forgery" means the physical signing on a document of the name of another person (whether real or fictitious) with the intent to deceive. A Forgery may be by means of mechanically reproduced facsimile signatures as well as handwritten signatures. Forgery does not include the signing of an individual's own name, regardless of such individual's authority, capacity or purpose.

L. "Items of Deposit" means one or more checks or drafts.

M. "Investment Company" or "Fund" means an investment company registered under the Investment Company Act of 1940.

N. "Limit of Liability" means, with respect to any Insuring Agreement, the limit of liability of the Underwriter for any Single Loss covered by such Insuring Agreement as set forth under the heading "Limit of Liability" in Item 3 of the Declarations or in any Rider for such Insuring Agreement.

O. "Mysterious Disappearance" means any disappearance of Property which, after a reasonable investigation has been conducted, cannot be explained.

P. "Non-Fund" means any corporation, business trust, partnership, trust or other entity which is not an Investment Company.

Q. "Phone/Electronic Transaction Security Procedures" means security procedures for Phone/Electronic Transactions as provided in writing to the Underwriter.

R. "Phone/Electronic Transaction" means any (1) redemption of shares issued by an Investment Company, (2) election concerning dividend options available to Fund shareholders, (3) exchange of shares in a registered account of one Fund into shares in an identically registered account of another Fund in the same complex pursuant to exchange privileges of the two Funds, or (4) purchase of shares issued by an Investment Company, which redemption, election, exchange or purchase is requested by voice over the telephone or through an Electronic Transmission.

S. "Property" means the following tangible items: money, postage and revenue stamps, precious metals, Securities, bills of exchange, acceptances, checks, drafts, or other written orders or directions to pay sums certain in money, certificates of deposit, due bills, money orders, letters of credit, financial futures contracts, conditional sales contracts, abstracts of title, insurance policies, deeds, mortgages, and assignments of any of the foregoing, and other valuable papers, including books of account and

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other records used by the Insured in the conduct of its business, and all other instruments similar to or in the nature of the foregoing (but excluding all data processing records), (1) in which the Insured has a legally cognizable interest, (2) in which the Insured acquired or should have acquired such an interest by reason of a predecessor's declared financial condition at the time of the Insured's consolidation or merger with, or purchase of the principal assets of, such predecessor or (3) which are held by the Insured for any purpose or in any capacity.

T. "Securities" means original negotiable or non-negotiable agreements or instruments which represent an equitable or legal interest, ownership or debt (including stock certificates, bonds, promissory notes, and assignments thereof), which are in the ordinary course of business and transferable by physical delivery with appropriate endorsement or assignment. "Securities" does not include bills of exchange, acceptances, certificates of deposit, checks, drafts, or other written orders or directions to pay sums certain in money, due bills, money orders, or letters of credit.

U. "Security Company" means an entity which provides or purports to provide the transport of Property by secure means, including, without limitation, by use of armored vehicles or guards.

V. "Self Regulatory Organization" means any association of investment advisers or securities dealers registered under the federal securities laws, or any Exchange.

W. "Shareholder of Record" means the record owner of shares issued by an Investment Company or, in the case of joint ownership of such shares, all record owners, as designated (1) in the initial account application, or (2) in writing accompanied by a signature guarantee, or (3) pursuant to procedures as set forth in the Application.

X. "Single Loss" means:

(1) all loss resulting from any one actual or attempted Theft committed by one person, or

(2) all loss caused by any one act (other than a Theft or a Dishonest or Fraudulent Act) committed by one person, or

(3) all loss caused by Dishonest or Fraudulent Acts committed by one person, or

(4) all expenses incurred with respect to any one audit or examination, or

(5) all loss caused by any one occurrence or event other than those specified in subsections (1) through (4) above.

All acts or omissions of one or more persons which directly or indirectly aid or, by failure to report or otherwise, permit the continuation of an act referred to in subsections (1) through (3) above of any other person shall be deemed to be the acts of such other person for purposes of this subsection.

All acts or occurrences or events which have as a common nexus any fact, circumstance, situation, transaction or series of facts, circumstances, situations, or transactions shall be deemed to be one act, one occurrence, or one event.

Y. "Telefacsimile" means a system of transmitting and reproducing fixed graphic material (as, for example, printing) by means of signals transmitted over telephone lines or over the Internet.

Z. "Theft" means robbery, burglary or hold-up, occurring with or without violence or the threat of violence.

SECTION 2. EXCLUSIONS

THIS BOND DOES NOT COVER:

A. Loss resulting from (1) riot or civil commotion outside the United States of America and Canada, or (2) war, revolution, insurrection, action by armed forces, or usurped power, wherever occurring; except if such loss occurs while the Property is in transit, is otherwise covered under Insuring Agreement D, and when such transit was initiated, the Insured or any person initiating such transit on the Insured's behalf had no knowledge of such riot, civil commotion, war, revolution, insurrection, action by armed forces, or usurped power.

B. Loss in time of peace or war resulting from nuclear fission or fusion or radioactivity, or biological or chemical agents or hazards, or fire, smoke, or explosion, or the effects of any of the foregoing.

C. Loss resulting from any Dishonest or Fraudulent Act committed by any person while acting in the capacity of a member of the Board of Directors or any equivalent body of the Insured or of any other entity.

D. Loss resulting from any nonpayment or other default of any loan or similar transaction made by the Insured or any of its partners, directors, officers or employees, whether or not authorized and whether procured in good faith or through a Dishonest or Fraudulent Act, unless such loss is otherwise covered under Insuring Agreement A, E or F.

E. Loss resulting from any violation by the Insured or by any Employee of any law, or any rule or regulation pursuant thereto or adopted by a Self Regulatory Organization, regulating the issuance, purchase or sale of securities, securities transactions upon security exchanges or over the counter markets, Investment Companies, or investment advisers, unless such loss, in the absence of such law, rule or regulation, would be covered under Insuring Agreement A, E or F.

F. Loss resulting from Property that is the object of Theft, Dishonest or Fraudulent Act, or Mysterious Disappearance while in the custody of any Security Company, unless such loss is covered under this Bond and is in excess of the amount recovered or received by the Insured under (1) the Insured's contract with such Security Company, and (2) insurance or indemnity of any kind carried by such Security Company for the benefit of, or otherwise available to, users of its service, in which case this Bond shall cover only such excess, subject to the applicable Limit of Liability and Deductible Amount.

G. Potential income, including but not limited to interest and dividends, not realized by the Insured because of a loss covered under this Bond, except when covered under Insuring Agreement H.

H. Loss in the form of (1) damages of any type for which the Insured is legally liable, except direct compensatory damages, or (2) taxes, fines, or penalties, including without limitation two-thirds of treble damage awards pursuant to judgments under any statute or regulation.

I. Loss resulting from the surrender of Property away from an office of the Insured as a result of a threat

(1) to do bodily harm to any person, except where the Property is in transit in the custody of any person acting as messenger as a result of a threat to do bodily harm to such person, if the Insured had no knowledge of such threat at the time such transit was initiated, or

(2) to do damage to the premises or Property of the Insured,

unless such loss is otherwise covered under Insuring Agreement A.

J. All costs, fees and other expenses incurred by the Insured in establishing the existence of or amount of loss covered under this Bond, except to the extent certain audit expenses are covered under Insuring Agreement B.

K. Loss resulting from payments made to or withdrawals from any account, involving funds erroneously credited to such account, unless such loss is otherwise covered under Insuring Agreement A.

L. Loss resulting from uncollectible Items of Deposit which are drawn upon a financial institution outside the United States of America, its territories and possessions, or Canada.

M. Loss resulting from the Dishonest or Fraudulent Acts, Theft, or other acts or omissions of an Employee primarily engaged in the sale of shares issued by an Investment Company to persons other than (1) a person registered as a broker under the Securities Exchange Act of 1934 or (2) an "accredited investor" as defined in Rule 501(a) of Regulation D under the Securities Act of 1933, which is not an individual.

N. Loss resulting from the use of credit, debit, charge, access, convenience, identification, cash management or other cards, whether such cards were issued or purport to have been issued by the Insured or by anyone else, unless such loss is otherwise covered under Insuring Agreement A.

O. Loss resulting from any purchase, redemption or exchange of securities issued by an Investment Company or other Insured, or any other instruction, request, acknowledgement, notice or transaction involving securities issued by an Investment Company or other Insured or the dividends in respect thereof, when any of the foregoing is requested, authorized or directed or purported to be requested, authorized or directed by voice over the telephone or by Electronic Transmission, unless such loss is otherwise covered under Insuring Agreement A or Insuring Agreement I.

P. Loss resulting from any Dishonest or Fraudulent Act or Theft committed by an Employee as defined in Section 1.I(2), unless such loss (1) could not have been reasonably discovered by the due diligence of the Insured at or prior to the time of acquisition by the Insured of the assets acquired from a predecessor, and (2) arose out of a lawsuit or valid claim brought against the Insured by a person unaffiliated with the Insured or with any person affiliated with the Insured.

Q. Loss resulting from the unauthorized entry of data into, or the deletion or destruction of data in, or the change of data elements or programs within, any Computer System, unless such loss is otherwise covered under Insuring Agreement A.

SECTION 3. ASSIGNMENT OF RIGHTS

Upon payment to the Insured hereunder for any loss, the Underwriter shall be subrogated to the extent of such payment to all of the Insured's rights and claims in connection with such loss; provided, however, that the Underwriter shall not be subrogated to any such rights or claims one named Insured under this Bond may have against another named Insured under this Bond. At the request of the Underwriter, the Insured shall execute all assignments or other documents and take such action as the Underwriter may deem necessary or desirable to secure and perfect such rights and claims, including the execution of documents necessary to enable the Underwriter to bring suit in the name of the Insured.

Assignment of any rights or claims under this Bond shall not bind the Underwriter without the Underwriter's written consent.

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SECTION 4. LOSS—NOTICE—PROOF—LEGAL PROCEEDINGS

This Bond is for the use and benefit only of the Insured and the Underwriter shall not be liable hereunder to anyone other than the Insured. As soon as practicable and not more than sixty (60) days after discovery, the Insured shall give the Underwriter written notice thereof and, as soon as practicable and within one year after such discovery, shall also furnish to the Underwriter affirmative proof of loss with full particulars. The Underwriter may extend the sixty day notice period or the one year proof of loss period if the Insured requests an extension and shows good cause therefor.

See also General Agreement C (Court Costs and Attorneys' Fees).

The Underwriter shall not be liable hereunder for loss of Securities unless each of the Securities is identified in such proof of loss by a certificate or bond number or by such identification means as the Underwriter may require. The Underwriter shall have a reasonable period after receipt of a proper affirmative proof of loss within which to investigate the claim, but where the Property is Securities and the loss is clear and undisputed, settlement shall be made within forty-eight (48) hours even if the loss involves Securities of which duplicates may be obtained.

The Insured shall not bring legal proceedings against the Underwriter to recover any loss hereunder prior to sixty (60) days after filing such proof of loss or subsequent to twenty-four (24) months after the discovery of such loss or, in the case of a legal proceeding to recover hereunder on account of any judgment against the Insured in or settlement of any suit mentioned in General Agreement C or to recover court costs or attorneys' fees paid in any such suit, twenty-four (24) months after the date of the final judgment in or settlement of such suit. If any limitation in this Bond is prohibited by any applicable law, such limitation shall be deemed to be amended to be equal to the minimum period of limitation permitted by such law.

Notice hereunder shall be given to Manager, Professional Liability Claims, ICI Mutual Insurance Company, 1401 H St. NW, Washington, DC 20005.

SECTION 5. DISCOVERY

For all purposes under this Bond, a loss is discovered, and discovery of a loss occurs, when the Insured

(1) becomes aware of facts, or

(2) receives notice of an actual or potential claim by a third party which alleges that the Insured is liable under circumstances,

which would cause a reasonable person to assume that loss covered by this Bond has been or is likely to be incurred even though the exact amount or details of loss may not be known.

SECTION 6. VALUATION OF PROPERTY

For the purpose of determining the amount of any loss hereunder, the value of any Property shall be the market value of such Property at the close of business on the first business day before the discovery of such loss; except that

(1) the value of any Property replaced by the Insured prior to the payment of a claim therefor shall be the actual market value of such Property at the time of replacement, but not in excess of the market value of such Property on the first business day before the discovery of the loss of such Property;

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(2) the value of Securities which must be produced to exercise subscription, conversion, redemption or deposit privileges shall be the market value of such privileges immediately preceding the expiration thereof if the loss of such Securities is not discovered until after such expiration, but if there is no quoted or other ascertainable market price for such Property or privileges referred to in clauses (1) and (2), their value shall be fixed by agreement between the parties or by arbitration before an arbitrator or arbitrators acceptable to the parties; and

(3) the value of books of accounts or other records used by the Insured in the conduct of its business shall be limited to the actual cost of blank books, blank pages or other materials if the books or records are reproduced plus the cost of labor for the transcription or copying of data furnished by the Insured for reproduction.

SECTION 7. LOST SECURITIES

The maximum liability of the Underwriter hereunder for lost Securities shall be the payment for, or replacement of, such Securities having an aggregate value not to exceed the applicable Limit of Liability. If the Underwriter shall make payment to the Insured for any loss of Securities, the Insured shall assign to the Underwriter all of the Insured's right, title and interest in and to such Securities. In lieu of such payment, the Underwriter may, at its option, replace such lost Securities, and in such case the Insured shall cooperate to effect such replacement. To effect the replacement of lost Securities, the Underwriter may issue or arrange for the issuance of a lost instrument bond. If the value of such Securities does not exceed the applicable Deductible Amount (at the time of the discovery of the loss), the Insured will pay the usual premium charged for the lost instrument bond and will indemnify the issuer of such bond against all loss and expense that it may sustain because of the issuance of such bond.

If the value of such Securities exceeds the applicable Deductible Amount (at the time of discovery of the loss), the Insured will pay a proportion of the usual premium charged for the lost instrument bond, equal to the percentage that the applicable Deductible Amount bears to the value of such Securities upon discovery of the loss, and will indemnify the issuer of such bond against all loss and expense that is not recovered from the Underwriter under the terms and conditions of this Bond, subject to the applicable Limit of Liability.

SECTION 8. SALVAGE

If any recovery is made, whether by the Insured or the Underwriter, on account of any loss within the applicable Limit of Liability hereunder, the Underwriter shall be entitled to the full amount of such recovery to reimburse the Underwriter for all amounts paid hereunder with respect to such loss. If any recovery is made, whether by the Insured or the Underwriter, on account of any loss in excess of the applicable Limit of Liability hereunder plus the Deductible Amount applicable to such loss from any source other than suretyship, insurance, reinsurance, security or indemnity taken by or for the benefit of the Underwriter, the amount of such recovery, net of the actual costs and expenses of recovery, shall be applied to reimburse the Insured in full for the portion of such loss in excess of such Limit of Liability, and the remainder, if any, shall be paid first to reimburse the Underwriter for all amounts paid hereunder with respect to such loss and then to the Insured to the extent of the portion of such loss within the Deductible Amount. The Insured shall execute all documents which the Underwriter deems necessary or desirable to secure to the Underwriter the rights provided for herein.

SECTION 9. NON-REDUCTION AND NON-ACCUMULATION OF LIABILITY AND TOTAL LIABILITY

Prior to its termination, this Bond shall continue in force up to the Limit of Liability for each Insuring Agreement for each Single Loss, notwithstanding any previous loss (other than such Single Loss) for which the Underwriter may have paid or be liable to pay hereunder; PROVIDED, however, that regardless of the number of years this Bond shall continue in force and the number of premiums which shall be payable or paid, the liability of the Underwriter under this Bond with respect to any Single Loss shall be limited to the applicable Limit of Liability irrespective of the total amount of such Single Loss and shall not be cumulative in amounts from year to year or from period to period.

SECTION 10. MAXIMUM LIABILITY OF UNDERWRITER; OTHER BONDS OR POLICIES

The maximum liability of the Underwriter for any Single Loss covered by any Insuring Agreement under this Bond shall be the Limit of Liability applicable to such Insuring Agreement, subject to the applicable Deductible Amount and the other provisions of this Bond. Recovery for any Single Loss may not be made under more than one Insuring Agreement. If any Single Loss covered under this Bond is recoverable or recovered in whole or in part because of an unexpired discovery period under any other bonds or policies issued by the Underwriter to the Insured or to any predecessor in interest of the Insured, the maximum liability of the Underwriter shall be the greater of either (1) the applicable Limit of Liability under this Bond, or (2) the maximum liability of the Underwriter under such other bonds or policies.

SECTION 11. OTHER INSURANCE

Notwithstanding anything to the contrary herein, if any loss covered by this Bond shall also be covered by other insurance or suretyship for the benefit of the Insured, the Underwriter shall be liable hereunder only for the portion of such loss in excess of the amount recoverable under such other insurance or suretyship, but not exceeding the applicable Limit of Liability of this Bond.

