



UPCOMING CHANGES TO YOUR **401(k) PLAN INVESTMENT OPTIONS**

Kohler Co. regularly evaluates and monitors the investment options offered through the 401(k) Plan. The goal is to provide a broadly diversified lineup of funds with excellent long-term performance and reasonable and competitive fees. In keeping with this goal, we are pleased to announce that on December 10, 2012:

- Four funds will be replaced.
- One new index fund option will be added.
- Two existing funds will have lower expense ratios.

Look inside for more information on the upcoming change to the Plan's investment lineup.

Kohler Co. 401(k) Savings Plan

Four funds will be replaced

The four new funds all have similar asset class objectives to the funds they are replacing. Assets will automatically transfer to the replacement funds after 4:00 p.m. Eastern Time on Friday, December 7, 2012, through a process called mapping, as shown in the table below. You do not have to take any action. Your money will remain invested throughout the mapping process.

As of 4:00 p.m. ET, Friday, December 7, 2012

The current fund	Ticker	Maps to	This new fund	Ticker
Hartford Capital Appreciation Fund	HIBCX	————>	Yacktman Fund	YACKX
Columbia Acorn Select Fund	ACTWX	————>	ING MidCap Opportunities Fund	IIMOX
Royce Opportunity Fund	RYPNX	————>	Vanguard Small Cap Value Index	n/a*
DFA Emerging Markets Value Fund	DFEVX	————>	Oppenheimer Developing Markets Fund	ODVIX

New: Stock Market Index Fund

The Vanguard Total Stock Market Index Fund* will also be added to the fund lineup. Index funds are designed to match the performance of a specific market index; in this case, the index measures the investment return of the overall stock market. As a result, the fund offers broad market exposure and low operating expenses. Because this fund is new and not replacing another fund in the Plan, you will need to re-allocate your investments if you wish to invest in it. If you are enrolled in the ING Professional Account Manager there is no action you need to take; the fund will be part of the service's overall assessment of the new investment line-up and your account.

- All fund changes are effective December 10, 2012.
- For details on all the Plan funds, including objectives, investment style, expense ratios, and historical returns, refer to the fund fact sheets or visit the Plan Web site at KOHLER.ingplans.com.

*Due to customized fee structures, the Vanguard Small Cap Value Index and Vanguard Total Stock Market Index funds will not have corresponding ticker symbols. For information about these funds, please refer to the fund fact sheets enclosed with this newsletter. You can also view fact sheets for all the funds available in the Plan on the Plan Web site at KOHLER.ingplans.com.

New: Lower fees on two existing funds

Two existing funds in the Plan, the Oakmark Global Fund and Wells Fargo Stable Value Fund, will have lower fees starting December 10, 2012. The investment managers will stay the same for each fund, just the expense ratios will be reduced. Both funds will be maintained as collective trusts and thus will not have corresponding mutual fund ticker symbols. For information on these funds, see the fund fact sheets enclosed.

What you need to do

As noted above, money invested in the four funds being replaced will automatically transfer to the new funds after 4:00 p.m. ET on December 7, 2012. You do not have to take any action. If you do not want your money transferred into the new funds as shown in the mapping table, you must transfer your money into different funds before 4:00 p.m. ET on December 7, 2012. Thereafter, you can transfer money into any combination of the Plan funds.

Your new fund lineup
(effective Monday, December 10, 2012)

Fund Type	Fund Name
Stable Value	Wells Fargo Stable Value Fund
Bond	Delaware Diversified Income Collective Trust
Balanced	Dodge & Cox Balanced Fund
Domestic Stock	Yacktman Fund
	Vanguard Total Stock Market Index
	Mainstay ICAP Select Equity Fund
	Wells Fargo Advantage Growth Fund
	Guggenheim Mid Cap Value Institutional Fund
	ING Mid Cap Opportunities Fund
	Royce Low-Priced Stock Fund
	Vanguard Small Cap Value Index
Lord Abbett Developing Growth Fund	
Global/Foreign Stock	Oakmark Global Collective Fund
	Thornburg International Value Fund
	Oppenheimer Developing Markets Fund*

Please note: Excessive and/or Short-Term Trading within the mutual funds offered in the plan may result in the fund company restricting your ability to make future purchases. Please refer to the fund company prospectuses for information on fund trade restriction policies.

