

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>12/31/2011</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 RETIREMENT PLAN FOR ENGINEERS & CONSTRUCTORS, INC. AND AIRCRAFT CREDIT EMPLOYEES</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>001</u></td> </tr> <tr> <td colspan="2">1c Effective date of plan <u>12/01/1949</u></td> </tr> </table>	1b Three-digit plan number (PN) ▶	<u>001</u>	1c Effective date of plan <u>12/01/1949</u>	
1b Three-digit plan number (PN) ▶	<u>001</u>				
1c Effective date of plan <u>12/01/1949</u>					
2a Plan sponsor's name and address, including room or suite number (Employer, if for single-employer plan) <u>RAYTHEON AIRCRAFT CREDIT CORP.</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>48-0619846</u></td> </tr> <tr> <td>2c Sponsor's telephone number <u>781-522-3000</u></td> </tr> <tr> <td>2d Business code (see instructions) <u>541330</u></td> </tr> </table>	2b Employer Identification Number (EIN) <u>48-0619846</u>	2c Sponsor's telephone number <u>781-522-3000</u>	2d Business code (see instructions) <u>541330</u>	
2b Employer Identification Number (EIN) <u>48-0619846</u>					
2c Sponsor's telephone number <u>781-522-3000</u>					
2d Business code (see instructions) <u>541330</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.	10/11/2012	DEBORAH A. TULLY
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	10/11/2012	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 781-522-5080
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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	13511
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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	17
b Retired or separated participants receiving benefits.....	6b	5207
c Other retired or separated participants entitled to future benefits.....	6c	7312
d Subtotal. Add lines 6a , 6b , and 6c	6d	12536
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e	842
f Total. Add lines 6d and 6e	6f	13378
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:
 1G 1A

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) ☒ 3 **A** (Insurance Information)
(4) ☒ **C** (Service Provider Information)
(5) ☒ **D** (DFE/Participating Plan Information)
(6) ☐ **G** (Financial Transaction Schedules)

SCHEDULE A (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <hr/> <small>Department of Labor Employee Benefits Security Administration</small> <hr/> <small>Pension Benefit Guaranty Corporation</small>	Insurance 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. ► Insurance companies are required to provide the information pursuant to ERISA section 103(a)(2).	OMB No. 1210-0110 <hr/> 2011 <hr/> 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 12/31/2011

A Name of plan <u>RAYTHEON RETIREMENT PLAN FOR ENGINEERS & CONSTRUCTORS, INC. AND AIRCRAFT CREDIT EMPLOYEES</u>	B Three-digit plan number (PN) ►	<u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>RAYTHEON AIRCRAFT CREDIT CORP.</u>	D Employer Identification Number (EIN) <u>48-0619846</u>	

Part I	Information Concerning Insurance Contract Coverage, Fees, and Commissions Provide information for each contract on a separate Schedule A. Individual contracts grouped as a unit in Parts II and III can be reported on a single Schedule A.
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1 Coverage Information:

(a) Name of insurance carrier
AETNA LIFE INSURANCE COMPANY

(b) EIN	(c) NAIC code	(d) Contract or identification number	(e) Approximate number of persons covered at end of policy or contract year	Policy or contract year	
				(f) From	(g) To
06-6033492	60054	000884	205	01/01/2011	12/31/2011

2 Insurance fee and commission information. Enter the total fees and total commissions paid. List in item 3 the agents, brokers, and other persons in descending order of the amount paid.

(a) Total amount of commissions paid	(b) Total amount of fees paid
0	0

3 Persons receiving commissions and fees. (Complete as many entries as needed to report all persons).

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
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(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

Part II Investment and Annuity Contract Information

Where individual contracts are provided, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

4 Current value of plan's interest under this contract in the general account at year end **4** 3004300**5** Current value of plan's interest under this contract in separate accounts at year end **5****6** Contracts With Allocated Funds:**a** State the basis of premium rates ▶**b** Premiums paid to carrier **6b****c** Premiums due but unpaid at the end of the year **6c****d** If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, enter amount. **6d**

Specify nature of costs ▶

e Type of contract: (1) ☐ individual policies (2) ☐ group deferred annuity(3) ☐ other (specify) ▶**f** If contract purchased, in whole or in part, to distribute benefits from a terminating plan check here ▶ ☐**7** Contracts With Unallocated Funds (Do not include portions of these contracts maintained in separate accounts)**a** Type of contract: (1) ☐ deposit administration (2) ☒ immediate participation guarantee(3) ☐ guaranteed investment (4) ☐ other ▶**b** Balance at the end of the previous year **7b** 2884839**c** Additions: (1) Contributions deposited during the year **7c(1)**(2) Dividends and credits **7c(2)**(3) Interest credited during the year **7c(3)** 156099(4) Transferred from separate account **7c(4)**(5) Other (specify below) **7c(5)** 978

▶ ADJUSTMENT

(6) Total additions **7c(6)** 157077**d** Total of balance and additions (add **b** and **c(6)**). **7d** 3041916**e** Deductions:(1) Disbursed from fund to pay benefits or purchase annuities during year **7e(1)**(2) Administration charge made by carrier **7e(2)** 37616(3) Transferred to separate account **7e(3)**(4) Other (specify below) **7e(4)**(5) Total deductions **7e(5)** 37616**f** Balance at the end of the current year (subtract **e(5)** from **d**) **7f** 3004300

Part III Welfare Benefit Contract Information

If more than one contract covers the same group of employees of the same employer(s) or members of the same employee organizations(s), the information may be combined for reporting purposes if such contracts are experience-rated as a unit. Where contracts cover individual employees, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

8 Benefit and contract type (check all applicable boxes)

- a** ☐ Health (other than dental or vision)
b ☐ Dental
c ☐ Vision
d ☐ Life insurance
e ☐ Temporary disability (accident and sickness)
f ☐ Long-term disability
g ☐ Supplemental unemployment
h ☐ Prescription drug
i ☐ Stop loss (large deductible)
j ☐ HMO contract
k ☐ PPO contract
l ☐ Indemnity contract
m ☐ Other (specify) ▶

9 Experience-rated contracts:

a Premiums: (1) Amount received.....	9a(1)		
(2) Increase (decrease) in amount due but unpaid.....	9a(2)		
(3) Increase (decrease) in unearned premium reserve.....	9a(3)		
(4) Earned ((1) + (2) - (3)).....		9a(4)	
b Benefit charges (1) Claims paid.....	9b(1)		
(2) Increase (decrease) in claim reserves.....	9b(2)		
(3) Incurred claims (add (1) and (2)).....		9b(3)	
(4) Claims charged.....		9b(4)	
c Remainder of premium: (1) Retention charges (on an accrual basis) --			
(A) Commissions.....	9c(1)(A)		
(B) Administrative service or other fees.....	9c(1)(B)		
(C) Other specific acquisition costs.....	9c(1)(C)		
(D) Other expenses.....	9c(1)(D)		
(E) Taxes.....	9c(1)(E)		
(F) Charges for risks or other contingencies.....	9c(1)(F)		
(G) Other retention charges.....	9c(1)(G)		
(H) Total retention.....		9c(1)(H)	
(2) Dividends or retroactive rate refunds. (These amounts were ☐ paid in cash, or ☐ credited.).....		9c(2)	
d Status of policyholder reserves at end of year: (1) Amount held to provide benefits after retirement.....		9d(1)	
(2) Claim reserves.....		9d(2)	
(3) Other reserves.....		9d(3)	
e Dividends or retroactive rate refunds due. (Do not include amount entered in c(2).).....		9e	

10 Nonexperience-rated contracts:

a Total premiums or subscription charges paid to carrier.....	10a	
b If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, other than reported in Part I, item 2 above, report amount.	10b	

Specify nature of costs ▶

Part IV Provision of Information

11 Did the insurance company fail to provide any information necessary to complete Schedule A? ☐ Yes ☒ No

12 If the answer to line 11 is "Yes," specify the information not provided. ▶

SCHEDULE A (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <hr/> <small>Department of Labor Employee Benefits Security Administration</small> <hr/> <small>Pension Benefit Guaranty Corporation</small>	Insurance 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. ► Insurance companies are required to provide the information pursuant to ERISA section 103(a)(2).	OMB No. 1210-0110 <hr/> 2011 <hr/> 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 12/31/2011

A Name of plan <u>RAYTHEON RETIREMENT PLAN FOR ENGINEERS & CONSTRUCTORS, INC. AND AIRCRAFT CREDIT EMPLOYEES</u>	B Three-digit plan number (PN) ►	<u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>RAYTHEON AIRCRAFT CREDIT CORP.</u>	D Employer Identification Number (EIN) <u>48-0619846</u>	

Part I	Information Concerning Insurance Contract Coverage, Fees, and Commissions Provide information for each contract on a separate Schedule A. Individual contracts grouped as a unit in Parts II and III can be reported on a single Schedule A.
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1 Coverage Information:

(a) Name of insurance carrier

ING LIFE INSURANCE AND ANNUITY COMPANY

(b) EIN	(c) NAIC code	(d) Contract or identification number	(e) Approximate number of persons covered at end of policy or contract year	Policy or contract year	
				(f) From	(g) To
<u>71-0294708</u>	<u>86509</u>	<u>PH1239</u>	<u>4</u>	<u>01/01/2011</u>	<u>12/31/2011</u>

2 Insurance fee and commission information. Enter the total fees and total commissions paid. List in item 3 the agents, brokers, and other persons in descending order of the amount paid.

(a) Total amount of commissions paid <u>1606</u>	(b) Total amount of fees paid <u>0</u>
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3 Persons receiving commissions and fees. (Complete as many entries as needed to report all persons).

