

HARLEY DAVIDSON INC  
Form 11-K  
June 20, 2014

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549  
FORM 11-K

ý 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 No. 1-9183

A. Full title of the plan and the address of the plan, if different from that of the issuer named below:

Harley-Davidson Retirement Savings Plan for Salaried Employees  
Harley-Davidson Retirement Savings Plan for Milwaukee & Tomahawk Hourly Bargaining Unit Employees  
Harley-Davidson Retirement Savings Plan for Kansas City Hourly Bargaining Unit Employees  
Harley-Davidson Retirement Savings Plan for York Hourly Bargaining Unit Employees

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

Harley-Davidson, Inc.  
3700 West Juneau Avenue  
Milwaukee, Wisconsin 53208

---

REQUIRED INFORMATION

1. Not applicable.
2. Not applicable.
3. Not applicable.
4. The Harley-Davidson Retirement Savings Plans (the "Plans") are subject to the requirements of the Employee Retirement Income Security Act of 1974 ("ERISA"). Attached hereto are copies of the most recent financial statements and schedule of the Plans prepared in accordance with the financial reporting requirements of ERISA.

Exhibits

- 23 Consent of Independent Registered Public Accounting Firm
-

SIGNATURE

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

Harley-Davidson  
Retirement Savings Plan for Salaried Employees

Date: June 20, 2014

By: /s/ Perry A. Glassgow

Perry A. Glassgow  
Administrative Committee Member

Harley-Davidson  
Retirement Savings Plan for Milwaukee &  
Tomahawk Hourly Bargaining Unit Employees

Date: June 20, 2014

By: /s/ Perry A. Glassgow

Perry A. Glassgow  
Administrative Committee Member

Harley-Davidson  
Retirement Savings Plan for Kansas City Hourly  
Bargaining Unit Employees

Date: June 20, 2014

By: /s/ Perry A. Glassgow

Perry A. Glassgow  
Administrative Committee Member

Harley-Davidson  
Retirement Savings Plan for York Hourly Bargaining  
Unit Employees

Date: June 20, 2014

By: /s/ Perry A. Glassgow

Perry A. Glassgow  
Administrative Committee Member

---

Harley-Davidson Retirement Savings Plans  
Financial Statements and Supplemental Schedule  
Years Ended December 31, 2013 and 2012  
Contents

<u>Report of Independent Registered Public Accounting Firm</u>	<u>1</u>
Financial Statements	
<u>Statements of Net Assets Available for Benefits</u>	<u>2</u>
<u>Statements of Changes in Net Assets Available for Benefits</u>	<u>4</u>
<u>Notes to Financial Statements</u>	<u>6</u>
Supplemental Schedule	
<u>Schedule H, Line 4i – Schedule of Assets (Held at End of Year)</u>	<u>14</u>

---

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Harley-Davidson Retirement Plans Committee

Harley-Davidson, Inc.

We have audited the accompanying statements of net assets available for benefits of the Harley-Davidson Retirement Savings Plans as of December 31, 2013 and 2012, 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 Plans' 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 Plans' 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 Plans' 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, and 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 Harley-Davidson Retirement Savings Plans as of December 31, 2013 and 2012, and the changes in their net assets available for benefits for the years then ended, in conformity with U.S. generally accepted accounting principles.

Our audits were conducted for the purpose of forming an opinion on the 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 purposes of additional analysis and is not a required part of the 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. Such information has been subjected to the auditing procedures applied in our audits of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

/s/ Ernst & Young, LLP

Milwaukee, Wisconsin

June 20, 2014

Harley-Davidson Retirement Savings Plans  
 Statements of Net Assets Available for Benefits  
 December 31, 2013

