

|                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                    |                                               |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------|
| <b>Form 5500</b><br><br>Department of the Treasury<br>Internal Revenue Service<br><br>Department of Labor<br>Employee Benefits Security<br>Administration<br><br>Pension Benefit Guaranty Corporation | <b>Annual Return/Report of Employee Benefit Plan</b><br><br>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).<br><br><b>► Complete all entries in accordance with the instructions to the Form 5500.</b> | OMB Nos. 1210-0110<br>1210-0089               |
|                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                    | <b>2011</b>                                   |
|                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                    | <b>This Form is Open to Public Inspection</b> |

|                                                                                                          |                                                                                                                                                                                                                                           |
|----------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Part I</b>                                                                                            | <b>Annual Report Identification Information</b>                                                                                                                                                                                           |
| For calendar plan year 2011 or fiscal plan year beginning <u>01/01/2011</u> and ending <u>12/31/2011</u> |                                                                                                                                                                                                                                           |
| <b>A</b> This return/report is for:                                                                      | <input type="checkbox"/> a multiemployer plan; <input type="checkbox"/> a multiple-employer plan; or<br><input checked="" type="checkbox"/> a single-employer plan; <input type="checkbox"/> a DFE (specify) ____                         |
| <b>B</b> This return/report is:                                                                          | <input type="checkbox"/> the first return/report; <input type="checkbox"/> the final return/report;<br><input type="checkbox"/> an amended return/report; <input type="checkbox"/> a short plan year return/report (less than 12 months). |
| <b>C</b> If the plan is a collectively-bargained plan, check here. . . . .                               | <input type="checkbox"/>                                                                                                                                                                                                                  |
| <b>D</b> Check box if filing under:                                                                      | <input checked="" type="checkbox"/> Form 5558; <input type="checkbox"/> automatic extension; <input type="checkbox"/> the DFVC program;<br><input type="checkbox"/> special extension (enter description)                                 |

|                                                                                                                                                                                                       |                                                                                                                                                                                                   |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Part II</b>                                                                                                                                                                                        | <b>Basic Plan Information</b> —enter all requested information                                                                                                                                    |
| <b>1a</b> Name of plan<br><u>EXELIS SALARIED INVESTMENT AND SAVINGS PLAN</u>                                                                                                                          | <b>1b</b> Three-digit plan number (PN) ► <u>100</u><br><b>1c</b> Effective date of plan<br><u>04/01/1974</u>                                                                                      |
| <b>2a</b> Plan sponsor's name and address, including room or suite number (Employer, if for single-employer plan)<br><br><u>EXELIS INC</u><br><br><u>1650 TYSONS BLVD.</u><br><u>MCLEAN, VA 22102</u> | <b>2b</b> Employer Identification Number (EIN)<br><u>45-2083813</u><br><b>2c</b> Sponsor's telephone number<br><u>703-790-6300</u><br><b>2d</b> Business code (see instructions)<br><u>333200</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.

|                  |                                                          |                   |                                                              |
|------------------|----------------------------------------------------------|-------------------|--------------------------------------------------------------|
| <b>SIGN HERE</b> | <u>Filed with authorized/valid electronic signature.</u> | <u>10/16/2012</u> | <u>ASHISH ADVANI</u>                                         |
|                  | <b>Signature of plan administrator</b>                   | Date              | Enter name of individual signing as plan administrator       |
| <b>SIGN HERE</b> |                                                          |                   |                                                              |
|                  | <b>Signature of employer/plan sponsor</b>                | Date              | Enter name of individual signing as employer or plan sponsor |
| <b>SIGN HERE</b> |                                                          |                   |                                                              |
|                  | <b>Signature of DFE</b>                                  | 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

|                                                                                                                                                                                      |                                                                                                                 |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------|
| <b>3a</b> Plan administrator's name and address (if same as plan sponsor, enter "Same")<br>EXELIS INC.<br>BENEFITS ADMINISTRATION COMMITTEE<br>1650 TYSONS BLVD.<br>MCLEAN, VA 22102 | <b>3b</b> Administrator's EIN<br>45-2083813<br><hr/> <b>3c</b> Administrator's telephone number<br>703-790-6300 |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------|

|                                                                                                                                                                                                                                      |                                                          |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------|
| <b>4</b> 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:<br><b>a</b> Sponsor's name<br>ITT CORPORATION | <b>4b</b> EIN<br>13-5158950<br><hr/> <b>4c</b> PN<br>100 |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------|

|                                                                         |          |       |
|-------------------------------------------------------------------------|----------|-------|
| <b>5</b> Total number of participants at the beginning of the plan year | <b>5</b> | 20983 |
|-------------------------------------------------------------------------|----------|-------|

|                                                                                                                                                        |           |       |
|--------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|-------|
| <b>6</b> Number of participants as of the end of the plan year (welfare plans complete only lines <b>6a</b> , <b>6b</b> , <b>6c</b> , and <b>6d</b> ). |           |       |
| <b>a</b> Active participants.....                                                                                                                      | <b>6a</b> | 12618 |
| <b>b</b> Retired or separated participants receiving benefits.....                                                                                     | <b>6b</b> | 6916  |
| <b>c</b> Other retired or separated participants entitled to future benefits.....                                                                      | <b>6c</b> | 124   |
| <b>d</b> Subtotal. Add lines <b>6a</b> , <b>6b</b> , and <b>6c</b> .....                                                                               | <b>6d</b> | 19658 |
| <b>e</b> Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....                                              | <b>6e</b> | 14    |
| <b>f</b> Total. Add lines <b>6d</b> and <b>6e</b> .....                                                                                                | <b>6f</b> | 19672 |
| <b>g</b> Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....         | <b>6g</b> | 20532 |
| <b>h</b> Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....             | <b>6h</b> | 310   |

|                                                                                                                                      |          |  |
|--------------------------------------------------------------------------------------------------------------------------------------|----------|--|
| <b>7</b> Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item) ..... | <b>7</b> |  |
|--------------------------------------------------------------------------------------------------------------------------------------|----------|--|

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

2E 2H 2J 2K 2O 2R 3H

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

|                                                                                |                                                                                |
|--------------------------------------------------------------------------------|--------------------------------------------------------------------------------|
| <b>9a</b> Plan funding arrangement (check all that apply)                      | <b>9b</b> Plan benefit arrangement (check all that apply)                      |
| <b>(1)</b> <input checked="" type="checkbox"/> Insurance                       | <b>(1)</b> <input checked="" type="checkbox"/> Insurance                       |
| <b>(2)</b> <input type="checkbox"/> Code section 412(e)(3) insurance contracts | <b>(2)</b> <input type="checkbox"/> Code section 412(e)(3) insurance contracts |
| <b>(3)</b> <input checked="" type="checkbox"/> Trust                           | <b>(3)</b> <input checked="" type="checkbox"/> Trust                           |
| <b>(4)</b> <input type="checkbox"/> General assets of the sponsor              | <b>(4)</b> <input type="checkbox"/> 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)** ☒ **5** **A** (Insurance Information)
- (4)** ☒ **C** (Service Provider Information)
- (5)** ☒ **D** (DFE/Participating Plan Information)
- (6)** ☐ **G** (Financial Transaction Schedules)

|                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                           |                                               |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------|
| <b>SCHEDULE A</b><br><b>(Form 5500)</b><br>Department of the Treasury<br>Internal Revenue Service<br><hr/> Department of Labor<br>Employee Benefits Security Administration<br><hr/> Pension Benefit Guaranty Corporation | <b>Insurance Information</b><br><br>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).<br><br><b>► File as an attachment to Form 5500.</b><br><br>► Insurance companies are required to provide the information pursuant to ERISA section 103(a)(2). | OMB No. 1210-0110                             |
|                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                           | <b>2011</b>                                   |
|                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                           | <b>This Form is Open to Public Inspection</b> |

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

|                                                                                    |                                                                    |            |
|------------------------------------------------------------------------------------|--------------------------------------------------------------------|------------|
| <b>A</b> Name of plan<br><b>EXELIS SALARIED INVESTMENT AND SAVINGS PLAN</b>        | <b>B</b> Three-digit plan number (PN) <b>►</b>                     | <b>100</b> |
|                                                                                    |                                                                    |            |
| <b>C</b> Plan sponsor's name as shown on line 2a of Form 5500<br><b>EXELIS INC</b> | <b>D</b> Employer Identification Number (EIN)<br><b>45-2083813</b> |            |

|               |                                                                                                                                                                                                                                                     |
|---------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Part I</b> | <b>Information Concerning Insurance Contract Coverage, Fees, and Commissions</b> 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. |
|---------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

**1** Coverage Information:

(a) Name of insurance carrier

**NATIXIS FINANCIAL PRODUCTS**

| (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            |
| <b>13-3995170</b> | <b>5239</b>   | <b>1857-01</b>                        |                                                                             | <b>01/01/2011</b>       | <b>12/31/2011</b> |

**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 |
| <b>0</b>                             | <b>0</b>                      |

**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 |
|-----------------------------------------------|---------------------------------|-------------|-----------------------|
|                                               | (c) Amount                      | (d) Purpose |                       |
|                                               |                                 |             |                       |

---

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

---

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

---

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

---

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

---

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

---

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

---

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

---

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

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

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| <b>(b)</b> Amount of sales and base commissions paid | Fees and other commissions paid |                    | <b>(e)</b> Organization code |
|------------------------------------------------------|---------------------------------|--------------------|------------------------------|
|                                                      | <b>(c)</b> Amount               | <b>(d)</b> 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.

|                                                                                                        |          |  |
|--------------------------------------------------------------------------------------------------------|----------|--|
| <b>4</b> Current value of plan's interest under this contract in the general account at year end ..... | <b>4</b> |  |
| <b>5</b> Current value of plan's interest under this contract in separate accounts at year end .....   | <b>5</b> |  |

**6 Contracts With Allocated Funds:****a** State the basis of premium rates ▶

|                                                                                                                                                                                                                |           |  |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|--|
| <b>b</b> Premiums paid to carrier .....                                                                                                                                                                        | <b>6b</b> |  |
| <b>c</b> Premiums due but unpaid at the end of the year .....                                                                                                                                                  | <b>6c</b> |  |
| <b>d</b> 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. ....<br>Specify nature of costs ▶ | <b>6d</b> |  |

**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>b</b> Balance at the end of the previous year .....                                      | <b>7b</b>    | 66289700 |
| <b>c</b> Additions: (1) Contributions deposited during the year .....                       | <b>7c(1)</b> |          |
| (2) Dividends and credits .....                                                             | <b>7c(2)</b> |          |
| (3) Interest credited during the year .....                                                 | <b>7c(3)</b> | 8398257  |
| (4) Transferred from separate account .....                                                 | <b>7c(4)</b> |          |
| (5) Other (specify below) .....                                                             | <b>7c(5)</b> |          |
| ▶                                                                                           |              |          |
| (6) Total additions .....                                                                   | <b>7c(6)</b> | 8398257  |
| <b>d</b> Total of balance and additions (add <b>b</b> and <b>c(6)</b> ) .....               | <b>7d</b>    | 74687957 |
| <b>e</b> Deductions:                                                                        |              |          |
| (1) Disbursed from fund to pay benefits or purchase annuities during year .....             | <b>7e(1)</b> | 74270351 |
| (2) Administration charge made by carrier .....                                             | <b>7e(2)</b> | 417606   |
| (3) Transferred to separate account .....                                                   | <b>7e(3)</b> |          |
| (4) Other (specify below) .....                                                             | <b>7e(4)</b> |          |
| ▶                                                                                           |              |          |
| (5) Total deductions .....                                                                  | <b>7e(5)</b> | 74687957 |
| <b>f</b> Balance at the end of the current year (subtract <b>e(5)</b> from <b>d</b> ) ..... | <b>7f</b>    | 0        |

**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:

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

**10** Nonexperience-rated contracts:

|                                                                                                                                                                                                                                 |            |  |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|--|
| <b>a</b> Total premiums or subscription charges paid to carrier.....                                                                                                                                                            | <b>10a</b> |  |
| <b>b</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. .... | <b>10b</b> |  |

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. ▶

|                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                           |                                                                                           |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|
| <b>SCHEDULE A</b><br><b>(Form 5500)</b><br>Department of the Treasury<br>Internal Revenue Service<br><br>Department of Labor<br>Employee Benefits Security Administration<br><br>Pension Benefit Guaranty Corporation | <b>Insurance Information</b><br><br>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).<br><br>▶ <b>File as an attachment to Form 5500.</b><br><br>▶ Insurance companies are required to provide the information pursuant to ERISA section 103(a)(2). | OMB No. 1210-0110<br><br><b>2011</b><br><br><b>This Form is Open to Public Inspection</b> |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|

|                                                                                            |                                                             |
|--------------------------------------------------------------------------------------------|-------------------------------------------------------------|
| For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011 |                                                             |
| <b>A</b> Name of plan<br>EXELIS SALARIED INVESTMENT AND SAVINGS PLAN                       | <b>B</b> Three-digit plan number (PN) ▶ 100                 |
| <b>C</b> Plan sponsor's name as shown on line 2a of Form 5500<br>EXELIS INC                | <b>D</b> Employer Identification Number (EIN)<br>45-2083813 |

|               |                                                                                                                                                                                                                                                     |
|---------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Part I</b> | <b>Information Concerning Insurance Contract Coverage, Fees, and Commissions</b> 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. |
|---------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

|                                |
|--------------------------------|
| <b>1</b> Coverage Information: |
|--------------------------------|

|                                                              |
|--------------------------------------------------------------|
| <b>(a)</b> Name of insurance carrier<br>BANK OF AMERICA N.A. |
|--------------------------------------------------------------|

| (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     |
| 75-1738434 | 11292         | 98-030                                |                                                                             | 01/01/2011              | 12/31/2011 |

|                                                                                                                                                                                                   |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>2</b> 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. |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

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

|                                                                                                              |
|--------------------------------------------------------------------------------------------------------------|
| <b>3</b> Persons receiving commissions and fees. (Complete as many entries as needed to report all persons). |
|--------------------------------------------------------------------------------------------------------------|

|                                                                                                         |
|---------------------------------------------------------------------------------------------------------|
| <b>(a)</b> 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 |                       |
|                                               |                                 |             |                       |

|                                                                                                         |
|---------------------------------------------------------------------------------------------------------|
| <b>(a)</b> 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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**(a)** Name and address of the agent, broker, or other person to whom commissions or fees were paid

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

---

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

---

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

---

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

---

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

---

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

---

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

---

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

---

| <b>(b)</b> Amount of sales and base commissions paid | Fees and other commissions paid |                    | <b>(e)</b> Organization code |
|------------------------------------------------------|---------------------------------|--------------------|------------------------------|
|                                                      | <b>(c)</b> Amount               | <b>(d)</b> 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.

|                                                                                                        |          |  |
|--------------------------------------------------------------------------------------------------------|----------|--|
| <b>4</b> Current value of plan's interest under this contract in the general account at year end ..... | <b>4</b> |  |
| <b>5</b> Current value of plan's interest under this contract in separate accounts at year end .....   | <b>5</b> |  |

