Form 5500

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Annual Return/Report of Employee Benefit Plan

This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), and 6058(a) of the Internal Revenue Code (the Code).

▶ **Complete all entries in accordance with the instructions to the Form 5500.**

OMB Nos. 1210-0110
1210-0089

2009

This Form is Open to Public Inspection

Part I Annual Report Identification Information

For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009

A This return/report is for:
- [ ] a multiemployer plan;
- [ ] a multiple-employer plan; or
- [X] a single-employer plan;
- [ ] a DFE (specify) ____

B This return/report is:
- [ ] the first return/report;
- [ ] the final return/report;
- [X] an amended return/report;
- [ ] a short plan year return/report (less than 12 months).

C If the plan is a collectively-bargained plan, check here. . . . . ▶ [X]

D Check box if filing under:
- [X] Form 5558;
- [ ] automatic extension;
- [ ] the DFVC program;
- [ ] special extension (enter description)

Part II Basic Plan Information—enter all requested information

1a Name of plan
RETIREMENT PLAN FOR HOURLY EMPLOYEES OF THE GREENVILLE DIVISION OF E-SYSTEMS, INC

1b Three-digit plan number (PN) ▶ 036

1c Effective date of plan 01/01/1972

2a Plan sponsor's name and address (employer, if for a single-employer plan)
(Address should include room or suite no.)
RAYTHEON COMPANY

870 WINTER STREET
WALTHAM, MA 02451-1449

2b Employer Identification Number (EIN)
95-1778500

2c Sponsor's telephone number
781-522-3000

2d Business code (see instructions)
335900

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature.	07/26/2011	DEBORAH A. TULLY
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	07/26/2011	DEBORAH A. TULLY
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

3a Plan administrator's name and address (if same as plan sponsor, enter "Same")
DEBORAH A. TULLY RAYTHEON COMPANY

870 WINTER STREET
WALTHAM, MA 02451-1449

3b Administrator's EIN
95-1778500

3c Administrator's telephone number
781-522-5080

4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report:

a Sponsor's name

4b EIN

4c PN

5	Total number of participants at the beginning of the plan year	**5**	2451
6	Number of participants as of the end of the plan year (welfare plans complete only lines **6a, 6b, 6c,** and **6d**).		
a	Active participants	**6a**	0
b	Retired or separated participants receiving benefits	**6b**	908
c	Other retired or separated participants entitled to future benefits	**6c**	1165
d	Subtotal. Add lines **6a**, **6b**, and **6c**	**6d**	2073
e	Deceased participants whose beneficiaries are receiving or are entitled to receive benefits	**6e**	333
f	Total. Add lines **6d** and **6e**	**6f**	2406
g	Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	
h	Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	**6h**	0
7	Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	**7**	

8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:
1B 1G

b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristic Codes in the instructions:

9a Plan funding arrangement (check all that apply)

(1)		Insurance
(2)		Code section 412(e)(3) insurance contracts
(3)	X	Trust
(4)		General assets of the sponsor

9b Plan benefit arrangement (check all that apply)

(1)		Insurance
(2)		Code section 412(e)(3) insurance contracts
(3)	X	Trust
(4)		General assets of the sponsor

10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules

(1)	X	**R** (Retirement Plan Information)
(2)		**MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
(3)	X	**SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary

b General Schedules

(1)	X	**H** (Financial Information)
(2)		**I** (Financial Information – Small Plan)
(3)		**A** (Insurance Information)
(4)	X	**C** (Service Provider Information)
(5)	X	**D** (DFE/Participating Plan Information)
(6)		**G** (Financial Transaction Schedules)

SCHEDULE SB (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Single-Employer Defined Benefit Plan Actuarial Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500 or 5500-SF.**

OMB No. 1210-0110

2009

This Form is Open to Public Inspection

For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009

▶ **Round off amounts to nearest dollar.**

▶ **Caution:** A penalty of $1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan
RETIREMENT PLAN FOR HOURLY EMPLOYEES OF THE GREENVILLE DIVISION OF E-SYSTEMS, INC

B Three-digit plan number (PN) ▶ 036

C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF
RAYTHEON COMPANY

D Employer Identification Number (EIN)
95-1778500

E Type of plan: [X] Single [ ] Multiple-A [ ] Multiple-B

F Prior year plan size: [ ] 100 or fewer [ ] 101-500 [X] More than 500

Part I Basic Information

1 Enter the valuation date: Month 01 Day 01 Year 2009

2	Assets:			
a	Market value		**2a**	50491250
b	Actuarial value		**2b**	55540375
3	Funding target/participant count breakdown		**(1)** Number of participants	**(2)** Funding Target
a	For retired participants and beneficiaries receiving payment	**3a**	1284	34669458
b	For terminated vested participants	**3b**	1204	14879654
c	For active participants:			
	(1) Non-vested benefits	**3c(1)**		0
	(2) Vested benefits	**3c(2)**		0
	(3) Total active	**3c(3)**	0	0
d	Total	**3d**	2488	49549112
4	If the plan is at-risk, check the box and complete items (a) and (b)	[ ]		
a	Funding target disregarding prescribed at-risk assumptions		**4a**	
b	Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been at-risk for fewer than five consecutive years and disregarding loading factor		**4b**	
5	Effective interest rate		**5**	8.16 %
6	Target normal cost		**6**	151475

Statement by Enrolled Actuary

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE

Signature of actuary

Date
11-06048

JONATHAN R. BARRY, F.S.A.

Type or print name of actuary

Most recent enrollment number
617-747-9500

MERCER

Firm name

Telephone number (including area code)

99 HIGH STREET
BOSTON, MA 02110-2320

Address of the firm

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions [ ]

Part II Beginning of year carryover and prefunding balances

		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (Item 13 from prior year)		
8	Portion used to offset prior year's funding requirement (Item 35 from prior year)		
9	Amount remaining (Item 7 minus item 8)	0	0
10	Interest on item 9 using prior year's actual return of _____%		
11	Prior year's excess contributions to be added to prefunding balance:		
	a Excess contributions (Item 38 from prior year)		
	b Interest on (a) using prior year's effective rate of _____%		0
	c Total available at beginning of current plan year to add to prefunding balance		0
	d Portion of (c) to be added to prefunding balance		
12	Reduction in balances due to elections or deemed elections		
13	Balance at beginning of current year (item 9 + item 10 + item 11d – item 12)	0	0

Part III Funding percentages

14	Funding target attainment percentage	14	112.09 %
15	Adjusted funding target attainment percentage	15	%
16	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	%
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

Part IV Contributions and liquidity shortfalls

18 Contributions made to the plan for the plan year by employer(s) and employees:

(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
			Totals ► 18(b)	0	18(c) 0

19	Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:		
	a Contributions allocated toward unpaid minimum required contribution from prior years.	19a	
	b Contributions made to avoid restrictions adjusted to valuation date	19b	
	c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	

20 Quarterly contributions and liquidity shortfalls:

a Did the plan have a "funding shortfall" for the prior year? ☐ Yes ☐ No

b If 20a is "Yes," were required quarterly installments for the current year made in a timely manner? ☐ Yes ☐ No

c If 20a is "Yes," see instructions and complete the following table as applicable:

Liquidity shortfall as of end of Quarter of this plan year

(1) 1st	(2) 2nd	(3) 3rd	(4) 4th

Part V Assumptions used to determine funding target and target normal cost

21 Discount rate:

a Segment rates:

1st segment: %	2nd segment: %	3rd segment: %	☐ N/A, full yield curve used

b Applicable month (enter code) **21b**

22 Weighted average retirement age **22**

23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☐ Prescribed - separate ☐ Substitute

Part VI Miscellaneous items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment. ..... ☐ Yes ☐ No

25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment. ..... ☐ Yes ☐ No

26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment ..... ☐ Yes ☐ No

27 If the plan is eligible for (and is using) alternative funding rules, enter applicable code and see instructions regarding attachment	**27**	3

Part VII Reconciliation of unpaid minimum required contributions for prior years

28 Unpaid minimum required contribution for all prior years	**28**	
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (item 19a)	**29**	
30 Remaining amount of unpaid minimum required contributions (item 28 minus item 29)	**30**	0

Part VIII Minimum required contribution for current year

31 Target normal cost, adjusted, if applicable (see instructions)	**31**	

32 Amortization installments:	Outstanding Balance	Installment
a Net shortfall amortization installment		
b Waiver amortization installment		

33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	**33**	
34 Total funding requirement before reflecting carryover/prefunding balances (item 31 + item 32a + item 32b – item 33)	**34**	0

	Carryover balance	Prefunding balance	Total balance
35 Balances used to offset funding requirement			0

36 Additional cash requirement (item 34 minus item 35)	**36**	0
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (Item 19c)	**37**	
38 Interest-adjusted excess contributions for current year (see instructions)	**38**	0
39 Unpaid minimum required contribution for current year (excess, if any, of item 36 over item 37)	**39**	0
40 Unpaid minimum required contribution for all years	**40**	0

SCHEDULE C (Form 5500)	Service Provider Information	OMB No. 1210-0110
Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ **File as an attachment to Form 5500.**	**2009** **This Form is Open to Public Inspection.**

For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009

A Name of plan
RETIREMENT PLAN FOR HOURLY EMPLOYEES OF THE GREENVILLE DIVISION OF E-SYSTEMS, INC

B Three-digit plan number (PN) ▶ 036

C Plan sponsor's name as shown on line 2a of Form 5500
RAYTHEON COMPANY

D Employer Identification Number (EIN)
95-1778500

Part I Service Provider Information (see instructions)

You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, $5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1 Information on Persons Receiving Only Eligible Indirect Compensation

a Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions).. . . . . ☐ Yes ☒ No

b If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

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2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, $5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

EXCELLERATE HRO, LLP

20-2185976

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
13	NONE	135417	Yes [ ] No [X]	Yes [ ] No [ ]		Yes [ ] No [ ]

(a) Enter name and EIN or address (see instructions)

PRICEWATERHOUSECOOPERS LLP

13-4008324

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
10	NONE	60000	Yes [ ] No [X]	Yes [ ] No [ ]		Yes [ ] No [ ]

(a) Enter name and EIN or address (see instructions)

MERCER

13-2834414

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
11	NONE	43022	Yes [ ] No [X]	Yes [ ] No [ ]		Yes [ ] No [ ]

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	**(c)** Relationship to employer, employee organization, or person known to be a party-in-interest	**(d)** Enter direct compensation paid by the plan. If none, enter -0-.	**(e)** Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	**(f)** Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	**(g)** Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	**(h)** Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	**(c)** Relationship to employer, employee organization, or person known to be a party-in-interest	**(d)** Enter direct compensation paid by the plan. If none, enter -0-.	**(e)** Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	**(f)** Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	**(g)** Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	**(h)** Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	**(c)** Relationship to employer, employee organization, or person known to be a party-in-interest	**(d)** Enter direct compensation paid by the plan. If none, enter -0-.	**(e)** Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	**(f)** Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	**(g)** Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	**(h)** Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

Part I Service Provider Information (continued)

3 If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received $1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

Part II Service Providers Who Fail or Refuse to Provide Information

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)

(complete as many entries as needed)

a Name:	**b** EIN:
c Position:	
d Address:	**e** Telephone:

Explanation:

a Name:	**b** EIN:
c Position:	
d Address:	**e** Telephone:

Explanation:

a Name:	**b** EIN:
c Position:	
d Address:	**e** Telephone:

Explanation:

a Name:	**b** EIN;
c Position:	
d Address:	**e** Telephone:

Explanation:

a Name:	**b** EIN;
c Position:	
d Address:	**e** Telephone:

Explanation:

SCHEDULE D (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

DFE/Participating Plan Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

2009

This Form is Open to Public Inspection.

For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009

A Name of plan
RETIREMENT PLAN FOR HOURLY EMPLOYEES OF THE GREENVILLE DIVISION OF E-SYSTEMS, INC

B Three-digit plan number (PN) ▶ 036

C Plan or DFE sponsor's name as shown on line 2a of Form 5500
RAYTHEON COMPANY

D Employer Identification Number (EIN)
95-1778500

Part I Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs)

(Complete as many entries as needed to report all interests in DFEs)

a Name of MTIA, CCT, PSA, or 103-12 IE: RAYTHEON COMPANY MASTER TRUST

b Name of sponsor of entity listed in (a): THE BANK OF NEW YORK MELLON

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
04-3172773-001	M	55015309

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

Part II Information on Participating Plans (to be completed by DFEs)

(Complete as many entries as needed to report all participating plans)

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

SCHEDULE H (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Financial Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

2009

This Form is Open to Public Inspection

For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009

A Name of plan
RETIREMENT PLAN FOR HOURLY EMPLOYEES OF THE GREENVILLE DIVISION OF E-SYSTEMS, INC

B Three-digit plan number (PN) ▶ 036

C Plan sponsor's name as shown on line 2a of Form 5500
RAYTHEON COMPANY

D Employer Identification Number (EIN)
95-1778500

Part I Asset and Liability Statement

1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	36854	
(2) Participant contributions	1b(2)		
(3) Other	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)		
(2) U.S. Government securities	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)		
(9) Value of interest in common/collective trusts	1c(9)		
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)	50454925	55015309
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)		
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		
(15) Other	1c(15)		

			(a) Beginning of Year	(b) End of Year
1d	Employer-related investments:			
	(1) Employer securities	1d(1)		
	(2) Employer real property	1d(2)		
e	Buildings and other property used in plan operation	1e		
f	Total assets (add all amounts in lines 1a through 1e)	1f	50491779	55015309
	Liabilities			
g	Benefit claims payable	1g		
h	Operating payables	1h	45369	26346
i	Acquisition indebtedness	1i		
j	Other liabilities	1j		87392
k	Total liabilities (add all amounts in lines 1g through1j)	1k	45369	113738
	Net Assets			
l	Net assets (subtract line 1k from line 1f)	1l	50446410	54901571

Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

	Income		(a) Amount	(b) Total
a	**Contributions:**			
	(1) Received or receivable in cash from: **(A)** Employers	2a(1)(A)	184270	
	(B) Participants	2a(1)(B)		
	(C) Others (including rollovers)	2a(1)(C)		
	(2) Noncash contributions	2a(2)		
	(3) Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)**	2a(3)		184270
b	**Earnings on investments:**			
	(1) Interest:			
	(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
	(B) U.S. Government securities	2b(1)(B)		
	(C) Corporate debt instruments	2b(1)(C)		
	(D) Loans (other than to participants)	2b(1)(D)		
	(E) Participant loans	2b(1)(E)		
	(F) Other	2b(1)(F)		
	(G) Total interest. Add lines **2b(1)(A)** through **(F)**	2b(1)(G)		0
	(2) Dividends: **(A)** Preferred stock	2b(2)(A)		
	(B) Common stock	2b(2)(B)		
	(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)		
	(D) Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)**	2b(2)(D)		0
	(3) Rents	2b(3)		
	(4) Net gain (loss) on sale of assets: **(A)** Aggregate proceeds	2b(4)(A)		
	(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
	(C) Subtract line **2b(4)(B)** from line **2b(4)(A)** and enter result	2b(4)(C)		0

		(a) Amount	(b) Total
2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		0
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		8853922
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		
c Other income	2c		
d Total income. Add all **income** amounts in column (b) and enter total	2d		9038192
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	4235865	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		4235865
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense	2h		
i Administrative expenses: (1) Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)	347166	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		347166
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		4583031
Net Income and Reconciliation			
k Net income (loss). Subtract line 2j from line 2d	2k		4455161
l Transfers of assets:			
(1) To this plan	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) [X] Unqualified (2) [ ] Qualified (3) [ ] Disclaimer (4) [ ] Adverse

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)? [ ] Yes [X] No

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: PRICEWATERHOUSECOOPERS LLP (2) EIN: 13-4008324

d The opinion of an independent qualified public accountant is **not attached** because:

(1) [ ] This form is filed for a CCT, PSA, or MTIA. (2) [ ] It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

4 CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete 4j and 4l. MTIAs also do not complete 4l.

During the plan year:

		Yes	No	Amount
a	Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.)	4a		X	
b	Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)	4b		X	
c	Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)	4c		X	
d	Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)	4d		X	
e	Was this plan covered by a fidelity bond?	4e	X		20000000
f	Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	4f		X	
g	Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?	4g		X	
h	Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?	4h		X	
i	Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	4i		X	
j	Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)	4j		X	
k	Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?	4k		X	
l	Has the plan failed to provide any benefit when due under the plan?	4l		X	
m	If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	4m		X	
n	If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.	4n			

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year? If yes, enter the amount of any plan assets that reverted to the employer this year ☐ **Yes** ☒ **No** **Amount:**

5b If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)	**5b(2)** EIN(s)	**5b(3)** PN(s)

SCHEDULE R (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Retirement Plan Information

This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

2009

This Form is Open to Public Inspection.

