

CARPENTER TECHNOLOGY CORP

Form 11-K

June 27, 2014

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 11-K

ANNUAL REPORT

**Pursuant to Section 15(d) of the
Securities Exchange Act of 1934**

For the fiscal year ended December 31, 2013

Commission File Number 1-5828

**SAVINGS PLAN OF CARPENTER TECHNOLOGY
CORPORATION EFFECTIVE JANUARY 1, 2012**

(Full title of the plan)

CARPENTER TECHNOLOGY CORPORATION

(Name of issuer of the securities held pursuant to the plan)

P.O. Box 14662

Reading, Pennsylvania, 19610

(Address of principal executive office of the issuer)

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Savings Plan of Carpenter Technology Corporation Effective January 1, 2012

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December 31, 2013 and 2012

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***Report of Independent Registered Public Accounting Firm on the
Financial Statements and Supplementary Schedule***

To the Participants and Administrator of the Savings Plan of Carpenter Technology Corporation Effective January 1, 2012

We have audited the accompanying statements of net assets available for benefits of the Savings Plan of Carpenter Technology Corporation Effective January 1, 2012 (the Plan) as of December 31, 2013 and 2012, and the related statement of changes in net assets available for 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. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2013 and 2012, and the changes in net assets available for benefits for the year ended December 31, 2013, in conformity with accounting principles generally accepted in the United States of America.

Our audits were performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary 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. The supplementary schedule is the responsibility of the Plan s management. The supplementary 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/ ParenteBeard LLC

Reading, Pennsylvania
June 27, 2014

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Savings Plan of Carpenter Technology Corporation Effective January 1, 2012

Statements of Net Assets Available for Benefits

December 31, 2013 and 2012

	2013		2012
Investments, at fair value:			
Registered investment companies	\$ 39,275,212	\$	27,939,457
Interest in Carpenter Technology Master Trust Fund	5,868,757		5,528,752
Total investments	45,143,969		33,468,209
Notes receivable from participants	1,207,580		921,189
Net assets reflecting investments at fair value	46,351,549		34,389,398
Adjustment from fair value to contract value for fully benefit-responsive investment contracts	(51,770)		(197,871)
Net assets available for benefits	\$ 46,299,779	\$	34,191,527

See accompanying notes to financial statements.

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Savings Plan of Carpenter Technology Corporation Effective January 1, 2012

Statement of Changes in Net Assets Available for Benefits

Year Ended December 31, 2013

Investment income:	
Net appreciation in fair value of registered investment companies	\$ 5,750,466
Interest in Carpenter Technology Master Trust Fund income	134,781
Dividends	734,143
Total investment income	6,619,390
Interest income from notes receivable from participants	46,217
Contributions:	
Participant	3,320,340
Participant rollover	1,403,307
Employer	4,078,952
Total contributions	8,802,599
Transfers in	221,866
Benefits paid to participants	(3,556,192)
Administrative expenses	(25,628)
Net increase	12,108,252
Net assets available for benefits, beginning of year	34,191,527
Net assets available for benefits, end of year	\$ 46,299,779

See accompanying notes to financial statements.

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Savings Plan of Carpenter Technology Corporation Effective January 1, 2012

Notes to Financial Statements

December 31, 2013 and 2012

1. Description of the Plan

The following description of the Savings Plan of Carpenter Technology Corporation Effective January 1, 2012 (the Plan) provides general information. A more complete description of the Plan's provisions can be found in the plan document, which is available to participants upon request from Carpenter Technology Corporation, or any participating affiliate (collectively referred to as the Company).

General

The Plan is a profit-sharing and stock bonus plan which covers substantially all domestic non-union employees of the Company hired or rehired after December 31, 2011. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Contributions

Each year, participants may contribute up to 100% of annual compensation on a pre-tax basis, and up to 100% of annual compensation on an after-tax basis, as defined by the plan document. The combined contributions cannot exceed 100% of annual compensation on both a pre-tax and after-tax basis. Participants who have attained age 50 before the end of the plan year are eligible to make catch-up contributions, which are additional pre-tax contributions. Participants may also contribute amounts representing rollover distributions from other qualified pension plans. Participant contributions to the Plan are recorded in the period that payroll deductions are made from the participants. The Company contributes an amount equal to 3% of each employee's base pay, as well as a matching contribution of up to 6% of each employee's base pay, as defined by the plan document. Participants direct the investment of all contributions into various investment options offered by the Plan. Contributions are subject to certain limitations.

