

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), 6057(b), and 6058(a) of the Internal Revenue Code (the Code). <p style="text-align: center;">▶ Complete all entries in accordance with the instructions to the Form 5500.</p>	OMB Nos. 1210-0110 1210-0089 2011 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2011 or fiscal plan year beginning <u>01/01/2011</u> and ending <u>10/01/2011</u>	
A This return/report is for:	☐ a multiemployer plan; ☐ a multiple-employer plan; or ☒ 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:	☒ Form 5558; ☐ automatic extension; ☐ the DFVC program; ☐ special extension (enter description)

Part II	Basic Plan Information —enter all requested information				
1a Name of plan <u>RAYTHEON SUBSIDIARY RETIREMENT PLAN</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">1b Three-digit plan number (PN) ▶</td> <td style="width: 20%; text-align: center;"><u>023</u></td> </tr> <tr> <td colspan="2">1c Effective date of plan <u>12/17/1997</u></td> </tr> </table>	1b Three-digit plan number (PN) ▶	<u>023</u>	1c Effective date of plan <u>12/17/1997</u>	
1b Three-digit plan number (PN) ▶	<u>023</u>				
1c Effective date of plan <u>12/17/1997</u>					
2a Plan sponsor's name and address, including room or suite number (Employer, if for single-employer plan) <u>RAYTHEON COMPANY</u> <u>870 WINTER STREET</u> <u>WALTHAM, MA 02451-1449</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td>2b Employer Identification Number (EIN) <u>95-1778500</u></td> </tr> <tr> <td>2c Sponsor's telephone number <u>800-358-1231</u></td> </tr> <tr> <td>2d Business code (see instructions) <u>335900</u></td> </tr> </table>	2b Employer Identification Number (EIN) <u>95-1778500</u>	2c Sponsor's telephone number <u>800-358-1231</u>	2d Business code (see instructions) <u>335900</u>	
2b Employer Identification Number (EIN) <u>95-1778500</u>					
2c Sponsor's telephone number <u>800-358-1231</u>					
2d Business code (see instructions) <u>335900</u>					

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

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

SIGN HERE	Filed with authorized/valid electronic signature.	07/23/2012	DEBORAH A. TULLY
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	07/23/2012	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

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

Form 5500 (2011)
v.012611

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 800-358-1231

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
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5 Total number of participants at the beginning of the plan year	5	824
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6 Number of participants as of the end of the plan year (welfare plans complete only lines 6a , 6b , 6c , and 6d).		
a Active participants.....	6a	0
b Retired or separated participants receiving benefits.....	6b	0
c Other retired or separated participants entitled to future benefits.....	6c	0
d Subtotal. Add lines 6a , 6b , and 6c	6d	0
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e	0
f Total. Add lines 6d and 6e	6f	0
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	
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8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:

1A 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)	9b Plan benefit arrangement (check all that apply)
(1) ☐ Insurance	(1) ☐ Insurance
(2) ☐ Code section 412(e)(3) insurance contracts	(2) ☐ Code section 412(e)(3) insurance contracts
(3) ☒ Trust	(3) ☒ Trust
(4) ☐ General assets of the sponsor	(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)** ☒ **R** (Retirement Plan Information)
(2) ☐ **MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
(3) ☒ **SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary

b General Schedules

- (1)** ☒ **H** (Financial Information)
(2) ☐ **I** (Financial Information – Small Plan)
(3) ☐ **A** (Insurance Information)
(4) ☒ **C** (Service Provider Information)
(5) ☒ **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 2011 This Form is Open to Public Inspection
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For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 10/01/2011

▶ **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 <u>RAYTHEON SUBSIDIARY RETIREMENT PLAN</u>	B Three-digit plan number (PN) ▶ <u>023</u>
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF <u>RAYTHEON COMPANY</u>	D Employer Identification Number (EIN) <u>95-1778500</u>
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B	F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500

Part I	Basic Information
1 Enter the valuation date: Month <u>01</u> Day <u>01</u> Year <u>2011</u>	
2 Assets:	
a Market value	2a <u>9226976</u>
b Actuarial value	2b <u>8725019</u>
3 Funding target/participant count breakdown:	
	(1) Number of participants (2) Funding Target
a For retired participants and beneficiaries receiving payment	3a <u>208</u> <u>2482494</u>
b For terminated vested participants	3b <u>598</u> <u>5839613</u>
c For active participants:	
(1) Non-vested benefits	3c(1) <u>0</u>
(2) Vested benefits	3c(2) <u>242976</u>
(3) Total active	3c(3) <u>18</u> <u>242976</u>
d Total	3d <u>824</u> <u>8565083</u>
4 If the plan is in at-risk status, check the box and complete lines (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 in at-risk status for fewer than five consecutive years and disregarding loading factor	4b
5 Effective interest rate	5 <u>6.10</u> %
6 Target normal cost	6 <u>210984</u>

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 <u>JONATHAN R. BARRY, F.S.A.</u>	Date <u>11-06048</u>
Type or print name of actuary <u>MERCER</u>	Most recent enrollment number <u>617-747-9500</u>
Firm name <u>99 HIGH STREET</u> <u>BOSTON, MA 02110-2320</u>	Telephone number (including area code)
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-SF.

Schedule SB (Form 5500) 2011
v.012611

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 (line 13 from prior year)	4305516	0
8 Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	0
9 Amount remaining (line 7 minus line 8)	4305516	0
10 Interest on line 9 using prior year's actual return of _____%		
11 Prior year's excess contributions to be added to prefunding balance:		
a Present value of excess contributions (line 38 from prior year)		0
b Interest on (a) using prior year's effective rate of _____% except as otherwise provided (see instructions)		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 Other reductions in balances due to elections or deemed elections	4094532	
13 Balance at beginning of current year (line 9 + line 10 + line 11d – line 12).....	210984	0

Part III Funding percentages		
14 Funding target attainment percentage.....	14	99.40 %
15 Adjusted funding target attainment percentage.....	15	101.86 %
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	97.90 %
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 contributions from prior years.	19a	0
b Contributions made to avoid restrictions adjusted to valuation date	19b	0
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	0
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
0	0	0
		(4) 4th 0

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

21 Discount rate:				
a Segment rates:	1st segment: 2.94%	2nd segment: 5.82%	3rd segment: 6.46 %	☐ N/A, full yield curve used
b Applicable month (enter code)				21b 0
22 Weighted average retirement age				22 62
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

Part VII Reconciliation of unpaid minimum required contributions for prior years

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

Part VIII Minimum required contribution for current year

31 Target normal cost and excess assets (see instructions):			
a Target normal cost (line 6)	31a	210984	
b Excess assets, if applicable, but not greater than 31a	31b		
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 (lines 31a - 31b + 32a + 32b - 33)...	34	210984	
	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement.....	210984		210984
36 Additional cash requirement (line 34 minus line 35)	36	0	
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	37	0	
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)	38a	0	
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b		
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	39	0	
40 Unpaid minimum required contributions for all years.....	40	0	

Part IX Pension funding relief under Pension Relief Act of 2010 (see instructions)

41 If a shortfall amortization base is being amortized pursuant to an alternative amortization schedule:			
a Schedule elected	☐ 2 plus 7 years ☐ 15 years		
b Eligible plan year(s) for which the election in line 41a was made	☐ 2008 ☐ 2009 ☐ 2010 ☐ 2011		
42 Amount of acceleration adjustment	42		
43 Excess installment acceleration amount to be carried over to future plan years	43		

SCHEDULE C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider 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
		2011
		This Form is Open to Public Inspection.