SECTION 12. DEDUCTIBLE AMOUNT

The Underwriter shall not be liable under any Insuring Agreement unless the amount of the loss covered thereunder, after deducting the net amount of all reimbursement and/or recovery received by the Insured with respect to such loss (other than from any other bond, suretyship or insurance policy or as an advance by the Underwriter hereunder) shall exceed the applicable Deductible Amount; in such case the Underwriter shall be liable only for such excess, subject to the applicable Limit of Liability and the other terms of this Bond.

No Deductible Amount shall apply to any loss covered under Insuring Agreement A sustained by any Investment Company named as an Insured.

SECTION 13. TERMINATION

The Underwriter may terminate this Bond as to any Insured or all Insureds only by written notice to such Insured or Insureds and, if this Bond is terminated as to any Investment Company, to each such Investment Company terminated thereby and to the Securities and Exchange Commission, Washington, D.C., in all cases not less than sixty (60) days prior to the effective date of termination specified in such notice.

The Insured may terminate this Bond only by written notice to the Underwriter not less than sixty (60) days prior to the effective date of the termination specified in such notice. Notwithstanding the foregoing, when the Insured terminates this Bond as to any Investment Company, the effective date of termination shall be not less than sixty (60) days from the date the Underwriter provides written notice of the termination to each such Investment Company terminated thereby and to the Securities and Exchange Commission, Washington, D.C.

This Bond will terminate as to any Insured that is a Non-Fund immediately and without notice upon (1) the takeover of such Insured's business by any State or Federal official or agency, or by any receiver or liquidator, or (2) the filing of a petition under any State or Federal statute relative to bankruptcy or reorganization of the Insured, or assignment for the benefit of creditors of the Insured.

Premiums are earned until the effective date of termination. The Underwriter shall refund the unearned premium computed at short rates in accordance with the Underwriter's standard short rate cancellation tables if this Bond is terminated by the Insured or pro rata if this Bond is terminated by the Underwriter.

Upon the detection by any Insured that an Employee has committed any Dishonest or Fraudulent Act(s) or Theft, the Insured shall immediately remove such Employee from a position that may enable such Employee to cause the Insured to suffer a loss by any subsequent Dishonest or Fraudulent Act(s) or Theft. The Insured, within two (2) business days of such detection, shall notify the Underwriter with full and complete particulars of the detected Dishonest or Fraudulent Act(s) or Theft.

For purposes of this section, detection occurs when any partner, officer, or supervisory employee of any Insured, who is not in collusion with such Employee, becomes aware that the Employee has committed any Dishonest or Fraudulent Act(s) or Theft.

This Bond shall terminate as to any Employee by written notice from the Underwriter to each Insured and, if such Employee is an Employee of an Insured Investment Company, to the Securities and Exchange Commission, in all cases not less than sixty (60) days prior to the effective date of termination specified in such notice.

SECTION 14. RIGHTS AFTER TERMINATION

At any time prior to the effective date of termination of this Bond as to any Insured, such Insured may, by written notice to the Underwriter, elect to purchase the right under this Bond to an additional period of twelve (12) months within which to discover loss sustained by such Insured prior to the effective date of such termination and shall pay an additional premium therefor as the Underwriter may require.

Such additional discovery period shall terminate immediately and without notice upon the takeover of such Insured's business by any State or Federal official or agency, or by any receiver or liquidator. Promptly after such termination the Underwriter shall refund to the Insured any unearned premium.

The right to purchase such additional discovery period may not be exercised by any State or Federal official or agency, or by any receiver or liquidator, acting or appointed to take over the Insured's business.

SECTION 15. CENTRAL HANDLING OF SECURITIES

The Underwriter shall not be liable for loss in connection with the central handling of securities within the systems established and maintained by any Depository ("Systems"), unless the amount of such

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loss exceeds the amount recoverable or recovered under any bond or policy or participants' fund insuring the Depository against such loss (the "Depository's Recovery"); in such case the Underwriter shall be liable hereunder only for the Insured's share of such excess loss, subject to the applicable Limit of Liability, the Deductible Amount and the other terms of this Bond.

For determining the Insured's share of such excess loss, (1) the Insured shall be deemed to have an interest in any certificate representing any security included within the Systems equivalent to the interest the Insured then has in all certificates representing the same security included within the Systems; (2) the Depository shall have reasonably and fairly apportioned the Depository's Recovery among all those having an interest as recorded by appropriate entries in the books and records of the Depository in Property involved in such loss, so that each such interest shall share in the Depository's Recovery in the ratio that the value of each such interest bears to the total value of all such interests; and (3) the Insured's share of such excess loss shall be the amount of the Insured's interest in such Property in excess of the amount(s) so apportioned to the Insured by the Depository.

This Bond does not afford coverage in favor of any Depository or Exchange or any nominee in whose name is registered any security included within the Systems.

SECTION 16. ADDITIONAL COMPANIES INCLUDED AS INSURED

If more than one entity is named as the Insured:

A. the total liability of the Underwriter hereunder for each Single Loss shall not exceed the Limit of Liability which would be applicable if there were only one named Insured, regardless of the number of Insured entities which sustain loss as a result of such Single Loss,

B. the Insured first named in Item 1 of the Declarations shall be deemed authorized to make, adjust, and settle, and receive and enforce payment of, all claims hereunder as the agent of each other Insured for such purposes and for the giving or receiving of any notice required or permitted to be given hereunder; provided, that the Underwriter shall promptly furnish each named Insured Investment Company with (1) a copy of this Bond and any amendments thereto, (2) a copy of each formal filing of a claim hereunder by any other Insured, and (3) notification of the terms of the settlement of each such claim prior to the execution of such settlement,

C. the Underwriter shall not be responsible or have any liability for the proper application by the Insured first named in Item 1 of the Declarations of any payment made hereunder to the first named Insured,

D. for the purposes of Sections 4 and 13, knowledge possessed or discovery made by any partner, officer or supervisory Employee of any Insured shall constitute knowledge or discovery by every named Insured,

E. if the first named Insured ceases for any reason to be covered under this Bond, then the Insured next named shall thereafter be considered as the first named Insured for the purposes of this Bond, and

F. each named Insured shall constitute "the Insured" for all purposes of this Bond.

SECTION 17. NOTICE AND CHANGE OF CONTROL

Within thirty (30) days after learning that there has been a change in control of an Insured by transfer of its outstanding voting securities the Insured shall give written notice to the Underwriter of:

A. the names of the transferors and transferees (or the names of the beneficial owners if the voting securities are registered in another name), and

B. the total number of voting securities owned by the transferors and the transferees (or the beneficial owners), both immediately before and after the transfer, and

C. the total number of outstanding voting securities.

As used in this Section, "control" means the power to exercise a controlling influence over the management or policies of the Insured.

SECTION 18. CHANGE OR MODIFICATION

This Bond may only be modified by written Rider forming a part hereof over the signature of the Underwriter's authorized representative. Any Rider which modifies the coverage provided by Insuring Agreement A, Fidelity, in a manner which adversely affects the rights of an Insured Investment Company shall not become effective until at least sixty (60) days after the Underwriter has given written notice thereof to the Securities and Exchange Commission, Washington, D.C., and to each Insured Investment Company affected thereby.

SECTION 19. COMPLIANCE WITH APPLICABLE TRADE AND ECONOMIC SANCTIONS

This Bond shall not be deemed to provide any coverage, and the Underwriter shall not be required to pay any loss or provide any benefit hereunder, to the extent that the provision of such coverage, payment of such loss or provision of such benefit would cause the Underwriter to be in violation of any applicable trade or economic sanctions, laws or regulations, including, but not limited to, any sanctions, laws or regulations administered and enforced by the U.S. Department of Treasury Office of Foreign Assets Control (OFAC).

IN WITNESS WHEREOF, the Underwriter has caused this Bond to be executed on the Declarations Page.

ICI MUTUAL INSURANCE COMPANY,
a Risk Retention Group

INVESTMENT COMPANY BLANKET BOND

RIDER NO. 1

INSURED		BOND NUMBER
Guggenheim Enhanced Equity Strategy Fund		05716115B
EFFECTIVE DATE	BOND PERIOD	AUTHORIZED REPRESENTATIVE
June 15, 2015	June 15, 2015 to June 15, 2016	/S/ Matthew Link

In consideration of the premium charged for this Bond, it is hereby understood and agreed that Item 1 of the Declarations, Name of Insured, shall include the following:

Fiduciary/Claymore MLP Opportunity Fund
Guggenheim Build America Bonds Managed Duration Trust
Guggenheim Credit Allocation Fund
Guggenheim Enhanced Equity Income Fund
Guggenheim Enhanced Equity Strategy Fund
Guggenheim Equal Weight Enhanced Equity Income Fund
Guggenheim Strategic Opportunities Fund
Managed Duration Investment Grade Municipal Fund
Guggenheim Energy & Income Fund
Claymore Exchange-Traded Fund Trust, a series fund consisting of:

- Guggenheim BRIC ETF
- Guggenheim BulletShares 2015 Corporate Bond ETF
- Guggenheim BulletShares 2015 High Yield Corporate Bond ETF
- Guggenheim BulletShares 2016 Corporate Bond ETF
- Guggenheim BulletShares 2016 High Yield Corporate Bond ETF
- Guggenheim BulletShares 2017 Corporate Bond ETF
- Guggenheim BulletShares 2017 High Yield Corporate Bond ETF
- Guggenheim BulletShares 2018 Corporate Bond ETF
- Guggenheim BulletShares 2018 High Yield Corporate Bond ETF
- Guggenheim BulletShares 2019 Corporate Bond ETF
- Guggenheim BulletShares 2019 High Yield Corporate Bond ETF
- Guggenheim BulletShares 2020 Corporate Bond ETF
- Guggenheim BulletShares 2020 High Yield Corporate Bond ETF
- Guggenheim BulletShares 2021 Corporate Bond ETF
- Guggenheim BulletShares 2021 High Yield Corporate Bond ETF
- Guggenheim BulletShares 2022 Corporate Bond ETF
- Guggenheim BulletShares 2022 High Yield Corporate Bond ETF
- Guggenheim BulletShares 2023 Corporate Bond ETF
- Guggenheim BulletShares 2024 Corporate Bond ETF

- Guggenheim Defensive Equity ETF

- Guggenheim Enhanced Short Duration Bond ETF
- Guggenheim Insider Sentiment ETF
- Guggenheim Mid-Cap Core ETF
- Guggenheim Multi-Asset Income ETF
- Guggenheim Raymond James SB-1 Equity ETF
- Guggenheim S&P Global Dividend Opportunities Index ETF
- Guggenheim Spin-Off ETF
- Wilshire Micro-Cap ETF
- Wilshire US REIT ETF

Claymore Exchange-Traded Fund Trust 2, a series fund consisting of:

- Guggenheim Canadian Energy Income ETF
- Guggenheim China All-Cap ETF
- Guggenheim China Real Estate ETF
- Guggenheim China Small Cap ETF
- Guggenheim China Technology ETF
- Guggenheim Emerging Markets Real Estate ETF
- Guggenheim Frontier Markets ETF
- Guggenheim International Multi-Asset Income ETF
- Guggenheim S&P Global Water Index ETF
- Guggenheim S&P High Income Infrastructure Trust
- Guggenheim Shipping ETF
- Guggenheim Solar ETF
- Guggenheim Timber ETF

Guggenheim Funds Trust, a series fund consisting of:

- Guggenheim Alpha Opportunities Long-Short Equity Fund
- Guggenheim Capital Stewardship Fund
- Guggenheim Enhanced World Equity Fund
- Guggenheim Floating Rate Strategies Fund
- Guggenheim High Yield Fund
- Guggenheim Investment Grade Bond Fund
- Guggenheim Large Cap Value Fund
- Guggenheim Limited Duration Fund
- Guggenheim Macro Opportunities Fund
- Guggenheim Mid Cap Value Fund
- Guggenheim Mid Cap Value Institutional Fund
- Guggenheim Municipal Income Fund
- Guggenheim Risk Managed Real Estate Fund
- Guggenheim Small Cap Value Fund
- Guggenheim StylePlus – Large Core Fund
- Guggenheim StylePlus – Mid Growth Fund
- Guggenheim Total Return Bond Fund
- Guggenheim World Equity Income Fund

Guggenheim Variable Funds Trust, a series fund consisting of:

- Series A (StylePlus – Large Core Series)
- Series B (Large Cap Value Series)
- Series C (Money Market Series)

- Series D (World Equity Income Series)
- Series E (Total Return Bond Series)
- Series F (Floating Rate Strategies Fund)
- Series J (StylePlus – Mid Growth Series)
- Series M (Macro Opportunities Series)
- Series N (Managed Asset Allocation Series)
- Series O (All Cap Value Series)
- Series P (High Yield Series)
- Series Q (Small Cap Value Series)
- Series V (Mid Cap Value Series)
- Series X (StylePlus – Small Growth Series)
- Series Y (StylePlus – Large Growth Series)
- Series Z (Alpha Opportunity Series)

Guggenheim Strategy Funds Trust, a series fund consisting of:

- Guggenheim Strategy Fund I
- Guggenheim Strategy Fund II
- Guggenheim Strategy Fund III
- Guggenheim Variable Insurance Strategy Fund III

Except as above stated, nothing herein shall be held to alter, waive or extend any of the terms of this Bond.

RN1.0-00 (1/02)

ICI MUTUAL INSURANCE COMPANY,
a Risk Retention Group

INVESTMENT COMPANY BLANKET BOND

RIDER NO. 2

INSURED		BOND NUMBER
Guggenheim Enhanced Equity Strategy Fund		05716115B
EFFECTIVE DATE	BOND PERIOD	AUTHORIZED REPRESENTATIVE
June 15, 2015	June 15, 2015 to June 15, 2016	/S/ Matthew Link

In consideration of the premium charged for this Bond, it is hereby understood and agreed that the Deductible Amount for Insuring Agreement E, Forgery or Alteration, and Insuring Agreement F, Securities, shall not apply with respect to loss through Forgery of a signature on the following documents:

(1) letter requesting redemption of $25,000 or less payable by check to the shareholder of record and addressed to the address of record; or

(2) letter requesting redemption of $25,000 or less by wire transfer to the record shareholder's bank account of record; or

(3) written request to a trustee or custodian for a Designated Retirement Account ("DRA") which holds shares of an Insured Fund, where such request (a) purports to be from or at the instruction of the Owner of such DRA, and (b) directs such trustee or custodian to transfer $25,000 or less from such DRA to a trustee or custodian for another DRA established for the benefit of such Owner;

provided, that the Limit of Liability for a Single Loss as described above shall be $25,000 and that the Insured shall bear 20% of each such loss. This Rider shall not apply in the case of any such Single Loss which exceeds $25,000; in such case the Deductible Amounts and Limits of Liability set forth in Item 3 of the Declarations shall control.

For purposes of this Rider:

(A) "Designated Retirement Account" means any retirement plan or account described or qualified under the Internal Revenue Code of 1986, as amended, or a subaccount thereof.

(B) "Owner" means the individual for whose benefit the DRA, or a subaccount thereof, is established.

Except as above stated, nothing herein shall be held to alter, waive or extend any of the terms of this Bond.

RN27.0-02 (10/08)

ICI MUTUAL INSURANCE COMPANY,
a Risk Retention Group

INVESTMENT COMPANY BLANKET BOND

RIDER NO. 3

INSURED		BOND NUMBER
Guggenheim Enhanced Equity Strategy Fund		05716115B
EFFECTIVE DATE	BOND PERIOD	AUTHORIZED REPRESENTATIVE
June 15, 2015	June 15, 2015 to June 15, 2016	/S/ Matthew Link

In consideration of the premium charged for this Bond, it is hereby understood and agreed that this Bond does not cover any loss resulting from or in connection with the acceptance of any Third Party Check, unless

(1) such Third Party Check is used to open or increase an account which is registered in the name of one or more of the payees on such Third Party Check, and

(2) reasonable efforts are made by the Insured, or by the entity receiving Third Party Checks on behalf of the Insured, to verify all endorsements on all Third Party Checks made payable in amounts greater than $100,000 (provided, however, that the isolated failure to make such efforts in a particular instance will not preclude coverage, subject to the exclusions herein and in the Bond),

and then only to the extent such loss is otherwise covered under this Bond.

For purposes of this Rider, "Third Party Check" means a check made payable to one or more parties and offered as payment to one or more other parties.

It is further understood and agreed that notwithstanding anything to the contrary above or elsewhere in the Bond, this Bond does not cover any loss resulting from or in connection with the acceptance of a Third Party Check where:

(1) any payee on such Third Party Check reasonably appears to be a corporation or other entity; or

(2) such Third Party Check is made payable in an amount greater than $100,000 and does not include the purported endorsements of all payees on such Third Party Check.

(3) It is further understood and agreed that this Rider shall not apply with respect to any coverage that may be available under Insuring Agreement A, "Fidelity."

