

Fortune Brands Home & Security, Inc.  
Form 11-K  
June 27, 2016

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**

**FORM 11-K**

x **ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**For the fiscal year ended December 31, 2015**

**OR**

.. **TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**For the transition period from \_\_\_\_\_ to \_\_\_\_\_**

**Commission file number 1-35166**

A. Full title of the plan and the address of the plan, if different from that of the issuer named below:  
**FORTUNE BRANDS HOME & SECURITY RETIREMENT SAVINGS PLAN**

B. Name of the issuer of the securities held pursuant to the plan and the address of its principal executive office:

**FORTUNE BRANDS HOME & SECURITY, INC.**

**520 Lake Cook Road**

**Deerfield, Illinois 60015**

**Table of Contents**

**Fortune Brands Home & Security Retirement Savings Plan**

**December 31, 2015 and 2014**

	<b>Page</b>
<u>Report of Independent Registered Public Accounting Firm Grant Thornton LLP</u>	1
<b>Financial Statements</b>	
<u>Statements of Net Assets Available For Benefits</u>	2
<u>Statements of Changes in Net Assets Available For Benefits</u>	3
<u>Notes to Financial Statements</u>	4
<u>Schedule H, Line 4i Schedule of Assets (Held At End of Year)</u>	15
<u>Signature</u>	16
<u>Exhibit Index</u>	17
Exhibit 23.1 Consent of Independent Registered Public Accounting Firm Grant Thornton LLP	

**Note:** Other supplemental schedules required by the Employee Retirement Income Security Act have been omitted because such supplemental schedules are not applicable to the Fortune Brands Home & Security Retirement Savings Plan.

**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

To the Employee Benefits Committee of Fortune Brands Home & Security, Inc.:

We have audited the accompanying statements of net assets available for benefits of Fortune Brands Home & Security Retirement Savings Plan (the Plan) as of December 31, 2015 and 2014, and the related statements of changes in net assets available for benefits for the years then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Plan's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2015 and 2014, and the changes in net assets available for benefits for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

The supplemental information in the accompanying schedule of assets (held at end of year) as of December 31, 2015 has been subjected to audit procedures performed in conjunction with the audit of the Plan's financial statements. The supplemental information is presented for purposes of additional analysis and is not a required part of the basic financial statements but include supplemental information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The supplementary information is the responsibility of the Plan's management. Our audit procedures included determining whether the supplemental information reconciles to the basic financial statements or the underlying accounting and other records, as applicable, and performing procedures to test the completeness and accuracy of the information presented in the supplemental information. In forming our opinion on the supplemental information in the accompanying schedule, we evaluated whether the supplemental information, including its form and content, is presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. In our opinion, the supplemental information referred to above is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

/s/ Grant Thornton LLP

Chicago, Illinois

June 27, 2016

**Fortune Brands Home & Security Retirement Savings Plan**

**STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS**

**December 31, 2015 and 2014**

**(Dollars in thousands)**

	2015	2014
<b>Assets</b>		
Plan's interest in Fortune Brands Home & Security, Inc.		
Defined Contribution Master Trust net assets	\$ 504,459	\$ 488,023
<b>Receivables</b>		
Company contributions	4,164	3,636
Participant contributions	853	54
Notes receivable from participants	7,125	6,839
Total receivables	12,142	10,529
<b>NET ASSETS AVAILABLE FOR BENEFITS</b>	<b>\$ 516,601</b>	<b>\$ 498,552</b>

The accompanying notes are an integral part of these statements.

**Fortune Brands Home & Security Retirement Savings Plan****STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS****Years Ended December 31, 2015 and 2014****(Dollars in thousands)**

	2015	2014
<b>Additions</b>		
Allocated share of Fortune Brands Home & Security, Inc.		
Defined Contribution Master Trust net investment income	\$ 4,491	\$ 27,357
Interest income on notes receivable from participants	284	275
Company contributions	13,835	14,375
Participant contributions	25,925	26,359
Rollover contributions (See Note A)	17,230	2,793
<b>Total additions</b>	<b>61,765</b>	<b>71,159</b>
<b>Deductions</b>		
Benefits paid to participants	43,695	36,758
<b>Net increase prior to transfers</b>	<b>18,070</b>	<b>34,401</b>
Net transfers from the Plan (See Note C)	(21)	(260)
Transfer from the Plan (See Note A)		(21,159)
<b>NET INCREASE</b>	<b>18,049</b>	<b>12,982</b>
<b>Net assets available for benefits</b>		
Beginning of year	498,552	485,570
<b>End of year</b>	<b>\$ 516,601</b>	<b>\$ 498,552</b>

The accompanying notes are an integral part of these statements.