For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 10/01/2011		
A Name of plan RAYTHEON SUBSIDIARY RETIREMENT PLAN	B Three-digit plan number (PN) ▶	023
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)
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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	72000	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

AFFILIATED COMPUTER SERVICES, INC.

51-0310342

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
13	NONE	33551	Yes ☐ No ☒	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	22435	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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)

(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.	

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

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

Part III **Termination Information on Accountants and Enrolled Actuaries (see instructions)**
(complete as many entries as needed)

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

<div>SCHEDULE D (Form 5500)</div> <div>Department of the Treasury Internal Revenue Service</div> <div>Department of Labor Employee Benefits Security Administration</div>		<div>DFE/Participating Plan Information</div> <div>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).</div> <div>▶ File as an attachment to Form 5500.</div>		<div>OMB No. 1210-0110</div> <div>2011</div> <div>This Form is Open to Public Inspection.</div>	
For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 10/01/2011					
A Name of plan RAYTHEON SUBSIDIARY RETIREMENT PLAN				B Three-digit plan number (PN) ▶ 023	
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 04-3172773-001		d Entity code M		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0	
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)	
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)	
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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)	
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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)	
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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)	
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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	

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
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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

SCHEDULE H (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	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.	<small>OMB No. 1210-0110</small> 2011 This Form is Open to Public Inspection
For calendar plan year 2011 or fiscal plan year beginning <u>01/01/2011</u> and ending <u>10/01/2011</u>		
A Name of plan <u>RAYTHEON SUBSIDIARY RETIREMENT PLAN</u>	B Three-digit plan number (PN) ►	<u>023</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>RAYTHEON COMPANY</u>	D Employer Identification Number (EIN) <u>95-1778500</u>	

Part I	Asset and Liability Statement		(a) Beginning of Year	(b) End of Year
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	Total noninterest-bearing cash	1a		
b	Receivables (less allowance for doubtful accounts):			
	(1) Employer contributions	1b(1)	231507	
	(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)	8995469	
	(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)		

1d Employer-related investments:

		(a) Beginning of Year	(b) End of Year
(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	9226976	0

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h	2291	
i Acquisition indebtedness	1i		
j Other liabilities	1j	13268	
k Total liabilities (add all amounts in lines 1g through 1j)	1k	15559	0

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	9211417	0
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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 Contributions:**

		(a) Amount	(b) Total
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)		
(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)		0

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)		
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(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)		-503164
(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		-503164

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	335759	
(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)		335759
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)	168073	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		168073
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		503832

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		-1006996
l Transfers of assets:			
(1) To this plan.....	2l(1)		
(2) From this plan	2l(2)		8204421

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) ☒ 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 ☒ 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.).....		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.).....		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.)		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.).....		X	
e Was this plan covered by a fidelity bond?.....	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?		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?		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?		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.).....		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.).....		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?.....	X		
l Has the plan failed to provide any benefit when due under the plan?		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.).....			
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)

RAYTHEON NON-BARGAINING RETIREMENT PLAN

5b(2) EIN(s)	5b(3) PN(s)
95-1778500	021

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 2011 This Form is Open to Public Inspection.
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For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 10/01/2011

A Name of plan <u>RAYTHEON SUBSIDIARY RETIREMENT PLAN</u>	B Three-digit plan number (PN) ▶ <u>023</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>RAYTHEON COMPANY</u>	D Employer Identification Number (EIN) <u>95-1778500</u>

Part I	Distributions
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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	<u>0</u>
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): <u>13-5160382</u>		
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	<u>1</u>

Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part)
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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 (include any prior year accumulated funding deficiency not waived)	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 or other authority 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
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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. If no, check the "No" box.....	☒ Increase	☐ Decrease	☐ Both	☐ No
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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.
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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): _____

- 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: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%

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): _____



Report of Independent Auditors

**To the Participants and Administrator of
Raytheon Subsidiary Retirement Plan**

In our opinion, the accompanying statements of net assets available for benefits as of October 1, 2011 and December 31, 2010 and the related statements of changes in net assets available for benefits for the period ended October 1, 2011 and year ended December 31, 2010, present fairly, in all material respects, information regarding the net assets available for benefits of Raytheon Subsidiary Retirement Plan (the "Plan") at October 1, 2011 and changes therein for period ended October 1, 2011 and its financial status as of December 31, 2010, 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.

As described in Note 1, effective October 1, 2011, the Plan was merged into and became a part of the Raytheon Non-Bargaining Retirement Plan.

PricewaterhouseCoopers LLP

Boston, Massachusetts
July 19, 2012

Schedule SB, Line 22 – Description of Weighted Average Retirement Age

Each employee is assumed to retire in accordance 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 62.

(A) Retirement Age	(B) Percentage of Employees Expected to Retire	(C) [(A) x (B)]
55	6.26%	3.44
56	5.45%	3.05
57	4.74%	2.70
58	4.74%	2.75
59	4.72%	2.78
60	5.70%	3.42
61	9.51%	5.80
62	13.25%	8.22
63	13.55%	8.54
64	13.78%	8.82
65	12.40%	8.06
66	2.87%	1.89
67	1.36%	0.91
68	1.07%	0.73
69	0.60%	0.41
Average		61.5

Schedule SB, Part V – Statement of Actuarial Assumptions/Methods

Actuarial Methods

Minimum funding methods – effective January 1, 2011

The funding target for minimum funding calculations is computed using the traditional unit credit method of funding. The objective under this method is to fund each participant's benefits under the plan as they accrue. 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 detailed description of the calculation follows:

- The plan's valuation date is the beginning of the plan year.
- An individual's **funding target** is the present value of future benefits based on credited service and average pay as of the beginning of the plan year, and an individual's **target normal cost** is the present value of the benefit expected to accrue in the plan year. If multiple decrements are used, the funding target and the target normal cost for an individual is the sum of the component funding targets and target normal costs associated with the various anticipated separation dates.
- The plan's **target normal cost** is the sum of the individual target normal costs, and the plan's **funding target** is the sum of the individual funding targets for all participants under the plan.