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

THE SUMMIT GROUP INC.
2002 RENAISSANCE BLVD. SUITE 220
KING OF PRUSSIA, PA 19406

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	
<u>1606</u>			<u>3</u>

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

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(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

Part II Investment and Annuity Contract Information

Where individual contracts are provided, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

4 Current value of plan's interest under this contract in the general account at year end **4** 767846**5** Current value of plan's interest under this contract in separate accounts at year end **5****6** Contracts With Allocated Funds:**a** State the basis of premium rates ▶**b** Premiums paid to carrier **6b****c** Premiums due but unpaid at the end of the year **6c****d** If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, enter amount. **6d**

Specify nature of costs ▶

e Type of contract: (1) ☐ individual policies (2) ☐ group deferred annuity(3) ☐ other (specify) ▶**f** If contract purchased, in whole or in part, to distribute benefits from a terminating plan check here ▶ ☐**7** Contracts With Unallocated Funds (Do not include portions of these contracts maintained in separate accounts)**a** Type of contract: (1) ☐ deposit administration (2) ☐ immediate participation guarantee
(3) ☐ guaranteed investment (4) ☒ other ▶ GROUP PENSION FUNDING**b** Balance at the end of the previous year **7b** 792960**c** Additions: (1) Contributions deposited during the year **7c(1)**
(2) Dividends and credits **7c(2)**
(3) Interest credited during the year **7c(3)** 23642
(4) Transferred from separate account **7c(4)**
(5) Other (specify below) **7c(5)**(6) Total additions **7c(6)** 23642**d** Total of balance and additions (add **b** and **c(6)**). **7d** 816602**e** Deductions:
(1) Disbursed from fund to pay benefits or purchase annuities during year **7e(1)** 48656
(2) Administration charge made by carrier **7e(2)** 100
(3) Transferred to separate account **7e(3)**
(4) Other (specify below) **7e(4)**(5) Total deductions **7e(5)** 48756**f** Balance at the end of the current year (subtract **e(5)** from **d**) **7f** 767846

Part III Welfare Benefit Contract Information

If more than one contract covers the same group of employees of the same employer(s) or members of the same employee organizations(s), the information may be combined for reporting purposes if such contracts are experience-rated as a unit. Where contracts cover individual employees, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

8 Benefit and contract type (check all applicable boxes)

- a** ☐ Health (other than dental or vision)
 b ☐ Dental
 c ☐ Vision
 d ☐ Life insurance
e ☐ Temporary disability (accident and sickness)
 f ☐ Long-term disability
 g ☐ Supplemental unemployment
 h ☐ Prescription drug
i ☐ Stop loss (large deductible)
 j ☐ HMO contract
 k ☐ PPO contract
 l ☐ Indemnity contract
m ☐ Other (specify) ▶

9 Experience-rated contracts:

a Premiums: (1) Amount received.....	9a(1)		
(2) Increase (decrease) in amount due but unpaid.....	9a(2)		
(3) Increase (decrease) in unearned premium reserve.....	9a(3)		
(4) Earned ((1) + (2) - (3)).....		9a(4)	
b Benefit charges (1) Claims paid.....	9b(1)		
(2) Increase (decrease) in claim reserves.....	9b(2)		
(3) Incurred claims (add (1) and (2)).....		9b(3)	
(4) Claims charged.....		9b(4)	
c Remainder of premium: (1) Retention charges (on an accrual basis) --			
(A) Commissions.....	9c(1)(A)		
(B) Administrative service or other fees.....	9c(1)(B)		
(C) Other specific acquisition costs.....	9c(1)(C)		
(D) Other expenses.....	9c(1)(D)		
(E) Taxes.....	9c(1)(E)		
(F) Charges for risks or other contingencies.....	9c(1)(F)		
(G) Other retention charges.....	9c(1)(G)		
(H) Total retention.....		9c(1)(H)	
(2) Dividends or retroactive rate refunds. (These amounts were ☐ paid in cash, or ☐ credited.).....		9c(2)	
d Status of policyholder reserves at end of year: (1) Amount held to provide benefits after retirement.....		9d(1)	
(2) Claim reserves.....		9d(2)	
(3) Other reserves.....		9d(3)	
e Dividends or retroactive rate refunds due. (Do not include amount entered in c(2).).....		9e	

10 Nonexperience-rated contracts:

a Total premiums or subscription charges paid to carrier.....	10a	
b If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, other than reported in Part I, item 2 above, report amount.	10b	

Specify nature of costs ▶

Part IV Provision of Information

11 Did the insurance company fail to provide any information necessary to complete Schedule A? ☐ Yes ☒ No

12 If the answer to line 11 is "Yes," specify the information not provided. ▶

SCHEDULE A (Form 5500) Department of the Treasury Internal Revenue Service <hr/> Department of Labor Employee Benefits Security Administration <hr/> Pension Benefit Guaranty Corporation	Insurance 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. ► Insurance companies are required to provide the information pursuant to ERISA section 103(a)(2).	OMB No. 1210-0110
		2011
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For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

A Name of plan <u>RAYTHEON RETIREMENT PLAN FOR ENGINEERS & CONSTRUCTORS, INC. AND AIRCRAFT CREDIT EMPLOYEES</u>	B Three-digit plan number (PN) ►	<u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>RAYTHEON AIRCRAFT CREDIT CORP.</u>	D Employer Identification Number (EIN) <u>48-0619846</u>	

Part I	Information Concerning Insurance Contract Coverage, Fees, and Commissions Provide information for each contract on a separate Schedule A. Individual contracts grouped as a unit in Parts II and III can be reported on a single Schedule A.
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1 Coverage Information:

(a) Name of insurance carrier

JOHN HANCOCK LIFE INSURANCE COMPANY

(b) EIN	(c) NAIC code	(d) Contract or identification number	(e) Approximate number of persons covered at end of policy or contract year	Policy or contract year	
				(f) From	(g) To
<u>01-0233346</u>	<u>65838</u>	<u>GAC 436 ASSN 0</u>	<u>33</u>	<u>01/01/2011</u>	<u>12/31/2011</u>

2 Insurance fee and commission information. Enter the total fees and total commissions paid. List in item 3 the agents, brokers, and other persons in descending order of the amount paid.

(a) Total amount of commissions paid	(b) Total amount of fees paid
<u>0</u>	<u>0</u>

3 Persons receiving commissions and fees. (Complete as many entries as needed to report all persons).

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

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Part II Investment and Annuity Contract Information

Where individual contracts are provided, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

4 Current value of plan's interest under this contract in the general account at year end **4** 5579495**5** Current value of plan's interest under this contract in separate accounts at year end **5****6** Contracts With Allocated Funds:**a** State the basis of premium rates ▶**b** Premiums paid to carrier **6b****c** Premiums due but unpaid at the end of the year **6c****d** If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, enter amount **6d**

Specify nature of costs ▶

e Type of contract: (1) ☐ individual policies (2) ☐ group deferred annuity(3) ☐ other (specify) ▶**f** If contract purchased, in whole or in part, to distribute benefits from a terminating plan check here ▶ ☐**7** Contracts With Unallocated Funds (Do not include portions of these contracts maintained in separate accounts)**a** Type of contract: (1) ☐ deposit administration (2) ☒ immediate participation guarantee(3) ☐ guaranteed investment (4) ☐ other ▶**b** Balance at the end of the previous year **7b** 5345738**c** Additions: (1) Contributions deposited during the year **7c(1)**(2) Dividends and credits **7c(2)**(3) Interest credited during the year **7c(3)** 280793(4) Transferred from separate account **7c(4)**(5) Other (specify below) **7c(5)** 21371

▶ REALIZED CAPITAL GAINS/(LOSSES)

(6) Total additions **7c(6)** 302164**d** Total of balance and additions (add **b** and **c(6)**) **7d** 5647902**e** Deductions:(1) Disbursed from fund to pay benefits or purchase annuities during year **7e(1)** 44408(2) Administration charge made by carrier **7e(2)** 23999(3) Transferred to separate account **7e(3)**(4) Other (specify below) **7e(4)**(5) Total deductions **7e(5)** 68407**f** Balance at the end of the current year (subtract **e(5)** from **d**) **7f** 5579495

Part III Welfare Benefit Contract Information

If more than one contract covers the same group of employees of the same employer(s) or members of the same employee organizations(s), the information may be combined for reporting purposes if such contracts are experience-rated as a unit. Where contracts cover individual employees, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

8 Benefit and contract type (check all applicable boxes)

- a** ☐ Health (other than dental or vision)
 b ☐ Dental
 c ☐ Vision
 d ☐ Life insurance
e ☐ Temporary disability (accident and sickness)
 f ☐ Long-term disability
 g ☐ Supplemental unemployment
 h ☐ Prescription drug
i ☐ Stop loss (large deductible)
 j ☐ HMO contract
 k ☐ PPO contract
 l ☐ Indemnity contract
m ☐ Other (specify) ▶

9 Experience-rated contracts:

a Premiums: (1) Amount received.....	9a(1)		
(2) Increase (decrease) in amount due but unpaid.....	9a(2)		
(3) Increase (decrease) in unearned premium reserve.....	9a(3)		
(4) Earned ((1) + (2) - (3)).....		9a(4)	
b Benefit charges (1) Claims paid.....	9b(1)		
(2) Increase (decrease) in claim reserves.....	9b(2)		
(3) Incurred claims (add (1) and (2)).....		9b(3)	
(4) Claims charged.....		9b(4)	
c Remainder of premium: (1) Retention charges (on an accrual basis) --			
(A) Commissions.....	9c(1)(A)		
(B) Administrative service or other fees.....	9c(1)(B)		
(C) Other specific acquisition costs.....	9c(1)(C)		
(D) Other expenses.....	9c(1)(D)		
(E) Taxes.....	9c(1)(E)		
(F) Charges for risks or other contingencies.....	9c(1)(F)		
(G) Other retention charges.....	9c(1)(G)		
(H) Total retention.....		9c(1)(H)	
(2) Dividends or retroactive rate refunds. (These amounts were ☐ paid in cash, or ☐ credited.).....		9c(2)	
d Status of policyholder reserves at end of year: (1) Amount held to provide benefits after retirement.....		9d(1)	
(2) Claim reserves.....		9d(2)	
(3) Other reserves.....		9d(3)	
e Dividends or retroactive rate refunds due. (Do not include amount entered in c(2).).....		9e	

10 Nonexperience-rated contracts:

a Total premiums or subscription charges paid to carrier.....	10a	
b If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, other than reported in Part I, item 2 above, report amount.	10b	