	Harley-Davidson Retirement Savings Plan for Salaried Employees (Plan No. 002)	Harley-Davidson Retirement Savings Plan for Milwaukee & Tomahawk Hourly Bargaining Unit Employees (Plan No. 005)	Harley-Davidson Retirement Savings Plan for Kansas City Hourly Bargaining Unit Employees (Plan No. 006)	Harley-Davidson Retirement Savings Plan for York Hourly Bargaining Unit Employees (Plan No. 008)
Assets:				
Investment in Harley-Davidson Retirement Savings Plan Master Trust (Note 3)	\$544,609,892	\$ 179,111,857	\$ 14,600,762	\$ 84,346,586
Receivables:				
Notes receivable from participants	4,172,597	3,593,573	896,689	1,580,069
Company contribution receivable	4,584,612	55,957	10,205	59,440
Total receivables	8,757,209	3,649,530	906,894	1,639,509
Net assets available for benefits	\$553,367,101	\$ 182,761,387	\$ 15,507,656	\$ 85,986,095
See accompanying notes to financial statements.				

Harley-Davidson Retirement Savings Plans  
 Statements of Net Assets Available for Benefits  
 December 31, 2012

	Harley-Davidson Retirement Savings Plan for Salaried Employees (Plan No. 002)	Harley-Davidson Retirement Savings Plan for Milwaukee & Tomahawk Hourly Bargaining Unit Employees (Plan No. 005)	Harley-Davidson Retirement Savings Plan for Kansas City Hourly Bargaining Unit Employees (Plan No. 006)	Harley-Davidson Retirement Savings Plan for York Hourly Bargaining Unit Employees (Plan No. 008)
Assets:				
Investment in Harley-Davidson Retirement Savings Plan Master Trust (Note 3)	\$423,078,399	\$ 152,738,660	\$ 11,730,983	\$ 69,867,859
Receivables:				
Notes receivable from participants	4,119,176	3,388,307	741,406	1,487,994
Company contribution receivable	3,332,414	24,444	4,481	37,750
Total receivables	7,451,590	3,412,751	745,887	1,525,744
Net assets available for benefits	\$430,529,989	\$ 156,151,411	\$ 12,476,870	\$ 71,393,603
See accompanying notes to financial statements.				

Harley-Davidson Retirement Savings Plans  
 Statements of Changes in Net Assets Available for Benefits  
 Year Ended December 31, 2013

	Harley-Davidson Retirement Savings Plan for Salaried Employees (Plan No. 002)	Harley-Davidson Retirement Savings Plan for Milwaukee & Tomahawk Hourly Bargaining Unit Employees (Plan No. 005)	Harley-Davidson Retirement Savings Plan for Kansas City Hourly Bargaining Unit Employees (Plan No. 006)	Harley-Davidson Retirement Savings Plan for York Hourly Bargaining Unit Employees (Plan No. 008)
Additions:				
Income:				
Investment income of Harley-Davidson Savings Master Trust (Note 3)	\$ 110,230,796	\$ 31,817,518	\$ 2,781,610	\$ 17,150,186
Interest on notes receivable from participants	175,878	152,296	30,033	69,250
Total Income	110,406,674	31,969,814	2,811,643	17,219,436
Contributions:				
Participant	24,112,443	5,976,865	1,080,491	3,134,840
Participant rollovers	2,472,719	104,459	11,577	30,754
Company	12,894,909	843,321	194,139	997,682
Total contributions	39,480,071	6,924,645	1,286,207	4,163,276
Total additions	149,886,745	38,894,459	4,097,850	21,382,712
Deductions:				
Benefit payments and withdrawals	27,586,042	11,946,866	1,012,245	6,600,045
Administrative expenses	15,889	14,260	7,565	8,488
Total deductions	27,601,931	11,961,126	1,019,810	6,608,533
Net increase prior to transfers	122,284,814	26,933,333	3,078,040	14,774,179
Transfers from (to) other Plans	552,298	(323,357 )	(47,254 )	(181,687 )
Net increase	122,837,112	26,609,976	3,030,786	14,592,492
Net assets available for benefits at beginning of year	430,529,989	156,151,411	12,476,870	71,393,603
Net assets available for benefits at end of year	\$ 553,367,101	\$ 182,761,387	\$ 15,507,656	\$ 85,986,095

See accompanying notes to financial statements.