Except as above stated, nothing herein shall be held to alter, waive or extend any of the terms of this Bond.

RN30.0-01 (1/02)

ICI MUTUAL INSURANCE COMPANY,
a Risk Retention Group

INVESTMENT COMPANY BLANKET BOND

RIDER NO. 4

INSURED		BOND NUMBER
Guggenheim Enhanced Equity Strategy Fund		05716115B
EFFECTIVE DATE	BOND PERIOD	AUTHORIZED REPRESENTATIVE
June 15, 2015	June 15, 2015 to June 15, 2016	/S/ Matthew Link

Most property and casualty insurers, including ICI Mutual Insurance Company, a Risk Retention Group ("ICI Mutual"), are subject to the requirements of the Terrorism Risk Insurance Act of 2002, as amended (the "Act"). The Act establishes a federal insurance backstop under which ICI Mutual and these other insurers will be partially reimbursed for future "insured losses" resulting from certified "acts of terrorism." (Each of these bolded terms is defined by the Act.) The Act also places certain disclosure and other obligations on ICI Mutual and these other insurers.

Pursuant to the Act, any future losses to ICI Mutual caused by certified "acts of terrorism" will be partially reimbursed by the United States government under a formula established by the Act. Under this formula, the United States government will reimburse ICI Mutual for the Federal Share of Compensation of ICI Mutual's "insured losses" in excess of ICI Mutual's "insurer deductible" until total "insured losses" of all participating insurers in excess of a statutorily established aggregate deductible reach the Cap on Annual Liability. If total "insured losses" of all property and casualty insurers in excess of a statutorily established aggregate deductible reach the Cap on Annual Liability during any applicable period, the Act provides that the insurers will not be liable under their policies for their portions of such losses that exceed such amount. Amounts otherwise payable under this policy may be reduced as a result.

This policy has no express exclusion for "acts of terrorism." However, coverage under this policy remains subject to all applicable terms, conditions and limitations of the policy (including exclusions) that are permissible under the Act. The portion of the premium that is attributable to any coverage potentially available under the policy for "acts of terrorism" is one percent (1%).

As used herein, "Federal Share of Compensation" shall mean:

85% in calendar year 2015;
84% in calendar year 2016;
83% in calendar year 2017;
82% in calendar year 2018;
81% in calendar year 2019; and
80% in calendar year 2020.

As used herein, “Cap on Annual Liability” shall mean, with respect to total “insured losses” of all participating insurers:

$100 billion in calendar year 2015;
$120 billion in calendar year 2016;
$140 billion in calendar year 2017;
$160 billion in calendar year 2018;
$180 billion in calendar year 2019; and
$200 billion in calendar year 2020.

RN53.1-00 (2/15)

ICI MUTUAL INSURANCE COMPANY,
a Risk Retention Group

INVESTMENT COMPANY BLANKET BOND

RIDER NO. 5

INSURED		BOND NUMBER
Guggenheim Enhanced Equity Strategy Fund		05716115B
EFFECTIVE DATE	BOND PERIOD	AUTHORIZED REPRESENTATIVE
June 15, 2015	June 15, 2015 to June 15, 2016	/S/ Matthew Link

In consideration of the premium charged for this Bond, it is hereby understood and agreed that notwithstanding Section 2.Q of this Bond, this Bond is amended by adding an additional Insuring Agreement J as follows:

J. COMPUTER SECURITY

Loss (including loss of Property) resulting directly from Computer Fraud; provided, that the Insured has adopted in writing and generally maintains and follows during the Bond Period all Computer Security Procedures. The isolated failure of the Insured to maintain and follow a particular Computer Security Procedure in a particular instance will not preclude coverage under this Insuring Agreement, subject to the specific exclusions herein and in the Bond.

1. Definitions. The following terms used in this Insuring Agreement shall have the following meanings:

a. "Authorized User" means any person or entity designated by the Insured (through contract, assignment of User Identification, or otherwise) as authorized to use a Covered Computer System, or any part thereof. An individual who invests in an Insured Fund shall not be considered to be an Authorized User solely by virtue of being an investor.

b. "Computer Fraud" means the unauthorized entry of data into, or the deletion or destruction of data in, or change of data elements or programs within, a Covered Computer System which:

(1) is committed by any Unauthorized Third Party anywhere, alone or in collusion with other Unauthorized Third Parties; and

(2) is committed with the conscious manifest intent (a) to cause the Insured to sustain a loss, and (b) to obtain financial benefit for the perpetrator or any other person; and

(3) causes (x) Property to be transferred, paid or delivered; or (y) an account of the Insured, or of its customer, to be added, deleted, debited or credited; or (z) an unauthorized or fictitious account to be debited or credited.

c. "Computer Security Procedures" means procedures for prevention of unauthorized computer access and use and administration of computer access and use as provided in writing to the Underwriter.

d. "Covered Computer System" means any Computer System as to which the Insured has possession, custody and control.

e. "Unauthorized Third Party" means any person or entity that, at the time of the Computer Fraud, is not an Authorized User.

f. "User Identification" means any unique user name (i.e., a series of characters) that is assigned to a person or entity by the Insured.

2. Exclusions. It is further understood and agreed that this Insuring Agreement J shall not cover:

a. Any loss covered under Insuring Agreement A, "Fidelity," of this Bond; and

b. Any loss resulting directly or indirectly from Theft or misappropriation of confidential or proprietary information, material or data (including but not limited to trade secrets, computer programs or customer information); and

c. Any loss resulting from the intentional failure to adhere to one or more Computer Security Procedures; and

d. Any loss resulting from a Computer Fraud committed by or in collusion with:

(1) any Authorized User (whether a natural person or an entity); or

(2) in the case of any Authorized User which is an entity, (a) any director, officer, partner, employee or agent of such Authorized User, or (b) any entity which controls, is controlled by, or is under common control with such Authorized User ("Related Entity"), or (c) any director, officer, partner, employee or agent of such Related Entity; or

(3) in the case of any Authorized User who is a natural person, (a) any entity for which such Authorized User is a director, officer, partner, employee or agent ("Employer Entity"), or (b) any director, officer, partner, employee or agent of such Employer Entity, or (c) any entity which controls, is controlled by, or is under common control with such Employer Entity ("Employer-Related Entity"), or (d) any director, officer, partner, employee or agent of such Employer-Related Entity;

and

e. Any loss resulting from physical damage to or destruction of any Covered Computer System, or any part thereof, or any data, data elements or media associated therewith; and

f. Any loss resulting from Computer Fraud committed by means of wireless access to any Covered Computer System, or any part thereof, or any data, data elements or media associated therewith; and

g. Any loss not directly and proximately caused by Computer Fraud (including, without limitation, disruption of business and extra expense); and

h. Payments made to any person(s) who has threatened to deny or has denied authorized access to a Covered Computer System or otherwise has threatened to disrupt the business of the Insured.

For purposes of this Insuring Agreement, "Single Loss," as defined in Section 1.X of this Bond, shall also include all loss caused by Computer Fraud(s) committed by one person, or in which one person is implicated, whether or not that person is specifically identified. A series of losses involving unidentified individuals, but arising from the same method of operation, may be deemed by the Underwriter to involve the same individual and in that event shall be treated as a Single Loss.

It is further understood and agreed that nothing in this Rider shall affect the exclusion set forth in Section 2.O of this Bond.

It is further understood and agreed that notwithstanding Section 9, Non-Reduction and Non-Accumulation of Liability and Total Liability, or any other provision of this Bond, the Aggregate Limit of Liability of the Underwriter under this Bond with respect to any and all loss or losses under this Insuring Agreement shall be an aggregate of $15,900,000 for the Bond Period, irrespective of the total amount of any such loss or losses.

Coverage under this Insuring Agreement shall terminate upon termination of this Bond. Coverage under this Insuring Agreement may also be terminated without terminating this Bond as an entirety:

(a) by written notice from the Underwriter not less than sixty (60) days prior to the effective date of termination specified in such notice; or

(b) immediately by written notice from the Insured to the Underwriter.

Except as above stated, nothing herein shall be held to alter, waive or extend any of the terms of this Bond.

RN19.0-04 (12/03)

ICI MUTUAL INSURANCE COMPANY,
a Risk Retention Group

INVESTMENT COMPANY BLANKET BOND

RIDER NO. 6

INSURED		BOND NUMBER
Guggenheim Enhanced Equity Strategy Fund		05716115B
EFFECTIVE DATE	BOND PERIOD	AUTHORIZED REPRESENTATIVE
June 15, 2015	June 15, 2015 to June 15, 2016	/S/ Matthew Link

In consideration of the premium charged for this Bond, it is hereby understood and agreed that, notwithstanding anything to the contrary in General Agreement A of this Bond, Item 1 of the Declarations shall include any Newly Created Investment Company or portfolio provided that the Insured shall submit to the Underwriter within fifteen (15) days after the end of each calendar quarter, a list of all Newly Created Investment Companies or portfolios, the estimated annual assets of each Newly Created Investment Company or portfolio, and copies of any prospectuses and statements of additional information relating to such Newly Created Investment Companies or portfolios, unless said prospectuses and statements of additional information have been previously submitted. Following the end of a calendar quarter, any Newly Created Investment Company or portfolio created within the preceding calendar quarter will continue to be an Insured only if the Underwriter is notified as set forth in this paragraph, the information required herein is provided to the Underwriter, and the Underwriter acknowledges the addition of such Newly Created Investment Company or portfolio to the Bond by a Rider to this Bond.

For purposes of this Rider, “Newly Created Investment Company or portfolio” shall mean any Investment Company or portfolio for which registration with the SEC has been declared effective for a time period of less than one calendar quarter.

Except as above stated, nothing herein shall be held to alter, waive or extend any of the terms of this Bond.

RN33.0-00 (10/08)

JOINT INSUREDS AGREEMENT

THIS AGREEMENT is made effective as of June 15, 2015, by and between FIDUCIARY/CLAYMORE MLP OPPORTUNITY FUND, a Delaware statutory trust ("FMO"), GUGGENHEIM BUILD AMERICA BONDS MANAGED DURATION TRUST a Delaware statutory trust ("GBAB"), GUGGENHEIM CREDIT ALLOCATION FUND, a Delaware statutory trust ("GGM"), GUGGENHEIM ENHANCED EQUITY INCOME FUND, a Massachusetts business trust ("GPM"), GUGGENHEIM ENHANCED EQUITY STRATEGY FUND, a Delaware statutory trust ("GGE"), GUGGENHEIM EQUAL WEIGHT ENHANCED EQUITY INCOME FUND, a Delaware statutory trust ("GEQ"), GUGGENHEIM STRATEGIC OPPORTUNITIES FUND, a Delaware statutory trust ("GOF"), MANAGED DURATION INVESTMENT GRADE MUNICIPAL FUND, a Delaware statutory trust ("MZF"), CLAYMORE EXCHANGE-TRADED FUND TRUST, a Delaware statutory trust ("ETF"), CLAYMORE EXCHANGE-TRADED FUND TRUST 2, a Delaware statutory trust, ("ETF 2"), GUGGENHEIM FUNDS TRUST, a Delaware statutory trust ("GFT"), GUGGENHEIM VARIABLE FUNDS TRUST, a Delaware statutory trust ("GVFT") and GUGGENHEIM STRATEGY FUNDS TRUST, a Delaware statutory trust ("GSFT") (collectively referred to herein as the "Trusts" or singularly as a "Trust").

The Trusts have been named as insureds under a joint Investment Company Blanket Bond issued by ICI Mutual Insurance Company (the "Bond") with a limit of liability that may be changed from time to time ("Bond Amount"). The Trusts desire to enter into this Agreement in accordance with the requirements of Rule 17g-1(f) to assure that the premium for the Bond and any proceeds received under the Bond are allocated in an equitable and proportionate manner.

The Trusts, therefore, agree that:

1. Allocation of Premium. The portion of the premium paid by each Trust shall be allocated among the Trusts based upon the minimum amount of coverage required under Rule 17g-1 under the Investment Company Act of 1940, as amended, based on their respective assets under management as of the date of the Allocation Event. The current allocations are set forth in Exhibit A. From time to time adjustments may be made to the portion of the premiums theretofore paid by a Trust, based on a subsequent change or changes in the net assets of one or more Trusts or the addition or withdrawal of a Trust from the Bond.

2. Allocation Event. The allocation of the Bond premium shall be determined as of the initial date of each Bond period, as of each date when a Trust is added to this Agreement or when this Agreement is terminated as to a Trust and when the premium amount increases because of an increase in the Bond Amount during the Bond period. When a Trust is added to the Bond, the existing Trusts shall receive a reimbursement for the decreased amount of premium to be paid for the Bond period as a result of the addition of the Trust unless Rydex Fund Services, LLC, the administrator for each Trust ("Administrator"), determines that the cost of refunding the excess premium would meet or exceed the amount of premium to be refunded. Any such reimbursement will occur in April immediately following the end of the Bond period, in conjunction with the allocation and payment of the

premium for the following year's Bond period. When Trusts are subtracted, there shall be no change in amounts owed by the Trusts.

3. Allocation of Coverage. In the event any recovery is received under the Bond as a result of a loss sustained by any Trust and by the other named insureds, each Trust shall receive an equitable and proportionate share of the recovery but in no event less than the amount it would have received had it provided and maintained a single insured bond with the minimum coverage required by paragraph (d)(1) of Rule 17g-1. The remaining amount of any recovery, if any, shall then be applied to the claims of the Trusts based on the premiums paid by the respective Trusts.

4. Agent. The Administrator is hereby appointed as the agent for the Trusts for the purpose of making, adjusting, receiving and enforcing payment of all claims under the Bond and otherwise dealing with ICI Mutual Insurance Company with respect to the Bond. Any expenses incurred by the Administrator in its capacity as agent in connection with a claim shall be shared by the Trusts in proportion to the Bond proceeds received by the Trusts for the loss. All other expenses incurred by the Administrator in its capacity as agent shall be shared by the Trusts in the same portion as their premium allocation.

5. Modification and Termination. This Agreement, including Exhibit A, may be modified or amended from time to time, including during a Bond period and after a Party has submitted a claim for loss under the Bond, by mutual written agreement among the Trusts. Additional registered investment companies for which the Administrator serves as the administrator may be made a party to this Agreement and upon the approval of the Board of Trustees of each party to the Agreement, will be added to the Agreement by the execution of a revised Exhibit A. The addition of a party shall trigger an Allocation Event. This Agreement may be terminated with respect to any one Trust by not less than 75 days' written notice to the other Trusts. It shall terminate as to any party as of the date that such party ceases to be an insured under the Bond; provided that such termination shall not affect such party's rights and obligations hereunder with respect to any claims on behalf of such party which are paid under the Bond by ICI Mutual Insurance Company after the date such party ceases to be an insured under the Bond. The Agreement shall continue as to the remaining parties, but shall trigger an Allocation Event.

6. Further Assurances. Each party agrees to perform such further acts and execute such further documents as are necessary to effectuate the purposes hereof.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed as of the date and year first above written.

FIDCUIARY/CLAYMORE MLP
OPPORTUNITY FUND

By: /s/ John L. Sullivan

John L. Sullivan
Chief Financial Officer and Treasurer

GUGGENHEIM BUILD AMERICA BONDS
MANAGED DURATION TRUST

By: /s/ John L. Sullivan

John L. Sullivan
Chief Financial Officer and Treasurer

GUGGENHEIM CREDIT ALLOCATION
FUND

By: /s/ John L. Sullivan

John L. Sullivan
Chief Financial Officer and Treasurer

GUGGENHEIM ENHANCED EQUITY
INCOME FUND

By: /s/ John L. Sullivan

John L. Sullivan
Chief Financial Officer and Treasurer

GUGGENHEIM ENHANCED EQUITY
STRATEGY FUND

By: /s/ John L. Sullivan

John L. Sullivan
Chief Financial Officer and Treasurer

GUGGENHEIM ENHANCED EQUITY
STRATEGY FUND

By: /s/ John L. Sullivan

John L. Sullivan
Chief Financial Officer and Treasurer

A-4

GUGGENHEIM EQUAL
WEIGHT ENHANCED
EQUITY INCOME FUND

By: /s/ John L. Sullivan

John L. Sullivan
Chief Financial Officer and
Treasurer

Stock option expense	—		2,959	—		—	—	—	2,959
Stock awards; 6,976 shares issued	—		1,242	—		—	949	—	2,191
Balance at June 25, 2016	$	27,900	$	—	$1,790,120	$(268,459)	$(593,479)	$38,089	$994,171

See accompanying notes to condensed consolidated financial statements.

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VALMONT INDUSTRIES, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Dollars in thousands, except per share amounts)
(Unaudited)

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Condensed Consolidated Financial Statements

The Condensed Consolidated Balance Sheet as of June 25, 2016, the Condensed Consolidated Statements of Earnings and Comprehensive Income for the thirteen and twenty-six weeks ended June 25, 2016 and June 27, 2015, and the Condensed Consolidated Statements of Cash Flows and Shareholders' Equity for the twenty-six week periods then ended have been prepared by the Company, without audit. In the opinion of management, all necessary adjustments (which include normal recurring adjustments) have been made to present fairly the financial statements as of June 25, 2016 and for all periods presented.

Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America have been condensed or omitted. These Condensed Consolidated Financial Statements should be read in conjunction with the financial statements and notes thereto included in the Company's Annual Report on Form 10-K for the fiscal year ended December 26, 2015. The accounting policies and methods of computation followed in these interim financial statements are the same as those followed in the financial statements for the year ended December 26, 2015. The results of operations for the period ended June 25, 2016 are not necessarily indicative of the operating results for the full year.

Inventories

Approximately 38% and 39% of inventory is valued at the lower of cost, determined on the last-in, first-out (LIFO) method, or market as of June 25, 2016 and December 26, 2015. All other inventory is valued at the lower of cost, determined on the first-in, first-out (FIFO) method or market. Finished goods and manufactured goods inventories include the costs of acquired raw materials and related factory labor and overhead charges required to convert raw materials to manufactured and finished goods. The excess of replacement cost of inventories over the LIFO value is approximately $36,201 and $35,075 at June 25, 2016 and December 26, 2015, respectively.

Inventories consisted of the following:

	June 25, 2016	December 26, 2015
Raw materials and purchased parts	$170,973	$ 162,977
Work-in-process	24,762	25,644
Finished goods and manufactured goods	212,572	187,126
Subtotal	408,307	375,747
Less: LIFO reserve	36,201	35,075
	$372,106	$ 340,672

VALMONT INDUSTRIES, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Dollars in thousands, except per share amounts)
(Unaudited)

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes

Earnings before income taxes and equity in earnings of nonconsolidated subsidiaries for the thirteen and twenty-six weeks ended June 25, 2016 and June 27, 2015, were as follows:

	Thirteen Weeks Ended		Twenty-six Weeks Ended	
	2016	2015	2016	2015
United States	$44,240	$33,641	$83,840	$66,282
Foreign	18,403	9,715	29,247	25,519
	$62,643	$43,356	$113,087	$91,801

Pension Benefits

The Company incurs expenses in connection with the Delta Pension Plan ("DPP"). The DPP was acquired as part of the Delta plc acquisition in fiscal 2010 and has no members that are active employees. In order to measure expense and the related benefit obligation, various assumptions are made including discount rates used to value the obligation, expected return on plan assets used to fund these expenses and estimated future inflation rates. These assumptions are based on historical experience as well as current facts and circumstances. An actuarial analysis is used to measure the expense and liability associated with pension benefits.

The components of the net periodic pension (benefit) expense for the thirteen and twenty-six weeks ended June 25, 2016 and June 27, 2015 were as follows:

	Thirteen Weeks Ended		Twenty-six Weeks Ended	
Net periodic (benefit) expense:	2016	2015	2016	2015
Interest cost	$6,659	$6,189	$13,042	$12,300
Expected return on plan assets	(6,084)	(6,344)	(12,083)	(12,605)
Net periodic (benefit) expense	$575	$(155)	$959	$(305)

Stock Plans

The Company maintains stock based compensation plans approved by the shareholders, which provide that the Human Resource Committee of the Board of Directors may grant incentive stock options, nonqualified stock options, stock appreciation rights, non-vested stock awards and bonuses of common stock. At June 25, 2016, 874,352 shares of common stock remained available for issuance under the plans. Shares and options issued and available are subject to changes in capitalization.

Under the plans, the exercise price of each option equals the closing market price at the date of the grant. Options vest beginning on the first anniversary of the grant in equal amounts over three to six years or on the fifth anniversary of the grant.

VALMONT INDUSTRIES, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Dollars in thousands, except per share amounts)
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(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Expiration of grants is from seven to ten years from the date of grant. The Company's compensation expense (included in selling, general and administrative expenses) and associated income tax benefits related to stock options for the thirteen and twenty-six weeks ended June 25, 2016 and June 27, 2015, respectively, were as follows:

	Thirteen Weeks Ended		Twenty-six Weeks Ended	
	2016	2015	2016	2015
Compensation expense	$1,468	$1,303	$2,959	$2,653
Income tax benefits	565	501	1,139	1,021

Equity Method Investments

The Company has equity method investments in non-consolidated subsidiaries, which are recorded within "Other assets" on the Condensed Consolidated Balance Sheet.

Fair Value

The Company applies the provisions of Accounting Standards Codification 820, Fair Value Measurements (“ASC 820”) which defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. The provisions of ASC 820 apply to other accounting pronouncements that require or permit fair value measurements. As defined in ASC 820, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

ASC 820 establishes a three level hierarchy for fair value measurements based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date. Inputs refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Financial assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

Level 1: Quoted market prices in active markets for identical assets or liabilities.

Level 2: Observable market based inputs or unobservable inputs that are corroborated by market data.

Level 3: Unobservable inputs that are not corroborated by market data.

The categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

Following is a description of the valuation methodologies used for assets and liabilities measured at fair value.

Trading Securities: The assets and liabilities recorded for the investments held in the Valmont Deferred Compensation Plan of $38,287 ($37,963 at December 26, 2015) represent mutual funds, invested in debt and equity securities, classified as trading securities in accordance with Accounting Standards Codification 320, Accounting for Certain Investments in Debt and Equity Securities, considering the employee's ability to change investment allocation of their deferred compensation at any time.

VALMONT INDUSTRIES, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Dollars in thousands, except per share amounts)
(Unaudited)

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Company's ownership of shares in Delta EMD Pty. Ltd. (JSE:DTA) is also classified as trading securities. The shares are valued at $1,821 and $4,734 as of June 25, 2016 and December 26, 2015, respectively, which is the estimated fair value. During the first quarter of 2016, the Company received a dividend of $1,541 from Delta EMD Pty. Ltd and the market price of the shares were proportionately reduced accordingly. Quoted market prices are available for these securities in an active market and therefore categorized as a Level 1 input.

		Fair Value Measurement Using:		
	Carrying Value June 25, 2016	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets:				
Trading Securities	$40,108	$40,108	$ —	$ —

		Fair Value Measurement Using:		
	Carrying Value December 26, 2015	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets:				
Trading Securities	$ 42,697	$42,697	$ —	$ —

Comprehensive Income

Comprehensive income includes net earnings, currency translation adjustments, certain derivative-related activity and changes in net actuarial gains/losses from a pension plan. Results of operations for foreign subsidiaries are translated using the average exchange rates during the period. Assets and liabilities are translated at the exchange rates in effect on the balance sheet dates. Accumulated other comprehensive income (loss) consisted of the following at June 25, 2016 and December 26, 2015:

	Foreign Currency Translation Adjustments	Unrealized Gain on Cash Flow Hedge	Defined Benefit Pension Plan	Accumulated Other Comprehensive Income
Balance at December 26, 2015	$ (191,928)	$ 3,678	$ (78,968)	$ (267,218)
Current-period comprehensive income (loss)	(1,279)	38	—	(1,241)
Balance at June 25, 2016	$ (193,207)	$ 3,716	$ (78,968)	$ (268,459)

Net Investment Hedge

In the second quarter of 2016, the Company entered into a one-year foreign currency forward contract which qualified as a net investment hedge, in order to mitigate foreign currency risk on a portion of our investments denominated in

British pounds. No ineffectiveness resulted from the hedge and the balance is recorded in the Condensed Consolidated Statements of Other Comprehensive Income as a component of Foreign currency translation adjustments. The realized gain (loss) will be deferred in other comprehensive income where it will remain until the net investments in our British subsidiaries are divested. The unrealized gain recorded at June 25, 2016 was $2,925 and is included in Other Current Assets on the Condensed Consolidated Balance Sheets.

VALMONT INDUSTRIES, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Dollars in thousands, except per share amounts)
(Unaudited)

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)
Recently Issued Accounting Pronouncements
In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2014-9, Revenue from Contracts with Customers (Topic 606), which supersedes the revenue recognition requirements in Accounting Standards Codification ("ASC") 605, Revenue Recognition. The new revenue recognition standard requires entities to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. ASU 2014-9 was to be effective for interim and annual reporting periods beginning after December 15, 2016 and is to be applied retrospectively. In August 2015, the FASB issued ASU 2015-14, Deferral of the Effective Date, which defers the effective date by one year to interim and annual reporting periods beginning after December 15, 2017 and is to be applied retrospectively. The Company is currently evaluating the effect that adopting this new accounting guidance will have on its consolidated results of operations and financial position.
In July 2015, the FASB issued ASU 2015-11, Simplifying the Measurement of Inventory. Under this ASU, inventory will be measured at the “lower of cost and net realizable value” and options that currently exist for “market value” will be eliminated. The ASU defines net realizable value as the “estimated selling prices in the ordinary course of business, less reasonably predictable costs of completion, disposal, and transportation.” No other changes were made to the current guidance on inventory measurement. ASU 2015-11 is effective for interim and annual periods beginning after December 15, 2016 and should be applied prospectively. The Company is evaluating the provisions of this statement, including which period to adopt, and has not determined what impact the adoption of ASU 2015-11 will have on the Company's financial position or results of operations. The Company plans to adopt this ASU in fiscal 2017.
In April 2015, the FASB issued ASU 2015-03, Simplifying the Presentation of Debt Issuance Costs, which provides guidance requiring debt issuance costs be presented in the balance sheet as a direct deduction from the carrying amount of the related debt liability and further clarification guidance allows the cost of securing a revolving line of credit to be recorded as a deferred asset regardless of whether a balance is outstanding. The Company retrospectively adopted this guidance during the first quarter of 2016 and reclassified approximately $7,000 of debt issuance cost for its long-term debt (excluding its revolving line of credit) to a direct reduction of long-term debt instead of an other asset in the condensed consolidated balance sheets for December 26, 2015.
In February 2016, the FASB issued ASU 2016-02, Leases, which provides revised guidance on leases requiring lessees to recognize a right-of-use asset and a lease liability for virtually all of their leases (other than leases that meet the definition of a short-term lease). The liability will be equal to the present value of lease payments. For income statement purposes, the FASB retained a dual model, requiring leases to be classified as either operating or finance. Operating leases will result in straight-line expense (similar to current operating leases) while finance leases will result in a front-loaded expense pattern (similar to current capital leases). Classification will be based on criteria that are largely similar to those applied in current lease accounting, but without explicit bright lines. ASU 2016-02 is effective for interim and annual reporting periods beginning after December 15, 2018 and is to be applied on a modified retrospective transition. The Company is currently evaluating the effect that adopting this new accounting guidance will have on its consolidated results of operations and financial position.
In March 2016, the FASB issued ASU 2016-09, Improvements to Employee Share-Based Payment Accounting, which provides revised guidance for employee share-based compensation payments. The ASU requires all excess tax benefits and tax deficiencies (including tax benefits of dividends on share-based payment awards) be recognized as income tax expense or benefit in the income statement. It also states excess tax benefits to be classified along with other income tax cash flows as an operating activity whereas currently it is classified within a financing cash flow activity. ASU 2016-09 is effective prospectively for interim and annual reporting periods beginning after December 15, 2016. The Company early adopted this guidance prospectively in the second quarter of 2016 which resulted in an

income tax benefit of approximately $289.

VALMONT INDUSTRIES, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Dollars in thousands, except per share amounts)
(Unaudited)

(2) ACQUISITIONS
On September 30, 2015, the Company purchased American Galvanizing for $12,778 in cash, net of cash acquired, plus assumed liabilities. American Galvanizing operates a custom galvanizing operation in New Jersey with annual sales of approximately $10,000. In the purchase price allocation, goodwill of $3,019 and $2,178 of customer relationships, trade name and other intangible assets were recorded. Goodwill is not deductible for tax purposes. This business is included in the Coatings segment and was acquired to expand the Company's geographic presence in the Northeast United States. The purchase price allocation was finalized in the first quarter of 2016. Pro-forma disclosures were omitted as this business did not have a significant impact on the Company's 2015 or 2016 financial results.
Acquisitions of Noncontrolling Interests
In April 2016, the Company acquired the remaining 30% of IGC Galvanizing Industries (M) Sdn Bhd that it did not own for $5,841. In June 2016, the Company acquired 5.2% of the remaining 10% of Valmont SM that it did not own for $5,168. As these transactions were for acquisitions of part or all of the remaining shares of consolidated subsidiaries with no change in control, they were recorded within shareholders' equity and as a financing cash flow in the Consolidated Statements of Cash Flows.
(3) RESTRUCTURING ACTIVITIES
In July 2016, the Company identified a restructuring plan in Australia/New Zealand (the "2016 Plan") focused primarily on closing and consolidating locations within the Energy and Mining and Coatings segments. During the remainder of 2016, the Company estimates it will incur the following pre-tax expenses from the 2016 Plan:

	Energy & Mining	Coatings	Other/ Corporate	TOTAL
Severance	$ 365	$ 380	$ —	$ 745
Other cash restructuring expenses	1,728	285	—	2,013
Asset impairments/net loss on disposals	815	—	—	815
Total cost of sales	2,908	665	—	3,573
Severance	240	715	—	955
Other cash restructuring expenses	—	—	200	200
Total selling, general and administrative expenses	240	715	200	1,155
Consolidated total	$ 3,148	$ 1,380	$ 200	$ 4,728

In April 2015, the Company's Board of Directors authorized a broad restructuring plan (the "Plan") to respond to the market environment in certain businesses. During fiscal 2015, the Company substantially completed this Plan and recognized $21,708 of pre-tax restructuring expenses in cost of sales and $18,144 of pre-tax restructuring expenses in selling, general, and administrative expenses. Within the total fiscal 2015 pre-tax restructuring expense of $39,852 were pre-tax asset impairments of $19,836. The Company's utility segment recognized $380 of pre-tax restucturing expense during the first half of fiscal 2016.

VALMONT INDUSTRIES, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Dollars in thousands, except per share amounts)
(Unaudited)

During the first quarter of fiscal 2015, the Company's recognized $785 of pre-tax expense for severance and other cash related expenses within the ESS and Energy and Mining segments. During the second quarter of fiscal 2015, the Company recognized the following pre-tax restructuring expenses:

	ESS	Energy & Mining	Utility	Coatings	Irrigation	Other/ Corporate	TOTAL
Severance	$32	$576	$1,380	$310	$ —	$ —	$2,298
Other cash restructuring expenses	—	45	375	40	—	—	460
Asset impairments/net loss on disposals	45	752	295	4,150	—	—	5,242
Total cost of sales	77	1,373	2,050	4,500	—	—	8,000
Severance	797	168	405	—	219	240	1,829
Other cash restructuring expenses	125	—	—	269	—	—	394
Asset impairments/net loss on disposals	2,030	—	—	—	130	1,890	4,050
Total selling, general and administrative expenses	2,952	168	405	269	349	2,130	6,273
Consolidated total	$3,029	$1,541	$2,455	$4,769	$ 349	$ 2,130	$14,273

Liabilities recorded for the restructuring Plan and changes therein for the first half of fiscal 2016 were as follows:

	Balance at December 26, 2015	Recognized Restructuring Expense	Costs Paid or Otherwise Settled	Balance at June 25, 2016
Severance	$ 1,307	$ —	$ (1,188)	$ 119
Other cash restructuring expenses	1,426	—	(305)	1,121
Total	$ 2,733	$ —	$ (1,493)	$ 1,240

(4) GOODWILL AND INTANGIBLE ASSETS

Amortized Intangible Assets

The components of amortized intangible assets at June 25, 2016 and December 26, 2015 were as follows:

	June 25, 2016		
	Gross Carrying Amount	Accumulated Amortization	Weighted Average Life
Customer Relationships	$198,175	$ 107,359	13 years
Proprietary Software & Database	3,632	3,031	8 years
Patents & Proprietary Technology	6,922	3,687	11 years
Other	3,856	3,790	3 years
	$212,585	$ 117,867	

VALMONT INDUSTRIES, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Dollars in thousands, except per share amounts)
(Unaudited)

(4) GOODWILL AND INTANGIBLE ASSETS (Continued)

	December 26, 2015		
	Gross Carrying Amount	Accumulated Amortization	Weighted Average Life
Customer Relationships	$201,801	$ 101,614	13 years
Proprietary Software & Database	3,571	2,966	8 years
Patents & Proprietary Technology	6,815	3,421	11 years
Other	3,752	3,671	3 years
	$215,939	$ 111,672	

Amortization expense for intangible assets for the thirteen and twenty-six weeks ended June 25, 2016 and June 27, 2015, respectively was as follows:

Thirteen Weeks Ended		Twenty-six Weeks Ended	
2016	2015	2016	2015
$4,078	$4,737	$8,073	$9,650

Estimated annual amortization expense related to finite lived intangible assets is as follows:

	Estimated Amortization Expense
2016	$ 15,906
2017	15,624
2018	13,990
2019	13,209
2020	12,158

The useful lives assigned to finite lived intangible assets included consideration of factors such as the Company’s past and expected experience related to customer retention rates, the remaining legal or contractual life of the underlying arrangement that resulted in the recognition of the intangible asset and the Company’s expected use of the intangible asset.