Specify nature of costs ▶

Part IV Provision of Information

11 Did the insurance company fail to provide any information necessary to complete Schedule A? ☐ Yes ☒ No

12 If the answer to line 11 is "Yes," specify the information not provided. ▶

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 12/31/2011

▶ **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 RETIREMENT PLAN FOR ENGINEERS & CONSTRUCTORS, INC. AND AIRCRAFT CREDIT EMPLOYEES</u>	B Three-digit plan number (PN) ▶ <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF <u>RAYTHEON AIRCRAFT CREDIT CORP.</u>	D Employer Identification Number (EIN) <u>48-0619846</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>683345198</u>
b	Actuarial value 2b <u>642492397</u>
3	Funding target/participant count breakdown:
	(1) Number of participants (2) Funding Target
a	For retired participants and beneficiaries receiving payment 3a <u>5749</u> <u>341046394</u>
b	For terminated vested participants 3b <u>7777</u> <u>249060977</u>
c	For active participants:
(1)	Non-vested benefits 3c(1) <u>175833</u>
(2)	Vested benefits 3c(2) <u>4263961</u>
(3)	Total active 3c(3) <u>19</u> <u>4439794</u>
d	Total 3d <u>13545</u> <u>594547165</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>5.83 %</u>
6	Target normal cost 6 <u>1765443</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	Date
<u>JONATHAN R. BARRY, F.S.A.</u>	<u>11-06048</u>
Type or print name of actuary	Most recent enrollment number
<u>MERCER</u>	<u>617-747-9500</u>
Firm name	Telephone number (including area code)
<u>99 HIGH STREET</u> <u>BOSTON, MA 02110-2320</u>	
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)	0	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)	0	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		
13 Balance at beginning of current year (line 9 + line 10 + line 11d – line 12).....	0	0

Part III Funding percentages		
14 Funding target attainment percentage.....	14	108.06 %
15 Adjusted funding target attainment percentage.....	15	108.06 %
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	126.50 %
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

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 63
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	1765443										
b Excess assets, if applicable, but not greater than 31a	31b	1765443										
32 Amortization installments:	<table border="1"> <thead> <tr> <th></th> <th>Outstanding Balance</th> <th>Installment</th> </tr> </thead> <tbody> <tr> <td>a Net shortfall amortization installment</td> <td></td> <td></td> </tr> <tr> <td>b Waiver amortization installment</td> <td></td> <td></td> </tr> </tbody> </table>				Outstanding Balance	Installment	a Net shortfall amortization installment			b Waiver amortization installment		
	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	0										
		Carryover balance	Prefunding balance									
35 Balances elected for use to offset funding requirement.....			Total balance									
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 12/31/2011

A Name of plan <u>RAYTHEON RETIREMENT PLAN FOR ENGINEERS & CONSTRUCTORS, INC. AND AIRCRAFT CREDIT EMPLOYEES</u>	B Three-digit plan number (PN) ▶ <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>RAYTHEON AIRCRAFT CREDIT CORP.</u>	D Employer Identification Number (EIN) <u>48-0619846</u>

Part I Service Provider Information (see instructions)

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

1 Information on Persons Receiving Only Eligible Indirect Compensation

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

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

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

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

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)

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	779937	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

THE BANK OF NEW YORK MELLON

13-5160382

(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?
21	NONE	82802	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

PRICEWATERHOUSECOOPERS LLP

13-4008324

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
10	NONE	80000	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)

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	35253	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
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(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

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

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

SCHEDULE D (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration	DFE/Participating Plan Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ► File as an attachment to Form 5500.	OMB No. 1210-0110
		2011
		This Form is Open to Public Inspection.

For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

A Name of plan <u>RAYTHEON RETIREMENT PLAN FOR ENGINEERS & CONSTRUCTORS, INC. AND AIRCRAFT CREDIT EMPLOYEES</u>	B Three-digit plan number (PN) ►	<u>001</u>

C Plan or DFE sponsor's name as shown on line 2a of Form 5500 <u>RAYTHEON AIRCRAFT CREDIT CORP.</u>	D Employer Identification Number (EIN) <u>48-0619846</u>
---	--

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 <u>04-3172773-001</u>	d Entity code <u>M</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>629576382</u>
---------------------------------------	-------------------------------	--

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

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

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

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

a Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN

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>12/31/2011</u>		
A Name of plan <u>RAYTHEON RETIREMENT PLAN FOR ENGINEERS & CONSTRUCTORS, INC. AND AIRCRAFT CREDIT EMPLOYEES</u>		B Three-digit plan number (PN) ► <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>RAYTHEON AIRCRAFT CREDIT CORP.</u>		D Employer Identification Number (EIN) <u>48-0619846</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)		
	(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)	675114621	629576382
	(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)	9044908	9458789
	(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	684159529	639035171

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h	1684	33779
i Acquisition indebtedness	1i		
j Other liabilities	1j	995778	754645
k Total liabilities (add all amounts in lines 1g through 1j)	1k	997462	788424

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	683162067	638246747
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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) Amount	(b) Total
a Contributions:			
(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)	518196	
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		518196
(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)		
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		0
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		0

		(a) Amount	(b) Total
2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate.....	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		0
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		-6487835
(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		-5969639

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	37398917	
(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)		37398917
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)	1546764	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		1546764
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		38945681

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		-44915320
l Transfers of assets:			
(1) To this plan.....	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

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

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

(1) ☒ 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.).....		X	
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.			
4n			

- 5a** Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?

If "Yes," enter the amount of any plan assets that reverted to the employer this year..... ☐ Yes ☒ No Amount:

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

5b(1) Name of plan(s)

5b(2) EIN(s)	5b(3) PN(s)

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110 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 12/31/2011

A Name of plan <u>RAYTHEON RETIREMENT PLAN FOR ENGINEERS & CONSTRUCTORS, INC. AND AIRCRAFT CREDIT EMPLOYEES</u>	B Three-digit plan number (PN) ▶ <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>RAYTHEON AIRCRAFT CREDIT CORP.</u>	D Employer Identification Number (EIN) <u>48-0619846</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> <u>06-6033492</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>41</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: 31% Investment-Grade Debt: 28% High-Yield Debt: 4% Real Estate: 1% Other: 36%

- 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 Retirement Plan for Engineers & Constructors and Aircraft Credit Employees

In our opinion, the accompanying statements of net assets available for benefits as of December 31, 2011 and December 31, 2010 and the related statements of changes in net assets available for benefits for the years then ended, present fairly, in all material respects, information regarding the net assets available for benefits of Raytheon Retirement Plan for Engineers & Constructors and Aircraft Credit Employees (the "Plan") at December 31, 2011 and changes therein for the year then ended 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.

Our audits were conducted for the purpose of forming an opinion on the financial statements taken as a whole. The supplemental schedule of assets (held at end of year) is presented for the purpose of additional analysis and is not a required part of the basic financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. This supplemental schedule is the responsibility of the Plan's management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The supplemental schedule has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves and other additional procedures, in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental schedule is fairly stated in all material respects in relation to the financial statements taken as a whole.

PricewaterhouseCoopers LLP

Boston, Massachusetts
September 20, 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 proportion of employees expected to retire at each potential retirement age is shown below. The average retirement age is 63.

(A) Retirement age	(B) Retirement Percent	(C) Lx	(D) Number of employees expected to retire (B) x (C)	(E) (A) x (D)
55	5.0%	10,000	500	27,500
56	2.5%	9,500	238	13,300
57	2.5%	9,263	232	13,199
58	2.5%	9,031	226	13,095
59	5.0%	8,805	440	25,975
60	7.0%	8,365	586	35,133
61	4.0%	7,779	311	18,982
62	25.0%	7,468	1,867	115,757
63	15.0%	5,601	840	52,931
64	15.0%	4,761	714	45,705
65	60.0%	4,047	2,428	157,826
66	50.0%	1,619	809	53,418
67	50.0%	809	405	27,114
68	50.0%	405	202	13,759
69	50.0%	202	101	6,981
70	100.0%	101	101	7,082
Total			10,000	627,756
Average				62.78

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

Actuarial assumptions

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 |
| • Flat-dollar benefit increases | N/A |
| • Social Security wage base | 3.75% per year |
| • Inflation | 3.00% per year |
| • Expected investment return | 8.50% per year but not greater than the 3rd segment rate in effect for each year (6.69% for 2009 and 6.76% for 2010) |
| • Expenses | \$1,502,294 added to current year normal cost |
-

Demographic assumptions

- | | |
|----------------------|----------------------------|
| Withdrawal | See table of sample rates. |
| Disability incidence | See table of sample rates. |
-

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

Retirement age	Percentage	
	Attained age	Female
	Under 55	0.00%
	55	5.00%
	56	2.50%
	57	2.50%
	58	2.50%
	59	5.00%
	60	7.00%
	61	4.00%
	62	25.00%
	63	15.00%
	64	15.00%
	65	60.00%
	66	50.00%
	67	50.00%
	68	50.00%
	69	50.00%
	70 and above	100.00%
Benefit commencement age for		
• Future vested deferred	65	
• Current vested deferred	65	
Spouse assumptions	<u>Male participants</u>	<u>Female participants</u>
• Percentage married	85%	75%
• Spouse age difference	3 years younger	3 years older
Form of payment	<u>Single life</u>	<u>J&S 50%</u>
• Active retirements	100%	N/A
• Future vested deferred	100%	N/A
• Future disabilities	100%	N/A
• Future deaths	N/A	100%
• Current vested deferred	100%	N/A
Unpredictable contingent event assumptions	N/A	

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

Table of sample rates

Attained age	Percentage		
	Withdrawal	Disability incidence	
		Male	Female
20	27.00%	0.029%	0.030%
25	27.00	0.038	0.047
30	23.00	0.048	0.080
35	18.00	0.069	0.136
40	10.50	0.117	0.211
45	4.50	0.202	0.323
50	4.50	0.358	0.533
55	1.10	0.722	0.952
60	1.10	1.256	1.159
65	0.00	1.753	1.358
70	0.00	0.000	0.000

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

Service	Percent Terminating
1	3.5%
2	3.0
3	2.5
4	2.0
5	1.5

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

Methods

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 have insurance contracts. Participating annuity contracts in the plan's IPG contracts with John Hancock and Aetna are included in the valuation data.

Schedule SB, Part V – Statement of Actuarial Assumptions/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 – Summary of Plan Provisions

Plan provisions

Benefits included or excluded

Unless noted below, all benefits provided by the plan, as restated and amended through December 15, 2010.

- **Most recent plan amendments included:** December 15, 2010.
- **Plan amendments excluded:** None
- **IRC Section 436 benefit restrictions:**
 - *Unpredictable contingent event benefits:* This valuation excludes restricted contingent event benefits that occurred before the valuation date but includes contingent event benefits which are expected to occur on or after the valuation date regardless of anticipated funding-based limitations.
 - *Plan amendments:* See above.
 - *Prohibited payments:* Limitations on prohibited benefits (if any) are reflected for annuity starting dates before the valuation date but are ignored for annuity starting dates on or after the valuation date.
 - *Benefit accruals:* The plan's funding target does not reflect any limitation on benefit accruals. The target normal cost does not reflect any limitation on benefit accruals.
 - *Scheduled benefit increases:* None.
- **Late retirement increases:**
 - *Deferred vested participants:* Current deferred vested participants over normal retirement age are valued including the late retirement actuarial increase.
- **Unpredictable contingent event benefits:** The plan does not have any unpredictable contingent event benefits.
- **IRC Section 415(b) benefit limitations:** The limitations of Internal Revenue Code Section 415(b) have been incorporated into our calculations.
- **IRC Section 416 rules for top-heavy plans:** We did not test whether this plan is top-heavy (when the present value of benefits for key employees equals or exceeds 60 percent of the present value for all participants). However, we expect that the plan is not top-heavy due to the large number of rank-and-file participants; therefore, the funding target and target normal cost do not reflect any liability for top-heavy benefit accruals.