Harley-Davidson Retirement Savings Plans  
 Statements of Changes in Net Assets Available for Benefits  
 Year Ended December 31, 2012

	Harley-Davidson Retirement Savings Plan for Salaried Employees (Plan No. 002)	Harley-Davidson Retirement Savings Plan for Milwaukee & Tomahawk Hourly Bargaining Unit Employees (Plan No. 005)	Harley-Davidson Retirement Savings Plan for Kansas City Hourly Bargaining Unit Employees (Plan No. 006)	Harley-Davidson Retirement Savings Plan for York Hourly Bargaining Unit Employees (Plan No. 008)
Additions:				
Income:				
Investment income of Harley-Davidson Savings Master Trust (Note 3)	\$ 59,205,071	\$ 19,980,602	\$ 1,568,885	\$ 10,500,395
Interest on notes receivable from participants	172,342	192,449	26,922	74,739
Total Income	59,377,413	20,173,051	1,595,807	10,575,134
Contributions:				
Participant	22,679,057	6,713,030	1,065,005	2,862,552
Participant rollovers	1,447,860	55,263	6,916	—
Company	11,222,452	946,800	189,834	958,656
Total contributions	35,349,369	7,715,093	1,261,755	3,821,208
Total additions	94,726,782	27,888,144	2,857,562	14,396,342
Deductions:				
Benefit payments and withdrawals	29,887,421	24,062,840	864,925	9,678,356
Administrative expenses	16,365	17,079	5,674	9,743
Total deductions	29,903,786	24,079,919	870,599	9,688,099
Net increase prior to transfers	64,822,996	3,808,225	1,986,963	4,708,243
Transfers from (to) other Plans	2,135,691	(1,899,414 )	(147,018 )	(89,259 )
Net increase	66,958,687	1,908,811	1,839,945	4,618,984
Net assets available for benefits at beginning of year	363,571,302	154,242,600	10,636,925	66,774,619
Net assets available for benefits at end of year	\$ 430,529,989	\$ 156,151,411	\$ 12,476,870	\$ 71,393,603

See accompanying notes to financial statements.

## Harley-Davidson Retirement Savings Plans

### Notes to Financial Statements

#### 1. Description of Plans

The accompanying financial statements comprise certain retirement savings plans of Harley-Davidson, Inc. and subsidiaries (collectively, the “Company”) that participate in the Harley-Davidson Retirement Savings Plan Master Trust (the “Master Trust”). The Harley-Davidson Financial Services, Inc. 401(k) Profit Sharing Plan (the “Affiliated FSI Plan”) also participates, to a limited extent, in the Master Trust. The financial statements of the Affiliated FSI Plan are not included herewith.

The following description of the Harley-Davidson Retirement Savings Plan for Salaried Employees, the Harley-Davidson Retirement Savings Plan for Milwaukee & Tomahawk Hourly Bargaining Unit Employees, the Harley-Davidson Retirement Savings Plan for Kansas City Hourly Bargaining Unit Employees, and the Harley-Davidson Retirement Savings Plan for York Hourly Bargaining Unit Employees (each, a “Plan” and collectively, the “Plans”) provides only general information. Participants should refer to the applicable Plan document for a more complete description of each Plan’s provisions. The Plans are subject to and comply with the provisions of the Employee Retirement Income Security Act of 1974 (“ERISA”), as amended.

The purpose of the Plans is to encourage eligible employees to regularly save part of their earnings and to assist them in accumulating additional financial security for their retirement. The Plans provide that both participant contributions and Company contributions be held in a trust by an independent trustee for the benefit of participating employees. Except for participant loans, all Plan assets are held in the Master Trust. The trustee of the Master Trust is Fidelity Management Trust Company. Fidelity Workplace Services LLC is the record-keeper for the Plans. Harley-Davidson Motor Company Group, LLC is the plan sponsor for the Plans.

#### General

##### Harley-Davidson Retirement Savings Plan for Salaried Employees

The Harley-Davidson Retirement Savings Plan for Salaried Employees (“SSP”) is a defined contribution plan that covers salaried employees of Harley-Davidson, Inc.; Harley-Davidson Motor Company Group, LLC; Harley-Davidson Motor Company, Inc.; Harley-Davidson Motor Company Operations, Inc.; H-D U.S.A., LLC; and Harley-Davidson Dealer Systems, Inc. (“HDDS”) meeting minimum eligibility requirements.