For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009

A Name of plan
RETIREMENT PLAN FOR HOURLY EMPLOYEES OF THE GREENVILLE DIVISION OF E-SYSTEMS, INC

B Three-digit plan number (PN) ▶ 036

C Plan sponsor's name as shown on line 2a of Form 5500
RAYTHEON COMPANY

D Employer Identification Number (EIN)
95-1778500

Part I Distributions

All references to distributions relate only to payments of benefits during the plan year.

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions **1** 0

2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits):

EIN(s): 13-5160382

Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.

3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year **3** 1

Part II Funding Information (If the plan is not subject to the minimum funding requirements of section of 412 of the Internal Revenue Code or ERISA section 302, skip this Part)

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? ..... ☐ **Yes** ☒ **No** ☐ **N/A**

If the plan is a defined benefit plan, go to line 8.

5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. **Date:** Month _____ Day _____ Year _____

If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.

6 **a** Enter the minimum required contribution for this plan year **6a**

b Enter the amount contributed by the employer to the plan for this plan year **6b**

c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount) **6c**

If you completed line 6c, skip lines 8 and 9.

7 Will the minimum funding amount reported on line 6c be met by the funding deadline? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change? ..... ☐ **Yes** ☐ **No** ☒ **N/A**

Part III Amendments

9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box(es). If no, check the "No" box. ..... ☒ **Increase** ☐ **Decrease** ☐ **Both** ☐ **No**

Part IV ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.

10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan? ..... ☐ **Yes** ☐ **No**

11 **a** Does the ESOP hold any preferred stock? ..... ☐ **Yes** ☐ **No**

b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.) ..... ☐ **Yes** ☐ **No**

12 Does the ESOP hold any stock that is not readily tradable on an established securities market? ..... ☐ **Yes** ☐ **No**

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

14 Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

a The current year	**14a**	
b The plan year immediately preceding the current plan year	**14b**	
c The second preceding plan year	**14c**	

15 Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year	**15a**	
b The corresponding number for the second preceding plan year	**15b**	

16 Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year	**16a**	
b If item 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	**16b**	

17 If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

18 If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment ☐

19 If the total number of participants is 1,000 or more, complete items (a) through (c)

a Enter the percentage of plan assets held as:
Stock: 37% Investment-Grade Debt: 34% High-Yield Debt: 5% Real Estate: 3% Other: 21%

b Provide the average duration of the combined investment-grade and high-yield debt:
☐ 0-3 years ☐ 3-6 years ☒ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

c What duration measure was used to calculate item 19(b)?
☐ Effective duration ☒ Macaulay duration ☐ Modified duration ☐ Other (specify):

PRICEWATERHOUSECOOPERS

PricewaterhouseCoopers LLP
125 High Street
Boston, MA 02110-1707
Telephone (617) 530 5000
Facsimile (617) 530 5001

Report of Independent Auditors

To the Participants and Administrator of
Retirement Plan for Hourly Employees of the Greenville Division of E-Systems Inc.

In our opinion, the accompanying statements of net assets available for benefits as of December 31, 2009 and December 31, 2008 and the related statements of changes in net assets available for benefits for the years then ended, present fairly, in all material respects, information regarding the net assets available for benefits of Retirement Plan for Hourly Employees of the Greenville Division of E-Systems Inc. (the "Plan") at December 31, 2009 and changes therein for the year then ended and its financial status as of December 31, 2008, and changes therein for the year then ended in conformity with accounting principles generally accepted in the United States of America. 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 of these statements in accordance with auditing standards generally accepted in the United States of America. 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, 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.

PricewaterhouseCoopers LLP

Boston, Massachusetts
September 14, 2010

Attachments to Schedule SB (Form 5500)
ACTUARIAL INFORMATION

Plan: Retirement Plan for Hourly Employees of Greenville Division of E-Systems, Inc.
EIN/PN: 95-1778500/036

For plans entitled to delayed effective dates for PPA funding rules, in addition to completing certain sections on the Schedule SB, the 2007 Schedule B (Form 5500) must also be completed for the current plan year.

The following exhibit is attached:

- 2009 Schedule SB, Line 27 – Actuarial Information Based on Pre-PPA Funding Rules

SCHEDULE B (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Actuarial Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974, referred to as ERISA, except when attached to Form 5500-EZ and, in all cases, under section 6059(a) of the Internal Revenue Code, referred to as the Code.

▶ **Attach to Form 5500 or 5500-EZ if applicable.**

▶ **See separate instructions.**

Official Use Only

OMB No. 1210-0110

2007

This Form Is Open to Public Inspection (except when attached to Form 5500-EZ).

For calendar plan year 2007 or fiscal plan year beginning 01/01/2009 , and ending 12/31/2009 ,

▶ **Round off amounts to nearest dollar.**

▶ **Caution:** A penalty of $1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan
RET.PLAN FOR HOURLY EES OF GREEN. DIV. OF E-SYST

B Three-digit plan number ▶ 036

C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-EZ
RAYTHEON COMPANY

D Employer Identification Number
95-1778500

E Type of plan: (1) [ ] Multiemployer (2) [X] Single-employer (3) [ ] Multiple-employer

F [ ] 100 or fewer participants in prior plan year

Part I Basic Information (To be completed by all plans)

1a Enter the actuarial valuation date: Month 01 Day 01 Year 2009

b	Assets:		
	(1) Current value of assets	b(1)	50491779
	(2) Actuarial value of assets for funding standard account	b(2)	60590135
c	(1) Accrued liability for plans using immediate gain methods	c(1)	47714292
	(2) Information for plans using spread gain methods:		
	(a) Unfunded liability for methods with bases	c(2)(a)	
	(b) Accrued liability under entry age normal method	c(2)(b)	
	(c) Normal cost under entry age normal method	c(2)(c)	

Statement by Enrolled Actuary (see instructions before signing):

To the best of my knowledge, the information supplied in this schedule and on the accompanying schedules, statements, and attachments, if any, is complete and accurate, and in my opinion each assumption, used in combination, represents my best estimate of anticipated experience under the plan. Furthermore, in the case of a plan other than a multiemployer plan, each assumption used (a) is reasonable (taking into account the experience of the plan and reasonable expectations) or (b) would, in the aggregate, result in a total contribution equivalent to that which would be determined if each such assumption were reasonable; in the case of a multiemployer plan, the assumptions used, in the aggregate, are reasonable (taking into account the experience of the plan and reasonable expectations).

SIGN HERE Jonathan Barry
Signature of actuary

August 13, 2010
Date

JONATHAN R. BARRY, F.S.A.
Type or print name of actuary

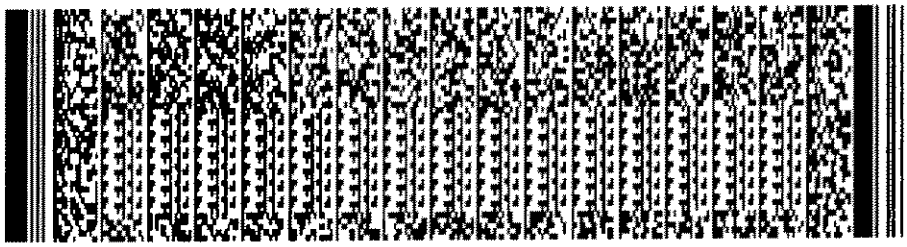
G 08-06048
Most recent enrollment number

MERCER
Firm name

617-747-9500
Telephone number (including area code)

99 HIGH STREET
BOSTON MA 02110
Address of the firm

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions. [ ]



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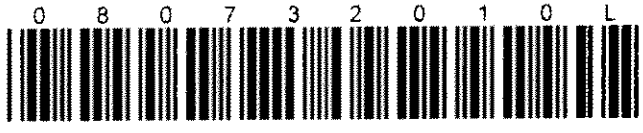

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1d Information on current liabilities of the plan:

(1) Amount excluded from current liability attributable to pre-participation service (see instructions)	d(1)	0
(2) "RPA '94" information:		
(a) Current liability	d(2)(a)	57484077
(b) Expected increase in current liability due to benefits accruing during the plan year	d(2)(b)	151475
(c) Current liability computed at highest allowable interest rate (see instructions)	d(2)(c)	57484077
(d) Expected release from "RPA '94" current liability for the plan year	d(2)(d)	
(3) Expected plan disbursements for the plan year	d(3)	4439172

2 Operational information as of beginning of this plan year:

a Current value of the assets (see instructions)	2a	50446410

b "RPA '94" current liability:

	(1) No. of Persons	(2) Vested Benefits	(3) Total Benefits
(1) For retired participants and beneficiaries receiving payments	1284	38744116	38744116
(2) For terminated vested participants	1204	18739961	18739961
(3) For active participants	0	0	0
(4) Total	2488	57484077	57484077

c If the percentage resulting from dividing line 2a by line 2b(4), column (3), is less than 70%, enter such percentage | 2c | %

3 Contributions made to the plan for the plan year by employer(s) and employees:

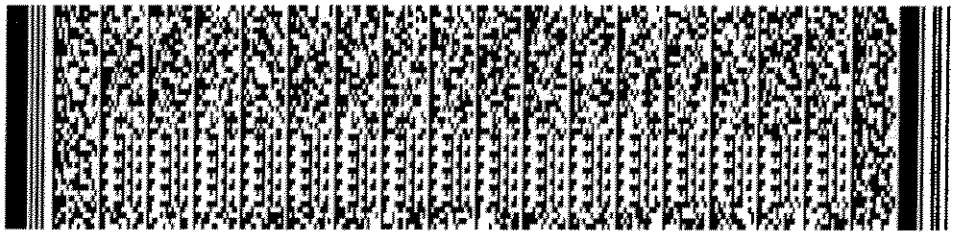
(a) Month-Day-Year	(b) Amount paid by employer	(c) Amount paid by employees	(a) Month-Day-Year	(b) Amount paid by employer	(c) Amount paid by employees
05/01/2009	36854				
06/01/2009	36854				
07/01/2009	36854				
08/03/2009	36854				
09/01/2009	36854				
		3 Totals ▶	(b)	184270	(c) 0

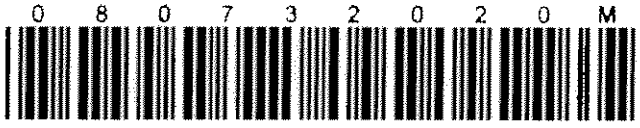
4 Quarterly contributions and liquidity shortfall(s):

a Plans other than multiemployer plans, enter funded current liability percentage for preceding year (see instructions) | 4a | 109.6 %

b If line 4a is less than 100%, see instructions, and complete the following table as applicable:

Liquidity shortfall as of end of Quarter of this plan year			
(1) 1st	(2) 2nd	(3) 3rd	(4) 4th
0	0	0	0





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5 Actuarial cost method used as the basis for this plan year's funding standard account computation:

a ☐ Attained age normal **b** ☒ Entry age normal **c** ☐ Accrued benefit (unit credit)

d ☐ Aggregate **e** ☐ Frozen initial liability **f** ☐ Individual level premium

g ☐ Individual aggregate **h** ☐ Other (specify) ▶

i Has a change been made in funding method for this plan year? ☐ Yes ☒ No

j If line i is "Yes," was the change made pursuant to Revenue Procedure 2000-40? ☐ Yes ☐ No

k If line i is "Yes," and line j is "No" enter the date of the ruling letter (individual or class) approving the change in funding method Month Day Year

6 Checklist of certain actuarial assumptions:

a Interest rate for "RPA '94" current liability	6a	6.69 %		☐ N/A
b Weighted average retirement age	6b	65		☐ N/A

		Pre-retirement	Post-retirement	
c Rates specified in insurance or annuity contracts	6c	☐ Yes ☐ No	☐ Yes ☐ No	☒ N/A
d Mortality table code for valuation purposes:				
(1) Males	d(1)	A	A	
(2) Females	d(2)	A	A	
e Valuation liability interest rate	6e	8.50 %	8.50 %	☐ N/A
f Expense loading	6f	100.0 %	%	☒ N/A

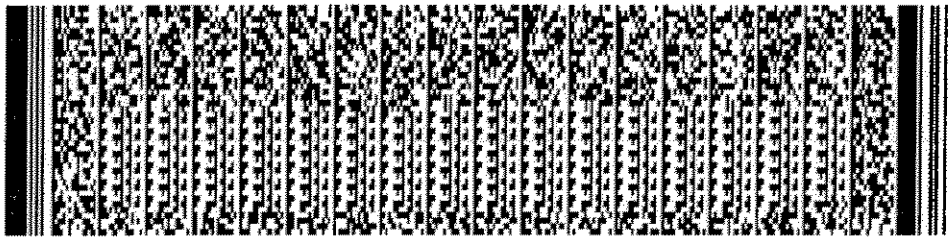
		Male		Female	
g Annual withdrawal rates:		Rate Code		Rate Code	
(1) Age 25	g(1)	U	0.00 %	U	0.00 %
(2) Age 40	g(2)	U	0.00 %	U	0.00 %
(3) Age 55	g(3)	U	0.00 %	U	0.00 %
h Salary scale ☒ N/A	6h		%		% ☒ N/A
i Estimated investment return on actuarial value of assets for year ending on the valuation date	6i	-10.6 %			
j Estimated investment return on current value of assets for year ending on the valuation date	6j	-25.4 %			

7 New amortization bases established in the current plan year:

(1) Type of Base	(2) Initial Balance	(3) Amortization Charge/Credit

8 Miscellaneous information:

a If a waiver of a funding deficiency or an extension of an amortization period has been approved for this plan year, enter the date of the ruling letter granting the approval Month Day Year



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8b If one or more alternative methods or rules (as listed in the instructions) were used for this plan year, enter the appropriate code in accordance with the instructions ▶

c Is the plan required to provide a Schedule of Active Participant Data? (see instructions) If "Yes," attach schedule . . . . . ☐ Yes ☒ No

9	Funding standard account statement for this plan year:				
	Charges to funding standard account:				
a	Prior year funding deficiency, if any			9a	0
b	Employer's normal cost for plan year as of valuation date			9b	151475
c	Amortization charges as of valuation date:	Outstanding Balance			
	(1) All bases except funding waivers ▶	($ 0)		c(1)	0
	(2) Funding waivers ▶	($ 0)		c(2)	0
d	Interest as applicable on lines 9a, 9b, and 9c			9d	12875
e	Additional interest charge due to late quarterly contributions, if applicable			9e	0
f	Adjusted additional funding charge from Part II, line 12q, if applicable ☐ N/A			9f	0
g	Total charges. Add lines 9a through 9f			9g	164350
	Credits to funding standard account:				
h	Prior year credit balance, if any			9h	14314187
i	Employer contributions. Total from column (b) of line 3			9i	184270
		Outstanding Balance			
j	Amortization credits as of valuation date ▶	($ 0)		9j	0
k	Interest as applicable to end of plan year on lines 9h, 9i, and 9j			9k	1224375
l	Full funding limitation (FFL) and credits				
	(1) ERISA FFL (accrued liability FFL)	l(1)	12681670		
	(2) "RPA '94" override (90% current liability FFL)	l(2)	0		
	(3) FFL credit			l(3)	0
m	(1) Waived funding deficiency			m(1)	0
	(2) Other credits			m(2)	0
n	Total credits. Add lines 9h through 9k, 9l(3), 9m(1), and 9m(2)			9n	15722832
o	Credit balance: If line 9n is greater than line 9g, enter the difference			9o	15558482
p	Funding deficiency: If line 9g is greater than line 9n, enter the difference			9p	0
	Reconciliation account:				
q	Current year's accumulated reconciliation account:				
	(1) Due to additional funding charges as of the beginning of the plan year	q(1)	0		
	(2) Due to additional interest charges as of the beginning of the plan year	q(2)	0		
	(3) Due to waived funding deficiencies:				
	(a) Reconciliation outstanding balance as of valuation date	q(3)(a)	0		
	(b) Reconciliation amount. Line 9c(2) balance minus line 9q(3)(a)	q(3)(b)	0		
	(4) Total as of valuation date ▶			q(4)	0
10	Contribution necessary to avoid an accumulated funding deficiency. Enter the amount in line 9p or the amount required under the alternative funding standard account if applicable			10	0

11 Has a change been made in the actuarial assumptions for the current plan year? If "Yes," see instructions . . . . . ☒ Yes ☐ No

0 8 0 7 3 2 0 4 0 0

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Part II Additional Information for Certain Plans Other Than Multiemployer Plans

Please see **Who Must File** in the Schedule B instructions to determine if you must complete Part II.