Schedule SB, Part V – Summary of Plan Provisions

Effective date and plan year	Original plan: January 1, 1956 Restated plan: December 28, 2009 Plan year: January 1
Status of the plan	With the exception of benefit accruals for Employees of the Raytheon Aircraft Credit Corporation in accordance with Appendix E to the Plan, no further benefits shall accrue. The plan is closed to new entrants.
Significant events that occurred during the year	None

Schedule SB, Part V – Summary of Plan Provisions

Eligibility

- (a) Eligible employees under the plan as it existed prior to January 17, 1976 continue to participate.
- (b) All other salaried employees, excluding "Co-op" students and non-United States citizens hired and working outside of the United States, become eligible to participate according to the following provisions:
 - (i) Employees hired on or after January 1, 1985: the first January 1 or July 1 following January 1, 1985 after they have completed an annual eligibility test period during which at least 1,000 hours are worked and they have attained age 21.
 - (ii) Employees hired prior to January 1, 1985: the first January 1 or July 1 following January 1, 1976 after they have completed an annual eligibility test period during which at least 1,000 hours are worked and they have attained age 25.
- (c) Stearns Catalytic employees as of November 25, 1986 receive service for eligibility and vesting purposes while with Stearns Catalytic and service for benefit purposes for employment on and after November 25, 1986.
- (d) Badger employees as of May 1, 1993 receive service for eligibility and vesting purposes while with Badger. Service for benefit purposes is for employment on and after January 1, 1994 in addition to a frozen accrued benefit from the former Badger Plan calculated on May 1, 1993.
- (e) Ebasco employees as of December 23, 1993 receive service for eligibility and vesting purposes while with Ebasco and service for benefit purposes for employment on and after January 1, 1994.
- (f) Litwin employees as of July 23, 1995 receive service for eligibility and vesting purposes while with Litwin and service for benefit purposes for employment on and after January 1, 1996.
- (g) Rust employees as of June 12, 1996 receive service for eligibility and vesting purposes while with Rust and service for benefit purposes for employment on and after June 12, 1996.

Schedule SB, Part V – Summary of Plan Provisions

- (h) Harbert-Yeargin employees as of December 31, 1996 receive service for eligibility and vesting purposes while with Harbert-Yeargin. Service for benefit purposes is for employment on and after January 1, 1997 in addition to a frozen accrued benefit from the former Harbert-Yeargin Plan calculated on December 31, 1996.

The plan is closed to new entrants.

Definitions	
▪ Annual Eligibility Test Period	12-month period commencing on the employee's original employment date and extending to his annual anniversary date and each successive 12-month period thereafter.
▪ Credited Service	Years and months of employment with the Company.
▪ Compensation	<p>(i) For years prior to January 1, 1969: Base earnings plus overtime excluding bonus, and other special compensation.</p> <p>(ii) For years after December 1, 1968: Base earnings excluding overtime, bonus, and other special compensation.</p> <p>(iii) For years after December 31, 1988: Compensation may not exceed the current amount.</p>
▪ Average Past Earnings	The average of the 5 calendar years earnings from 1980 to 1984.
Normal retirement	
▪ Eligibility	Age 65

-
- **Benefit**
 - (a) Past service benefit: 0.8% of base rate of earnings on December 31, 1955 in excess of \$4,200 multiplied by years of Credited Service on January 1, 1956 in excess of 5.
 - (b) Future service benefit: For service prior to January 1, 1964: 1.25% of annual earnings in excess of \$4,200 for each year of participation in the plan subsequent to the later of December 31, 1955 or completion of 60 months of Credited Service and prior to January 1, 1964.

For service January 1, 1964 to December 31, 1971: 1.25% of annual earnings for each year of participation in the plan subsequent to the later of December 31, 1963 or completion of 60 months of Credited Service prior to January 1, 1972.

For service January 1, 1972 to December 31, 1975: 1.25% of annual earnings up to \$9,000 plus 1.50% of the excess over \$9,000 for each year of participation in the plan subsequent to the later of December 31, 1971 or completion of 60 months of Credited Service prior to January 1, 1976.

For service January 1, 1976 to December 31, 1980: 1.25% of annual earnings up to \$9,000 plus 1.50% of the excess over \$9,000 for each year of participation in the plan subsequent to the later of December 31, 1975 or date employee becomes eligible for participation.

For service on and after January 1, 1981: 1.5% of annual earnings up to \$15,000 plus 1.75% of the excess over \$15,000 for each year of participation in the plan subsequent to the later of December 31, 1980 or date employee becomes eligible for participation.
 - (c) Minimum for service to December 31, 1979: Retirees on and after January 1, 1980 shall not receive less than 1% of annual earnings as of December 31, 1979 for each year of service prior to January 1, 1980 after attainment of age 25 and completion of one year of service.

Schedule SB, Part V – Summary of Plan Provisions

- (d) Minimum for service to December 31 1984:
 Retirees on and after October 1, 1985 shall not receive less than the following: 1% of Average Past Earnings up to a maximum of \$15,000 plus 1.25% of Average Past Earnings in excess of \$15,000 times Credited Service prior to January 1, 1985.
- e) As a result of the July 7, 2000 sale, all benefit accruals have been frozen.

Early retirement

▪ Eligibility	Age 55 and 5 years of vesting service.
▪ Benefit	As described under Normal Retirement reduced 6% for each year that the participant's early retirement date precedes his/her 64th birthday. There is no reduction in annual benefit payable prior to age 64 for employees with 40 or more years of Vesting Service.

Late retirement

▪ Benefit	Benefits described under Normal Retirement based on Compensation and Credited Service at actual retirement date.
-----------	--

Vesting

▪ Eligibility	All employees who terminate after completing 60 months of Vesting Service and completing 5 Annual Eligibility Test Periods during which 1,000 or more hours are worked.
▪ Exception	Employees whose employment was terminated by a transfer to Yeargin Inc. shall be fully vested in their benefit accrued to date of transfer.
▪ Annual Benefit	Upon attaining age 65, the vested terminated employee will receive the benefit credited under Normal Retirement prior to his/her date of termination. Participants are eligible for benefits as early as age 55, reduced as described under Early Retirement.

Disability

▪ Eligibility	Participants who are permanently disabled shall retire on an early retirement date requested by the participant and fixed by the Company.
▪ Benefit	Benefit credit as described under Normal Retirement continued through the disability and actuarially reduced for early payment of benefits.

Schedule SB, Part V – Summary of Plan Provisions

Death Benefits	
▪ Pre-Retirement	A benefit payable for the spouse's life beginning when the participant would have been age 55 or his/her age at death, if later. This benefit is calculated as if the participant had separated from service on the date of death, survived until eligible for early retirement, and retired with a 50% contingent annuity. This coverage is provided free of charge to all participants.
▪ Post-Retirement	None except as provided by the normal or an optional form of benefit.
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	50% Joint & Survivor Annuity 66 2/3% Joint & Survivor Annuity 75% Joint & Survivor Annuity 100% Joint & Survivor Annuity Life Annuity with 10-Year Certain
▪ Optional form conversion factors	Optional forms of annuity are converted based upon Actuarial Equivalence using the 1971 TPF&C Forecast Mortality Table and an interest rate of 7%
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 \$145,000.

Plan provision changes since prior valuation

- Maximum compensation and maximum benefits were updated from 2010 to 2011. Note that there was no change in the limits year over year.

Schedule SB, Part V – Summary of Plan Provisions

Special provisions for employees of the Raytheon Aircraft Credit Corporation

Eligibility	Age 21 and one year of service. The plan is closed to new entrants.
Final Average Earnings	Annualized average of earnings during highest 60 consecutive months out of last 120 months. "Earnings" include base pay, cost of living adjustments, bonus, commissions, discretionary and productivity awards, unbankable sick leave, area pay and shift differentials, but may not exceed the compensation limit as specified in Section 401(a)(17) of the Internal Revenue Code.
Normal retirement	
▪ Eligibility	Age 65 and five years of service.
▪ Benefit	<p>The greatest of:</p> <ul style="list-style-type: none"> 1.8 percent for the first 20 years of Membership plus 1.2 percent for the next 29 years multiplied by the excess of Final Average Earnings over the primary Social Security benefit, with a maximum adjustment for Social Security of 60%. For Raytheon employees who became participants prior to January 1, 1989, 1.2% of Final Average Earnings multiplied by service, but not to exceed 60% of Final Average Earnings less 50% of the Primary Social Security benefit. The dollar credit in effect for bargaining unit employees under the Raytheon Aircraft Company Retirement Income Plan for Hourly-Paid Employees (currently \$492) multiplied by service. <p>Benefits may not exceed the maximum benefit limit as specified in Section 415 of the Internal Revenue Code.</p>
Early retirement	
▪ Eligibility	Age 55 and five years of service.
▪ Benefit	Accrued benefit reduced 5/12 percent for each month that the first payment date precedes age 62.
Late retirement	
▪ Benefit	Benefit will continue to accrue until retirement.