##### Harley-Davidson Retirement Savings Plan for Milwaukee & Tomahawk Hourly Bargaining Unit Employees

The Harley-Davidson Retirement Savings Plan for Milwaukee & Tomahawk Hourly Bargaining Unit Employees (“WHSP”) is a defined contribution plan that covers hourly employees of the Harley-Davidson Motor Company Operations, Inc. Milwaukee area and Tomahawk plants, subject to a collective bargaining agreement and meeting minimum eligibility requirements.

##### Harley-Davidson Retirement Savings Plan for Kansas City Hourly Bargaining Unit Employees

The Harley-Davidson Retirement Savings Plan for Kansas City Hourly Bargaining Unit Employees (“KCSP”) is a defined contribution plan that covers hourly employees of the Harley-Davidson Motor Company Operations, Inc. Kansas City plant, subject to a collective bargaining agreement and meeting minimum eligibility requirements.

##### Harley-Davidson Retirement Savings Plan for York Hourly Bargaining Unit Employees

The Harley-Davidson Retirement Savings Plan for York Hourly Bargaining Unit Employees (“YSP”) is a defined contribution plan that covers hourly employees of the Harley-Davidson Motor Company Operations, Inc. York plant, subject to a collective bargaining agreement and meeting minimum eligibility requirements.

1. Description of Plans (continued)

Contributions

Participants may defer a portion of their compensation on a pretax basis through contributions to the Plans. The Plans also allow participants to make after-tax Roth contributions to the Plans. Effective February 14, 2013, the Plans allow participants to make in-plan Roth conversions. The maximum amount that participants may defer and contribute to the Plans is determined from time to time by the plan administrator and is subject to limitations under the Internal Revenue Code (the "Code"). Rollover contributions to the Plans are permitted under certain circumstances, as defined in the applicable Plan's documents. Participants who attain age 50 before the end of the applicable plan year are eligible to make additional elective deferrals (catch-up contributions), subject to Internal Revenue Service ("IRS") limits.

Harley-Davidson Retirement Savings Plan for Salaried Employees

The SSP allows for Company matching contributions in Harley-Davidson, Inc. common stock up to \$0.50 or \$0.75 per dollar of participant contributions, depending on the participant's date of hire and/or employment locations. Company matching contributions may vary according to the Company's financial performance. For the 2013 and 2012 plan years, the matching contributions were made without regard to financial performance. The matching contributions apply only to participant contributions up to 6% of a participant's eligible compensation. Certain participants with a date of hire or rehire on or after August 1, 2006, and who are not covered under the Harley-Davidson Retirement Plan during the same period receive an employer retirement contribution of 4% of their eligible pay, which is made regardless of the employee's contribution in the SSP or Company performance. Effective January 1, 2011, HDDS employees are eligible to receive the 4% contribution regardless of hire date. Employees hired on or after January 1, 2007, are automatically enrolled in the SSP unless they affirmatively opt out. Upon termination of employment, the nonvested portion of the participant's account, as defined by the SSP, represents a forfeiture. As of December 31, 2013 and 2012, forfeited nonvested accounts totaled \$519,294 and \$368,753, respectively. Company contributions to the SSP for the years ended December 31, 2013 and 2012, were reduced by forfeited nonvested accounts of \$81,000 and \$87,546, respectively.

Harley-Davidson Retirement Savings Plan for Milwaukee & Tomahawk Hourly Bargaining Unit Employees

The WHSP allows for Company matching contributions in Harley-Davidson, Inc. common stock up to \$0.25 per dollar of participant contributions. Company matching contributions may vary according to the Company's financial performance. For the 2013 and 2012 plan years, the matching contributions were made without regard to financial performance. The matching contributions apply only to participant contributions up to 6% of a participant's eligible compensation. Employees hired on or after April 1, 2012, are automatically enrolled into the WHSP unless they affirmatively opt out.

Upon termination of employment, the nonvested portion of the participant's account, as defined by the WHSP, represents a forfeiture. There were no forfeited nonvested accounts as of December 31, 2013 and 2012.