Maximum deductible contribution method

Calculations of maximum deductible contributions include the excess of the funding target computed using the projected unit credit method over the minimum funding target. The objective of the projected unit credit method is to fund each participant's benefits under the plan as they accrue, taking into consideration expected 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 detailed description of the calculation follows:

- An individual's **projected funding target** is the present value of benefits based on credited service as of the beginning of the plan year and projected compensation that would be used in the calculation of the benefit on each expected separation date. If multiple decrements are used, the projected funding target for an individual is the sum of the component projected funding targets associated with the various anticipated separation dates.
- The plan's **projected funding target** is the sum of the projected funding targets for all participants under the plan. The excess of the plan's projected funding target over the plan's funding target is included in the "cushion amount."

Schedule SB, Part V – Statement of Actuarial Assumptions/Methods (continued)

B. Asset Valuation Method

Asset methods – effective January 1, 2011

The asset valuation method is an average of the adjusted market value for each year during the last 24 months preceding the valuation date. The adjusted market value is the market value at each determination date adjusted to the valuation date based on actual cash flows and expected interest at the lesser of the expected rate of return and the third segment rate. This amount is adjusted to be no greater than 110 percent and no less than 90 percent of the fair market value, as defined in IRC Section 430.

A characteristic of this asset method is that, over time, it is slightly more likely to produce an actuarial value of assets that is less than the market value of assets than an actuarial value that is greater than the market value.

Participant methods – effective January 1, 2011

Participants or former participants are included or excluded from the valuation as described below:

- **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.
- **Participants excluded:** No actuarial liability is included for nonvested participants who terminated prior to the valuation date. For this purpose, participants with a break in service on the valuation date are treated as terminated participants.
- **Insurance contracts:** The plan does not have any insurance contracts.

Schedule SB, Part V – Statement of Actuarial Assumptions/Methods (continued)

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

Discount rate sponsor elections

Segment rates or full yield curve	Segment
Look-back months	0
First 5 years	2.94%
Next 15 years	5.82%
Over 20 years	6.46%

Mortality sponsor elections

Healthy participants	Section 430(h)(3) prescribed separate static annuitant and nonannuitant mortality tables. These tables are based on the RP-2000 mortality tables projected with mortality improvement to the valuation year plus 7 and 15 years based on Scale AA.
Pre-1995 disabilities	Same as healthy
Post-1994 disabilities	Same as healthy

Other economic assumptions

Salary increases	4.50% per year
Expected investment return	8.50% per year but not greater than the third segment rate in effect for each year (6.69% for 2009 and 6.76% for 2010)
Expenses	\$207,536 added to current year normal cost

Demographic assumptions

Withdrawal	See table of sample rates.
Disability incidence	Not applicable.

Schedule SB, Part V – Statement of Actuarial Assumptions/Methods (continued)

Retirement age

<u>Attained age</u>	<u>Percentage</u>
Under 55	0.00%
55	6.26%
56	5.81%
57	5.37%
58	5.67%
59	5.99%
60	7.69%
61	13.90%
62	22.51%
63	29.69%
64	42.96%
65	67.76%
66	48.66%
67	44.99%
68	63.96%
69	99.99%
70 and above	100.00%

Spouse assumptions

Male participantsFemale participants

Percentage married

85%

75%

Spouse age difference

3 years younger

3 years older

Form of payment**Single life**

Active retirements

100%

Future vested deferred

100%

Future deaths

100%

Current vested deferred

100%

Unpredictable contingent event assumptions

N/A

Schedule SB, Part V – Statement of Actuarial Assumptions/Methods (continued)

Table of sample rates

Attained age	Withdrawal
20	7.15%
25	5.00
30	3.90
35	3.20
40	2.65
45	2.10
50	0.90
55	0.40
60	0.10
65	0.00
70	0.00

Schedule SB, Part V – Summary of Plan Provisions

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

Effective date and plan year	Original plan: December 17, 1997 Restated plan: March 28, 2005. Plan year: January 1
Status of the plan	The plan has ongoing benefit accruals but is closed to new entrants
Significant events that occurred during the year	None
Normal retirement	
▪ Eligibility	First of the month coinciding with or next following the attainment of age 65.
▪ Benefit	1.0% of Compensation during each period of Benefit Accrual Service.
Early retirement	
▪ Eligibility	Age 55 and 5 years of Vesting Service.
▪ Benefit	Actuarial equivalent of the Normal Retirement Benefit. Actuarial equivalence for this purpose is based on the interest rate used by the PBGC for valuing immediate annuities for the October 1st preceding the plan year including the annuity start date and the 1971 Group Annuity Mortality Table blended 80% males, 20% females.
Late retirement	
▪ Benefit	Normal Retirement Benefit determined as of actual retirement date.
Deferred vested	
▪ Eligibility	Termination for reasons other than death or retirement after completing five years of Vesting Service.
▪ Benefit	Benefit accrued to date of termination payable at age 65 or the actuarial equivalent, as described in the "Early Retirement" section above, payable for commencement after age 55 and prior to age 65.

Schedule SB, Part V – Summary of Plan Provisions (continued)

Pre-retirement death	
▪ Eligibility	5 years of Vesting Service.
▪ Benefit	Benefit accrued to date of death, calculated as if the Participant had retired at the earliest retirement age and elected the 50% contingent annuitant option or, if already eligible for early retirement, elected to retire and had elected the 100% contingent annuitant option on the day before death. The benefit is actuarially reduced with benefit payments to the spouse commencing on the date when the Participant would have become eligible for retirement benefits.
Unpredictable contingent event benefits	N/A
Form of benefits	
▪ Automatic form for unmarried participants	Single life annuity
▪ Automatic form for married participants	Actuarially equivalent 50% Joint & Survivor Annuity
▪ Optional forms	75% Joint & Survivor Annuity 100% Joint & Survivor Annuity 10 or 15 year Certain Only
▪ Optional form conversion factors	Optional forms are based on actuarial equivalence, i.e., the interest rate used by the PBGC for valuing immediate annuities for the October 1st preceding the plan year including the annuity start date and the 1971 Group Annuity Mortality Table blended 80% males, 20% females.
Miscellaneous	
▪ Maximum compensation	Compensation for any 12-month period used to determine accrued benefits may not exceed the limits in IRC Section 401(a)(17) for the calendar year in which the 12-month period begins. This limit is indexed annually. For 2011, the limit is \$245,000.
▪ Maximum benefits	Annual benefits may not exceed the limits in IRC Section 415. This limit is indexed annually. For 2011, the limit is \$195,000.