**6 Contracts With Allocated Funds:****a** State the basis of premium rates ▶

|                                                                                                                                                                                                                |           |  |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|--|
| <b>b</b> Premiums paid to carrier .....                                                                                                                                                                        | <b>6b</b> |  |
| <b>c</b> Premiums due but unpaid at the end of the year .....                                                                                                                                                  | <b>6c</b> |  |
| <b>d</b> 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. ....<br>Specify nature of costs ▶ | <b>6d</b> |  |

**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>b</b> Balance at the end of the previous year .....                                      | <b>7b</b>    | 71461825 |
| <b>c</b> Additions: (1) Contributions deposited during the year .....                       | <b>7c(1)</b> |          |
| (2) Dividends and credits .....                                                             | <b>7c(2)</b> |          |
| (3) Interest credited during the year .....                                                 | <b>7c(3)</b> | 8889856  |
| (4) Transferred from separate account .....                                                 | <b>7c(4)</b> |          |
| (5) Other (specify below) .....                                                             | <b>7c(5)</b> |          |
| ▶                                                                                           |              |          |
| (6) Total additions .....                                                                   | <b>7c(6)</b> | 8889856  |
| <b>d</b> Total of balance and additions (add <b>b</b> and <b>c(6)</b> ) .....               | <b>7d</b>    | 80351681 |
| <b>e</b> Deductions:                                                                        |              |          |
| (1) Disbursed from fund to pay benefits or purchase annuities during year .....             | <b>7e(1)</b> |          |
| (2) Administration charge made by carrier .....                                             | <b>7e(2)</b> | 391931   |
| (3) Transferred to separate account .....                                                   | <b>7e(3)</b> | 79525831 |
| (4) Other (specify below) .....                                                             | <b>7e(4)</b> |          |
| ▶                                                                                           |              |          |
| (5) Total deductions .....                                                                  | <b>7e(5)</b> | 79917762 |
| <b>f</b> Balance at the end of the current year (subtract <b>e(5)</b> from <b>d</b> ) ..... | <b>7f</b>    | 433919   |

**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:

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

**10** Nonexperience-rated contracts:

|                                                                                                                                                                                                                                 |            |  |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|--|
| <b>a</b> Total premiums or subscription charges paid to carrier.....                                                                                                                                                            | <b>10a</b> |  |
| <b>b</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. .... | <b>10b</b> |  |

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. ▶

|                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                  |                                               |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------|
| <b>SCHEDULE A</b><br><b>(Form 5500)</b><br>Department of the Treasury<br>Internal Revenue Service<br><hr/> Department of Labor<br>Employee Benefits Security Administration<br><hr/> Pension Benefit Guaranty Corporation | <b>Insurance Information</b><br><br>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).<br><br><b>► File as an attachment to Form 5500.</b><br><br><b>► Insurance companies are required to provide the information pursuant to ERISA section 103(a)(2).</b> | OMB No. 1210-0110                             |
|                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                  | <b>2011</b>                                   |
|                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                  | <b>This Form is Open to Public Inspection</b> |

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

|                                                                                    |                                                                    |            |
|------------------------------------------------------------------------------------|--------------------------------------------------------------------|------------|
| <b>A</b> Name of plan<br><b>EXELIS SALARIED INVESTMENT AND SAVINGS PLAN</b>        | <b>B</b> Three-digit plan number (PN) <b>►</b>                     | <b>100</b> |
|                                                                                    |                                                                    |            |
| <b>C</b> Plan sponsor's name as shown on line 2a of Form 5500<br><b>EXELIS INC</b> | <b>D</b> Employer Identification Number (EIN)<br><b>45-2083813</b> |            |

|               |                                                                                                                                                                                                                                                     |
|---------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Part I</b> | <b>Information Concerning Insurance Contract Coverage, Fees, and Commissions</b> 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. |
|---------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

**1** Coverage Information:

**(a)** Name of insurance carrier

**MONUMENTAL 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     |
| 52-0419790 | 66281         | MDA00541TR                            |                                                                             | 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.

|                                             |                                      |
|---------------------------------------------|--------------------------------------|
| <b>(a)</b> Total amount of commissions paid | <b>(b)</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 |
|-----------------------------------------------|---------------------------------|-------------|-----------------------|
|                                               | (c) Amount                      | (d) Purpose |                       |
|                                               |                                 |             |                       |

---

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

---

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

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

---

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

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

---

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

---

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

---

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

---

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

---

| <b>(b)</b> Amount of sales and base commissions paid | Fees and other commissions paid |                    | <b>(e)</b> Organization code |
|------------------------------------------------------|---------------------------------|--------------------|------------------------------|
|                                                      | <b>(c)</b> Amount               | <b>(d)</b> 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.

|                                                                                                        |          |  |
|--------------------------------------------------------------------------------------------------------|----------|--|
| <b>4</b> Current value of plan's interest under this contract in the general account at year end ..... | <b>4</b> |  |
| <b>5</b> Current value of plan's interest under this contract in separate accounts at year end .....   | <b>5</b> |  |

**6 Contracts With Allocated Funds:****a** State the basis of premium rates ▶

|                                                                                                                                                                                                                |           |  |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|--|
| <b>b</b> Premiums paid to carrier .....                                                                                                                                                                        | <b>6b</b> |  |
| <b>c</b> Premiums due but unpaid at the end of the year .....                                                                                                                                                  | <b>6c</b> |  |
| <b>d</b> 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. ....<br>Specify nature of costs ▶ | <b>6d</b> |  |

**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>b</b> Balance at the end of the previous year .....                                      | <b>7b</b>    | 316471 |
| <b>c</b> Additions: (1) Contributions deposited during the year .....                       | <b>7c(1)</b> |        |
| (2) Dividends and credits .....                                                             | <b>7c(2)</b> |        |
| (3) Interest credited during the year .....                                                 | <b>7c(3)</b> | 54830  |
| (4) Transferred from separate account .....                                                 | <b>7c(4)</b> |        |
| (5) Other (specify below) .....                                                             | <b>7c(5)</b> |        |
| ▶                                                                                           |              |        |
| (6) Total additions .....                                                                   | <b>7c(6)</b> | 54830  |
| <b>d</b> Total of balance and additions (add <b>b</b> and <b>c(6)</b> ) .....               | <b>7d</b>    | 371301 |
| <b>e</b> Deductions:                                                                        |              |        |
| (1) Disbursed from fund to pay benefits or purchase annuities during year .....             | <b>7e(1)</b> | 321720 |
| (2) Administration charge made by carrier .....                                             | <b>7e(2)</b> |        |
| (3) Transferred to separate account .....                                                   | <b>7e(3)</b> |        |
| (4) Other (specify below) .....                                                             | <b>7e(4)</b> |        |
| ▶                                                                                           |              |        |
| (5) Total deductions .....                                                                  | <b>7e(5)</b> | 321720 |
| <b>f</b> Balance at the end of the current year (subtract <b>e(5)</b> from <b>d</b> ) ..... | <b>7f</b>    | 49581  |

**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:

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

**10** Nonexperience-rated contracts:

|                                                                                                                                                                                                                                 |            |  |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|--|
| <b>a</b> Total premiums or subscription charges paid to carrier.....                                                                                                                                                            | <b>10a</b> |  |
| <b>b</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. .... | <b>10b</b> |  |

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. ▶

|                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                           |                                                                                           |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|
| <b>SCHEDULE A</b><br><b>(Form 5500)</b><br>Department of the Treasury<br>Internal Revenue Service<br><br>Department of Labor<br>Employee Benefits Security Administration<br><br>Pension Benefit Guaranty Corporation | <b>Insurance Information</b><br><br>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).<br><br>▶ <b>File as an attachment to Form 5500.</b><br><br>▶ Insurance companies are required to provide the information pursuant to ERISA section 103(a)(2). | OMB No. 1210-0110<br><br><b>2011</b><br><br><b>This Form is Open to Public Inspection</b> |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|

|                                                                                            |                                                             |
|--------------------------------------------------------------------------------------------|-------------------------------------------------------------|
| For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011 |                                                             |
| <b>A</b> Name of plan<br>EXELIS SALARIED INVESTMENT AND SAVINGS PLAN                       | <b>B</b> Three-digit plan number (PN) ▶ 100                 |
| <b>C</b> Plan sponsor's name as shown on line 2a of Form 5500<br>EXELIS INC                | <b>D</b> Employer Identification Number (EIN)<br>45-2083813 |

|               |                                                                                                                                                                                                                                                     |
|---------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Part I</b> | <b>Information Concerning Insurance Contract Coverage, Fees, and Commissions</b> 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. |
|---------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

|                                |
|--------------------------------|
| <b>1</b> Coverage Information: |
|--------------------------------|

|                                                              |
|--------------------------------------------------------------|
| <b>(a)</b> Name of insurance carrier<br>JP MORGAN CHASE BANK |
|--------------------------------------------------------------|

| (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     |
| 13-4994650 | 52211         | AITT01                                |                                                                             | 01/01/2011              | 12/31/2011 |

|                                                                                                                                                                                                   |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>2</b> 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. |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

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

|                                                                                                              |
|--------------------------------------------------------------------------------------------------------------|
| <b>3</b> Persons receiving commissions and fees. (Complete as many entries as needed to report all persons). |
|--------------------------------------------------------------------------------------------------------------|

|                                                                                                         |
|---------------------------------------------------------------------------------------------------------|
| <b>(a)</b> 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 |                       |
|                                               |                                 |             |                       |

|                                                                                                         |
|---------------------------------------------------------------------------------------------------------|
| <b>(a)</b> 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>(b)</b> Amount of sales and base commissions paid | Fees and other commissions paid |                    | <b>(e)</b> Organization code |
|------------------------------------------------------|---------------------------------|--------------------|------------------------------|
|                                                      | <b>(c)</b> Amount               | <b>(d)</b> Purpose |                              |
|                                                      |                                 |                    |                              |

---

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

---

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

---

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

---

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

---

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

---

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

---

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

---

| <b>(b)</b> Amount of sales and base commissions paid | Fees and other commissions paid |                    | <b>(e)</b> Organization code |
|------------------------------------------------------|---------------------------------|--------------------|------------------------------|
|                                                      | <b>(c)</b> Amount               | <b>(d)</b> 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.

|                                                                                                        |          |  |
|--------------------------------------------------------------------------------------------------------|----------|--|
| <b>4</b> Current value of plan's interest under this contract in the general account at year end ..... | <b>4</b> |  |
| <b>5</b> Current value of plan's interest under this contract in separate accounts at year end .....   | <b>5</b> |  |

**6 Contracts With Allocated Funds:****a** State the basis of premium rates ▶

|                                                                                                                                                                                                                |           |  |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|--|
| <b>b</b> Premiums paid to carrier .....                                                                                                                                                                        | <b>6b</b> |  |
| <b>c</b> Premiums due but unpaid at the end of the year .....                                                                                                                                                  | <b>6c</b> |  |
| <b>d</b> 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. ....<br>Specify nature of costs ▶ | <b>6d</b> |  |

**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>b</b> Balance at the end of the previous year .....                                      | <b>7b</b>    | 262571 |
| <b>c</b> Additions: (1) Contributions deposited during the year .....                       | <b>7c(1)</b> |        |
| (2) Dividends and credits .....                                                             | <b>7c(2)</b> |        |
| (3) Interest credited during the year .....                                                 | <b>7c(3)</b> |        |
| (4) Transferred from separate account .....                                                 | <b>7c(4)</b> |        |
| (5) Other (specify below) .....                                                             | <b>7c(5)</b> |        |
| ▶                                                                                           |              |        |
| (6) Total additions .....                                                                   | <b>7c(6)</b> | 0      |
| <b>d</b> Total of balance and additions (add <b>b</b> and <b>c(6)</b> ) .....               | <b>7d</b>    | 262571 |
| <b>e</b> Deductions:                                                                        |              |        |
| (1) Disbursed from fund to pay benefits or purchase annuities during year .....             | <b>7e(1)</b> | 262571 |
| (2) Administration charge made by carrier .....                                             | <b>7e(2)</b> |        |
| (3) Transferred to separate account .....                                                   | <b>7e(3)</b> |        |
| (4) Other (specify below) .....                                                             | <b>7e(4)</b> |        |
| ▶                                                                                           |              |        |
| (5) Total deductions .....                                                                  | <b>7e(5)</b> | 262571 |
| <b>f</b> Balance at the end of the current year (subtract <b>e(5)</b> from <b>d</b> ) ..... | <b>7f</b>    | 0      |

**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:

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

**10** Nonexperience-rated contracts:

|                                                                                                                                                                                                                                 |            |  |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|--|
| <b>a</b> Total premiums or subscription charges paid to carrier.....                                                                                                                                                            | <b>10a</b> |  |
| <b>b</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. .... | <b>10b</b> |  |

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. ▶

|                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                           |                                                                                                       |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------|
| <b>SCHEDULE A</b><br><b>(Form 5500)</b><br><small>Department of the Treasury<br/>Internal Revenue Service</small><br><hr/> <small>Department of Labor<br/>Employee Benefits Security Administration</small><br><hr/> <small>Pension Benefit Guaranty Corporation</small> | <b>Insurance Information</b><br><br>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).<br><br><b>► File as an attachment to Form 5500.</b><br><br>► Insurance companies are required to provide the information pursuant to ERISA section 103(a)(2). | OMB No. 1210-0110<br><br><hr/> <b>2011</b><br><br><hr/> <b>This Form is Open to Public Inspection</b> |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------|

|                                                                                                                                                                |                                                                                               |                                       |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|---------------------------------------|
| For calendar plan year 2011 or fiscal plan year beginning <span style="color: blue;">01/01/2011</span> and ending <span style="color: blue;">12/31/2011</span> |                                                                                               |                                       |
| <b>A</b> Name of plan<br><span style="color: blue;">EXELIS SALARIED INVESTMENT AND SAVINGS PLAN</span>                                                         | <b>B</b> Three-digit plan number (PN) <span style="color: blue;">►</span>                     | <span style="color: blue;">100</span> |
|                                                                                                                                                                |                                                                                               |                                       |
| <b>C</b> Plan sponsor's name as shown on line 2a of Form 5500<br><span style="color: blue;">EXELIS INC</span>                                                  | <b>D</b> Employer Identification Number (EIN)<br><span style="color: blue;">45-2083813</span> |                                       |

|               |                                                                                                                                                                                                                                                     |
|---------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Part I</b> | <b>Information Concerning Insurance Contract Coverage, Fees, and Commissions</b> 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. |
|---------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

**1** Coverage Information:

**(a)** Name of insurance carrier

JACKSON NATIONAL 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     |
| 38-1659835 | 65056         | G-1567-1                              |                                                                             | 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.

|                                             |                                      |
|---------------------------------------------|--------------------------------------|
| <b>(a)</b> Total amount of commissions paid | <b>(b)</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 |
|-----------------------------------------------|---------------------------------|-------------|-----------------------|
|                                               | (c) Amount                      | (d) Purpose |                       |
|                                               |                                 |             |                       |

---

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

---

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

---

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

---

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

---

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

---

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

---

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

---

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

---

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

---

| <b>(b)</b> Amount of sales and base commissions paid | Fees and other commissions paid |                    | <b>(e)</b> Organization code |
|------------------------------------------------------|---------------------------------|--------------------|------------------------------|
|                                                      | <b>(c)</b> Amount               | <b>(d)</b> 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.