12 Additional required funding charge (see instructions):

a Enter "Gateway %." Divide line 1b(2) by line 1d(2)(c) and multiply by 100.
If line 12a is at least 90%, go to line 12q and enter -0-.
If line 12a is less than 80%, go to line 12b.
If line 12a is at least 80% (but less than 90%), see instructions and, if applicable, go to line 12q and enter -0-. Otherwise, go to line 12b . . . . . 12a 105.4 %

b "RPA '94" current liability. Enter line 1d(2)(a) 12b

c Adjusted value of assets (see instructions) 12c

d Funded current liability percentage. Divide line 12c by 12b and multiply by 100 . . . . . 12d %

e Unfunded current liability. Subtract line 12c from line 12b 12e

f Liability attributable to any unpredictable contingent event benefit 12f

g Outstanding balance of unfunded old liability 12g

h Unfunded new liability. Subtract the total of lines 12f and 12g from line 12e. Enter -0- if negative 12h

i Unfunded new liability amount (_____ % of line 12h) 12i

j Unfunded old liability amount 12j

k Deficit reduction contribution. Add lines 12i, 12j, and 1d(2)(b) 12k

l Net charges in funding standard account used to offset the deficit reduction contribution. Enter a negative number if less than zero 12l

m Unpredictable contingent event amount:

(1)	Benefits paid during year attributable to unpredictable contingent event . . .	m(1)	
(2)	Unfunded current liability percentage. Subtract the percentage on line 12d from 100% . . .	m(2)	%
(3)	Enter the product of lines 12m(1) and 12m(2) . . .	m(3)	
(4)	Amortization of all unpredictable contingent event liabilities . . .	m(4)	
(5)	"RPA '94" additional amount (see instructions) . . .	m(5)	
(6)	Enter the greatest of lines 12m(3), 12m(4), or 12m(5) . . .		m(6)

n Preliminary additional funding charge: Enter the excess of line 12k over line 12l (if any), plus line 12m(6), adjusted to end of year with interest 12n

o Contributions needed to increase current liability percentage to 100% (see instructions) 12o

p Additional funding charge prior to adjustment: Enter the lesser of line 12n or 12o 12p

q Adjusted additional funding charge. (.0 % of line 12p) 12q 0

Attachments to Schedule B (Form 5500)
ACTUARIAL INFORMATION

Plan: Retirement Plan for Hourly Employees of Greenville Division of E-Systems, Inc.
EIN/PN: 95-1778500/036

The Schedule B is based on information regarding participant data furnished by Excellerate HRO; contributions and financial data were provided by Bank of New York Mellon.

We used and relied upon financial data submitted by Mellon Bank without further audit. We have also used and relied on participant data supplied by Excellerate HRO; these data would customarily not be verified by a plan's actuary. We have reviewed the participant data for internal consistency and reasonableness and have no reason to doubt its substantial accuracy. Finally, we have also used and relied upon the plan document as amended and effective through January 1, 2009, as supplied by the plan sponsor. The plan sponsor is solely responsible for the validity and completeness of this information. We are not aware of any material errors in the documents supplied to us.

The following separate exhibits are attached:

- Schedule B, Line 6 – Summary of Plan Provisions
- Schedule B, Line 6 – Statement of Actuarial Assumptions/Methods
- Schedule B, Line 6b – Description of Weighted Average Retirement Age
- Schedule B, Lines 9c and 9j – Schedule of Funding Standard Account Bases
- Schedule B, Line 11 – Justification for Change in Actuarial Assumptions

Schedule B, Line 6 – Summary of Plan Provisions

Following is a summary of the major plan provisions used to determine the plan's financial position. It should not be used in determining plan benefits.

Effective Date and Plan Year	The original effective date was January 1, 1972. The plan was restated in its entirety January 1, 1976. The plan has since been amended several times. The plan year is the calendar year.
Administration	The plan is administered by a Plan Administration Committee appointed by the Company. Funds are held in the Raytheon Company Master Trust.
Type of Plan	Self-administered, trusteed pension plan.
Employees Included	All former employees who are members of UAW Local Union No. 967.
Service	Service prior to 1976 is an employee's last period of continuous employment; this is used for both benefit and vesting purposes. After 1975, one year of vesting service is granted for each year in which an employee works at least 1,000 hours; proportional credit is given when less than 1,000 hours are completed in a year. After 1975, one year of benefit service is granted for each year in which an employee completes 1,800 hours of service; proportional credit is given when less than 1,800 hours are completed.
Employer Contributions	Payments are made to the trust as determined by the employer based on actuarial advice.
Participant Contributions	None are required or permitted.

Schedule B, Line 6 – Summary of Plan Provisions (continued)

Normal Retirement Pension

Monthly benefit, payable for life beginning at age 65, is determined by multiplying benefit service by the pension multiplier in effect at the time of termination or retirement, as shown in the schedule below.

Termination or Retirement Dates		
on or after	**and prior to**	**Pension Multiplier**
March 1, 1972	September 1, 1975	$ 6.00
September 1, 1975	January 1, 1978	7.00
January 1, 1978	August 1, 1978	8.00
August 1, 1978	January 1, 1980	9.00
January 1, 1980	August 1, 1981	10.00
August 1, 1981	August 1, 1982	11.00
August 1, 1982	January 1, 1984	12.00
January 1, 1984	January 1, 1985	13.00
January 1, 1985	January 1, 1986	14.00
January 1, 1986	January 1, 1987	15.00
January 1, 1987	January 1, 1988	16.00
January 1, 1988	January 1, 1989	17.00
January 1, 1989	January 1, 1990	18.00
January 1, 1990	January 1, 1991	19.00
January 1, 1991	January 1, 1992	20.00
January 1, 1992	January 1, 1993	21.00
January 1, 1993	January 1, 1994	22.00
January 1, 1994	January 1, 1995	23.00
January 1, 1995	January 1, 1996	24.00
January 1, 1996	January 1, 1997	25.00
January 1, 1997	January 1, 1999	27.00
January 1, 1999	January 1, 2000	29.00
January 1, 2000	January 1, 2001	30.00
January 1, 2001	January 1, 2002	31.00
January 1, 2002	January 1, 2003	34.00
January 1, 2003	January 1, 2004	35.00
January 1, 2004	N/A	36.00

On March 7, 2002, the active participants of the Retirement Plan for Hourly Employees of Greenville Division of E-Systems, Inc. became terminated employees as a result of being a part of the AIS divestiture. As a result, the terminated vested employees in this group have a pension multiplier of $36.

Schedule B, Line 6 – Summary of Plan Provisions (continued)

Optional Early Retirement Benefit

An employee hired prior to June 26, 1991 who terminates after age 60 (or is laid off and reaches age 60 during the normal recall period) is eligible for an optional early retirement benefit. An employee hired on or after June 26, 1991 who terminates after age 60 with 10 years of vesting service is eligible for an optional early retirement benefit. The benefit, commencing immediately and payable for life with a minimum of 60 monthly payments, is computed as for normal retirement considering service and compensation to date of retirement and projected primary Social Security.

Early Retirement

Effective January 1, 1984, an employee is eligible for an early pension if he terminates after he has both attained age 55 and completed 10 or more years of vesting service. If the benefit commences prior to age 60, it is reduced according to the following table:

Age at Date of Commencement	Percent Reduced
55	25%
56	16%
57	9%
58	4%
59	1%
60 or later	0%

For Participants sold as part of the AIS divestiture who attained age 55 and completed 10 or more years of vesting service on March 7, 2002 will receive the subsidized early retirement reduction according to the table above on their benefit.

Level Income Supplemental Allowance (LISA)

If an employee terminates with 20 years of benefit service at or after age 60 but prior to age 62 and agrees to restrict his post-retirement earnings, he is eligible for a LISA in addition to his early pension.

Disability Retirement Benefit

If an employee terminates due to total and permanent disability with at least 10 years of vesting service, he is eligible for a disability pension. The monthly annuity will commence one year after the disability occurred and will be payable for life or until disability ceases. If the employee qualifies for disability Social Security benefits, his monthly pension will be computed as for normal retirement, considering service to disablement.

For any month in which the employee does not qualify for disability or unreduced old age Social Security, his benefit will be two times the amount computed above.

Schedule B, Line 6 – Summary of Plan Provisions (continued)

Deferred Vested Retirement Benefit	If an employee terminates after completion of 5 years of service, he is eligible for a deferred vested pension. The monthly annuity, commencing at age 65 if the employee is then living, is computed by multiplying his benefit service by the pension rate in effect at termination. An actuarially reduced pension may commence after age 55 and completion of 10 years of vesting service.
Minimum Benefits for Prior Plan Participants	The actuarial equivalent of the benefit under such plan as of December 31, 1975, shall be the minimum for any benefit payable under this plan.
Benefit Increases for Retirees and Survivors	Effective January 1, 1979, participants and survivors who are receiving benefits on July 1, 1978, shall receive an increase of $1.00 times benefit service. Effective January 1, 1980, participants and survivors who are receiving benefits on January 1, 1980, shall receive an increase of $1.00 times benefit service. Effective August 1, 1981, participants and survivors who are receiving benefits on August 1, 1981, shall receive a 5% increase in the monthly amount of their pension benefit. Effective January 1, 1984, participants and survivors who are receiving benefits on January 1, 1984, shall receive a 6% increase in the monthly amount of their pension benefit. Effective January 1, 1987, participants and survivors who are receiving benefits on January 1, 1987, shall receive a 5% increase in the monthly amount of their pension benefit.
Death Benefits	
Transition Survivor Income	Payable upon the death of an active employee or an employee on disability retirement prior to his normal retirement date. The monthly benefit commencing immediately is $100 payable for 24 months or until the death of all eligible survivors, if earlier. Eligible survivors are the spouse, dependent children, and dependent parents. The monthly benefit increases to $300 for each month in which the survivor is ineligible for unreduced monthly Social Security benefits.

Schedule B, Line 6 – Summary of Plan Provisions (continued)

Death Benefits (continued)

Bridge Survivor Income	Upon the death of a participant, bridge survivor income is payable to the spouse if: (a) The spouse was between age 45 and age 60 at the date of the employee's death (b) The spouse has received 24 transition survivor income benefit payments and (c) The spouse continues to qualify as an eligible spouse. The monthly benefit of $300, commencing the month following the 24th transition benefit, is payable until the remarriage or death of the spouse, or until age 62 or commencement of unreduced Social Security benefits, if earlier.
Automatic Survivor Income	Upon the death of an active employee with 10 years of credited service, a benefit is payable for life to the surviving spouse. The monthly amount is payable at the date the participant would have attained age 55, or immediately, if over age 55 at death. The amount is computed by taking 55% of 95% of the monthly pension the participant would have received had he retired on the date of death and commenced receiving payments at age 55, or immediately if past age 55 at death. This amount is adjusted for spousal age differences and may be paid immediately with the amount reduced actuarially. The benefit is reduced by the amount of any Transition Survivor Income or Bridge Survivor Income to be received the same month.
After Early Retirement But Before Commencement of Payments	If employee dies after early retirement but prior to commencement of payments, a benefit is payable to his eligible spouse; the amount is equal to the benefit payable had the employee's benefits commenced on the date of his death and he had selected the optional survivor benefit.
After Disability Retirement But Before Commencement of Payments	If an employee dies after disability retirement while still disabled, but prior to commencement of disability payments, a benefit is payable to his eligible spouse; this is determined as if the employee had been an active employee, accruing benefit and vesting service during his period of disability, and terminated on the date of his death.
After Deferred Vested Retirement But Before Commencement of Payments	If an employee terminates under the Deferred Vested Pension provisions and dies on or after August 23, 1984, while eligible for an uncommenced deferred vested benefit, his eligible spouse is entitled to a benefit determined as if the participant has survived to the earliest date after his death at which his deferred pension could commence and had then commenced a 50% joint and survivor benefit. The monthly death benefit is 50% of such payment.

Schedule B, Line 6 – Summary of Plan Provisions (continued)

Optional Survivor Benefit	Unless an employee elects to the contrary, his pension (except a disability pension) will be paid in the form of an optional survivor pension. The benefit, payable for the employee's lifetime, is 95% of his accrued benefit and, upon his death, 55% of such pension will be paid to the spouse, if then living, for her remaining lifetime. The benefit is reduced 1/2% for each year that the spouse's age is more than five years less than the participant's age, and is increased 1/2%, to a maximum of 5%, for each year that the spouse's age exceeds the participant's age by more than five years.
Expenses	Paid by the trust if not paid by the employer.
Liquidation	After payment of expenses, all assets would be distributed directly to participants or used to purchase annuities for payment of benefits if the Trust did not continue. The employer would receive only any excess due to actuarial variations.
Changes Since Prior Valuation	The benefit limitation under IRC Section 415(b) increased from $185,000 for 2008 to $195,000 for 2009.

Schedule B, Line 6 – Summary of Plan Provisions (continued)

Benefits Not Included in the Valuation

To the best of our knowledge, no benefits were excluded from the valuation.

Significant Events

To the best of our knowledge, no significant events occurred during the year.

Statement of changes in assumptions or methods and justifications for such changes

The gateway current liability interest rate and RPA '94 current liability interest rates were changed from 6.43% to 6.69%. These current liability interest rates changed due to changes in the required interest rate under Code Section 412(l)(7)(C)(i).

Current liability mortality tables were updated from 2008 to 2009, as required by IRS regulations.

Schedule B, Line 6 – Statement of Actuarial Assumptions/Methods

A. Actuarial Cost Method

Liabilities and contributions shown in this report are computed using the individual entry age normal method of funding. The objective under this method is to fund each participant's benefits under the plan as payments in level dollar amounts, starting at original participation date, and continuing until the assumed retirement, termination, disability or death.

A detailed description of the calculation follows:

- The **present value of projected benefits** is calculated as the value of all benefit payments expected to be paid to the plan's current participants, including active and retired members, beneficiaries, and terminated members with vested rights.
- The **normal cost** for each active participant under the assumed retirement age is calculated equal to the present value of projected benefits divided by the present value of expected future service as of the participant's date of entry into the plan. The present value of projected benefits is calculated by reflecting the actual history of plan provisions from entry age to the valuation date and assumes that the current plan provisions will remain in effect going forward.
- The **present value of future normal costs** is the total of the discounted values of all active participants' normal costs, assuming these to be paid in each case from the valuation date until retirement (termination, disability or death) date.
- The **accrued liability** is the excess of the present value of projected benefits over the present value of future normal costs. Both of these present values are calculated as of the valuation date.
- The **unfunded liability** is the excess of the accrued liability over the actuarial asset value of the fund, and represents that part of the accrued liability which has not been funded by accumulated past contributions.
- The **past service cost** is the level annual payment over a stipulated number of years which is required to amortize the unfunded liability.

Changes in actuarial cost method since prior valuation: None

Schedule B, Line 6 – Statement of Actuarial Assumptions/Methods *(continued)*

B. Asset Valuation Method

The actuarial asset valuation method continues to be the 5-Year Smoothed Market Value Method With Phase-In. The purpose of this method is to develop an asset value based closely on market values but with short-term fluctuations "smoothed out", so as to provide a more stable value consistent with the long-term nature of pension obligations. The actuarial asset value was reset to the market value of assets as of January 1, 2007.