Schedule SB, Line 24 – Change in Actuarial Assumptions

- Compared to the 2010 current liability assumptions, the interest rate was changed from 6.76% to segment rates with a 0 month look-back.
- Expenses loaded on the normal cost increased from \$168,034 to \$207,536 to reflect our expectations for the current plan year.
- Mortality rates were updated from 2010 to 2011 in accordance with PPA.

The above changes were made to better reflect anticipated experience.

Schedule SB, Line 25 – Change in Methods

The new methods for the 2011 plan year were update to comply with the requirements of the Pension Protection Act of 2006.

Schedule SB, Line 26 – Schedule of Active Participant Data

Attained age	Years of credited service									
	Under 1	1-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40 & Up
Under 25										
25 - 29										
30 - 34										
35 - 39										
40 - 44										
45 - 49				1						
50 - 54										
55 - 59										
60 - 64										
65 - 69										
70 & Up										

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

Since service for the active transferred participants is not available, they have been excluded in the above table.

SCHEDULE SB (Form 5500) Department of the Treasury Internal Revenue Service <hr/> 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 2011 This Form is Open to Public Inspection
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For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 10/01/2011

► 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 <u>Raytheon Subsidiary Retirement Plan</u>	B Three-digit plan number (PN) ►	<u>023</u>
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF <u>Raytheon Company</u>	D Employer Identification Number (EIN) <u>95-1778500</u>	
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B		
F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500		

Part I Basic Information			
1	Enter the valuation date: Month <u>1</u> Day <u>1</u> Year <u>2011</u>		
2	Assets:		
	a Market value	2a	9,226,976
	b Actuarial value	2b	8,725,019
3	Funding target/participant count breakdown:	(1) Number of participants	(2) Funding Target
	a For retired participants and beneficiaries receiving payment.....	3a	208
	b For terminated vested participants.....	3b	598
	c For active participants:		
	(1) Non-vested benefits.....	3c(1)	0
	(2) Vested benefits.....	3c(2)	242,976
	(3) Total active.....	3c(3)	18
	d Total.....	3d	824
4	If the plan is in at-risk status, check the box and complete lines (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 in at-risk status for fewer than five consecutive years and disregarding loading factor.....	4b	
5	Effective interest rate	5	6.10 %
6	Target normal cost	6	210,984

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	<div style="text-align: center;"> Signature of actuary <u>Jonathan R. Barry, F.S.A.</u> Type or print name of actuary <u>Mercer</u> Firm name <u>99 High Street</u> <u>Boston</u> Address of the firm <u>MA 02110-2320</u> </div>	<div style="text-align: center;"> Date <u>11-06048</u> Most recent enrollment number <u>(617) 747-9500</u> Telephone number (including area code) </div>
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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-SF.

Schedule SB (Form 5500) 2011
v.012611

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 (line 13 from prior year).....	4,305,516	0
8 Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	0
9 Amount remaining (line 7 minus line 8).....	4,305,516	0
10 Interest on line 9 using prior year's actual return of _____%.....		
11 Prior year's excess contributions to be added to prefunding balance:		
a Present value of excess contributions (line 38 from prior year)		0
b Interest on (a) using prior year's effective rate of _____% except as otherwise provided (see instructions).....		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 Other reductions in balances due to elections or deemed elections.....	4,094,532	
13 Balance at beginning of current year (line 9 + line 10 + line 11d – line 12).....	210,984	0

Part III Funding percentages		
14 Funding target attainment percentage	14	99.40 %
15 Adjusted funding target attainment percentage	15	101.86 %
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	97.90 %
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 contributions from prior years.	19a	0
b Contributions made to avoid restrictions adjusted to valuation date.....	19b	0
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date.....	19c	0

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
0	0
(3) 3rd	(4) 4th
0	0

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

21 Discount rate:			
a Segment rates:	1st segment: 2.94 %	2nd segment: 5.82 %	3rd segment: 6.46 %
			☐ N/A, full yield curve used
b Applicable month (enter code).....			21b 0
22 Weighted average retirement age			22 62
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	

Part VII Reconciliation of unpaid minimum required contributions for prior years

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

Part VIII Minimum required contribution for current year

31 Target normal cost and excess assets (see instructions):			
a Target normal cost (line 6).....		31a	210,984
b Excess assets, if applicable, but not greater than 31a		31b	
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 (lines 31a - 31b + 32a + 32b - 33)...		34	210,984
	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement	210,984		210,984
36 Additional cash requirement (line 34 minus line 35).....		36	0
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c).....		37	0
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)		38a	0
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances		38b	
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37).....		39	0
40 Unpaid minimum required contributions for all years.....		40	0

Part IX Pension funding relief under Pension Relief Act of 2010 (see instructions)

41 If a shortfall amortization base is being amortized pursuant to an alternative amortization schedule:			
a Schedule elected		☐ 2 plus 7 years ☐ 15 years	
b Eligible plan year(s) for which the election in line 41a was made		☐ 2008 ☐ 2009 ☐ 2010 ☐ 2011	
42 Amount of acceleration adjustment		42	
43 Excess installment acceleration amount to be carried over to future plan years		43	

Raytheon Subsidiary Retirement Plan

Financial Statements

To Accompany 2011 Form 5500

Annual Report of Employee Benefit Plan

Under ERISA of 1974

October 1, 2011 and December 31, 2010

Raytheon Subsidiary Retirement Plan
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October 1, 2011 and December 31, 2010

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The supplemental schedules to the Plan's Form 5500 are not required since the Plan's assets are held in a Master Trust. Accordingly, the Plan Administrator must file detailed financial information for the Master Trust, including the supplemental schedules, separately with the Department of Labor.



Report of Independent Auditors

To the Participants and Administrator of
Raytheon Subsidiary Retirement Plan

In our opinion, the accompanying statements of net assets available for benefits as of October 1, 2011 and December 31, 2010 and the related statements of changes in net assets available for benefits for the period ended October 1, 2011 and year ended December 31, 2010, present fairly, in all material respects, information regarding the net assets available for benefits of Raytheon Subsidiary Retirement Plan (the "Plan") at October 1, 2011 and changes therein for period ended October 1, 2011 and its financial status as of December 31, 2010, 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.

As described in Note 1, effective October 1, 2011, the Plan was merged into and became a part of the Raytheon Non-Bargaining Retirement Plan.