|                                                                                                        |          |  |
|--------------------------------------------------------------------------------------------------------|----------|--|
| <b>4</b> Current value of plan's interest under this contract in the general account at year end ..... | <b>4</b> |  |
| <b>5</b> Current value of plan's interest under this contract in separate accounts at year end .....   | <b>5</b> |  |

**6 Contracts With Allocated Funds:****a** State the basis of premium rates ▶

|                                                                                                                                                                                                                |           |  |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|--|
| <b>b</b> Premiums paid to carrier .....                                                                                                                                                                        | <b>6b</b> |  |
| <b>c</b> Premiums due but unpaid at the end of the year .....                                                                                                                                                  | <b>6c</b> |  |
| <b>d</b> 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. ....<br>Specify nature of costs ▶ | <b>6d</b> |  |

**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>b</b> Balance at the end of the previous year .....                                      | <b>7b</b>    | 3570406 |
| <b>c</b> Additions: (1) Contributions deposited during the year .....                       | <b>7c(1)</b> |         |
| (2) Dividends and credits .....                                                             | <b>7c(2)</b> |         |
| (3) Interest credited during the year .....                                                 | <b>7c(3)</b> | 154752  |
| (4) Transferred from separate account .....                                                 | <b>7c(4)</b> |         |
| (5) Other (specify below) .....                                                             | <b>7c(5)</b> |         |
| ▶                                                                                           |              |         |
| (6) Total additions .....                                                                   | <b>7c(6)</b> | 154752  |
| <b>d</b> Total of balance and additions (add <b>b</b> and <b>c(6)</b> ) .....               | <b>7d</b>    | 3725158 |
| <b>e</b> Deductions:                                                                        |              |         |
| (1) Disbursed from fund to pay benefits or purchase annuities during year .....             | <b>7e(1)</b> |         |
| (2) Administration charge made by carrier .....                                             | <b>7e(2)</b> |         |
| (3) Transferred to separate account .....                                                   | <b>7e(3)</b> |         |
| (4) Other (specify below) .....                                                             | <b>7e(4)</b> | 1255724 |
| ▶ RETURN TO CONTRACT HOLDER                                                                 |              |         |
| (5) Total deductions .....                                                                  | <b>7e(5)</b> | 1255724 |
| <b>f</b> Balance at the end of the current year (subtract <b>e(5)</b> from <b>d</b> ) ..... | <b>7f</b>    | 2469434 |

**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:

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

**10** Nonexperience-rated contracts:

|                                                                                                                                                                                                                                 |            |  |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|--|
| <b>a</b> Total premiums or subscription charges paid to carrier.....                                                                                                                                                            | <b>10a</b> |  |
| <b>b</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. .... | <b>10b</b> |  |

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. ▶

|                                                                                                                                                                                                                           |                                                                                                                                                                                                                        |                                                |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------|
| <b>SCHEDULE C</b><br><b>(Form 5500)</b><br><br>Department of the Treasury<br>Internal Revenue Service<br><br>Department of Labor<br>Employee Benefits Security Administration<br><br>Pension Benefit Guaranty Corporation | <b>Service Provider Information</b><br><br>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).<br><br>▶ <b>File as an attachment to Form 5500.</b> | OMB No. 1210-0110                              |
|                                                                                                                                                                                                                           |                                                                                                                                                                                                                        | <b>2011</b>                                    |
|                                                                                                                                                                                                                           |                                                                                                                                                                                                                        | <b>This Form is Open to Public Inspection.</b> |

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

|                                                                             |                                                             |     |
|-----------------------------------------------------------------------------|-------------------------------------------------------------|-----|
| <b>A</b> Name of plan<br>EXELIS SALARIED INVESTMENT AND SAVINGS PLAN        | <b>B</b> Three-digit plan number (PN) ▶                     | 100 |
|                                                                             |                                                             |     |
| <b>C</b> Plan sponsor's name as shown on line 2a of Form 5500<br>EXELIS INC | <b>D</b> Employer Identification Number (EIN)<br>45-2083813 |     |

**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  
CAPITAL RESEARCH AND MANAGEMENT CO.

95-1411037

**(b)** Enter name and EIN or address of person who provided you disclosure on eligible indirect compensation  
EATON VANCE MANAGEMENT

04-3101341

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

44-0640487

**(b)** Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation  
KORNITZER CAPITAL MANAGEMENT, INC.

48-1069845

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

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JENNISON ASSOCIATES LLC

52-2069785

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

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COLUMBUS CIRLE INVESTORS

06-1404803

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**(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

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**(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

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**(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

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

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

J.P. MORGAN INVESTMENT MGNT., INC.

13-3200244

| (b)<br>Service Code(s) | (c)<br>Relationship to employer, employee organization, or person known to be a party-in-interest | (d)<br>Enter direct compensation paid by the plan. If none, enter -0-. | (e)<br>Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | (f)<br>Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | (g)<br>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)<br>Did the service provider give you a formula instead of an amount or estimated amount? |
|------------------------|---------------------------------------------------------------------------------------------------|------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------|
| 27 28 52 68            | NONE                                                                                              | 772749                                                                 | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>                                  | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>                                                            | 0                                                                                                                                                                               | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>                          |

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

DEUTSCHE BANK TRUST CO. AMERICAS

13-4941247

| (b)<br>Service Code(s) | (c)<br>Relationship to employer, employee organization, or person known to be a party-in-interest | (d)<br>Enter direct compensation paid by the plan. If none, enter -0-. | (e)<br>Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | (f)<br>Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | (g)<br>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)<br>Did the service provider give you a formula instead of an amount or estimated amount? |
|------------------------|---------------------------------------------------------------------------------------------------|------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------|
| 27 28                  | NONE                                                                                              | 595396                                                                 | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>                                  | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>                                                            | 0                                                                                                                                                                               | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>                          |

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

T. ROWE PRICE ASSOCIATES, INC.

52-0556948

| (b)<br>Service Code(s) | (c)<br>Relationship to employer, employee organization, or person known to be a party-in-interest | (d)<br>Enter direct compensation paid by the plan. If none, enter -0-. | (e)<br>Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | (f)<br>Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | (g)<br>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)<br>Did the service provider give you a formula instead of an amount or estimated amount? |
|------------------------|---------------------------------------------------------------------------------------------------|------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------|
| 28 50 51 68            | NONE                                                                                              | 421923                                                                 | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>                                  | Yes <input type="checkbox"/> No <input type="checkbox"/>                                                                       |                                                                                                                                                                                 | Yes <input type="checkbox"/> No <input type="checkbox"/>                                     |

**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)

GLOBAL CURRENTS INVESTMENT MGT.

26-1482415

| (b)<br>Service Code(s) | (c)<br>Relationship to employer, employee organization, or person known to be a party-in-interest | (d)<br>Enter direct compensation paid by the plan. If none, enter -0-. | (e)<br>Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | (f)<br>Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | (g)<br>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)<br>Did the service provider give you a formula instead of an amount or estimated amount? |
|------------------------|---------------------------------------------------------------------------------------------------|------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------|
| 28 51                  | NONE                                                                                              | 105239                                                                 | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>                                  | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>                                                            | 0                                                                                                                                                                               | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>                          |

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

CHARLES SCHWAB & CO., INC.

94-1737782

| (b)<br>Service Code(s) | (c)<br>Relationship to employer, employee organization, or person known to be a party-in-interest | (d)<br>Enter direct compensation paid by the plan. If none, enter -0-. | (e)<br>Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | (f)<br>Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | (g)<br>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)<br>Did the service provider give you a formula instead of an amount or estimated amount? |
|------------------------|---------------------------------------------------------------------------------------------------|------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------|
| 71                     | NONE                                                                                              | 0                                                                      | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>                                  | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>                                                            | 0                                                                                                                                                                               | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>                          |

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

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

**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<br>(see instructions) | (c) Enter amount of indirect<br>compensation |
|---------------------------------------------------------|-----------------------------------------|----------------------------------------------|
| CHARLES SCHWAB & CO., INC.                              | 59                                      | 0                                            |

| (d) Enter name and EIN (address) of source of indirect compensation | (e) Describe the indirect compensation, including any<br>formula used to determine the service provider's eligibility<br>for or the amount of the indirect compensation. |
|---------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| ALLIANZ FUNDS<br><br>33-0457728                                     | RANGE OF 0.01% - 0.36% OF AVERAGE DAILY BALANCE<br>OF ASSETS                                                                                                             |

| (a) Enter service provider name as it appears on line 2 | (b) Service Codes<br>(see instructions) | (c) Enter amount of indirect<br>compensation |
|---------------------------------------------------------|-----------------------------------------|----------------------------------------------|
| CHARLES SCHWAB & CO., INC.                              | 59                                      | 0                                            |

| (d) Enter name and EIN (address) of source of indirect compensation | (e) Describe the indirect compensation, including any<br>formula used to determine the service provider's eligibility<br>for or the amount of the indirect compensation. |
|---------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| AKRE<br><br>54-1968332                                              | RATE OF 0.36% OF AVERAGE DAILY BALANCE OF ASSETS                                                                                                                         |

| (a) Enter service provider name as it appears on line 2 | (b) Service Codes<br>(see instructions) | (c) Enter amount of indirect<br>compensation |
|---------------------------------------------------------|-----------------------------------------|----------------------------------------------|
| CHARLES SCHWAB & CO., INC.                              | 59                                      | 0                                            |

| (d) Enter name and EIN (address) of source of indirect compensation | (e) Describe the indirect compensation, including any<br>formula used to determine the service provider's eligibility<br>for or the amount of the indirect compensation. |
|---------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| AMANA<br><br>35-6447892                                             | RATE OF 0.36% OF AVERAGE DAILY BALANCE OF<br>ASSETS                                                                                                                      |

**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<br>(see instructions) | (c) Enter amount of indirect compensation |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------|-------------------------------------------|
| CHARLES SCHWAB & CO., INC.                                                                                                                                                                                                               | 59                                      | 0                                         |
| <b>(d)</b> Enter name and EIN (address) of source of indirect compensation<br><br>AMERICAN BEACON<br><br>75-2401150                                                                                                                      |                                         |                                           |
| <b>(e)</b> Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.<br><br>RATE OF .36% OF AVERAGE DAILY BALANCE OF ASSETS         |                                         |                                           |
| CHARLES SCHWAB & CO., INC.                                                                                                                                                                                                               | 59                                      | 0                                         |
| <b>(d)</b> Enter name and EIN (address) of source of indirect compensation<br><br>AMERICAN CENTURY INVESTMENTS<br><br>44-6006315                                                                                                         |                                         |                                           |
| <b>(e)</b> Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.<br><br>RANGE OF .22% - .32% OF AVERAGE DAILY BALANCE OF ASSETS |                                         |                                           |
| CHARLES SCHWAB & CO., INC.                                                                                                                                                                                                               | 59                                      | 0                                         |
| <b>(d)</b> Enter name and EIN (address) of source of indirect compensation<br><br>AMERICAN FUNDS<br><br>95-1411037                                                                                                                       |                                         |                                           |
| <b>(e)</b> Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.<br><br>.32% OF AVERAGE DAILY BALANCE OF ASSETS                 |                                         |                                           |

**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<br>(see instructions) | (c) Enter amount of indirect compensation |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------|-------------------------------------------|
| CHARLES SCHWAB & CO., INC.                                                                                                                                                                                                      | 59                                      | 0                                         |
| <p><b>(d)</b> Enter name and EIN (address) of source of indirect compensation</p> <p>ARTISAN</p> <p>39-1811840</p>                                                                                                              |                                         |                                           |
| <p><b>(e)</b> Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.</p> <p>.36% AVERAGE DAILY BALANCE OF ASSETS</p>    |                                         |                                           |
| CHARLES SCHWAB & CO., INC.                                                                                                                                                                                                      | 59                                      | 0                                         |
| <p><b>(d)</b> Enter name and EIN (address) of source of indirect compensation</p> <p>BARON CAPITAL GROUP</p> <p>13-3122938</p>                                                                                                  |                                         |                                           |
| <p><b>(e)</b> Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.</p> <p>.36% OF AVERAGE DAILY BALANCE OF ASSETS</p> |                                         |                                           |
| CHARLES SCHWAB & CO., INC.                                                                                                                                                                                                      | 59                                      | 0                                         |
| <p><b>(d)</b> Enter name and EIN (address) of source of indirect compensation</p> <p>COHEN &amp; STEERS</p> <p>14-1904657</p>                                                                                                   |                                         |                                           |
| <p><b>(e)</b> Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.</p> <p>.36% OF AVERAGE DAILY BALANCE OF ASSETS</p> |                                         |                                           |

**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<br>(see instructions)                                                                                                                            | (c) Enter amount of indirect compensation |
|---------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------|
| CHARLES SCHWAB & CO., INC.                                          | 59                                                                                                                                                                 | 0                                         |
|                                                                     |                                                                                                                                                                    |                                           |
| (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. |                                           |
| COLUMBIA<br><br>93-0577450                                          | .36% OF AVERAGE DAILY BALANCE OF ASSETS                                                                                                                            |                                           |
|                                                                     |                                                                                                                                                                    |                                           |
| (a) Enter service provider name as it appears on line 2             | (b) Service Codes<br>(see instructions)                                                                                                                            | (c) Enter amount of indirect compensation |
| CHARLES SCHWAB & CO., INC.                                          | 59                                                                                                                                                                 | 0                                         |
|                                                                     |                                                                                                                                                                    |                                           |
| (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. |                                           |
| CROFT<br><br>52-1603329                                             | .36% OF AVERAGE DAILY BALANCE OF ASSETS                                                                                                                            |                                           |
|                                                                     |                                                                                                                                                                    |                                           |
| (a) Enter service provider name as it appears on line 2             | (b) Service Codes<br>(see instructions)                                                                                                                            | (c) Enter amount of indirect compensation |
| CHARLES SCHWAB & CO., INC.                                          | 59                                                                                                                                                                 | 0                                         |
|                                                                     |                                                                                                                                                                    |                                           |
| (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. |                                           |
| DIREXION FUNDS<br><br>13-4143904                                    | .36% OF AVERAGE DAILY BALANCE OF ASSETS                                                                                                                            |                                           |
|                                                                     |                                                                                                                                                                    |                                           |

**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<br>(see instructions) | (c) Enter amount of indirect compensation |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------|-------------------------------------------|
| CHARLES SCHWAB & CO., INC.                                                                                                                                                                                                             | 59                                      | 0                                         |
| <b>(d)</b> Enter name and EIN (address) of source of indirect compensation<br><br>EATON VANCE<br><br>04-2718215                                                                                                                        |                                         |                                           |
| <b>(e)</b> Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.<br><br>.23% OF AVERAGE DAILY BALANCE OF ASSETS               |                                         |                                           |
| CHARLES SCHWAB & CO., INC.                                                                                                                                                                                                             | 59                                      | 0                                         |
| <b>(d)</b> Enter name and EIN (address) of source of indirect compensation<br><br>FEDERATED<br><br>25-1111467                                                                                                                          |                                         |                                           |
| <b>(e)</b> Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.<br><br>RANGE OF .23%-.27% OF AVERAGE DAILY BALANCE OF ASSETS |                                         |                                           |
| CHARLES SCHWAB & CO., INC.                                                                                                                                                                                                             | 59                                      | 0                                         |
| <b>(d)</b> Enter name and EIN (address) of source of indirect compensation<br><br>FIRST EAGLE<br><br>13-3392291                                                                                                                        |                                         |                                           |
| <b>(e)</b> Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.<br><br>.36% OF AVERAGE DAILY BALANCE OF ASSETS               |                                         |                                           |