Schedule SB, Part V – Summary of Plan Provisions

Vesting	
▪ Eligibility	5 years of service
▪ Benefit	Accrued benefit payable at age 65, or as early as age 55 reduced 5/9% for each of the first 60 months and 5/18% for each additional month that the first payment date precedes Normal Retirement Date.
Disability	
▪ Eligibility	Termination due to total and permanent disability.
▪ Benefit	<p>1.2% of Final Average Earnings times service, but not to exceed 60% of Final Average Earnings less 50% of the Primary Social Security benefit, commencing:</p> <ul style="list-style-type: none"> • if disability is work connected, after absence of two months. • if disability is not work connected and participant has at least 10 years of Vesting Service, after absence of six months.
Death Benefits	
▪ Eligibility for Pre-Retirement	5 years of vesting service.
▪ Pre-Retirement	<p>Surviving Spouse Benefit equal to the amount payable to the member's spouse as if the member had survived to early retirement age, retired early, elected a 50 percent Joint and Survivor Annuity and then died. Benefit commences on first of month following the date the member would have been eligible to retire early and is payable for the lifetime of the spouse.</p> <p>For active participants eligible for early retirement or with at least 20 years of Vesting Service, the actuarial equivalent value of this benefit shall not be less than the Basic or Alternate Death Benefits.</p> <p>Basic Death Benefit: (if eligible for early retirement) 90 times accrued benefit less base group life insurance.</p> <p>Alternate Death Benefit: (if 20 years of service but not eligible for early retirement) accrued benefit times age plus service (not to exceed 90).</p>

Schedule SB, Part V – Summary of Plan Provisions

Form of benefits	
▪ Automatic form for unmarried participants	Single life annuity
▪ Automatic form for married participants	Actuarially equivalent 50% Joint & Survivor Annuity
▪ Optional forms	66 2/3% Joint & Survivor Annuity 5-Year or 10-Year Certain and Life
▪ Optional form conversion factors	Optional forms of annuity are converted based upon Actuarial Equivalence
Special Provisions	
▪ Eligibility	For salaried employees of Hangar One, Inc. on December 31, 1987.
▪ Annual Benefit	For periods of service to December 31, 1987, a benefit based on the prior plan formula.
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 \$145,000.

Plan provision changes since prior valuation

- Maximum compensation and maximum benefits were updated from 2010 to 2011. Note that there was no change in limits year over year.

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.
- Mortality rates were updated from 2010 to 2011 in accordance with PPA.
- Expenses loaded on the normal cost increased from \$1,490,049 to \$1,502,294 to reflect our expectations for the current plan year.

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 updated to comply with the requirements of the Pension Protection Act of 2006.

Schedule SB, Line 26 – Schedule of Active Participant Data

Years of credited service										
Attained age	Under 1	1-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40 & Up
< 25										
25 - 29										
30 - 34			1	1						
35 - 39			2							
40 - 44				1						
45 - 49				1						
50 - 54			1		1		1			
55 - 59					1	3		1		
60 - 64			2			1				
65 - 69				1	1					
70+										

In each cell, the number is the count of active participants for each age/service combination.

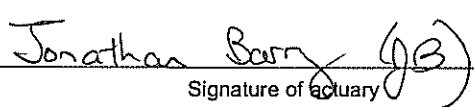
SCHEDULE SB (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation</small>	Single-Employer Defined Benefit Plan Actuarial Information This schedule is required to be filed 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.	<small>OMB No. 1210-0110</small> 2011 This Form is Open to Public Inspection
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For calendar plan year 2011 or fiscal plan year beginning <u>01/01/2011</u> and ending <u>12/31/2011</u>	
▶ Round off amounts to nearest dollar.	
▶ Caution: A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.	
A Name of plan Raytheon Ret. Plan for Engrs & Const, Inc. and Aircraft Credit Ees	B Three-digit plan number (PN) <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF Raytheon Aircraft Credit Corp.	D Employer Identification Number (EIN) 48-0619846
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B ☐ 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		683,345,198
b Actuarial value	2b		642,492,397
3 Funding target/participant count breakdown:			
		(1) Number of participants	(2) Funding Target
a For retired participants and beneficiaries receiving payment	3a	5,749	341,046,394
b For terminated vested participants	3b	7,777	249,060,977
c For active participants:			
(1) Non-vested benefits	3c(1)		175,833
(2) Vested benefits	3c(2)		4,263,961
(3) Total active	3c(3)	19	4,439,794
d Total	3d	13,545	594,547,165
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		5.83 %
6 Target normal cost	6		1,765,443

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>September 5, 2012</u> Date
Jonathan R. Barry, F.S.A.		11-06048
Type or print name of actuary		Most recent enrollment number
Mercer		(617) 747-9500
Firm name		Telephone number (including area code)
99 High Street		
Boston MA 02110-2320		
Address of the firm		

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

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).....	0	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).....	0	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.....		
13 Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	0	0

Part III Funding percentages

14 Funding target attainment percentage	14	108.06 %
15 Adjusted funding target attainment percentage	15	108.06 %
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	126.50 %
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

(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	(4) 4th

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**

63

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**

1,765,443

b Excess assets, if applicable, but not greater than 31a**31b**

1,765,443

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**

0

	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement			0
36 Additional cash requirement (line 34 minus line 35)			0
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c).....			0
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)			0
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances			
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)			0
40 Unpaid minimum required contributions for all years.....			0

36

0

37

0

38a

0

38b**39**

0

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 Retirement Plan for Engineers & Constructors and Aircraft Credit Employees

**Financial Statements and Supplemental Schedule
To Accompany 2011 Form 5500**

**Annual Report of Employee Benefit Plan
Under ERISA of 1974**

December 31, 2011 and 2010

**Raytheon Retirement Plan for Engineers & Constructors and Aircraft
Credit Employees
Index
December 31, 2011 and 2010**

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The supplemental schedules to the Plan's Form 5500 are not required for the Plan's assets that 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.

Certain supplemental schedules related to Plan assets that are held outside of the Master Trust that are required by the Employee Retirement Income Security Act of 1974 (ERISA) have been omitted because they are not applicable.



Report of Independent Auditors

To the Participants and Administrator of
Raytheon Retirement Plan for Engineers & Constructors and Aircraft Credit Employees

In our opinion, the accompanying statements of net assets available for benefits as of December 31, 2011 and December 31, 2010 and the related statements of changes in net assets available for benefits for the years then ended, present fairly, in all material respects, information regarding the net assets available for benefits of Raytheon Retirement Plan for Engineers & Constructors and Aircraft Credit Employees (the "Plan") at December 31, 2011 and changes therein for the year then ended 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.

Our audits were conducted for the purpose of forming an opinion on the financial statements taken as a whole. The supplemental schedule of assets (held at end of year) is presented for the purpose of additional analysis and is not a required part of the basic financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. This supplemental schedule is the responsibility of the Plan's management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The supplemental schedule has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves and other additional procedures, in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental schedule is fairly stated in all material respects in relation to the financial statements taken as a whole.

PricewaterhouseCoopers LLP

Boston, Massachusetts
September 20, 2012

**Raytheon Retirement Plan for Engineers & Constructors and Aircraft
Credit Employees**
Statements of Net Assets Available for Benefits
December 31, 2011 and 2010

	2011	2010
Assets		
Investments at fair value (Notes 2 and 6)		
Raytheon Master Pension Trust	\$629,576,382	\$675,114,621
Other investments		
Insurance contracts (Note 5)	9,458,789	9,044,908
Total assets	<u>639,035,171</u>	<u>684,159,529</u>
Liabilities		
Other liabilities	754,645	995,778
Accrued administrative expenses	33,779	1,684
Total liabilities	<u>788,424</u>	<u>997,462</u>
Net assets available for benefits	<u>\$638,246,747</u>	<u>\$683,162,067</u>

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

**Raytheon Retirement Plan for Engineers & Constructors and Aircraft
Credit Employees**
Statements of Changes in Net Assets Available for Benefits
Years Ended December 31, 2011 and 2010

	2011	2010
Additions		
Raytheon Master Pension Trust investment income (Notes 2 and 6)	\$ -	\$70,831,011
Interest income	518,196	471,968
Total additions	<u>518,196</u>	<u>71,302,979</u>
Deductions		
Raytheon Master Pension Trust investment loss (Notes 2 and 6)	\$6,487,835	\$ -
Benefit payments	37,398,917	35,895,990
Administrative expenses	1,546,764	1,470,056
Total deductions	<u>45,433,516</u>	<u>37,366,046</u>
Net increase (decrease) in net assets available for benefits	(44,915,320)	33,936,933
Net assets available for benefits, at beginning of year	<u>683,162,067</u>	<u>649,225,134</u>
Net assets available for benefits, at end of year	<u>\$638,246,747</u>	<u>\$683,162,067</u>

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

Raytheon Retirement Plan for Engineers & Constructors and Aircraft Credit Employees

Notes to Financial Statements

December 31, 2011 and 2010

1. Plan Description

General

The Raytheon Retirement Plan for Engineers & Constructors and Aircraft Credit Employees (the "Plan") is a noncontributory defined benefit plan covering salaried employees of Raytheon Aircraft Credit Corporation and former salaried employees of Raytheon Engineers & Constructors, Inc. On July 7, 2000 (the "Closing Date"), the stock of Raytheon Engineers & Constructors, Inc. and its subsidiaries was sold to Morrison Knudsen Corporation. In addition, on the Closing Date, the following occurred: (1) the name of the Plan was changed to the Raytheon Retirement Plan for Engineers & Constructors and Aircraft Credit Employees, (2) the sponsorship of the Plan was assumed by Raytheon Aircraft Credit Corporation, a subsidiary of Raytheon Company (the "Company"), (3) the Plan was frozen with respect to the employees of Raytheon Engineers & Constructors, Inc., and (4) the portion of the Raytheon Aircraft Company Retirement Income Plan for Salaried Employees that covered the active employees of Raytheon Aircraft Credit Corporation on the Closing Date, was spun off and merged into the Plan. A portion of the investments is held in the Raytheon Master Pension Trust ("Master Trust"). The remaining funds are invested in insurance contracts with John Hancock Mutual Life Insurance Company, Aetna Life Insurance Company and ING Life Insurance and Annuity Company (the "Insurance Companies"). The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA").

The Plan was amended and restated in its entirety on February 26, 2002 with a retroactive effective date of January 1, 1998, and has been subsequently amended.

Benefits Eligibility and Vesting

The only active participants in this Plan are those employed by the Raytheon Aircraft Credit Corporation. Salaried employees of the Raytheon Aircraft Credit Corporation are eligible to participate in the Plan if they have completed one year of eligibility service, as defined in the Plan, and have attained age 21. A participant will be fully vested in his or her accrued benefit upon the first to occur of the following events; a) attainment of age 65 and completion of 5 years; (b) completion of 5 years of vesting service; c) total and permanent disability as a result of a non-work related injury or illness; or d) complete or partial termination of the Plan. Former employees of RE&C are vested if they have completed five years of vesting service or were eligible employees as of the Closing Date.

Effective January 1, 2007, employees 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 rehired on or after March 1, 2007, and who have received or are receiving payments from a Company-sponsored pension plan are not eligible to participate in the Plan.

The plan document details the benefit owed upon attaining normal retirement and the factors used in determining the benefit amount.