## Fortune Brands Home & Security Retirement Savings Plan

### NOTES TO FINANCIAL STATEMENTS

December 31, 2015 and 2014

(Dollars in thousands)

#### NOTE A DESCRIPTION OF PLAN

##### *General*

The Fortune Brands Home & Security Retirement Savings Plan (the Plan) is a tax-qualified defined contribution retirement plan which was established on October 4, 2011 and covers eligible employees of Fortune Brands Home & Security, Inc. ( Fortune Brands ) and its operating companies. The Plan is designed to encourage and facilitate systematic savings and investment by eligible employees for their retirement. The Plan is maintained by Fortune Brands and is intended to comply with Section 401(k) of the Internal Revenue Code of 1986, as amended (the Code ) and is subject to various provisions of the Code and the Employee Retirement Income Security Act of 1974, as amended ( ERISA ).

Fortune Brands and each of its operating companies that participate in the Plan are referred to collectively as the Companies and individually as a Company. Operating companies that participated in the Plan during the years ended December 31, 2015 and/or 2014 include: MasterBrand Cabinets, Inc.; Woodcrafters Home Products, LLC ( Woodcrafters ); Norcraft Companies, Inc. ( Norcraft ); Moen Incorporated ( Moen ); Anaheim Manufacturing Company ( Anaheim ); Therma-Tru Corp., which includes Fypon LLC ( Therma-Tru ); Master Lock Company LLC; Sentry Safe, Inc. ( Sentry ); Waterloo Industries, Inc. ( Waterloo ) and Fortune Brands Windows, Inc., which includes Simonton Building Products, Inc., Simonton Industries, Inc., Simonton Windows, Inc. and SimEx, Inc. (collectively, Fortune Brands Windows ).

In 2015, Fortune Brands acquired Norcraft and divested of Waterloo. Norcraft employees became eligible to participate in the Plan on May 13, 2015 and were permitted to rollover their account balances and loans into the Plan. On September 10, 2015, Fortune Brands sold Waterloo to Waterloo Holdings, Inc. and participants employed by Waterloo were no longer eligible to make contributions to the Plan as of that date. In addition, on May 1, 2015, employees of Woodcrafters, a company acquired by Fortune Brands in 2013, became eligible to begin participating in the Plan.

In 2014, Fortune Brands divested Fortune Brands Windows and acquired Sentry Safe and Anaheim. Fortune Brands sold Fortune Brands Windows to Ply Gem Holdings, Inc. and participants were no longer eligible to participate in the Plan beginning September 19, 2014. On November 18, 2014, assets relating to the accounts of Fortune Brands Windows participants totaling approximately \$21,159 were transferred from the Plan to the Ply Gem 401(k) Savings Plan, a plan sponsored by Ply Gem Holdings, Inc. Sentry employees became eligible to participate in the Plan on August 13, 2014 and were permitted to rollover their account balances and loans in 2015. Anaheim employees became eligible to participate in the Plan on December 19, 2014 and were permitted to rollover their account balances and loans in 2015.

The financial statements present the net assets available for benefits as of December 31, 2015 and 2014, and the changes in net assets available for benefits for the years ended December 31, 2015 and 2014. The Plan's assets are held in the Fortune Brands Home & Security, Inc. Defined Contribution Master Trust (the Master Trust ), along with the

Edgar Filing: Fortune Brands Home & Security, Inc. - Form 11-K

assets of the Fortune Brands Home & Security Hourly Employee Retirement Savings Plan, for investment purposes. The Master Trust investments are administered and held by Fidelity Management Trust Company (the Trustee ).

The following provides a brief description of the Plan. Participants should refer to the Plan document for a more complete description of the Plan s provisions.