**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<br>(see instructions)                                                                                                                                                                                                | (c) Enter amount of indirect compensation |
|----------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------|
| CHARLES SCHWAB & CO., INC.                                                 | 59                                                                                                                                                                                                                                     | 0                                         |
| <b>(d)</b> Enter name and EIN (address) of source of indirect compensation |                                                                                                                                                                                                                                        |                                           |
| FMI FUNDS<br><br>39-1861095                                                | <b>(e)</b> Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.<br><br>RANGE OF .36%-.41% OF AVERAGE DAILY BALANCE OF ASSETS |                                           |
| <b>(a)</b> Enter service provider name as it appears on line 2             |                                                                                                                                                                                                                                        |                                           |
| CHARLES SCHWAB & CO., INC.                                                 | 59                                                                                                                                                                                                                                     | 0                                         |
| <b>(d)</b> Enter name and EIN (address) of source of indirect compensation |                                                                                                                                                                                                                                        |                                           |
| GABELLI<br><br>13-3340139                                                  | <b>(e)</b> Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.<br><br>RANGE OF .32%-.36% OF AVERAGE DAILY BALANCE OF ASSETS |                                           |
| <b>(a)</b> Enter service provider name as it appears on line 2             |                                                                                                                                                                                                                                        |                                           |
| CHARLES SCHWAB & CO., INC.                                                 | 59                                                                                                                                                                                                                                     | 0                                         |
| <b>(d)</b> Enter name and EIN (address) of source of indirect compensation |                                                                                                                                                                                                                                        |                                           |
| GUINNESS ATKINSON<br><br>98-0534338                                        | <b>(e)</b> Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.<br><br>.36% OF AVERAGE DAILY BALANCE OF ASSETS               |                                           |

**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<br>(see instructions)                                                                                                                            | (c) Enter amount of indirect compensation |
|---------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------|
| CHARLES SCHWAB & CO., INC.                                          | 59                                                                                                                                                                 | 0                                         |
|                                                                     |                                                                                                                                                                    |                                           |
| (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. |                                           |
| HARBOR<br><br>04-2679462                                            | .39% OF AVERAGE DAILY BALANCE OF ASSETS                                                                                                                            |                                           |
|                                                                     |                                                                                                                                                                    |                                           |
| (a) Enter service provider name as it appears on line 2             | (b) Service Codes<br>(see instructions)                                                                                                                            | (c) Enter amount of indirect compensation |
| CHARLES SCHWAB & CO., INC.                                          | 59                                                                                                                                                                 | 0                                         |
|                                                                     |                                                                                                                                                                    |                                           |
| (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. |                                           |
| ICON FUNDS<br><br>75-2676133                                        | .36% OF AVERAGE DAILY BALANCE OF ASSETS                                                                                                                            |                                           |
|                                                                     |                                                                                                                                                                    |                                           |
| (a) Enter service provider name as it appears on line 2             | (b) Service Codes<br>(see instructions)                                                                                                                            | (c) Enter amount of indirect compensation |
| CHARLES SCHWAB & CO., INC.                                          | 59                                                                                                                                                                 | 0                                         |
|                                                                     |                                                                                                                                                                    |                                           |
| (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. |                                           |
| IVY FUNDS<br><br>04-6006759                                         | .36% OF AVERAGE DAILY BALANCE OF ASSETS                                                                                                                            |                                           |
|                                                                     |                                                                                                                                                                    |                                           |

**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<br>(see instructions)                                                                                                                            | (c) Enter amount of indirect compensation |
|---------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------|
| CHARLES SCHWAB & CO., INC.                                          | 59                                                                                                                                                                 | 0                                         |
| (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. |                                           |
| JANUS<br><br>43-1804048                                             | .31% OF AVERAGE DAILY BALANCE OF ASSETS                                                                                                                            |                                           |
| (a) Enter service provider name as it appears on line 2             | (b) Service Codes<br>(see instructions)                                                                                                                            | (c) Enter amount of indirect compensation |
| CHARLES SCHWAB & CO., INC.                                          | 59                                                                                                                                                                 | 0                                         |
| (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. |                                           |
| JP MORGAN<br><br>13-2624428                                         | RANGE OF .22%-.46% OF AVERAGE DAILY BALANCE OF ASSETS                                                                                                              |                                           |
| (a) Enter service provider name as it appears on line 2             | (b) Service Codes<br>(see instructions)                                                                                                                            | (c) Enter amount of indirect compensation |
| CHARLES SCHWAB & CO., INC.                                          | 59                                                                                                                                                                 | 0                                         |
| (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. |                                           |
| KINETICS<br><br>13-3878346                                          | .36% OF AVERAGE DAILY BALANCE                                                                                                                                      |                                           |

**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<br>(see instructions) | (c) Enter amount of indirect compensation |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------|-------------------------------------------|
| CHARLES SCHWAB & CO., INC.                                                                                                                                                                                               | 59                                      | 0                                         |
| <b>(d)</b> Enter name and EIN (address) of source of indirect compensation<br><br>LAUDUS FUNDS<br><br>94-3106735                                                                                                         |                                         |                                           |
| <b>(e)</b> Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.<br><br>.23% OF AVERAGE DAILY BALANCE OF ASSETS |                                         |                                           |
| <b>(a)</b> Enter service provider name as it appears on line 2<br><br>CHARLES SCHWAB & CO., INC.                                                                                                                         |                                         |                                           |
| <b>(b)</b> Service Codes<br>(see instructions)<br><br>59                                                                                                                                                                 |                                         |                                           |
| <b>(c)</b> Enter amount of indirect compensation<br><br>0                                                                                                                                                                |                                         |                                           |
| <b>(d)</b> Enter name and EIN (address) of source of indirect compensation<br><br>LAZARD<br><br>20-4571006                                                                                                               |                                         |                                           |
| <b>(e)</b> Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.<br><br>.36% OF AVERAGE DAILY BALANCE OF ASSETS |                                         |                                           |
| <b>(a)</b> Enter service provider name as it appears on line 2<br><br>CHARLES SCHWAB & CO., INC.                                                                                                                         |                                         |                                           |
| <b>(b)</b> Service Codes<br>(see instructions)<br><br>59                                                                                                                                                                 |                                         |                                           |
| <b>(c)</b> Enter amount of indirect compensation<br><br>0                                                                                                                                                                |                                         |                                           |
| <b>(d)</b> Enter name and EIN (address) of source of indirect compensation<br><br>MANNING & NAPIER<br><br>16-0995736                                                                                                     |                                         |                                           |
| <b>(e)</b> Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.<br><br>.36% OF AVERAGE DAILY BALANCE OF ASSETS |                                         |                                           |

**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<br>(see instructions) | (c) Enter amount of indirect compensation |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------|-------------------------------------------|
| CHARLES SCHWAB & CO., INC.                                                                                                                                                                                                   | 59                                      | 0                                         |
| <b>(d)</b> Enter name and EIN (address) of source of indirect compensation<br><br>MARKETOCRACY FUNDS<br><br>77-0520626                                                                                                       |                                         |                                           |
| <b>(e)</b> Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.<br><br>.36% OF AVERAGE DAILY BALANCE OF ASSETS     |                                         |                                           |
| <b>(a)</b> Enter service provider name as it appears on line 2<br><br>CHARLES SCHWAB & CO., INC.                                                                                                                             |                                         |                                           |
| <b>(b)</b> Service Codes<br>(see instructions)<br><br>59                                                                                                                                                                     |                                         |                                           |
| <b>(c)</b> Enter amount of indirect compensation<br><br>0                                                                                                                                                                    |                                         |                                           |
| <b>(d)</b> Enter name and EIN (address) of source of indirect compensation<br><br>MATTHEWS ASIA FUNDS<br><br>94-3250972                                                                                                      |                                         |                                           |
| <b>(e)</b> Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.<br><br>RANGE OF .32%-.36% OF AVERAGE DAILY BALANCE |                                         |                                           |
| <b>(a)</b> Enter service provider name as it appears on line 2<br><br>CHARLES SCHWAB & CO., INC.                                                                                                                             |                                         |                                           |
| <b>(b)</b> Service Codes<br>(see instructions)<br><br>59                                                                                                                                                                     |                                         |                                           |
| <b>(c)</b> Enter amount of indirect compensation<br><br>0                                                                                                                                                                    |                                         |                                           |
| <b>(d)</b> Enter name and EIN (address) of source of indirect compensation<br><br>MANAGERS FUNDS<br><br>06-1298481                                                                                                           |                                         |                                           |
| <b>(e)</b> Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.<br><br>.36% OF AVERAGE DAILY BALANCE OF ASSETS     |                                         |                                           |

**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<br>(see instructions) | (c) Enter amount of indirect compensation |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------|-------------------------------------------|
| CHARLES SCHWAB & CO., INC.                                                                                                                                                                                               | 59                                      | 0                                         |
| <b>(d)</b> Enter name and EIN (address) of source of indirect compensation<br><br>METROPOLITAN WEST FUNDS<br><br>95-4597302                                                                                              |                                         |                                           |
| <b>(e)</b> Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.<br><br>.32% OF AVERAGE DAILY BALANCE OF ASSETS |                                         |                                           |
| <b>(a)</b> Enter service provider name as it appears on line 2<br><br>CHARLES SCHWAB & CO., INC.                                                                                                                         |                                         |                                           |
| <b>(b)</b> Service Codes<br>(see instructions)<br><br>59                                                                                                                                                                 |                                         |                                           |
| <b>(c)</b> Enter amount of indirect compensation<br><br>0                                                                                                                                                                |                                         |                                           |
| <b>(d)</b> Enter name and EIN (address) of source of indirect compensation<br><br>NATIXIS FUNDS<br><br>04-3200027                                                                                                        |                                         |                                           |
| <b>(e)</b> Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.<br><br>.32% OF AVERAGE DAILY BALANCE OF ASSETS |                                         |                                           |
| <b>(a)</b> Enter service provider name as it appears on line 2<br><br>CHARLES SCHWAB & CO., INC.                                                                                                                         |                                         |                                           |
| <b>(b)</b> Service Codes<br>(see instructions)<br><br>59                                                                                                                                                                 |                                         |                                           |
| <b>(c)</b> Enter amount of indirect compensation<br><br>0                                                                                                                                                                |                                         |                                           |
| <b>(d)</b> Enter name and EIN (address) of source of indirect compensation<br><br>NORTH COAST<br><br>20-0902295                                                                                                          |                                         |                                           |
| <b>(e)</b> Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.<br><br>.46% OF AVERAGE DAILY BALANCE OF ASSETS |                                         |                                           |

**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<br>(see instructions)                                                                                                                            | (c) Enter amount of indirect compensation |
|---------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------|
| CHARLES SCHWAB & CO., INC.                                          | 59                                                                                                                                                                 | 0                                         |
| (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. |                                           |
| OAKMARK<br><br>04-3276558                                           | .32% OF AVERAGE DAILY BALANCE OF ASSETS                                                                                                                            |                                           |
| (a) Enter service provider name as it appears on line 2             | (b) Service Codes<br>(see instructions)                                                                                                                            | (c) Enter amount of indirect compensation |
| CHARLES SCHWAB & CO., INC.                                          | 59                                                                                                                                                                 | 0                                         |
| (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. |                                           |
| PARNASSUS<br><br>94-6579180                                         | .36% OF AVERAGE DAILY BALANCE OF ASSETS                                                                                                                            |                                           |
| (a) Enter service provider name as it appears on line 2             | (b) Service Codes<br>(see instructions)                                                                                                                            | (c) Enter amount of indirect compensation |
| CHARLES SCHWAB & CO., INC.                                          | 59                                                                                                                                                                 | 0                                         |
| (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. |                                           |
| NIEMAN FUNDS<br><br>56-2328324                                      | .36% OF AVERAGE DAILY BALANCE OF ASSETS                                                                                                                            |                                           |

**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<br>(see instructions)                                                                                                                            | (c) Enter amount of indirect compensation |
|---------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------|
| CHARLES SCHWAB & CO., INC.                                          | 59                                                                                                                                                                 | 0                                         |
| (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. |                                           |
| PERMANENT PORTFOLIO                                                 | .36% OF AVERAGE DAILY BALANCE OF ASSETS                                                                                                                            |                                           |
| 94-2788165                                                          |                                                                                                                                                                    |                                           |
| (a) Enter service provider name as it appears on line 2             | (b) Service Codes<br>(see instructions)                                                                                                                            | (c) Enter amount of indirect compensation |
| CHARLES SCHWAB & CO., INC.                                          | 59                                                                                                                                                                 | 0                                         |
| (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. |                                           |
| QUANTITATIVE                                                        | .36% OF AVERAGE DAILY BALANCE OF ASSETS                                                                                                                            |                                           |
| 04-2789623                                                          |                                                                                                                                                                    |                                           |
| (a) Enter service provider name as it appears on line 2             | (b) Service Codes<br>(see instructions)                                                                                                                            | (c) Enter amount of indirect compensation |
| CHARLES SCHWAB & CO., INC.                                          | 59                                                                                                                                                                 | 0                                         |
| (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. |                                           |
| ROYCE                                                               | .41% OF AVERAGE DAILY BALANCE OF ASSETS                                                                                                                            |                                           |
| 52-2343049                                                          |                                                                                                                                                                    |                                           |

**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<br>(see instructions) | (c) Enter amount of indirect compensation |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------|-------------------------------------------|
| CHARLES SCHWAB & CO., INC.                                                                                                                                                                                                             | 59                                      | 0                                         |
| <b>(d)</b> Enter name and EIN (address) of source of indirect compensation<br><br>SCHWAB FUNDS<br><br>94-3106735                                                                                                                       |                                         |                                           |
| <b>(e)</b> Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.<br><br>RANGE OF .02%-.23% OF AVERAGE DAILY BALANCE OF ASSETS |                                         |                                           |
| <b>(a)</b> Enter service provider name as it appears on line 2<br><br>CHARLES SCHWAB & CO., INC.                                                                                                                                       |                                         |                                           |
| <b>(b)</b> Service Codes<br>(see instructions)<br><br>59                                                                                                                                                                               |                                         |                                           |
| <b>(c)</b> Enter amount of indirect compensation<br><br>0                                                                                                                                                                              |                                         |                                           |
| <b>(d)</b> Enter name and EIN (address) of source of indirect compensation<br><br>SCOUT<br><br>43-1270132                                                                                                                              |                                         |                                           |
| <b>(e)</b> Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.<br><br>.36% OF AVERAGE DAILY BALANCE OF ASSETS               |                                         |                                           |
| <b>(a)</b> Enter service provider name as it appears on line 2<br><br>CHARLES SCHWAB & CO., INC.                                                                                                                                       |                                         |                                           |
| <b>(b)</b> Service Codes<br>(see instructions)<br><br>59                                                                                                                                                                               |                                         |                                           |
| <b>(c)</b> Enter amount of indirect compensation<br><br>0                                                                                                                                                                              |                                         |                                           |
| <b>(d)</b> Enter name and EIN (address) of source of indirect compensation<br><br>SELECTED FUNDS<br><br>85-0360310                                                                                                                     |                                         |                                           |
| <b>(e)</b> Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.<br><br>.36% OF AVERAGE DAILY BALANCE OF ASSETS               |                                         |                                           |