Participant Accounts

Each participant's account is credited with the participant's contribution, the Company's contribution on behalf of the participant and an allocation of plan earnings based on account balances, as defined. Effective July 1, 2012, each participant's account is charged with a \$20 annual fee for recordkeeping administration, and participants invested in the Carpenter Technology Stock Fund are charged an administrative fee based on the fund balance. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

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Savings Plan of Carpenter Technology Corporation Effective January 1, 2012

Notes to Financial Statements

December 31, 2013 and 2012

1. Description of the Plan (continued)

Vesting

All contributions and plan earnings thereon are immediately and fully vested and non-forfeitable.

Notes Receivable from Participants

Participants may borrow from their accounts a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000 minus the amount of the highest outstanding loan balance on any plan loan during the preceding twelve months, or 50% of their vested account balance minus the current outstanding balance on any other plan loan. Terms range from one to five years for a general purpose loan, and one to ten years for a primary residence loan. The loans are secured by the balance in the participant's account and bear interest at rates that range from 4.25% to 5.50% at December 31, 2013, which represents the Prime Rate on the last business day of the month preceding the month in which the loan was distributed plus 1%. Principal and interest are paid ratably through semi-monthly payroll deductions.

Payment of Benefits

Benefits paid to participants include participant withdrawals and participant distributions. Participant withdrawals include hardship withdrawals, non-hardship withdrawals and withdrawals after age 59½. Participant withdrawals are subject to certain restrictions as defined by the plan document. Upon termination of service due to death, disability, retirement, or other reasons, participants are eligible to receive a lump sum distribution. A participant may elect to defer such distribution provided the account balance is at least \$5,000. The total distribution of benefits to all separated participants must occur by April 1st of the year following the year in which the participant attains age 70½. The payment of benefits from the Carpenter Technology Stock Fund is made in shares of the Company's common stock or cash, at the participant's option. All other payments of benefits are made in cash.

Transfers

Transfers represent transfers to or from one or more other qualified benefit plans of the Company.

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Savings Plan of Carpenter Technology Corporation Effective January 1, 2012

Notes to Financial Statements

December 31, 2013 and 2012

2. Summary of Significant Accounting Policies

Basis of Accounting

The financial statements of the Plan are prepared on the accrual method of accounting

Investment contracts held by a defined contribution plan are required to be reported at fair value. However, contract value is the relevant measurement attribute for that portion of the net assets available for benefits 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. A portion of the Plan's assets are invested in fully benefit-responsive investment contracts through its investment in the Standish Mellon Stable Value Fund within the Carpenter Technology Master Trust Fund.

The Statements of Net Assets Available for Benefits present the fair value of the investment contracts as well as the adjustment of the fully benefit-responsive contracts from fair value to contract value. The Statement of Changes in Net Assets Available for Benefits is prepared on a contract value basis.

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 differ from those estimates.

Investment Valuation and Income Recognition

The Plan's investments are stated at fair value. Fair value is the amount 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 a detailed discussion of fair value measurements.

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Purchases and sales of investments are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation includes the gains and losses on investments bought and sold as well as held during the year.

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 recorded as distributions based upon the terms of the plan document.

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Savings Plan of Carpenter Technology Corporation Effective January 1, 2012

Notes to Financial Statements

December 31, 2013 and 2012

2. Summary of Significant Accounting Policies (continued)

Administrative Expenses

The Plan's assets are administered under a contract with The Vanguard Group (the Trustee). The Trustee invests funds received from contributions, investment sales, interest and dividend income and makes benefit payments to participants. Transaction fees and certain administrative fees are paid by the participant. The remaining administrative fees are netted against investment income in the Statement of Changes in Net Assets Available for Benefits. All other fees are paid by the Company.

Payment of Benefits

Benefit payments to participants are recorded when paid.

3. Fair Value Measurements

The Plan measures its investments at fair value on a recurring basis in accordance with accounting principles generally accepted in the United States of America. 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. The framework that the authoritative guidance establishes for measuring fair value includes a hierarchy used to classify the inputs used in measuring fair value. The hierarchy prioritizes the inputs used in determining valuations into three levels. The level in the fair value hierarchy within which the fair value measurement falls is determined based on the lowest level input that is significant to the fair value measurement. The levels of the fair value hierarchy are as follows:

Level 1 Fair value is based on unadjusted quoted prices in active markets that are accessible to the Plan for identical assets. These generally provide the most reliable evidence and are used to measure fair value whenever available.