In each subsequent year, the Actuarial Asset Value is determined as follows:

1. Each year, a gain or loss is determined by calculating the difference between the expected value of the assets for the year and the market value of the assets at the valuation date. The expected value of the assets for the year is the market value of the assets at the valuation date for the prior year brought forward with interest at the valuation interest rate to the valuation date for the current year plus contributions minus benefit disbursements minus expenses of the type assumed, all adjusted with interest at the valuation rate to the valuation date for the current year. If the expected value is less than the market value, the difference is a gain. Conversely, if the expected value is more than the market value, the difference is a loss.

2. The actuarial asset value of assets is equal to the market value of assets less gains, or plus losses, at the rates described as follows:

   i. 80% of the prior year's gain or loss.
   ii. 60% of the second preceding year's gain or loss.
   iii. 40% of the third preceding year's gain or loss.
   iv. 20% of the fourth preceding year's gain or loss.

3. Because the method is subject to phase-in, the only gains and losses recognized are those occurring in the year of the change and in later years. Thus, the first gain or loss to be recognized is the gain or loss occurring in the year ending December 31, 2007.

4. The Actuarial Asset Value and market value are adjusted to include accrued contributions made after the end of the Plan year.

5. The actuarial asset value shall be adjusted to be no greater than 120% and no less than 80% of the fair market value of assets.

Changes Since Prior Valuation: None.

Schedule B, Line 6 – Statement of Actuarial Assumptions/Methods *(continued)*

C. Valuation Procedure

Financial and census data: We used financial data submitted by Mellon Bank as of January 1, 2009 without further audit and participant data as supplied by Excellerate HRO. Customarily, this information would not be verified by a plan's actuary. We have reviewed the information for internal consistency and we have no reason to doubt its substantial accuracy.

IRC Section 415(b): The limitations of Internal Revenue Code Section 415(b) have been incorporated into our calculations.

Participants included: Excellerate HRO provides us with data on all employees as of the valuation date, but only those employees who have completed the plan's eligibility requirements are included in the valuation of liabilities. No actuarial liability is included for participants who terminated nonvested prior to the valuation date.

Transferred participants: The liabilities for employees who have transferred into another plan of the plan sponsor have been included with the liabilities for terminated vested participants.

Disabled participants: The liabilities for participants on long-term disability have been included with the liabilities for terminated vested participants.

Estimated benefits: We estimated benefits for 4 participants since exact calculations were not provided to us

Participants with deferred benefits: Deferred benefits for 54 participants over the age of 65 were increased by actuarial equivalence between age 65 and their attained age at valuation (to a maximum age of 70) to estimate the benefits that will actually become payable upon their retirement.

Schedule B, Line 6 – Statement of Actuarial Assumptions/Methods *(continued)*

D. Actuarial assumptions

The following assumptions were used in valuing the liabilities and benefits under the plan.

Economic

Investment return	▪ 8.50% compounded annually for funding purposes ▪ 6.69% compounded annually for RPA '94 current liability ▪ 6.69% compounded annually for gateway current liability ▪ 8.50% compounded annually for the present value of accumulated plan benefits

Other

Mortality	For determination of accrued liability and present value of accumulated plan benefits: ▪ For pre-retirement mortality: RP-2000 Mortality Tables for males and females, without adjustment for collar or employee/annuitant distinction, projected to 2010 (see table of sample rates) ▪ For post-retirement mortality: blended table of 50% RP-2000 Mortality Tables for males and females without adjustment for collar or employee/annuitant distinction, projected to 2010, and 50% Raytheon experience (see table of sample rates) ▪ The required RPA '94 current liability mortality tables are the 2009 PPA separate static annuitant/nonannuitant mortality tables as set forth in proposed Treas. Regs. section 1.430(h)(3)-1 for the male and female participants ▪ The gateway current liability is computed using the same mortality tables as the RPA '94 current liability
Disability mortality	For determination of accrued liability and present value of accumulated plan benefits: 1985 Pension Disability Mortality Tables for males and females (see table of sample rates) The required RPA '94 current liability mortality tables are the 2009 PPA separate static annuitant/nonannuitant mortality tables as set forth in proposed Treas. Regs. section 1.430(h)(3)-1 for the male and female participants The gateway current liability is computed using the same mortality tables as the RPA '94 current liability
Disability	N/A
Withdrawal	N/A
Expenses	The amount included this year for administrative expenses equals 0.3% of the market value of assets as of the valuation date
Retirement age	Age 65
Percentage married	▪ Males.....85% ▪ Females.....75%

Schedule B, Line 6 – Statement of Actuarial Assumptions/Methods (continued)

D. Actuarial assumptions (continued)

Age difference	A male is assumed to be 3 years older than his spouse
Form of payment	All participants are assumed to elect payment in the form of a single life annuity

Schedule B, Line 6 – Statement of Actuarial Assumptions/Methods (continued)

D. Actuarial assumptions (continued)

Table of Sample Mortality Rates

Attained Age	Pre Retirement Healthy Mortality		Post Retirement Healthy Mortality		Post Retirement Disabled Mortality	
	Male	Female	Male	Female	Male	Female
20	.03%	.02%	.03%	.03%	2.05%	1.71%
25	.03	.02	.04	.03	1.81	1.85
30	.04	.02	.05	.04	1.79	1.98
35	.07	.04	.08	.06	2.14	2.17
40	.10	.06	.11	.09	2.68	2.40
45	.13	.10	.15	.13	3.47	2.89
50	.18	.14	.21	.20	4.54	3.36
55	.30	.25	.35	.36	5.69	3.70
60	.57	.48	.64	.69	6.92	4.12
65	1.11	.92	1.01	.98	8.22	4.53
70	1.91	1.59	1.74	1.70	9.30	5.06
75	3.29	2.59	2.88	2.48	11.20	6.35
80	N/A	N/A	5.19	4.15	11.36	8.47
85	N/A	N/A	9.31	7.14	15.25	11.48
90	N/A	N/A	16.09	12.51	19.23	14.94
95	N/A	N/A	24.07	18.69	26.33	22.42
100	N/A	N/A	31.55	23.51	32.95	29.70

Schedule B, Line 6b – Description of Weighted Average Retirement Age

It is assumed that all terminated vested participants retire at age 65.

Schedule B, Lines 9c and 9j – Schedule of Funding Standard Account Bases

There are no amortization bases for this plan.

Schedule B, Line 11 – Justification for Change in Actuarial Assumptions

The gateway current liability interest rate and RPA '94 current liability interest rates were changed from 6.43% to 6.69%. These current liability interest rates changed due to changes in the required interest rate under Code Section 412(l)(7)(C)(i).

Current liability mortality tables were updated from 2008 to 2009, as required by IRS regulations.

Retirement Plan for Hourly Employees of the Greenville Division of E-Systems, Inc.

Financial Statements
To Accompany 2009 Form 5500
Annual Report of Employee Benefit Plan
Under ERISA of 1974
December 31, 2009 and 2008

Retirement Plan for Hourly Employees of the Greenville Division of E-Systems, Inc.
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The supplemental schedules to the Plan's Form 5500 are not required since the Plan's assets are held in a Master Trust. Accordingly, the plan administrator must file detailed financial information for the Master Trust, including the supplemental schedules, separately with the Department of Labor.

PRICEWATERHOUSECOOPERS

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Report of Independent Auditors

To the Participants and Administrator of
Retirement Plan for Hourly Employees of the Greenville Division of E-Systems Inc.

In our opinion, the accompanying statements of net assets available for benefits as of December 31, 2009 and December 31, 2008 and the related statements of changes in net assets available for benefits for the years then ended, present fairly, in all material respects, information regarding the net assets available for benefits of Retirement Plan for Hourly Employees of the Greenville Division of E-Systems Inc. (the "Plan") at December 31, 2009 and changes therein for the year then ended and its financial status as of December 31, 2008, and changes therein for the year then ended in conformity with accounting principles generally accepted in the United States of America. 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 of these statements in accordance with auditing standards generally accepted in the United States of America. 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, 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.

PricewaterhouseCoopers LLP

Boston, Massachusetts
September 14, 2010

Retirement Plan for Hourly Employees of the Greenville Division of E-Systems, Inc.
Statements of Net Assets Available for Benefits
December 31, 2009 and 2008

	2009	2008
Assets		
Investments at fair value (Notes 2 and 5)		
Raytheon Master Pension Trust	$55,015,309	$50,454,925
Employer contributions receivable	-	36,854
Total assets	55,015,309	50,491,779
Liabilities		
Other liabilities	87,392	41,915
Accrued administrative expenses	26,346	3,454
Total liabilities	113,738	45,369
Net assets available for benefits	$54,901,571	$50,446,410

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

Retirement Plan for Hourly Employees of the Greenville Division of E-Systems, Inc.

Statements of Changes in Net Assets Available for Benefits

Years Ended December 31, 2009 and 2008

	2009	2008
Additions		
Raytheon Master Pension Trust investment income (Notes 2 and 5)	$ 8,853,922	$ -
Employer contributions	184,270	6,036,854
Total additions	9,038,192	6,036,854
Deductions		
Raytheon Master Pension Trust investment loss (Notes 2 and 5)	-	16,854,173
Benefit payments	4,235,865	4,308,472
Administrative expenses	347,166	293,387
Total deductions	4,583,031	21,456,032
Net increase (decrease) in net assets available for benefits	4,455,161	(15,419,178)
Net assets available for benefits, beginning of year	50,446,410	65,865,588
Net assets available for benefits, end of year	$ 54,901,571	$50,446,410

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

1. Plan Description

General

The Retirement Plan for Hourly Employees of the Greenville Division of E-Systems, Inc. (the "Plan") is a defined benefit plan that covers substantially all former employees of the former Greenville Division of Raytheon E-Systems, Inc. represented by the International Union, United Automobile, Aerospace, and Agricultural Implement Workers of America ("UAW"). The Plan provides for pension, disability, and death benefits.

Funds are held in the Raytheon Master Pension Trust ("Master Trust"). The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA").

The Plan was amended and restated in its entirety on February 26, 2003 with a retroactive effective date of January 1, 1998, and has been subsequently amended.

On March 12, 2002 Raytheon's Aircraft Integration Systems business was sold to L-3 Corporation. The Plan was not terminated, as it still holds the accrued benefits for vested and retired employees.

Benefits, Eligibility and Vesting

The Plan provides for the payment of normal monthly retirement benefits at the age of 65 payable for life. The total benefit payment will be calculated using the appropriate pension rate multiplied by the number of years of benefit service. If an employee who has benefit service under the Plan prior to April 1, 1994 terminates after age 60, the employee is eligible for an optional early pension. If an employee hired after April 1, 1994 terminates after age 60, ten years of vesting service is required for optional early retirement. The benefit is computed as for normal retirement and payable for life. If an employee terminates after age 55, with ten or more years vesting service, the employee is eligible for an early pension with reduced benefits. An employee who terminates due to total and permanent disability after completion of ten or more years of vesting service is eligible for a disability pension commencing one year after the disability occurred (or, if later, the date written application is made), payable for life or until the disability ceases.

Employees of the Raytheon Company (the “Company”) who meet the eligibility requirements, as defined by the Plan, may participate in the Plan. Participants who were not active employees on the date of the sale are fully vested upon completion of five years of vesting service.

Contributions

The Company makes contributions to the Plan to ensure assets are sufficient to pay the benefits of the Plan. The Plan does not permit contributions by participants.

The above description of the Plan is for general information purposes only. Participants should refer to the Plan document for more complete information.

2. Summary of Significant Accounting Policies

Basis of Presentation
The accompanying financial statements are prepared on the accrual basis of accounting.

Investment Valuation and Income Recognition
The Plan's interest in the Master Trust is stated at fair value. Net investment income (loss) from the Master Trust is allocated proportionately on a monthly basis based on the Plan's interest in the Master Trust. See Note 5 for additional information.

Contributions
Employer contributions are funded and recorded as determined by actuarial computation.

In 2006, the Pension Protection Act of 2006 ("PPA") was signed into law. Under PPA, companies will be required to fully fund their pension plans over a seven-year period. For certain defense contractors, including the Company, the new funding rules become effective in 2011.

Benefit Payments
Benefit payments to participants are recorded when paid.

Administrative Expenses
The Plan is administered by the Plan Administrator appointed by the Company's Senior Vice President, Human Resources. All expenses of the Plan are paid by the Plan. Expenses specifically related to the Plan are included in the statement of changes in net assets available for pension benefits under "Administrative expenses." Additionally, expenses paid directly by the Master Trust are included in the statements of changes in net assets available for benefits under "Raytheon Master Pension Trust investment income (loss)."

Use of Estimates
The preparation of the Plan's financial statements in conformity with accounting principles generally accepted in the United States of America requires the plan administrator to make significant estimates and assumptions that affect the reported amounts of net assets available for benefits at the date of the financial statements, the actuarial present value of accumulated plan benefits as of the benefit information date, the changes in net assets available for benefits during the reporting period and when applicable, the disclosures of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates.

Reclassifications

Certain prior year amounts of the Master Trust (see Note 5) have been reclassified to conform to the current year's presentation.

New Accounting Pronouncements

In 2009, the Plan adopted required new accounting standards related to the following:

- The determination of fair value when the volume and level of activity for the asset or liability have significantly decreased and identifying transactions that are not orderly as discussed in Note 5
- The disclosure of derivative instruments and hedging activities, which did not have a material impact on the Plan, as discussed in Note 5
- The disclosure of features of the investment funds that are valued based on the net asset value of the fund as discussed in Note 5
- Accounting for Uncertainty in Income Taxes, which did not have a material impact on the Plan

3. Actuarial Present Value of Accumulated Plan Benefits

Accumulated plan benefits are those future periodic payments, including lump-sum distributions that are attributable under the Plan's provisions to the service employees have rendered. Accumulated plan benefits include benefits expected to be paid to (a) retired or terminated employees or their beneficiaries, (b) beneficiaries of deceased employees, and (c) active employees or their beneficiaries. Benefits are based on a stated benefit rate multiplied by the number of years of covered service. Benefits payable under all circumstances - retirement, death, disability and termination of employment - are included to the extent that they are deemed attributable to employee service rendered to the valuation date.

The actuarial present value of accumulated plan benefits is determined by the Company's consulting actuary, Mercer, and is the amount which results from applying actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements for death, disability or retirement) between the valuation and the expected date of payment.

The significant actuarial assumptions used in the valuation as of December 31, 2008 and 2007 are as follows:

Assumed rate of return on investments for accumulated plan benefits	- 8.5%
Mortality basis	
Active participants and nondisabled pensioners	- For pre-retirement mortality: RP-2000 Mortality Tables for males and females, without adjustment for collar or employee/annuitant distinction, projected to 2010 - For post-retirement mortality: blended table of 50% RP-2000 Mortality Tables for males and females without adjustment for collar or employee/annuitant distinction, projected to 2010, and 50% Raytheon experience
Disabled pensioners	- 1985 Pension Disabled Mortality Table for males and females
Retirement age	- Age 65

The foregoing actuarial assumptions are based on the presumption that the Plan will continue. If the Plan were to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated plan benefits.

There have been changes in the plan provisions since the last valuation of the Plan as of December 31, 2007 as follows:

The benefit limitation under IRC Section 415(b) increased from $185,000 for 2008 to $195,000 for 2009.

As of December 31, 2008, the most recent valuation date, the actuarial present value of accumulated benefits is as follows:

Vested benefits	
Participants receiving benefits	$34,280,196
Participants with deferred benefits	13,434,096
Total vested benefits	47,714,292
Nonvested benefits	–
Total actuarial present value of accumulated plan benefits	$47,714,292

The following is an analysis of changes in the present value of accumulated plan benefits:

Actuarial present value of accumulated plan benefits as of December 31, 2007	$48,792,790
Non-investment (gains)/losses	(734,303)
Increase for interest due to decrease in discount period	3,964,277
Benefits paid	(4,308,472)
Actuarial present value of accumulated plan benefits as of December 31, 2008	$47,714,292

4. Funding Policy

The employer's contributions are actuarially determined generally fund the existing unfunded liability on account of qualified service prior to the valuation date in accordance with the amortization schedules prescribed by ERISA minimum funding requirements. At the Company's discretion, and to the extent allowable under maximum tax deductibility regulations, contributions above the ERISA minimum requirements may be made to the Plan. Contributions for the years ended December 31, 2008 and December 31, 2009 met the minimum funding requirements of ERISA.