**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<br>(see instructions)                                                                                                                            | (c) Enter amount of indirect compensation |
|---------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------|
| CHARLES SCHWAB & CO., INC.                                          | 59                                                                                                                                                                 | 0                                         |
| (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. |                                           |
| T. ROWE PRICE<br><br>52-2264646                                     | .01% OF AVERAGE DAILY BALANCE OF ASSETS                                                                                                                            |                                           |
| (a) Enter service provider name as it appears on line 2             | (b) Service Codes<br>(see instructions)                                                                                                                            | (c) Enter amount of indirect compensation |
| CHARLES SCHWAB & CO., INC.                                          | 59                                                                                                                                                                 | 0                                         |
| (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. |                                           |
| TCW<br><br>95-2749628                                               | .36% OF AVERAGE DAILY BALANCE OF ASSETS                                                                                                                            |                                           |
| (a) Enter service provider name as it appears on line 2             | (b) Service Codes<br>(see instructions)                                                                                                                            | (c) Enter amount of indirect compensation |
| CHARLES SCHWAB & CO., INC.                                          | 59                                                                                                                                                                 | 0                                         |
| (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. |                                           |
| THIRD AVENUE<br><br>01-0690900                                      | RANGE OF .36%-.46% OF AVERAGE DAILY BALANCE OF ASSETS                                                                                                              |                                           |

**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<br>(see instructions)                                                                                                                            | (c) Enter amount of indirect compensation |
|---------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------|
| CHARLES SCHWAB & CO., INC.                                          | 59                                                                                                                                                                 | 0                                         |
| (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. |                                           |
| TOCQUEVILLE<br><br>13-3549887                                       | .36% OF AVERAGE DAILY BALANCE OF ASSETS                                                                                                                            |                                           |
| (a) Enter service provider name as it appears on line 2             | (b) Service Codes<br>(see instructions)                                                                                                                            | (c) Enter amount of indirect compensation |
| CHARLES SCHWAB & CO., INC.                                          | 59                                                                                                                                                                 | 0                                         |
| (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. |                                           |
| U.S. GLOBAL INVESTORS<br><br>74-1619375                             | .36% OF AVERAGE DAILY BALANCE OF ASSETS                                                                                                                            |                                           |
| (a) Enter service provider name as it appears on line 2             | (b) Service Codes<br>(see instructions)                                                                                                                            | (c) Enter amount of indirect compensation |
| CHARLES SCHWAB & CO., INC.                                          | 59                                                                                                                                                                 | 0                                         |
| (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. |                                           |
| WASATCH<br><br>87-0319391                                           | .36% OF AVERAGE DAILY BALANCE OF ASSETS                                                                                                                            |                                           |

**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<br>(see instructions) | (c) Enter amount of indirect compensation |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------|-------------------------------------------|
| CHARLES SCHWAB & CO., INC.                                                                                                                                                                                               | 59                                      | 0                                         |
| <b>(d)</b> Enter name and EIN (address) of source of indirect compensation<br><br>WELLS FARGO ADVANTAGE<br><br>41-0449260                                                                                                |                                         |                                           |
| <b>(e)</b> Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.<br><br>.36% OF AVERAGE DAILY BALANCE OF ASSETS |                                         |                                           |
| <b>(a)</b> Enter service provider name as it appears on line 2<br><br>CHARLES SCHWAB & CO., INC.                                                                                                                         |                                         |                                           |
| <b>(b)</b> Service Codes<br>(see instructions)<br><br>59                                                                                                                                                                 |                                         |                                           |
| <b>(c)</b> Enter amount of indirect compensation<br><br>0                                                                                                                                                                |                                         |                                           |
| <b>(d)</b> Enter name and EIN (address) of source of indirect compensation<br><br>WESTCORE<br><br>84-1284659                                                                                                             |                                         |                                           |
| <b>(e)</b> Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.<br><br>.27% OF AVERAGE DAILY BALANCE OF ASSETS |                                         |                                           |
| <b>(a)</b> Enter service provider name as it appears on line 2<br><br>CHARLES SCHWAB & CO., INC.                                                                                                                         |                                         |                                           |
| <b>(b)</b> Service Codes<br>(see instructions)<br><br>59                                                                                                                                                                 |                                         |                                           |
| <b>(c)</b> Enter amount of indirect compensation<br><br>0                                                                                                                                                                |                                         |                                           |
| <b>(d)</b> Enter name and EIN (address) of source of indirect compensation<br><br>WILLIAM BLAIR<br><br>36-2214610                                                                                                        |                                         |                                           |
| <b>(e)</b> Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.<br><br>.36% OF AVERAGE DAILY BALANCE OF ASSETS |                                         |                                           |

**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<br>(see instructions)                                                                                                                            | (c) Enter amount of indirect compensation |
|-----------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------|
| CHARLES SCHWAB & CO., INC.                                                  | 59                                                                                                                                                                 | 0                                         |
| (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. |                                           |
| YACKTMAN<br><br>36-3831621                                                  | .36% OF AVERAGE DAILY BALANCE OF ASSETS                                                                                                                            |                                           |
| (a) Enter service provider name as it appears on line 2                     | (b) Service Codes<br>(see instructions)                                                                                                                            | (c) Enter amount of indirect compensation |
| CHARLES SCHWAB & CO., INC.                                                  | 59                                                                                                                                                                 | 0                                         |
| (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. |                                           |
| VAN ECK<br><br>13-3210061                                                   | .36% OF AVERAGE DAILY BALANCE OF ASSETS                                                                                                                            |                                           |
| (a) Enter service provider name as it appears on line 2                     | (b) Service Codes<br>(see instructions)                                                                                                                            | (c) Enter amount of indirect compensation |
| CHARLES SCHWAB & CO., INC.                                                  | 59                                                                                                                                                                 | 0                                         |
| (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. |                                           |
| DOUBLELINE<br>333 SOUTH GRAND AVENUE<br>18TH FLOOR<br>LOS ANGELES, CA 90071 | .33% OF AVERAGE DAILY BALANCE OF ASSETS                                                                                                                            |                                           |

**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<br>(see instructions)                                                                                                                            | (c) Enter amount of indirect compensation |
|---------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------|
| CHARLES SCHWAB & CO., INC.                                          | 59                                                                                                                                                                 | 0                                         |
| (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. |                                           |
| DREYFUS<br><br>13-5673135                                           | .32% OF AVERAGE DAILY BALANCE OF ASSETS                                                                                                                            |                                           |
| (a) Enter service provider name as it appears on line 2             | (b) Service Codes<br>(see instructions)                                                                                                                            | (c) Enter amount of indirect compensation |
| CHARLES SCHWAB & CO., INC.                                          | 59                                                                                                                                                                 | 0                                         |
| (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. |                                           |
| DUNDEEWEALTH FUNDS<br><br>20-5021766                                | .36% OF AVERAGE DAILY BALANCE OF ASSETS                                                                                                                            |                                           |
| (a) Enter service provider name as it appears on line 2             | (b) Service Codes<br>(see instructions)                                                                                                                            | (c) Enter amount of indirect compensation |
| CHARLES SCHWAB & CO., INC.                                          | 59                                                                                                                                                                 | 0                                         |
| (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. |                                           |
| FEDERATED<br><br>25-1111467                                         | RANGE OF .23%-.27% OF AVERAGE DAILY BALANCE OF ASSETS                                                                                                              |                                           |

**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<br>(see instructions)                                                                                                                            | (c) Enter amount of indirect compensation |
|---------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------|
| CHARLES SCHWAB & CO., INC.                                          | 59                                                                                                                                                                 | 0                                         |
| (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. |                                           |
| FIDELITY INVESTMENTS                                                | .14% OF AVERAGE DAILY BALANCE OF ASSETS                                                                                                                            |                                           |
| 06-1194217                                                          |                                                                                                                                                                    |                                           |
| (a) Enter service provider name as it appears on line 2             | (b) Service Codes<br>(see instructions)                                                                                                                            | (c) Enter amount of indirect compensation |
| CHARLES SCHWAB & CO., INC.                                          | 59                                                                                                                                                                 | 0                                         |
| (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. |                                           |
| FPA                                                                 | .05% OF AVERAGE DAILY BALANCE OF ASSETS                                                                                                                            |                                           |
| 04-3118452                                                          |                                                                                                                                                                    |                                           |
| (a) Enter service provider name as it appears on line 2             | (b) Service Codes<br>(see instructions)                                                                                                                            | (c) Enter amount of indirect compensation |
| CHARLES SCHWAB & CO., INC.                                          | 59                                                                                                                                                                 | 0                                         |
| (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. |                                           |
| GE ASSET MANAGEMENT                                                 | .36% OF AVERAGE DAILY BALANCE OF ASSETS                                                                                                                            |                                           |
| 06-1238874                                                          |                                                                                                                                                                    |                                           |

**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<br>(see instructions)                                                                                                                            | (c) Enter amount of indirect compensation |
|---------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------|
| CHARLES SCHWAB & CO., INC.                                          | 59                                                                                                                                                                 | 0                                         |
| (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. |                                           |
| RYDEXSGI<br><br>48-0409770                                          | .36% OF AVERAGE DAILY BALANCE                                                                                                                                      |                                           |
| (a) Enter service provider name as it appears on line 2             | (b) Service Codes<br>(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<br>(see instructions)                                                                                                                            | (c) Enter amount of indirect compensation |
|                                                                     |                                                                                                                                                                    |                                           |
| (d) Enter name and EIN (address) of source of indirect compensation | (e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. |                                           |
|                                                                     |                                                                                                                                                                    |                                           |

**Part II Service Providers Who Fail or Refuse to Provide Information**

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

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

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

|                    |                     |
|--------------------|---------------------|
| <b>a</b> Name:     | <b>b</b> EIN:       |
| <b>c</b> Position: |                     |
| <b>d</b> Address:  | <b>e</b> Telephone: |
|                    |                     |

Explanation:

|                    |                     |
|--------------------|---------------------|
| <b>a</b> Name:     | <b>b</b> EIN:       |
| <b>c</b> Position: |                     |
| <b>d</b> Address:  | <b>e</b> Telephone: |
|                    |                     |

Explanation:

|                    |                     |
|--------------------|---------------------|
| <b>a</b> Name:     | <b>b</b> EIN:       |
| <b>c</b> Position: |                     |
| <b>d</b> Address:  | <b>e</b> Telephone: |
|                    |                     |

Explanation:

|                    |                     |
|--------------------|---------------------|
| <b>a</b> Name:     | <b>b</b> EIN:       |
| <b>c</b> Position: |                     |
| <b>d</b> Address:  | <b>e</b> Telephone: |
|                    |                     |

Explanation:

|                    |                     |
|--------------------|---------------------|
| <b>a</b> Name:     | <b>b</b> EIN:       |
| <b>c</b> Position: |                     |
| <b>d</b> Address:  | <b>e</b> Telephone: |
|                    |                     |

Explanation:

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

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

|                                                                                           |                                                                            |            |
|-------------------------------------------------------------------------------------------|----------------------------------------------------------------------------|------------|
| <b>A</b> Name of plan<br><u>EXELIS SALARIED INVESTMENT AND SAVINGS PLAN</u>               | <b>B</b> Three-digit plan number (PN) <span style="float: right;">►</span> | <u>100</u> |
|                                                                                           |                                                                            |            |
| <b>C</b> Plan or DFE sponsor's name as shown on line 2a of Form 5500<br><u>EXELIS INC</u> | <b>D</b> Employer Identification Number (EIN)<br><br><u>45-2083813</u>     |            |

|               |                                                                                                                                                                                  |
|---------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Part I</b> | <b>Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs)</b><br>(Complete as many entries as needed to report all interests in DFEs) |
|---------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

|                                                                                           |                               |                                                                                                                                                         |  |
|-------------------------------------------------------------------------------------------|-------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------|--|
| <b>a</b> Name of MTIA, CCT, PSA, or 103-12 IE: <u>INTECH INSTITUTIONAL LARGE CAP</u>      |                               |                                                                                                                                                         |  |
| <b>b</b> Name of sponsor of entity listed in (a): <u>SEI TRUST COMPANY</u>                |                               |                                                                                                                                                         |  |
| <b>c</b> EIN-PN <u>56-6593356-013</u>                                                     | <b>d</b> Entity code <u>C</u> | <b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <span style="float: right;"><u>30213227</u></span>  |  |
|                                                                                           |                               |                                                                                                                                                         |  |
| <b>a</b> Name of MTIA, CCT, PSA, or 103-12 IE: <u>JPMORGAN CHASE BANK US SMRT INDX FD</u> |                               |                                                                                                                                                         |  |
| <b>b</b> Name of sponsor of entity listed in (a): <u>JPMORGAN CHASE BANK</u>              |                               |                                                                                                                                                         |  |
| <b>c</b> EIN-PN <u>13-3637896-001</u>                                                     | <b>d</b> Entity code <u>C</u> | <b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <span style="float: right;"><u>100627793</u></span> |  |
|                                                                                           |                               |                                                                                                                                                         |  |
| <b>a</b> Name of MTIA, CCT, PSA, or 103-12 IE: <u>JPMORGAN CHASE BK SMART RET 2010</u>    |                               |                                                                                                                                                         |  |
| <b>b</b> Name of sponsor of entity listed in (a): <u>JPMORGAN CHASE BANK</u>              |                               |                                                                                                                                                         |  |
| <b>c</b> EIN-PN <u>20-3063261-001</u>                                                     | <b>d</b> Entity code <u>C</u> | <b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <span style="float: right;"><u>0</u></span>         |  |
|                                                                                           |                               |                                                                                                                                                         |  |
| <b>a</b> Name of MTIA, CCT, PSA, or 103-12 IE: <u>JPMORGAN CHASE BK SMART RET 2015</u>    |                               |                                                                                                                                                         |  |
| <b>b</b> Name of sponsor of entity listed in (a): <u>JPMORGAN CHASE BANK</u>              |                               |                                                                                                                                                         |  |
| <b>c</b> EIN-PN <u>20-3063321-001</u>                                                     | <b>d</b> Entity code <u>C</u> | <b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <span style="float: right;"><u>36143238</u></span>  |  |
|                                                                                           |                               |                                                                                                                                                         |  |
| <b>a</b> Name of MTIA, CCT, PSA, or 103-12 IE: <u>JPMORGAN CHASE BK SMART RET 2020</u>    |                               |                                                                                                                                                         |  |
| <b>b</b> Name of sponsor of entity listed in (a): <u>JPMORGAN CHASE BANK</u>              |                               |                                                                                                                                                         |  |
| <b>c</b> EIN-PN <u>20-3063359-001</u>                                                     | <b>d</b> Entity code <u>C</u> | <b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <span style="float: right;"><u>55315741</u></span>  |  |
|                                                                                           |                               |                                                                                                                                                         |  |
| <b>a</b> Name of MTIA, CCT, PSA, or 103-12 IE: <u>JPMORGAN CHASE BK SMART RET 2025</u>    |                               |                                                                                                                                                         |  |
| <b>b</b> Name of sponsor of entity listed in (a): <u>JPMORGAN CHASE BANK</u>              |                               |                                                                                                                                                         |  |
| <b>c</b> EIN-PN <u>20-5819098-001</u>                                                     | <b>d</b> Entity code <u>C</u> | <b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <span style="float: right;"><u>19489915</u></span>  |  |
|                                                                                           |                               |                                                                                                                                                         |  |
| <b>a</b> Name of MTIA, CCT, PSA, or 103-12 IE: <u>JPMORGAN CHASE BK SMART RET 2030</u>    |                               |                                                                                                                                                         |  |
| <b>b</b> Name of sponsor of entity listed in (a): <u>JPMORGAN CHASE BANK</u>              |                               |                                                                                                                                                         |  |
| <b>c</b> EIN-PN <u>20-3063387-001</u>                                                     | <b>d</b> Entity code <u>C</u> | <b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <span style="float: right;"><u>35770343</u></span>  |  |

