

INGRAM MICRO INC
Form 11-K
June 23, 2014

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

FORM 11-K

FOR ANNUAL REPORTS OF EMPLOYEE STOCK PURCHASE, SAVINGS AND SIMILAR PLANS
PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

(Mark One)

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

For the fiscal year ended December 31, 2013

OR

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

For the transition period from _____ to _____

Commission File Number: 1-12203

Ingram Micro 401(k) Investment Savings Plan

(Full title of the plan and the address of the plan if different from that of the issuer named below)

Ingram Micro Inc.
1600 E. St. Andrew Place
Santa Ana, CA 92705

(Name of issuer of the securities held pursuant to the plan and the address of its principal executive office)

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SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Ingram Micro Benefits Administrative Committee has duly caused this annual report to be signed on its behalf by the undersigned, hereunto duly authorized.

INGRAM MICRO 401(k) INVESTMENT SAVINGS PLAN

By: /s/ Thom Balding
Name: Thom Balding
Vice President & Controller-North America
Finance

June 23, 2014

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INGRAM MICRO 401(k)
INVESTMENT SAVINGS PLAN

Financial Statements
and
Supplemental Schedule
As of December 31, 2013 and 2012 and
for the Year Ended December 31, 2013

INGRAM MICRO 401(k)
INVESTMENT SAVINGS PLAN

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Note: Schedules other than that listed above have been omitted because they are not applicable or are not required by 29 CFR 2520.103-10 of the Department of Labor’s Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, as amended.

Report of Independent Registered Public Accounting Firm

Ingram Micro Inc. Benefits Administrative Committee
Ingram Micro 401(k) Investment Savings Plan
Santa Ana, California

We have audited the accompanying statements of net assets available for plan benefits of the Ingram Micro 401(k) Investment Savings Plan (the "Plan") as of December 31, 2013 and 2012, and the related statement of changes in net assets available for plan benefits for the year ended December 31, 2013. 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. The Plan is not required to have, nor were we engaged to perform, an audit of its 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 plan benefits of the Plan as of December 31, 2013 and 2012, and the changes in net assets available for plan benefits for the year ended December 31, 2013, in conformity with accounting principles generally accepted in the United States of America.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying supplemental schedule of assets (held at end of year) as of December 31, 2013 is presented for the purpose of additional analysis and is not a required part of the basic financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. This supplemental schedule is the responsibility of the Plan's management. The supplemental schedule has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

/s/ BDO USA, LLP

Costa Mesa, California
June 23, 2014

INGRAM MICRO 401(k)
INVESTMENT SAVINGS PLAN

Statements of Net Assets Available for Plan Benefits
As of December 31, 2013 and 2012

	December 31, 2013	2012
Assets		
Investments, at fair value	\$271,721,105	\$212,377,999
Notes receivable from participants	8,380,402	7,444,218
Total assets	280,101,507	219,822,217
Liabilities		
Accrued administrative expenses	12,491	12,625
Total liabilities	12,491	12,625
Net assets reflecting investments at fair value	280,089,016	219,809,592
Adjustment from fair value to contract value for fully benefit-responsive investment contracts (common/collective trust)	(333,899) (654,467)
Net assets available for plan benefits	\$279,755,117	\$219,155,125

See accompanying notes to financial statements.

INGRAM MICRO 401(k)
INVESTMENT SAVINGS PLAN

Statement of Changes in Net
Assets Available for Plan Benefits
For the Year Ended December 31, 2013

	Year Ended December 31, 2013	
Changes in net assets attributed to:		
Contributions:		
Employer contributions, net of forfeitures	\$4,475,448	
Participant contributions	16,642,055	
Participant rollovers	3,456,546	
Total contributions	24,574,049	
Net investment gain: Dividends and interest	7,619,486	
Net appreciation in fair value of registered investment companies	42,381,955	
Net appreciation in fair value of common stock	1,367,759	
Total net investment gain	51,369,200	
Interest income on notes receivable from participants	348,107	
Benefits paid to participants	(15,564,639)
Administrative expenses	(126,725)
Net increase	60,599,992	
Net assets available for plan benefits - beginning of year	219,155,125	
Net assets available for plan benefits - end of year	\$279,755,117	

See accompanying notes to financial statements.