Harley-Davidson Retirement Savings Plan for Kansas City Hourly Bargaining Unit Employees

The KCSP allows for Company matching contributions in Harley-Davidson, Inc. common stock up to \$0.25 per dollar of participant contributions. Company matching contributions may vary according to the Company's financial performance. For the 2013 and 2012 plan years, the matching contributions were made without regard to financial performance. The matching contributions apply only to participant contributions up to 6% of a participant's eligible compensation. Employees hired on or after August 1, 2011, are automatically enrolled into the KCSP unless they affirmatively opt out.

Upon termination of employment, the nonvested portion of the participant's account, as defined by the KCSP, represents a forfeiture. There were no forfeited nonvested accounts as of December 31, 2013 and 2012.



#### 1. Description of Plans (continued)

##### Harley-Davidson Retirement Savings Plan for York Hourly Bargaining Unit Employees

The YSP allows for Company matching contributions in Harley-Davidson, Inc. common stock up to \$0.50 per dollar of participant contributions. Company matching contributions may vary according to the Company's financial performance. For the 2013 and 2012 plan years, the matching contributions were made without regard to financial performance. The matching contributions apply only to participant contributions up to 6% of a participant's eligible compensation. Employees hired on or after February 2, 2010, are automatically enrolled into the YSP unless they affirmatively opt out.

Upon termination of employment, the nonvested portion of the participant's account, as defined by the YSP, represents a forfeiture. There were no forfeited nonvested accounts as of December 31, 2013 and 2012.

##### Participants' Accounts

Separate accounts are maintained for each participant. The account balances are adjusted on a daily basis for participants' contributions, Company contributions, net investment income, loan fees, and distributions of participants' benefits or withdrawals. Participants have the option of investing their contributions in one or any combination of the available investment funds, which include a self-directed brokerage account feature and a money market fund. The Plans are intended to satisfy the requirements under Section 404(c) of ERISA and, therefore, provide that participants may choose to direct their contributions and/or all or part of their account balances among any of their respective Plan's investment alternatives daily. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

##### Vesting

Participants are immediately vested in 100% of their contributions and earnings thereon. Participants vest 100% in Company contributions after completing three years of vesting service, with at least 1,000 hours of service in each year. Participants are 100% vested in their proportionate share of any dividends received by the Plans after September 1, 2011 on the shares of Harley-Davidson, Inc. common stock held by the Plans in the Harley-Davidson, Inc.

##### Common Stock Fund.

Participants who terminate due to death, disability or retirement immediately become 100% vested in their entire account.

##### Payments of Benefits and Withdrawals

For payments made upon retirement, death, disability, or termination of employment, the balance in a participant's account is paid to the participant or beneficiary in a lump sum, periodic payments (in certain instances), or other form of payment as allowed under the Plans.

Prior to retirement, death, disability, or termination of employment, participants may not withdraw any portion of their account pertaining to contributions made under provisions of Section 401(k) of the Code, except for financial hardships, as defined in the Code, or after the participant attains age 59 1/2 or becomes disabled, as defined by the Social Security Administration. The permissible in-service withdrawals are from participant contributions.

##### Participant Employee Stock Ownership Plan Dividend Election Rights

Effective September 1, 2011, the portion of the Plans that are at any time invested in Harley-Davidson, Inc. common stock held in the Harley-Davidson, Inc. Common Stock Fund shall be considered an employee stock ownership plan under Section 4975(e)(7) of the Code. Each participant or beneficiary may elect to have their proportionate share of the Harley-Davidson, Inc. common stock dividends paid to them as cash or reinvested in the Harley-Davidson, Inc.

##### Common Stock Fund.

##### Notes Receivable from Participants

Participants may borrow up to 50% of their vested account balances, not to exceed \$50,000. A borrower may request a loan only if the borrower's vested Plan account balance is at least \$2,000, and the minimum loan amount shall be \$1,000. Loans are not permitted from Company matching contributions or employer retirement contributions regardless of vesting status. Loans bear interest at a rate commensurate with that charged by commercial lenders for similar loans. The term of the loan cannot exceed five years (ten years in the case of a home purchase).



