

AMETEK INC/
Form 11-K
June 18, 2014
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 11-K

(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 1-12981

Hamilton Precision Metals
401(k) Employee Savings Plan

(Full title of the plan)

AMETEK, Inc.

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1100 Cassatt Road

Berwyn, Pennsylvania 19312-1177

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

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Hamilton Precision Metals 401(k) Employee Savings Plan

Financial Statements and Supplemental Schedule

Years Ended December 31, 2013 and 2012

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Table of Contents**Hamilton Precision Metals 401(k) Employee Savings Plan****Statements of Assets Available for Benefits****(Unaudited)**

	December 31,	
	2013	2012
Assets:		
Investments	\$	\$ 3,300,972
Plan interest in the AMETEK, Inc. Master Trust		56,041
Total investments, at fair value		3,357,013
Receivables:		
Employer contributions		705
Participant contributions		2,183
Notes receivable from participants		93,940
Total receivables		96,828
Assets reflecting investments at fair value		3,453,841
Adjustment from fair value to contract value for Common/Collective Trust		(46,167)
Assets available for benefits	\$	\$ 3,407,674

See accompanying notes.

Table of Contents**Hamilton Precision Metals 401(k) Employee Savings Plan****Statements of Changes in Assets Available for Benefits****(Unaudited)**

	December 31,	
	2013	2012
Additions:		
Contributions:		
Employer	\$ 44,788	\$ 63,085
Participant	136,716	191,405
	181,504	254,490
Investment income:		
Net appreciation in fair value of investments	445,882	203,353
Interest and dividend income from investments	43,041	93,378
Increase in Plan interest in the AMETEK, Inc. Master Trust	14,695	12,631
	503,618	309,362
Interest income on notes receivable from participants	3,782	3,699
Total additions	688,904	567,551
Deductions:		
Benefits paid to participants	(131,497)	(87,343)
Asset transfer to The AMETEK Retirement and Savings Plan	(3,965,081)	
Total deductions	(4,096,578)	(87,343)
Net (decrease) increase	(3,407,674)	480,208
Assets available for benefits:		
Beginning of year	3,407,674	2,927,466
End of year	\$	\$ 3,407,674

See accompanying notes.

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Hamilton Precision Metals 401(k) Employee Savings Plan

Notes to Financial Statements

December 31, 2013

(Unaudited)

1. Description of the Plan

General

The following description of the Hamilton Precision Metals 401(k) Employee Savings Plan (the "Plan") provides only summarized information. Participants should refer to the Plan document for a more complete description of the Plan's provisions, copies of which may be obtained from AMETEK, Inc. (the "Company" or the "Plan Sponsor").

The Plan is a tax-deferred 401(k) defined contribution savings plan which provides eligible employees whose employment is governed by the terms of a collective bargaining agreement with Hamilton Precision Metals, Inc., a subsidiary of the Company, an opportunity to invest a portion of their compensation, as defined by the Plan, in one or a combination of investment programs. See Note 3.

Trustee and Recordkeeper

The Vanguard Fiduciary Trust Company ("Trustee") was the Plan Trustee and a party-in-interest to the Plan. The Vanguard Group was the Plan's administrative recordkeeper.

Participant Eligibility

A Hamilton Precision Metals, Inc. union classified employee age 18 or older, who is not specifically an ineligible employee as defined by the Plan, shall become a participant in the Plan as of the first day of the month following the completion of six months of service.

Effective August 26, 2013, The AMETEK Retirement and Savings Plan was amended to designate the participants of the Plan as participating employees in The AMETEK Retirement and Savings Plan. Effective August 30, 2013, the Plan was amended to freeze the eligibility of the Plan. No individual shall become a participant in the Plan on or after the effective date and no individual who ceases to be a participant on or after the effective date shall again become a participant in the Plan. See Note 7.

Contributions

Each year, participants have an opportunity to invest up to 100% before tax of their annual compensation, as defined by the Plan, in multiples of one percent, subject to Internal Revenue Service ("IRS") annual limits except for certain highly compensated participants who may be subject to certain regulatory limitations. Participants may also contribute amounts representing rollovers from other qualified plans. Participants direct their elective contributions into various investment options offered by the Plan and can change their investment options on a daily basis. The Vanguard Target Retirement Date Trusts II are the qualified default investment alternatives until the participant changes their elections.