5. Master Trust

Summary Financial Information

The Plan's assets are held in the Master Trust, which was established for the investment of assets of the Plan and several other Company sponsored retirement plans. The assets of the Master Trust are held by the Trustee. The Investment Committee, appointed by the Company, periodically reviews the asset allocation and performance of the investments held in the Master Trust. The investment policy, as approved by the Investment Committee, permits asset diversification to include a combination of cash and cash equivalents, publicly traded equity securities, private equity funds, fixed-income securities, real estate funds, commingled funds and other investments such as swaps, repurchase agreements, forwards and futures.

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 value of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statements of net assets available for benefits.

At December 31, 2009 and 2008, the Plan owned approximately 0.4% of the fair value of the Master Trust net assets. The total net assets of the Master Trust at December 31, 2009 and 2008 were:

		2009	2008
Assets			
Investments at fair market value			
Interest-bearing cash - foreign currencies		$194,577,321	$203,790,030
U.S. government bonds (includes securities on loan of $25,281,648 and $839,745,397)		1,393,458,196	1,495,975,760
Foreign government bonds (includes securities on loan of $1,255,434 and $0)		82,565,258	55,525,447
Corporate debt instruments (includes securities on loan of $63,967,976 and $48,392,179)		1,917,210,724	1,552,226,253
Corporate stock - preferred		57,569,242	39,095,827
Corporate stock - common (includes securities on loan of $138,882,685 and $200,006,027)		3,147,677,795	2,238,161,805
Investment of securities lending collateral		182,678,803	1,014,952,768
Investment in DB/DC Master Trust		300,829,475	206,021,818
Commingled funds		1,686,401,656	2,590,116,160
Registered investment companies (includes securities on loan of $0 and $55,283,331)		2,897,665,696	1,201,509,360
Purchased options (premiums paid of $0 and $4,825,739)		-	3,314,950
Collateral for futures held		-	16,823,443
Unallocated insurance contracts		14,296,199	15,948,026
TBA purchase commitment, at value (proceeds $0 and $144,450,367)		-	145,675,562
Other investments		3,548,706	616,875
		$11,878,479,071	$10,779,754,084
Investments at estimated fair market value			
Private equity funds		257,265,096	233,111,526
Private real estate funds		124,617,367	157,394,509
		381,882,463	390,506,035
Interest and dividends receivable		31,955,655	32,207,119
Receivable for securities sold		61,062,489	133,985,035
Receivable for investments sold on a delayed delivery basis		-	458,603,906
Receivable for securities purchased but not delivered		-	35,000,000
Cash		-	197,527,259
Cash on deposit with brokers for securities sold short		-	388,828,355
Cash held at broker		20,657,067	128,020,932
Repurchase agreements		361,759,981	336,389,415
Receivable for forward foreign currency contracts		1,111,017	24,574,197
Other receivables		4,228,002	153,362
	Total assets	$12,741,135,745	$12,905,549,699
Liabilities			
Payable for securities lending collateral		$236,041,606	$1,160,357,194
Payable for forward foreign currency contracts		1,111,035	44,109,548
Cash overdraft - line of credit		2,471,475	-
Investment sold short (proceeds of $0 and $500,228,202)		-	489,586,204
Written options (premiums received of $0 and $98,189)		-	34,310
Variation margin payable		-	764,859
Payable for securities purchased		17,016,148	48,490,629
Payable for securities purchased on a delayed delivery basis		-	449,913,734
TBA sale commitment, at value (proceeds $0 and $164,362,370)		-	165,910,209
Interest and dividend payable		339,284	3,260,360
Payable for unrelated business income tax		14,987,210	16,450,000
	Total liabilities	$271,966,758	$2,378,877,047
Master Trust net assets		$12,469,168,987	$10,526,672,652
Plan's interest in Master Trust		$55,015,309	$50,454,925

The following table is a summary of the investment earnings and the net appreciation (depreciation) in the fair market value of the Master Trust for the years ended December 31, 2009 and 2008:

	2009	2008
Net appreciation (depreciation) in fair value of investments		
Interest-bearing cash – foreign currencies	($416,082)	$4,351,240
U.S. government bonds	(1,601,266)	29,338,519
Foreign government bonds	4,096,337	(9,401,023)
Corporate debt instruments	136,566,958	(129,215,264)
Corporate stock – preferred	13,207,354	(75,174,691)
Corporate stock – common	755,671,092	(2,513,277,536)
Investment of securities lending collateral	93,498,786	(145,404,426)
Investment in DB/DC Master Trust	68,360,253	(180,473,364)
Commingled funds	302,231,428	(878,957,306)
Registered investment companies	370,826,426	(198,694,421)
Purchased options	(5,727,449)	1,455,054
Written options	1,498,255	(4,019,501)
Forward currency contracts	16,879,240	25,020,381
Future contracts	53,482,416	(13,998,632)
Short sales	(17,928,639)	217,448,473
Swap contracts	(50,063)	(618,223)
Unallocated insurance contracts	110,246	31,875
Other investments	3,903,225	(515,099)
	$1,794,608,517	($3,872,103,944)
Net appreciation (depreciation) in estimated fair value of investments		
Private equity funds	41,217,666	(55,603,401)
Private real estate funds	(37,195,868)	(22,493,863)
	$4,021,798	($78,097,264)
Interest	116,203,721	90,672,584
Dividends on investments sold short	(4,395,042)	(35,531,445)
Dividends	82,169,541	130,924,949
Securities lending program income	2,651,045	16,347,677
Other income	19,147,399	(2,859,424)
Subtotal Master Trust investment income (loss)	$2,014,406,979	($3,750,646,867)
Total expenses	$55,652,933	$144,054,314
Total Master Trust net investment income (loss)	$1,958,754,046	($3,894,701,181)
Portion allocated to the Plan	$8,853,922	($16,854,173)

Fair Value Measurements

In 2009, the Plan adopted the required new accounting standard for determining fair value when the volume and level of activity for the asset or liability have significantly decreased and identifying transactions that are not orderly. The accounting standard provides additional guidance for estimating fair value when the volume and level of activity for the asset or liability have significantly decreased and also includes guidance on identifying circumstances that indicate a transaction is not orderly for fair value measurements. The adoption of the accounting standard did not have a material impact on the Plan's financial results.

The accounting standard for fair value measurements provides a framework for measuring fair value and requires expanded disclosures regarding fair value measurements. Fair value is defined as the price that would be received for an asset or the exit price that would be paid to transfer a liability in the principal or most advantageous market in an orderly transaction between market participants on the measurement date. The accounting standard established a fair value hierarchy which requires an entity to maximize the use of observable inputs, where available. The following summarizes the three levels of inputs required as well as the assets and liabilities that we value using those levels of inputs.

Level 1:	Unadjusted quoted prices in active markets for identical assets or liabilities.
Level 2:	Observable inputs, other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or have been corroborated by observable market data for substantially the full term of the related assets or liabilities.
Level 3:	Unobservable inputs supported by little or no market activity that are significant to the fair value of the assets or liabilities.

A financial instrument’s level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement.

The level within the fair value hierarchy for certain investments has been updated from prior year to reflect new accounting standard relating to investment in certain entities that calculate net asset per share.

The following tables summarize the fair value of investment assets and liabilities as of December 31, 2009.

`

	Fair Value of Investment Assets as of 12/31/2009			
	Level 1	**Level 2**	**Level 3**	**Total**
Interest-bearing cash – foreign currencies	$ -	$ 194,577,321	$ -	$ 194,577,321
U.S. government bonds	893,126,766	500,331,430	-	1,393,458,196
Foreign government bonds	-	82,565,258	-	82,565,258
Corporate debt instruments	-	1,917,210,724	-	1,917,210,724
Corporate stock – preferred	46,197,686	11,371,556	-	57,569,242
Corporate stock - common				
U.S. equity	1,988,684,240	21,751,924	-	2,010,436,164
International equity	1,133,581,343	3,660,288	-	1,137,241,631
Investment of securities lending collateral	-	182,678,803	-	182,678,803
Investment in DB/DC Master Trust	226,272,749	74,471,042	85,684	300,829,475
Commingled funds				
103-12 investment entities	-	311,833,860	-	311,833,860
Common/collective trusts	-	78,161,395	-	78,161,395
Equity	-	263,246,616	18,809,845	282,056,461
Fixed income	-	754,876,985	259,472,955	1,014,349,940
Registered investment companies				
U.S. equity	2,016,185,391	147,877,288	-	2,164,062,679
International equity	631,885,574	-	-	631,885,574
Real estate	101,717,443	-	-	101,717,443
Unallocated insurance contracts	-	-	14,296,199	14,296,199
Other investments	2,225,073	1,323,633	-	3,548,706
Private equity funds	-	-	257,265,096	257,265,096
Private real estate funds	-	-	124,617,367	124,617,367
Repurchase agreements	-	361,759,981	-	361,759,981
Receivable for forward foreign currency contracts		1,111,017		1,111,017
Total assets	$ 7,039,876,265	$ 4,908,809,121	$ 674,547,146	$ 12,623,232,532

	Fair Value of Investment Liabilities as of 12/31/2009			
	Level 1	**Level 2**	**Level 3**	**Total**
Payable for forward foreign currency contracts	$ -	$ 1,111,035	$ -	$ 1,111,035
Total liabilities	$ -	$ 1,111,035	$ -	$ 1,111,035

The following tables summarize the fair value of investment assets as of December 31, 2008.

	Fair Value of Investment Assets as of 12/31/2008			
	Level 1	**Level 2**	**Level 3**	**Total**
Interest-bearing cash – foreign currencies	$ -	$ 203,790,030	$ -	$ 203,790,030
U.S. government bonds	811,330,069	684,645,691	-	1,495,975,760
Foreign government bonds	-	55,525,447	-	55,525,447
Corporate debt instruments	-	1,552,226,253	-	1,552,226,253
Corporate stock – preferred	19,810,656	19,285,171	-	39,095,827
Corporate stock - common	2,212,260,824	24,161,863	1,739,118	2,238,161,805
Investment of securities lending collateral	-	1,014,952,768	-	1,014,952,768
Investment in DB/DC Master Trust	193,084,193	12,756,202	181,423	206,021,818
Commingled funds				
103-12 investment entities	-	587,912,540	-	587,912,540
Common/collective trusts	-	304,199,063	-	304,199,063
Equity	-	186,599,944	66,992,682	253,592,626
Fixed income	-	1,086,448,874	357,963,057	1,444,411,931
Registered investment companies	1,201,509,360	-	-	1,201,509,360
Purchased options	3,279,220	35,730	-	3,314,950
Collateral for futures held	13,406,605	3,416,838	-	16,823,443
Unallocated insurance contracts	-	-	15,948,026	15,948,026
TBA purchase commitment, at value	-	145,675,562	-	145,675,562
Other investments	-	616,875	-	616,875
Private equity funds	-	-	233,111,526	233,111,526
Private real estate funds	-	-	157,394,509	157,394,509
Repurchase agreements	-	336,389,415	-	336,389,415
Receivable for swap contracts	-	142,015	-	142,015
Receivable for forward foreign currency contracts	-	24,574,197	-	24,574,197
Total assets	$ 4,454,680,927	$ 6,243,354,478	$ 833,330,341	$ 11,531,365,746

	Fair Value of Investment Liabilities as of 12/31/2008			
	Level 1	**Level 2**	**Level 3**	**Total**
Payable for forward foreign currency contracts	$ -	$ 44,109,548	$ -	$ 44,109,548
Investment sold short	448,784,219	40,801,985	-	489,586,204
Written options	34,310	-	-	34,310
TBA sale commitment, at value	-	165,910,209	-	165,910,209
Total liabilities	$ 448,818,529	$ 250,821,742	$ -	$ 699,640,271

Level 3 Gains and Losses

The tables below summarize changes in the fair value of the Plan's level 3 investment assets for the year ended December 31, 2009 and December 31, 2008.

	Level 3 Investment Assets 12/31/2009					
	Balance, beginning of year	Realized gains (losses)	Unrealized gains (losses)	Purchases, issuances, settlements	Transfers in (out) of level 3	Balance, end of year
Corporate stock - common	$ 1,739,118	$ (242,842)	$ (311,155)	$ (1,185,121)	$ -	$ -
Investment in DB/DC Master Trust	181,423	-	15,216	-	(110,955)	85,684
Commingled funds						
Equity	66,992,682	(294,283)	20,275,002	(68,163,556)	-	18,809,845
Fixed income	357,963,057	(71,206,429)	103,215,714	(130,499,387)	-	259,472,955
Unallocated insurance contracts	15,948,026	187,315	(77,071)	(1,762,071)	-	14,296,199
Private equity funds	233,111,526	12,692,605	17,520,802	(6,059,837)	-	257,265,096
Private real estate funds	157,394,509	(78,697)	(42,399,574)	9,701,129	-	124,617,367
Total	$ 833,330,341	$ (58,942,331)	$ 98,238,934	$ (197,968,843)	$ (110,955)	$ 674,547,146

	Level 3 Investment Assets 12/31/2008					
	Balance, beginning of year	Realized gains (losses)	Unrealized gains (losses)	Purchases, issuances, settlements	Transfers in (out) of level 3	Balance, end of year
Corporate stock - common	$ 3,359,054	$ (424,059)	$ (1,579,421)	$ 383,544	$ -	$ 1,739,118
Investment in DB/DC Master Trust	598,496	(579)	(192,305)	(224,189)	-	181,423
Commingled Funds						
Equity	111,175,043	3,072,814	(41,371,762)	(5,883,413)	-	66,992,682
Fixed income	482,708,544	14,027,261	(207,097,155)	(22,125,112)	90,449,519	357,963,057
Unallocated insurance contracts	16,065,566	35,292	(3,417)	(149,415)	-	15,948,026
Private equity funds	406,629,942	31,893,414	(129,839,858)	(75,571,972)	-	233,111,526
Private real estate funds	201,674,091	4,420,296	(60,634,348)	11,934,470	-	157,394,509
Total	$ 1,222,210,736	$ 53,024,439	$ (440,718,266)	$ (91,636,087)	$ 90,449,519	$ 833,330,341

The following table summarizes the fair value measurements of the investments in certain entities that calculate net asset value per share as of December 31, 2009

Category of Investment	Fair Value	Unfunded Commitments	Remaining Life	Redemption Terms	Redemption restrictions and terms	Redemption restrictions and terms in place at year end
Private Real Estate Funds	$ 124,617,367	$ 91,974,603	0-7 years	Redemption not premitted during life of the fund	Not applicable	Not applicable
Private Equity Funds	257,265,096	147,803,391	0-8 years	Redemption not premitted during life of the fund	Not applicable	Not applicable
Commingled Funds						
103-12 entities	311,833,860	Not applicable	Not applicable	Monthly redemption with 5-30 days notice	None	None
Common/collective trust	78,161,395	Not applicable	Not applicable	Monthly redemption with 3-30 days notice		None
Fixed income funds	1,014,349,940	20,000,000	Not applicable	Ranges from 15 days notice bi-monthly, 30 days notice prior to month end, 90 days prior to month end, 45 days notice to quarter end, 60 days notice prior to quarter end	95% of funds have lock up provisions of one year or less 5% of funds have lock up provision of two to ten years Less than 25% of the funds have fees of 3% or less if redeemed during the lock up period	Roughly 20% of the funds have gates in place as of December 31, 2009. Some of these restrictions are expected to lapse prior to December 31, 2010.
Equity funds	282,056,461	Not applicable	Not applicable	Ranges from 15 days notice bi-monthly, 30 days notice prior to month end, 45 days notice to quarter end	95% of funds have lock up provisions of one year or less 5% of funds have lock up provision of three years Less than 10% of the funds have fees of 5% or less if redeemed during the lock up period	None

Valuation Policy
The Plan's interest in the Master Trust is stated at fair value. The Trustee values Master Trust investments as follows:

Cash and cash equivalents are valued at amortized cost, which approximates fair value.

Investments in equity securities (common and preferred) and equity securities sold short are valued at the last reported sales price.

Investments in fixed income securities (U.S. Government, domestic and foreign bonds) are valued by a pricing service which determines valuations for normal institutional-size trading units of such securities using methods based upon market transactions for comparable securities and various relationships between securities which are generally recognized by institutional traders, or at fair value as determined in good faith by the trustee of the Trust and management.