Level 2 Fair value is based on significant inputs, other than Level 1 inputs, that are observable either directly or indirectly for substantially the full term of the asset through corroboration with observable market data. Level 2 inputs include quoted market prices in active markets for similar assets or liabilities, quoted market prices in inactive markets for identical or similar assets and other observable inputs.

Level 3 Fair value is based on significant unobservable inputs. Examples of valuation methodologies that result in Level 3 classification include option pricing models, discounted cash flows and similar techniques.

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Savings Plan of Carpenter Technology Corporation Effective January 1, 2012

Notes to Financial Statements

December 31, 2013 and 2012

3. Fair Value Measurements (continued)

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.

Registered Investment Companies: Valued at closing price reported on the active market on which the individual securities are traded. These funds are required to publish their daily net asset value (NAV) and to transact at that price.

Carpenter Technology Master Trust Fund:

Carpenter Technology Stock Fund - Valued at closing price of the Company's common stock as reported on the active market on which the securities are traded.

Standish Mellon Stable Value Fund - Valued at the NAV of units of the fund. This fund invests in high credit quality fixed income securities within contracts that are intended to minimize market volatility and guaranteed investment contracts (GICs) issued by financial institutions which are backed by investment-grade, fixed-income securities and bond mutual funds and money market securities. There are no unfunded commitments or significant redemption restrictions. The NAV is based on the fair value of the underlying assets which consists of short-term investment funds, Traditional GICs, Fixed Maturity Synthetic GICs and Constant Duration Synthetic GICs as follows:

- Short-term investment funds are valued based on quoted market values reported on active markets on which the individual securities are traded.
- Traditional GICs are unsecured, general account obligations of insurance companies backed by the general account assets of the insurance company that writes the investment contract. The fair values for traditional GICs are calculated using the present value for the contract's future cash flows discounted by comparable duration.

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- Fixed maturity synthetic GICs consist of an asset or collection of assets that are owned by the fund and a benefit responsive, book value wrap contract purchased for the portfolio. The fair values of the book value wrap contracts are not considered material to the overall valuation of the underlying contracts. Underlying assets consist of bond funds, U.S. Government securities, mortgage backed securities and other securities. The fair values for fixed maturity GICs are calculated using the sum, of all the underlying assets market values based on market values reported on active markets on which the individual securities are traded. However, the individual contracts are not actively traded.

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December 31, 2013 and 2012

3. Fair Value Measurements (continued)

- Constant duration synthetic GICs consist of a portfolio of securities owned by the fund and a benefit responsive, book value wrap contract purchased for the portfolio. The fair values of the book value wrap contracts are not considered material to the overall valuation of the underlying contracts. Underlying assets consist of bond funds, U.S. Government securities, mortgage backed securities and asset backed securities. The fair values for constant duration synthetic GICs are determined by reference to the net asset values reported by the investment managers holding the funds.

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

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2013 and 2012. Information for the Plan's investment in the Carpenter Technology Master Trust can be found in Note 5.

2013	Level 1
Balanced funds	\$ 23,626,624
Bond funds	1,606,785
Domestic equity funds	10,474,559
International equity funds	2,958,488
Money market funds	608,756
Total assets excluding plan interest in Master Trust, at fair value	\$ 39,275,212

2012	Level 1
Balanced funds	\$ 16,812,779
Bond funds	1,386,811
Domestic equity funds	7,791,812
International equity funds	1,948,026
Money market funds	29
Total assets excluding plan interest in Master Trust, at fair value	\$ 27,939,457

Table of ContentsSavings Plan of Carpenter Technology Corporation Effective January 1, 2012**Notes to Financial Statements**

December 31, 2013 and 2012

4. Investments

The following table presents investments that represent 5% or more of the Plan's net assets at December 31:

	2013	2012
Vanguard Target Retirement 2020 Fund	\$ 4,730,905	\$ 3,779,117
Vanguard Target Retirement 2030 Fund	\$ 4,517,906	\$ 3,459,691
Vanguard Target Retirement 2035 Fund	\$ 3,011,180	*
Vanguard Institutional Index Fund; Institutional Shares	\$ 2,934,313	\$ 2,059,239
Vanguard Target Retirement 2025 Fund	\$ 2,765,513	\$ 2,104,793
Wasatch Core Growth Fund; Institutional Class Shares	\$ 2,484,775	\$ 2,880,049
Vanguard Target Retirement 2040 Fund	\$ 2,337,600	*
American Funds EuroPacific Growth Fund; Class R-6	*	\$ 1,910,249

