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 12/01/2009 and ending 11/30/2010

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;
- [ ] 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. . . . . ▶ [ ]

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
RAYTHEON MARINE SYSTEMS RETIREMENT PLAN

1b Three-digit plan number (PN) ▶ 032

1c Effective date of plan 02/28/1997

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.	09/15/2011	DEBORAH A. TULLY
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	09/15/2011	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**	373
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**	104
b	Retired or separated participants receiving benefits	**6b**	73
c	Other retired or separated participants entitled to future benefits	**6c**	180
d	Subtotal. Add lines **6a**, **6b**, and **6c**	**6d**	357
e	Deceased participants whose beneficiaries are receiving or are entitled to receive benefits	**6e**	3
f	Total. Add lines **6d** and **6e**	**6f**	360
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:
1A 1C 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 12/01/2009 and ending 11/30/2010

▶ **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
RAYTHEON MARINE SYSTEMS RETIREMENT PLAN

B Three-digit plan number (PN) ▶ 032

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 12 Day 01 Year 2009			
2	Assets:			
a	Market value	**2a**		38321122
b	Actuarial value	**2b**		40680410
3	Funding target/participant count breakdown		**(1)** Number of participants	**(2)** Funding Target
a	For retired participants and beneficiaries receiving payment	**3a**	73	17073511
b	For terminated vested participants	**3b**	189	8772638
c	For active participants:			
	(1) Non-vested benefits	**3c(1)**		684349
	(2) Vested benefits	**3c(2)**		22554367
	(3) Total active	**3c(3)**	112	23238716
d	Total	**3d**	374	49084865
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**		6.53 %
6	Target normal cost	**6**		1269150

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	0	
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	82.87 %
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	This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).	2009
Department of Labor Employee Benefits Security Administration	▶ File as an attachment to Form 5500.	This Form is Open to Public Inspection.
Pension Benefit Guaranty Corporation		

For calendar plan year 2009 or fiscal plan year beginning 12/01/2009 and ending 11/30/2010

A Name of plan
RAYTHEON MARINE SYSTEMS RETIREMENT PLAN

B Three-digit plan number (PN) ▶ 032

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)

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	93948	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	56571	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 ☐

(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: DAVIN S. MACKENZIE	**b** EIN: 13-2834414	
c Position: ENROLLED ACTUARY		
d Address: 125 HIGH STREET BOSTON, MA 02110	**e** Telephone: 617-747-9500	

Explanation: TERMINATION DUE TO APPOINTMENT OF A NEW ENROLLED ACTUARY ON THIS PLAN.

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 12/01/2009 and ending 11/30/2010

A Name of plan
RAYTHEON MARINE SYSTEMS RETIREMENT PLAN

B Three-digit plan number (PN) ▶ 032

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 MASTER PENSION 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	45890379

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 12/01/2009 and ending 11/30/2010

A Name of plan
RAYTHEON MARINE SYSTEMS RETIREMENT PLAN

B Three-digit plan number (PN) ▶ 032

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)		3275140
(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)	38321122	45890379
(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	38321122	49165519
	Liabilities			
g	Benefit claims payable	1g		
h	Operating payables	1h	21753	2503
i	Acquisition indebtedness	1i		
j	Other liabilities	1j	77582	14926
k	Total liabilities (add all amounts in lines 1g through1j)	1k	99335	17429
	Net Assets			
l	Net assets (subtract line 1k from line 1f)	1l	38221787	49148090

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)	13231912	
	(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)		13231912
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)		3373474
(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		16605386
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	5442472	
(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)		5442472
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)	236611	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		236611
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		5679083
Net Income and Reconciliation			
k Net income (loss). Subtract line 2j from line 2d	2k		10926303
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 12/01/2009 and ending 11/30/2010

A Name of plan
RAYTHEON MARINE SYSTEMS RETIREMENT PLAN

B Three-digit plan number (PN) ▶ 032

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** 11

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: 44% Investment-Grade Debt: 25% High-Yield Debt: 5% Real Estate: 3% Other: 23%

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):

pwc

Report of Independent Auditors

To the Participants and Administrator of
Raytheon Marine Systems Retirement Plan

In our opinion, the accompanying statements of net assets available for benefits as of November 30, 2010 and November 30, 2009 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 Raytheon Marine Systems Retirement Plan (the "Plan") at November 30, 2010 and changes therein for the year then ended and its financial status as of November 30, 2009, 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, 2011

PricewaterhouseCoopers LLP, 125 High Street, Boston, MA 02110
T: (617) 530 5000, F: (617) 530 5001, www.pwc.com/us

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 12/01/2009 and ending 11/30/2010

▶ **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: Raytheon Marine Systems Retirement Plan

B Three-digit plan number (PN) ▶ 032

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 12 Day 1 Year 2009

2	Assets:			
	a Market value		**2a**	38,321,122
	b Actuarial value		**2b**	40,680,410
3	Funding target/participant count breakdown		**(1)** Number of participants	**(2)** Funding Target
	a For retired participants and beneficiaries receiving payment	**3a**	73	17,073,511
	b For terminated vested participants	**3b**	189	8,772,638
	c For active participants:			
	(1) Non-vested benefits	**3c(1)**		684,349
	(2) Vested benefits	**3c(2)**		22,554,367
	(3) Total active	**3c(3)**	112	23,238,716
	d Total	**3d**	374	49,084,865
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**	6.53 %
6	Target normal cost		**6**	1,269,150

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 (JB)
Signature of actuary

September 7, 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 .00 %		
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	0	
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	82.87 %
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

Attachments to Schedule SB (Form 5500)
ACTUARIAL INFORMATION

Plan: Raytheon Marine Systems Retirement Plan
EIN/PN: 95-1778500/032

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 12/01/2009 , and ending 11/30/2010 ,

▶ **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
RAYTHEON MARINE SYSTEMS RETIREMENT PLAN

B Three-digit plan number ▶ 032

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 12 Day 01 Year 2009

b Assets:		
(1) Current value of assets	b(1)	38321122
(2) Actuarial value of assets for funding standard account	b(2)	45575498
c (1) Accrued liability for plans using immediate gain methods	c(1)	45635971
(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 (JB)
Signature of actuary

September 7, 2011
Date

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

G 11-06048
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. [ ]

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500 or 5500-EZ.

v10.1

Schedule B (Form 5500) 2007

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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)	47488169
(b) Expected increase in current liability due to benefits accruing during the plan year	d(2)(b)	1200994
(c) Current liability computed at highest allowable interest rate (see instructions)	d(2)(c)	47488169
(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)	7386848

2 Operational information as of beginning of this plan year:

a Current value of the assets (see instructions) — 2a: 38221787

b "RPA '94" current liability:

	(1) No. of Persons	(2) Vested Benefits	(3) Total Benefits
(1) For retired participants and beneficiaries receiving payments	73	16761982	16761982
(2) For terminated vested participants	189	8768823	8768823
(3) For active participants	112	21314081	21957364
(4) Total	374	46844886	47488169

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:

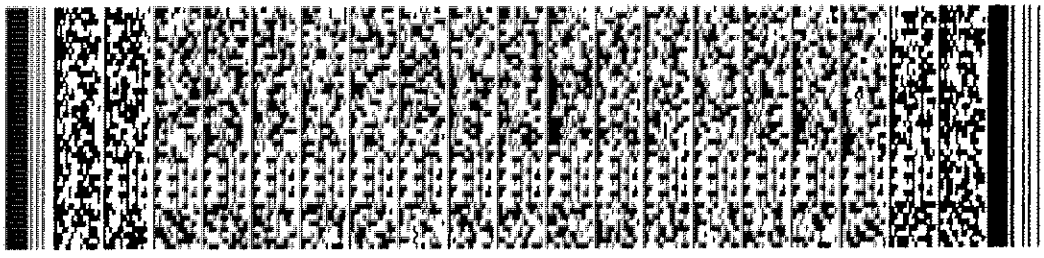
(a) Month-Day-Year	(b) Amount paid by employer	(c) Amount paid by employees	(a) Month-Day-Year	(b) Amount paid by employer	(c) Amount paid by employees
04/01/2010	659462		05/02/2011	655028	
05/03/2010	659462		06/01/2011	655028	
06/01/2010	659462		07/05/2011	655028	
07/01/2010	659462		08/02/2011	655028	
08/02/2010	659462				
09/01/2010	659462				
10/21/2010	6000000				
04/14/2011	655028				
		3 Totals ▶ (b)	13231912	(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: 90.9 %