Investments denominated in foreign currencies are translated into U.S. Dollars using the last reported exchange rate.

Commingled funds and registered investment companies are valued at their last reported net asset value.

Investments in the DB/DC Master Trust are primarily equity securities portfolios valued at their last reported sales price.

Investments in private equity funds and private real estate funds are estimated at fair market value which considers, but is not limited to fair values reported by the investment advisor, audited financial statements, and independently appraised values. In the event that audited financial statements for these investments are not available in time to prepare the financial statements or management believes the value reported by the investment advisor does not accurately reflect fair value due to an event in the market place, such as a prime-broker filing for bankruptcy, management will adjust the reported value to fair value based upon information provided by the investment manager and independent valuation experts.

Securities and other assets for which market quotations are not readily available or for which the above valuation procedures are deemed not to reflect fair value are valued in a manner that is intended to reflect their fair value.

Valuation policies for derivative investments are disclosed below in the Derivative Policy paragraph.

Investment Income (Loss)
The Trustee maintains separate records of each plan's proportionate share in the Master Trust's investment accounts. The Plan's share of investment income (loss) and net appreciation (depreciation) in the fair value of investments of the Master Trust is included in the statement of changes in net assets available for benefits as Master Trust investment income (loss). The net appreciation (depreciation) in the fair value of investments consists of the realized gains or losses and the unrealized appreciation (depreciation) on those investments.

Under the Master Trust Agreement, each plan's assets are jointly invested. The Plan uses the unit participation method to calculate the Plan's interest in the Master Trust. Under this method, contributions made to and benefits paid from the Master Trust result in increases or decreases in units of participation. All Master Trust income or loss results in a change in unit value.

Dividends are recorded on the ex-dividend date and interest income is accrued as earned. All security transactions are recorded on the trade date. Premiums and discounts on debt securities are amortized to maturity. Dividend expense for securities sold short is recorded on the ex-dividend date. Gains or losses on sales of securities are based on average cost.

Defined Benefit / Defined Contribution Master Trust
The Defined Benefit / Defined Contribution Master Trust (the "DB/DC Master Trust") is a master trust established for the investment of assets of the Company sponsored defined benefit and defined contribution plans. The assets of the DB/DC Master Trust are held by the Trustee. Under the DB/DC Master Trust Agreement, the assets of the Master Trust and the Company sponsored defined contribution plan, the Raytheon Savings and Investment Plan, (the "Defined Contribution Plan"), are jointly invested. The unit participation method is used to calculate the Master Trust's interest in the DB/DC Master Trust.

As of December 31, 2009 and 2008, the values of the net assets in the DB/DC Master Trust were $643,614,279 and $484,750,738. For the years ended December 31, 2009 and 2008, the net income (loss) related to the DB/DC Master Trust was $156,814,758 and $(370,792,134) respectively.

As of December 31, 2009 and 2008, the Master Trust was allocated $300,829,475 and $206,021,818, respectively, representing 47% and 43% of the net assets of the DB/DC Master Trust. As of December 31, 2009, the net assets held consisted of approximately $181,063,360 corporate stock-common, $116,805,629 common/collective trusts, $472,904 interest bearing cash, and $2,487,582 net other, which consists principally of corporate stock- preferred. As of December 31, 2008, the net assets held consisted of approximately $179,594,783 corporate stock-common, $22,305,565 common/collective trusts, $4,418,029 interest bearing cash, and $2,295,442 net other, which consists principally of investments sold short, registered investment companies and cash. In addition, the Company has estimated a payable for unrelated business income tax of $2,592,000 as of December 31, 2008.

During 2009, the Master Trust was allocated $68,360,253 net income gain, which consisted of approximately $28,599,237 unrealized appreciation/depreciation principally on corporate stock-common, $5,040,162 dividend and interest income, $(1,330,769) expenses and $36,051,623 net appreciation/ depreciation, which consists principally of net realized gain from sale of assets. During 2008, the Master Trust was allocated $(180,473,364) net income loss, which consisted of approximately $(97,979,828) unrealized appreciation/depreciation principally on corporate stock-common, $8,843,444 dividend and interest income, $(8,291,027) expenses and $(83,045,953) net appreciation/ depreciation, which consists principally of net realized gain from sale of assets and common collective trusts.

Investments Sold Short
As of December 31, 2009, the Master Trust was not invested in any securities sold short.

The Master Trust may sell a security it does not own in anticipation of a decline in the fair value of that security or as part of its core investment strategy. The Master Trust, in "selling short," sells borrowed securities that must at some date be repurchased and returned to the lender. The risk associated with this practice is that if the market value of the securities sold short increases, the Master Trust may realize losses upon repurchase at prices which may exceed the proceeds received from the sale of the security. Further, in unusual circumstances, the Master Trust may be unable to purchase securities to close its short positions. The Master Trust is obligated to pay a prime broker interest based on the value of the securities sold short and any dividends declared on the securities sold short. Such fees and dividends are recorded on the accrual basis as an expense to the Master Trust.

At December 31, 2008, the Master Trust has a liability for securities sold short of $489,586,204 compared to proceeds received from those short sales of $500,228,202. Those proceeds are restricted and held at brokers and classified in the balance sheet under “cash on deposit with brokers”. The Master Trust subsequently invested as of December 31, 2008 $6,388,846 of short sales proceeds into repurchase agreements with third parties. The collateral to those repurchase agreements mirrors a portion of the investments sold short (see Repurchase Agreements footnote). The Master Trust also invested $105,011,001 of the proceeds in corporate debt instruments, corporate stock – preferred and corporate stock – common. Brokers have a lien on those assets up to the amount of the proceeds invested. At December 31, 2008, the Master Trust had restricted cash deposits held at brokers in connection with securities sold short in the amount of $388,828,355.

Securities on a Delayed Delivery
The Master Trust may purchase securities on a delayed delivery ("TBA securities") when issued, or forward commitment basis. Payment and delivery may take place one month or more after the date of the transaction. The price of the underlying securities and the date of delivery and payment are fixed at the time the transaction is negotiated. The underlying securities are valued at current market value with daily fluctuations in the market value recorded as unrealized gains or losses. Losses may arise due to changes in the market value of the underlying securities or if the counterparty does not perform under contract, or if the issuer does not issue the securities due to political, economic, or other factors.

The Master Trust may enter into dollar roll transactions. A dollar roll transaction may involve the sale of securities by the Master Trust with an agreement by the Master Trust to repurchase substantially similar securities at an agreed upon price and date. An example of a dollar roll occurs when the Master Trust enters into a forward commitment to purchase a security and, instead of accepting delivery, the position is offset by a sale of the security with a simultaneous agreement to repurchase the security in the future. During the period between the sale and the repurchase, the Master Trust will not be entitled to accrue interest and/or receive principal payments on the securities sold. The Master Trust is compensated by the difference between the current sales price and the lower forward price of the future purchase (often referred to as the "drop"), which is reported as interest income and by the interest earned on the cash proceeds of the initial sale. Dollar roll transactions involve the risk that the market value of the securities sold by the Master Trust may decline below the repurchase price of those securities. In the event the buyer of the securities under a dollar roll transaction files for bankruptcy or becomes insolvent, the Master Trust's use of proceeds of the transaction may be restricted pending a determination by or with respect to the other party.

Repurchase Agreements
The Master Trust may lend extra cash or cash on deposit at brokers in connection with short sales transactions (see Investments Sold Short disclosure above) through the use of repurchase agreements whereby the Master Trust agrees to purchase and automatically agrees to sell certain securities at a mutually agreed-upon date and price. At the same time, the counterparty to this agreement agrees to pledge some of its securities. The underlying collateral securities consist of securities in which the Master Trust is permitted to invest.

In the case of repurchase agreements used to lend extra cash, the Master Trust values the underlying collateral securities daily on a mark-to-market basis to determine that the value, including accrued interest, is at least equal to the repurchase price. These repurchase agreements are fully collateralized by U.S. Treasuries. If the seller defaults as a result of its bankruptcy or otherwise, and the value of the collateral declines, realization of the collateral by the Master Trust may be delayed or limited.

In the case of repurchase agreements used to invest cash on deposit at brokers in connection with short sales transactions, the collateral is marked to market daily and the increase or decrease in fair market value of the collateral offset the increase or decrease in fair market value of the securities sold short. As of December 31, 2009, the Master Trust was not invested in repurchase agreements used to invest cash on deposit at brokers in connection with short sales transactions.

A summary of the repurchase agreements as of December 31, 2009 is presented below:

Counterparty	Interest Rate	Maturity	Repurchase Price	Fair Value of Collateral
Deutsche Bank Securities Inc.	0.060%	1/7/2010	$221,134,105	$223,712,015
BNP Paribas Securities Corp.	0.005%	1/4/2010	63,207,082	63,686,718
Bank of America NA	0.010%	1/4/2010	77,418,794	78,574,732
			$361,759,981	$365,973,465

A summary of the repurchase agreements as of December 31, 2008 is presented below:

Counterparty	Interest Rate	Maturity Date	Loan Amount
Barclays Bank PLC	1.85%	1/8/09	$194,004
Barclays Bank PLC	0.50%	1/8/09	1,081,316
Barclays Bank PLC	-0.50%	1/8/09	53,697
Barclays Bank PLC	-0.60%	1/8/09	57,164
Barclays Bank PLC	-4.00%	1/8/09	467,830
Barclays Bank PLC	-1.00%	1/8/09	359,188
Barclays Bank PLC	-1.50%	1/8/09	91,578
Barclays Bank PLC	-1.75%	1/8/09	92,472
Barclays Bank PLC	-1.00%	1/8/09	79,310
Barclays Bank PLC	-0.50%	1/8/09	747,478
Barclays Bank PLC	-0.50%	1/8/09	80,278
Barclays Bank PLC	-0.50%	1/8/09	120,418
Barclays Bank PLC	-1.00%	1/8/09	242,396
Barclays Bank PLC	-1.25%	1/8/09	121,508
Barclays Bank PLC	-1.25%	1/8/09	40,844
Barclays Bank PLC	-1.00%	1/8/09	387,075
Barclays Bank PLC	0.00%	1/8/09	46,806
Barclays Bank PLC	1.75%	1/8/09	664,502
Credit Suisse Securities (Europe) Ltd	-2.00%	1/8/09	55,677
Credit Suisse Securities (Europe) Ltd	-2.00%	1/8/09	124,815
Credit Suisse Securities (Europe) Ltd	-3.00%	1/8/09	28,397
Merrill Lynch	0.20%	1/8/09	419,061
Merrill Lynch	-0.50%	1/8/09	349,454
Merrill Lynch	0.10%	1/8/09	267,893
Merrill Lynch	0.05%	1/8/09	182,964
Merrill Lynch	-0.25%	1/8/09	32,721
	Subtotal for cash held at brokers from securities sold short invested in repurchase agreements		$6,388,846
BNP Paribas	0.01%	1/2/09	98,220,827
Bank of America	0.01%	1/2/09	98,220,827
Citigroup Gloal Markets	0.01%	1/2/09	133,558,915
	Subtotal for cash invested in repurchase agreements		$330,000,569
	Total repurchase agreements		$336,389,415

The counterparties to those repurchase agreements have pledged collateral as of December 31, 2008 and are presented below.

Description of Security	Interest Rate	Maturity Date	Market Value
Republic of Bulgaria	8.25%	1/15/15	$202,608
Republic of Brazil	11.00%	8/17/40	1,211,350
Republic of Indonesia	6.63%	2/17/37	75,466
Republic of Indonesia	6.63%	2/17/37	75,466
Republic of Korea	4.25%	6/1/13	469,371
United Mexican States	5.63%	1/15/17	412,375
United Mexican States	5.63%	1/15/17	103,094
United Mexican States	5.63%	1/15/17	103,094
Republic of Peru	6.55%	3/14/37	91,197
Republic of Poland	6.25%	7/3/12	747,182
Russian Federation	7.50%	3/31/30	88,098
Russian Federation	7.50%	3/31/30	132,147
Russian Federation	7.50%	3/31/30	264,294
Russian Federation	7.50%	3/31/30	132,147
Russian Federation	7.50%	3/31/30	44,049
Republic of South Africa	6.50%	6/2/14	427,606
Republic of South Africa	8.50%	6/23/17	47,344
Republic of Turkey	6.88%	3/17/36	760,375
Republic of Peru	8.75%	11/21/33	56,486
Russian Federation	7.50%	3/31/30	132,147
Republic of Venezuela	9.25%	9/15/27	28,362
	Subtotal for collateral related to repurchase agreement from cash held at broker from securities sold short		$6,909,412
Cash Repo Margin	0.01%	1/2/09	98,220,827
Cash Repo Margin	0.01%	1/2/09	98,220,827
Cash Repo Margin	0.01%	1/2/09	133,558,915
	Subtotal for collateral related to repurchase agreement from extra cash		$330,000,569
	Total collateral of repurchase agreements		$336,909,981

Securities Lending Program

The Master Trust participates in a securities lending program with the Trustee. The program allows the Trustee to loan securities, which are assets of the Master Trust, to approved brokers (the "Borrowers"). The Trustee requires Borrowers, pursuant to a security loan agreement, to deliver collateral to secure each loan. The collateral requires 102% of the fair value of U.S. securities borrowed and 105% for non-U.S. securities borrowed. The Master Trust bears the risk of loss with respect to the unfavorable change in fair value of the invested cash collateral. However, the Borrower bears the risk of loss related to the decrease in the fair value of the securities collateral and, therefore, will have to deliver additional securities to maintain the required collateral. In the event of default by the Borrower, the Trustee shall indemnify the Master Trust by purchasing replacement securities equal to the number of unreturned loaned securities or, if replacement securities are not able to be purchased, the Trustee shall credit the Master Trust for the market value of the unreturned securities. In each case, the Trustee would apply the proceeds from the collateral for such a loan to make the Master Trust whole.

The market value of the securities on loan to Borrowers at December 31, 2009 and 2008 was $229,387,743 and $1,143,426,935, respectively. Cash collateral obligations of $236,041,606 and $1,160,357,194 were received for securities on loan at December 31, 2009 and 2008, respectively. Cash collateral was invested in a separately maintained and managed cash collateral investment account and had a fair market value of $182,678,803 and $1,014,952,768 at December 31, 2009 and 2008, respectively. At December 31, 2009 investments include, $18,229,286 invested in overnight repurchase agreements, $150,691,808 invested in asset backed securities and $13,757,709 invested in corporate floating rate notes. At December 31, 2008 investments include $20,998,004 invested in the Mellon GSL Euro Fund, $68,961,142 invested in overnight repurchase agreements, $317,931,219 invested in asset backed securities/mortgage backed securities and $607,062,403 invested in corporate floating rate notes. Noncash collateral of $11,790,199 was received for securities on loan at December 31, 2008, which consisted of U.S. Treasury notes and bonds, equities, letters of credit, sovereign debt, and supernational debt held by the Trustee on behalf of the Master Trust.

A portion of the income generated upon investment of cash collateral is remitted to the Borrowers, and the remainder is allocated between the Master Trust and the Trustee in its capacity as a security agent. Securities lending income allocated to the Master Trust amounted to $2,651,045 and $16,347,677 as of December 31, 2009 and 2008, respectively. Security lending income allocated to the Trustee amounted to $684,107 and $4,165,891 as of December 31, 2009 and 2008, respectively.

Derivative Policy

The Master Trust enters into contractual arrangements classified as derivatives in carrying out its investment strategy, principally to: (1) hedge a portion of the Master Trust's portfolio to limit or minimize exposure to certain risks, (2) gain exposure to a market more rapidly or less expensively than could be accomplished through the use of the cash markets, and (3) increase investment returns by reducing the cost of structuring the portfolio or by capturing value disparities between financial instruments. The Master Trust utilizes both exchange traded investment instruments such as equity and interest rate futures, options on futures, over-the-counter (OTC) options, interest rate swaps and forward exchange contracts. Select major financial institutions are used in derivatives transactions. When engaging in OTC and forward exchange contracts, there is exposure to credit loss in the event of nonperformance by the counterparties to these transactions. The Master Trust manages this exposure through credit approvals, limits, monitoring procedures, and to the extent possible, by restricting the period over which unpaid balances are allowed to accumulate. Procedures are in place at the Trustee to regularly monitor and report market and counterparty credit risks associated with these instruments. The Master Trust does not anticipate nonperformance by counterparties to these contracts, and no material loss would be expected from any such nonperformance.