**Fortune Brands Home & Security Retirement Savings Plan**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**December 31, 2015 and 2014**

**(Dollars in thousands)**

*Contributions*

Plan contributions are held by the Trustee and accumulated in individual participant accounts. Pursuant to the terms of the Plan, participants may make tax-deferred contributions under Section 401(k) of the Code of up to 50% of eligible compensation (as defined under the Plan), subject to lower limits for highly compensated employees (as defined under the Code). In 2015 and 2014, each participant's annual tax-deferred contributions were limited by the Code to \$18.0 and \$17.5, respectively. During the year in which a participant attains age 50 (and in subsequent years) the participant may elect to make additional unmatched, pretax catch up contributions. In 2015 and 2014, participants that met this requirement were permitted to make unmatched, pretax catch up contributions of up to \$6.0 and \$5.5, respectively.

The Plan permits participants to make after-tax contributions, and also permits participants to elect to automatically switch to making after-tax contributions to the Plan after reaching the dollar limitation on tax-deferred contributions. However, the sum of tax-deferred contributions and after-tax contributions may not exceed 50% of eligible compensation (lower limitations apply to participants who are highly compensated employees).

Participants eligible to make tax-deferred contributions may roll over balances from another eligible tax-qualified retirement plan or an individual retirement account into the Plan. Eligible employees who have neither enrolled in the Plan nor affirmatively declined enrollment in the Plan become automatically enrolled and are deemed to have elected to make tax-deferred contributions equal to 3% of their eligible compensation. In addition, participants who are automatically enrolled have their contribution rate increased by 1% (unless it would cause the participant's deferral rate to exceed 6%) annually in May unless they affirmatively declined participation in the automatic increase program. Participants that affirmatively elect to participate in the automatic deferral increase program may elect to increase their contributions by between 1% and 6% each year until they reach the maximum allowable percentage described above. Participants may elect to change or discontinue their participation in the automatic enrollment and automatic deferral rate increase programs at any time.

The Companies, except Therma-Tru, Norcraft and Woodcrafters, provide a matching contribution (in varying amounts stated in the Plan) on a participant's elective contributions. Therma-Tru provides a Qualified Nonelective Contribution ( QNEC ) each payroll period in an amount equal to 3% of compensation on behalf of each of its employees who is an eligible participant.

In 2015 and 2014, each of Fortune Brands and Moen made profit-sharing contributions on behalf of each of their eligible employees. Therma-Tru has the discretion to make profit-sharing contributions to eligible participants in addition to QNECs and in 2015 and 2014, Therma-Tru made a profit-sharing contribution to eligible participants. For more information on the amount of contributions to be provided by each Company, refer to the Plan document, which is available from the Plan Administrator.

The Plan makes various investment funds available to participants to direct the investment of their accounts, including Company stock fund, which gives participants the option to own shares of Fortune Brands Common Stock. The Plan has designated the Fortune Brands Home & Security Common Stock Fund in the Plan as being held by an employee

stock ownership plan ( ESOP ).

Participant account balances are maintained to reflect each participant's beneficial interest in each of the investment funds available under the Plan. Participant account balances are increased by participant and Company contributions (including rollovers) and decreased by the amount of withdrawals and distributions. Income and losses on Plan assets are allocated to participants' accounts based on the ratio of each participant's account balance invested in an investment fund to the total of all participants' account balances invested in that fund as of the preceding valuation date.

**Fortune Brands Home & Security Retirement Savings Plan****NOTES TO FINANCIAL STATEMENTS (CONTINUED)****December 31, 2015 and 2014****(Dollars in thousands)*****Vesting***

Participant contributions and earnings on those contributions vest immediately. QNECs and earnings on those contributions vest immediately. Vesting in the Company matching contribution and earnings on those contributions occurs upon on the earliest of the following: (1) retirement under a Company pension plan or after attainment of age 55 and 10 years of service; (2) death; (3) termination of employment due to disability; (4) attainment of normal retirement age (generally 65); (5) termination of employment without fault, or (6) after one year of service.