|                                                                                        |                        |                                                                                                               |
|----------------------------------------------------------------------------------------|------------------------|---------------------------------------------------------------------------------------------------------------|
| <b>a</b> Name of MTIA, CCT, PSA, or 103-12 IE: JPMORGAN CHASE BK SMART RET 2035        |                        |                                                                                                               |
| <b>b</b> Name of sponsor of entity listed in (a): JPMORGAN CHASE BANK                  |                        |                                                                                                               |
| <b>c</b> EIN-PN 20-5819181-001                                                         | <b>d</b> Entity code C | <b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 11129621  |
| <b>a</b> Name of MTIA, CCT, PSA, or 103-12 IE: JPMORGAN CHASE BK SMART RET 2040        |                        |                                                                                                               |
| <b>b</b> Name of sponsor of entity listed in (a): JPMORGAN CHASE BANK                  |                        |                                                                                                               |
| <b>c</b> EIN-PN 20-3063440-001                                                         | <b>d</b> Entity code C | <b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 9879495   |
| <b>a</b> Name of MTIA, CCT, PSA, or 103-12 IE: JPMORGAN CHASE BK SMART RET 2045        |                        |                                                                                                               |
| <b>b</b> Name of sponsor of entity listed in (a): JPMORGAN CHASE BANK                  |                        |                                                                                                               |
| <b>c</b> EIN-PN 20-5819388-001                                                         | <b>d</b> Entity code C | <b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 6870335   |
| <b>a</b> Name of MTIA, CCT, PSA, or 103-12 IE: JPMORGAN CHASE BK SMART RET 2050        |                        |                                                                                                               |
| <b>b</b> Name of sponsor of entity listed in (a): JPMORGAN CHASE BANK                  |                        |                                                                                                               |
| <b>c</b> EIN-PN 20-5819476-001                                                         | <b>d</b> Entity code C | <b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 4642984   |
| <b>a</b> Name of MTIA, CCT, PSA, or 103-12 IE: JPMORGAN CHASE BK SMART RET INCOME      |                        |                                                                                                               |
| <b>b</b> Name of sponsor of entity listed in (a): JPMORGAN CHASE BANK                  |                        |                                                                                                               |
| <b>c</b> EIN-PN 20-3063490-001                                                         | <b>d</b> Entity code C | <b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 26861072  |
| <b>a</b> Name of MTIA, CCT, PSA, or 103-12 IE: JPMORGAN CHASE LONG TERM BOND FUND      |                        |                                                                                                               |
| <b>b</b> Name of sponsor of entity listed in (a): JPMORGAN CHASE BANK                  |                        |                                                                                                               |
| <b>c</b> EIN-PN 13-4027152-001                                                         | <b>d</b> Entity code C | <b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0         |
| <b>a</b> Name of MTIA, CCT, PSA, or 103-12 IE: STATE STREET GLOBAL ADVISORS FUND       |                        |                                                                                                               |
| <b>b</b> Name of sponsor of entity listed in (a): STATE STREET BANK                    |                        |                                                                                                               |
| <b>c</b> EIN-PN 04-6013494-000                                                         | <b>d</b> Entity code C | <b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 9830444   |
| <b>a</b> Name of MTIA, CCT, PSA, or 103-12 IE: PYRAMID SHORT MANAGED MATURING FUND     |                        |                                                                                                               |
| <b>b</b> Name of sponsor of entity listed in (a): DEUTSCHE BANK TRUST COMPANY AMERICAS |                        |                                                                                                               |
| <b>c</b> EIN-PN 13-6043638-078                                                         | <b>d</b> Entity code C | <b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 69930239  |
| <b>a</b> Name of MTIA, CCT, PSA, or 103-12 IE: PYRAMID INTER. MANAGED MATURING FD.     |                        |                                                                                                               |
| <b>b</b> Name of sponsor of entity listed in (a): DEUTSCHE BANK TRUST COMPANY AMERICAS |                        |                                                                                                               |
| <b>c</b> EIN-PN 13-6043638-080                                                         | <b>d</b> Entity code C | <b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 104973874 |
| <b>a</b> Name of MTIA, CCT, PSA, or 103-12 IE: PYRAMID ENHANCED INTER. FIXED INC.      |                        |                                                                                                               |
| <b>b</b> Name of sponsor of entity listed in (a): DEUTSCHE BANK TRUST COMPANY AMERICAS |                        |                                                                                                               |
| <b>c</b> EIN-PN 13-6043638-094                                                         | <b>d</b> Entity code C | <b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 353902925 |

**a** Name of MTIA, CCT, PSA, or 103-12 IE: JPMCB INTERNATIONAL BOND FUND**b** Name of sponsor of entity listed in (a): JPMORGAN CHASE BANK

|                                |                        |                                                                                                            |
|--------------------------------|------------------------|------------------------------------------------------------------------------------------------------------|
| <b>c</b> EIN-PN 13-3808611-001 | <b>d</b> Entity code C | <b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 877093 |
|--------------------------------|------------------------|------------------------------------------------------------------------------------------------------------|

**a** Name of MTIA, CCT, PSA, or 103-12 IE: JPMCB MORTGAGE PRIVATE PLACEMENT FD**b** Name of sponsor of entity listed in (a): JPMORGAN CHASE BANK

|                                |                        |                                                                                                             |
|--------------------------------|------------------------|-------------------------------------------------------------------------------------------------------------|
| <b>c</b> EIN-PN 13-6038769-001 | <b>d</b> Entity code C | <b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 8799567 |
|--------------------------------|------------------------|-------------------------------------------------------------------------------------------------------------|

**a** Name of MTIA, CCT, PSA, or 103-12 IE: JPMCB PUBLIC BONDS FUND**b** Name of sponsor of entity listed in (a): JPMORGAN CHASE BANK

|                                |                        |                                                                                                              |
|--------------------------------|------------------------|--------------------------------------------------------------------------------------------------------------|
| <b>c</b> EIN-PN 13-6038767-001 | <b>d</b> Entity code C | <b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 63784534 |
|--------------------------------|------------------------|--------------------------------------------------------------------------------------------------------------|

**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):

|                 |                      |                                                                                                     |
|-----------------|----------------------|-----------------------------------------------------------------------------------------------------|
| <b>c</b> EIN-PN | <b>d</b> Entity code | <b>e</b> 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):

|                 |                      |                                                                                                     |
|-----------------|----------------------|-----------------------------------------------------------------------------------------------------|
| <b>c</b> EIN-PN | <b>d</b> Entity code | <b>e</b> 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):

|                 |                      |                                                                                                     |
|-----------------|----------------------|-----------------------------------------------------------------------------------------------------|
| <b>c</b> EIN-PN | <b>d</b> Entity code | <b>e</b> 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):

|                 |                      |                                                                                                     |
|-----------------|----------------------|-----------------------------------------------------------------------------------------------------|
| <b>c</b> EIN-PN | <b>d</b> Entity code | <b>e</b> 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):

|                 |                      |                                                                                                     |
|-----------------|----------------------|-----------------------------------------------------------------------------------------------------|
| <b>c</b> EIN-PN | <b>d</b> Entity code | <b>e</b> 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):

|                 |                      |                                                                                                     |
|-----------------|----------------------|-----------------------------------------------------------------------------------------------------|
| <b>c</b> EIN-PN | <b>d</b> Entity code | <b>e</b> 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):

|                 |                      |                                                                                                     |
|-----------------|----------------------|-----------------------------------------------------------------------------------------------------|
| <b>c</b> EIN-PN | <b>d</b> Entity code | <b>e</b> 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  
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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

|                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                              |                                                                                           |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|
| <b>SCHEDULE H</b><br><b>(Form 5500)</b><br><br><small>Department of the Treasury<br/>Internal Revenue Service</small><br><br><small>Department of Labor<br/>Employee Benefits Security Administration</small><br><br><small>Pension Benefit Guaranty Corporation</small> | <b>Financial Information</b><br><br>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).<br><br><b>► File as an attachment to Form 5500.</b> | OMB No. 1210-0110<br><br><b>2011</b><br><br><b>This Form is Open to Public Inspection</b> |
| For calendar plan year 2011 or fiscal plan year beginning <u>01/01/2011</u> and ending <u>12/31/2011</u>                                                                                                                                                                 |                                                                                                                                                                                                                                                                              |                                                                                           |
| <b>A</b> Name of plan<br><u>EXELIS SALARIED INVESTMENT AND SAVINGS PLAN</u>                                                                                                                                                                                              | <b>B</b> Three-digit plan number (PN) <span style="float: right;">►</span>                                                                                                                                                                                                   | <u>100</u>                                                                                |
| <b>C</b> Plan sponsor's name as shown on line 2a of Form 5500<br><u>EXELIS INC</u>                                                                                                                                                                                       | <b>D</b> Employer Identification Number (EIN)<br><br><u>45-2083813</u>                                                                                                                                                                                                       |                                                                                           |

|          | Part I Asset and Liability Statement                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                 | (a) Beginning of Year | (b) End of Year |
|----------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|-----------------------|-----------------|
| <b>1</b> | 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. <b>Round off amounts to the nearest dollar.</b> 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. |                 |                       |                 |
|          | <b>Assets</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                 |                       |                 |
| <b>a</b> | Total noninterest-bearing cash .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | <b>1a</b>       | 163782                | 153             |
| <b>b</b> | Receivables (less allowance for doubtful accounts):                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                 |                       |                 |
|          | <b>(1)</b> Employer contributions .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | <b>1b(1)</b>    | 0                     | 48606           |
|          | <b>(2)</b> Participant contributions .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | <b>1b(2)</b>    | 0                     | 150695          |
|          | <b>(3)</b> Other.....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | <b>1b(3)</b>    | 3365470               | 3244376         |
| <b>c</b> | General investments:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                 |                       |                 |
|          | <b>(1)</b> Interest-bearing cash (include money market accounts & certificates of deposit) .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | <b>1c(1)</b>    | 46821096              | 51920079        |
|          | <b>(2)</b> U.S. Government securities.....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | <b>1c(2)</b>    | 27280242              | 19903838        |
|          | <b>(3)</b> Corporate debt instruments (other than employer securities):                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                 |                       |                 |
|          | <b>(A)</b> Preferred .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | <b>1c(3)(A)</b> |                       |                 |
|          | <b>(B)</b> All other.....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | <b>1c(3)(B)</b> | 18011821              | 18395102        |
|          | <b>(4)</b> Corporate stocks (other than employer securities):                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                 |                       |                 |
|          | <b>(A)</b> Preferred .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | <b>1c(4)(A)</b> | 0                     | 116371          |
|          | <b>(B)</b> Common .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | <b>1c(4)(B)</b> | 337585987             | 511935309       |
|          | <b>(5)</b> Partnership/joint venture interests .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | <b>1c(5)</b>    |                       |                 |
|          | <b>(6)</b> Real estate (other than employer real property) .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | <b>1c(6)</b>    |                       |                 |
|          | <b>(7)</b> Loans (other than to participants) .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | <b>1c(7)</b>    |                       |                 |
|          | <b>(8)</b> Participant loans .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | <b>1c(8)</b>    | 30022036              | 21306925        |
|          | <b>(9)</b> Value of interest in common/collective trusts.....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <b>1c(9)</b>    | 1039799851            | 949042440       |
|          | <b>(10)</b> Value of interest in pooled separate accounts.....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | <b>1c(10)</b>   |                       |                 |
|          | <b>(11)</b> Value of interest in master trust investment accounts .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | <b>1c(11)</b>   |                       |                 |
|          | <b>(12)</b> Value of interest in 103-12 investment entities .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <b>1c(12)</b>   |                       |                 |
|          | <b>(13)</b> Value of interest in registered investment companies (e.g., mutual funds).....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | <b>1c(13)</b>   | 239895550             | 173956421       |
|          | <b>(14)</b> Value of funds held in insurance company general account (unallocated contracts).....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <b>1c(14)</b>   | 141900973             | 148267311       |
|          | <b>(15)</b> Other .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | <b>1c(15)</b>   | 16647077              | 9584412         |

**1d** Employer-related investments:

|                                                                      |              | (a) Beginning of Year | (b) End of Year |
|----------------------------------------------------------------------|--------------|-----------------------|-----------------|
| (1) Employer securities .....                                        | <b>1d(1)</b> | 431958237             | 60744270        |
| (2) Employer real property .....                                     | <b>1d(2)</b> |                       |                 |
| <b>e</b> Buildings and other property used in plan operation .....   | <b>1e</b>    |                       |                 |
| <b>f</b> Total assets (add all amounts in lines 1a through 1e) ..... | <b>1f</b>    | 2333452122            | 1968616308      |

**Liabilities**

|                                                                           |           |          |         |
|---------------------------------------------------------------------------|-----------|----------|---------|
| <b>g</b> Benefit claims payable .....                                     | <b>1g</b> | 60874    | 212034  |
| <b>h</b> Operating payables .....                                         | <b>1h</b> |          |         |
| <b>i</b> Acquisition indebtedness .....                                   | <b>1i</b> |          |         |
| <b>j</b> Other liabilities .....                                          | <b>1j</b> | 12452751 | 1575534 |
| <b>k</b> Total liabilities (add all amounts in lines 1g through 1j) ..... | <b>1k</b> | 12513625 | 1787568 |

**Net Assets**

|                                                           |           |            |            |
|-----------------------------------------------------------|-----------|------------|------------|
| <b>l</b> Net assets (subtract line 1k from line 1f) ..... | <b>1l</b> | 2320938497 | 1966828740 |
|-----------------------------------------------------------|-----------|------------|------------|

**Part II Income and Expense Statement**

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

**Income****a Contributions:**

|                                                                                                            |                 | (a) Amount | (b) Total |
|------------------------------------------------------------------------------------------------------------|-----------------|------------|-----------|
| (1) Received or receivable in cash from: <b>(A)</b> Employers .....                                        | <b>2a(1)(A)</b> | 33204771   |           |
| <b>(B)</b> Participants .....                                                                              | <b>2a(1)(B)</b> | 102845882  |           |
| <b>(C)</b> Others (including rollovers) .....                                                              | <b>2a(1)(C)</b> | 6478811    |           |
| (2) Noncash contributions .....                                                                            | <b>2a(2)</b>    |            |           |
| (3) Total contributions. Add lines <b>2a(1)(A)</b> , <b>(B)</b> , <b>(C)</b> , and line <b>2a(2)</b> ..... | <b>2a(3)</b>    |            | 142529464 |