The following tables present the values of derivatives carried on the Statement of Net Assets and the Statement of Changes in Net Assets of the Master Trust as of and for the year ended December 31, 2009:

Fair value of asset and liability derivative contracts

Derivatives not accounted for as hedging instruments

Assets	Credit	Equity	Foreign Exchange	Interest Rate	Total
Unrealized gain on futures contracts*	$ -	$ 2,187,176	$ -	$ -	$ 2,187,176
Unrealized gain on foreign exchange contracts	-	-	1,111,017	-	1,111,017
	$ -	$ 2,187,176	$ 1,111,017	$ -	$ 3,298,193
Liabilities					
Unrealized loss on foreign exchange contracts	$ -	$ -	$ 1,111,035	$ -	$ 1,111,035
	$ -	$ -	$ 1,111,035	$ -	$ 1,111,035

* classified in Other investments

Effect of derivative instruments on the Statement of Changes in Net Assets

Derivatives not accounted for as hedging instruments	Net Appreciation/ (Depreciation)
Futures contracts	$ 53,482,416
Foreign currency	16,879,240
Options contracts	(4,229,194)
Swap contracts	(50,063)
	$ 66,082,399

The following is a summary of the significant accounting policies associated with the Master Trust's use of derivatives:

Forward Foreign Currency Exchange Contracts
A forward foreign currency exchange contract ("forward currency contract") is a commitment to purchase or sell a foreign currency at a future settlement date and at a negotiated rate.

Forward currency contracts are utilized to hedge a portion of the currency exposure that results from the Master Trust's holdings of equity and fixed income securities denominated in foreign currencies.

Forward currency contracts are marked-to-market at the prevailing forward exchange rate of the underlying currencies and the difference between contract value and market value is recorded as unrealized appreciation (depreciation) in Master Trust net assets. When the forward exchange contract is closed, the Master Trust transfers the unrealized appreciation (deprecation) to a realized gain (loss) equal to the change in the value of the forward exchange contract when it was opened and the value at the time it was closed or offset. Sales and purchases of forward currency contracts having the same settlement date and broker are offset and any gain (loss) is realized on the date of offset.

Certain risks may arise upon entering into a forward currency contract from the potential inability of counterparties to meet the terms of their contracts. Additionally, when utilizing forward currency contracts to hedge, the Master Trust gives up the opportunity to profit from favorable exchange rate movements during the term of the contract.

A summary of open forward currency contracts at December 31, 2009 is presented below:

	2009			
	Settlement Date	Aggregate Face Value	Market Value	Unrealized Appreciation (Depreciation)
Currency Purchased				
AUSTRALIAN DOLLAR	1/4/2010 - 1/27/2010	$9,480,464	$9,329,189	($151,275)
BRAZIL REAL	1/4/2010 - 2/2/2010	1,958,385	1,967,154	8,769
BRITISH POUND STERLING	1/5/2010 - 1/27/2010	3,144,608	3,097,007	(47,601)
CANADIAN DOLLAR	1/4/2010 - 2/2/2010	4,222,911	4,280,960	58,049
DANISH KRONE	1/27/2010 - 1/27/2010	836,653	799,967	(36,686)
EGYPTIAN POUND	1/4/2010 - 1/4/2010	1,766	1,761	(5)
EURO CURRENCY UNIT	1/4/2010 - 2/17/2010	12,839,584	12,382,094	(457,490)
HONG KONG DOLLAR	1/4/2010 - 1/27/2010	1,209,871	1,209,951	80
INDONESIAN RUPIAN	1/5/2010 - 1/5/2010	1,173	1,172	(1)
JAPANESE YEN	1/4/2010 - 1/6/2010	246,576	243,296	(3,280)
NEW TAIWAN DOLLAR	1/4/2010 - 1/4/2010	491,305	490,982	(323)
NORWEGIAN KRONE	1/15/2010 - 1/27/2010	1,034,905	994,329	(40,576)
SOUTH AFRICAN COMM RAND	1/27/2010 - 1/27/2010	556,170	558,657	2,487
SINGAPORE DOLLAR	1/4/2010 - 1/5/2010	145,744	145,784	40
SOUTH KOREAN WON	1/5/2010 - 1/5/2010	352,521	349,532	(2,989)
SWEDISH KRONA	1/27/2010 - 1/27/2010	1,770,722	1,707,052	(63,670)
SWISS FRANC	1/27/2010 - 1/27/2010	2,952,214	2,877,367	(74,847)
		$41,245,572	$40,436,254	($809,318)

	2009			
	Settlement Date	Aggregate Face Value	Market Value	Unrealized Appreciation (Depreciation)
Currency Sold				
AUSTRALIAN DOLLAR	1/27/2010 - 2/8/2010	$13,102,448	$13,264,776	($162,328)
BRAZIL REAL	1/5/2010 - 1/22/2010	1,702,303	1,720,462	(18,159)
BRITISH POUND STERLING	1/4/2010 - 1/27/2010	8,416,462	8,260,410	156,052
CANADIAN DOLLAR	1/27/2010 - 1/27/2010	2,312,434	2,346,118	(33,684)
DANISH KRONE	1/27/2010 - 1/27/2010	643,118	620,312	22,806
EURO CURRENCY UNIT	1/4/2010 - 5/19/2010	29,692,027	29,037,751	654,276
HONG KONG DOLLAR	1/4/2010 - 1/27/2010	11,975,417	11,971,580	3,837
INDIAN RUPEE	1/4/2010 - 1/4/2010	74,072	74,187	(115)
INDONESIAN RUPIAN	1/4/2010 - 1/4/2010	27,711	27,807	(96)
JAPANESE YEN	1/4/2010 - 5/19/2010	5,358,758	5,201,660	157,098
MALAYSIAN RINGGIT	1/4/2010 - 1/4/2010	3,481	3,489	(8)
MEXICAN NEW PESO	1/20/2010 - 5/28/2010	1,121,502	1,134,244	(12,742)
NEW ZEALAND DOLLAR	1/27/2010 - 2/10/2010	1,957,608	1,949,026	8,582
NORWEGIAN KRONE	1/15/2010 - 1/27/2010	670,832	671,881	(1,049)
SOUTH AFRICAN COMM RAND	1/4/2010 - 1/27/2010	156,824	160,935	(4,111)
SINGAPORE DOLLAR	1/4/2010 - 1/27/2010	2,067,074	2,058,406	8,668
SWEDISH KRONA	1/27/2010 - 1/27/2010	778,890	753,445	25,445
SWISS FRANC	1/27/2010 - 1/27/2010	141,247	136,419	4,828
		$80,202,208	$79,392,908	$809,300

A summary of open forward currency contracts at December 31, 2008 is presented below:

	2008			
	Settlement Date	**Aggregate Face Value**	**Market Value**	**Unrealized Appreciation (Depreciation)**
Currency Purchased				
AUSTRALIAN DOLLAR	1/2/2009 - 6/3/2009	$24,147,679	$25,779,041	$1,631,362
BRAZIL REAL	1/5/2009 - 2/20/2009	2,664,383	2,672,674	8,291
BRITISH POUND STERLING	1/2/2009 - 6/3/2009	59,830,191	56,373,168	(3,457,023)
CANADIAN DOLLAR	1/2/2009 - 6/3/2009	25,930,602	25,764,690	(165,912)
CHINESE YUAN RENMINBI	3/18/2009 - 9/16/2009	72,407,253	67,895,612	(4,511,641)
CZECH KORUNA	3/18/2009 - 3/18/2009	671,021	660,850	(10,171)
DANISH KRONE	1/21/2009 - 1/21/2009	699,494	722,492	22,998
EURO CURRENCY UNIT	1/2/2009 - 6/3/2009	175,648,156	182,097,136	6,448,980
HONG KONG DOLLAR	1/2/2009 - 3/18/2009	14,096,897	14,088,383	(8,514)
HUNGARIAN FORINT	3/18/2009 - 3/18/2009	52,784	56,872	4,088
INDIAN RUPEE	3/18/2009 - 3/18/2009	703,542	713,841	10,299
ISRAELI SHEKEL	12/31/2008 - 1/2/2009	17,287	17,339	52
JAPANESE YEN	1/7/2009 - 6/3/2009	69,751,369	74,742,148	4,990,779
MEXICAN NEW PESO	3/18/2009 - 3/18/2009	361,481	353,477	(8,004)
NEW TAIWAN DOLLAR	3/18/2009 - 3/18/2009	217,213	216,857	(356)
NEW TURKISH LIRA	1/26/2009 - 3/18/2009	1,651,047	1,386,906	(264,141)
NEW ZEALAND DOLLAR	3/18/2009 - 3/18/2009	358,381	376,727	18,346
NORWEGIAN KRONE	1/21/2009 - 2/20/2009	1,390,595	1,385,077	(5,518)
PHILIPPINES PESO	3/18/2009 - 3/18/2009	339,176	355,045	15,869
POLISH ZLOTY	3/18/2009 - 3/18/2009	307,675	314,744	7,069
RUSSIAN RUBEL	3/18/2009 - 3/18/2009	152,518	139,774	(12,744)
SOUTH AFRICAN COMM RAND	3/18/2009 - 3/18/2009	103,898	116,650	12,752
SINGAPORE DOLLAR	1/5/2009 - 3/18/2009	1,540,591	1,608,874	68,283
SOUTH KOREAN WON	1/16/2009 - 3/18/2009	3,176,432	3,232,517	56,085
SWEDISH KRONA	1/21/2009 - 3/18/2009	6,506,745	6,460,368	(46,377)
SWISS FRANC	1/6/2009 - 6/3/2009	34,871,123	37,485,698	2,614,575
		$497,597,533	$505,016,960	$7,419,427

	2008			
	Settlement Date	**Aggregate Face Value**	**Market Value**	**Unrealized Appreciation (Depreciation)**
Currency Sold				
AUSTRALIAN DOLLAR	1/5/2009 - 6/3/2009	$26,817,349	$28,845,458	($2,028,109)
BRAZIL REAL	1/5/2009 - 2/20/2009	4,666,618	4,156,630	509,988
BRITISH POUND STERLING	1/2/2009 - 6/3/2009	107,684,011	100,061,856	7,622,155
CANADIAN DOLLAR	1/2/2009 - 6/3/2009	59,344,826	60,737,468	(1,392,642)
CHINESE YUAN RENMINBI	3/18/2009 - 3/18/2009	47,753,474	47,704,148	49,326
CZECH KORUNA	1/21/2009 - 3/18/2009	2,632,081	2,708,035	(75,954)
DANISH KRONE	1/6/2009 - 1/6/2009	21,240	20,952	288
EURO CURRENCY UNIT	1/2/2009 - 6/3/2009	264,741,982	285,812,377	(21,070,395)
HONG KONG DOLLAR	1/2/2009 - 3/18/2009	10,723,070	10,731,555	(8,485)
HUNGARIAN FORINT	3/18/2009 - 3/18/2009	1,253,073	1,333,913	(80,840)
INDIAN RUPEE	3/18/2009 - 3/18/2009	3,470,778	3,691,577	(220,799)
JAPANESE YEN	1/5/2009 - 6/17/2009	35,917,659	37,335,995	(1,418,336)
MALAYSIAN RINGGIT	3/18/2009 - 3/18/2009	1,565,559	1,636,007	(70,448)
MEXICAN NEW PESO	3/18/2009 - 3/18/2009	1,694,174	1,654,273	39,901
NEW TAIWAN DOLLAR	3/18/2009 - 3/18/2009	1,682,174	1,704,316	(22,142)
NEW TURKISH LIRA	1/2/2009 - 3/18/2009	2,353,973	2,587,062	(233,089)
NEW ZEALAND DOLLAR	3/18/2009 - 3/18/2009	8,521,780	9,053,036	(531,256)
NORWEGIAN KRONE	1/2/2009 - 1/21/2009	2,319,817	2,224,870	94,947
PHILIPPINES PESO	3/18/2009 - 3/18/2009	734,081	793,630	(59,549)
POLISH ZLOTY	3/18/2009 - 3/18/2009	2,868,327	2,839,390	28,937
RUSSIAN RUBEL	3/18/2009 - 3/18/2009	3,217,355	3,027,928	189,427
SOUTH AFRICAN COMM RAND	3/18/2009 - 3/18/2009	1,438,759	1,611,888	(173,129)
SINGAPORE DOLLAR	3/18/2009 - 3/18/2009	2,711,565	2,848,904	(137,339)
SOUTH KOREAN WON	1/16/2009 - 3/18/2009	5,520,335	5,390,935	129,400
SWEDISH KRONA	1/21/2009 - 3/18/2009	319,419	320,193	(774)
SWISS FRANC	1/6/2009 - 6/3/2009	59,904,565	68,000,426	(8,095,861)
		$659,878,044	$686,832,822	($26,954,778)

Future Contracts
A future contract is a contractual agreement to make or take delivery of a standardized quantity of a specified grade or type of commodity or financial instrument at a specified future date in accordance with terms specified by a regulated future exchange.

The Master Trust may use equity index, fixed income, cash and cash equivalents and commodities future contracts to manage exposure to the market. Buying futures tends to increase the Master Trust's exposure to the underlying instrument. Selling futures tends to decrease the Master Trust's exposure to the underlying instrument held, or hedge the fair value of other fund investments.

Future contracts are valued at the last settlement price at the end of each day on the exchange upon which they are traded. Upon entering into a future contract, the Master Trust is required to deposit either in cash or securities an amount equal to a certain percentage of the nominal value of the contract ("initial margin"). Pursuant to the future contract, the Master Trust agrees to receive from, or pay to, the broker an amount of cash equal to the daily fluctuation in the value of the future contract. Such receipts or payments are recorded as “margin flows”, and the accumulated balances resulting from those flows are represented on the balance sheet as “cash held at broker”. The Master Trust will also record an unrealized gain or loss on futures, which is calculated as the difference between the notional cost and the notional market value of open futures contracts.

Future contracts involve, to varying degrees, credit and market risks. The Master Trust enters into future contracts on exchanges where the exchange acts as the counterparty to the transaction. Thus, credit risk on such transactions is limited to the failure of the exchange. The daily settlement on the future contracts serves to greatly reduce credit risk. Losses in value may arise from changes in the value of the underlying instrument or if there is an illiquid secondary market for the contracts. In addition, there is the risk that there may not be an exact correlation between a future contract and the underlying index or security.

At December 31, 2009, no securities were pledged as collateral or restricted from trading. A cash balance of $20,657,067 was pledged to cover margin requirements for open future contracts.

At December 31, 2008, U.S Government bonds with a par value of $14,438,319 ($16,823,443 fair value) were pledged as collateral for open equity index, fixed income, cash and cash equivalents and commodities future positions. These bonds are restricted from trading until the future position for which they are pledged as collateral are settled.