Profit-sharing contributions vest according to varying schedules. Therma-Tru employees that participate in the Plan are 100% vested in profit-sharing contributions at all times. Fortune Brands and Moen employees that participate in the Plan vest in annual profit-sharing contributions and related earnings upon the earliest occurrence of the following: (1) retirement under a Company pension plan or after attainment of age 55 and 10 years of vesting service; (2) death; (3) termination of employment due to disability; (4) attainment of normal retirement age (generally 65); (5) termination of employment without fault; or (6) for Moen employees, after three years of service and for Fortune Brands employees, according to the following schedule:

Number of years of service	Percentage vested
Less than 1	0%
1 but less than 2	20
2 but less than 3	40
3 but less than 4	60
4 but less than 5	80
5 or more	100

***Forfeitures***

Forfeited non-vested accounts totaled \$250 and \$155 on December 31, 2015 and 2014, respectively. These accounts are used to reduce future Company contributions or to pay Plan expenses. Company contributions were reduced by \$137 and \$72 during the years ended December 31, 2015 and 2014, respectively, from forfeited non-vested accounts. Plan expenses totaling \$27 and \$0 were paid from forfeited non-vested accounts during the years ended December 31, 2015 and 2014, respectively.

***Notes Receivable from Participants***

A participant may apply for up to two loans of at least \$1 each from the vested portion of the participant's account balance (excluding the portion in certain subaccounts). Loan amounts may not exceed the lesser of one-half of the participant's vested balance or \$50 where the \$50 maximum is reduced by the participant's highest outstanding loan balance on any loans during the preceding twelve months. The term of any loan shall not exceed five years, unless the

loan is related to the purchase of the participant's principal residence, in which case the term of the loan shall not exceed ten years.

Each loan bears a rate of interest commensurate with prevailing market rates at the time of issuance. Repayment is made through payroll deductions so that the loan is repaid evenly over the term of the loan.

## **Fortune Brands Home & Security Retirement Savings Plan**

### **NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**December 31, 2015 and 2014**

**(Dollars in thousands)**

#### ***Distributions and Withdrawals***

Benefits are payable from a participant's account upon death, retirement or other termination of employment and are payable in cash (generally, in a lump sum or installment payments) and in some cases in the form of an annuity or rolled over (into a traditional or Roth IRA). The Plan also permits in-service withdrawals to be made by participants who have incurred a hardship as defined in the Plan, who have attained age 59-1/2, or who are performing qualified military service as described in the Plan.

#### **NOTE B SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

##### ***Basis of Accounting***

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles (GAAP).

##### ***Recently Issued Accounting Standards***

On May 1, 2015 the Financial Accounting Standards Board (FASB) issued updated guidance related to fair value measurement and the disclosures for investments in certain entities that calculate net asset value (NAV) per share (or its equivalent). The updated guidance applies to reporting entities that elect to measure the fair value of certain investments using the NAV per share (or its equivalent) of the investment as a practical expedient. Currently, investments valued using the practical expedient are categorized within the fair value hierarchy on the basis of when the investment is redeemable with the investee at NAV. The amendments remove the requirement to categorize within the fair value hierarchy all investments for which fair value is measured using the NAV per share practical expedient. The amendments also remove the requirement to make certain disclosures for all investments that are eligible to be measured at fair value using the NAV per share practical expedient. Rather, those disclosures are limited to investments for which the entity has elected to measure the fair value using that practical expedient.

The amendments are effective for the Plan for fiscal years beginning after December 15, 2016 and shall apply retrospectively to all periods presented. Earlier application is permitted. The Plan's administrator is currently evaluating the impact the updated guidance will have on the Plan's financial statements and disclosures.

In July 2015 FASB issued a three-part update to the guidance for plan accounting of employee benefit plans. The update simplifies employee benefit plan reporting as outlined in Part (I) for fully benefit-responsive investment contracts and in Part (II) for plan investment disclosures. Part (III) provides for a measurement date practical expedient. Parts (I) and (II) are effective for fiscal years beginning after December 15, 2015 and should be applied retrospectively, with early application permitted. Part (III) is effective for fiscal years beginning after December 15, 2015 and should be applied prospectively, with early application permitted. The Plan's administrator has determined that Parts (I) and (III) are not applicable to the Plan and is currently evaluating the impact that Part (II) will have on the Plan's disclosures.

*Use of Estimates*

The preparation of the Plan's financial statements in conformity with GAAP requires the Plan Administrator to make estimates and assumptions that affect the reported amounts of net assets available for Plan benefits and the changes in net assets available for Plan benefits and, when applicable, the disclosures of contingent assets and liabilities. Actual results could differ from those estimates.