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VALMONT INDUSTRIES, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Dollars in thousands, except per share amounts)
(Unaudited)

(4) GOODWILL AND INTANGIBLE ASSETS (Continued)

Non-amortized intangible assets

Intangible assets with indefinite lives are not amortized. The carrying values of trade names at June 25, 2016 and December 26, 2015 were as follows:

	June 25, 2016	December 26, 2015	Year Acquired
Webforge	$9,545	$ 10,430	2010
Valmont SM	9,246	8,919	2014
Newmark	11,111	11,111	2004
Ingal EPS/Ingal Civil Products	7,781	8,504	2010
Donhad	5,870	6,415	2010
Shakespeare	4,000	4,000	2014
Industrial Galvanizers	2,436	2,662	2010
Other	14,107	13,889	
	$64,096	$ 65,930	

In its determination of these intangible assets as indefinite lived, the Company considered such factors as its expected future use of the intangible asset, legal, regulatory, technological and competitive factors that may impact the useful life or value of the intangible asset and the expected costs to maintain the value of the intangible asset. The Company expects that these intangible assets will maintain their value indefinitely. Accordingly, these assets are not amortized.

The Company’s trade names were tested for impairment in the third quarter of 2015. The values of the trade names were determined using the relief-from-royalty method. Based on this evaluation, the Company recorded a $5,000 impairment of the Webforge trade name (in Energy & Mining segment) and a $1,100 impairment of the Industrial Galvanizing trade name (in Coatings segment) during 2015. The lower price of oil and natural gas in the fourth quarter of 2015 was a qualitative event requiring the Company to re-assess the fair value of the Webforge trade name. As a result, the Company recognized an additional $830 impairment of that trade name. No other trade names were determined to be impaired during 2015 and no qualitative events were noted during the first half of 2016 requiring an interim test for potential impairment.

Goodwill

The carrying amount of goodwill by segment as of June 25, 2016 and December 26, 2015 was as follows:

	Engineered Support Structures Segment	Energy & Mining Segment	Utility Support Structures Segment	Coatings Segment	Irrigation Segment	Total
Gross goodwill at December 26, 2015	$101,275	$99,829	$ 75,404	$75,941	$ 19,359	$371,808
Accumulated impairment losses	—	(18,670)	—	(16,222)	—	(34,892)
Balance at December 26, 2015	$101,275	$81,159	$ 75,404	$59,719	$ 19,359	$336,916
Foreign currency translation	(2,589)	(3,200)	—	411	65	(5,313)
Balance at June 25, 2016	$98,686	$77,959	$ 75,404	$60,130	$ 19,424	$331,603

The Company’s annual impairment test of goodwill was performed during the third quarter of 2015, using the discounted cash flow method. The APAC Coatings reporting unit failed step one in that the estimated fair value was lower than the carrying value. As a result, the Company recorded $9,100 impairment of goodwill on the APAC Coatings reporting

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unit. The Company finalized step two of the impairment analysis during the fourth quarter of 2015 recording an additional impairment of $7,122, which was the remaining goodwill on this reporting unit.

The Company recorded an $18,670 impairment of Access System's goodwill in the fourth quarter of 2015 primarily driven by the depressed price of a barrel of oil. The Company continues to monitor changes in the global economy that could impact future operating results of its reporting units and no qualitative events were noted in the first half of 2016. If such conditions arise, the Company will test a given reporting unit for impairment during 2016 prior to the annual test.

(5) CASH FLOW SUPPLEMENTARY INFORMATION

The Company considers all highly liquid temporary cash investments purchased with an original maturity of three months or less at the time of purchase to be cash equivalents. Cash payments for interest and income taxes (net of refunds) for the twenty-six weeks ended June 25, 2016 and June 27, 2015 were as follows:

	2016	2015
Interest	$22,142	$22,898
Income taxes	28,791	14,280

Share Repurchase Programs

On May 13, 2014, the Company announced a new capital allocation philosophy which increased the dividend by 50% and covered a share repurchase program of up to $500,000 of the Company's outstanding common stock to be acquired from time to time over twelve months at prevailing market prices, through open market or privately-negotiated transactions. On February 24, 2015, the Board of Directors authorized an additional purchase of up to $250,000 of the Company's outstanding common stock with no stated expiration date. As of June 25, 2016, the Company has acquired 4,392,435 shares for approximately $592,600 under the share repurchase programs.

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(6) EARNINGS PER SHARE

The following table provides a reconciliation between Basic and Diluted earnings per share (EPS):

	Basic EPS	Dilutive Effect of Stock Options	Diluted EPS
Thirteen weeks ended June 25, 2016:			
Net earnings attributable to Valmont Industries, Inc.	$42,026	$—	$42,026
Shares outstanding (000 omitted)	22,602	147	22,749
Per share amount	$1.86	$(0.01)	$1.85
Thirteen weeks ended June 27, 2015:			
Net earnings attributable to Valmont Industries, Inc.	$27,873	$—	$27,873
Shares outstanding (000 omitted)	23,336	114	23,450
Per share amount	$1.19	$—	$1.19
Twenty-six weeks ended June 25, 2016:			
Net earnings attributable to Valmont Industries, Inc.	$74,995	$—	$74,995
Shares outstanding (000 omitted)	22,651	131	22,782
Per share amount	$3.31	$(0.02)	$3.29
Twenty-six weeks ended June 27, 2015:			
Net earnings attributable to Valmont Industries, Inc.	$58,612	$—	$58,612
Shares outstanding (000 omitted)	23,602	114	23,716
Per share amount	$2.48	$(0.01)	$2.47

Earnings per share are computed independently for each of the quarters. Therefore, the sum of the quarterly earnings per share may not equal the total for the year primarily due to the share buyback program.

At June 25, 2016 and June 27, 2015, there were 381,973 and 452,459 outstanding stock options with exercise prices exceeding the market price of common stock that were excluded from the computation of diluted earnings per share, respectively.

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(7) BUSINESS SEGMENTS
In the fourth quarter of 2015, the Company changed its reportable segment structure to improve transparency. The Company now has five reportable segments and its management structure was changed to align with this new reporting structure. A new reportable segment, Energy & Mining, includes the businesses primarily serving the energy and mining end markets. This segment includes the access systems applications businesses and offshore structures business that was formerly part of the Engineered Infrastructure Products (EIP) segment, and the grinding media business that was formerly included in the "Other" category. The remaining businesses from the EIP segment was also renamed "Engineered Support Structures". The last change in the reporting structure was moving the tubing business from the "Other" category to the Irrigation segment. Prior year information in this footnote has been updated to match the new reportable segment structure.
Reportable segments are as follows:

ENGINEERED SUPPORT STRUCTURES: This segment consists of the manufacture of engineered metal structures and components for the global lighting and traffic, wireless communication, and roadway safety industries;

ENERGY AND MINING: This segment, all outside of the United States, consists of the manufacture of access systems applications, forged steel grinding media, on and off shore oil, gas, and wind energy structures;

UTILITY SUPPORT STRUCTURES: This segment consists of the manufacture of engineered steel and concrete structures for the global utility industry;

COATINGS: This segment consists of galvanizing, anodizing and powder coating services on a global basis; and

IRRIGATION: This segment consists of the manufacture of agricultural irrigation equipment and related parts and services for the global agricultural industry and tubular products for industrial customers.

Due to the business reorganization and restructuring activities that occurred in 2015, there are no longer business operations included in Other for fiscal 2016. In 2015, the Company had other businesses and activities that individually were not more than 1% of consolidated sales.
The accounting policies of the reportable segments are the same as those described in Note 1. The Company evaluates the performance of its business segments based upon operating income and invested capital. The Company does not allocate interest expense, non-operating income and deductions, or income taxes to its business segments.

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(7) BUSINESS SEGMENTS (Continued)
Summary by Business

	Thirteen Weeks Ended		Twenty-six Weeks Ended	
	June 25, 2016	June 27, 2015	June 25, 2016	June 27, 2015
SALES:				
Engineered Support Structures segment:				
Lighting, Traffic, and Roadway Products	$163,191	$154,821	$309,493	$300,169
Communication Products	40,725	45,935	71,394	78,491
Engineered Support Structures segment	203,916	200,756	380,887	378,660
Energy and Mining segment:				
Offshore and Other Complex Steel Structures	25,908	23,135	48,877	47,983
Grinding Media	21,018	25,856	40,508	53,347
Access Systems	33,766	37,311	63,756	73,033
Energy and Mining segment	80,692	86,302	153,141	174,363
Utility Support Structures segment:				
Steel	126,101	139,425	248,072	297,698
Concrete	25,144	23,504	47,693	41,572
Utility Support Structures segment	151,245	162,929	295,765	339,270
Coatings segment	75,298	76,093	143,879	150,453
Irrigation segment	152,252	173,303	310,766	347,880
Other	—	2,342	—	4,511
Total	663,403	701,725	1,284,438	1,395,137
INTERSEGMENT SALES:				
Engineered Support Structures segment	8,114	4,133	19,126	11,239
Energy & Mining segment	1,409	52	3,067	101
Utility Support Structures segment	86	273	262	562
Coatings segment	11,886	12,178	21,699	24,725
Irrigation segment	1,659	1,758	3,430	3,482
Other	—	1,208	—	2,507
Total	23,154	19,602	47,584	42,616
NET SALES:				
Engineered Support Structures segment	195,802	196,623	361,761	367,421
Energy & Mining segment	79,283	86,250	150,074	174,262
Utility Support Structures segment	151,159	162,656	295,503	338,708
Coatings segment	63,412	63,915	122,180	125,728
Irrigation segment	150,593	171,545	307,336	344,398
Other	—	1,134	—	2,004
Total	$640,249	$682,123	$1,236,854	$1,352,521
OPERATING INCOME:				
Engineered Support Structures segment	$20,968	$16,219	$35,176	$25,669
Energy & Mining segment	3,341	2,698	5,243	7,064

Utility Support Structures segment	17,528	10,399	32,296	25,756
Coatings segment	14,023	7,862	25,436	18,861
Irrigation segment	27,763	31,865	56,608	62,039
Other	—	(1,271)	—	(2,379)
Corporate	(11,817)	(13,772)	(20,588)	(25,327)
Total	$71,806	$54,000	$134,171	$111,683

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(8) GUARANTOR/NON-GUARANTOR FINANCIAL INFORMATION
The Company has three tranches of senior unsecured notes. All of the senior notes are guaranteed, jointly, severally, fully and unconditionally (subject to certain customary release provisions, including sale of the subsidiary guarantor, or sale of all or substantially all of its assets) by certain of the Company’s current and future direct and indirect domestic and foreign subsidiaries (collectively the “Guarantors”), excluding its other current domestic and foreign subsidiaries which do not guarantee the debt (collectively referred to as the “Non-Guarantors”). All Guarantors are 100% owned by the parent company.

Consolidated financial information for the Company ("Parent"), the Guarantor subsidiaries and the Non-Guarantor subsidiaries is as follows:
CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS
For the Thirteen weeks ended June 25, 2016

	Parent	Guarantors	Non-Guarantors	Eliminations	Total
Net sales	$290,171	$ 97,159	$ 300,911	$ (47,992)	$640,249
Cost of sales	211,675	71,234	229,248	(47,025)	465,132
Gross profit	78,496	25,925	71,663	(967)	175,117
Selling, general and administrative expenses	44,530	11,080	47,701	—	103,311
Operating income	33,966	14,845	23,962	(967)	71,806
Other income (expense):					
Interest expense	(10,918)	(3)	(201)	—	(11,122)
Interest income	46	14	647	—	707
Other	699	15	538	—	1,252
	(10,173)	26	984	—	(9,163)
Earnings before income taxes and equity in earnings of nonconsolidated subsidiaries	23,793	14,871	24,946	(967)	62,643
Income tax expense (benefit):					
Current	10,391	6,242	6,521	(409)	22,745
Deferred	1,068	(2,149)	(2,463)	—	(3,544)
	11,459	4,093	4,058	(409)	19,201
Earnings before equity in earnings of nonconsolidated subsidiaries	12,334	10,778	20,888	(558)	43,442
Equity in earnings of nonconsolidated subsidiaries	29,692	5,746	—	(35,438)	—
Net earnings	42,026	16,524	20,888	(35,996)	43,442
Less: Earnings attributable to noncontrolling interests	—	—	(1,416)	—	(1,416)
Net earnings attributable to Valmont Industries, Inc	$42,026	$ 16,524	$ 19,472	$ (35,996)	$42,026

VALMONT INDUSTRIES, INC. AND SUBSIDIARIES
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(8) GUARANTOR/NON-GUARANTOR FINANCIAL INFORMATION (Continued)
CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS
For the Twenty-six weeks ended June 25, 2016

	Parent	Guarantors	Non-Guarantors	Eliminations	Total
Net sales	$575,209	$188,685	$573,025	$(100,065)	$1,236,854
Cost of sales	419,536	139,096	440,641	(98,505)	900,768
Gross profit	155,673	49,589	132,384	(1,560)	336,086
Selling, general and administrative expenses	87,024	22,510	92,381	—	201,915
Operating income	68,649	27,079	40,003	(1,560)	134,171
Other income (expense):					
Interest expense	(21,848)	(3)	(325)	—	(22,176)
Interest income	113	39	1,366	—	1,518
Other	324	27	(777)	—	(426)
	(21,411)	63	264	—	(21,084)
Earnings before income taxes and equity in earnings of nonconsolidated subsidiaries	47,238	27,142	40,267	(1,560)	113,087
Income tax expense (benefit):					
Current	15,974	8,814	9,000	(529)	33,259
Deferred	3,487	—	(1,272)		2,215
	19,461	8,814	7,728	(529)	35,474
Earnings before equity in earnings of nonconsolidated subsidiaries	27,777	18,328	32,539	(1,031)	77,613
Equity in earnings of nonconsolidated subsidiaries	47,218	7,859		(55,077)	—
Net earnings	74,995	26,187	32,539	(56,108)	77,613
Less: Earnings attributable to noncontrolling interests	—	—	(2,618)	—	(2,618)
Net earnings attributable to Valmont Industries, Inc	$74,995	$26,187	$29,921	$(56,108)	$74,995

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(8) GUARANTOR/NON-GUARANTOR FINANCIAL INFORMATION (Continued)
CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS
For the Thirteen weeks ended June 27, 2015

	Parent	Guarantors	Non-Guarantors	Eliminations	Total
Net sales	$311,156	$102,090	$322,555	$(53,678)	$682,123
Cost of sales	232,779	78,149	254,666	(53,019)	512,575
Gross profit	78,377	23,941	67,889	(659)	169,548
Selling, general and administrative expenses	50,913	11,091	53,544	—	115,548
Operating income	27,464	12,850	14,345	(659)	54,000
Other income (expense):					
Interest expense	(10,894)	—	(338)	—	(11,232)
Interest income	4	2	610	—	616
Other	(248)	24	196	—	(28)
	(11,138)	26	468	—	(10,644)
Earnings before income taxes and equity in earnings of nonconsolidated subsidiaries	16,326	12,876	14,813	(659)	43,356
Income tax expense (benefit):					
Current	7,545	5,223	6,547	(179)	19,136
Deferred	(1,650)	(51)	(3,518)	—	(5,219)
	5,895	5,172	3,029	(179)	13,917
Earnings before equity in earnings of nonconsolidated subsidiaries	10,431	7,704	11,784	(480)	29,439
Equity in earnings of nonconsolidated subsidiaries	17,442	876	—	(18,318)	—
Net earnings	27,873	8,580	11,784	(18,798)	29,439
Less: Earnings attributable to noncontrolling interests	—	—	(1,566)	—	(1,566)
Net earnings attributable to Valmont Industries, Inc	$27,873	$8,580	$10,218	$(18,798)	$27,873

VALMONT INDUSTRIES, INC. AND SUBSIDIARIES
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(8) GUARANTOR/NON-GUARANTOR FINANCIAL INFORMATION (Continued)
CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS
For the Twenty-six weeks ended June 27, 2015

	Parent	Guarantors	Non-Guarantors	Eliminations	Total
Net sales	$640,287	$198,038	$624,791	$(110,595)	$1,352,521
Cost of sales	482,646	153,045	491,651	(109,823)	1,017,519
Gross profit	157,641	44,993	133,140	(772)	335,002
Selling, general and administrative expenses	98,955	22,388	101,976	—	223,319
Operating income	58,686	22,605	31,164	(772)	111,683
Other income (expense):					
Interest expense	(21,726)	—	(634)	—	(22,360)
Interest income	13	4	1,473	—	1,490
Other	(897)	—	1,885	—	988
	(22,610)	4	2,724	—	(19,882)
Earnings before income taxes and equity in earnings of nonconsolidated subsidiaries	36,076	22,609	33,888	(772)	91,801
Income tax expense (benefit):					
Current	8,937	9,850	12,344	(221)	30,910
Deferred	3,819	(584)	(3,290)	—	(55)
	12,756	9,266	9,054	(221)	30,855
Earnings before equity in earnings of nonconsolidated subsidiaries	23,320	13,343	24,834	(551)	60,946
Equity in earnings of nonconsolidated subsidiaries	35,292	5,181	—	(40,473)	—
Net earnings	58,612	18,524	24,834	(41,024)	60,946
Less: Earnings attributable to noncontrolling interests	—	—	(2,334)	—	(2,334)
Net earnings attributable to Valmont Industries, Inc	$58,612	$18,524	$22,500	$(41,024)	$58,612