The Plan provides for employer contributions equal to 50% of compensation contributed by each participant, up to a maximum percentage ranging from 1% to 6% of the participants' compensation as determined by the terms of the collective bargaining agreement. Matching employer contributions are paid to the Plan at any time prior to the due date prescribed by law for filing the Company's federal income tax return for that Plan year and are allocated in the same manner as that of their elections.

Effective August 26, 2013, The AMETEK Retirement and Savings Plan was amended to designate the participants of the Plan as participating employees in The AMETEK Retirement and Savings Plan. Effective August 30, 2013, the Plan was amended to freeze the benefits of the Plan. No elective contributions, matching contributions or any other contributions (with the exception of loan repayments, which continued to be paid from August 30, 2013 through October 31, 2013) were made under the Plan on or after the effective date. See Note 7.

Forfeited employer contributions, which are insignificant in amount, are used to reduce future employer contributions or to pay Plan administrative expenses.

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Hamilton Precision Metals 401(k) Employee Savings Plan

Notes to Financial Statements

December 31, 2013

(Unaudited)

1. Description of the Plan (continued)

Participant Accounts

Each participant's account is credited with the participant's contributions and allocations of (a) the employer's contributions and (b) Plan net earnings. Allocations are based on participant earnings and/or account balances, as defined. The benefit to which a participant is entitled is the balance in the participant's vested account.

Vesting

Participants are fully vested at all times in participant contributions, employer matching contributions and related earnings.

Participant Loans

Participants may borrow a minimum of \$1,000 or up to a maximum equal to the lesser of \$50,000 or 50% of their account balance. Participants may have up to two loans outstanding at any time, although only one loan may be for a primary residence, the sum of which may not exceed the maximum allowable under the Plan. Loan origination fees are paid by participants and are included in the gross loan distribution amount. Repayment terms of the loans are generally limited to no longer than 60 months from inception or for a reasonable period of time in excess of 60 months for the purchase of a principal residence, as fixed by the Plan. The loans are secured by the balance in the participant's account and bear interest at rates established by the Plan, which approximate rates charged by commercial lending institutions for comparable loans. There were no loans outstanding at December 31, 2013. The interest rate on loans outstanding at December 31, 2012 was 4.25%. Principal and interest is paid ratably through payroll deductions.

Master Trust

The AMETEK Stock Fund of certain employee savings plans of AMETEK, Inc. are combined under the AMETEK, Inc. Master Trust (Master Trust) agreement with the Trustee. Participating plans purchase units of participation in the AMETEK Stock Fund based on their contributions to such fund along with income that the fund may earn, less distributions made to the plans' participants. A small portion of the AMETEK Stock Fund may also be invested in short-term securities to help accommodate daily transactions.

The Plan limits the amount a participant can invest in the AMETEK Stock Fund to encourage diversification of participants' accounts. Each payroll period and for other qualified plan rollover contributions, a participant can direct up to a maximum of 25% of their contributions in the AMETEK Stock Fund. In addition, a participant may not transfer amounts from other investment funds into the AMETEK Stock Fund to the extent the transfer would result in more than 25% of the participants' total account balance being invested in the AMETEK Stock Fund. The Plan has implemented a dividend pass through election for its participants.

Each participant is entitled to exercise voting rights attributable to the shares allocated to their account and is notified by the Company prior to the time that such rights may be exercised. The Trustee is not permitted to vote any allocated shares for which instructions have not been given by a participant. The Trustee votes any unallocated shares in the same proportion as those shares that were allocated, unless the Savings and Investment Committee directs the Trustee otherwise. Participants have the same voting rights in the event of a tender or exchange offer.

Table of Contents**Hamilton Precision Metals 401(k) Employee Savings Plan****Notes to Financial Statements****December 31, 2013****(Unaudited)****1. Description of the Plan (continued)**

The Plan's interest in the assets of the Master Trust was zero at December 31, 2013. The Plan's interest in the assets of the Master Trust was less than one percent at December 31, 2012. The value of the assets held by the Master Trust was \$100,895,855 and \$75,250,870 at December 31, 2013 and 2012, respectively.