1. Description of Plans (continued)

Administrative Expenses

Administrative expenses are shared by the Company and the Plans. Loan application and service fees are paid directly by participants.

Plan Termination

Although it has not expressed any intent to do so, the Company has the right under the Plans to terminate the Plans subject to the provisions of ERISA, and for the WHSP, YSP and KCSP, the applicable collective bargaining agreements. In the event of plan termination, participants will become fully vested in their accounts.

2. Summary of Significant Accounting Policies

Basis of Accounting

The financial statements of the Plans are prepared under the accrual method of accounting in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Investment Valuation and Income Recognition

All investment assets held by the Master Trust are stated at fair value. Fair value is defined as 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 (exit price). See Note 4 for further discussion and disclosures related to fair value measurement.

The Master Trust is an arrangement that provides for the collective investment of the assets of the Plans (see Note 3).

Purchases and sales of specific Master Trust investments are recorded on a trade-date basis. Interest income is recorded as earned. Dividends are recorded on the ex-dividend date.

Risks and Uncertainties

The Plans invest in various investment securities. Investment securities are exposed to various risks, such as interest rate, market volatility, and credit risks. 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 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 financial statements and accompanying notes.

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 recorded as administrative expenses and are expensed when they are incurred. No allowance for credit losses has been recorded as of December 31, 2013 or 2012. If a participant ceases to make loan repayments, the Plan administrator will deem the participant loan to be a distribution in accordance with applicable legal requirements, and the participant's account balance will be reduced at the earliest permitted date.

Use of Estimates

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

Payment of Benefits

Benefits are recorded when paid.

### 3. Master Trust

The purpose of the Master Trust is the collective investment of assets of the participating Plans. Each participating Plan's interest in the Master Trust is based on account balances of the participants and their elected investment options. The Master Trust assets are allocated among the participating Plans by assigning to each Plan those transactions (primarily contributions, benefit payments, and plan-specific expenses) that can be specifically identified and by allocating among all Plans, in proportion to the fair value of the assets assigned to each Plan, income and expenses resulting from the collective investment of the assets of the Master Trust.

Investment income and administrative expenses related to the Master Trust are allocated to the individual participating Plans daily based on each participant's account balance within each investment fund option.

A summary of the Master Trust's net assets as of December 31, 2013 and 2012 is as follows:

	2013	2012
Investments at fair value:		
Mutual funds:		
U.S. equity funds	\$246,691,118	\$167,124,168
International equities	60,790,168	49,580,085
Fixed income	46,150,250	57,244,897
Balanced funds	185,370,266	152,346,671
Brokerage accounts	14,673,805	8,017,602
Money market fund:		
Fidelity Retirement Money Market Portfolio	71,329,108	69,240,505
Harley-Davidson, Inc. Common Stock Fund	198,195,049	154,011,512
Net assets of the Master Trust	\$823,199,764	\$657,565,440

Investment income has been allocated among the Plans and the Affiliated FSI Plan based on the respective participants' interest, adjusted for other income and losses. Investment income generated by the investments of the Master Trust for the years ended December 31, 2013 and 2012 are as follows:

	2013	2012
Interest and dividend income	\$22,848,113	\$15,928,556
Net appreciation in fair value of mutual funds	75,776,833	40,609,946
Net appreciation in fair value of brokerage accounts	1,910,297	233,087
Net appreciation in fair value of Harley-Davidson, Inc. common stock	61,524,726	34,500,322
Investment income of the Master Trust	\$162,059,969	\$91,271,911

The Plans' and the Affiliated FSI Plan's percentage interests in the Master Trust as of December 31, 2013 and 2012, are as follows:

	2013	2012		
SSP	65.9	% 64.0		%
WHSP	21.9	23.4		
KCSP	1.9	1.9		
YSP	10.3	10.7		
Affiliated FSI Plan		<0.1		<0.1
Total	100.0	% 100.0		%

The net assets of the Harley-Davidson, Inc. Common Stock Fund consist of the following as of December 31, 2013 and 2012:

	2013	2012
Harley-Davidson, Inc. common stock	\$196,535,178	\$153,409,126
Money market fund	1,739,336	1,740,298
Other payable	(79,465	) (1,137,912
Net assets of the Harley-Davidson, Inc. Common Stock Fund	\$198,195,049	\$154,011,512





#### 4. Fair Value Measurements

Fair value is defined as 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 (exit price). The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets and liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are described below:

Level 1 – Unadjusted quoted prices in active markets that are accessible to the reporting entity at the measurement date for identical assets and liabilities.

