

AVX Corp  
Form 11-K  
March 27, 2015

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 year ended December 31, 2014

or

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

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number: 1-10431

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

AVX NONQUALIFIED

SUPPLEMENTAL RETIREMENT PLAN

IRS Employer Identification Number: 33-0379007

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

AVX CORPORATION

1 AVX Boulevard

Fountain Inn, SC 29644

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AVX NONQUALIFIED

SUPPLEMENTAL RETIREMENT PLAN

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23.1 Consent of Elliott Davis Decosimo, LLC dated March 27, 2015	



REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Participants and Administrator of the  
AVX Nonqualified Supplemental Retirement Plan:

We have audited the accompanying statements of financial condition of the AVX Nonqualified Supplemental Retirement Plan (the Plan) as of December 31, 2014 and 2013, and the related statements of income and changes in plan equity for the three years ended December 31, 2014, 2013 and 2012. Our audits also included the financial statement schedule, Schedule I. These financial statements and financial statement schedule are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements and financial statement schedule 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 financial position of the Plan as of December 31, 2014 and 2013, and the results of its operations and changes in plan equity for the three years ended December 31, 2014, 2013 and 2012, in conformity with accounting principles generally accepted in the United States of America. Also, in our opinion, the related financial statement schedule, Schedule I, when considered in relation to the basic financial statements taken as a whole, presents fairly, in all material respects, the information set forth therein.

/s/ Elliott Davis Decosimo, LLC

Greenville, South Carolina

March 27, 2015

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## AVX NONQUALIFIED SUPPLEMENTAL RETIREMENT PLAN

## STATEMENTS OF FINANCIAL CONDITION

December 31, 2014 and 2013

	2014		2013
Assets:			
Investments at fair value:			
Mutual funds	\$ 3,645,419		\$ 3,978,873
Guaranteed Deposit Account	3,432,117		2,673,481
Money Market Fund	42,375		43,820
AVX Corporation Common Stock	822,542		848,866
Kyocera Corporation American Depository Shares	400,650		409,594
Total investments	8,343,103		7,954,634
Receivables:			
Employer contribution	176,965		104,143
Employee contribution	7,475		7,304
Total contribution receivable	184,440		111,447
Adjustment from fair value to contract value for Guaranteed Deposit Account	84,378		(31,930)
Plan equity	\$ 8,611,921		\$ 8,034,151

The accompanying notes are an integral part of these financial statements.

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## AVX NONQUALIFIED SUPPLEMENTAL RETIREMENT PLAN

## STATEMENTS OF INCOME AND CHANGES IN PLAN EQUITY

For the years ended December 31, 2014, 2013 and 2012

	2014	2013	2012
Net investment income:			
Dividends	\$ 77,666	\$ 76,142	\$ 140,667
Interest	66,892	53,256	43,095
Realized gain on investments	205,597	265,565	288,096
Unrealized gain (loss) on investments	(6,566)	348,822	65,797
Total investment income	343,589	743,785	537,655
Contributions:			
Employer	241,634	174,527	253,217
Employee	309,711	230,375	200,717
Total contributions	551,345	404,902	453,934
Total additions	894,934	1,148,687	991,589
Deductions:			
Benefit payments	(317,164)	(69,359)	(2,862,185)
Administration fees	-	(5,971)	
Total deductions	(317,164)	(75,330)	(2,862,185)
Net increase (decrease)	577,770	1,073,357	(1,870,596)
Plan equity at beginning of year	8,034,151	6,960,794	8,831,390
Plan equity at end of year	\$ 8,611,921	\$ 8,034,151	\$ 6,960,794

The accompanying notes are an integral part of these financial statements.

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AVX NONQUALIFIED SUPPLEMENTAL RETIREMENT PLAN

NOTES TO FINANCIAL STATEMENTS

1. Description of Plan

The following brief description of the AVX Nonqualified Supplemental Retirement Plan (the "Plan") is provided for general information purposes only. Participants should refer to the Plan document for more complete information.