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:

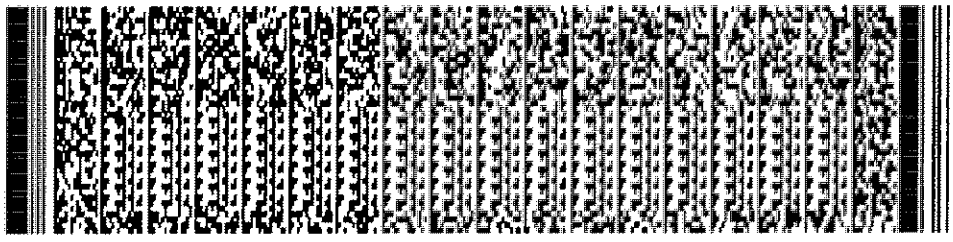
a Interest rate for "RPA '94" current liability	6a		6.77 %	☐ N/A
b Weighted average retirement age	6b		59	☐ N/A
		Pre-retirement	Post-retirement	
c Rates specified in insurance or annuity contracts ☒ N/A	6c	☐ Yes ☐ No	☐ Yes ☐ No	☒ N/A
d Mortality table code for valuation purposes:				
(1) Males	d(1)	A	A	
(2) Females	d(2)	A	A	
e Valuation liability interest rate ☐ N/A	6e	8.50 %	8.50 %	☐ N/A
f Expense loading ☐ N/A	6f	27.0 %	%	☒ N/A
		Male	Female	
g Annual withdrawal rates:		Rate Code	Rate Code	
(1) Age 25	g(1)	S 8.46 %	S 8.46 %	
(2) Age 40	g(2)	S 4.14 %	S 4.14 %	
(3) Age 55	g(3)	S 0.00 %	S 0.00 %	
h Salary scale ☐ N/A	6h	4.50 %	4.50 %	☐ N/A
i Estimated investment return on actuarial value of assets for year ending on the valuation date	6i		15.5 %	
j Estimated investment return on current value of assets for year ending on the valuation date	6j		18.2 %	

7 New amortization bases established in the current plan year:

(1) Type of Base	(2) Initial Balance	(3) Amortization Charge/Credit
1	2734965	639669
3	60473	5186

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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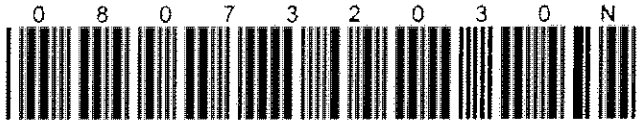

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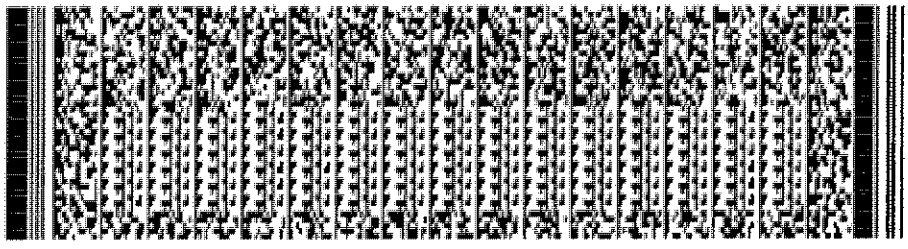
8b If one or more alternative methods or rules (as listed in the instructions) were used for this plan year, enter the appropriate code in accordance with the instructions ▶ _____

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	698204
c	Amortization charges as of valuation date:	Outstanding Balance			
	(1) All bases except funding waivers	▶ ($ 12538585)		c(1)	3510048
	(2) Funding waivers	▶ ($ 0)		c(2)	0
d	Interest as applicable on lines 9a, 9b, and 9c			9d	357701
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	4565953
	Credits to funding standard account:				
h	Prior year credit balance, if any			9h	9743147
i	Employer contributions. Total from column (b) of line 3			9i	13231912
		Outstanding Balance			
j	Amortization credits as of valuation date	▶ ($ 2734965)		9j	639669
k	Interest as applicable to end of plan year on lines 9h, 9i, and 9j			9k	1086568
l	Full funding limitation (FFL) and credits				
	(1) ERISA FFL (accrued liability FFL)	l(1)	19265477		
	(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	24701296
o	Credit balance: If line 9n is greater than line 9g, enter the difference			9o	20135343
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



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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 96.0 %

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)

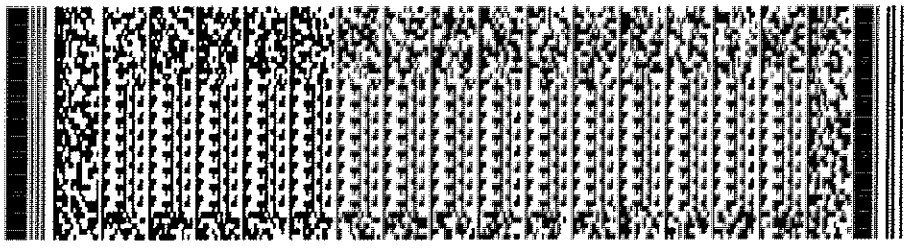
(6) Enter the greatest of lines 12m(3), 12m(4), or 12m(5) . . . . . m(6)

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: Raytheon Marine Systems Retirement Plan
EIN/PN: 95-1778500/032

The Schedule B is based on information regarding participant data furnished by Affiliated Computer Services, Inc.; contributions and financial data were provided by Bank of New York Mellon.

We used and relied upon financial data submitted by the Mellon Bank without further audit. We have also used and relied on participant data supplied by Affiliated Computer Services, Inc.; 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 December 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, Line 8c – Schedule of Active Participant Data
- 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	February 28, 1997. Amended and restated as of May 17, 2004.
Plan year	December 1 through November 30.
Account balance	The actuarial equivalent of the participant's accrued benefit on April 1, 1992, plus pay and interest credits. Pay credits are made monthly based on the following table:

Credited Service	Percent of Compensation	Percent of Compensation in Excess of the Social Security Wage Base
0-4	3.5%	3.5%
5-9	4.5%	4.5%
10-14	5.5%	5.5%
15-19	6.5%	5.5%
20-24	7.5%	5.5%
25+	8.5%	5.5%

Interest is credited monthly on the account balance based on the average rate for one year Treasury Bills constant maturities for the 12 months ending September 30.

Accrued benefit	Account balance divided by an appropriate factor as described in plan document-225 for increasing life annuity and 118.5 for fixed life annuity.
Actuarial equivalent	Defined by factors described in the plan document.
Compensation	Total wages for federal income tax reporting, excluding expense reimbursement and fringe benefits.
Credited service	The elapsed time of employment with the Company.
Normal retirement Eligibility	Age 65 with one year of credited service.

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

Monthly benefit	The greater of (1) or (2) below. (1) The accrued benefit available from the participant's account balance. (2) A minimum monthly benefit equal up to $39 times years of service of credited service. Participants whose age plus service totaled 50 or more on April 1, 1992 are guaranteed to receive at least the prior plan benefit.
Early retirement Eligibility	Age 55 with five years of credited service.
Monthly benefit	An amount computed as for normal retirement, reduced by the factor derived from the following for the straight life annuity: 1 – .009 * (65 – Participant's Age)
Vested deferred retirement Eligibility	Five years of vesting service.
Monthly benefit	An amount computed as for normal retirement, reduced by factors described in the plan document.
Disability benefit Eligibility	Termination on account of total and permanent disability.
Monthly benefit	An amount computed as for normal retirement, including contribution credits and interest while disabled.
Commencement	Payable at normal retirement or recovery from disability if then eligible for benefits.
Preretirement death benefit Eligibility	Completion of five years of service but not yet receiving retirement benefits.
Benefit	100% of the value of the participant's account balance.
Normal form of annuity	For unmarried employees, the equivalent increasing life annuity; for married employees, the equivalent increasing 50% joint and survivor annuity.

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

Optional forms of payment	Benefits are optionally available in the following forms: ▪ Life annuity ▪ Increasing life annuity ▪ Social security level income option ▪ 50% or 100% joint and survivor ▪ Increasing 50% or 100% joint and survivor ▪ Lump sum at 65 ▪ Lump sum at 62 (retirees only) ▪ Annuity with lump sum at 62
Change since prior valuation	The compensation limit under IRC Section 401(a)(17) increased from $230,000 for 2008 to $245,000 for 2009. The benefit limit 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 assumed interest rate to determine RPA '94 and gateway current liabilities was changed from 6.68% to 6.77% based on the Pension Protection Act of 2006.