PricewaterhouseCoopers LLP

Boston, Massachusetts
July 19, 2012

Raytheon Subsidiary Retirement Plan
Statements of Net Assets Available for Benefits
October 1, 2011 and December 31, 2010

	2011	2010
Assets		
Investments at fair value (Notes 2 and 5)		
Raytheon Master Pension Trust	\$ -	\$ 8,995,469
Receivables		
Employer contributions	-	231,507
Total assets	-	9,226,976
Liabilities		
Other liabilities	-	13,268
Accrued administrative expenses	-	2,291
Total liabilities	-	15,559
Net assets available for benefits	\$ -	\$ 9,211,417

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

Raytheon Subsidiary Retirement Plan
Statements of Changes in Net Assets Available for Benefits
Period Ended October 1, 2011 and Year Ended December 31, 2010

	2011*	2010
Additions		
Raytheon Master Pension Trust investment income (Notes 2 and 5)	\$ -	\$ 867,963
Employer contributions	-	1,755,189
Total additions	-	2,623,152
Deductions		
Raytheon Master Pension Trust investment loss (Notes 2 and 5)	\$ 503,164	-
Benefit payments	335,759	371,064
Administrative expenses	168,073	183,036
Total deductions	1,006,996	554,100
Net (decrease)/increase in net assets available for benefits before Plan merger	(1,006,996)	2,069,052
Merger to Raytheon Non-Bargaining Retirement Plan (Note 1)	8,204,421	-
Net (decrease)/increase in net assets available for benefits	(9,211,417)	2,069,052
Net assets available for benefits, beginning of period/year	9,211,417	7,142,365
Net assets available for benefits, end of period/year	\$ -	\$ 9,211,417

* Period ended October 1, 2011 is defined as January 1, 2011 through October 1, 2011.

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

Raytheon Subsidiary Retirement Plan

Notes to Financial Statements

October 1, 2011 and December 31, 2010

1. Plan Description

General

The Raytheon Subsidiary Retirement Plan (the "Plan") was established on December 18, 1997 to provide retirement benefits to eligible subsidiary employees as part of the Raytheon Company's (the "Company") merger with the Defense Business of Hughes Electronics on December 17, 1997. A proportionate allocation of the liabilities of the preexisting Hughes Electronics Subsidiary Retirement Plan (the "Hughes Plan") was transferred to the Plan. The assets attributable to the Hughes Plan were transferred in 1998 with a final true-up in 1999. Investments are held in the Raytheon Master Pension Trust ("Master Trust"). The Plan is a noncontributory defined benefit pension plan covering eligible salaried employees of the Company and is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA").

The Plan was amended and restated in its entirety on February 26, 2002, with a retroactive effective date of December 17, 1997, to comply with statutory changes and has been subsequently amended.

Effective October 1, 2011, the Plan was merged into and became a part of the Raytheon Non-Bargaining Retirement Plan. Assets totaling \$8,204,421 were transferred from the Plan on that date. Participants will remain in the Raytheon Non-Bargaining Retirement Plan under the same provisions as the Plan.

Benefits, Eligibility and Vesting

The Plan is a defined benefit plan covering certain employees of the Company. The Plan provides specified benefits to be paid from the net assets available for benefits. Each employee who was a participant in the Hughes Plan on December 18, 1997 continued as a participant in the Plan with all prior service maintained. Other employees working in a covered subsidiary unit in the defense business formerly operated by Hughes Electronics generally become eligible following completion of a year of service. As of January 1, 1999, all new salaried employees eligible for pension coverage, become participants in the Raytheon Company Pension Plan for Salaried Employees. Benefits from this plan are based principally upon the years of service and compensation. Annual earnings in excess of the limit provided for that year by Section 401(a) (17) of the Internal Revenue Code are not used in determining benefits under the Plan.

Effective January 1, 2007, employees who are either hired or rehired (after the expiration of any salary continuation payments) are not eligible to participate in the Plan. In addition, former employees who are hired 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.

The standard form of retirement benefit to unmarried participants is a monthly payment based upon years of service and final average compensation beginning the month following retirement and continuing until death. The standard form of benefit to married participants is a reduced monthly payment for the participant's life and one-half of that payment for the life of the participant's surviving spouse (or same sex domestic partner, if appropriate forms have been filed with the Raytheon Benefit Center). Other optional forms of benefits are also available. The Plan provides for normal retirement, early retirement, deferred vested and death benefits. Vesting occurs after a period of five years of service.

Raytheon Subsidiary Retirement Plan

Notes to Financial Statements

October 1, 2011 and December 31, 2010

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 valuation policy footnote 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 became 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/(loss)."

Use of Estimates

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

Raytheon Subsidiary Retirement Plan
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3. Actuarial Present Value of Accumulated Pension 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, 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, withdrawal, or death) between the valuation date and the expected date of payment.

The significant actuarial assumptions used in the valuation as of December 31, 2010 and 2009 are as follows:

Assumed rate of return on investments for accumulated benefits	-8.5%
Mortality basis	<p>As of December 31, 2010:</p> <p>-Section 430(h)(3) prescribed separate static annuitant and nonannuitant mortality tables for PPA projected with mortality improvement to the valuation year plus 7 and 15 years based on scale AA</p> <p>As of December 31, 2009:</p> <p>-For pre-retirement mortality: RP-2000 Mortality Tables for males and females, without adjustment for collar or employee/annuitant distinction, projected to 2010</p> <p>-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</p>
Retirement	- Several rates, varying by age from 55 to 70

The foregoing actuarial assumptions are based in 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.

Raytheon Subsidiary Retirement Plan
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As of December 31, 2010, the actuarial present value of accumulated plan benefits is as follows:

Vested benefits	
Participants receiving benefits	\$2,118,946
Participants with deferred benefits	3,911,948
Active participants	<u>170,948</u>
Total vested benefits	6,201,842
Nonvested benefits	<u>-</u>
Total actuarial present value of accumulated plan benefits	<u><u>\$6,201,842</u></u>

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

Actuarial present value of accumulated plan benefits as of December 31, 2009	\$5,890,298
Benefits accumulated and non-investment (gains)/losses	85,072
Increase for interest due to decrease in discount period	484,905
Benefits paid	(371,064)
Change in actuarial assumptions	<u>112,631</u>
Actuarial present value of accumulated plan benefits as of December 31, 2010	<u><u>\$6,201,842</u></u>

Estimated accumulated plan benefits as of October 1, 2011 of \$6,252,310 were transferred to the Raytheon Non-Bargaining Retirement Plan as a result of the merger (Note 1).

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 period ended October 1, 2011 and year ended December 31, 2010 met the minimum funding requirements of ERISA.

Raytheon Subsidiary Retirement Plan
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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 Chairman and CEO of 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.