**Fortune Brands Home & Security Retirement Savings Plan**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**December 31, 2015 and 2014**

**(Dollars in thousands)**

***Investment Valuation***

The Plan's investments are reflected at fair value. Fair value is defined as the price that would be received (i) to sell an asset or (ii) paid to transfer a liability (an exit price) in an orderly transaction between market participants at the measurement date in the principal or most advantageous market for the asset or liability. Inputs are used in applying the various valuation techniques and broadly refer to the assumptions that market participants use to make valuation decisions, including assumptions about risk.

The Plan's management established a three-tiered hierarchy of inputs to establish a classification of fair value measurements for disclosure purposes. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy are as follows:

Level 1 inputs are unadjusted quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. An active market for the asset or liability is a market in which transactions for the asset or liability occur with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, including:

1. Quoted prices for similar assets or liabilities in active markets.
2. Quoted prices for identical or similar assets or liabilities in inactive markets.
3. Inputs other than quoted prices that are observable for the assets or liabilities (including volatilities).
4. Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 inputs are unobservable for the asset or liability (including the entity's own assumptions about the assumptions that market participants would use in pricing the asset or liability) and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The Plan's investment in the Master Trust is presented at fair value, which has been determined based on the fair value of the underlying investments of the Master Trust.

Plan management uses the following methods and significant assumptions to estimate fair value of investments. There have been no changes in the methodologies used at December 31, 2015 and 2014.

The investments held by the Master Trust are valued as follows:

Interest bearing cash and certificate of deposit: Valued at cost plus earnings from investments for the period, which approximates fair market value due to the short-term duration.

Mutual funds: Valued at the NAV of shares held by the plan at year end, which is obtained from an active market.



**Fortune Brands Home & Security Retirement Savings Plan**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**December 31, 2015 and 2014**

**(Dollars in thousands)**

Collective trust funds: Valued at the NAV of units of each bank collective trust. The NAV, as provided by the trustee, is based on the fair value of the underlying investments held by the funds less their liabilities. Participant transactions (purchases and sales) may occur daily. Were the Plan to initiate a full redemption of a collective trust, the investment advisor generally reserves the right to temporarily delay withdrawal from the trust in order to ensure that securities liquidations would be carried out in an orderly business manner.

Common stock and government bond: Valued at the closing price reported on the active market on which the security is traded.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in different fair value measurements at the reporting date.

See *Note D Investment in Master Trust* for the investments held in the Master Trust as of December 31, 2015 and 2014, by level within the fair value hierarchy.

***Notes Receivable from Participants***

Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Interest income is recorded on the accrual basis. Related fees are recorded as administrative expenses and are expensed when they are incurred. No allowance for credit losses was recorded as of December 31, 2015 and 2014. If a participant ceases to make loan repayments and the Plan Administrator deems the participant loan to be in default, the participant loan balance is reduced and a benefit payment is recorded.

***Income Recognition***

Security transactions are accounted for on the trade-date basis. Dividend income is accrued on the ex-dividend date. Interest income is recorded on the accrual basis. Net realized and unrealized (depreciation) appreciation, along with dividend income and interest income (excluding notes receivable from participants) are recorded in the accompanying statements of changes in net assets available for benefits as allocated share of Fortune Brands Home & Security, Inc. Defined Contribution Master Trust investment income. In addition, the Plan permits participants to have their proportional interest in dividends paid on stock held in the Company stock fund either distributed to them or reinvested in that fund.

***Benefits Paid to Participants***

Distributions and withdrawals are recorded when paid.

***Operating Expenses***

Certain investment expenses incurred by the Plan are netted against earnings prior to allocation to participant accounts and are recorded in the accompanying statements of changes in net assets available for benefits as allocated share of Master Trust investment income. Participants' accounts are directly charged for certain administrative expenses and any remaining expenses are paid directly by the Plan's service credits.

**Fortune Brands Home & Security Retirement Savings Plan****NOTES TO FINANCIAL STATEMENTS (CONTINUED)****December 31, 2015 and 2014****(Dollars in thousands)****NOTE C TRANSFERS TO AND FROM THE PLAN**

Transfers to and from the Plan and the Fortune Brands Home & Security Hourly Employee Retirement Savings Plan occur due to participant changes in status from hourly to salaried, or vice versa, or transfers between operating companies ( status change transfers ). Transfers to the Plan were \$728 and \$597 during the years ended December 31, 2015 and 2014, respectively. Transfers from the Plan were \$749 and \$857 during the years ended December 31, 2015 and 2014, respectively.