INGRAM MICRO 401(k)
INVESTMENT SAVINGS PLAN
Notes to Financial Statements

NOTE 1 — DESCRIPTION OF PLAN

The following description of the Ingram Micro 401(k) Investment Savings Plan (the “Plan”) provides only general information. Participants should refer to the Plan document for a more complete description of the Plan’s provisions. General – The Plan is a defined contribution plan covering all of the employees of Ingram Micro Inc. (the “Company”) and designated affiliates who are maintained on the United States payroll, with the exception of those noted in Eligibility below. The Plan is designed to comply with Section 401(a) of the Internal Revenue Code as a defined contribution plan and its incorporated trust is intended to qualify as a tax-exempt trust under Section 501(a) of the Internal Revenue Code. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (“ERISA”), as amended.

The Plan is administered by the Company and advised by the Benefits Administrative Committee appointed by the Company’s Board of Directors. Fidelity Management Trust Company and its affiliates (the Trustee or Fidelity) act as the trustee, custodian and record keeper of the Plan. Hewitt EnnisKnupp acts as the investment consultant to the Plan. Eligibility – Employees maintained on the United States payroll with the exception of those who are leased, employed under a collective bargaining agreement, nonresident aliens with no United States sourced income, or employees who reside and work in a United States territory (including, but not limited to, the Commonwealth of Puerto Rico) are eligible to enter the Plan following the completion of their first hour of credited service with the Company.

Contributions – Contributions are made to the Plan by means of a salary deferral agreement under which the participant is entitled to defer pre-tax and after-tax compensation up to the lesser of 50% of eligible compensation for non-highly compensated participants, and a percentage (not to exceed 50%) determined by the Company of eligible compensation for highly compensated participants, or a fixed amount determined annually by the Internal Revenue Service (“IRS”). Participants who become age 50 or older, on or before the end of the calendar year, are eligible to make additional catch-up contributions of up to the lesser of 25% of eligible compensation or a fixed amount determined annually by the IRS. Participants may also contribute amounts representing distributions from other qualified defined benefit or defined contribution plans. The Company shall determine, in its absolute discretion, whether matching contributions shall be made for any particular period of time. The Company is not required to make matching contributions for any period of time. The Company’s current matching contribution represents 50% of the participant’s pre-tax and/or after-tax contributions up to the first 5% of eligible compensation.

Participant Accounts – Each participant’s account is credited with the participant’s contribution and allocations of (a) the Company’s matching contribution and (b) Plan net earnings, and charged with an allocation of certain administrative expenses. Allocations of matching contributions are based on participant contributions, as defined. Allocations of Plan net earnings and administrative expenses, when applicable, are based on participant account balances, investment elections, and transactions, such as loans or qualified domestic relations orders. The benefit to which a participant is entitled is the benefit that can be provided from the participant’s vested interest in their account balance.

Notes Receivable from Participants – Notes receivable from participants consist of participant loans that are secured by the balance in the participant’s account. Participants may borrow a minimum of \$1,000 and up to a maximum of the amount equal to the lesser of: \$50,000 reduced by the participant’s highest outstanding loan balance during the preceding one year period or 50% of their vested account balance, excluding any balance invested in the self-directed brokerage link account. The loans bear interest at a commercially reasonable interest rate with payment of principal and interest made generally through payroll deductions. Loans with repayment terms in excess of five years are for the purchase of primary residences. A participant may have no more than two loans outstanding at any one time. Participant loans are stated at the unpaid principal value and bear interest at rates that range from 4.25% to 10.50% and mature on various dates through 2029.

Management determines the collectability of participant loans on a periodic basis. This determination is made based on the terms of the Plan document and the related Plan policies and procedures. If notes receivable from participants are deemed to be uncollectible, they are written off and included as benefits paid to participants in the financial statements and the Form 5500 for financial reporting purposes in the year the determination is made.