The plan document details benefit calculation and alternative benefits (i.e., terminated employees, death benefits, etc.)

Raytheon Retirement Plan for Engineers & Constructors and Aircraft Credit Employees

Notes to Financial Statements

December 31, 2011 and 2010

Contributions

The Company makes contributions to the Plan to ensure assets are sufficient to pay the benefits of the Plan. The Plan is a noncontributory defined benefit plan.

The above description of the Plan is for general information purposes only. In addition, 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 6 valuation policy footnote for additional information.

The Plan also invests in insurance contracts with the Insurance Companies. The contracts consist of both general account and separate account components. The general accounts are valued at contract value (which represents contributions made under the contract, plus earnings, less withdrawals and administrative expenses) which approximates fair value. The separate account is valued at the fair value of the net assets of the accounts as reported by ING Life Insurance and Annuity Company.

Insurance contracts distribute to the Plan the income earned by the investment accounts referred to above based on the ratio of the Plan's monies invested to total monies invested in the account.

Contributions

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

On January 1, 2011, the Company became subject to the funding requirements under the Pension Protection Act of 2006 ("PPA"), which amended ERISA. Under PPA, the Company is required to fully fund the Plan over a rolling seven-year period, as determined annually based upon the funded status at the beginning of each year.

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, which primarily consist of professional and administrative fees, 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, which primarily consist of investment management fees, are included in the Statements of Changes in Net Assets Available for Benefits under "Raytheon Master Pension Trust investment income / (loss)."

Raytheon Retirement Plan for Engineers & Constructors and Aircraft Credit Employees

Notes to Financial Statements

December 31, 2011 and 2010

Use of Estimates

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

Reclassifications

Certain prior year amounts of the Master Trust (see Note 6) have been reclassified to conform to the current year's presentation.

New Accounting Pronouncements

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

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

In December 2011, the FASB issued ASU No. 2011-11, *Balance Sheet (Topic 210): Disclosures about Offsetting Assets and Liabilities* that requires additional information regarding financial instruments and derivatives instruments that are offset or subject to an enforceable master netting arrangement or similar agreement. The amendment is effective for the Plan on January 1, 2013. Management is currently evaluating the impact ASU No. 2011-11 will have on the Plan's financial statements.

Raytheon Retirement Plan for Engineers & Constructors and Aircraft Credit Employees

Notes to Financial Statements

December 31, 2011 and 2010

3. Actuarial Present Value of Accumulated Plan Benefits

Accumulated plan benefits are those future periodic payments, including lump sum distributions that are attributable under the Plan's provisions to the service employees have rendered. Accumulated plan benefits include benefits expected to be paid to (a) retired or terminated employees or their beneficiaries, (b) beneficiaries of deceased employees, and (c) active employees or their beneficiaries. Benefits under the Plan are based on employees' credited service and the benefit rate in effect at the time of retirement unless subsequently amended. Benefits payable under all circumstances - such as retirement, death, disability and termination of employment - are included to the extent 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 such as for death, disability, withdrawal, or retirement) between the valuation date and the expected date of payment.

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

Assumed rate of return on investments for accumulated benefits-	- 8.5%
Mortality basis	As of December 31, 2010: - Section 430(h)(3) prescribed separate static annuitant and non annuitant mortality tables for PPA projected with mortality improvement to the valuation year plus 7 and 15 years based on scale AA As of December 31, 2009: - For pre-retirement mortality: RP-2000 Mortality Table for males and females, without adjustment for collar or employee/annuitant distinction, projected to 2010 - For post-retirement mortality: blended table of 50% RP-2000 Mortality Tables for males and females without adjustment for collar or employee/annuitant distinction, projected to 2010, and 50% Raytheon experience
Retirement age	- Several rates, varying by age from 55 to 70

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

Assumption Changes

Mortality rates were updated from 2009 to 2010 in accordance with PPA.

Raytheon Retirement Plan for Engineers & Constructors and Aircraft Credit Employees

Notes to Financial Statements

December 31, 2011 and 2010

As of December 30, 2010, the most recent valuation date, the actuarial present value of accumulated plan benefits is as follows:

Vested benefits	
Participants receiving benefits	\$281,194,235
Participants with deferred benefits	180,199,857
Active participants	<u>3,051,745</u>
Total vested benefits	464,445,837
Nonvested benefits	<u>131,291</u>
Total actuarial present value of accumulated plan benefits	<u>\$464,577,128</u>

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

Actuarial present value of accumulated plan benefits as of December 31, 2009	\$454,545,807
Benefits accumulated and non-investment (gains)/losses	6,657,240
Increase for interest due to decrease in discount period	37,110,814
Benefit payments	(35,895,990)
Change in actuarial assumptions	<u>2,159,257</u>
Actuarial present value of accumulated plan benefits as of December 31, 2010	<u>\$464,577,128</u>

The Plan includes assets of \$816,749 and \$792,960 at December 31, 2011 and 2010, respectively, which are funds that were voluntarily contributed by employees of the former Badger division of the Company to provide for a supplemental pension benefit. These funds were contributed prior to the merger of the Badger Plan into the Plan. Benefits for these employees are paid from these contributed funds, and are not included in the total actuarial value of accumulated plan benefits above.

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. Based on the minimum funding requirements of ERISA, the Company was not required to and did not make contributions for the years ended December 31, 2011 and 2010.

Raytheon Retirement Plan for Engineers & Constructors and Aircraft Credit Employees

Notes to Financial Statements

December 31, 2011 and 2010

5. 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 that are observable or have been corroborated by observable market data for substantially the full term of the related assets or liabilities.

Level 3: Unobservable inputs supported by little or no market activity that are significant to the fair value of the assets or liabilities.

A financial instrument's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. During the year ended December 31, 2011, there were no significant transfers between levels.

	Fair Value of Investment Assets as of 12/31/2011						
	Level 1		Level 2		Level 3		Total
Insurance contracts	\$	-	\$	-	\$	9,458,789	\$ 9,458,789
Total assets, excluding plan interest in Raytheon Master Pension Trust	\$	-	\$	-	\$	9,458,789	\$ 9,458,789

Fair Value of Investment Assets as of 12/31/2010						
	Level 1		Level 2		Level 3	Total
Insurance contracts	\$	-	\$	-	\$ 9,044,908	\$ 9,044,908
Total assets, excluding plan interest in Raytheon Master Pension Trust	\$	-	\$	-	\$ 9,044,908	\$ 9,044,908

**Raytheon Retirement Plan for Engineers & Constructors and Aircraft
Credit Employees**
Notes to Financial Statements
December 31, 2011 and 2010

Level 3 Gains and Losses

The table below summarizes changes in the fair value of the Plan's level 3 investment assets for the years ended December 31, 2011 and 2010.

	Level 3 Investment Assets - 12/31/2011
	Insurance contracts
Balance, beginning of year	\$ 9,044,908
Realized gains (losses)	-
Unrealized gains (losses)	-
Purchases	413,881
Sales	-
Transfers in (out) of level 3	-
Balance, end of year	<u>\$ 9,458,789</u>

	Level 3 Investment Assets - 12/31/2010
	Insurance contracts
Balance, beginning of year	\$ 8,693,677
Realized gains (losses)	-
Unrealized gains (losses)	-
Purchases, issuances, settlements	351,231
Transfers in (out) of level 3	-
Balance, end of year	<u>\$ 9,044,908</u>

**Raytheon Retirement Plan for Engineers & Constructors and Aircraft
Credit Employees**
Notes to Financial Statements
December 31, 2011 and 2010

6. 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 Retirement Plan for Engineers & Constructors and Aircraft Credit Employees

Notes to Financial Statements

December 31, 2011 and 2010

At December 31, 2011 and 2010, the Plan owned approximately 4% of the fair value of the Master Trust net assets. The total net assets of the Master Trust at December 31, 2011 and 2010 were:

	2011	2010
Assets		
Investments at fair market value		
Interest-bearing cash	\$559,946	\$710,053,012
U.S. government bonds (includes securities on loan of \$7,271,101 and \$10,760,436)	312,387,991	408,274,182
Foreign government bonds (includes securities on loan of \$0 and \$4,593,788)	-	104,326,227
Corporate debt instruments and other fixed income securities (includes securities on loan of \$14,464,706 and \$2,539,183)	1,926,830,164	1,725,947,924
Corporate stock - preferred	36,683,753	68,017,750
Corporate stock - common (includes securities on loan of \$40,870,382 and \$73,975,812)	3,745,316,736	4,337,252,862
Investment of securities lending collateral	56,532,293	86,149,762
Investment in DB/DC Master Trust	-	63,274,034
Commingled funds	5,715,931,214	2,599,498,592
Registered investment companies (includes securities on loan of \$0 and \$484,730)	2,741,451,795	4,168,283,806
Unallocated insurance contracts	15,615,851	14,940,345
Other investments	936,063	648,459
	<u>\$14,552,245,806</u>	<u>\$14,286,666,955</u>
Investments at estimated fair market value		
Private equity funds	306,948,793	265,605,631
Private real estate funds	188,080,774	171,494,321
	<u>495,029,567</u>	<u>437,099,952</u>
Cash	716,617	22,043
Cash held at broker	8,042,544	2,557,737
Foreign cash	5,993,461	7,921,023
Interest and dividends receivable	36,180,330	47,754,653
Unrealized gain on future contracts	792,274	1,609,976
Receivable for forward foreign currency contracts	602,508	974,216
Receivable for securities sold	166,005,171	33,712,796
Other receivables	14,826,385	3,316,417
	<u>14,826,385</u>	<u>3,316,417</u>
Total assets	<u>\$15,280,434,663</u>	<u>14,821,635,768</u>
Liabilities		
Interest and dividend payable	\$142,574	\$111,183
Unrealized loss on future contracts	2,494,292	244,258
Payable for forward foreign currency contracts	232,099	2,003,737
Payable for securities lending collateral	64,416,804	96,288,784
Payable for securities purchased	111,792,815	18,137,694
	<u>111,792,815</u>	<u>18,137,694</u>
Total liabilities	<u>\$179,078,584</u>	<u>\$116,785,656</u>
Master Trust net assets	<u>\$15,101,356,079</u>	<u>\$14,704,850,112</u>
Plan's interest in Master Trust	<u>\$629,576,382</u>	<u>\$675,114,621</u>

**Raytheon Retirement Plan for Engineers & Constructors and Aircraft
Credit Employees
Notes to Financial Statements
December 31, 2011 and 2010**