**NOTE D INVESTMENT IN MASTER TRUST**

The investments of the Master Trust are maintained under a trust agreement with the Trustee. The value of the Plan's interest in the Master Trust is based on the beginning of year value of the Plan's interest in the Trust, plus actual contributions and allocated investment income, less actual distributions and allocated administrative expenses. Investment income relating to the Master Trust is allocated to the individual plans on a prorated basis. The Plan had a total beneficial interest of approximately 76.75% and 77.78% in the Master Trust's net assets at December 31, 2015 and 2014, respectively.

The Master Trust's net assets at December 31, 2015 and 2014 were as follows (in thousands):

	2015	2014
<b>Assets</b>		
Investments, at fair value		
Interest bearing cash	\$ 26,359	\$ 26,540
Mutual funds	331,559	342,898
Collective trust funds	264,291	232,504
Common stock	31,730	25,514
Self-directed brokerage accounts		
Mutual funds	1,398	
Common stock	962	
Government bond	14	
Certificate of deposit	10	
Other	1	
Cash	936	
Net assets of the Master Trust available for benefits	\$ 657,260	\$ 627,456



**Fortune Brands Home & Security Retirement Savings Plan****NOTES TO FINANCIAL STATEMENTS (CONTINUED)****December 31, 2015 and 2014****(Dollars in thousands)**

The net (depreciation) appreciation in fair value of investments, interest income, dividend income and administrative expenses related to the Master Trust for the years ended December 31, 2015 and 2014, were as follows (in thousands):

	2015	2014
Net (depreciation) appreciation in fair value		
Mutual funds	\$ (8,850)	\$ 2,978
Collective trust funds	(4,567)	13,164
Common Stock	6,045	(359)
Net (depreciation) appreciation in fair value of investments of the Master Trust	(7,372)	15,783
Interest income	17	1
Dividend income	12,498	20,917
Administrative expenses	(918)	(889)
Master Trust net investment income	\$ 4,225	\$ 35,812

**Fortune Brands Home & Security Retirement Savings Plan****NOTES TO FINANCIAL STATEMENTS (CONTINUED)****December 31, 2015 and 2014****(Dollars in thousands)**

The following tables present the Master Trust's investments by level within the fair value hierarchy as of December 31, 2015 and 2014 (in thousands):

	2015			Total
	Level 1	Level 2	Level 3	
Interest bearing cash	\$ 26,359	\$	\$	\$ 26,359
Mutual funds				
U.S. large cap equity	186,633			186,633
U.S. small cap equity	60,074			60,074
International equity	32,756			32,756
Core fixed income	52,096			52,096
<b>Total mutual funds</b>	<b>331,559</b>			<b>331,559</b>
Collective trust funds				
Lifepath (a)		257,606		257,606
International (b)		6,685		6,685
<b>Total collective trust funds</b>		<b>264,291</b>		<b>264,291</b>
Common Stock				
Fortune Brands Home & Security, Inc.	31,730			31,730
Self-directed brokerage accounts				
Mutual funds	1,398			1,398
Common stock	962			962
Government bond	14			14
Certificate of deposit	10			10
Other		1		1
Cash	936			936
<b>Total self-directed brokerage accounts</b>	<b>3,320</b>	<b>1</b>		<b>3,321</b>
<b>Total investments at fair value</b>	<b>\$ 392,968</b>	<b>\$ 264,292</b>	<b>\$</b>	<b>\$ 657,260</b>

	2014			Total
	Level 1	Level 2	Level 3	
Interest bearing cash	\$ 26,540	\$	\$	\$ 26,540
Mutual funds				
U.S. large cap equity	185,764			185,764

Edgar Filing: Fortune Brands Home & Security, Inc. - Form 11-K

U.S. small cap equity	63,368			63,368
International equity	39,147			39,147
Core fixed income	54,619			54,619
Total mutual funds	342,898			342,898
Collective trust funds				
Lifepath (a)		232,504		232,504
Common Stock				
Fortune Brands Home & Security, Inc.	25,514			25,514
Total investments at fair value	\$ 394,952	\$ 232,504	\$	\$ 627,456