INGRAM MICRO 401(k)
 INVESTMENT SAVINGS PLAN
 Notes to Financial Statements

NOTE 1 — DESCRIPTION OF PLAN (Continued)

Vesting – Participants are immediately 100% vested in their contributions and the associated net earnings. Vesting in the Company’s matching contribution is based on the participant’s years of service. A year of vesting service is defined as a period of service of 365 days, with less than whole year periods of service aggregated on the basis of days. The following schedule describes the vesting percentages for participants.

Years of Service	Vested Benefit Percentage
Less than 1 year	0%
1 year but less than 2	20%
2 years but less than 3	40%
3 years but less than 4	60%
4 years but less than 5	80%
5 years or more	100%

Payment of Benefits – Upon termination of service, a participant with vested benefits of over \$5,000 may elect to defer distribution or receive a lump sum payment or direct rollover equal to the vested share of the participant’s account. A participant with vested benefits of less than \$5,000 but greater than \$1,000 must elect a lump sum payment or direct rollover, or the vested share of the participant’s account will automatically be transferred to an individual retirement account. A participant with vested benefits of \$1,000 or less must elect a lump sum payment or direct rollover, or the vested share of the participant’s account will automatically be distributed in a lump sum payment. Benefits may be distributed upon termination of service for any reason, including disability or death. The Plan allows participants to take in-service withdrawals after reaching age 59½. In-service withdrawals may also be taken at any time from pre-tax rollovers, after-tax contributions or for certain financial hardships. Participants taking in-service withdrawals will be required to pay all applicable taxes on the withdrawals and may be subject to penalty taxes for early withdrawals taken prior to age 59½.

Forfeitures – Forfeitures of nonvested Plan assets are used to restore previously forfeited benefits of rehired participants or reduce the Company’s matching contributions and costs of administering the Plan. Total forfeited nonvested accounts were \$58,092 and \$46,632 at December 31, 2013 and 2012, respectively, and will be used to reduce future employer contributions. Employer contributions were reduced by forfeited nonvested accounts totaling \$225,000 for the year ended December 31, 2013.

Administrative Expenses – All reasonable expenses necessary to operate and administer the Plan may be deducted from the net assets available for plan benefits or at the election of the Company be paid directly by the Company. For the year ended December 31, 2013, the trust paid \$126,725 in administrative expenses, which included expenses deducted pro rata from participant accounts for general administration services and expenses deducted directly from individual participant accounts for loan fees, qualified domestic relations orders and other participant-directed services. All other administrative expenses were paid by the Company and were not material to the financial statements taken as a whole.

NOTE 2 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting – The financial statements of the Plan are prepared under the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Administrative expenses are recorded as incurred. Benefits are reported when paid.

Investment contracts held by defined contribution plans are required to be reported at fair value. However, contract value is the relevant measurement for the portion of the Plan assets that are attributable to fully benefit-responsive investment contracts as this value is what participants would receive if they were to initiate a permitted transaction under the terms of the Plan.

The Plan invests in fully benefit-responsive investment contracts held in the Fidelity Managed Income Portfolio II Fund, which is a common collective trust as defined in Note 3. The Statements of Net Assets Available for Plan Benefits present the fair value of these investment contracts as well as the adjustment of the fully benefit-responsive

investment contracts from fair value to contract value. The Statement of Changes in Net Assets Available for Plan Benefits is prepared on a contract value basis.

INGRAM MICRO 401(k)
INVESTMENT SAVINGS PLAN
Notes to Financial Statements

NOTE 2 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and changes therein, and disclosure of contingent assets and liabilities. Actual results could materially differ from those estimates.

Risks and Uncertainties – The fair value of the Plan's investment in Ingram Micro Inc. Common Stock amounted to \$4,443,000 and \$3,796,628 including cash or stock purchase account of \$1,401 and \$1,153 respectively as of December 31, 2013 and 2012. Such investments represented 1.59% and 1.73% of the Plan's total net assets available for Plan benefits as of December 31, 2013 and 2012, respectively. For risks and uncertainties regarding Ingram Micro Inc., participants should refer to the Ingram Micro Inc. Form 10-K for the year ended December 28, 2013 and the Form 10-Q for the quarter ended March 29, 2014.