The required 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 expenses assumption was changed to use the prior year's actual administration expenses (0.30% of the market value in the prior valuation).

The above changes were made to better reflect anticipated experience.

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

A. Actuarial Cost Method

Liabilities and contributions shown in this report are computed using the projected unit credit method of funding. The objective under this method is to fund each participant's benefits under the plan as they accrue, taking into consideration future compensation increases. Thus, the total pension to which each participant is expected to become entitled at retirement is broken down into units, each associated with a year of past or future credited service.

A past service benefit is determined as the projected benefit provided by the Account Balance on the valuation date with the addition of future interest credits to retirement or other termination date. In the case where an underlying minimum annuity guarantee is provided, the past service benefit can be no less than the projected benefit provided by the lump-sum actuarial equivalent as of the retirement or other termination date of the minimum annuity earned as of the valuation date.

The annual service benefit is determined as the projected benefit provided by the current year's pay-based credit with interest credits to retirement or other termination date. In the case where an underlying minimum annuity guaranteed is provided, the annual service benefit can be no less than the current year increase in the projected benefit provided by the lump-sum actuarial equivalent as of the retirement or other termination date of the minimum annuity earned during the current year.

A detailed description of the calculation follows:

- An individual's **accrued benefit** for valuation purposes related to a particular separation date is the accrued benefit described under the plan projected to the expected separation date, multiplied by the ratio of credited service as of the valuation date over credited service as of the expected separation date.
- The **benefit** deemed to accrue for an individual during a plan year is the excess of the accrued benefit for valuation purposes at the end of the plan year over the accrued benefit for valuation purposes at the beginning of the plan year. Both accrued benefits are calculated from the same projections to the various anticipated separation dates.
- An individual's **accrued liability** is the present value of the accrued benefit for valuation purposes at the beginning of the plan year, and an individual's **normal cost** is the present value of the benefit deemed to accrue in the plan year. If multiple decrements are used, the accrued liability and the normal cost for an individual are the sum of the component accrued liabilities and normal costs associated with the various anticipated separation dates. Such accrued liabilities and normal costs reflect the accrued benefits as modified to obtain the benefits payable on those dates and the probability of the individual separating on those dates.
- The plan's **normal cost** is the sum of the individual normal costs, and the plan's **accrued liability** is the sum of the accrued liabilities for all participants under the plan.

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 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 set equal to the market value of assets as of December 1, 2005.

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 for which an explicit valuation assumption has been made, all adjusted with interest at 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 November 30, 2006.

4. The Actuarial Asset Value and market value are adjusted to include occurred 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 Procedures

Financial and census data: We used financial data submitted by the Mellon Bank as of December 1, 2009 without further audit and participant data as supplied by Affiliated Computer Services, Inc. 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: Affiliated Computer Services, Inc. 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.

Compensation history: Compensation history for less than 1% of historical pay fields has been estimated using the plan's compensation increase assumption. These estimates are not expected to have a material impact on the valuation results.

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 ▪ 6.77% compounded annually for RPA '94 current liability ▪ 6.77% compounded annually for gateway current liability ▪ 8.50% compounded annually for the present value of accumulated plan benefits
Salary increases	4.50% per year compounded annually
Social Security Taxable Wage Base increases	3.75% per year compounded annually
Consumer Price Index	3.00% per year compounded annually
Cash balance interest credit	4.00% per year compounded annually
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) For the purpose of determining current liability, combined annuitant and nonannuitants mortality tables for the 2009 plan year set forth in regulations section 1.412(1)(7)-1
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) For RPA '94, gateway current liability: 1983 Group Annuity Mortality tables for males and females
Withdrawal	See table of sample rates
Expenses	Current year estimated expenses are assumed to be equal to prior year actual expenses.
Retirement age	See table of sample rates
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 future retirees are assumed to elect payment in the form of a single life temporary annuity with lump sum at age 62.
Grandfathered Benefits	Present Value based on a 6.0% interest rate and the blended 1983 Group Annuity Mortality Table weighted 50% for males and 50% for females, as described in Revenue Ruling 95-6.

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 6 – Statement of Actuarial Assumptions Methods *(continued)*

D. Actuarial assumptions *(continued)*

Table of Sample Rates

	Withdrawal	
Attained Age	**Male**	**Female**
20	10.16%	10.16%
25	8.46%	8.46%
30	6.75%	6.75%
35	5.04%	5.04%
40	4.14%	4.14%
45	3.24%	3.24%
50	1.62%	1.62%
55	0.00%	0.00%
60	0.00%	0.00%
65	0.00%	0.00%

As further allowance for heavy turnover in the early years of employment, the following additional turnover is based on years of service.

Service	Percent Terminating
1	15.0%
2	11.0%
3	7.0%
4	5.0%
5	3.0%

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

D. Actuarial assumptions *(continued)*

Table of Rates

Attained Age	Retirement Probabilities
55	10%
56	15%
57	15%
58	20%
59	20%
60	20%
61	30%
62	50%
63	50%
64	50%
65	100%

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

Each employee is assumed to retire in according with the table of retirement rates. The percentage of employees expected to retire at each potential age is shown below. The average retirement age is 59.

(A) Retirement Age	(B) Percentage of Employees Expected to Retire	(C) [(A) x (B)]
55	10.00%	5.50
56	13.50%	7.56
57	11.48%	6.54
58	13.01%	7.55
59	10.40%	6.14
60	8.32%	4.99
61	9.99%	6.09
62	11.66%	7.23
63	5.83%	3.67
64	2.92%	1.87
65	2.92%	1.90
Average		59.0

Schedule B, Line 8c – Schedule of Active Participant Data and Average Compensation

Attained age	Years of Credited Service									
	< 1	1 -4	5 -9	10-14	15-19	20-24	25-29	30-34	35-39	40+
<25										
25-29										
30-34										
35-39										
40-44				2	1					
45-49				5	4	5	2	1		
50-54				6	3	2	6	5		
55-59				1	7	12	8	14	2	
60-64				1	3	1	5	6	4	2
65-69						1	3			
70+										

In each cell, the top number is the count of active participants for each age/service combination. The lower number is the average compensation of the active participants in that group.

Compensation shown in this exhibit is based on 2008 pensionable compensation and is limited to $230,000.

In accordance with Form 5500 Schedule B instructions, average compensation is not shown for any cell which contains fewer than 20 participants.

Schedule B, Line 8c – Schedule of Active Participants and Average Cash Balance Account

Attained age	Years of Credited Service									
	< 1	1 -4	5 -9	10-14	15-19	20-24	25-29	30-34	35-39	40+
<25										
25-29										
30-34										
35-39										
40-44				2	1					
45-49				5	4	5	2	1		
50-54				6	3	2	6	5		
55-59				1	7	12	8	14	2	
60-64				1	3	1	5	6	4	2
65-69						1	3			
70+										

In each cell, the top number is the count of active participants for each age/service combination. The lower number is the average cash balance account of the active participants in that group.

In accordance with Form 5500 Schedule B instructions, average compensation is not shown for any cell which contains fewer than 20 participants.

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

	Amortization Period			Balances		
Charge	**Date Created**	**Initial Years**	**Years Left**	**Initial**	**Outstanding**	**Beginning-of-Year Payment**
Actuarial Loss	12/01/2008	5	4	$ 14,973,769	$ 14,973,769	$ 3,502,147
Plan Change	12/01/2008	30	29	31,657	31,657	2,715
Plan Change	12/01/2009	30	30	60,473	60,473	5,186
Total					**$ 12,538,585**	**$ 3,510,048**

	Amortization Period			Balances		
Credit	**Date Created**	**Initial Years**	**Years Left**	**Initial**	**Outstanding**	**Beginning-of-Year Payment**
Actuarial Gain	12/01/2009	5	5	$ 2,734,965	$ 2,734,965	$ 639,669
Total					**$ 2,734,965**	**$ 639,669**

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

The assumed interest rate to determine RPA '94 and gateway current liabilities was changed from 6.68% to 6.77% based on the Pension Protection Act of 2006.

The required 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 expenses assumption was changed to use the prior year's actual administration expenses (0.30% of the market value in the prior valuation).