**b Earnings on investments:****(1) Interest:**

|                                                                                                      |                 |            |          |
|------------------------------------------------------------------------------------------------------|-----------------|------------|----------|
| <b>(A)</b> Interest-bearing cash (including money market accounts and certificates of deposit) ..... | <b>2b(1)(A)</b> | 451530     |          |
| <b>(B)</b> U.S. Government securities .....                                                          | <b>2b(1)(B)</b> | 587193     |          |
| <b>(C)</b> Corporate debt instruments .....                                                          | <b>2b(1)(C)</b> | 1040032    |          |
| <b>(D)</b> Loans (other than to participants) .....                                                  | <b>2b(1)(D)</b> |            |          |
| <b>(E)</b> Participant loans .....                                                                   | <b>2b(1)(E)</b> | 1308701    |          |
| <b>(F)</b> Other .....                                                                               | <b>2b(1)(F)</b> | 20262629   |          |
| <b>(G)</b> Total interest. Add lines <b>2b(1)(A)</b> through <b>(F)</b> .....                        | <b>2b(1)(G)</b> |            | 23650085 |
| (2) Dividends: <b>(A)</b> Preferred stock .....                                                      | <b>2b(2)(A)</b> | 101        |          |
| <b>(B)</b> Common stock .....                                                                        | <b>2b(2)(B)</b> | 8668742    |          |
| <b>(C)</b> Registered investment company shares (e.g. mutual funds) .....                            | <b>2b(2)(C)</b> | 8211910    |          |
| <b>(D)</b> Total dividends. Add lines <b>2b(2)(A)</b> , <b>(B)</b> , and <b>(C)</b> .....            | <b>2b(2)(D)</b> |            | 16880753 |
| (3) Rents .....                                                                                      | <b>2b(3)</b>    |            |          |
| (4) Net gain (loss) on sale of assets: <b>(A)</b> Aggregate proceeds .....                           | <b>2b(4)(A)</b> | 1168242956 |          |
| <b>(B)</b> Aggregate carrying amount (see instructions) .....                                        | <b>2b(4)(B)</b> | 1100436404 |          |
| <b>(C)</b> Subtract line <b>2b(4)(B)</b> from line <b>2b(4)(A)</b> and enter result .....            | <b>2b(4)(C)</b> |            | 67806552 |

|                                                                                                   |          | (a) Amount | (b) Total  |
|---------------------------------------------------------------------------------------------------|----------|------------|------------|
| <b>2b</b> (5) Unrealized appreciation (depreciation) of assets: (A) Real estate.....              | 2b(5)(A) |            |            |
| (B) Other .....                                                                                   | 2b(5)(B) | -134782435 |            |
| (C) Total unrealized appreciation of assets.<br>Add lines 2b(5)(A) and (B).....                   | 2b(5)(C) |            | -134782435 |
| (6) Net investment gain (loss) from common/collective trusts .....                                | 2b(6)    |            | 11345545   |
| (7) Net investment gain (loss) from pooled separate accounts .....                                | 2b(7)    |            |            |
| (8) Net investment gain (loss) from master trust investment accounts .....                        | 2b(8)    |            |            |
| (9) Net investment gain (loss) from 103-12 investment entities .....                              | 2b(9)    |            |            |
| (10) Net investment gain (loss) from registered investment<br>companies (e.g., mutual funds)..... | 2b(10)   |            | -17469327  |
| <b>c</b> Other income.....                                                                        | 2c       |            | 4936000    |
| <b>d</b> Total income. Add all <b>income</b> amounts in column (b) and enter total.....           | 2d       |            | 114896637  |

**Expenses**

|                                                                                            |       |           |           |
|--------------------------------------------------------------------------------------------|-------|-----------|-----------|
| <b>e</b> Benefit payment and payments to provide benefits:                                 |       |           |           |
| (1) Directly to participants or beneficiaries, including direct rollovers .....            | 2e(1) | 175051562 |           |
| (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) |           | 175051562 |
| <b>f</b> Corrective distributions (see instructions) .....                                 | 2f    |           |           |
| <b>g</b> Certain deemed distributions of participant loans (see instructions).....         | 2g    |           | 1554649   |
| <b>h</b> Interest expense.....                                                             | 2h    |           |           |
| <b>i</b> Administrative expenses: (1) Professional fees .....                              | 2i(1) |           |           |
| (2) Contract administrator fees .....                                                      | 2i(2) |           |           |
| (3) Investment advisory and management fees .....                                          | 2i(3) | 3255868   |           |
| (4) Other .....                                                                            | 2i(4) | 3191607   |           |
| (5) Total administrative expenses. Add lines 2i(1) through (4).....                        | 2i(5) |           | 6447475   |
| <b>j</b> Total expenses. Add all <b>expense</b> amounts in column (b) and enter total..... | 2j    |           | 183053686 |

**Net Income and Reconciliation**

|                                                                |       |  |           |
|----------------------------------------------------------------|-------|--|-----------|
| <b>k</b> Net income (loss). Subtract line 2j from line 2d..... | 2k    |  | -68157049 |
| <b>l</b> Transfers of assets:                                  |       |  |           |
| (1) To this plan.....                                          | 2l(1) |  |           |
| (2) From this plan .....                                       | 2l(2) |  | 285952708 |

**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: DELOITTE & TOUCHE LLP

(2) EIN: 13-3891517

**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   |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|----|----------|
| <b>a</b> 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>b</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  |          |
| <b>c</b> 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  |          |
| <b>d</b> 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  |          |
| <b>e</b> Was this plan covered by a fidelity bond?.....                                                                                                                                                                                                                                                         | X   |    | 15000000 |
| <b>f</b> Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty? .....                                                                                                                                                                         |     | X  |          |
| <b>g</b> 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  |          |
| <b>h</b> 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  |          |
| <b>i</b> Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.).....                                                                                                                                                   | X   |    |          |
| <b>j</b> 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  |          |
| <b>k</b> Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?.....                                                                                                                                              |     | X  |          |
| <b>l</b> Has the plan failed to provide any benefit when due under the plan? .....                                                                                                                                                                                                                              |     | X  |          |
| <b>m</b> If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.).....                                                                                                                                                                                     |     | X  |          |
| <b>n</b> 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. ....                                                                                                                        |     |    |          |
| <b>4n</b>                                                                                                                                                                                                                                                                                                       |     |    |          |

**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)

XYLEM RETIREMENT SAVINGS PLAN FOR SALARIED EMPLOYEES

| <b>5b(2)</b> EIN(s) | <b>5b(3)</b> PN(s) |
|---------------------|--------------------|
| 45-2080495          | 001                |
| 13-5158950          | 400                |
|                     |                    |
|                     |                    |

|                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                            |                                                                                            |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|
| <b>SCHEDULE R</b><br><b>(Form 5500)</b><br><br>Department of the Treasury<br>Internal Revenue Service<br><br>Department of Labor<br>Employee Benefits Security Administration<br><br>Pension Benefit Guaranty Corporation | <b>Retirement Plan Information</b><br><br>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).<br><br>▶ <b>File as an attachment to Form 5500.</b> | OMB No. 1210-0110<br><br><b>2011</b><br><br><b>This Form is Open to Public Inspection.</b> |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|

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

|                                                                                    |                                                                    |
|------------------------------------------------------------------------------------|--------------------------------------------------------------------|
| <b>A</b> Name of plan<br><u>EXELIS SALARIED INVESTMENT AND SAVINGS PLAN</u>        | <b>B</b> Three-digit plan number (PN) ▶<br><u>100</u>              |
| <b>C</b> Plan sponsor's name as shown on line 2a of Form 5500<br><u>EXELIS INC</u> | <b>D</b> Employer Identification Number (EIN)<br><u>45-2083813</u> |

|               |                      |
|---------------|----------------------|
| <b>Part I</b> | <b>Distributions</b> |
|---------------|----------------------|

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

|                                                                                                                                                                                                                                                                    |          |          |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|----------|
| <b>1</b> Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....                                                                                                                              | <b>1</b> | <u>0</u> |
| <b>2</b> 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):<br><br>EIN(s): <u>41-6257133</u> |          |          |
| Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.                                                                                                                                                                                                   |          |          |
| <b>3</b> Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....                                                                                                                                    | <b>3</b> |          |

|                |                                                                                                                                                                              |
|----------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Part II</b> | <b>Funding Information</b> (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) |
|----------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

|                                                                                                                                                                                                                                                                                                                                                             |                              |                             |                              |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|-----------------------------|------------------------------|
| <b>4</b> Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?.....                                                                                                                                                                                                                                         | <input type="checkbox"/> Yes | <input type="checkbox"/> No | <input type="checkbox"/> N/A |
| If the plan is a defined benefit plan, go to line 8.                                                                                                                                                                                                                                                                                                        |                              |                             |                              |
| <b>5</b> 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 _____<br>If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule. |                              |                             |                              |
| <b>6 a</b> Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived) .....                                                                                                                                                                                                              | <b>6a</b>                    |                             |                              |
| <b>b</b> Enter the amount contributed by the employer to the plan for this plan year .....                                                                                                                                                                                                                                                                  | <b>6b</b>                    |                             |                              |
| <b>c</b> 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).....                                                                                                                                                                                                             | <b>6c</b>                    |                             |                              |
| If you completed line 6c, skip lines 8 and 9.                                                                                                                                                                                                                                                                                                               |                              |                             |                              |
| <b>7</b> Will the minimum funding amount reported on line 6c be met by the funding deadline? .....                                                                                                                                                                                                                                                          | <input type="checkbox"/> Yes | <input type="checkbox"/> No | <input type="checkbox"/> N/A |
| <b>8</b> 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?.....                                                                                  | <input type="checkbox"/> Yes | <input type="checkbox"/> No | <input type="checkbox"/> N/A |

|                 |                   |
|-----------------|-------------------|
| <b>Part III</b> | <b>Amendments</b> |
|-----------------|-------------------|

|                                                                                                                                                                                                                            |                                   |                                   |                               |                             |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|-----------------------------------|-------------------------------|-----------------------------|
| <b>9</b> 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..... | <input type="checkbox"/> Increase | <input type="checkbox"/> Decrease | <input type="checkbox"/> Both | <input type="checkbox"/> No |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|-----------------------------------|-------------------------------|-----------------------------|

|                |                                                                                                                                                   |
|----------------|---------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Part IV</b> | <b>ESOPs</b> (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. |
|----------------|---------------------------------------------------------------------------------------------------------------------------------------------------|

|                                                                                                                                                                                             |                              |                                        |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|----------------------------------------|
| <b>10</b> Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?.....                                                      | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| <b>11 a</b> Does the ESOP hold any preferred stock? .....                                                                                                                                   | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| <b>b</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.)..... | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| <b>12</b> Does the ESOP hold any stock that is not readily tradable on an established securities market? .....                                                                              | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> 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:

|                                                                          |            |  |
|--------------------------------------------------------------------------|------------|--|
| <b>a</b> The current year .....                                          | <b>14a</b> |  |
| <b>b</b> The plan year immediately preceding the current plan year ..... | <b>14b</b> |  |
| <b>c</b> The second preceding plan year .....                            | <b>14c</b> |  |

- 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:

|                                                                                                       |            |  |
|-------------------------------------------------------------------------------------------------------|------------|--|
| <b>a</b> The corresponding number for the plan year immediately preceding the current plan year ..... | <b>15a</b> |  |
| <b>b</b> The corresponding number for the second preceding plan year .....                            | <b>15b</b> |  |

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

|                                                                                                                                                                        |            |  |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|--|
| <b>a</b> Enter the number of employers who withdrew during the preceding plan year .....                                                                               | <b>16a</b> |  |
| <b>b</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 ..... | <b>16b</b> |  |

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

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

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

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

**a** Enter the percentage of plan assets held as:  
 Stock: \_\_\_\_\_% Investment-Grade Debt: \_\_\_\_\_% High-Yield Debt: \_\_\_\_\_% Real Estate: \_\_\_\_\_% Other: \_\_\_\_\_%

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

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

[Table of Contents](#)

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**SECURITIES AND EXCHANGE COMMISSION**

WASHINGTON, D.C. 20549

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**FORM 11-K**

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(Mark One)

☒ **Annual Report pursuant to Section 15(d) of the Securities Exchange Act of 1934 for the fiscal year ended December 31, 2011**

OR

☐ **Transition Report pursuant to Section 15(d) of the Securities Exchange Act of 1934 for the transition period from                      to**

**Commission File Number 001-35228**

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

**EXELIS SALARIED INVESTMENT AND SAVINGS PLAN**  
**(Formerly the ITT Salaried Investment and Savings Plan)**

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

**EXELIS INC**  
**1650 TYSONS BOULEVARD, SUITE 1700, MCLEAN, VA 22102**

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## Table of Contents

### EXELIS SALARIED INVESTMENT AND SAVINGS PLAN (Formerly the ITT Salaried Investment and Savings Plan)

|                                                                                                                   | <u>Page</u> |
|-------------------------------------------------------------------------------------------------------------------|-------------|
| <u>REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM</u>                                                    | 1           |
| FINANCIAL STATEMENTS:                                                                                             |             |
| <u>Statements of Net Assets Available for Benefits as of December 31, 2011 and 2010</u>                           | 2           |
| <u>Statement of Changes in Net Assets Available for Benefits for the Year Ended December 31, 2011</u>             | 3           |
| <u>Notes to Financial Statements as of December 31, 2011 and 2010, and for the Year Ended December 31, 2011</u>   | 4 - 18      |
| SUPPLEMENTAL SCHEDULE-                                                                                            |             |
| <u>Form 5500, Schedule H, Part IV, Line 4i – Schedule of Assets (Held at End of Year) as of December 31, 2011</u> | 19 - 51     |
| <u>Exhibit 23 – Consent of Independent Registered Public Accounting Firm</u>                                      |             |

All other schedules required by Section 2520.103-10 of the Department of Labor's Rules and Regulations for Reporting and Disclosures under the Employee Retirement Income Security Act of 1974 have been omitted because they are not applicable.

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## Table of Contents

These financial statements have been prepared from the Exelis Salaried Investment and Savings Plan's books and records after making all necessary adjustments thereto, and they represent the final statements for the period ended December 31, 2011.

### SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Benefits Administration Committee has duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

EXELIS SALARIED INVESTMENT AND SAVINGS PLAN  
(Formerly the ITT Salaried Investment and Savings Plan)

BY: /s/ William Bonk  
William Bonk  
Plan Administrator  
Director Global Benefits, Human  
Resources

June 21, 2012  
(Date)

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## Table of Contents

### REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Trustees and Members of the  
Exelis Salaried Investment and Savings Plan  
McLean, VA.

We have audited the accompanying statements of net assets available for benefits of the Exelis Salaried Investment and Savings Plan (formerly the ITT Salaried Investment and Savings Plan) (the “Plan”) as of December 31, 2011 and 2010, and the related statement of changes in net assets available for benefits for the year ended December 31, 2011. 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 audit in accordance with standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Plan is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan’s internal control over financial reporting. Accordingly, we express no such opinion. An audit also 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, as well as evaluating the overall financial statement presentation. We believe that our audit provide a reasonable basis for our opinion.