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(8) GUARANTOR/NON-GUARANTOR FINANCIAL INFORMATION (Continued)
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the Thirteen weeks ended June 25, 2016

	Parent	Guarantors	Non-Guarantors	Eliminations	Total
Net earnings	$42,026	$ 16,524	$ 20,888	$ (35,996)	$43,442
Other comprehensive income (loss), net of tax:					
Foreign currency translation adjustments:					
Unrealized translation gain (loss)	2,925	29	(5,250)	—	(2,296)
Unrealized loss on cash flow hedge:					
Amortization cost included in interest expense	19	—	—	—	19
Equity in other comprehensive income	(5,592)	—	—	5,592	—
Other comprehensive income (loss)	(2,648)	29	(5,250)	5,592	(2,277)
Comprehensive income (loss)	39,378	16,553	15,638	(30,404)	41,165
Comprehensive income attributable to noncontrolling interests	—	—	(1,787)	—	(1,787)
Comprehensive income (loss) attributable to Valmont Industries, Inc.	$39,378	$ 16,553	$ 13,851	$ (30,404)	$39,378

VALMONT INDUSTRIES, INC. AND SUBSIDIARIES
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(8) GUARANTOR/NON-GUARANTOR FINANCIAL INFORMATION (Continued)
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the Twenty-six weeks ended June 25, 2016

	Parent	Guarantors	Non-Guarantors	Eliminations	Total
Net earnings	$74,995	$26,187	$32,539	$(56,108)	$77,613
Other comprehensive income (loss), net of tax:					
Foreign currency translation adjustments:					
Unrealized translation gain (loss)	2,925	(149)	(2,559)	—	217
Unrealized loss on cash flow hedge:					
Amortization cost included in interest expense	38	—	—	—	38
Equity in other comprehensive income	(1,279)	—	—	1,279	—
Other comprehensive income (loss)	1,684	(149)	(2,559)	1,279	255
Comprehensive income (loss)	76,679	26,038	29,980	(54,829)	77,868
Comprehensive income attributable to noncontrolling interests	—	—	(4,114)	—	(4,114)
Comprehensive income (loss) attributable to Valmont Industries, Inc.	$76,679	$26,038	$25,866	$(54,829)	$73,754

VALMONT INDUSTRIES, INC. AND SUBSIDIARIES
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(8) GUARANTOR/NON-GUARANTOR FINANCIAL INFORMATION (Continued)
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the Thirteen weeks ended June 27, 2015

	Parent	Guarantors	Non-Guarantors	Eliminations	Total
Net earnings	$27,873	$ 8,580	$ 11,784	$ (18,798)	$29,439
Other comprehensive income (loss), net of tax:					
Foreign currency translation adjustments:					
Unrealized translation gain (loss)	—	76	18,252	—	18,328
Unrealized loss on cash flow hedge:					
Amortization cost included in interest expense	19	—	—	—	19
Actuarial gain (loss) in defined benefit pension plan liability	(301)	—	1,052	—	751
Equity in other comprehensive income	18,978	—	—	(18,978)	—
Other comprehensive income (loss)	18,696	76	19,304	(18,978)	19,098
Comprehensive income (loss)	46,569	8,656	31,088	(37,776)	48,537
Comprehensive income attributable to noncontrolling interests	—	—	(1,968)	—	(1,968)
Comprehensive income (loss) attributable to Valmont Industries, Inc.	$46,569	$ 8,656	$ 29,120	$ (37,776)	$46,569

VALMONT INDUSTRIES, INC. AND SUBSIDIARIES
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(8) GUARANTOR/NON-GUARANTOR FINANCIAL INFORMATION (Continued)
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the Twenty-six weeks ended June 27, 2015

	Parent	Guarantors	Non-Guarantors	Eliminations	Total
Net earnings	$58,612	$ 18,524	$ 24,834	$ (41,024)	$60,946
Other comprehensive income (loss), net of tax:					
Foreign currency translation adjustments:					
Unrealized translation gain (loss)	—	(8,812)	(31,038)	—	(39,850)
Unrealized loss on cash flow hedge:					
Amortization cost included in interest expense	37	—	—	—	37
Actuarial gain (loss) in defined benefit pension plan liability	(209)	—	1,254	—	1,045
Equity in other comprehensive income	(36,903)	—	—	36,903	—
Other comprehensive income (loss)	(37,075)	(8,812)	(29,784)	36,903	(38,768)
Comprehensive income (loss)	21,537	9,712	(4,950)	(4,121)	22,178
Comprehensive income attributable to noncontrolling interests	—	—	(641)	—	(641)
Comprehensive income (loss) attributable to Valmont Industries, Inc.	$21,537	$ 9,712	$ (5,591)	$ (4,121)	$21,537

VALMONT INDUSTRIES, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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(8) GUARANTOR/NON-GUARANTOR FINANCIAL INFORMATION (Continued)

CONDENSED CONSOLIDATED BALANCE SHEETS
June 25, 2016

	Parent	Guarantors	Non-Guarantors	Eliminations	Total
ASSETS					
Current assets:					
Cash and cash equivalents	$62,149	$4,022	$278,175	$—	$344,346
Receivables, net	130,354	58,203	278,192	—	466,749
Inventories	140,981	38,542	197,137	(4,554)	372,106
Prepaid expenses, restricted cash, and other assets	11,405	730	51,515	—	63,650
Refundable income taxes	20,441	—	—	—	20,441
Total current assets	365,330	101,497	805,019	(4,554)	1,267,292
Property, plant and equipment, at cost	540,415	145,857	419,683	—	1,105,955
Less accumulated depreciation and amortization	345,295	74,076	160,237	—	579,608
Net property, plant and equipment	195,120	71,781	259,446	—	526,347
Goodwill	20,108	110,562	200,933	—	331,603
Other intangible assets	211	38,460	120,143	—	158,814
Investment in subsidiaries and intercompany accounts	1,268,543	852,048	1,090,615	(3,211,206)	—
Other assets	40,034	3	71,780	—	111,817
Total assets	$1,889,346	$1,174,351	$2,547,936	$(3,215,760)	$2,395,873
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current liabilities:					
Current installments of long-term debt	$—	$—	$889	$—	$889
Notes payable to banks	—	—	3,735	—	3,735
Accounts payable	53,254	13,601	116,271	—	183,126
Accrued employee compensation and benefits	26,945	5,919	33,762	—	66,626
Accrued expenses	31,118	17,073	46,967	—	95,158
Dividends payable	8,505	—	—	—	8,505
Total current liabilities	119,822	36,593	201,624	—	358,039
Deferred income taxes	13,173	—	22,368	—	35,541
Long-term debt, excluding current installments	751,448	—	5,095	—	756,543
Defined benefit pension liability	—	—	164,329	—	164,329
Deferred compensation	43,887	—	5,078	—	48,965
Other noncurrent liabilities	4,934	5	33,346	—	38,285
Shareholders' equity:					
Common stock of $1 par value	27,900	457,950	648,682	(1,106,632)	27,900
Additional paid-in capital	—	159,414	1,107,536	(1,266,950)	—
Retained earnings	1,790,120	584,900	530,930	(1,115,830)	1,790,120
Accumulated other comprehensive income (loss)	(268,459)	(64,511)	(209,141)	273,652	(268,459)
Treasury stock	(593,479)	—	—	—	(593,479)
Total Valmont Industries, Inc. shareholders' equity	956,082	1,137,753	2,078,007	(3,215,760)	956,082

Noncontrolling interest in consolidated subsidiaries	—	—	38,089	—	38,089
Total shareholders’ equity	956,082	1,137,753	2,116,096	(3,215,760)	994,171
Total liabilities and shareholders’ equity	$1,889,346	$1,174,351	$2,547,936	$(3,215,760)	$2,395,873

VALMONT INDUSTRIES, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Dollars in thousands, except per share amounts)
(Unaudited)

(8) GUARANTOR/NON-GUARANTOR FINANCIAL INFORMATION (Continued)
CONDENSED CONSOLIDATED BALANCE SHEETS
December 26, 2015

	Parent	Guarantors	Non-Guarantors	Eliminations	Total
ASSETS					
Current assets:					
Cash and cash equivalents	$62,281	$4,008	$282,785	$—	$349,074
Receivables, net	130,741	66,387	269,315	—	466,443
Inventories	132,222	38,379	173,064	(2,993)	340,672
Prepaid expenses	9,900	766	35,471	—	46,137
Refundable income taxes	24,526	—	—	—	24,526
Total current assets	359,670	109,540	760,635	(2,993)	1,226,852
Property, plant and equipment, at cost	541,536	132,864	406,656	—	1,081,056
Less accumulated depreciation and amortization	334,471	69,956	144,140	—	548,567
Net property, plant and equipment	207,065	62,908	262,516	—	532,489
Goodwill	20,108	110,562	206,246	—	336,916
Other intangible assets	238	40,959	129,000	—	170,197
Investment in subsidiaries and intercompany accounts	1,239,228	813,779	939,177	(2,992,184)	—
Other assets	40,067	—	85,861	—	125,928
Total assets	$1,866,376	$1,137,748	$2,383,435	$(2,995,177)	$2,392,382
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current liabilities:					
Current installments of long-term debt	$215	$—	$862	$—	$1,077
Notes payable to banks	—	—	976	—	976
Accounts payable	66,723	13,680	99,580	—	179,983
Accrued employee compensation and benefits	32,272	6,347	31,735	—	70,354
Accrued expenses	31,073	22,802	51,718	—	105,593
Dividends payable	8,571	—	—	—	8,571
Total current liabilities	138,854	42,829	184,871	—	366,554
Deferred income taxes	9,686	—	25,983	—	35,669
Long-term debt, excluding current installments	751,765	—	5,153	—	756,918
Defined benefit pension liability	—	—	179,323	—	179,323
Deferred compensation	43,485	—	4,932	—	48,417
Other noncurrent liabilities	4,145	—	36,145	—	40,290
Shareholders' equity:					
Common stock of $1 par value	27,900	457,950	648,683	(1,106,633)	27,900
Additional paid-in capital	—	159,414	1,107,536	(1,266,950)	—
Retained earnings	1,729,679	541,917	354,727	(896,644)	1,729,679
Accumulated other comprehensive income	(267,218)	(64,362)	(210,688)	275,050	(267,218)
Treasury stock	(571,920)	—	—	—	(571,920)
Total Valmont Industries, Inc. shareholders' equity	918,441	1,094,919	1,900,258	(2,995,177)	918,441
	—	—	46,770	—	46,770

Noncontrolling interest in consolidated subsidiaries					
Total shareholders' equity	918,441	1,094,919	1,947,028	(2,995,177)	965,211
Total liabilities and shareholders' equity	$1,866,376	$1,137,748	$2,383,435	$(2,995,177)	$2,392,382

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VALMONT INDUSTRIES, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Dollars in thousands, except per share amounts)
(Unaudited)

(8) GUARANTOR/NON-GUARANTOR FINANCIAL INFORMATION (Continued)
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Twenty-six Weeks Ended June 25, 2016

	Parent	Guarantors	Non-Guarantors	Eliminations	Total
Cash flows from operating activities:					
Net earnings	$74,995	$ 26,187	$ 32,539	$ (56,108)	$77,613
Adjustments to reconcile net earnings to net cash flows from operations:					
Depreciation and amortization	13,705	6,591	20,508	—	40,804
Noncash loss on trading securities	—	—	1,035	—	1,035
Stock-based compensation	4,201	—	—	—	4,201
Defined benefit pension plan expense	—	—	959	—	959
Contribution to defined benefit pension plan	—	—	(712)	—	(712)
Increase in restricted cash - pension plan trust	—	—	(13,652)	—	(13,652)
Loss (gain) on sale of property, plant and equipment	(6)	60	1,020	—	1,074
Equity in earnings in nonconsolidated subsidiaries	(47,218)	(7,859)	—	55,077	—
Deferred income taxes	3,487	—	(1,272)	—	2,215
Changes in assets and liabilities:					
Receivables	386	8,185	(5,629)	—	2,942
Inventories	(8,757)	(164)	(21,974)	1,560	(29,335)
Prepaid expenses and other assets	(1,504)	35	(3,390)	—	(4,859)
Accounts payable	(13,469)	(79)	14,978	—	1,430
Accrued expenses	(4,040)	(6,158)	(3,438)	—	(13,636)
Other noncurrent liabilities	868	5	(546)	—	327
Income taxes payable (refundable)	19,033	(16,499)	6,982	—	9,516
Net cash flows from operating activities	41,681	10,304	27,408	529	79,922
Cash flows from investing activities:					
Purchase of property, plant and equipment	(1,240)	(13,167)	(11,612)	—	(26,019)
Proceeds from sale of assets	58	141	1,628	—	1,827
Other, net	918	2,641	(4,638)	(529)	(1,608)
Net cash flows from investing activities	(264)	(10,385)	(14,622)	(529)	(25,800)
Cash flows from financing activities:					
Net borrowings under short-term agreements	—	—	2,593	—	2,593
Principal payments on long-term borrowings	(215)	—	(444)	—	(659)
Dividends paid	(17,098)	—	—	—	(17,098)
Dividends to noncontrolling interest	—	—	(1,923)	—	(1,923)
Purchase of noncontrolling interest	(137)	—	(10,872)	—	(11,009)
Proceeds from exercises under stock plans	5,975	—	—	—	5,975
Purchase of treasury shares	(28,621)	—	—	—	(28,621)
Purchase of common treasury shares - stock plan exercises	(1,453)	—	—	—	(1,453)
Net cash flows from financing activities	(41,549)	—	(10,646)	—	(52,195)
Effect of exchange rate changes on cash and cash equivalents	—	95	(6,750)	—	(6,655)

Net change in cash and cash equivalents	(132)	14	(4,610)	—	(4,728)
Cash and cash equivalents—beginning of year	62,281	4,008	282,785	—	349,074
Cash and cash equivalents—end of period	$62,149	$4,022	$278,175	$—	$344,346

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VALMONT INDUSTRIES, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Dollars in thousands, except per share amounts)
(Unaudited)

(8) GUARANTOR/NON-GUARANTOR FINANCIAL INFORMATION (Continued)
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Twenty-six Weeks Ended June 27, 2015

	Parent	Guarantors	Non-Guarantors	Eliminations	Total
Cash flows from operating activities:					
Net earnings	$58,612	$ 18,524	$ 24,834	$ (41,024)	$60,946
Adjustments to reconcile net earnings to net cash flows from operations:					
Depreciation and amortization	14,983	6,278	26,500	—	47,761
Noncash loss on trading securities	—	—	4,582	—	4,582
Impairment of assets - restructuring activities	1,890	215	7,187	—	9,292
Stock-based compensation	7,466	—	(3,953)	—	3,513
Defined benefit pension plan expense	—	—	(305)	—	(305)
Contribution to defined benefit pension plan	—	—	(15,735)	—	(15,735)
Gain on sale of property, plant and equipment	(8)	97	453	—	542
Equity in earnings in nonconsolidated subsidiaries	(35,292)	(5,181)	—	40,473	—
Deferred income taxes	3,819	(584)	(3,290)	—	(55)
Changes in assets and liabilities:					
Receivables	12,153	13,807	6,551	—	32,511
Inventories	10,161	3,093	(41,000)	—	(27,746)
Prepaid expenses	305	(160)	(3,232)	—	(3,087)
Accounts payable	(8,538)	204	3,313	—	(5,021)
Accrued expenses	(13,652)	(46)	7,267	—	(6,431)
Other noncurrent liabilities	(2,729)	—	4,490	—	1,761
Income taxes payable (refundable)	15,016	(5)	806	—	15,817
Net cash flows from operating activities	64,186	36,242	18,468	(551)	118,345
Cash flows from investing activities:					
Purchase of property, plant and equipment	(7,065)	(3,147)	(14,546)	—	(24,758)
Proceeds from sale of assets	25	19	1,057	—	1,101
Other, net	24,268	(33,440)	14,517	551	5,896
Net cash flows from investing activities	17,228	(36,568)	1,028	551	(17,761)
Cash flows from financing activities:					
Net borrowings under short-term agreements	—	—	(5,890)	—	(5,890)
Proceeds from long-term borrowings	33,000	—	—	—	33,000
Principal payments on long-term borrowings	(33,212)	—	(445)	—	(33,657)
Dividends paid	(17,956)	—	—	—	(17,956)
Dividends to noncontrolling interest	—	—	(1,669)	—	(1,669)
Proceeds from exercises under stock plans	9,454	—	—	—	9,454
Excess tax benefits from stock option exercises	1,394	—	—	—	1,394
Purchase of treasury shares	(121,020)	—	—	—	(121,020)
Purchase of common treasury shares - stock plan exercises	(10,490)	—	—	—	(10,490)
Net cash flows from financing activities	(138,830)	—	(8,004)	—	(146,834)
	—	(31)	(7,775)	—	(7,806)

Effect of exchange rate changes on cash and cash equivalents					
Net change in cash and cash equivalents	(57,416)	(357)	3,717	—	(54,056)
Cash and cash equivalents—beginning of year	69,869	2,157	299,553	—	371,579
Cash and cash equivalents—end of period	$12,453	$1,800	$303,270	$—	$317,523

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Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Management’s discussion and analysis contains forward looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward looking statements are based on assumptions that management has made in light of experience in the industries in which the Company operates, as well as management’s perceptions of historical trends, current conditions, expected future developments and other factors believed to be appropriate under the circumstances. These statements are not guarantees of performance or results. They involve risks, uncertainties (some of which are beyond the Company’s control) and assumptions. Management believes that these forward looking statements are based on reasonable assumptions. Many factors could affect the Company’s actual financial results and cause them to differ materially from those anticipated in the forward looking statements. These factors include, among other things, risk factors described from time to time in the Company’s reports to the Securities and Exchange Commission, as well as future economic and market circumstances, industry conditions, company performance and financial results, operating efficiencies, availability and price of raw materials, availability and market acceptance of new products, product pricing, domestic and international competitive environments, and actions and policy changes of domestic and foreign governments.
This discussion should be read in conjunction with the financial statements and notes thereto, and the management's discussion and analysis included in the Company's Annual Report on Form 10-K for the fiscal year ended December 26, 2015. Segment sales in the table below are presented net of intersegment sales.