General

The Plan was established August 1, 1994 to provide certain officers and highly compensated managers of AVX Corporation, ("AVX") or (the "Company") with supplemental retirement benefits. Effective January 1, 2005, the AVX Corporation Supplemental Executive Retirement Plan (the "SERP Plan"), that was established January 1, 1998, was merged into the Plan. All balances from the SERP Plan were transferred into the Plan. Any employee eligible to participate in the AVX Corporation Retirement Plan is eligible to participate in the SERP portion of the plan and any employee eligible to participate in the AVX Corporation Retirement plan whose annual compensation is in excess of \$260,000, \$255,000, and \$250,000 for the plan years 2014, 2013 and 2012, respectively (as such limit is defined by the Internal Revenue Code) is eligible to participate in the Supplemental Retirement portion of the Plan. An employee who, in prior years, becomes an eligible participant in the Plan shall continue to be eligible to fully participate in the Plan regardless of whether such employee's annual compensation falls below the annual compensation limit for the year. In December of 2007, the Plan was amended to comply with the final regulations under Internal Revenue Code Section 409A. These amendments were effective January 1, 2008. The Company is the Plan's sponsor and Plan administrator. New York Life Trust Company (the "Trustee") is the Plan's trustee and record keeper.

In 2009, the Plan was amended and restated effective January 1, 2010. Among other changes to the Plan, the amendment eliminated the Supplemental Retirement portion of the Plan with the related eligibility criteria. In addition, the amended Plan provides that all employer contributions will be paid annually, and plan eligibility is based upon the Company's Board of Directors' discretion.

Deferred Compensation Contribution

The SERP Plan allows each participant to irrevocably elect to defer receipt of all or a portion of eligible compensation for that year prior to January 1 of each year.

Company Matching Contribution

The Company will match contributions equal to 100% of the first 3% of the amount that is deferred under the AVX Corporation Retirement Plan. After the maximum contribution limit has been reached under the AVX Corporation Retirement Plan, the Company will match contributions equal to 100% of the first 3% of the amount deferred that is

related to eligible compensation (currently between \$260,000 and \$600,000) in the Plan. This match to the Plan shall be invested in the AVX Stock Fund. Upon attaining the age of fifty-five, a participant may elect to change the investment of any matching contributions made on his behalf. Total Company match for any participant in the Plan can not exceed 3% of eligible compensation for the Plan year.

#### Non-discretionary Contribution

The Company makes an annual contribution equal to 5% of eligible compensation.

#### Discretionary Contribution

The Company may make an annual contribution between 0% - 5% of eligible compensation. The contribution amount is subject to approval by the Company's Board of Directors. In 2014 and 2013, the Company's Board of Directors approved a 5% discretionary match. In late June or early July 2015, the Company's Board of Directors will determine the discretionary contribution, if any, for the plan year ended December 31, 2014.

Effective January 1, 2015, the Plan was amended to increase the Company's contribution for participants whose ability to receive matching contributions under a related plan is limited because of their compensation. Also effective January 1, 2015, the Plan was amended to allow participants to direct the Company's matching contributions into investments of his or her choice, instead of into the AVX Stock Fund.

### Participant Accounts

Each participant's account is credited with the participant's contribution and allocations of the Company's contribution and Plan earnings and charged with an allocation of administrative expenses. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

### Vesting

Each participant shall be fully vested and have a non-forfeitable interest in his account including all company contributions.

### Payment of Benefits

Benefits under the Plan shall be payable to a participant or beneficiary upon the earlier of such participant's separation from service, disability, or death in a lump-sum payment or in installments over a period not to exceed 10 years.

## 2. Significant Accounting Policies

### Basis of Accounting

The financial statements of the Plan are presented on the accrual basis of accounting.

Investment contracts held by a Plan are required to be reported at fair value. However, contract value is the relevant measurement attribute for that portion of the plan equity of a Plan 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. The Statements of Financial Condition present the fair value of the investment contracts as well as the adjustment of the fully benefit-responsive investment contracts from fair value to contract value. The Statements of Changes in Plan Equity are prepared using the contract value basis for fully benefit-responsive investment contracts.

### Contributions

Employer contributions under the non-discretionary contribution feature include amounts equal to the aggregate amount that would have been contributed based on a participant's eligible compensation under the non-discretionary contribution feature of the AVX Corporation Retirement Plan. The employer contributions associated with the discretionary contribution feature of the Plan are not readily determinable until after the Company's fiscal year ended March 31 and are included in the Plan in the year paid. Contributions from employees are recorded in the period withheld.

### Payment of Benefits

Benefits are recorded when paid.

### Investment Transactions and Investment Income

For purposes of determining realized gains and losses, the Plan uses the average cost method to determine the cost basis of disposed assets. Unrealized gains (losses) on investments in the Statements of Income and Changes in Plan Equity represent the cumulative change in unrealized gains (losses) for the respective years. Purchases and sales are recorded on the trade date. Interest income is accrued when earned. Dividend income is recorded on the ex-dividend date.