* does not represent 5% of investments for this year

5. Investment in the Carpenter Technology Master Trust Fund

The Carpenter Technology Master Trust Fund (the "Master Trust") holds certain investments of the Company's participating plans, which include the Plan, the Savings Plan of Carpenter Technology Corporation, the Savings Plan of Amega West Services, LLC, and the Latrobe Steel Company Voluntary Investment Program. The Master Trust maintains a separate account for each of the participating Plans' assets and liabilities held. As of December 31, 2013 and 2012, the Plan's undivided interest in the net assets of the Master Trust was 3.9% and 3.2%, respectively.

The Master Trust is invested in two funds—the Carpenter Technology Stock Fund and the Standish Mellon Stable Value Fund.

Carpenter Technology Stock Fund: The Carpenter Technology Stock Fund holds investments in the common stock of the Company.

Standish Mellon Stable Value Fund: This fund is invested in fully benefit-responsive investment contracts. There were no reserves against contract value for credit risk of the underlying investments of the fund. The crediting interest rate was based on a formula agreed upon with the

various issuers. The fully benefit-responsive investments had minimum crediting interest rates, which reset periodically.

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Savings Plan of Carpenter Technology Corporation Effective January 1, 2012

Notes to Financial Statements

December 31, 2013 and 2012

5. Investment in the Carpenter Technology Master Trust Fund (continued)

Certain events limited the ability to transact at contract value with the various issuers. Such events included the following: (1) amendments to the plan documents (including complete or partial plan termination or merger with another plan), (2) changes to plan's prohibition on competing investment options or deletion of equity wash provisions, (3) bankruptcy of the plan sponsor or other plan sponsor events (for example, divestitures or spin-offs of a subsidiary) that cause a significant withdrawal from the plan, or (4) the failure of the trust to qualify for exemption from federal income taxes or any required prohibited transaction exemption under ERISA. The Company does not believe that any events which would limit the plan's ability to transact at contract value with participants are probable of occurring.

The underlying fully benefit-responsive investment contracts did not permit the insurance companies to terminate the agreements prior to the scheduled maturity dates.

Average Yields of Standish Mellon Stable Value Fund:	2013	2012
Based on actual earnings	1.90%	2.07%
Based on interest rate credited to participants	1.88%	2.18%

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December 31, 2013 and 2012

5. Investment in the Carpenter Technology Master Trust Fund (continued)

The total assets of the Master Trust were as follows as of December 31, 2013 and 2012:

	2013	2012
Investments, at fair value:		
Standish Mellon Stable Value Fund		
Monumental Life (Aegon)	\$ 28,675,049*	\$ 30,416,690*
ING Life & Annuity Co (MCA 60410)	17,848,456*	
Prudential (GA-62204)	17,759,487*	9,449,061*
United of Omaha	17,041,490*	10,348,107*
Bank of New York Mellon	5,597,222	19,080,500*
Prudential (GA-62222)	2,521,232	
Natixis Financial Products		29,536,032*
ING Life & Annuity Co (IUS0410)		1,617,345
Total Standish Mellon Stable Value Fund	89,442,936	100,447,735
Carpenter Technology Corporation Stock Fund	59,929,603*	67,848,968*
Assets in Master Trust, reflecting investments at fair value	149,372,539	168,296,703
Adjustment from fair value to contract value for fully benefit-responsive investment contracts	(819,122)	(3,627,785)
Net assets in Master Trust	\$ 148,553,417	\$ 164,668,918

* represents 5% of investments

Plan interest in Master Trust, at fair value	\$ 5,868,757	\$ 5,528,752
Adjustment from fair value to contract value for fully benefit-responsive investment contracts	(51,770)	(197,871)
Plan interest in Master Trust	\$ 5,816,987	\$ 5,330,881

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Savings Plan of Carpenter Technology Corporation Effective January 1, 2012

Notes to Financial Statements

December 31, 2013 and 2012

5. Investment in the Carpenter Technology Master Trust Fund (continued)

The total investment income of the Master Trust for the year ended December 31, 2013 was as follows:

Net appreciation in fair value of investments:		
Carpenter Technology Corporation Stock Fund	\$	11,373,746
Interest and dividends:		
Standish Mellon Stable Value Fund		1,553,478
Carpenter Technology Corporation Stock Fund		802,052
Total investment income	\$	13,729,276

The change in the total assets of the Master Trust for 2013 was as follows:

Investment income:		
Net appreciation in fair value of investments	\$	11,373,746
Interest and dividends		2,355,530
Total investment income		13,729,276
Net transfers		(29,844,777)
Net decrease		(16,115,501)
Net assets available for benefits, beginning of year		164,668,918
Net assets available for benefits, end of year	\$	148,553,417

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December 31, 2013 and 2012

5. Investment in the Carpenter Technology Master Trust Fund (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:

2013	Level 1	Level 2	Total
Carpenter Technology Stock Fund	\$ 59,929,603	\$	\$ 59,929,603
Standish Mellon Stable Value Fund			
Short-term investment funds	5,597,222		5,597,222
Traditional GICs		2,521,232	2,521,232
Fixed maturity synthetic GICs:			
Corporate bonds		351,890	351,890
U.S. Government securities		14,690,493	14,690,493
Mortgage backed securities		945,924	945,924
Other securities		1,053,183	1,053,183
Constant duration synthetic GICs:			
Corporate bonds		33,844,614	33,844,614
U.S. Government securities		10,225,683	10,225,683
Mortgage backed securities		11,835,572	11,835,572
Asset backed securities		8,377,123	8,377,123
Total Standish Mellon Stable Value Fund	5,597,222	83,845,714	89,442,936
Total Carpenter Technology Master Trust	\$ 65,526,825	\$ 83,845,714	\$ 149,372,539

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December 31, 2013 and 2012

5. Investment in the Carpenter Technology Master Trust Fund (continued)

2012	Level 1	Level 2	Total
Carpenter Technology Stock Fund	\$ 67,848,968	\$	\$ 67,848,968
Standish Mellon Stable Value Fund			
Short-term investment funds	19,080,500		19,080,500
Traditional GICs		1,617,345	1,617,345
Fixed maturity synthetic GICs:			
Corporate bonds		475,549	475,549
U.S. Government securities		6,542,926	6,542,926
Mortgage backed securities		2,194,907	2,194,907
Other securities		1,134,725	1,134,725
Constant duration synthetic GICs:			
Corporate bonds		31,133,787	31,133,787
U.S. Government securities		11,367,401	11,367,401
Mortgage backed securities		14,908,744	14,908,744
Asset backed securities		11,991,851	11,991,851
Total Standish Mellon Stable Value Fund	19,080,500	81,367,235	100,447,735
Total Carpenter Technology Master Trust	\$ 86,929,468	\$ 81,367,235	\$ 168,296,703

6. Related Party and Party-in-Interest Transactions

Certain of the Plan's investments are managed by the Trustee, and therefore, these transactions qualify as party-in-interest transactions. Additionally, the Plan issues loans to participants, which are secured by the participants' account balances. These transactions qualify as party-in-interest. Fees paid by the Plan in 2013 to the Trustee for investment management services related to these funds totaled \$18,380.

The Carpenter Technology Stock Fund held in the Master Trust at December 31, 2013 is invested in shares of Carpenter Technology Corporation, the Plan Sponsor, therefore these transactions qualify as related party and party-in-interest transactions. Fees paid to the Trustee by the Plan in 2013 for investment management services related to this fund totaled \$269. In addition, total purchases and sales, at market value, for 2013 were \$168,103 and \$42,958 respectively. The Carpenter Technology Stock Fund included 3,469 and 969 of equivalent shares with a share price of \$62.20 and \$51.63 as of December 31, 2013 and 2012, respectively.

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Savings Plan of Carpenter Technology Corporation Effective January 1, 2012

Notes to Financial Statements

December 31, 2013 and 2012

6. Related Party and Party-in-Interest Transactions (continued)

Certain administrative functions of the Plan are performed by officers or employees of the Company. No such officer or employee receives compensation from the Plan.

7. Plan Termination

Although it has not expressed any intent to do so, the Company has the right to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of plan termination, participants will remain fully vested in their accounts.