The above changes were made to better reflect anticipated experience.

NOTICE TO TERMINATED ACCOUNTANT OR ENROLLED ACTUARY

I, as plan administrator, verify that the explanation that is reproduced below is the explanation concerning your termination as reported on the Schedule C (Form 5500) attached to the 2009 Annual Form 5500 for the Raytheon Marine Systems Retirement Plan. This Form 5500 is identified in line 2b by the nine-digit EIN 95-1778500 and in line 1b by the three-digit PN 032.

Signed Deborah A. Tully DAT

Dated 9/9/2011

You have the opportunity to comment to the Department of Labor concerning any aspect of this explanation. Comments concerning this explanation should include the name, EIN, and PN of the plan, and be submitted directly to:

Office of Enforcement
Employee Benefits Security Administration
U.S. Department of Labor
200 Constitution Avenue, N.W.
Washington, D.C. 20210

EXPLANATION CONCERNING YOUR TERMINATION

Name: Davin S. MacKenzie
EIN: 13-2834414
Position: Enrolled Actuary

Address: 125 High Street, Boston, MA 02110

Explanation: Termination due to the appointment of a new enrolled actuary on this plan.

Raytheon Marine Systems Retirement Plan

Financial Statements
To Accompany 2009 Form 5500
Annual Report of Employee Benefit Plan
Under ERISA of 1974
November 30, 2010 and 2009

Raytheon Marine Systems Retirement Plan
Index
November 30, 2010 and 2009

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Financial Statements

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Statements of Changes in Net Assets Available for Benefits for the Years Ended November 30, 2010 and 2009 3

Notes to Financial Statements 4–31

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.

pwc

Report of Independent Auditors

To the Participants and Administrator of
Raytheon Marine Systems Retirement Plan

In our opinion, the accompanying statements of net assets available for benefits as of November 30, 2010 and November 30, 2009 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 Raytheon Marine Systems Retirement Plan (the "Plan") at November 30, 2010 and changes therein for the year then ended and its financial status as of November 30, 2009, 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, 2011

PricewaterhouseCoopers LLP, 125 High Street, Boston, MA 02110
T: (617) 530 5000, F: (617) 530 5001, www.pwc.com/us

Raytheon Marine Systems Retirement Plan
Statements of Net Assets Available for Benefits
November 30, 2010 and 2009

	2010	2009
Assets		
Investments at fair value (Notes 2 and 5)		
Raytheon Master Pension Trust	$45,890,379	$38,321,122
Receivables		
Employer contributions	3,275,140	-
Total assets	49,165,519	38,321,122
Liabilities		
Other liabilities	14,926	77,582
Accrued administrative expenses	2,503	21,753
Total liabilities	17,429	99,335
Net assets available for benefits	$49,148,090	$38,221,787

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

Raytheon Marine Systems Retirement Plan
Statements of Changes in Net Assets Available for Benefits
Years Ended November 30, 2010 and 2009

	2010	2009
Additions		
Raytheon Master Pension Trust investment income (Notes 2 and 5)	$3,373,474	$6,139,283
Employer contributions	13,231,912	749,515
Total additions	16,605,386	6,888,798
Deductions		
Benefit payments	5,442,472	4,059,132
Administrative expenses	236,611	207,400
Total deductions	5,679,083	4,266,532
Net increase in net assets available for benefits	10,926,303	2,622,266
Net assets available for benefits, beginning of year	38,221,787	35,599,521
Net assets available for benefits, end of year	$49,148,090	$38,221,787

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

1. Plan Description

General

In February 1997, Hughes Aircraft Company ("Hughes Aircraft") acquired the Marine Systems Division of Alliant Techsystems, Inc. ("Alliant"). Effective February 28, 1997, Hughes Aircraft established the Hughes Marine Systems Retirement Plan as a spin-off of the Alliant Techsystems Inc. Retirement Plan ("Alliant Plan"). On December 17, 1997, Hughes Electronics Corporation ("HEC"), the parent company of Hughes Aircraft, transferred the assets of its defense business, including Hughes Aircraft and Alliant into another General Motors subsidiary, HE Holdings, Inc. ("HE Holdings"). On December 17, 1997, Raytheon Company (the "Company") merged into HE Holdings, and HE Holdings became a publicly held company, the name of which was changed to Raytheon Company. Effective December 18, 1997, the Company assumed sponsorship of the Plan and changed its name to the Raytheon Marine Systems Retirement Plan (the "Plan"). The Company continues to operate the Plan. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA"). Investments are held in the Raytheon Master Pension Trust ("Master Trust").

Benefits, Eligibility and Vesting

The Plan is a defined benefit pension plan covering certain employees of the Company. The Plan provides specified benefits to be paid from the net assets available for benefits. All employees who were eligible under the Alliant Plan, principally employees not covered under a collective bargaining agreement, who transferred to Hughes Aircraft on March 1, 1997 as a result of the acquisition of the Marine Systems Division of Alliant Techsystems, Inc. by Hughes Aircraft, are eligible to participate in the Plan. Additionally, any employee who was on leave from Alliant at the time of the transition and returned to active status, relocated or transferred within Hughes Aircraft before August 31, 1997 is eligible to participate in the Plan. No other employee is eligible to participate in the Plan.

Employees who are either hired or rehired (after the expiration of any salary continuation payments) on or after January 1, 2007, are not eligible to participate in the Plan. In addition, employees who are rehired on or after March 1, 2007, and have received or are receiving payment from a Company-sponsored pension plan are not eligible to participate in the Plan.

Plan members are entitled to monthly pension benefits beginning at age 65 equal to the greatest of (a) the accrued benefit available from the participant's account balance in the cash balance portion of the plan, (b) $39 times the years of credited service, or (c) (only for members of the Alliant Plan before April 1, 1992 meeting requirements specified in the plan document), the benefit specified in the Alliant Plan as of that date. The cash balance portion of the Plan has been in existence since plan inception. Participants earn pay credits as a percentage of pay based on the participant's years of service. An interest credit is applied to the cash balance account based on an interest rate benchmark described in the plan document. The Plan permits early retirement at age 55-64 with five years of credited service. The monthly early retirement benefit is the amount computed for the normal retirement, reduced by factors described in the plan document. Vested deferred retirement benefits are available after five years of vested service, are computed as the amount of normal retirement and may commence as early as age 55 with benefits reduced by factors described in the plan document. Participants may elect various optional forms of benefit payment as outlined in the plan document. The Plan also provides for disability and preretirement death benefits as outlined in the plan document.

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 Summary Plan Description or 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 of Human Resources. All expenses of the Plan are paid by the Plan. Expenses specifically related to the Plan are included in the Statements of Changes in Net Assets Available for 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."

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 and the actuarial present value of accumulated 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 January 2010, the Financial Accounting Standard Board ("FASB") issued ASU No.2010-6, *Fair Value Measurements and Disclosures (Topic 820): Improving Disclosures about Fair Value Measurement*. The standard requires entities to disclose additional information regarding assets and liabilities that are transferred between levels of the fair value hierarchy and to present purchases, sales, issuances and settlements on a gross basis in the reconciliations of fair value measurements using significant unobservable inputs. Additionally, the standard clarified existing guidance regarding the level of disaggregation of fair value measurements and disclosures regarding the valuation techniques and inputs utilized in estimating Level 2 and Level 3 fair value measurements. The Plan's financial statements reflect the adoption of this accounting standard.

In May 2011, FASB issued ASU No. 2011-4, *Fair Value Measurement (Topic 820): Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S.GAAP and IFRS.* The amendments in this update result in common fair value measurements and disclosure requirements in U.S. Generally Accepted Accounting Principles ("GAAP") and International Financial Reporting Standards. Consequently, the amendments change the wording used to describe many of the requirements in U.S. GAAP for measuring fair value and for disclosing information about fair value measurements. Some of the amendments clarify FASB's intent about the application of existing fair value measurements, while other amendments change a particular principle or requirement for measuring fair value or for disclosing information about fair value measurements. The update is effective for annual periods beginning after December 15, 2011. Management is currently evaluating the impact ASU No. 2011-4 will have on the Plan's financial statements.

3. Actuarial Present Value of Accumulated Plan Benefits

Accumulated plan benefits are those future periodic payments 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 principally upon years of service and compensation. Benefits payable under all circumstances - retirement, disability, termination of employment and death - 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 retirement, death, or withdrawal) between the valuation date and the expected date of payment.