### Administrative Expenses

The Plan invests in various mutual funds with revenue-sharing agreements that partially offset fees. Plan fees that are not offset with revenue from these agreements are paid by the Company or from plan assets. In addition, the Company pays Plan fees related to stock administration of the AVX Stock Fund and the Kyocera Stock Fund. These stock administration fees are based on the market value of these funds.

### Use of Estimates

The preparation of the Plan's financial statements in conformity with generally accepted accounting principles requires the plan administrator to make significant estimates and assumptions that affect the reported amounts of plan equity at the date of the financial statements and the changes in plan equity during the reporting period and, when applicable, disclosures of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates.

### Investment Valuation

The Plan investments are stated at fair value. See Note 4.

### Subsequent Events

Subsequent events are events or transactions that occur after the balance sheet date but before the financial statements are issued. Recognized subsequent events are events or transactions that provide additional evidence about conditions that existed at the date of the statement of financial condition, including the estimates inherent in the process of preparing financial statements. Nonrecognized subsequent events are events that provide evidence about conditions that did not exist at the date of the statement of financial condition but arose after that date. Management has reviewed events occurring through the date the financial statements were available to be issued and no subsequent events occurred requiring accrual or disclosure.

### Reclassification

Certain amounts in the prior year financial statements have been reclassified to conform to the current year presentation. Net increase in plan equity and overall plan equity previously reported were not affected by these reclassifications.

### New Accounting Standards

Accounting standards that have been issued or proposed by the FASB or other standards-setting bodies are not expected to have a material impact on the Company's financial position, results of operations or cash flows.

## 3. Investment Programs

The Plan's investment alternatives include the following:

**New York Life Guaranteed Deposit Account:** The New York Life Guaranteed Deposit account, a Group Annuity Contract, seeks to provide a low risk stable value investment, offering competitive yields and limited volatility, with a guarantee of principal and accumulated interest and liquidity to meet participant-initiated benefit needs. This fund became an investment option during 2012 and had seven participants at December 31, 2014 and six participants at December 31, 2013.

**Kyocera Stock:** This account invests in shares of the Kyocera Corporation. The objective is to give participants the opportunity to share in the success and growth of Kyocera and AVX by allowing participants to become part owners. The account's value will fluctuate, based on the success of Kyocera, AVX and the stock market in general. This account had two participants at December 31, 2014 and December 31, 2013, respectively.

**AVX Stock:** This account invests in shares of AVX stock. This account also gives participants the opportunity to share in the success and growth of AVX. The account's value will fluctuate, based on the success of AVX and the stock market in general. This account had nine participants at December 31, 2014 and December 31, 2013.

**Janus Balanced Fund:** The Janus Balanced Fund, a mutual fund, pursues investment objectives by investing 35-65% of its assets in equity securities and the remaining assets in fixed-income securities and cash equivalents. This fund had seven participants at December 31, 2014 and six participants at December 31, 2013.

**MainStay S&P 500 Index Fund:** The MainStay S&P 500 Index Fund, a mutual fund, seeks to provide investment results that correspond to the total return performance (reflecting reinvestment of dividends) of common stocks in the aggregate, as represented by the S&P 500 Index. This fund had two participants at December 31, 2014 and December 31, 2013.

**PIMCO Total Return Fund:** The PIMCO Total Return Fund, a mutual fund, emphasizes higher-quality, intermediate-term bonds and aims to avoid concentrated risk exposure by being more globally diversified than many traditional core bond funds. It also has considerable flexibility to respond to changing economic conditions in order to help manage overall risk and increase total return potential. This fund had six participants at December 31, 2013. The fund assets were transferred to the Black Rock Total Return Institutional Fund in 2014.



**BlackRock Total Return Institutional Fund:** The BlackRock Total Return Fund, a truly diversified core bond portfolio, brings institutional bond expertise to individual investors with a history of strong risk-adjusted returns. The investment approach includes investing primarily in investment grade fixed income securities of any maturity as it seeks a total return that exceeds that of half of the Barclays U.S. Aggregate Bond Index. This fund had six participants at December 31, 2014.