The Plan provides participants with investment options in various funds that hold investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risk. Due to the level of risk and uncertainty related to changes in the value associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the Statements of Net Assets Available for Plan Benefits and the Statement of Changes in Net Assets Available for Plan Benefits.

The Plan's investment options include funds that invest in securities of foreign companies, which involve special risks and considerations not typically associated with investing in U.S. companies. These risks include devaluation of currencies, less reliable information about issuers, different securities transaction clearance and settlement practices, and possible adverse political and economic developments. Moreover, securities of many foreign companies and their markets may be less liquid and their prices more volatile than securities of comparable U.S. companies.

Investment Valuation and Income Recognition – Investments are reported at fair value. 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. See Note 3 for discussion of fair value measurements.

Purchases and sales of securities are recorded on the trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

Notes Receivable from Participants – Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Delinquent notes receivable are reclassified as distributions based upon the terms of the Plan document.

Net Appreciation (Depreciation) in Fair Value of Investments – Realized and unrealized appreciation (depreciation) in the fair value of investments is based on the difference between the fair value of the assets at the beginning of the year, or at the time of purchase for assets purchased during the year, and the related fair value on the day investments are sold with respect to realized appreciation (depreciation), or on the last day of the year for unrealized appreciation (depreciation).

NOTE 3 — FAIR VALUE MEASUREMENTS

The Plan performs fair value measurements in accordance with FASB Accounting Standards Codification (ASC) 820, Fair Value Measurements and Disclosures. ASC 820 defines fair value as the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When determining the fair value measurements for assets and liabilities required to be recorded at fair value, the Plan considers the principal or most advantageous market in which it would transact and considers assumptions that market participants would use when pricing the asset or liability, such as inherent risk, transfer restrictions and risk of nonperformance.

INGRAM MICRO 401(k)
INVESTMENT SAVINGS PLAN
Notes to Financial Statements

NOTE 3 — FAIR VALUE MEASUREMENTS (Continued)

ASC 820 also establishes a fair value hierarchy that requires the Plan to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. An asset's or liability's categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. ASC 820 establishes three levels of inputs that may be used to measure fair value:

Level 1: quoted prices in active markets for identical assets or liabilities;

Level 2: inputs other than Level 1 that are observable and, either directly or indirectly corroborated by market data, such as quoted prices in active markets for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities; or

Level 3: unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2013 and 2012.

Common stocks: Valued at the quoted closing market price.

Registered investment companies: Valued at the net asset value (NAV) based on quoted closing market prices of shares held by the Plan at year end.

Common/Collective Trust: Valued based on the contractual terms of the underlying guaranteed investment contracts. The beneficial interest of each participant is represented in units which are issued and redeemed daily at the fund's closing NAV, which is calculated by Fidelity Management Trust Company.

Brokerage Link Investment Accounts: Valued at the quoted closing market price of the securities held in the accounts.

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 fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

At December 31, 2013, the Plan had no unfunded commitments related to Common Collective Trust Funds. The redemption of Common Collective Trust Funds is subject to the preference of individual Plan participants and contains no restrictions on the timing of redemption, however, participant redemptions may be subject to certain redemption fees.

Investments Measured at Fair Value on a Recurring Basis

Investments measured at fair value on a recurring basis consisted of the following types of instruments as of December 31, 2013 and 2012:

INGRAM MICRO 401(k)
 INVESTMENT SAVINGS PLAN
 Notes to Financial Statements

NOTE 3 — FAIR VALUE MEASUREMENTS (Continued)

	December 31, 2013			
	Fair Value Measurements			
	Using Input Type			
	Level 1	Level 2	Level 3	Total
Common stocks				
Ingram Micro Inc. common stock	\$4,441,599	\$—	\$—	\$4,441,599
Cash	1,401	—	—	1,401
Total common stocks	4,443,000	—	—	4,443,000