**Fortune Brands Home & Security Retirement Savings Plan**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**December 31, 2015 and 2014**

**(Dollars in thousands)**

- (a) The Lifepath collective trust funds were valued at their December 31, 2015 and 2014 net asset value per share as provided by the funds' administrator. The investment strategy of these funds is to maximize total return with a risk level that may be appropriate for each fund's particular timeframe by holding a mix of stocks, fixed income instruments, real estate and commodities and gradually shifting to a conservative risk level at the end of the timeframe. Redemption from these funds is permitted with 30-days notice.
- (b) The international collective trust fund is an index fund that invests in a portfolio of international equity securities and seeks investment results that correspond generally to the price and yield performance, before fees and expenses, of MSCI ACWI ex-U.S. IMI Index.

**NOTE E RISKS AND UNCERTAINTIES**

The Plan provides for various investments in any combination of stocks, mutual funds and collective trust funds. Investment securities are exposed to various risks, such as interest rate, market and credit. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in market value could materially affect participants' account balances and the amounts reported in the statement of net assets available for Plan benefits and the statement of changes in net assets available for Plan benefits.

**NOTE F TAX STATUS**

On April 24, 2014, the Internal Revenue Service ( IRS ) determined and informed the Plan by letter, that the Plan and related trust are designed in accordance with applicable sections of the Code. The Plan Administrator believes that the Plan is currently designed and is currently being operated in compliance, in all material respects, with the applicable requirements of the Code.

GAAP requires Plan management to evaluate tax positions taken by the Plan and recognize a tax liability if the organization has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS or other applicable taxing authorities. The Plan Administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2015 and 2014, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, the Plan is not currently under audit with respect to any tax periods in progress. The Plan Administrator believes it is no longer subject to income tax examinations for years prior to 2012.

**NOTE G RELATED-PARTY TRANSACTIONS**

Certain Master Trust investments are managed by Fidelity Investments. Fidelity Investments is an affiliated company of the Trustee as defined by the Plan and, therefore, these transactions qualify as party-in-interest transactions.

The Master Trust also holds shares of Fortune Brands Common Stock.



Fees have been paid to Fidelity by the Plan or the Plan Administrator for recordkeeping and investment management services for the years ended December 31, 2015 and 2014.

**NOTE H PLAN TERMINATION**

Although they have not expressed any intent to do so, the Companies have the right under the Plan to discontinue contributions at any time. Fortune Brands, as Plan sponsor, has the right to terminate the Plan at any time subject to the provisions of ERISA. In the event of Plan termination, participants will become fully vested in the Company contribution portion of their accounts.

**Fortune Brands Home & Security Retirement Savings Plan**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**December 31, 2015 and 2014**

**(Dollars in thousands)**

**NOTE I SUBSEQUENT EVENTS**

On January 4, 2016, assets relating to the accounts of Waterloo participants totaling approximately \$12,500 were transferred from the Plan to a newly established plan sponsored by Waterloo Holdings, Inc. Management of the Plan has evaluated subsequent events and there were no additional material subsequent events that required recognition or additional disclosures in these statements.

**Fortune Brands Home & Security Retirement Savings Plan**

**SCHEDULE H, LINE 4i SCHEDULE OF ASSETS (HELD AT END OF YEAR)**

**December 31, 2015**

**(Dollars in thousands)**

(a)	(b) (c)	(d) Cost**	(e) Current value
*	Loans to participants - Interest rates ranging from 3.25% to 8.25%		\$ 7,125
			\$ 7,125

\* Indicates a party-in-interest to the Plan.

\*\* Cost information omitted for investments that are fully participant directed.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the trustees (or other persons who administer the employee benefit plan) have duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

FORTUNE BRANDS HOME & SECURITY  
RETIREMENT SAVINGS PLAN

June 27, 2016

By: /s/ Sheri R. Grissom  
Sheri R. Grissom  
Employee Benefits Committee of

Fortune Brands Home & Security, Inc.

EXHIBIT INDEX

Exhibit Number	Description
23.1	Consent of Independent Registered Public Accounting Firm, Grant Thornton LLP.