The significant actuarial assumptions used in the valuation as of November 30, 2009 and 2008 are as follows:

Assumed rate of return on investments for accumulated benefits	8.5%
Mortality basis	For pre-retirement mortality: RP-2000 Mortality Table 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 Table for males and females without adjustment for collar or employee/annuitant distinction, projected to 2010, and 50% Raytheon experience
Retirement	Several rates, varying by age, from 55 to 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.

Plan Changes

There have been changes in the plan provisions since December 31, 2008, the last valuation of the Plan, as follows:

The compensation limitations under IRC Section 401(a)(17) increased from $230,000 for 2008 to $245,000 for 2009. Also, the benefit limitation under IRC Section 415(b) increased from $185,000 for 2008 to $195,000 for 2009.

As of November 30, 2009, the most recent valuation date, the actuarial present value of accumulated plan benefits is as follows:

Actuarial present value of accumulated plan benefits	
Vested benefits	
Participants receiving benefits	$15,631,782
Participants with deferred benefits	6,846,106
Active participants	20,471,918
Total vested benefits	42,949,806
Nonvested benefits	1,214,537
Total actuarial present value of accumulated plan benefits	$44,164,343

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

Actuarial present value of accumulated plan benefits as of November 30, 2008	$43,413,012
Benefits accumulated and non-investment (gains)/losses	1,299,818
Increase for interest due to decrease in discount period	3,510,646
Benefits paid	(4,059,133)
Actuarial present value of accumulated plan benefits as of November 30, 2009	$44,164,343

4. Funding Policy

The employer's contributions are actuarially determined to fund the Plan's current normal costs on a current basis and to 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 November 30, 2010 and 2009 met the minimum funding requirement 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, private real estate funds, commingled funds and other investments such as insurance contracts, derivatives and repurchase agreements.

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 November 30, 2010 and 2009, the Plan owned approximately 0.3% of the fair value of the Master Trust net assets. The total net assets of the Master Trust at November 30, 2010 and 2009 were:

	2010	2009
Assets		
Investments at fair market value		
Interest-bearing cash	$785,000,224	$11,829,011
U.S. government bonds (includes securities on loan of $13,157,915 and $39,154,228)	329,956,570	2,114,900,578
Foreign government bonds (includes securities on loan of $1,641,143 and $596,694)	101,527,150	84,344,203
Corporate debt instruments (includes securities on loan of $1,827,995 and $50,607,928)	2,160,150,073	1,970,620,382
Corporate stock – preferred	63,005,473	49,779,296
Corporate stock – common (includes securities on loan of $94,753,691 and $161,823,454)	3,982,664,649	2,995,973,418
Investment in DB/DC Master Trust	26,600,622	286,175,132
Commingled funds	2,548,198,007	1,723,030,513
Registered investment companies (includes securities on loan of $132,532 and $0)	3,849,918,427	1,952,059,781
Investment of securities lending collateral	105,506,027	203,351,293
Unallocated insurance contracts	14,888,140	14,244,948
Other investments	661,096	1,569,604
	13,968,076,458	11,407,878,159
Investments at estimated fair market value		
Private equity funds	262,321,510	260,436,384
Private real estate funds	160,117,939	136,713,600
	422,439,449	397,149,984
Cash held at broker	900,979	17,937,933
Foreign cash	4,931,459	9,977,860
Interest and dividends receivable	35,606,170	32,756,055
Variation margin receivable	102,937	8,204,114
Repurchase agreements	-	733,737,557
Receivable for forward foreign currency contracts	1,064,035	177,129
Receivable for securities sold	33,955,669	117,225,885
Other receivables	4,617,487	4,636,455
Total assets	$14,471,694,643	$12,729,681,131
Liabilities		
Cash overdraft	756,069	10,926
Interest and dividends payable	133,116	111,293
Variation margin payable	196,477	3,139,740
Payable for forward foreign currency contracts	1,125,757	1,289,032
Payable for securities lending collateral	115,567,911	259,402,983
Payable for securities purchased	139,505,123	42,057,035
Payable for unrelated business income tax	-	14,987,210
Total liabilities	$257,284,453	$320,998,219
Master Trust net assets	$14,214,410,190	$12,408,682,912
Plan's interest in Master Trust	$45,890,379	$38,321,122

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 November 30, 2010 and 2009:

	2010	2009
Net appreciation (depreciation) in fair value of:		
Interest bearing cash	($306,729)	$1,837,885
U.S. government bonds	(6,071,348)	4,210,974
Foreign government bonds	(1,277,360)	6,454,172
Corporate debt instruments	67,897,448	243,144,102
Corporate stock - preferred	1,705,399	10,182,576
Corporate stock – common	506,789,231	733,603,940
Investment in DB/DC Master Trust	6,585,218	69,634,844
Commingled funds	89,137,662	275,159,071
Registered investment companies	165,178,173	381,760,839
Short sales	-	(45,642,175)
Forward currency contracts	(1,457,891)	(3,098,039)
Futures contracts	14,044,556	50,393,258
Investment of securities lending collateral	17,698,530	90,658,192
Unallocated insurance contracts	-	142,121
Other investments	(6,578,840)	1,399,305
	853,344,049	1,819,841,065
Net appreciation (depreciation) in estimated fair value of:		
Private equity funds	18,626,577	25,397,742
Private real estate funds	12,661,725	(53,207,232)
	31,288,302	(27,809,490)
Subtotal	884,632,351	1,792,031,575
Interest	117,320,944	103,986,006
Dividends, net	119,167,536	63,971,633
Securities lending income (loss)	901,304	3,985,903
Other income	30,586,804	20,751,173
Subtotal Master Trust investment income (loss)	1,152,608,939	1,984,726,290
Total expenses	84,614,892	47,144,828
Total Master Trust investment income (loss)	$1,067,994,047	$1,937,581,462
Portion allocated to the Plan	$3,373,474	$6,139,283

Fair Value Measurements
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 which 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. In evaluating the level at which the Plan's commingled funds have been classified within this hierarchy, several factors have been assessed including, but not limited to price transparency, the ability to redeem these investments at net asset value at the measurement date, and the existence or absence of certain restrictions at the measurement date. See valuation policy section below for further information.

Changes in Fair Value Levels
The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported at the beginning of the reporting period.

The significance of transfers between levels was evaluated based upon the nature of the financial instrument and size of the transfer relative to total net assets available for benefits. For the year ended November 30, 2010, there were no significant transfers in or out of Levels 1, 2 or 3.

The following tables summarize the fair value of investment assets and liabilities as of November 30, 2010.

	Fair Value of Investment Assets as of 11/30/2010			
	Level 1	**Level 2**	**Level 3**	**Total**
Interest-bearing cash	$ -	$ 785,000,224	$ -	$ 785,000,224
U.S. government bonds	312,739,761	17,216,809	-	329,956,570
Foreign government bonds	-	101,527,150	-	101,527,150
Corporate debt instruments	-	2,160,150,073	-	2,160,150,073
Corporate stock – preferred	59,590,773	3,414,700	-	63,005,473
Corporate stock - common				
U.S. equity	2,380,170,492	15,584,221	-	2,395,754,713
International equity	1,582,520,522	4,389,414	-	1,586,909,936
Investment of securities lending collateral		105,506,027		105,506,027
Investment in DB/DC Master Trust	26,560,152	20,691	19,779	26,600,622
Commingled funds				
103-12 investment entities				
International equity	-	355,469,090	-	355,469,090
Absolute return	-	380,267,777	-	380,267,777
Fixed income	-	59,363,728	-	59,363,728
Absolute return	-	439,250,691	20,521,540	459,772,231
Common/collective trusts				
International equity	-	83,021,928	-	83,021,928
Absolute return	-	160,973,831	-	160,973,831
Fixed income	-	49,638,443	-	49,638,443
Equity	-	48,439,816	20,459,495	68,899,311
Fixed income	-	837,613,646	93,178,022	930,791,668
Registered investment companies				
U.S. equity	2,332,684,978	-	-	2,332,684,978
International equity	326,034,558	-	-	326,034,558
Absolute return	181,783,282	-	-	181,783,282
Fixed income	722,007,031	-	-	722,007,031
Money market funds	287,408,578			287,408,578
Unallocated insurance contracts	-	-	14,888,140	14,888,140
Other investments	-	661,096	-	661,096
Private equity funds	-	-	262,321,510	262,321,510
Private real estate funds	-	-	160,117,939	160,117,939
Variation margin receivable	102,937	-	-	102,937
Receivable for forward foreign currency contracts	-	1,064,035	-	1,064,035
Total assets	$ 8,211,603,064	$ 5,608,573,390	$ 571,506,425	$ 14,391,682,879

	Fair Value of Investment Liabilities as of 11/30/2010			
	Level 1	**Level 2**	**Level 3**	**Total**
Variation margin payable	$ 196,477	$ -	$ -	$ 196,477
Payable for forward foreign currency contracts	-	1,125,757	-	1,125,757
Total liabilities	$ 196,477	$ 1,125,757	$ -	$ 1,322,234

The following tables summarize the fair value of investment assets and liabilities as of November 30, 2009.