A summary of the open equity index futures as of December 31, 2009 and 2008 is presented below:

	Long Contracts				Short Contracts			
	2009		2008		2009		2008	
	Number of Contracts	Aggregate Face Value	Number of Contracts	Aggregate Face Value	Number of Contracts	Aggregate Face Value	Number of Contracts	Aggregate Face Value
CAC 40 Eur Index Future (EOP)	-	$-	2	$89,547	-	$-	-	$-
FTSE 100 Index Future (LIF)	-	-	31	1,956,634	-	-	-	-
Hang Seng Index Future (HKG))	-	-	4	371,732	-	-	-	-
IBEX 35 Index Future (MFM)	-	-	4	506,701	-	-	-	-
IPE Carb Emission Future (ICE)	-	-	4	88,407	-	-	-	-
Russell 2000 Mini Index Future (NYF)	1,688	105,314,320	-	-	-	-	-	-
S&P 500 EMINI Index Future (CME)	4,384	243,476,400	-	-	-	-	-	-
S&P 500 EMINI Index Future (CME)	-	-	53	2,385,265	-	-	-	-
S&P 500 Index Future (CME)	-	-	270	60,756,750	-	-	-	-
S&P/MIB Index Future (MIL)	-	-	1	134,988	-	-	-	-
S&P/TSE 60 Index Future (MSE)	-	-	-	-	-	-	5	437,343
SPI 200 Index Future (SFE)	-	-	-	-	-	-	4	261,171
Topix Index Future (TSE)	-	-	5	475,455	-	-	-	-
Grand Total	6,072	$348,790,720	374	$66,765,479	-	$-	9	$698,514

A summary of the open commodity index futures as of December 31, 2008 is presented below:

	Long Contracts		Short Contracts	
	2008		2008	
	Number of Contracts	Aggregate Face Value	Number of Contracts	Aggregate Face Value
Aluminum HG Future (LME)	2	$ 76,788	38	$ 1,464,825
Copper Future (CMX)	-	-	27	951,750
Copper Future (LME)	-	-	18	1,384,988
Corn Future (CBT)	17	370,050	-	-
Crude Oil Future (NYM)	-	-	36	1,749,240
Gold 100 OZ Future (CMX)	62	5,482,660	-	-
Live Cattle Future (CME)	6	211,400	-	-
Natural Gas Future (NYM)	14	862,860	-	-
Nickel Future (LME)	-	-	8	560,772
Palladium Future (NYM)	13	245,310	-	-
Soybean Future (CBT)	5	247,675	-	-
Soybean Future (SFE)	3	150,413	-	-
Sugar #11 World Future (NYB)	31	410,043	4	63,123
Zinc Future (LME)	-	-	25	755,863
Grand Total	153	$8,057,199	156	$6,930,561

A summary of the open fixed income futures as of December 31, 2008 is presented below:

	Long Contracts		Short Contracts	
	2008		2008	
	Number of Contracts	Aggregate Face Value	Number of Contracts	Aggregate Face Value
3MO Euroyen Tiff Future (TFX)	41	$ 11,253,698	-	$-
90 Day Bank Accept Future (MSE)	-	-	16	3,214,905
Australian 10-year Bond Future (SFE)	-	-	94	7,628,239
Canada 10-year Bond Future (MSE)	-	-	24	2,464,350
Euro-Bond Future (EUX)	116	20,129,926	-	-
Japan 10-year Bond Future (TSE)	7	10,820,075	-	-
UK Long Gilt Future	106	18,817,013	-	-
US 10 years Treasury notes Future (CBT)	229	28,796,750	79	9,934,250
US 2 years Treasury notes Future (CBT)	210	45,793,125	-	-
US 5 years Treasury Notes Future (CBT)	197	23,453,774	-	-
US Treasury Bond Future (CBT)	92	12,700,313	-	-
Grand Total	998	$171,764,674	213	$23,241,744

A summary of the cash and cash equivalents futures as of December 31, 2008 is presented below:

	Long Contracts		Short Contracts	
	2008		2008	
	Number of Contracts	Aggregate Face Value	Number of Contracts	Aggregate Face Value
Australian Bank Bill Future	153	$ 105,899,102	-	$-
Bank Accept Future (MSE)	-	-	66	13,267,963
British Pound Currency Future (CME)	-	-	-	-
Eurodollar Future (CME)	553	135,722,563	-	-
Euribor Future (LIF)	226	76,911,067	-	-
Sterling LIBOR Future (LIF)	201	35,481,783	-	-
Grand Total	1,133	$354,014,515	66	$13,267,963

Options
The Master Trust did not have any options as of December 31, 2009.

An option contract is a contract in which the writer of the option grants the buyer of the option the right to purchase from ("call option"), or sell to ("put option"), the writer a designated instrument at a specified price within a specified period of time. Certain options, including options on indices, will require cash settlement by the Master Trust if the option is exercised. The Master Trust may enter into put or call option contracts in order to: hedge against potential adverse price movements in the value of the portfolio assets; as a temporary substitute for selling selected investments; to lock in the purchase price of a security or currency which it expects to purchase in the near future; as a temporary substitute for the purchase of selected investments; and to enhance potential gain.

When the Master Trust purchases or writes an option, an amount equal to the premium paid or received by the Master Trust is recorded as an asset or liability and is subsequently adjusted to the current market value of the option purchased or written. Options purchased or written are valued at the last sale price or, in the absence of a sale, the mean between the closing bid and asked prices or at the most recent asked price (bid for purchased options) if no bid and asked price are available. Over-the-counter purchased or written options are valued using dealer supplied quotations. Gain and loss is recognized when the option contract expires or is closed.

If the Master Trust writes a covered call option, the Master Trust foregoes, in exchange for the premium, the opportunity to profit during the option period from an increase in the value of the underlying security above the exercise price. If the Master Trust writes a put option, it accepts the risk of a decline in the value of the underlying security below the exercise price. Over-the-counter options have a risk of the potential inability of counterparties to meet the terms of their contracts. The Master Trust's maximum exposure to purchased options is limited to the premium initially paid. In addition, certain risks may arise upon entering into option contracts prior to the expiration date and that a change in value of the option contract may not correlate exactly with changes in the value of the securities or currencies hedged.

A summary of open written equity options as of December 31, 2008 is presented below:

	Call Options	
	2008	
	Number of Contracts	Market Value
Total equity securities options	1,477	$ (34,310)
Premiums received in aggregate as of December 31, 2008		$ 98,189

A summary of open purchased equity options as of December 31, 2008 is presented below:

	Put Options	
	2008	
	Number of Contracts	Market Value
Total purchased equity options	17,839	$ 3,704,428
Premiums paid in aggregate as of December 31, 2008		$ 5,215,217

Swaps

As of December 31, 2009, the Master Trust was not invested in any swaps.

The Master Trust may invest in interest rate swap contracts. The Master Trust uses interest rate swap contracts to manage its exposure to interest rates. Interest rate swap contracts entered into by the Master Trust typically represent the exchange by the Master Trust with a counterparty of a commitment to make variable rate and fixed rate payments with respect to a notional amount of principal. Such contracts may have a term of one to ten years, but typically require periodic interim settlement in cash, at which time both the value of the index or security and the specified interest rate are reset for the next settlement period. During the period that the swap contract is open, the contract is marked-to-market as the net amount due to or from the Plan in accordance with the terms of the contract based on the closing level of the relevant index or security and interest accrual through the valuation date. Changes in the value of the swap contract are recorded as unrealized gains or losses, while periodic cash settlements are recorded as realized gains or losses.

The Master Trust may invest in credit default swaps. Credit default swap contracts entered into by the Master Trust typically represent the exchange by the Master Trust with a counterparty of a commitment to provide a level of credit protection for a commitment to receive interest at a fixed rate based on the potential risk of default of the relevant underlying issuer. Providing credit protection to a counterparty tends to increase a Master Trust's exposure to the underlying instrument. Receiving credit protection from a counterparty tends to decrease a Master Trust's exposure to the underlying instrument held by a Master Trust, or hedge the fair value of other Master Trust investments. Such contracts may have a term of one to ten years, but typically require periodic interim settlement in cash. During the period that the credit default swap contract is open, the contract is marked-to-market in accordance with the terms of the contract based on the current interest rate spreads and credit risk of the referenced obligation of the underlying issuer and interest accrual through valuation date. Changes in the value of the credit default swap are recorded as unrealized gains or losses, while periodic cash settlements are recorded as realized gains or losses.

Entering into a swap contract involves, to varying degrees, elements of credit, market and interest rate risk in excess of the amounts reported in the statement of net assets available for benefits. Notional principal amounts are used to express the extent of involvement in the transactions, but are not delivered under the contract. Accordingly, credit risk is limited to any amounts receivable from the counterparty. To reduce credit risk from potential counterparty default, the Master Trust enters into swap contracts with counterparties whose creditworthiness has been approved by the trustee of the Trust. The Master Trust bears the market risk arising from any change in index or security values or interest rates.

As of December 31, 2008, the Master Trust had two open credit default swaps. The Master Trust was the buyer on these swaps ("purchasing protection") with total notional amounts of $8,400,000. There was no material realized or unrealized gain/(loss) related to swaps for the years ended December 31, 2009 or 2008.

6. Termination Policies

The Company has not expressed any intent to terminate the Plan or discontinue its contributions. However, in the event the Plan is discontinued:

(a) The assets comprising the Plan, including the net income (loss) of the Plan shall be revalued at market by the Trustee.

(b) The Plan provides that the net assets of the Plan shall be allocated among the participants and beneficiaries of the Plan in the order provided by ERISA.

(c) To the extent unfunded vested benefits exist, ERISA provides that such benefits are payable by the Pension Benefit Guaranty Corporation (the "PBGC") to participants, up to specified limitations, as described in ERISA.

Whether all participants receive their full or partial benefits should the Plan terminate at some future time will depend on the sufficiency, at that time, of the Plan's net assets to provide for accumulated benefit obligations, and may also depend on the financial condition of the plan sponsor and the level of benefits guaranteed by the PBGC.

The Company may terminate the Plan in whole or in part at any time. This summary of termination priorities is provided for general information purposes only. Participants should refer to the Plan document for more information.

7. Party-in-Interest Transactions

Certain investments within the Master Trust were advised by or affiliated with The Bank of New York Mellon, successor by operation of law to Mellon Trust of New England, N.A., the Trustee, and Custodian, and related party. Transactions with the Trustee and Custodian qualify as party-in-interest transactions. For the years ended December 31, 2009 and 2008, $500 of trustee expenses specifically related to the Plan were incurred and included in "Administrative expenses." In addition, the Plan was allocated approximately $34,724 and $27,771 of trustee expenses paid directly by the Master Trust to the Trustee and are included in the Master Trust's investment income (loss).

As of December 31, 2009 and 2008, $4,749 and $5,336 of trustee expenses were accrued.

8. Tax Status

The Internal Revenue Service has determined and informed the Company by letter dated July 8, 2003, that the design of the Plan meets the requirements for qualification under Code section 401(a), on which the tax exemption of the related trust under section 501(a) is based. The Plan has been amended since receiving the determination letter. The plan administrator and the Company's benefits counsel believe that the current design and operation of the Plan are consistent with continued qualification of the Plan and exemption of the related trust.

9. Risks and Uncertainties

The Plan financial statements are based on the application of U.S. Generally Accepted Accounting Principles (GAAP), which require the Plan to make estimates and assumptions about future events that affect the amounts reported in financial statements and the accompanying notes.

Contributions to the Plan are made and the actuarial present value of accumulated plan benefits are reported based on certain assumptions pertaining to interest rates, inflation rates and employee compensation and demographics. Due to the changing nature of these assumptions, it is at least reasonably possible that changes in these assumptions will occur in the near term and, due to the uncertainties inherent in setting assumptions, that the effect of such changes could be material to the financial statements. The investments of the Plan are exposed to various risks, such as interest rate, market and credit risks. See Note 5 for additional information with respect to investment risk.

10. Subsequent Events

The Plan has evaluated subsequent events and transactions subsequent to December 31, 2009 through the date the Plan's financial statements were issued, September 14, 2010.

SCHEDULE SB (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Single-Employer Defined Benefit Plan Actuarial Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500 or 5500-SF.**

OMB No. 1210-0110

2009

This Form is Open to Public Inspection

For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009

▶ **Round off amounts to nearest dollar.**

▶ **Caution:** A penalty of $1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan

Ret. Plan for Hourly EEs of the Greenville Division of E-Systems, Inc

B Three-digit plan number (PN) ▶ 036

C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF

Raytheon Company

D Employer Identification Number (EIN)

95-1778500

E Type of plan: [X] Single [ ] Multiple-A [ ] Multiple-B

F Prior year plan size: [ ] 100 or fewer [ ] 101-500 [X] More than 500

Part I Basic Information

1 Enter the valuation date: Month 1 Day 1 Year 2009

2	Assets:			
	a Market value		**2a**	50,491,250
	b Actuarial value		**2b**	55,540,375
3	Funding target/participant count breakdown		(1) Number of participants	(2) Funding Target
	a For retired participants and beneficiaries receiving payment	**3a**	1,284	34,669,458
	b For terminated vested participants	**3b**	1,204	14,879,654
	c For active participants:			
	(1) Non-vested benefits	**3c(1)**		0
	(2) Vested benefits	**3c(2)**		0
	(3) Total active	**3c(3)**	0	0
	d Total	**3d**	2,488	49,549,112
4	If the plan is at-risk, check the box and complete items (a) and (b) [ ]			
	a Funding target disregarding prescribed at-risk assumptions		**4a**	
	b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been at-risk for fewer than five consecutive years and disregarding loading factor		**4b**	
5	Effective interest rate		**5**	8.16 %
6	Target normal cost		**6**	151,475

Statement by Enrolled Actuary

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE

Jonathan Barry
Signature of actuary

June 21, 2011
Date

Jonathan R. Barry, F.S.A.
Type or print name of actuary

11-06048
Most recent enrollment number

MERCER
Firm name

(617)747-9500
Telephone number (including area code)

99 HIGH STREET

BOSTON MA 02110-2320
Address of the firm

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions [ ]

Part II Beginning of year carryover and prefunding balances

		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (Item 13 from prior year)		
8	Portion used to offset prior year's funding requirement (Item 35 from prior year)		
9	Amount remaining (Item 7 minus item 8)	0	0
10	Interest on item 9 using prior year's actual return of _____%		
11	Prior year's excess contributions to be added to prefunding balance:		
	a Excess contributions (Item 38 from prior year)		
	b Interest on (a) using prior year's effective rate of _____%		0
	c Total available at beginning of current plan year to add to prefunding balance		0
	d Portion of (c) to be added to prefunding balance		
12	Reduction in balances due to elections or deemed elections		
13	Balance at beginning of current year (item 9 + item 10 + item 11d - item 12)	0	0

Part III Funding percentages

14	Funding target attainment percentage	14	112.09 %
15	Adjusted funding target attainment percentage	15	%
16	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	%
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

Part IV Contributions and liquidity shortfalls

18 Contributions made to the plan for the plan year by employer(s) and employees:

(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
			Totals ► 18(b)	0	18(c) 0

19 Discounted employer contributions - see instructions for small plan with a valuation date after the beginning of the year:

a	Contributions allocated toward unpaid minimum required contribution from prior years.	19a
b	Contributions made to avoid restrictions adjusted to valuation date	19b
c	Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c

20 Quarterly contributions and liquidity shortfalls:

a Did the plan have a "funding shortfall" for the prior year? ☐ Yes ☐ No

b If 20a is "Yes," were required quarterly installments for the current year made in a timely manner? ☐ Yes ☐ No

c If 20a is "Yes," see instructions and complete the following table as applicable:

Liquidity shortfall as of end of Quarter of this plan year

(1) 1st	(2) 2nd	(3) 3rd	(4) 4th

Part V Assumptions used to determine funding target and target normal cost

21 Discount rate:

a Segment rates:

1st segment: %	2nd segment: %	3rd segment: %	☐ N/A, full yield curve used

b Applicable month (enter code) **21b**

22 Weighted average retirement age **22**

23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☐ Prescribed - separate ☐ Substitute

Part VI Miscellaneous items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment. ☐ Yes ☐ No

25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment. ☐ Yes ☐ No

26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment. ☐ Yes ☐ No

27 If the plan is eligible for (and is using) alternative funding rules, enter applicable code and see instructions regarding attachment	**27**	3

Part VII Reconciliation of unpaid minimum required contributions for prior years

28 Unpaid minimum required contribution for all prior years	**28**	
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (item 19a)	**29**	
30 Remaining amount of unpaid minimum required contributions (item 28 minus item 29)	**30**	0

Part VIII Minimum required contribution for current year

31 Target normal cost, adjusted, if applicable (see instructions)		**31**	
32 Amortization installments:	Outstanding Balance		Installment
a Net shortfall amortization installment			
b Waiver amortization installment			
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount		**33**	
34 Total funding requirement before reflecting carryover/prefunding balances (item 31 + item 32a + item 32b - item 33)		**34**	0

	Carryover balance	Prefunding balance	Total balance
35 Balances used to offset funding requirement			0

36 Additional cash requirement (item 34 minus item 35)	**36**	0
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (Item 19c)	**37**	
38 Interest-adjusted excess contributions for current year (see instructions)	**38**	0
39 Unpaid minimum required contribution for current year (excess, if any, of item 36 over item 37)	**39**	0
40 Unpaid minimum required contribution for all years	**40**	0