**PIMCO Real Return Fund:** The PIMCO Real Return Fund, a mutual fund, is an actively managed portfolio that provides exposure to the universe of U.S. Treasury Inflation Protection Securities. The fund is designed to help investors protect and enhance the purchasing power of their investment. Potential benefits include real return above inflation, low volatility, and diversification relative to other financial assets. This fund had four participants at December 31, 2013. The fund assets were transferred to the Black Rock Inflation Protected Fund in 2014.

**BlackRock Inflation Protected Bond:** The BlackRock Inflation Protected Bond Fund, a high-quality inflation protection is a distinct portfolio diversifier and purses protection and income. The Fund invests at least 80% of its assets in inflation-indexed bonds of varying maturities issued by the U.S. and non-U.S. governments, their agencies or instrumentalities, and U.S. and non-U.S. corporations. This fund had four participants at December 31, 2014.

**American Funds - EuroPacific Growth Fund:** The American Funds - EuroPacific Growth Fund, a mutual fund, seeks long-term growth of capital. The fund normally invests at least 80% of assets in securities of issuers located in Europe and the Pacific Basin. The fund may also hold cash, money market instruments, and fixed-income securities. This fund had six participants at December 31, 2014 and five participants at December 31, 2013.

**Wells Fargo Advantage Special Mid Cap Value Fund:** The Wells Fargo Advantage Special Mid Cap Value Fund, a mutual fund, seeks long term capital appreciation. The fund principally invests in equity securities of medium-capitalization companies, which are defined as securities of companies with market capitalizations within the range of the Russell Midcap Index that are believed to represent attractive opportunities. This fund had five participants at December 31, 2014 and seven participants at December 31, 2013.

**Columbia Select Large Cap Value Fund:** The Columbia Select Large Cap Fund, a mutual fund, has a bottom-up, fundamental investment process that seeks to invest in a concentrated portfolio of large-cap companies. The fund seeks to identify companies having the potential to accelerate their earnings growth rate through a change in management, a major restructuring, or the company's point in the economic cycle. It takes a buy and hold approach toward investing, resulting in low annual turnover. This fund had seven participants at December 31, 2014 and six participants at December 31, 2013.

**MainStay Large Cap Growth Fund:** The MainStay Large Cap Growth Fund, a mutual fund, seeks long-term growth of capital. The fund invests in companies that have the potential for above-average future earnings growth. It normally

invests at least 80% of assets in large-capitalization companies which have a market capitalization in excess of \$4.0 billion and generally are improving their financial returns. The fund is permitted to invest up to 20% of net assets in foreign securities. This fund had six participants at December 31, 2014 and had five participants at December 31, 2013, respectively.

**RidgeWorth Small Cap Value Equity Fund:** The RidgeWorth Small Cap Value Equity Fund, a mutual fund, seeks to provide long-term capital appreciation and income by investing primarily in U.S. companies with market capitalizations less than \$3 billion, and which managers believe are undervalued in the market place at the time of purchase. This fund had three participants at December 31, 2014 and seven participant at December 31, 2013.

**Oppenheimer Developing Markets Fund:** The Oppenheimer Development Markets Fund, a mutual fund, seeks to invest in emerging-market businesses that appear likely to grow at a faster pace than world GDP and may benefit from distinctive structural global growth themes known as “Big Ideas.” The fund provides investors access to companies in rapidly growing countries that are believed to have sustainable, above-average earnings growth. This fund had two participants at December 31, 2014 and four participants at December 31, 2013.

The Plan's realized and unrealized gains (losses) for the years ended December 31 are as follows:

	2014	2013	2012
Realized gains (losses)			
Common stock	3,499	-	(50,266)
Mutual funds	202,098	265,565	338,362
	205,597	265,565	288,096
Unrealized gains (losses)			
Common stock	(33,812)	223,685	(90,029)
Mutual funds	27,246	125,137	155,826
	(6,566)	348,822	65,797
Realized and unrealized gains	\$ 199,031	\$ 614,387	\$ 353,893

The fair values of the following investments represent 5% or more of the Plan's total net assets and equity available for benefits as of December 31, 2014 and 2013, respectively.

	December 31,	
	2014	2013
AVX Stock Fund	\$ 822,542	\$ 848,866
Kyocera Stock Fund	400,650 *	409,594
PIMCO Total Return Fund	-	970,772
Blackrock Total Return Institutional Fund	465,662	-
Columbia Select Large Cap Value Fund	752,556	525,236
New York Life Guaranteed Deposit Account	3,432,117	2,673,481
Janus Balanced Fund	532,451	292,712 *
PIMCO Real Return Fund	-	597,629