A summary of the investment income for the assets held by the Master Trust was as follows:

	Year Ended December 31,	
	2013	2012
Net appreciation in fair value of investment	\$ 29,539,137	\$ 19,153,219
Interest and dividend income on investment	289,866	294,221
Total investment income	\$ 29,829,003	\$ 19,447,440

Payment of Benefits

On termination of service, death, disability or retirement, a participant may receive a lump-sum amount equal to his or her vested account. When a participant attains age 59 $\frac{1}{2}$ while still an employee, he or she can elect to withdraw a specified portion of his or her vested account balance without incurring an income tax penalty. Also, in certain cases of financial hardship, a participant may elect to withdraw up to a specified portion of his or her vested account balance, regardless of age.

Administrative Expenses

Except for certain loan fees, the expenses of administering the Plan are payable from the Plan's assets, unless the Company elects to pay such expenses. From inception of the Plan through the Plan's merger into The AMETEK Retirement and Savings Plan, the Company had elected to pay such expenses directly.

Plan Termination

The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA). While the Company has not expressed any intent to terminate the Plan, it is free to do so at any time subject to the provisions of ERISA and applicable labor agreements. In the event of Plan termination, each participant will receive the value of his or her separate vested account.

2. Summary of Significant Accounting Policies**Basis of Financial Statements**

The accompanying financial statements are unaudited because the number of participants in the Plan is fewer than the number of participants which would require audited financial statements under ERISA. The accompanying financial statements have been prepared on the accrual basis

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of accounting in accordance with U.S. generally accepted accounting principles (GAAP). Benefits are recorded when paid.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect amounts reported in the financial statements and accompanying notes, and supplemental schedule. Actual results could differ from those estimates and assumptions.

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Hamilton Precision Metals 401(k) Employee Savings Plan

Notes to Financial Statements

December 31, 2013

(Unaudited)

2. Summary of Significant Accounting Policies (continued)

Notes Receivable from Participants

Notes receivable from participants represent participant loans that are recorded at their unpaid principal balance plus any accrued but unpaid interest. Interest income on notes receivable from participants is recorded when it is earned. Related fees are paid from participants' accounts. No allowance for credit losses has been recorded as of December 31, 2013 or 2012. If a participant ceases to make loan repayments and the plan administrator deems the participant loan to be a distribution, the participant loan balance is reduced and a benefit payment is recorded.

Risks and Uncertainties

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market fluctuation and credit risks. Due to the level of risk 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 assets available for benefits.

Investment Valuation and Income Recognition

Investments held by the Plan are stated at fair value less costs to sell, if significant. Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. See Note 4.

Investments in shares of registered investment companies are valued at quoted market prices, which represent the net asset values of shares held by the Plan at year end. Money market and short-term investments are carried at the fair value established by the issuer and/or the trustee. The AMETEK common stock is valued at the closing price reported in an active market.

During 2013, investments in Vanguard Target Retirement Date Funds were moved into a common/collective trust. The fair values of the Vanguard Target Retirement Date Trusts II are the reported net asset values of the participation units owned by the Plan at year end. See Note 4.

The Plan invests in investment contracts through a common/collective trust (Vanguard Retirement Savings Trust V). This fund is recorded at fair value, which is based on information reported by the issuer of the common/collective trust at year end. See Note 4. However, since these investment contracts are fully benefit-responsive, an adjustment is reflected in the statements of assets available for benefits to present these investments at contract value. The contract value of the Vanguard Retirement Savings Trust V represents contributions plus earnings, less participant withdrawals and administrative expenses. Contract value is the relevant measurement attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plan.

Purchases and sales of investments are reflected on trade dates. Realized gains and losses on sales of investments are based on the average cost of such investments. Interest income is recorded on the accrual basis. Dividend income is recorded on the ex-dividend date. Income from other investments is recorded as earned. Plan investments do not have significant costs to sell.