*Emerging markets offer opportunities for potentially high returns but they are also among the riskiest investments. The chance for losses in this asset class is significant. For this reason, investments in the Oppenheimer Developing Markets fund will be limited to a maximum of 25% of your contributions in relation to your total asset allocation. This means you will not be able to transfer more than 25% of your assets or direct more than 25% of your future contributions into the fund. If your investment in the fund grows and eventually makes up more than 25% of your total account balance, you will be allowed to keep your money in the fund and maintain that allocation. The 25% limit does not apply to those enrolled in the ING Advisor Service Professional Account Manager program.

Need investment help?
Here's some Advice.

If you want help with your investment decisions, get in touch with the ING Advisor Service, powered by Financial Engines®. You can access this personalized, objective investment and retirement planning advice in three ways:

Speak to an ING Investment Advisor Representative:

You can get personalized, objective investment advice from a licensed advisor over the phone by calling **888-401-5722** weekdays from 8:00 a.m. to 8:00 p.m. ET. An investment advisor representative can offer specific recommendations based on your savings goals. There are no additional fees charged for this service.

Personal Online Advisor:

If you are more of a “do it yourself” investor, use the Online Advisor Service tool located on the Plan Web site. This interactive software guides you in your investment decisions and is offered at no additional charge.

Professional Account Manager:

This full-service option is intended for the “do it for me” investor. For a fee, through the Professional Account Manager, your account is reviewed, necessary changes are made for you, and you will receive regular progress reports. You can start and stop the service whenever you please. Call **888-401-5722** for details.

If you are enrolled in Professional Account Manager, the ING Advisor Service will manage the process of reviewing the new funds and make any necessary adjustments to your account.

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A word about fees

All investment funds charge fees to cover investment management costs. These fees paid by investors are referred to as the fund's expense ratio. The expense ratio represents a fund's operating cost, including management fees and other expenses. A portion of the expense ratio may be used to pay for administrative costs and services provided under the Kohler Co. 401(k) Savings Plan. Expressed as a percentage of the amount invested, the expenses are automatically deducted from a fund's return. The published investment results are always net of each fund's expense ratio.

Comprehensive information about all of the fees associated with the Kohler Co. 401(k) Savings Plan can be found at **KOHLER.ingplans.com**.

Asset Allocation and Diversification: Both are important to your investment strategy

Asset allocation is the strategy you use to invest in a combination of stock, bond, and cash investments. Within those asset classes, the Kohler Co. 401(k) Plan offers you a variety of investment options, which allows you to diversify, or spread, your 401(k) Savings Plan account savings across a number of funds.

Through this asset allocation and diversification you have the opportunity to better manage your investment risk. Essentially, it is similar to the saying "Don't put all your eggs in one basket." Using a combination of investment options in your 401(k) Savings Plan offers the potential for your investment portfolio to be less impacted by market downturns than by being invested in any one particular investment option.

A well-diversified mix of assets may help you weather the financial markets — helping to diversify risk when the markets fall, but also providing possible gains when markets move higher. Your asset allocation strategy will help you construct a portfolio in line with your long-term financial goals. While diversification and asset allocation do not guarantee better performance and cannot protect against loss in declining markets, both are important risk management strategies.



The asset allocation strategy you choose, and diversification within that strategy, may play a key role in maximizing your long-term savings. You can learn more about asset allocation and diversification at **KOHLER.ingplans.com**.

Have questions? Not participating in the Kohler Co. 401(k) Savings Plan?

If you have questions about the fund changes, please call the Information Line at **888-401-5722**. Customer Service Associates are available Monday through Friday, from 8:00 a.m. to 8:00 p.m. ET, except on days when the stock market is closed.

If you're not participating, getting started is easy. To enroll, just call the Information Line and ask to speak with a Customer Service Associate. You can also learn more about the plan and enroll anytime through the Plan Web site at **KOHLER.ingplans.com**.