The following table is a summary of the investment earnings and the net appreciation (depreciation) in the fair market value of the Master Trust for the years ended December 31, 2011 and 2010:

	2011	2010
Net appreciation (depreciation) in fair value of investments		
Interest-bearing cash	(\$825,617)	(\$111,503)
U.S. government bonds	14,779,285	(1,752,582)
Foreign government bonds	-	1,364,938
Corporate debt instruments and other fixed income securities	40,235,283	60,256,006
Corporate stock – preferred	(6,294,383)	5,043,785
Corporate stock – common	(279,781,043)	658,691,527
Investment of securities lending collateral	2,254,511	16,677,156
Investment in DB/DC Master Trust	2,656,364	2,423,071
Commingled funds	33,761,986	212,339,349
Registered investment companies	(191,879,218)	272,534,417
Forward currency contracts	(2,027,530)	(3,434,985)
Future contracts	(11,968,498)	1,314,139
Other investments	(2,705,468)	653,090
	<u>(\$401,794,328)</u>	<u>\$1,225,998,408</u>
Net appreciation (depreciation) in estimated fair value of investments		
Private equity funds	5,729,372	20,862,296
Private real estate funds	19,041,326	33,169,467
	<u>\$24,770,698</u>	<u>\$54,031,763</u>
Interest	100,788,837	103,571,157
Dividends	173,199,461	159,244,120
Securities lending program income	759,183	876,946
Other income	21,790,576	32,079,973
Subtotal Master Trust investment income (loss)	<u>(\$80,485,573)</u>	<u>\$1,575,802,367</u>
Total expenses	<u>\$98,129,108</u>	<u>\$73,525,785</u>
Total Master Trust net investment income (loss)	<u>(\$178,614,681)</u>	<u>\$1,502,276,582</u>
Portion allocated to the Plan	<u>(\$6,487,835)</u>	<u>\$70,831,011</u>

Raytheon Retirement Plan for Engineers & Constructors and Aircraft Credit Employees

Notes to Financial Statements

December 31, 2011 and 2010

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 years ended December 31, 2011 and December 31, 2010, there were no significant transfers in or out of Levels 1, 2 or 3.

Raytheon Retirement Plan for Engineers & Constructors and Aircraft Credit Employees

Notes to Financial Statements

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The following tables summarize the fair value of investment assets and liabilities as of December 31, 2011.

Fair Value of Investment Assets as of 12/31/2011				
	Level 1	Level 2	Level 3	Total
Interest-bearing cash	\$ -	\$ 559,946	\$ -	\$ 559,946
U.S. government bonds	297,640,061	14,747,930	-	312,387,991
Corporate debt instruments and other fixed income securities *	-	1,926,830,164	-	1,926,830,164
Corporate stock – preferred				
U.S. equity	-	4,293,542	-	4,293,542
International equity	32,390,211	-	-	32,390,211
Corporate stock - common				
U.S. equity	1,824,621,771	12,004,276	167,895	1,836,793,942
International equity	1,907,627,826	894,968	-	1,908,522,794
Investment of securities lending collateral	-	56,532,293	-	56,532,293
Commingled funds				
103-12 investment entities				
International equity	-	132,203,112	-	132,203,112
Absolute return	-	382,577,720	-	382,577,720
Absolute return	-	1,107,626,149	102,540,210	1,210,166,359
Common/collective trusts				
Liquidity	-	614,852,251	-	614,852,251
U.S. equity	-	1,580,830,791	-	1,580,830,791
International equity	-	221,467,699	-	221,467,699
Absolute return	-	143,082,879	-	143,082,879
Fixed income	-	410,945,583	-	410,945,583
Equity	-	273,094,869	-	273,094,869
Fixed income	-	693,163,459	53,546,492	746,709,951
Registered investment companies				
U.S. equity	1,012,735,076	-	-	1,012,735,076
International equity	12,357,699	-	-	12,357,699
Absolute return	196,145,883	-	-	196,145,883
Fixed income	1,071,707,890	-	-	1,071,707,890
Money market funds	448,505,247	-	-	448,505,247
Unallocated insurance contracts	-	-	15,615,851	15,615,851
Other investments	-	936,063	-	936,063
Private equity funds	-	-	306,948,793	306,948,793
Private real estate funds	-	-	188,080,774	188,080,774
Unrealized gain on future contracts	792,274	-	-	792,274
Receivable for forward foreign currency contracts	-	602,508	-	602,508
Total assets	\$ 6,804,523,938	\$ 7,577,246,202	\$ 666,900,015	\$ 15,048,670,155

Fair Value of Investment Liabilities as of 12/31/2011				
	Level 1	Level 2	Level 3	Total
Unrealized loss on future contracts	\$ 2,494,292	\$ -	\$ -	\$ 2,494,292
Payable for forward foreign currency contracts	-	232,099	-	232,099
Total liabilities	\$ 2,494,292	\$ 232,099	\$ -	\$ 2,726,391

* Corporate debt instruments and other fixed income securities includes \$52,798,148 of asset backed securities and \$139,998,453 of term loans.

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The following tables summarize the fair value of 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 and other fixed income securities *	-	1,725,947,924	-	1,725,947,924	
Corporate stock – preferred					
U.S. equity	59,579	3,426,166	-	3,485,745	
International equity	64,532,005	-	-	64,532,005	
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	-	612,990,089	60,109,668	673,099,757	
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	-	706,689,595	55,001,845	761,691,440	
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	
Unrealized gain on future contracts	1,609,976	-	-	1,609,976	
Receivable for forward foreign 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	
Unrealized loss on future contracts	\$ 244,258	\$ -	\$ -	\$ 244,258	
Payable for forward foreign currency contracts	-	2,003,737	-	2,003,737	
Total liabilities	\$ 244,258	\$ 2,003,737	\$ -	\$ 2,247,995	

* Corporate debt instruments and other fixed income securities includes \$57,879,070 of asset backed securities.

Raytheon Retirement Plan for Engineers & Constructors and Aircraft Credit Employees

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Level 3 Gains and Losses

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

	Level 3 Investment Assets 12/31/2011						Balance, end of year
	Balance, beginning of year	Realized gains (losses)	Change in unrealized gains (losses)	Purchases	Sales	Transfers in (out) of level 3	
Corporate stock - common							
U.S. equity	\$ -	\$ -	\$ (29,484)	\$ 197,379	\$ -	\$ -	\$ 167,895
Investment in DB/DC Master Trust	41,346	(64,839)	64,851	-	(41,358)	-	-
Commingled funds							
Absolute return	60,109,668	2,519,162	(1,402,080)	46,813,373	(5,499,913)	-	102,540,210
Equity	21,945,751	4,917,029	(5,472,207)	2,013,639	(23,404,212)	-	-
Fixed income	55,001,845	(732,358)	2,696,819	(35,399)	(3,384,415)	-	53,546,492
Unallocated insurance contracts	14,940,345	3,534	(3,534)	802,194	(126,688)	-	15,615,851
Private equity funds	265,605,631	49,915,405	(43,209,965)	151,764,137	(117,126,415)	-	306,948,793
Private real estate funds	171,494,321	1,173,609	17,867,717	12,481,494	(14,936,367)	-	188,080,774
Total	<u>\$ 589,138,907</u>	<u>\$ 57,731,542</u>	<u>\$ (29,487,883)</u>	<u>\$ 214,036,817</u>	<u>\$ (164,519,368)</u>	<u>\$ -</u>	<u>\$ 666,900,015</u>

Change in unrealized loss of (\$17,090,044) relates to investment assets held by the Plan at December 31, 2011.

	Level 3 Investment Assets 12/31/2010						Balance, end of year
	Balance, beginning of year	Realized gains (losses)	Change in unrealized gains (losses)	Purchases, issuances, settlements	Transfers in (out) of level 3		
Investment in DB/DC Master Trust	\$ 85,684	\$ -	\$ (44,338)	\$ -	\$ -	\$ -	\$ 41,346
Commingled funds							
Absolute Return	116,375,613	7,153,923	166,384	(63,586,252)	-	-	60,109,668
Equity	18,809,845	1,808,048	1,662,362	(334,504)	-	-	21,945,751
Fixed income	143,097,342	(67,324,063)	49,283,947	(70,055,381)	-	-	55,001,845
Unallocated insurance contracts	14,296,199	3,764	(3,764)	644,146	-	-	14,940,345
Private equity funds	257,265,096	46,029,832	(26,428,697)	(11,260,600)	-	-	265,605,631
Private real estate funds	124,617,367	(870,528)	33,933,465	13,814,017	-	-	171,494,321
Total	<u>\$ 674,547,146</u>	<u>\$ (13,199,024)</u>	<u>\$ 58,569,359</u>	<u>\$ (130,778,574)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 589,138,907</u>

Raytheon Retirement Plan for Engineers & Constructors and Aircraft Credit Employees

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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, 2011.

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	\$ 188,080,774	\$ 118,683,541	0-9 years	Redemption not permitted during life of the fund	Not applicable	Not applicable
Private Equity Funds	306,948,793	224,010,211	0-11 years	Redemption not permitted during life of the fund	Not applicable	Not applicable
Commingled Funds 103-12 Entities	514,780,832	Not applicable	Not applicable	Ranges from 3-15 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.	Less than 5% of the funds have gates in place as of December 31, 2011.
Absolute Return	1,210,166,359	Not applicable	Not applicable	Ranges from 3-90 days notice monthly, 30-90 days notice quarterly, 180 days notice annually	75% of funds are either not under lock or have a lock of one year or less. 25% of funds have a lock up provision of two to ten years. Approximately 35% 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 5% of the funds have gates in place as of December 31, 2011.
Common/collective Trusts	2,356,326,952	Not applicable	Not applicable	Ranges from 7 days notice daily, weekly, 10-45 days notice monthly	None	None
Equity Funds	273,094,869	Not applicable	Not applicable	Ranges from 15-16 days notice monthly	100% of funds are either not under lock or have a lock of one year or less	Less than 5% of the funds have gates in place as of December 31, 2011.
Fixed Income Funds	746,709,951	20,000,000	Not applicable	Ranges from 10 days notice daily, 30-45 days notice monthly, 45-90 days notice quarterly, annually	70% of funds are either not under lock or have a lock of one year or less. 30% of funds have a lock up provision of two to five years. Approximately 15% 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 5% of the funds have gates in place as of December 31, 2011.

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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 Trusts	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 Retirement Plan for Engineers & Constructors and Aircraft Credit Employees

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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 exchange traded closing price.