Raytheon Subsidiary Retirement Plan

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At October 1, 2011, the Plan owned 0.0% of the fair value of the Master Trust net assets. At December 31, 2010, the Plan owned approximately 0.1% of the fair value of the Master Trust net assets. The total net assets of the Master Trust at December 31, 2010 were:

	2010
Assets	
Investments at fair market value	
Interest-bearing cash	\$710,053,012
U.S. government bonds (includes securities on loan of \$10,760,436)	408,274,182
Foreign government bonds (includes securities on loan of \$4,593,788)	104,326,227
Corporate debt instruments (includes securities on loan of \$2,539,183)	1,725,947,924
Corporate stock - preferred	68,017,750
Corporate stock - common (includes securities on loan of \$73,975,812)	4,337,252,862
Investment of securities lending collateral	86,149,762
Investment in DB/DC Master Trust	63,274,034
Commingled funds	2,599,498,592
Registered investment companies (includes securities on loan of \$484,730)	4,168,283,806
Unallocated insurance contracts	14,940,345
Other investments	648,459
	<u>\$14,286,666,955</u>
Investments at estimated fair market value	
Private equity funds	265,605,631
Private real estate funds	171,494,321
	<u>437,099,952</u>
Cash	22,043
Cash held at broker	2,557,737
Foreign cash	7,921,023
Interest and dividends receivable	47,754,653
Variation margin receivable	1,609,976
Receivable for forward currency contracts	974,216
Receivable for securities sold	33,712,796
Other receivables	3,316,417
	<u>3,316,417</u>
Total assets	<u>\$14,821,635,768</u>
Liabilities	
Interest and dividend payable	\$111,183
Variation margin payable	244,258
Payable for forward currency contracts	2,003,737
Payable for securities lending collateral	96,288,784
Payable for securities purchased	18,137,694
	<u>18,137,694</u>
Total liabilities	<u>\$116,785,656</u>
Master Trust net assets	<u>\$14,704,850,112</u>
Plan's interest in Master Trust	<u>\$8,995,469</u>

Raytheon Subsidiary Retirement Plan
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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 period ended October 1, 2011 and year ended December 31, 2010:

	2011	2010
Net appreciation (depreciation) in fair value of investments		
Interest-bearing cash	(\$288,278)	(\$111,503)
U.S. government bonds	14,389,730	(1,752,582)
Corporate debt instruments	12,252,547	60,256,006
Corporate stock – preferred	(8,429,073)	5,043,785
Corporate stock – common	(555,718,418)	658,691,527
Investment of securities lending collateral	2,402,143	16,677,156
Investment in DB/DC Master Trust	2,655,865	2,423,071
Commingled funds	(70,094,304)	212,339,349
Registered investment companies	(428,738,469)	272,534,417
Forward currency contracts	(1,225,814)	(3,434,985)
Future contracts	(14,254,432)	1,314,139
Other investments	2,424,520	653,090
	<u>(\$1,044,623,983)</u>	<u>\$1,225,998,408</u>
Net appreciation (depreciation) in estimated fair value of investments		
Private equity funds	2,284,035	20,862,296
Private real estate funds	17,819,151	33,169,467
	<u>\$20,103,186</u>	<u>\$54,031,763</u>
Interest	75,989,157	103,571,157
Dividends	126,469,670	159,244,120
Securities lending program income	624,226	876,946
Other income	20,405,299	32,079,973
Subtotal Master Trust investment income (loss)	<u>(\$801,032,445)</u>	<u>\$1,575,802,367</u>
Total expenses	<u>\$73,433,142</u>	<u>\$73,525,785</u>
Total Master Trust net investment income (loss)	<u>(\$874,465,587)</u>	<u>\$1,502,276,582</u>
Portion allocated to the Plan	<u>(\$503,164)</u>	<u>\$867,963</u>

Raytheon Subsidiary Retirement Plan
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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 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 period ended October 1, 2011 and the year ended December 31, 2010, there were no significant transfers in or out of Levels 1, 2 or 3.

Raytheon Subsidiary Retirement Plan

Notes to Financial Statements

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The following tables summarize the fair value of the Master Trust's investment assets and liabilities as of December 31, 2010.

Fair Value of Investment Assets as of 12/31/2010				
	Level 1	Level 2	Level 3	Total
Interest-bearing cash	\$ -	\$ 710,053,012	\$ -	\$ 710,053,012
U.S. government bonds	391,643,943	16,630,239	-	408,274,182
Foreign government bonds	-	104,326,227	-	104,326,227
Corporate debt instruments	-	1,725,947,924	-	1,725,947,924
Corporate stock – preferred	64,591,584	3,426,166	-	68,017,750
Corporate stock - common				
U.S. equity	2,616,977,599	16,798,018	-	2,633,775,617
International equity	1,699,873,436	3,603,809	-	1,703,477,245
Investment of securities lending collateral	-	86,149,762	-	86,149,762
Investment in DB/DC Master Trust	63,232,641	47	41,346	63,274,034
Commingled funds				
103-12 investment entities				
International equity	-	375,956,571	-	375,956,571
Absolute return	-	368,365,167	-	368,365,167
Fixed income	-	59,870,753	-	59,870,753
Absolute return	-	492,812,768	21,237,038	514,049,806
Common/collective trusts				
International equity	-	88,299,977	-	88,299,977
Absolute return	-	170,821,825	-	170,821,825
Fixed income	-	49,805,657	-	49,805,657
Equity	-	29,641,694	21,945,751	51,587,445
Fixed income	-	826,866,916	93,874,475	920,741,391
Registered investment companies				
U.S. equity	2,389,727,150	-	-	2,389,727,150
International equity	366,717,715	-	-	366,717,715
Absolute return	188,840,601	-	-	188,840,601
Fixed income	863,839,795	-	-	863,839,795
Money market funds	359,158,545	-	-	359,158,545
Unallocated insurance contracts	-	-	14,940,345	14,940,345
Other investments	-	648,459	-	648,459
Private equity funds	-	-	265,605,631	265,605,631
Private real estate funds	-	-	171,494,321	171,494,321
Variation margin receivable	1,609,976	-	-	1,609,976
Receivable for forward currency contracts	-	974,216	-	974,216
Total assets	\$ 9,006,212,985	\$ 5,130,999,207	\$ 589,138,907	\$ 14,726,351,099

Fair Value of Investment Liabilities as of 12/31/2010				
	Level 1	Level 2	Level 3	Total
Variation margin payable	\$ 244,258	\$ -	\$ -	\$ 244,258
Payable for forward currency contracts	-	2,003,737	-	2,003,737
Total liabilities	\$ 244,258	\$ 2,003,737	\$ -	\$ 2,247,995

Raytheon Subsidiary Retirement Plan
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Level 3 Gains and Losses

The tables below summarize changes in the fair value of the Master Trust's Level 3 investment assets for the period ended October 1, 2011 and year ended December 31, 2010.