Level 2 – Inputs other than quoted prices in active markets for identical assets and liabilities that are observable either directly or indirectly for substantially the full term of the asset or liability. Level 2 inputs include the following:

• Quoted prices for similar assets and liabilities in active markets

• Quoted prices for identical or similar assets or liabilities in markets that are not active

• Observable inputs other than quoted prices that are used in the valuation of the asset or liabilities (e.g., interest rate and yield curve quotes at commonly quoted intervals)

• Inputs that are derived principally from or corroborated by observable market data by correlation or other means

Level 3 – Unobservable inputs for assets or liabilities (i.e., supported by little or no market activity). Level 3 inputs include management's own assumption about the assumptions that market participants would use in pricing the asset or liability (including assumption about risk).

The level in the fair value hierarchy within which the fair value measurement is classified is determined based on the lowest level input that is significant to the fair value measure in its entirety.

The following is a description of the valuation techniques and inputs used as of December 31, 2013 and 2012, for the Master Trust's assets measured at fair value:

Mutual funds: Valued at quoted market prices, which represent the net asset value ("NAV") of shares held at year-end.

Money market fund: Valued at cost, which approximates the fair value of the NAV of shares held at year-end.

Harley-Davidson Inc. Common Stock Fund: The fund is tracked on a unitized basis. The fund consists of Harley-Davidson, Inc. common stock and funds held in a money market fund sufficient to meet the fund's daily cash needs and other miscellaneous assets and liabilities. Unitizing the fund allows for daily trades. The fair value of a unit is based on the combined fair value of Harley-Davidson, Inc. common stock (closing price in an active market on which the securities are traded), the NAV of the money market fund, and other miscellaneous assets and liabilities held by the fund at year-end.

Common stocks: Valued at the closing price reported on the active market on which the individual securities are traded.

## 4. Fair Value Measurements (continued)

The following tables set forth by level, within the fair value hierarchy, the Master Trust's assets at fair value as of December 31, 2013 and 2012:

	Assets at Fair Value as of December 31, 2013			Total
	Level 1	Level 2	Level 3	
Mutual funds:				
U.S. equity funds	\$246,691,118	\$—	\$—	\$246,691,118
International equity	60,790,168	—	—	60,790,168
Fixed income	46,150,250	—	—	46,150,250
Balanced funds	185,370,266	—	—	185,370,266
Brokerage accounts:				
Common stock				
Domestic	7,339,075	—	—	7,339,075
International	952,123	—	—	952,123
Mutual funds				
Large cap equity	1,872,634	—	—	1,872,634
International equity	593,106	—	—	593,106
Fixed income	718,256	—	—	718,256
Cash	3,198,611	—	—	3,198,611
Money market fund	71,329,108	—	—	71,329,108
Harley-Davidson Inc. Common Stock Fund	198,195,049	—	—	198,195,049
Total assets at fair value	\$823,199,764	\$—	\$—	\$823,199,764

	Assets at Fair Value as of December 31, 2012			Total
	Level 1	Level 2	Level 3	
Mutual funds:				
U.S. equity funds	\$167,124,168	\$—	\$—	\$167,124,168
International equity	49,580,085	—	—	49,580,085
Fixed income	57,244,897	—	—	57,244,897
Balanced funds	152,346,671	—	—	152,346,671
Brokerage accounts:				
Common stock				
Domestic	3,994,092	—	—	3,994,092
International	942,307	—	—	942,307
Mutual funds				
U.S. equity funds	799,948	—	—	799,948
International equity	211,884	—	—	211,884
Fixed income	609,727	—	—	609,727
Cash	1,459,644	—	—	1,459,644
Money market fund	69,240,505	—	—	69,240,505
Harley-Davidson Inc. Common Stock Fund	154,011,512	—	—	154,011,512
Total assets at fair value	\$657,565,440	\$—	\$—	\$657,565,440