Investments in fixed income securities (U.S. Government, domestic and foreign bonds, asset backed securities and term loans) 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.

Raytheon Retirement Plan for Engineers & Constructors and Aircraft Credit Employees

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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 year ended December 31, 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 approximately 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, \$509,044 dividend and interest income, \$(162,530) 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 \$(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 December 31, 2011 and 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 December 31, 2011 and 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, 2011 and 2010 was \$62,606,189 and \$92,353,949, respectively. The market value of the securities on loan decreased and is expected to continue to decrease as the Master Trust exits the program. Cash collateral obligations of \$64,416,804 and \$96,288,784 were received for securities on loan at December 31, 2011 and 2010, respectively. Cash collateral was invested in a separately maintained and managed cash collateral investment account and had a fair market value of \$56,532,293 and \$86,149,762 at December 31, 2011 and 2010, respectively. At December 31, 2011 investments include, \$789,977 invested in overnight repurchase agreements and \$55,739,637 invested in asset backed securities. 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 \$759,183 and \$876,946 as of December 31, 2011 and 2010, respectively. Security lending income allocated to the Trustee amounted to \$193,055 and \$225,527 as of December 31, 2011 and 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 future contracts, options, forward contracts and swaps. Select major financial institutions are used in derivatives transactions. When engaging in over the counter derivatives 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 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, 2011:

Fair value of asset and liability derivative contracts

Derivatives not accounted for as hedging instruments

	Credit	Equity	Foreign Exchange	Interest Rate	Total
Assets					
Unrealized gain on future contracts	\$ 792,274	\$ -	\$ -	\$ -	\$ 792,274
Unrealized gain on forward currency contracts	-	-	602,508	-	602,508
	<u>\$ 792,274</u>	<u>\$ -</u>	<u>\$ 602,508</u>	<u>\$ -</u>	<u>\$ 1,394,782</u>
Liabilities					
Unrealized loss on future contracts	\$2,494,292	\$ -	\$ -	\$ -	\$ 2,494,292
Unrealized loss on forward currency contracts	-	-	232,099	-	232,099
	<u>\$2,494,292</u>	<u>\$ -</u>	<u>\$ 232,099</u>	<u>\$ -</u>	<u>\$ 2,726,391</u>

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Effect of derivative instruments on the Statements of Changes in Net

Derivatives not accounted for as hedging instruments	Net Appreciation/ (Depreciation)	Average Number of Contracts
Future contracts	\$ (11,968,498)	2,700
Forward currency contracts	<u>(2,027,530)</u>	<u>115</u>
	<u><u>\$ (13,996,028)</u></u>	<u><u>2,815</u></u> *

* Number of contracts represents volume of derivative activity and is based on a quarterly average.

Assets

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:

Fair value of asset and liability derivative contracts

Derivatives not accounted for as hedging instruments

	Credit	Equity	Foreign Exchange	Interest Rate	Total
Assets					
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>

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

Derivatives not accounted for as hedging instruments	Net Appreciation/ (Depreciation)	Average Number of Contracts
Future contracts	\$ 1,314,139	1,720
Forward currency contracts	(3,434,985)	215
	<u>\$ (2,120,846)</u>	<u>1,935 *</u>

* Number of contracts represents volume of derivative activity and is based on a quarterly average.

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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December 31, 2011 and 2010

A summary of open forward currency contracts at December 31, 2011 is presented below:

2011				
	Settlement Date	Aggregate Face Value	Market Value	Unrealized Appreciation (Depreciation)
Currency Purchased				
Australian Dollar	1/3/2012-1/5/2012	\$592,835	\$598,080	\$5,245
Canadian Dollar	1/4/2012	127,641	127,983	342
Euro Currency Unit	1/18/2012-5/16/2012	1,438,519	1,416,477	(22,042)
Hong Kong Dollar	1/3/2012-1/4/2012	58,858	58,875	17
Japanese Yen	1/4/2012-1/6/2012	62,387	62,930	543
Mexican New Peso	1/3/2012	162,277	162,694	417
Pound Sterling	1/3/2012-1/5/2012	139,009	139,867	858
S African Comm Rand	1/3/2012-1/6/2012	65,913	66,624	711
		<u>\$2,647,439</u>	<u>\$2,633,530</u>	<u>(\$13,909)</u>

2011				
	Settlement Date	Aggregate Face Value	Market Value	Unrealized Appreciation (Depreciation)
Currency Sold				
Euro Currency Unit	1/3/2012-7/18/2012	\$13,224,943	\$12,630,568	\$594,375
Hong Kong Dollar	1/3/2012	41,842	41,876	(34)
Japanese Yen	1/4/2012-6/13/2012	26,634,631	26,843,604	(208,973)
Malaysian Ringgit	1/3/2012	31,127	31,201	(74)
New Taiwan Dollar	1/3/2012	30,686	30,702	(16)
Norwegian Krone	1/3/2012	29,834	30,161	(327)
Philippines Peso	1/3/2012	2,523	2,531	(8)
Pound Sterling	1/3/2012	61,560	62,164	(604)
South Korean Won	1/3/2012	10,066	10,087	(21)
		<u>\$40,067,212</u>	<u>\$39,682,894</u>	<u>\$384,318</u>

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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	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	1,688,999	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	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	19,481	19,937	456
Norwegian Krone	1/19/2011	352,680	363,971	11,291
Polish Zloty	1/19/2011	1,232,234	1,168,324	(63,910)
S African Comm Rand	1/19/2011	1,760,225	1,848,871	88,646
Singapore Dollar	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	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	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	49,957	50,005	(48)
Indonesian Rupian	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	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	379,365	389,892	(10,527)
Swedish Krona	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, 2011, no securities were pledged as collateral or restricted from trading. A cash balance of \$8,042,544 was pledged to cover margin requirements for open future contracts.

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.

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A summary of the open fixed income futures as of December 31, 2011 is presented below:

	Long Contracts		Short Contracts	
	2011		2011	
	Number of Contracts	Aggregate Face Value	Number of Contracts	Aggregate Face Value
U.S. Treasury Bond Futures (CBT)	-	\$ -	89	\$ 12,888,313
U.S. 10-year Treasury Notes Futures (CBT)	-	-	1,941	254,513,625
U.S. 5-year Treasury Notes Futures (CBT)	1,123	138,418,524	8	986,063
U.S. 2- Year Treasury Notes Futures (CBT)	-	-	112	24,701,250
U.S. Ultra Bond (CBT)	340	54,463,750	-	-
Grand Total	<u>1,463</u>	<u>\$ 192,882,274</u>	<u>2,150</u>	<u>\$ 293,089,251</u>

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)	-	\$ -	1,379	\$ 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 December 31, 2011 and 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 December 31, 2011 and 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 Trust. The Master Trust bears the market risk arising from any change in index or security values or interest rates.

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7. Termination Policies

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

- a) The assets comprising the Plan, including the net income/ (loss) of the Plan shall be revalued at market by the Trustee.
- b) The Plan provides that the net assets of the Plan shall be allocated among the participants and beneficiaries of the Plan in the order provided by ERISA.
- c) To the extent unfunded vested benefits exist, ERISA provides that such benefits are payable by the Pension Benefit Guaranty Corporation (the "PBGC") to participants, up to specified limitations, as described in ERISA.

Whether all participants receive their full or partial benefits should the Plan terminate at some future time will depend on the sufficiency, at that time, of the Plan's net assets to provide for accumulated plan 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.

8. Party-in-Interest Transaction

Certain investments within the Master Trust were advised by or affiliated with The Bank of New York Mellon ("BNY Mellon"), the Trustee and Custodian, and related party. Transactions with BNY Mellon qualify as party-in-interest transactions. For the years ended December 31, 2011 and 2010, \$114,043 and \$1,849 of expenses paid to BNY Mellon, which were specifically related to the Plan, were incurred and included in "Administrative expenses." In addition, the Plan was allocated approximately \$409,857 and \$260,052 of expenses paid directly by the Master Trust to BNY Mellon and are included in "Raytheon Master Pension Trust investment income / (loss)." As of December 31, 2011 and 2010, \$65,656 and \$46,667 of expenses to be paid to BNY Mellon were accrued, including the Plan's allocation of Master Trust accrued expenses to be paid to BNY Mellon.

For the years ended December 31, 2011 and 2010, \$59,909 and \$59,432 of insurance company expenses specifically related to the Plan were incurred. There were no insurance company expenses accrued as of December 31, 2011 and 2010.

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Notes to Financial Statements
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9. 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. In response to the Company’s application dated January 31, 2012, for a new determination letter, the IRS has determined and informed the Company by letter dated May 1, 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 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 Company is in the process of ensuring that the Plan conforms to the requirements of Section 401(a)(26) of the Internal Revenue Code concerning participation by a minimum number of active employees.

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 December 31, 2011 and 2010, respectively. The Plan is subject to examinations by taxing jurisdictions. Pursuant to a letter to the Company dated March 28, 2011, the IRS is conducting an examination of the Plan for the Plan year ended December 31, 2009.

10. Contracts with Insurance Companies

The Company has entered into contracts with insurance companies primarily for the purpose of distributing monthly pension payments on behalf of certain participants. Under the contracts, the Plan maintains a minimum balance in an unallocated account with each insurance company and the insurance company pays annual interest which ranged from 3.00% to 5.50% and 3.00% to 5.60% at December 31, 2011 and December 31, 2010, respectively.

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11. 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 6 for additional information with respect to investment risk.

12. Subsequent Events

The Plan has evaluated subsequent events and transactions subsequent to December 31, 2011 through the date the Plan's financial statements were available to be issued, September 20, 2012.

**Raytheon Retirement Plan for Engineers & Constructors and Aircraft
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Schedule H, line 4i – Schedule of Assets (Held at End of Year)
December 31, 2011

Identity of issue, borrower, lessor or similar party	Description of investment including maturity date, rate of interest, collateral, par, or maturity value	Cost	Current Value
* John Hancock Mutual Life Insurance Company- Contract # 436 GAC	General Account—Unallocated, 5.50% , no stated maturity	\$5,637,740	\$5,637,740
* Aetna Life Insurance Company- Contract #000884	Investment Service Account 0, 5.48%, no stated maturity	3,004,300	3,004,300
* ING Life Insurance and Annuity Company- Contract #PH1239	Guaranteed Investment Account, 3.00%, no stated maturity	816,749	816,749
Total unallocated insurance contracts		<u>\$9,458,789</u>	<u>\$9,458,789</u>
* Party-in-interest			