Level 3 Investment Assets 10/1/2011						
	Balance at 1/1/2011	Realized gains (losses)	Unrealized gains (losses)	Purchases	Sales	Transfers in (out) of level 3
Corporate stock - common	\$ -	\$ -	\$ (21,879)	\$ 197,379	\$ -	\$ -
Investment in DB/DC Master Trust	41,346	(64,839)	64,851	-	(41,358)	-
Commingled funds						
Absolute return	21,237,038	-	(1,563,950)	44,582,099	-	-
Equity	21,945,751	4,917,029	(5,472,207)	2,013,639	(23,404,212)	-
Fixed income	93,874,475	1,886,315	303,772	3,318,927	(8,118,892)	-
Unallocated insurance contracts	14,940,345	2,659	(2,659)	588,632	(94,695)	-
Private equity funds	265,605,631	40,571,042	(38,287,007)	94,919,705	(48,801,105)	-
Private real estate funds	171,494,321	(254,989)	18,074,140	9,824,240	(9,085,824)	-
Total	\$ 589,138,907	\$ 47,057,217	\$ (26,904,939)	\$ 155,444,621	\$ (89,546,086)	\$ -

Level 3 Investment Assets 12/31/2010					
	Balance at 1/1/2010	Realized gains (losses)	Unrealized gains (losses)	Purchases, issuances, settlements	Transfers in (out) of level 3
Investment in DB/DC Master Trust	\$ 85,684	\$ -	\$ (44,338)	\$ -	\$ -
Commingled funds					
Absolute return	80,496,103	6,052,415	(2,867,356)	(62,444,124)	-
Equity	18,809,845	1,808,048	1,662,362	(334,504)	-
Fixed income	178,976,852	(66,222,555)	52,317,687	(71,197,509)	-
Unallocated insurance contracts	14,296,199	3,764	(3,764)	644,146	-
Private equity funds	257,265,096	46,029,832	(26,428,697)	(11,260,600)	-
Private real estate funds	124,617,367	(870,528)	33,933,465	13,814,017	-
Total	\$ 674,547,146	\$ (13,199,024)	\$ 58,569,359	\$ (130,778,574)	\$ -

Raytheon Subsidiary Retirement Plan

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The table below summarizes the fair value measurements of the investments in certain entities that calculate net asset value per share as of December 31, 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	\$ 171,494,321	\$ 76,417,393	0-7 years	Redemption not permitted during life of the fund	Not applicable	Not applicable
Private Equity Funds	265,605,631	179,372,213	0-8 years	Redemption not permitted during life of the fund	Not applicable	Not applicable
Commingled Funds 103-12 entities	804,192,491	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	514,049,806	Not applicable	Not applicable	Ranges from 3-125 days notice monthly, 5-90 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 three 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	308,927,459	Not applicable	Not applicable	Ranges from 7 days notice daily, 45 days notice monthly	None	None
Equity funds	51,587,445	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	920,741,391	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.

Raytheon Subsidiary Retirement Plan
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Valuation Policy

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

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

Investments in equity securities (common and preferred) and equity securities sold short, if any, 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 Master 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.

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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 Statements of Changes in Net Assets Available for Benefits as Master Trust investment income (loss). The net appreciation (depreciation) in the fair value of investments consists of the realized gains or losses and the 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. 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. The DB/DC Master Trust was closed effective March 31, 2011.

As of December 31, 2010, the value of the net assets in the DB/DC Master Trust was \$320,023,936. For the year ended December 31, 2010, the net income (loss) related to the DB/DC Master Trust was \$42,897,425. For the period ended October 1, 2011, the net income (loss) related to the DB/DC Master Trust was \$8,686,729.

As of December 31, 2010, the Master Trust was allocated \$63,274,034, representing 20% of the net assets of the DB/DC Master Trust. As of December 31, 2010, the net assets held consisted of approximately \$60,555,141 corporate stock-common, \$205,415 interest bearing cash, and \$2,513,478 net other, which consists principally of registered investment companies.

During 2010, the Master Trust was allocated \$2,423,071 net income gain, which consisted of approximately \$2,113,706 unrealized appreciation/depreciation principally on corporate stock-common, \$509,045 dividend and interest income, \$(162,503) expenses and \$(37,149) net appreciation/ depreciation, which consists principally of net realized gain/loss from sale of assets.

During 2011, the Master Trust was allocated \$2,655,865 net income gain, which consisted of approximately \$(206,528) unrealized appreciation/depreciation principally on corporate stock-common, \$251,926 dividend and interest income, \$(102,810) expenses and \$2,713,277 net appreciation/ depreciation, which consists principally of net realized gain/loss from sale of assets.

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Investments Sold Short

As of October 1, 2011 and December 31, 2010, 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 October 1, 2011 and December 31, 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.

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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 December 31, 2010 was \$92,353,949. 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 \$96,288,784 were received for securities on loan at December 31, 2010. Cash collateral was invested in a separately maintained and managed cash collateral investment account and had a fair market value of \$86,149,762 at December 31, 2010. At December 31, 2010 investments include, \$11,023,910 invested in overnight repurchase agreements and \$75,677,615 invested in asset backed securities.

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 \$624,226 and \$876,946 as of October 1, 2011 and December 31, 2010, respectively. Security lending income allocated to the Trustee amounted to \$158,605 and \$225,527 as of October 1, 2011 and December 31, 2010, respectively.

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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, 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 counterparties to these transactions. The Master Trust manages this exposure through credit approvals, limits, monitoring procedures, and to the extent possible, by restricting the period over which unpaid balances are allowed to accumulate. Procedures are in place 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 table presents the derivative activity included in the Statements of Changes in Net Assets of the Master Trust for the period ended October 1, 2011:

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

	Net
Derivatives not accounted for as hedging instruments	Appreciation/ (Depreciation)
Future contracts	\$ (14,254,432)
Forward currency contracts	(1,225,814)
	<u>\$ (15,480,246)</u>

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The following tables present the values of derivatives carried on the Statement of Net Assets and the Statement of Changes in Net Assets of the Master Trust as of and for the year ended December 31, 2010, and are indicative of the average volume of derivative activity:

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 future contracts	\$1,609,976	\$ -	\$ -	\$ -	\$ 1,609,976
Unrealized gain on forward currency contracts	-	-	974,216	-	974,216
	<u>\$1,609,976</u>	<u>\$ -</u>	<u>\$ 974,216</u>	<u>\$ -</u>	<u>\$ 2,584,192</u>
Liabilities					
Unrealized loss on future contracts	\$ 244,258	\$ -	\$ -	\$ -	\$ 244,258
Unrealized loss on forward currency contracts	-	-	2,003,737	-	2,003,737
	<u>\$ 244,258</u>	<u>\$ -</u>	<u>\$ 2,003,737</u>	<u>\$ -</u>	<u>\$ 2,247,995</u>

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

	Net Appreciation/ (Depreciation)
Derivatives not accounted for as hedging instruments	
Future contracts	\$ 1,314,139
Forward currency contracts	<u>(3,434,985)</u>
	<u>\$ (2,120,846)</u>

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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.