Results of Operations (Dollars in millions, except per share amounts)

	Thirteen Weeks Ended			Twenty-six Weeks Ended		
	June 25, 2016	June 27, 2015	% Incr. (Decr.)	June 25, 2016	June 27, 2015	% Incr. (Decr.)
Consolidated						
Net sales	$640.2	$682.1	(6.1)%	$1,236.9	$1,352.5	(8.5)%
Gross profit	175.1	169.5	3.3 %	336.1	335.0	0.3 %
as a percent of sales	27.4 %	24.8 %		27.2 %	24.8 %	
SG&A expense	103.3	115.5	(10.6)%	201.9	223.3	(9.6)%
as a percent of sales	16.1 %	16.9 %		16.3 %	16.5 %	
Operating income	71.8	54.0	33.0 %	134.2	111.7	20.1 %
as a percent of sales	11.2 %	7.9 %		10.8 %	8.3 %	
Net interest expense	10.4	10.6	(1.9)%	20.7	20.9	(1.0)%
Effective tax rate	30.6 %	32.1 %		31.3 %	33.6 %	
Net earnings	$42.0	$27.9	50.5 %	$75.0	$58.6	28.0 %
Diluted earnings per share	$1.85	$1.19	55.5 %	$3.29	$2.47	33.2 %
Engineered Support Structures						
Net sales	$195.8	$196.6	(0.4)%	361.8	367.4	(1.5)%
Gross profit	56.8	51.0	11.4 %	104.5	92.9	12.5 %
SG&A expense	35.8	34.8	2.9 %	69.3	67.2	3.1 %
Operating income	21.0	16.2	29.6 %	35.2	25.7	37.0 %
Energy and Mining						
Net sales	$79.3	$86.3	(8.1)%	$150.1	$174.3	(13.9)%
Gross profit	14.6	15.5	(5.8)%	26.8	31.8	(15.7)%
SG&A expense	11.3	12.8	(11.7)%	21.6	24.7	(12.6)%
Operating income	3.3	2.7	22.2 %	5.2	7.1	(26.8)%
Utility Support Structures						
Net sales	$151.2	$162.6	(7.0)%	$295.5	$338.7	(12.8)%
Gross profit	32.2	30.6	5.2 %	62.7	65.2	(3.8)%
SG&A expense	14.7	20.2	(27.2)%	30.4	39.5	(23.0)%
Operating income	17.5	10.4	68.3 %	32.3	25.7	25.7 %
Coatings						
Net sales	$63.4	$63.9	(0.8)%	$122.2	$125.7	(2.8)%
Gross profit	21.5	17.0	26.5 %	41.2	36.8	12.0 %
SG&A expense	7.5	9.1	(17.6)%	15.8	17.9	(11.7)%
Operating income	14.0	7.9	77.2 %	25.4	18.9	34.4 %
Irrigation						
Net sales	$150.5	$171.6	(12.3)%	$307.3	$344.4	(10.8)%
Gross profit	49.6	55.3	(10.3)%	100.1	108.1	(7.4)%
SG&A expense	21.8	23.5	(7.2)%	43.4	46.1	(5.9)%
Operating income	27.8	31.8	(12.6)%	56.7	62.0	(8.5)%
Other						
Net sales	$—	$1.1	NM	$—	$2.0	NM
Gross profit	—	(0.1)	NM	—	0.1	NM
SG&A expense	—	1.2	NM	—	2.5	NM
Operating income	—	(1.3)	NM	—	(2.4)	NM
Net corporate expense						
Gross profit	$0.4	$0.2	NM	$0.8	$0.1	NM
SG&A expense	12.2	13.9	(12.2)%	21.4	25.4	(15.7)%

Operating loss	(11.8)	(13.7)	13.9 %	(20.6)	(25.3)	18.6 %

NM=Not meaningful

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Overview

On a consolidated basis, the decrease in net sales in the second quarter and first half of fiscal 2016, as compared with 2015, reflected lower sales in all reportable segments. The changes in net sales in the second quarter and first half of fiscal 2016, as compared with fiscal 2015, were as follows:

	Second quarter						
	Total	ESS	Energy & Mining	Utility	Coatings	Irrigation	Other
Sales - 2015	$682.1	$196.6	$86.3	$162.6	$63.9	$171.6	$1.1
Volume	(6.1)	3.2	(2.4)	10.0	0.7	(16.5)	(1.1)
Pricing/mix	(27.3)	(0.7)	(2.4)	(21.4)	(1.9)	(0.9)	—
Acquisitions	2.0	—	—	—	2.0	—	—
Currency translation	(10.5)	(3.3)	(2.2)	—	(1.3)	(3.7)	—
Sales - 2016	$640.2	$195.8	$79.3	$151.2	$63.4	$150.5	$—

	Year-to-date						
	Total	ESS	Energy & Mining	Utility	Coatings	Irrigation	Other
Sales - 2015	$1,352.5	$367.4	$174.3	$338.7	$125.7	$344.4	$2.0
Volume	(36.6)	9.9	(11.5)	(6.5)	(0.7)	(25.8)	(2.0)
Pricing/mix	(52.3)	(6.6)	(4.6)	(36.7)	(3.0)	(1.4)	—
Acquisitions	3.9	—	—	—	3.9	—	—
Currency translation	(30.6)	(8.9)	(8.1)	—	(3.7)	(9.9)	—
Sales - 2016	$1,236.9	$361.8	$150.1	$295.5	$122.2	$307.3	$—

Volume effects are estimated based on a physical production or sales measure. Since products we sell are not uniform in nature, pricing and mix relate to a combination of changes in sales prices and the attributes of the product sold. Accordingly, pricing and mix changes do not necessarily directly result in operating income changes.

Average steel index prices for both hot rolled coil and plate decreased substantially in North America throughout 2015 before bottoming out during the first quarter of 2016. Steel prices then strengthened quickly during the second quarter of 2016 reaching similar pricing levels as seen near the end of the first quarter of 2015. The effect of increasing steel prices does not necessarily affect sales and costs of sales immediately. Decreases in average sales pricing and volumes offset the increase in gross profit realized from the lower cost of steel. We acquired American Galvanizing in October 2015 and it is reported in the Coatings segment.

Restructuring Plan

In July 2016, the Company identified a restructuring plan in Australia/New Zealand (the "2016 Plan") focused primarily on closing and consolidating locations within the Energy and Mining and Coatings segments. During the second half of 2016, the Company estimates it will incur pre-tax expenses from the 2016 Plan of $4.7 million.

In April 2015, our Board of Directors authorized a broad restructuring plan (the "Plan") that was substantially completed by the end of December 2015. During the second quarter and first half of 2015, we incurred restructuring charges of $14.3 million and $15.1 million, respectively. The utility segment recognized $0.4 million of pre-tax restucturing expense during the first half of fiscal 2016. The decrease in second quarter and first half of fiscal 2015 gross profit by segment from the restructuring activities is as follows:

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	Total	ESS	Energy & Mining	Utility	Coatings	Irrigation	Other	Corporate
Second quarter	$(8.0)	$(0.1)	$(1.4)	$(2.0)	$(4.5)	$—	$—	$—
Year-to-date	$(8.2)	$(0.2)	$(1.5)	$(2.0)	$(4.5)	$—	$—	$—

The decrease in second quarter and first half of fiscal 2015 operating income due to restructuring expense by segment is as follows:

	Total	ESS	Energy & Mining	Utility	Coatings	Irrigation	Other	Corporate
Second quarter	$(14.3)	$(3.1)	$(1.5)	$(2.5)	$(4.8)	$(0.3)	$—	$(2.1)
Year-to-date	$(15.1)	$(3.7)	$(1.7)	$(2.5)	$(4.8)	$(0.3)	$—	$(2.1)

Currency Translation

In the second quarter and first half of fiscal 2016, we realized a decrease in operating profit, as compared with fiscal 2015, due to currency translation effects. On average, the U.S. dollar strengthened in particular against the Australian dollar, Brazilian real, euro, and South African rand, resulting in less operating profit in U.S. dollar terms. The breakdown of this effect by segment was as follows:

	Total	ESS	Energy & Mining	Utility	Coatings	Irrigation	Other	Corporate
Second quarter	$(0.9)	$(0.3)	$(0.2)	$—	$—	$(0.4)	$—	—
Year-to-date	$(2.0)	$(0.5)	$(0.5)	$—	$(0.1)	$(1.0)	$—	0.1

Gross Profit, SG&A, and Operating Income

At a consolidated level, the improvement in gross margin (gross profit as a percent of sales) in the second quarter and first half of 2016, as compared with 2015, was due to restructuring activities undertaken in 2015 and lower raw material prices across most of our businesses that was partially offset by unfavorable foreign currency translation. The gross profit increase in the second quarter and first half of 2016, as compared to 2015, can be primarily attributed to improved operating performance in the ESS and Coatings segments due in part to restructuring actions taken in 2015. The irrigation segment reduced the gross profit improvement primarily due to lower volumes that led to reduced operating leverage of fixed costs and unfavorable foreign currency translation.

Selling, general and administrative (SG&A) spending in the second quarter and first half of fiscal 2016, as compared with the same periods in 2015, decreased mainly due to the following factors:

- currency translation effects of $1.3 million and $4.1 million, respectively, due to the strengthening of the U.S. dollar primarily against the Australian dollar, Brazilian real, and South African rand;
- restructuring expenses incurred in 2015 totaling $6.3 million and $6.9 million, respectively; and
- reduced costs of approximately $6.8 million and $13.1 million, respectively, attributed to the restructuring activities undertaken in 2015, which included reduced headcounts, closure of facilities, and an overall reduction in discretionary spending.

The above reductions were partially offset by an increase in incentive expenses due to improved operating performance and higher pension costs associated with the Delta Pension Plan that combined totaled $4.5 million and $4.8 million, in the second quarter and first half of 2016, respectively.

The increase in operating income on a reportable segment basis in the second quarter and first half of fiscal 2016, as compared to 2015, was due to improved operating performance in the ESS, Utility, and Coatings segments offset by Irrigation. Energy & Mining slightly improved operating income in the second quarter, but was still lower on a year-to-date basis. The increase in operating income for 2016, as compared to 2015, is primarily attributable to reduced expenses resulting from the 2015 restructuring activities, lower raw material prices, and reduced overall SG&A spending.

Net Interest Expense and Debt

Net interest expense in the second quarter and first half of fiscal 2016, as compared with the same periods in 2015, were consistent due to minimal changes in short and long-term borrowings.

Other Expense

The increase in other expense in the first half of 2016, as compared with 2015, was primarily due to the change in the market value of the Company's shares held of Delta EMD. In the first half of 2016, we recorded a non-cash mark to market loss on the investment of $1.0 million versus a gain of $0.6 million ($5.0 million special dividend offset by a non-cash mark to market loss of $4.4 million) in the same period of 2015. The decrease in other expense in the second quarter of 2016, as compared to 2015, was due to recording a gain on deferred compensation assets which results in other income of approximately $0.6 million and more favorable foreign currency transactions.

Income Tax Expense

Our effective income tax rate in the second quarter and first half of fiscal 2016 was 30.6% and 31.3%, respectively, compared to 32.1% and 33.6% in the second quarter and first half of 2015, respectively. The effective tax rate in 2016 was positively impacted by research and development tax credits and benefits related to certain withholding taxes paid in foreign jurisdictions.

Earnings attributable to noncontrolling interest was relatively flat in the second quarter and first half of fiscal 2016, as compared with the same periods in 2015.

Cash Flows from Operations

Our cash flows provided by operations were approximately $79.9 million in the first half of fiscal 2016, as compared with $118.3 million provided by operations in 2015. The decrease in operating cash flow in the first half of fiscal 2016, as compared with 2015, was the result of less favorable net working capital changes in the comparable periods.

Engineered Support Structures (ESS) segment

The decrease in net sales in the first half of fiscal 2016 as compared with 2015 was primarily due to unfavorable foreign currency translation effects and lower average sales pricing due to lower steel prices primarily in our lighting and traffic product lines. The decrease in net sales in the second quarter of 2016 as compared with the same period in 2015 was due to unfavorable currency translation effects. These reductions were partially offset by improved volumes in the China and Australia telecommunication business.

Global lighting and traffic, and roadway product sales in the second quarter and first half of 2016 were higher compared to the same periods in fiscal 2015. In the second quarter and first half of 2016, as compared to the same periods in 2015, sales volumes in the U.S. were higher in the commercial steel market, higher in the aluminum markets, and modestly lower in the transportation markets. We expect transportation markets to pick up in the latter half of 2016 due to the long-term highway bill that was signed in 2015. Sales in Canada decreased in the second quarter and first half of 2016 as compared to 2015, from lower volumes due to less large projects and unfavorable currency impacts. Sales in Europe were lower in the second quarter and first half of fiscal 2016 compared to the same periods in fiscal 2015, due to unfavorable currency translation effects and lower volumes primarily related to a large project in the Middle East that was ongoing in 2015. The domestic markets in general remain subdued in Europe. In the Asia-Pacific region, sales were higher in the second quarter and first half of fiscal 2016, as compared to 2015, due primarily to improved investment activity in both China and Australia and overall market growth in India. Roadway product sales decreased in the second quarter and first half of 2016 due to unfavorable foreign currency translation effects and lower volumes.

Communication product line sales were lower in the second quarter and first half of fiscal 2016, as compared with the same periods in fiscal 2015. North America communication structure and component sales decreased, due to lower demand in the market. In China, sales of wireless communication structures in the second quarter and first half of fiscal 2016 increased over the same period in 2015 as the investment levels by the major wireless carriers have remained strong and we have increased our market share through better sales coverage. In Australia, sales for wireless communication structures improved in 2016 due to the national broadband network build out.

Gross profit, as a percentage of sales, and operating income for the segment were higher in the second quarter and first half of fiscal 2016, as compared with fiscal 2015, due to margin expansion from reduced raw material costs, growth in the Asia-Pacific telecommunication business, and lower costs resulting from the 2015 restructuring activities. These increases were partially offset by unfavorable currency translation effects and lower sales volumes in the European and North American wireless communication businesses. The LIFO reserve adjustment was less favorable between the two years. SG&A spending in the second quarter and first half of 2016 was slightly up over the same periods in 2015 due to increased commissions owed on the higher telecommunication sales in the Asia-Pacific region.

Energy & Mining (E&M) segment

The decrease in net sales in the second quarter and first half of 2016, as compared to 2015, was primarily due to unfavorable currency translation effects and lower volumes.

Access systems product line sales decreased in the second quarter and first half of 2016, as compared with 2015, primarily due to the negative impact of currency translation effects and lower sales prices. The decrease in sales price is primarily related to fewer oil and gas related construction projects in the Asia-Pacific region which increased competition.

Offshore and other complex structures sales increased in the second quarter and first half of 2016, as compared to the same periods in 2015. The increase can be attributed to volume improvements primarily in the wind tower product line. Oil and gas product activity continues to be slow due to low oil prices that has caused some previously planned projects to be postponed.