	Fair Value of Investment Assets as of 11/30/2009			
	Level 1	**Level 2**	**Level 3**	**Total**
Interest-bearing cash	$ -	$ 11,829,011	$ -	$ 11,829,011
U.S. government bonds	1,562,500,916	552,399,662	-	2,114,900,578
Foreign government bonds	-	84,344,203	-	84,344,203
Corporate debt instruments	-	1,970,620,382	-	1,970,620,382
Corporate stock – preferred	41,822,705	7,956,591	-	49,779,296
Corporate stock - common				
U.S. equity	1,891,633,874	25,647,664	-	1,917,281,538
International equity	1,075,403,830	3,288,050	-	1,078,691,880
Investment of securities lending collateral	-	203,351,293	-	203,351,293
Investment in DB/DC Master Trust	270,420,568	15,754,395	169	286,175,132
Commingled funds				
103-12 investment entities				
International equity	-	107,925,564	-	107,925,564
Absolute return	-	252,651,279	-	252,651,279
Absolute return	-	36,708,058	83,314,651	120,022,709
Common/collective trusts				
U.S. equity	-	25,181,707	-	25,181,707
Absolute return	-	32,047,649	-	32,047,649
Equity	-	271,950,075	18,667,865	290,617,940
Fixed income	-	700,349,118	194,234,547	894,583,665
Registered investment companies				
U.S. equity	1,028,007,565	146,507,349	-	1,174,514,914
International equity	681,335,277	-	-	681,335,277
Real estate	96,209,590	-	-	96,209,590
Unallocated insurance contracts	-	-	14,244,948	14,244,948
Other investments	-	1,569,604	-	1,569,604
Private equity funds	-	-	260,436,384	260,436,384
Private real estate funds	-	-	136,713,600	136,713,600
Repurchase agreements	-	733,737,557	-	733,737,557
Variation margin receivable	8,204,114	-	-	8,204,114
Receivable for forward foreign currency contracts	-	177,129	-	177,129
Total Investments	$ 6,655,538,439	$ 5,183,996,340	$ 707,612,164	$ 12,547,146,943

	Fair Value of Investment Liabilities as of 11/30/2009			
	Level 1	**Level 2**	**Level 3**	**Total**
Variation margin payable	$ 3,139,740	$ -	$ -	$ 3,139,740
Payable for forward foreign currency contracts	-	1,289,032	-	1,289,032
Total Investments	$ 3,139,740	$ 1,289,032	$ -	$ 4,428,772

Level 3 Gains and Losses

The tables below summarize changes in the fair value of the Plan's Level 3 investment assets for the years ended November 30, 2010 and November 30, 2009.

	Level 3 Investment Assets 11/30/2010					
	Balance, beginning of year	Realized gains (losses)	Unrealized gains (losses)	Purchases, issuances, settlements	Transfers in (out) of level 3	Balance, end of year
Investment in DB/DC Master Trust	$ 169		$ 19,610			$ 19,779
Commingled funds						
Absolute return	83,314,651	6,207,470	(2,157,657)	(66,842,924)	-	20,521,540
Equity	18,667,865	1,762,824	363,310	(334,504)	-	20,459,495
Fixed income	194,234,547	(67,113,487)	44,637,157	(78,580,195)	-	93,178,022
Unallocated insurance contracts	14,244,948	3,788	(3,788)	643,192	-	14,888,140
Private equity funds	260,436,384	47,373,326	(30,007,351)	(15,480,849)	-	262,321,510
Private real estate funds	136,713,600	(897,865)	13,453,061	10,849,143	-	160,117,939
Total	$ 707,612,164	$ (12,663,944)	$ 26,304,342	$ (149,746,137)	$ -	$ 571,506,425

	Level 3 Investment Assets 11/30/2009					
	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	$ 2,356,515	$ (242,842)	$ (1,120,253)	$ (993,420)	$ -	$ -
Investment in DB/DC Master Trust	4,400	-	(25,157)	-	20,926	169
Commingled funds						
Absolute return	95,849,085	(2,321,846)	9,774,245	(19,986,833)	-	83,314,651
Equity	69,238,777	(19,969,735)	15,796,828	(46,398,005)	-	18,667,865
Fixed-income	274,429,264	(67,993,582)	140,946,625	(153,147,760)	-	194,234,547
Unallocated insurance contracts	15,960,527	187,351	(77,105)	(1,825,825)	-	14,244,948
Private equity funds	309,464,581	7,918,317	14,764,881	(71,711,395)	-	260,436,384
Private real estate funds	185,577,262	53,295	(59,022,780)	10,105,823	-	136,713,600
Total	$ 952,880,411	$ (82,369,042)	$ 121,037,284	$ (283,957,415)	$ 20,926	$ 707,612,164

The following table summarizes the fair value measurements of the investments in certain entities that calculate net asset value per share as of November 30, 2010:

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	$ 160,117,939	$ 76,417,393	0-7 years	Redemption not premitted during life of the fund	Not applicable	Not applicable
Private Equity Funds	262,321,510	169,372,213	0-8 years	Redemption not premitted during life of the fund	Not applicable	Not applicable
Commingled Funds						
103-12 entities	795,100,595	Not applicable	Not applicable	Ranges from 3-30 days notice monthly, 60 days notice quarterly	100% of funds are either not under lock or have a lock of one year or less. Less than 5% of the funds have fees of 3% or less if redeemed during the lock up period. The remainder are not subject to lock-up fees.	None
Absolute Return	459,772,231	Not applicable	Not applicable	Ranges from 3-125 days notice monthly, 30-90 days notice quarterly, 180 days notice annually	95% of funds are either not under lock or have a lock of one year or less. 5% of funds have a lock up provision of one to two years. Less than 20% of the funds have fees of 6% or less if redeemed during the lock up period. The remainder are not subject to lock-up fees.	None
Common/collective trust	293,634,202	Not applicable	Not applicable	Ranges from 7 days notice daily, 45 days notice monthly	None	None
Equity funds	68,899,311	Not applicable	Not applicable	Ranges from 30 days notice quarterly, 60 days notice annually	100% of funds are either not under lock or have a lock of one year or less	None
Fixed income funds	930,791,668	20,000,000	Not applicable	Ranges from 30-60 days notice monthly, 45-180 days notice quarterly, 90 days notice annually	93% of funds are either not under lock or have a lock of one year or less. 7% of funds have a lock up provision of two to ten years. Less than 25% of the funds have fees of 5% or less if redeemed during the lock up period. The remainder are not subject to lock up fees.	Less than 25% of the funds have gates in place as of December 31, 2010.

The following table summarizes the fair value measurements of the investments in certain entities that calculate net asset value per share as of November 30, 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	$ 136,713,600	$ 91,974,603	0-7 years	Redemption not premitted during life of the fund	Not applicable	Not applicable
Private Equity Funds	260,436,384	147,803,391	0-8 years	Redemption not premitted during life of the fund	Not applicable	Not applicable
Commingled Funds						
103-12 entities	360,576,843	Not applicable	Not applicable	Monthly redemption with 5-30 days notice	None	None
Absolute Return	120,022,709	Not applicable	Not applicable	Ranges from 3-90 days notice monthly to 45 days notice quarterly	100% of funds are either not under lock or have a lock of one year or less. Less than 3% of the funds have fees of 5% or less if redeemed during the lock up period. The remainder are not subject to lock up fees.	None
Common/collective trust	57,229,356	Not applicable	Not applicable	Monthly redemption with 3-30 days notice	None	None
Equity funds	290,617,940	Not applicable	Not applicable	Ranges from 15 days notice bi-monthly, 30 days notice monthly, 45 days notice quarterly	95% of funds are either not under lock or have a lock 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. The remainder are not subject to lock up fees.	None
Fixed income funds	894,583,665	20,000,000	Not applicable	Ranges from 15 days notice bi-monthly, 30-90 days notice monthly, 45-60 days notice quarterly	95% of funds are either not under lock or have a lock 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. The remainder are not subject to lock up fees.	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.