#### 5. Transactions With Parties-in-Interest

Certain investments are shares of mutual funds and money market funds managed by the trustee, and therefore, these transactions qualify as party-in-interest transactions; however, they are exempt from the prohibited transactions rules under ERISA. Fees for certain administrative expenses are generally paid by the Company. The Master Trust also holds investments in Harley-Davidson, Inc. common stock. Transactions in Harley-Davidson, Inc. common stock are party-in-interest transactions under the provisions of ERISA.

As of December 31, 2013 and 2012, the Master Trust held in the Harley-Davidson, Inc. Common Stock Fund 1,691,343 and 1,856,060 shares, respectively, of common stock of Harley-Davidson, Inc., the sponsoring employer, with a fair value of \$196,535,178 and \$153,409,126, respectively. During the years ended December 31, 2013 and 2012, dividends on Harley-Davidson, Inc. common stock held in the Master Trust's Harley-Davidson, Inc. Common Stock Fund were paid and/or credited to eligible plan participants' accounts in the amounts of \$2,417,873 and \$2,023,658, respectively.

#### 6. Tax Status

The SSP and the YSP have received determination letters from the IRS dated March 6, 2012, and the KCSP and WHSP have received determination letters from the IRS dated September 16, 2011 and December 20, 2011, respectively, stating that each Plan is qualified under Section 401(a) of the Code, and therefore, the related trust is tax-exempt. Subsequent to this determination by the IRS, the KCSP, WHSP, SSP and YSP were amended. Once qualified, the Plans are required to operate in conformity with the Code to maintain their qualified status. The Plan administrator believes the SSP, WHSP and YSP are being operated in compliance with the applicable requirements of the Code and therefore believes the Plans are qualified and the related trust is tax-exempt. Certain insignificant operational errors in the KCSP have been identified. These errors can be corrected without penalty or loss of qualification, in accordance with the IRS's correction procedures. The Plan administrator intends to take the necessary steps to self-correct pursuant to the IRS's correction procedures, and with such corrections, the Plan administrator believes that 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 Plans. 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 administrator has analyzed the tax positions taken by the Plans and has concluded that as of December 31, 2013 and 2012, there were no uncertain positions taken or expected to be taken. The Plans have recognized no interest or penalties related to uncertain tax positions. The Plans are subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The plan administrator believes the Plans are no longer subject to income tax examinations for years prior to 2010.

Harley-Davidson Retirement Savings Plans  
 EIN #39-1805420  
 Schedule H, Line 4i – Schedule of Assets  
 (Held at End of Year)  
 December 31, 2013

Identity of Issue, Borrower, Lessor or Similar Party	Description of Investments, Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	Current Value
Harley-Davidson Retirement Savings Plan for Salaried Employees (Plan No. 002) Various Participants*	Notes receivable from participants, 4.25% to 9.25%, maturing at various dates through 2023, collateralized by applicable participants' account balances	\$4,172,597
Harley-Davidson Retirement Savings Plan for Milwaukee & Tomahawk Hourly Bargaining Unit Employees (Plan No. 005) Various participants*	Notes receivable from participants, 4.25% to 9.25%, maturing at various dates through 2023, collateralized by applicable participants' account balances	\$3,593,573
Harley-Davidson Retirement Savings Plan for Kansas City Hourly Bargaining Unit Employees (Plan No. 006) Various participants*	Notes receivable from participants, 4.25%, maturing at various dates through 2021, collateralized by applicable participants' account balances	\$896,689
Harley-Davidson Retirement Savings Plan for York Hourly Bargaining Unit Employees (Plan No. 008) Various participants*	Notes receivable from participants, 4.25% to 9.25%, maturing at various dates through 2021, collateralized by applicable participants' account balances	\$1,580,069

\* Represents a party-in-interest.