Grinding media sales were down in the second quarter and first half of 2016 as compared to 2015, due to volume decreases and unfavorable currency translation effects. The volume decreases are primarily related to the continued slowdown in the Australia mining sector.

Operating income for the segment in the second quarter of 2016 was higher as a result of $1.5 million of incurred restructuring expenses during second quarter of 2015. For the first half of 2016, as compared to the same period in 2015, operating income was lower due primarily to unfavorable currency translation effects and lower sales prices in the access systems businesses. SG&A expense decreased due to currency translation effects and the lower fixed cost structuring arising from restructuring activities that took place in 2015.

Utility Support Structures (Utility) segment

In the Utility segment, sales decreased in the second quarter and first half of 2016, as compared with 2015, due mainly to decreased average selling prices tied to the lower cost of steel; an unfavorable product mix towards smaller structures also contributed to the sales decline. Those decreases were partially offset by improved volumes for both concrete and steel businesses in the second quarter of 2016. Declining cost of steel during the second half of 2015 contributed to lower average selling prices in the second quarter and first half of 2016 as compared to 2015. A number of our sales contracts contain provisions that tie the sales price to published steel index pricing at the time our customer issues their purchase order. The cost of steel, as reflected in the published indexes, increased throughout the second quarter with published prices in June 2016 approximating the level seen near the end of the first quarter of 2015.

In North America, sales volumes in tons for steel utility structures were higher in the second quarter and slightly lower in the first half of 2016, as compared with 2015. Concrete sales volumes in tons increased during the second quarter and first half of 2016. In the second quarter and first half of 2016, as compared to 2015, international utility structures sales decreased due to lower volumes in the Asia-Pacific and Europe, Middle East, and Africa (EMEA) regions.

Gross profit as a percentage of sales improved in the second quarter and first half of 2016, as compared to 2015, due to a number of actions taken in 2015 to improve our cost structure in this segment, including certain restructuring activities involving facility closures. We incurred $2.1 million of restructuring costs within gross profit in the second quarter of 2015. SG&A expense was lower in the second quarter and first half of 2016, as compared with 2015, primarily due to the benefits realized from the 2015 restructuring activities and reduced sales commissions. Operating income increased in the second quarter and first half of 2016, as compared with 2015, primarily due to restructuring costs recognized in the second quarter of 2015 and the related improved cost structure realized in 2016. The sales volume improvement in the second quarter of 2016 also provided additional leverage of fixed costs as compared to the same period in 2015.

Coatings segment

Coatings segment sales in North America decreased slightly in the second quarter and first half of 2016, as compared with the same periods in 2015, due to reduced zinc prices which resulted in lower average selling prices and unfavorable currency translation effects. The decrease was partially offset by the acquisition of American Galvanizing that accounted for $2.0 million and $3.9 million of sales, respectively. North American volumes were up in the second quarter and first half of fiscal 2016. Coatings sales in the Asia-Pacific region decreased primarily due to reduced volumes and unfavorable currency translation effects related to the strengthening of the U.S. dollar against the Australian dollar and Malaysian Ringgit. Continued weak demand in Australia led to lower volumes and sales volumes in Asia were down in the second quarter and first half of 2016, due to a slower market environment.

SG&A expense was lower in the second quarter and first half of 2016, as compared to the same periods in 2015, due to currency translation effects, fiscal 2015 restructuring expenses which did not recur, and lower discretionary spending in 2016. In addition, the contingent consideration liability to the former owners of Pure Metal Galvanizing (PMG), payable in calendar 2018, was reduced in the second quarter of 2016 by $0.9 million due to changes in the expected earnings over the earn out period. The decrease was partially offset by the SG&A of American Galvanizing, acquired in late fiscal 2015. Operating income was higher in the second quarter and first half of 2016, as compared with 2015, due to the $4.8 million of 2015 restructuring expenses incurred in Australia, the resulting restructuring savings and the reduction in the PMG contingent consideration liability recorded in the second quarter of 2016.

Irrigation segment

The decrease in Irrigation segment net sales in the second quarter and first half of fiscal 2016, as compared with 2015, was mainly due to sales volume decreases in North America for both the irrigation and tubing businesses and unfavorable currency translation effects for our international irrigation business. In fiscal 2016, net farm income in the United States is expected to decrease 3% from the levels of 2015, due in part to lower market prices for corn and soybeans. The 2016 estimate represents the third consecutive year of a decrease in estimated net farm income. We believe this reduction somewhat contributed to lower demand for irrigation machines in North America in the second quarter and first half of 2016, as compared with 2015. In international markets, unfavorable currency translation effects (primarily Brazil and South Africa) decreased sales $3.7 million and $9.9 million, respectively, in the second quarter and first half of 2016, as compared with 2015. This decrease was partially offset by volume improvements in Eastern Europe and the Middle East.

SG&A was lower in the second quarter and first half of fiscal 2016, as compared with 2015. This was due to currency translation effects and a general reduction in overall spending. Operating income for the segment declined in the second quarter and first half of fiscal 2016 over 2015, due to North America irrigation and tubing sales volume decreases and unfavorable currency translation effects for the international irrigation businesses.

Other

Due to the business reorganization that occurred in the fourth quarter of 2015, there are no longer business operations included in Other.

Net corporate expense

Net corporate expense in the second quarter and first half of fiscal 2016 decreased $1.6 million and $4.0 million, respectively, over the same periods in fiscal 2015, due largely to restructuring activities that took place during 2015. The decrease is primarily due to lower headcounts, reduced discretionary spending, and approximately $2 million of restructuring expenses in 2015 which did not recur. The reductions were partially offset by increased Delta Pension Plan expenses of $0.7 million and $1.3 million, and increased incentive expense of approximately $2.0 million for both second quarter and the first half of 2016, respectively.

Liquidity and Capital Resources

Cash Flows

Working Capital and Operating Cash Flows-Net working capital was $909.3 million at June 25, 2016, as compared to $860.3 million at December 26, 2015. The increase in net working capital in 2016 mainly resulted from increased inventory and prepaid expenses, restricted cash, and other assets. Cash flow provided by operations was $79.9 million in the first half of 2016, as compared with $118.3 million in first half of 2015. The decrease in operating cash flow in the first half of 2016, as compared to 2015, was primarily the result of the approximately $32 million reduction in accounts receivable realized in the first half of 2015 not repeating in 2016.

Investing Cash Flows-Capital spending in the first half of fiscal 2016 was $26.0 million, as compared to $24.8 million for the same period in 2015. Capital spending projects in 2016 and 2015 related to investments in machinery and equipment across all businesses. We expect our capital spending for the 2016 fiscal year to be approximately $70 million.

Financing Cash Flows-Our total interest bearing debt increased slightly to $761.2 million at June 25, 2016 from $759.0 million at December 26, 2015. Financing cash flows changed from a use of approximately $146.8 million in the first half of fiscal 2015 to a use of $52.2 million in the first half of fiscal 2016. The primary reason for the change was due to purchasing $92.4 million less treasury shares in the first half of 2016 as compared to the same period in 2015 related to the share repurchase program.

Financing and Capital

On May 13, 2014, we announced a new capital allocation philosophy which covered a share repurchase program. The Board of Directors authorized the purchase of up to $500 million of the Company's outstanding common stock from time to time over twelve months at prevailing market prices, through open market or privately-negotiated transactions. In February 2015, the Board of Directors authorized an additional $250 million of share purchase, without an expiration date. The share purchases will be funded from available working capital and short-term borrowings and will be made subject to market and economic conditions. We are not obligated to make any share repurchases under the share repurchase program and we may discontinue the share repurchase program at any time.

As of June 25, 2016, we have acquired approximately 4.4 million shares for approximately $592.6 million under these share repurchase programs. As of July 21, 2016, the date as of which we report on the cover of this Form 10-Q the number of outstanding shares of our common stock, we have acquired a total of approximately 4.42 million shares for approximately $596.8 million under these share repurchase programs.

Our capital allocation philosophy announcement included our intention to manage our capital structure to maintain our investment grade debt rating. Our most recent rating were Baa3 by Moody's Investors Services, Inc. and BBB+ rating by Standard and Poor's Rating Services. We would be willing to allow our debt rating to fall to BBB - to finance a special acquisition or other opportunity. Otherwise, we expect to maintain a ratio of debt to invested capital which will support our current investment grade debt rating.

Our debt financing at June 25, 2016 is primarily long-term debt consisting of:

- $250.2 million face value ($254.2 million carrying value) of senior unsecured notes that bear interest at 6.625% per annum and are due in April 2020.
- $250 million face value ($248.9 million carrying value) of senior unsecured notes that bear interest at 5.00% per annum and are due in October 2044.
- $250 million face value ($246.7 million carrying value) of unsecured notes that bear interest at 5.25% per annum and are due in October 2054.
- We are allowed to repurchase the notes at specified prepayment premiums. All three tranches of these notes are guaranteed by certain of our subsidiaries.

At June 25, 2016 and December 26, 2015, we had no outstanding borrowings under our revolving credit agreement. The revolving credit agreement contains certain financial covenants that may limit our additional borrowing capability under the agreement. At June 25, 2016, we had the ability to borrow $584.6 million under this facility, after consideration of standby letters of credit of $15.4 million associated with certain insurance obligations and international sales commitments. We also maintain certain short-term bank lines of credit totaling $117.2 million, $114.3 million of which was unused at June 25, 2016.

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Our senior unsecured notes and revolving credit agreement each contain cross-default provisions which permit the acceleration of our indebtedness to them if we default on other indebtedness that results in, or permits, the acceleration of such other indebtedness.

The debt agreements contain covenants that require us to maintain certain coverage ratios and may limit us with respect to certain business activities, including capital expenditures. The debt agreements allow us to add estimated EBITDA from acquired businesses for periods we did not own the acquired business. The debt agreements also provide for an adjustment to EBITDA, subject to certain limitations, for non-cash charges or gains that are non-recurring in nature. For 2016, our covenant calculations do not include any estimated EBITDA from acquired businesses.

Our key debt covenants are as follows:

- Interest-bearing debt is not to exceed 3.5X Adjusted EBITDA of the prior four quarters; and
- Adjusted EBITDA over the prior four quarters must be at least 2.5X our interest expense over the same period.

At June 25, 2016, we were in compliance with all covenants related to the debt agreements. The key covenant calculations at June 25, 2016 were as follows:

Interest-bearing debt	$761,167
Adjusted EBITDA-last four quarters	287,206
Leverage ratio	2.65

Adjusted EBITDA-last four quarters	$287,206
Interest expense-last four quarters	41,959
Interest earned ratio	6.84

The calculation of Adjusted EBITDA-last four quarters (June 28, 2015 through June 25, 2016) is as follows:

Net cash flows from operations	$233,844
Interest expense	41,959
Income tax expense	52,047
Impairment of property, plant and equipment	(10,544)
Impairment of goodwill & intangible assets	(41,970)
Loss on investment	(1,008)
Deferred income tax benefit	(7,129)
Noncontrolling interest	(5,501)
Equity in earnings of nonconsolidated subsidiaries	(247)
Stock-based compensation	(7,932)
Pension plan expense	(654)
Contribution to pension plan	1,477
Restricted cash - pension plan trust	13,652
Changes in assets and liabilities	(30,444)
Other	(2,858)
EBITDA	234,692
Impairment of goodwill and intangible assets	41,970
Impairment of property, plant and equipment	10,544
Adjusted EBITDA	287,206

Net earnings attributable to Valmont Industries, Inc.	$56,500
Interest expense	41,959
Income tax expense	52,047
Depreciation and amortization expense	84,186
EBITDA	234,692
Impairment of goodwill and intangible assets	41,970
Impairment of property, plant, and equipment	10,544
Adjusted EBITDA	287,206

Our businesses are cyclical, but we have diversity in our markets, from a product, customer and a geographical standpoint. We have demonstrated the ability to effectively manage through business cycles and maintain liquidity. We have consistently generated operating cash flows in excess of our capital expenditures. Based on our available credit facilities, recent issuance of senior unsecured notes and our history of positive operational cash flows, we believe that we have adequate liquidity to meet our needs.

We have not made any provision for U.S. income taxes in our financial statements on approximately $456.7 million of undistributed earnings of our foreign subsidiaries, as we intend to reinvest those earnings. Of our cash balances of $344.3 million at June 25, 2016, approximately $277.7 million is held in entities outside the United States with $105.1 million specifically held within consolidated Delta Ltd., a wholly-owned subsidiary of the Company. Delta Ltd. sponsors a defined benefit pension plan and therefore, the Company is allowed to dividend out Delta Ltd.'s available cash only as long as that dividend does not negatively impact Delta Ltd.'s ability to meet its annual contribution requirements of the pension plan. We believe that the cash payments Delta Ltd. receives from its intercompany notes will provide sufficient funds to meet the pension funding requirements but additional analysis on pension funding requirements would have to be performed prior to the repatriation of the $105.1 million of Delta Ltd.'s cash balances. If we need to repatriate foreign cash balances to the United States to meet our cash needs, income taxes would be paid to the extent that those cash repatriations were undistributed earnings of our foreign subsidiaries. The income taxes that we would pay if cash were repatriated depends on the amounts to be repatriated and from which country. If all of our cash outside the United States were to be repatriated to the United States, depending on the timing and nature of such repatriations, we estimate that we would pay in the range of $23 million to $100 million in income taxes to repatriate that cash.

Financial Obligations and Financial Commitments

There have been no material changes to our financial obligations and financial commitments as described on page 38 in our Form 10-K for the fiscal year ended December 26, 2015.

Off Balance Sheet Arrangements

There have been no changes in our off balance sheet arrangements as described on page 38 in our Form 10-K for the fiscal year ended December 26, 2015.

Critical Accounting Policies

There have been no changes in our critical accounting policies as described on pages 40-43 in our Form 10-K for the fiscal year ended December 26, 2015 during the quarter ended June 25, 2016.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

There were no material changes in the company's market risk during the quarter ended June 25, 2016. For additional information, refer to the section "Risk Management" in our Form 10-K for the fiscal year ended December 26, 2015.

Item 4. Controls and Procedures

The Company carried out an evaluation under the supervision and with the participation of the Company's management, including the Company's Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of the Company's disclosure controls and procedures pursuant to Securities Exchange Act Rule 13a-15. Based upon that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that, as of the end of the period covered by this report, the Company's disclosure controls and procedures are effective to provide reasonable assurance that information required to be disclosed by the Company in the reports the Company files or submits under the Securities Exchange Act of 1934 is (1) accumulated and communicated to management, including the Company’s Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosures and (2) recorded, processed, summarized and reported, within the time periods specified in the Commission’s rules and forms.

No changes in the Company's internal control over financial reporting occurred during the quarter covered by this report that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II. OTHER INFORMATION

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Issuer Purchases of Equity Securities

Period	Total Number of Shares Purchased	Average Price paid per share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Maximum Number of Shares that may yet be Purchased under the Program (1)
March 27, 2016 to April 23, 2016	43,076	$121.72	43,076	$163,800,000
April 24, 2016 to May 28, 2016	31,500	131.55	31,500	159,600,000
May 29, 2016 to June 25, 2016	17,260	132.98	17,260	157,400,000
Total	91,836	$127.21	91,836	$157,400,000

(1) On May 13, 2014, we announced a new capital allocation philosophy which covered both the quarterly dividend rate as well as a share repurchase program. Specifically, the Board of Directors authorized the purchase of up to $500 million of the Company's outstanding common stock from time to time over twelve months at prevailing market prices, through open market or privately-negotiated transactions. On February 24, 2015, the Board of Directors authorized an additional purchase of up to $250 million of the Company's outstanding common stock with no stated expiration date. As of June 25, 2016, we have acquired 4,392,435 shares for approximately $592.6 million under this share repurchase program.

Item 6. Exhibits

(a) Exhibits

Exhibit No.	Description
31.1	Section 302 Certificate of Chief Executive Officer
31.2	Section 302 Certificate of Chief Financial Officer
32.1	Section 906 Certifications of Chief Executive Officer and Chief Financial Officer

101	The following financial information from Valmont's Quarterly Report on Form 10-Q for the quarter ended June 25, 2016, formatted in XBRL (eXtensible Business Reporting Language): (i) the Condensed Consolidated Statements of Earnings, (ii) the Condensed Consolidated Statements of Comprehensive Income, (iii) the Condensed Consolidated Balance Sheets, (iv) the Condensed Consolidated Statements of Cash Flows, (v) the Condensed Consolidated Statements of Shareholders' Equity, (vi) Notes to Condensed Consolidated Financial Statements and (vii) document and entity information.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf and by the undersigned hereunto duly authorized.

VALMONT INDUSTRIES, INC.
(Registrant)
/s/ MARK C. JAKSICH
Mark C. Jaksich
Executive Vice President and Chief Financial Officer

Dated this 27th day of July, 2016.

Index of Exhibits

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