Table of Contents**Hamilton Precision Metals 401(k) Employee Savings Plan****Notes to Financial Statements****December 31, 2013****(Unaudited)****3. Investment Programs**

Through August 30, 2013, a participant could direct contributions (up to certain specified limits) in any of the following investment options:

AMETEK Stock Fund
 Vanguard Retirement Savings Trust V
 Vanguard Target Retirement Date Trusts II
 Registered investment companies:
 Vanguard Total Bond Market Index Fund(1)
 Vanguard LifeStrategy Funds
 Vanguard Wellington Fund
 Vanguard Windsor II Fund(2)
 Vanguard PRIMECAP Fund(2)
 Vanguard Small-Cap Index Fund(2)
 Vanguard 500 Index Fund(2)
 BlackRock Inflation Protected Bond Fund(1)
 RidgeWorth Small Cap Value Equity Fund(2)
 Thornburg International Value Fund(3)
 Wells Fargo Advantage Discovery Fund(2)

(1) Represents Fixed-Income Securities level 1 investments. See Note 4.

(2) Represents Domestic Equities level 1 investments. See Note 4.

(3) Represents International Equities level 1 investments. See Note 4.

Participants may change their investment options or transfer existing account balances to other investment options daily.

The fair values of individual investments that represent five percent or more of the Plan's assets are as follows:

	December 31,	
	2013	2012
Vanguard 500 Index Fund	\$	\$ 977,421
Vanguard Retirement Savings Trust (stated at contract value)		871,070
Vanguard LifeStrategy Moderate Growth Fund		387,826
Vanguard LifeStrategy Growth Fund		306,326
Vanguard LifeStrategy Conservative Growth Fund		268,979
Wells Fargo Advantage Discovery Fund		204,976

The Plan's investments (including gains and losses on investments bought, sold, as well as, held during the year) in registered investment companies appreciated as follows:

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	December 31,	
	2013	2012
Common/Collective Trusts	\$ 206	\$
Registered Investment Companies	445,676	203,353
Net Appreciation in Fair Value of Investments	\$ 445,882	\$ 203,353

Table of Contents**Hamilton Precision Metals 401(k) Employee Savings Plan****Notes to Financial Statements****December 31, 2013****(Unaudited)****4. Fair Value Measurements**

The Plan utilizes a valuation hierarchy for disclosure of the inputs to the valuations used to measure fair value. This hierarchy prioritizes the inputs into three broad levels as follows. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 inputs are quoted prices for similar assets and liabilities in active markets or inputs that are observable for the asset or liability, either directly or indirectly through market corroboration, for substantially the full term of the financial instrument. Level 3 inputs are unobservable inputs based on the Plan's own assumptions used to measure assets and liabilities at fair value. A financial asset or liability's classification within the hierarchy is determined based on the lowest level input that is significant to the fair value measurement.

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

	December 31, 2013		
	Total	Level 1	Level 2
Fixed-Income Securities(1)	\$	\$	\$
Vanguard LifeStrategy Funds(2)			
Vanguard Target Retirement Date Trusts II(3)			
Vanguard Wellington Fund(4)			
Mutual Funds - Domestic Equities			
Mutual Funds - International Equities			
Vanguard Retirement Savings Trust V(5)			
AMETEK Stock Fund			
Total Investments, at Fair Value	\$	\$	\$

	December 31, 2012		
	Total	Level 1	Level 2
Fixed-Income Securities(1)	\$ 66,620	\$ 66,620	\$
Vanguard LifeStrategy Funds(2)	963,131	963,131	
Vanguard Target Retirement Date Funds(2)	1,323	1,323	
Vanguard Wellington Fund(4)	28,472	28,472	
Mutual Funds - Domestic Equities	1,256,093	1,256,093	
Mutual Funds - International Equities	68,096	68,096	
Vanguard Retirement Savings Trust(5)	917,237		917,237
AMETEK Stock Fund	56,041	56,041	
Total Investments, at Fair Value	\$ 3,357,013	\$ 2,439,776	\$ 917,237

(1) This category includes investments primarily in U.S. and international government and corporation bonds designed to minimize the adverse effects of interest rate fluctuations. There are currently no redemption restrictions on these investments.

(2)

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This category includes investments in highly diversified funds designed to remain appropriate for investors in terms of risk throughout a variety of life circumstances. These registered investment company funds share a common goal of first growing and then later preserving principal and contain a mix of primarily U.S. and international stocks, plus U.S. Treasury and corporate bonds. There are currently no redemption restrictions on these investments.