Valuation Policy

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

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, registered investment companies, private equity funds and private real estate funds are generally valued at their last reported net asset value. Certain commingled funds, private equity funds and private real estate funds are recorded 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 our 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 or independent valuation experts.

Unallocated insurance contracts are valued at their contract price which approximates fair value.

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

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 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 gain or losses and the change in 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 November 30, 2010 and 2009, net assets held by the Master Trust were approximately 0.2% and 2.2%, respectively, and consists primarily of corporate stock-common as well as interest bearing cash, corporate stock-preferred and cash.

Investments Sold Short
As of November 30, 2010 and 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.

Repurchase agreements
As of November 30, 2010, the Master Trust was not invested in any repurchase agreements.

The Master Trust may lend extra cash 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.

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.

A summary of the repurchase agreements as of November 30, 2009 is presented below:

Counterparty	Interest Rate	Maturity	Repurchase Price	Fair Value of Collateral
Bank of America NA	0.140%	12/1/2009	$97,620,307	$99,572,757
CITIGROUP Global Markets	0.150%	12/1/2009	98,330,074	99,713,411
Greenwich Capital	0.160%	12/1/2009	98,330,074	99,543,049
Credit Suisse SEC (USA)	0.150%	12/1/2009	95,301,845	97,209,229
Barclays Capital High Yield	0.150%	12/1/2009	98,330,074	99,713,255
J.P Morgan Securities Inc.	0.140%	12/1/2009	147,495,110	150,446,508
BNP Paribas Securities Corp.	0.140%	12/1/2009	98,330,073	100,188,822
			$733,737,557	$746,387,031

Securities Lending Program

The Master Trust directly 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 November 30, 2010 and 2009 was $111,513,276 and $252,182,304, respectively. The market value of the securities on loan decreased and is expected to continue to decrease as the Master Trust exits the program. Cash collateral obligations of $115,567,911 and $259,402,983 were received for securities on loan at November 30, 2010 and 2009, respectively. Cash collateral was invested in a separately maintained and managed cash collateral investment account and had a fair market value of $105,506,027 and $203,351,293 at November 30, 2010 and 2009, respectively. At November 30, 2010, investments include $29,318,004 invested in overnight repurchase agreements and $76,188,023 invested in asset backed securities. At November 30, 2009, investments include $36,496,717 invested in overnight repurchase agreements, $152,896,548 invested in asset backed securities/mortgage backed securities and $13,958,028 invested in corporate floating rate notes.

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 $901,304 and $3,985,903 as of November 30, 2010 and 2009, respectively. Security lending income allocated to the Trustee amounted to $232,148 and $1,021,013 as of November 30, 2010 and 2009, 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. The Master Trust may utilize both exchange traded investment instruments such as equity and interest rate futures, options, and options on futures, over-the-counter (OTC) options, swaps, and forward exchange contracts. Select major financial institutions are used in derivatives transactions. When engaging in OTC and forward foreign exchange contracts, there is exposure to credit loss in the event of nonperformance by the counter parties 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 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.

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 November 30, 2010:

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	$ 102,937	$ -	$ -	$ -	$ 102,937
Unrealized gain on foreign exchange contracts	-	-	1,064,035	-	1,064,035
	$ 102,937	$ -	$ 1,064,035	$ -	$ 1,166,972
Liabilities					
Unrealized loss on futures contracts	$ 196,477	$ -	$ -	$ -	$ 196,477
Unrealized loss on foreign exchange contracts	-	-	1,125,757	-	1,125,757
	$ 196,477	$ -	$ 1,125,757	$ -	$ 1,322,234

Effect of Derivative Instruments on the Statement of Changes in Net Assets

Derivatives not accounted for as hedging instruments	Net Appreciation/ (Depreciation)
Futures contracts	$ 14,044,556
Foreign currency	(1,457,891)
	$ 12,586,665

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 November 30, 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	$ -	$ 8,204,114	$ -	$ -	$ 8,204,114
Unrealized gain on foreign exchange contracts	-	-	177,129	-	177,129
	$ -	$ 8,204,114	$ 177,129	$ -	$ 8,381,243
Liabilities					
Unrealized loss on futures contracts	$ -	$ 3,139,740	$ -	$ -	$ 3,139,740
Unrealized loss on foreign exchange contracts	-	-	1,289,032	-	1,289,032
	$ -	$ 3,139,740	$ 1,289,032	$ -	$ 4,428,772

Effect of Derivative Instruments on the Statement of Changes in Net Assets

Derivatives not accounted for as hedging instruments	Net Appreciation/ (Depreciation)
Futures contracts	$ 50,393,258
Foreign currency	(3,098,039)
	$ 47,295,219

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 (depreciation) 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 November 30, 2010 is presented below:

	2010			
	Settlement Date	**Aggregate Face Value**	**Market Value**	**Unrealized Appreciation (Depreciation)**
Currency Purchased				
AUSTRALIAN DOLLAR	12/1/2010 - 1/19/2011	$2,011,519	$1,956,335	($55,184)
BRAZIL REAL	12/1/2010 - 2/2/2011	7,387,932	7,382,913	(5,019)
BRITISH POUND STERLING	12/1/2010 - 1/19/2011	4,052,869	4,010,161	(42,708)
CANADIAN DOLLAR	12/1/2010 - 1/19/2011	2,475,767	2,438,915	(36,852)
DANISH KRONE	1/19/2011 - 1/19/2011	1,688,999	1,584,724	(104,275)
EURO CURRENCY UNIT	12/1/2010 - 1/25/2011	8,300,483	7,992,379	(308,104)
HONG KONG DOLLAR	12/1/2010 - 1/19/2011	334,629	334,336	(293)
INDIAN RUPEE	12/1/2010 - 12/1/2010	111,133	109,857	(1,276)
INDONESIAN RUPIAN	12/1/2010 - 12/1/2010	9,090	9,076	(14)
JAPANESE YEN	12/1/2010 - 12/3/2010	886,059	889,564	3,505
MALAYSIAN RINGGIT	12/1/2010 - 12/2/2010	163,208	162,389	(819)
MEXICAN NEW PESO	12/1/2010 - 3/16/2011	3,185,150	3,178,218	(6,932)
NEW TAIWAN DOLLAR	12/2/2010 - 12/2/2010	41,361	41,297	(64)
NEW TURKISH LIRA	12/1/2010 - 12/3/2010	100,909	100,254	(655)
NEW ZEALAND DOLLAR	12/3/2010 - 12/7/2010	1,841,525	1,935,613	94,088
PHILIPPINES PESO	12/1/2010 - 12/1/2010	1,077,538	1,078,199	661
POLISH ZLOTY	1/19/2011 - 1/19/2011	1,232,234	1,112,178	(120,056)
S AFRICAN COMM RAND	1/19/2011 - 1/19/2011	1,760,225	1,715,889	(44,336)
SINGAPORE DOLLAR	12/2/2010 - 1/19/2011	1,986,516	1,948,383	(38,133)
SOUTH KOREAN WON	12/1/2010 - 12/2/2010	149,991	148,824	(1,167)
SWEDISH KRONA	12/15/2010 - 1/19/2011	2,534,122	2,414,395	(119,727)
SWISS FRANC	1/19/2011 - 1/19/2011	4,376,007	4,207,326	(168,681)
		$45,707,266	$44,751,225	($956,041)