8. Tax Status

The determination letter for the Plan is due to be filed no later than January 2016. Although the Plan has not received a determination letter, the plan administrator believes that the Plan is currently designed and being operated in compliance with the applicable requirements of the Internal Revenue Code and therefore believes that the Plan is qualified and the related trust is tax exempt.

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. The plan administrator 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 that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

9. Risks and Uncertainties

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, 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 Net Assets Available for Benefits.

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Savings Plan of Carpenter Technology Corporation Effective January 1, 2012

Notes to Financial Statements

December 31, 2013 and 2012

10. Reconciliation of Financial Statements to Form 5500

The following is a reconciliation of net assets available and total investment income per the financial statements to the Form 5500:

	December 31, 2013	December 31, 2012
Net assets available for benefits, at contract value, per the financial statements	\$ 46,299,779	\$ 34,191,527
Adjustment from contract value to fair value for fully benefit-responsive investment contracts	51,770	197,871
Net assets available for benefits, at fair value, per Form 5500	\$ 46,351,549	\$ 34,389,398

	Year Ended December 31, 2013
Investment income, per the financial statements	\$ 6,619,390
Interest from notes receivable from participants	46,217
Change in adjustment from contract value to fair value for fully benefit-responsive investment contracts	(146,101)
Investment income, per Form 5500	\$ 6,519,506

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Schedule of Assets (Held at End of Year)

EIN: 23-0458500

Form 5500 - Schedule H - Line 4(i)

PN: 027

December 31, 2013

Schedule of Assets Held, page 1

(a)	(b) Identity of Issue, Borrower, Lessor or Similar Party	(c) Description of Investment, including Maturity Date, Interest Rate, Collateral, Par or Maturity Value	(e) Current Value
	Registered Investment Companies:		
	American Funds	American Funds EuroPacific Growth Fund; Class R-6	\$ 2,197,357
	Loomis Sayles	Loomis Sayles Value Fund; Class N	1,533,016
	T. Rowe Price	PIMCO Total Return Fund; Institutional Class	1,321,028
	T. Rowe Price	T. Rowe Price Inst Large Cap Growth Fund; Inst Class	2,233,955
*	Vanguard	Vanguard Institutional Index Fund; Institutional Shares	2,934,313
*	Vanguard	Vanguard Mid-Cap Index Fund; Institutional Shares	785,149
*	Vanguard	Vanguard Prime Money Market Fund	608,756
*	Vanguard	Vanguard Small-Cap Index Fund; Institutional Shares	503,351
*	Vanguard	Vanguard Target Retirement 2010 Fund	1,126,020
*	Vanguard	Vanguard Target Retirement 2015 Fund	1,958,708
*	Vanguard	Vanguard Target Retirement 2020 Fund	4,730,905
*	Vanguard	Vanguard Target Retirement 2025 Fund	2,765,513
*	Vanguard	Vanguard Target Retirement 2030 Fund	4,517,906
*	Vanguard	Vanguard Target Retirement 2035 Fund	3,011,180
*	Vanguard	Vanguard Target Retirement 2040 Fund	2,337,600
*	Vanguard	Vanguard Target Retirement 2045 Fund	1,281,284
*	Vanguard	Vanguard Target Retirement 2050 Fund	325,968
*	Vanguard	Vanguard Target Retirement 2055 Fund	779,796
*	Vanguard	Vanguard Target Retirement 2060 Fund	31,063
*	Vanguard	Vanguard Target Retirement Income	760,681
*	Vanguard	Vanguard Total Bond Market Index Fund; Signal Shares	285,757
*	Vanguard	Vanguard Total International Stock Index Fund; Inst Shares	761,131
	Wasatch Computer Technology	Wasatch Core Growth Fund; Institutional Class Shares	2,484,775
	Total Registered Investment Companies		\$ 39,275,212
*	Participant Loans	Loans to Participants	
		Interest rate range 4.25% - 5.50%	\$ 1,207,580
	Total		\$ 40,482,792

Historical cost has not been presented for investment funds, as all investments are participant directed

* indicates Party-in-Interest

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SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, Carpenter Technology Corporation has duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

Savings Plan Carpenter
Technology Corporation Effective
January 1, 2012
(Name of Plan)

Date: June 27, 2014

By: /s/ Tony R. Thene
Tony R. Thene
Senior Vice President and
Chief Financial Officer

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EXHIBIT INDEX

Exhibit No.	Description
23.1	Consent of Independent Registered Public Accounting Firm

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