- (3) This category includes common/collective trusts sponsored and maintained by the Trustee, which invest in highly diversified funds designed to remain appropriate for investors in terms of risk throughout a variety of life circumstances. These trusts share a common goal of first growing and then later preserving principal and contain a mix of primarily U.S. and international stocks, plus U.S. Treasury and corporate bonds. There are currently no redemption restrictions on these investments.
- (4) This category includes registered investment company funds that are designed to try and outperform market returns with moderate movements in share values through a mix of primarily fairly large, well-known U.S. stocks and U.S. Treasury bonds. There are currently no redemption restrictions on these investments.
- (5) This category includes investments primarily in synthetic investment contracts backed by high-credit-quality fixed-income investments issued by insurance companies and banks structured to provide current and stable income. There are currently no redemption restrictions on these investments.

Table of Contents**Hamilton Precision Metals 401(k) Employee Savings Plan****Notes to Financial Statements****December 31, 2013****(Unaudited)****5. Income Tax Status**

The underlying prototype plan of the Trustee has received an opinion letter from the IRS dated March 31, 2008, stating that the form of the Plan is qualified under Section 401(a) of the Internal Revenue Code (the "Code") and, therefore, the related trust is exempt from taxation. Once qualified, the Plan is required to operate in conformity with the Code to maintain its qualification. The Plan Sponsor believes the Plan is being operated in compliance with the applicable requirements of the Code and therefore believes the Plan is qualified and the related trust is tax-exempt.

U.S. GAAP requires Plan management to evaluate uncertain tax positions taken by the Plan. The financial statement effects of a tax position are recognized when the position is more likely than not, based on the technical merits, to be sustained upon examination by the IRS. The Plan Sponsor has analyzed the tax positions taken by the Plan and has concluded that as of December 31, 2013, there are no uncertain positions taken or expected to be taken. The Plan has recognized no interest or penalties related to uncertain tax positions. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Plan Sponsor believes it is no longer subject to income tax examinations for years prior to 2010.

6. Differences Between Financial Statements and Form 5500

The following is a reconciliation of assets available for benefits per the financial statements to the Plan's Form 5500:

	December 31, 2013	2012
Assets available for benefits per the financial statements	\$	\$ 3,407,674
Adjustment from contract value to fair value for Common/Collective Trust		46,167
Assets available for benefits per Form 5500	\$	\$ 3,453,841

The following is a reconciliation of total additions per the financial statements to total income per the Plan's Form 5500 for the year ended December 31, 2013:

Total additions per the financial statements	\$ 688,904
Add: Adjustment from contract value to fair value for Common/Collective Trust at December 31, 2013	
Less: Adjustment from contract value to fair value for Common/Collective Trust at December 31, 2012	(46,167)
Total income per Form 5500	\$ 642,737

7. Plan Amendments

Effective August 26, 2013, The AMETEK Retirement and Savings Plan was amended to designate the participants of the Plan as participating employees in The AMETEK Retirement and Savings Plan. See The AMETEK Retirement and Savings Plan 2013 Annual Report on Form 11-K as filed with the Securities and Exchange Commission.

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Effective August 30, 2013, the Plan was amended to freeze the eligibility and benefits of the Plan. No individual shall become a participant in the Plan on or after the effective date and no individual who ceases to be a participant on or after the effective date shall again become a participant in the Plan. No elective contributions, matching contributions or any other contributions (with the exception of loan repayments, which continued to be paid from August 30, 2013 through October 31, 2013) were made under the Plan on or after the effective date.

Effective October 31, 2013, the Plan was amended to merge the net assets of the Plan into The AMETEK Retirement and Savings Plan.

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Hamilton Precision Metals 401(k) Employee Savings Plan

EIN 14 1682544 Plan #002

Schedule H, Line 4i Schedule of Assets (Held at End of Year)

December 31, 2013

(Unaudited)

Identity of issue, borrower, lessor or similar party	Description of investment, including maturity date, rate of interest, collateral, par, or maturity value	Current Value \$

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Signatures

The Plan. Pursuant to the requirements of the Securities Exchange Act of 1934, the Members of the Savings and Investment Committee have duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

Hamilton Precision Metals
401(k) Employee Savings Plan
(Name of Plan)

Date: June 18, 2014

By: /s/ Robert R. Mandos, Jr.
Robert R. Mandos, Jr.
Member, Savings and Investment Committee