	2010			
	Settlement Date	**Aggregate Face Value**	**Market Value**	**Unrealized Appreciation (Depreciation)**
Currency Sold				
AUSTRALIAN DOLLAR	1/12/2011 - 1/12/2011	$12,034,239	$11,776,802	$257,437
BRAZIL REAL	12/1/2010 - 12/2/2010	4,329,570	4,346,467	(16,897)
BRITISH POUND STERLING	12/2/2010 - 1/19/2011	13,188,960	12,855,441	333,519
CANADIAN DOLLAR	12/2/2010 - 2/16/2011	3,570,132	3,504,733	65,399
DANISH KRONE	12/3/2010 - 1/19/2011	701,798	656,430	45,368
EURO CURRENCY UNIT	12/1/2010 - 4/20/2011	22,105,523	21,969,906	135,617
HONG KONG DOLLAR	12/1/2010 - 1/19/2011	1,944,824	1,942,940	1,884
INDIAN RUPEE	12/1/2010 - 12/1/2010	4,320	4,317	3
INDONESIAN RUPIAN	12/1/2010 - 12/1/2010	78,867	79,006	(139)
ISRAELI SHEKEL	12/1/2010 - 12/2/2010	4,567	4,570	(3)
JAPANESE YEN	12/1/2010 - 4/20/2011	11,475,436	11,498,621	(23,185)
MALAYSIAN RINGGIT	12/2/2010 - 12/2/2010	71,870	71,848	22
MEXICAN NEW PESO	12/1/2010 - 5/24/2011	2,416,462	2,445,518	(29,056)
NEW ZEALAND DOLLAR	12/7/2010 - 12/7/2010	3,685,199	3,674,410	10,789
NORWEGIAN KRONE	12/2/2010 - 1/19/2011	534,285	507,637	26,648
PHILIPPINES PESO	12/1/2010 - 12/1/2010	796,708	797,196	(488)
SINGAPORE DOLLAR	12/1/2010 - 12/3/2010	104,902	105,138	(236)
SOUTH KOREAN WON	12/1/2010 - 12/1/2010	132,671	132,900	(229)
SWEDISH KRONA	12/3/2010 - 12/15/2010	5,586,821	5,497,726	89,095
SWISS FRANC	12/1/2010 - 12/3/2010	213,610	214,839	(1,229)
		$82,980,764	$82,086,445	$894,319

A summary of open forward currency contracts at November 30, 2009 is presented below:

	2009			
	Settlement Date	**Aggregate Face Value**	**Market Value**	**Unrealized Appreciation (Depreciation)**
Currency Purchased				
AUSTRALIAN DOLLAR	1/27/2010 - 1/27/2010	$8,507,999	$8,470,156	($37,843)
BRAZIL REAL	11/30/2009 - 1/22/2010	1,354,334	1,342,759	(11,575)
BRITISH POUND STERLING	12/2/2009 - 1/27/2010	1,682,978	1,685,056	2,078
CANADIAN DOLLAR	1/27/2010 - 2/2/2010	3,999,132	4,035,058	35,926
DANISH KRONE	1/27/2010 - 1/27/2010	836,653	836,502	(151)
EURO CURRENCY UNIT	12/1/2009 - 2/17/2010	9,060,181	9,101,027	40,846
HONG KONG DOLLAR	12/1/2009 - 12/2/2009	91,929	91,929	0
INDIAN RUPEE	11/30/2009 - 11/30/2009	6,343	6,322	(21)
JAPANESE YEN	12/2/2009 - 12/2/2009	14,421	14,518	97
MEXICAN NEW PESO	12/2/2009 - 12/2/2009	607	606	(1)
NORWEGIAN KRONE	1/15/2010 - 1/27/2010	1,034,905	1,010,171	(24,734)
PHILIPPINES PESO	12/2/2009 - 12/2/2009	478	473	(5)
SOUTH AFRICAN COMM RAND	12/3/2009 - 12/4/2009	81,961	81,572	(389)
SOUTH KOREAN WON	12/1/2009 - 12/2/2009	410,863	409,716	(1,147)
SWEDISH KRONA	12/2/2009 - 1/27/2010	2,167,627	2,139,675	(27,952)
SWISS FRANC	12/1/2009 - 1/27/2010	2,956,271	2,963,832	7,561
		$32,206,682	$32,189,372	($17,310)

	2009			
	Settlement Date	**Aggregate Face Value**	**Market Value**	**Unrealized Appreciation (Depreciation)**
Currency Sold				
AUSTRALIAN DOLLAR	12/3/2009 - 2/8/2010	$4,758,263	$4,792,857	($34,594)
BRAZIL REAL	12/2/2009 - 1/22/2010	1,669,678	1,665,733	3,945
BRITISH POUND STERLING	12/1/2009 - 1/27/2010	7,759,430	7,730,560	28,870
CANADIAN DOLLAR	12/2/2009 - 1/27/2010	2,930,090	2,946,154	(16,064)
DANISH KRONE	1/27/2010 - 1/27/2010	514,899	516,213	(1,314)
EURO CURRENCY UNIT	12/1/2009 - 4/21/2010	18,977,652	19,719,972	(742,320)
HONG KONG DOLLAR	12/1/2009 - 1/27/2010	4,985,313	4,984,654	659
INDIAN RUPEE	11/30/2009 - 11/30/2009	3,937,974	3,938,990	(1,016)
INDONESIAN RUPIAN	12/1/2009 - 12/1/2009	14,690	14,752	(62)
JAPANESE YEN	12/1/2009 - 4/21/2010	4,907,573	5,262,793	(355,220)
MEXICAN NEW PESO	12/16/2009 - 5/28/2010	1,131,985	1,156,101	(24,116)
NEW TURKISH LIRA	12/2/2009 - 12/2/2009	64,573	62,971	1,602
NEW ZEALAND DOLLAR	1/27/2010 - 2/10/2010	1,957,608	1,911,266	46,342
SOUTH AFRICAN COMM RAND	1/27/2010 - 1/27/2010	142,883	144,390	(1,507)
SINGAPORE DOLLAR	1/27/2010 - 1/27/2010	1,333,616	1,342,617	(9,001)
SWEDISH KRONA	1/27/2010 - 1/27/2010	778,890	769,781	9,109
SWISS FRANC	12/2/2009 - 12/2/2009	61,138	61,044	94
		$55,926,255	$57,020,848	($1,094,593)

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 contact, 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 November 30, 2010, no securities were pledged as collateral or restricted from trading. A cash balance of $900,979 was pledged to cover margin requirements for open future contracts.

At November 30, 2009, no securities were pledged as collateral or restricted from trading. A cash balance of $17,937,933 was pledged to cover margin requirements for open future contracts.

A summary of the open fixed income futures as of November 30, 2010 is presented below:

	Long Contracts		Short Contracts	
	2010		2010	
	Number of Contracts	Aggregate Face Value	Number of Contracts	Aggregate Face Value
U.S. 10-year Treasury Notes Futures (CBT)	-	$ -	237	$ 29,413,922
U.S. 5-year Treasury Notes Futures (CBT)	-	-	180	21,573,281
U.S. Treasury Bond Futures (CBT)	61	7,764,156	-	-
Grand Total	61	$ 7,764,156	417	$ 50,987,203

A summary of the open equity index futures as of November 30, 2009 is presented below:

	Long Contracts	
	2009	
	Number of Contracts	Aggregate Face Value
Russell 2000 Mini Index Future (NYF)	1,211	$ 69,959,470
S&P 500 EMINI Index (CME)	3,577	195,804,980
Grand Total	4,788	$ 265,764,450

Options

As of November 30, 2010 and 2009, the Master Trust did not have any options.

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.

Swaps

As of November 30, 2010 and 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.

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, the Trustee and Custodian, and related party. Transactions with the Trustee and Custodian qualify as party-in-interest transactions. For the years ended November 30, 2010 and 2009, $1,972 and $1,810 of trustee expenses specifically related to the Plan were incurred and included in "Administrative expenses." In addition, the Plan was allocated approximately $16,992 and $24,401 of trustee expenses paid directly by the Master Trust to the Trustee and are included in "Raytheon Master Pension Trust investment income."

As of November 30, 2010 and 2009, $3,403 and $7,615 of trustee expenses were accrued.

8. Tax Status

The Internal Revenue Service (the "IRS") 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 Trust under Code 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 Trust. The Company, on behalf of the Plan, applied for a new determination letter on January 31, 2011.

The Plan adopted the provisions of uncertain tax positions that provide criteria for the recognition, measurement, presentations and disclosure of uncertain tax positions beginning January 1, 2009. The Plan may from time to time hold investments that give rise to certain tax liabilities. Based upon management's assessment, the Plan has not recognized any tax liabilities at November 30, 2010 and 2009, respectively. The Plan is subject to examinations by taxing jurisdictions; however, there are currently no audits for any tax period in progress.

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, which are held in the Master Trust, 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 November 30, 2010 through the date the Plan's financial statements were issued, September 14, 2011.