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A summary of open forward currency contracts at December 31, 2010 is presented below:

2010				
	Settlement Date	Aggregate Face Value	Market Value	Unrealized Appreciation (Depreciation)
Currency Purchased				
AUSTRALIAN DOLLAR	1/4/2011 - 1/19/2011	\$2,122,646	\$2,209,117	\$86,471
BRAZIL REAL	1/1/2011 - 2/2/2011	2,557,679	2,675,119	117,440
BRITISH POUND STERLING	1/19/2011 - 1/19/2011	4,681,355	4,667,136	(14,219)
CANADIAN DOLLAR	1/4/2011 - 1/19/2011	4,084,537	4,153,305	68,768
DANISH KRONE	1/19/2011 - 1/19/2011	1,688,999	1,633,306	(55,693)
EURO CURRENCY UNIT	1/3/2011 - 1/25/2011	9,050,002	9,010,615	(39,387)
HONG KONG DOLLAR	1/3/2011 - 1/19/2011	576,879	576,340	(539)
INDIAN RUPEE	1/3/2011 - 1/3/2011	11,157	11,141	(16)
JAPANESE YEN	1/4/2011 - 1/19/2011	2,060,894	2,115,561	54,667
MEXICAN NEW PESO	1/3/2011 - 3/16/2011	2,784,963	2,824,731	39,768
NEW ZEALAND DOLLAR	1/5/2011 - 1/5/2011	19,481	19,937	456
NORWEGIAN KRONE	1/19/2011 - 1/19/2011	352,680	363,971	11,291
POLISH ZLOTY	1/19/2011 - 1/19/2011	1,232,234	1,168,324	(63,910)
S AFRICAN COMM RAND	1/19/2011 - 1/19/2011	1,760,225	1,848,871	88,646
SINGAPORE DOLLAR	1/19/2011 - 1/19/2011	1,985,269	2,009,336	24,067
SOUTH KOREAN WON	1/3/2011 - 1/4/2011	19,186	19,154	(32)
SWEDISH KRONA	1/19/2011 - 3/14/2011	5,517,916	5,591,429	73,513
SWISS FRANC	1/19/2011 - 1/19/2011	4,376,007	4,496,078	120,071
		<u>\$44,882,109</u>	<u>\$45,393,471</u>	<u>\$511,362</u>

2010				
	Settlement Date	Aggregate Face Value	Market Value	Unrealized Appreciation (Depreciation)
Currency Sold				
AUSTRALIAN DOLLAR	1/4/2011 - 1/19/2011	\$14,145,692	\$14,855,716	(\$710,024)
BRITISH POUND STERLING	1/4/2011 - 1/19/2011	15,199,528	14,941,009	258,519
CANADIAN DOLLAR	1/5/2011 - 2/16/2011	4,207,839	4,268,359	(60,520)
DANISH KRONE	1/19/2011 - 1/19/2011	640,958	613,682	27,276
EURO CURRENCY UNIT	1/3/2011 - 5/18/2011	25,392,888	25,752,303	(359,415)
HONG KONG DOLLAR	1/3/2011 - 1/19/2011	2,907,973	2,904,999	2,974
INDIAN RUPEE	1/3/2011 - 1/3/2011	49,957	50,005	(48)
INDONESIAN RUPIAN	1/3/2011 - 1/3/2011	12,457	12,428	29
JAPANESE YEN	1/5/2011 - 5/18/2011	16,125,203	16,582,572	(457,369)
MALAYSIAN RINGGIT	1/3/2011 - 1/4/2011	463,080	464,287	(1,207)
MEXICAN NEW PESO	1/19/2011 - 5/24/2011	1,882,657	1,929,332	(46,675)
NEW ZEALAND DOLLAR	3/9/2011 - 3/9/2011	1,869,552	1,938,229	(68,677)
NORWEGIAN KRONE	1/3/2011 - 1/19/2011	427,680	427,420	260
POLISH ZLOTY	1/19/2011 - 1/19/2011	379,365	389,892	(10,527)
SWEDISH KRONA	3/14/2011 - 3/14/2011	4,274,961	4,390,440	(115,479)
		<u>\$87,979,790</u>	<u>\$89,520,673</u>	<u>(\$1,540,883)</u>

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Future Contracts

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

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

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

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

At December 31, 2010, no securities were pledged as collateral or restricted from trading. A cash balance of \$2,557,737 was pledged to cover margin requirements for open future contracts.

A summary of the open fixed income futures as of December 31, 2010 is presented below:

	Long Contracts		Short Contracts	
	2010		2010	
	Number of Contracts	Aggregate Face Value	Number of Contracts	Aggregate Face Value
US 10 years Treasury notes Future (CBT)	-	\$-	1379	\$166,083,313
US 5 years Treasury Notes Future (CBT)	-	-	185	21,777,969
US Treasury Bond Future (CBT)	61	7,449,625	14	1,709,750
US Ultra Bond (CBT)	375	47,660,156	-	-
Grand Total	<u>436</u>	<u>\$55,109,781</u>	<u>1,578</u>	<u>\$189,571,032</u>

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Options

As of October 1, 2011 and December 31, 2010, the Master Trust did not have any options.

The Master Trust may invest in option contracts. 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.

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Swaps

As of October 1, 2011 and December 31, 2010, 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 Master Trust. The Master Trust bears the market risk arising from any change in index or security values or interest rates.

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6. Termination Priorities

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 period ended October 1, 2011 and year ended December 31, 2010, \$3,261 and \$4,309 of trustee expenses specifically related to the Plan were incurred and included in "Administrative expenses." In addition, the Plan was allocated approximately \$4,112 and \$3,581 of trustee expenses paid directly by the Master Trust to the Trustee and are included in "Raytheon Master Pension Trust investment income/(loss)."

As of October 1, 2011 and December 31, 2010, \$1,266 and \$1,550, respectively, of trustee expenses were accrued.

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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 Company, on behalf of the Plan, applied for a new determination letter on January 31, 2011. The Plan Administrator and the Company’s benefits counsel believe that the current design and operation of the Plan are consistent with preservation of the qualification of the Plan and exemption of the Trust in the context of applicable IRS procedures.

The IRS has determined and informed the Company by letter dated March 23, 2012, 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 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 October 1, 2011 and December 31, 2010, 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 October 1, 2011 through the date the Plan’s financial statements were available to be issued, July 19, 2012.