In our opinion, such financial statements present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2011 and 2010, and the changes in net assets available for benefits for the year ended December 31, 2011 in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the basic 2011 financial statements taken as a whole. The supplemental schedule of assets (held at end of year) as of December 31, 2011 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. The supplemental schedule is the responsibility of the Plan’s management. The supplemental schedule has been subjected to the auditing procedures applied in our audit of the basic 2011 financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

/s/ DELOITTE & TOUCHE LLP

Stamford, CT  
June 21, 2012

[Table of Contents](#)

EXELIS SALARIED INVESTMENT AND SAVINGS PLAN  
(Formerly the ITT Salaried Investment and Savings Plan)  
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS  
(\$ IN THOUSANDS)

|                                                                                                | December 31,              |                           |
|------------------------------------------------------------------------------------------------|---------------------------|---------------------------|
|                                                                                                | 2011                      | 2010                      |
| Assets:                                                                                        |                           |                           |
| Investments:                                                                                   |                           |                           |
| Cash and cash equivalents                                                                      | \$ 22,036                 | \$ 27,058                 |
| Equities                                                                                       | 572,796                   | 769,544                   |
| Mutual funds                                                                                   | 173,956                   | 239,896                   |
| U.S. government securities                                                                     | 19,904                    | 27,280                    |
| Corporate bonds                                                                                | 18,395                    | 18,012                    |
| Guaranteed investment contracts                                                                | 706,959                   | 728,199                   |
| Common collective trusts                                                                       | 420,235                   | 473,429                   |
| Brokerage account                                                                              | 9,585                     | 10,983                    |
| Total investments                                                                              | <u>1,943,866</u>          | <u>2,294,401</u>          |
| Receivables:                                                                                   |                           |                           |
| Dividends                                                                                      | 2,164                     | 2,377                     |
| Interest                                                                                       | 368                       | 401                       |
| Unsettled security sales                                                                       | 712                       | 588                       |
| Member loans                                                                                   | 21,307                    | 30,022                    |
| Employer contributions                                                                         | 48                        | —                         |
| Member contributions                                                                           | 151                       | —                         |
| Total receivables                                                                              | <u>24,750</u>             | <u>33,388</u>             |
| Non-member directed investments                                                                | <u>—</u>                  | <u>5,664</u>              |
| Total assets                                                                                   | <u>1,968,616</u>          | <u>2,333,453</u>          |
| Liabilities:                                                                                   |                           |                           |
| Accrued investment management expense                                                          | 977                       | 754                       |
| Accrued administrative expense                                                                 | 165                       | 189                       |
| ITT Corporation Loan                                                                           | —                         | 10,814                    |
| Unsettled security purchases                                                                   | 433                       | 696                       |
| Total liabilities                                                                              | <u>1,575</u>              | <u>12,453</u>             |
| NET ASSETS AVAILABLE FOR BENEFITS AT FAIR VALUE                                                | 1,967,041                 | 2,321,000                 |
| Adjustment from fair value to contract value for fully benefit-responsive investment contracts | <u>(35,810)</u>           | <u>(26,930)</u>           |
| NET ASSETS AVAILABLE FOR BENEFITS                                                              | <u><u>\$1,931,231</u></u> | <u><u>\$2,294,070</u></u> |

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[Table of Contents](#)

EXELIS SALARIED INVESTMENT AND SAVINGS PLAN  
(Formerly the ITT Salaried Investment and Savings Plan)  
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS  
(\$ IN THOUSANDS)

|                                                                  | Year ended<br>December 31, 2011 |                    |
|------------------------------------------------------------------|---------------------------------|--------------------|
| Investment activity:                                             |                                 |                    |
| Net decrease in fair value of investments                        | \$ (77,044)                     |                    |
| Dividends                                                        | 16,881                          |                    |
| Interest                                                         | <u>22,341</u>                   |                    |
| Total investment activity                                        |                                 | (37,822)           |
| Interest earned on member loans                                  |                                 | 1,309              |
| Contributions:                                                   |                                 |                    |
| Members                                                          | 102,846                         |                    |
| Employer                                                         | <u>33,205</u>                   |                    |
| Total contributions                                              |                                 | 136,051            |
| Rollovers:                                                       |                                 |                    |
| Asset rollovers                                                  |                                 | 6,479              |
| DEDUCTIONS:                                                      |                                 |                    |
| Withdrawals and distributions                                    | (176,455)                       |                    |
| Investment management and administrative expenses                | <u>(6,448)</u>                  |                    |
| Total deductions                                                 |                                 | <u>(182,903)</u>   |
| Decrease in Net Assets before transfer                           |                                 | (76,886)           |
| Transfers out of the Plan:                                       |                                 |                    |
| Transfer to Xylem Retirement Savings Plan for Salaried Employees | (144,336)                       |                    |
| Transfer to ITT Retirement Savings Plan for Salaried Employees   | <u>(141,617)</u>                |                    |
| Net transfers out of the Plan                                    |                                 | <u>(285,953)</u>   |
| DECREASE IN NET ASSETS                                           |                                 | (362,839)          |
| NET ASSETS AVAILABLE FOR BENEFITS:                               |                                 |                    |
| Beginning of year                                                |                                 | <u>2,294,070</u>   |
| End of year                                                      |                                 | <u>\$1,931,231</u> |

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## Table of Contents

### EXELIS SALARIED INVESTMENT AND SAVINGS PLAN (Formerly the ITT Salaried Investment and Savings Plan) NOTES TO FINANCIAL STATEMENTS AS OF DECEMBER 31, 2011 AND 2010, AND FOR THE YEAR ENDED DECEMBER 31, 2011 (\$ IN THOUSANDS)

#### **1. DESCRIPTION OF THE PLAN**

The following description of the Exelis Salaried Investment and Savings Plan (formerly the ITT Salaried Investment and Savings Plan) (the “Plan”) is provided for general information purposes only. Eligible employees, referred to herein as Members (“Members”), should refer to the Plan document for more complete information about the Plan.

On October 31, 2011, ITT Corporation (“ITT”) completed the previously announced spin-off (the “Spin-off”) of Exelis Inc. (the “Company” or the “Plan Sponsor”) and Xylem Inc., formerly ITT’s Defense & Information Solutions and Fluid Technology segments respectively. Prior to October 31, 2011, ITT sponsored the Plan. The sponsorship of the Plan was transferred from ITT to the Company at Spin-off and the Company became the new sponsor of the Plan. The ITT Salaried Investment and Savings Plan was renamed to the Exelis Salaried Investment and Savings Plan. All assets related to ITT and Xylem Inc. active employees in the Plan were transferred out of the Plan to the ITT and Xylem plans on December 14, 2011.

**General**—The Plan is a defined contribution plan generally covering all regular salaried U.S. employees of the Company. Employees are eligible to join the Plan on the first day of the calendar month following completion of one month of service. Part-time /temporary employees are eligible as of the first of the month following the completion of at least 1,000 hours of service in an anniversary year. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (“ERISA”).

**Employee contributions**—A Member may generally elect to contribute 2% to 25% of base salary. A Member may designate their contributions as either Before-Tax Contributions, After-Tax Contributions, or any combination of the two. A Member who is considered a Highly Compensated Employee (“HCE”) under the Plan may elect Plan contributions up to a maximum of 18% of base salary as either Before-Tax Contributions, After-Tax Contributions, or any combination of the two. Member contributions are subject to the dollar limitation contained in Section 402(g) of the Internal Revenue Code (“IRC”). All salaried employees who first satisfy the eligibility requirements for participation in the Plan on or after January 1, 2006 and who have not elected a contribution rate, shall be deemed to have elected a 2% before-tax employee contribution rate, provided however, that at any time, such employee may elect to contribute at a different rate, including 0%, in accordance with the terms of the Plan.

**Company contributions**—In 2011 an amount equal to 50% of a Member’s first 6% of base salary contributed was matched by the Company. In addition, the Company contributes 1/2 of 1% of base salary, as defined by the Plan, to each eligible Member. All Members have the ability to invest their Company contributions in any of the Plan’s investment options subject to the same limitations as the Member’s contributions.

Any contributions (employee and/or Company) directed by Members into the Exelis Stock Fund, including future contributions to the Plan, are deposited into the Employee Stock Ownership account (“ESOP”). All dividends associated with the contributions held in the ESOP are immediately 100% vested. In addition, Members can make an election regarding the payment of their ESOP dividends. Members can elect to have their ESOP dividends either reinvested in the Exelis Stock Fund or paid to them in cash on a quarterly basis.

At Spin-off, each Member who was invested in the ITT Stock Fund received one share each of Exelis and Xylem stock funds for each share held in the ITT stock fund. Members were not permitted to transfer or invest new monies into the ITT and/or Xylem (non-employer) stock funds. Following Spin-off, Members are able to allocate funds out of the non-employer stock funds and into any other funds.

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## Table of Contents

**Investment Direction**—Members may direct employee contributions and Company contributions, in any whole percentage, among any of the Plan’s investment options, with the exception of the ITT and Xylem stock funds, as noted below. In addition, with the exception of the ITT and Xylem stock funds, Members can change their future contributions and reallocate accumulated investments in 1% increments on a daily basis, limited however to a maximum of four fund reallocations or transfers in any calendar month. A reallocation or a transfer shall be defined as a single reallocation or a single transfer, or as a series of reallocations and/or transfers taking place on a single business day. Members can only transfer out of the ITT and Xylem stock funds and into any other fund subject to the limitations discussed below. Members cannot transfer or direct future contributions to the ITT and Xylem stock funds.

The Plan limits the amount that may be held in the Exelis Stock Fund to 20% of a Member’s total account balance. Members who hold 20% or more of their total account balance in the Exelis Stock Fund at the end of any calendar quarter will not be permitted to designate any future contributions (employee and Company) to the Exelis Stock Fund or transfer balances into that Fund, for the following calendar quarter. Members who hold less than 20% of their total account balance in the Exelis Stock Fund may designate up to 20% of their future contributions (employee and Company) to the Exelis Stock Fund, and may transfer balances into that Fund, provided that the balance in the Exelis Stock Fund does not exceed 20% of the Member’s total account balance after the transfer.

The Plan also limits the amount that may be held in the Schwab Personal Choice Retirement Account (“PCRA”), brokerage account, to 20% of a Member’s total account balance.

**Member Accounts**—Each Member’s account is credited with the Member’s contributions, Company contributions, plan earnings or losses, and withdrawals, net of administrative expenses and investment management fees. Allocations of these fees and expenses are based on Member account balances, as defined in the Plan document. The benefit to which a Member is entitled is the benefit that can be provided from the Member’s vested account.

Plan accounts are valued and reconciled between the trustee and recordkeeper daily. Members can initiate transactions by using the Plan’s website or by speaking to a Plan representative at the Exelis Benefits Center (“Benefits Center”). A deferred Member is a Member who has terminated employment with the Company and has (i) elected to defer their account in the Plan, or (ii) not made any election prior to termination and, therefore, their account was automatically deferred in the Plan. A deferred Member is also the beneficiary of a deceased Member or deferred Member, or an alternate payee designated as such pursuant to a domestic relations order as qualified by the Plan.

**Vesting**—Members are immediately vested in their contributions and the Company floor contributions plus actual earnings thereon. Member’s interests in matching Company contributions vest according to the following schedule, except as noted previously with respect to dividends on ESOP shares which are 100% vested:

| <u>Years of Service</u> | <u>Non-forfeitable<br/>Percentage</u> |
|-------------------------|---------------------------------------|
| Less than 1 year        | 0%                                    |
| 1 but less than 2 years | 20%                                   |
| 2 but less than 3 years | 40%                                   |
| 3 but less than 4 years | 60%                                   |
| 4 but less than 5 years | 80%                                   |
| 5 or more years         | 100%                                  |

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## Table of Contents

**Forfeited Accounts**—At December 31, 2011 and 2010, forfeited nonvested accounts totaled \$1,316 and \$1,078, respectively. During the year ended December 31, 2011, forfeitures of \$1,316 were used to reduce Company contributions to the Plan.

**Member Loans**—A Member may request a loan in any specified whole dollar amount which must be at least one thousand dollars but which may not exceed the lesser of 50% of the vested account balance or fifty thousand dollars, reduced by the Member's highest outstanding loan balance under all plans of the Company, if any, during the prior one-year period. The interest rate charged by the Plan is based on the prime rate plus 1%, as published in the Wall Street Journal on the first business day of the month in which the loan is originated, and remains the same throughout the term of the loan. General purpose loan terms range from one to sixty months. If the loan is used in the purchase of a primary residence, the loan term can be for a period of up to one hundred-eighty months. Members may have up to two loans outstanding at the same time. Members loans at December 31, 2011 and 2010 were \$21,307 and \$30,022, respectively. The loans are secured by the balance in the Member's account. The loan amount is reduced by fifty dollars to cover the Plan's loan origination fee.

A terminated Member may continue to make periodic repayment on their loans after separation by contacting the Benefits Center. However, no new loans can be requested after termination of employment.

**Payment of Benefits**—On termination of employment (including death, disability, or retirement), a Member or their surviving spouse beneficiary may elect to receive a lump-sum amount equal to the value of the Member's vested interest in their account paid in cash or as a rollover to another qualified plan or an Individual Retirement Account ("IRA"), or periodic payments under one of two alternative installment options, as defined in the Plan document. In any case, a Member or their surviving spouse beneficiary whose vested account balance is more than five thousand dollars may elect to keep their account balance in the Plan until the year in which the Member reaches/would have reached age 70 <sup>1</sup>/<sub>2</sub>. During the calendar year in which the Member attains age 70 <sup>1</sup>/<sub>2</sub>, distribution from the Plan will commence in accordance with Section 401 (a) (9) of the IRC. Upon the death of a Member, with a non-spouse beneficiary, the distribution must be made within five years from the Member's date of death in the form of a lump sum payment or annual fixed period installments, provided that the number of installments does not extend beyond five years from the date of the Member's death. A non-spouse beneficiary who elects payment in the form of a lump sum, may elect that the payment be made as a rollover to a "special" IRA in accordance with the provisions of Section 402 (c)(11) of the IRC.

**Direct Rollover of Certain Distributions** – If a Member leaves the Company for any reason, the Member is entitled to receive a distribution of the total vested value of their account. The distribution can be in the form of a rollover as follows:

- (1) Elective Rollover – A Member may elect a rollover distribution paid directly to not more than two eligible retirement plans as specified by the Member.
- (2) Mandatory Rollover –
  - (A) If a Member's account balance is greater than one thousand dollars but less than five thousand and one dollars and the Member fails to make an affirmative election to either receive the lump sum payment or have it directly rolled over to another qualified plan or an IRA within the election period, the account balance will be automatically rolled over to an IRA established in the Member's name.
  - (B) If a Member's account balance is one thousand dollars or less and the Member fails to make an affirmative election to either receive the lump sum payment or have it directly rolled over to another qualified plan or an IRA within the election period, the account balance will be automatically paid out to the Member.

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## Table of Contents

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Basis of Accounting**—The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”).

**Use of Estimates**—The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and changes therein and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

**Risks and Uncertainties**—The Plan utilizes various investment instruments, including common stock, mutual funds, common collective trusts, corporate bonds and guaranteed investment contracts. Investment securities, in general, are exposed to various risks, such as interest rate risk, credit risk, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such change could materially affect the amounts reported in the financial statements.

**Investment Valuation and Income Recognition**—The Plan’s investments are measured at fair value except for its benefit-responsive investment contracts which are stated at fair value and then adjusted to contract value (Note 8). Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e. an exit price). A more detailed description of the individual types of investments can be found in Note 3.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

Management fees and operating expenses charged to the Plan for investments in the registered investment companies are deducted from income earned on a daily basis and are not separately reflected. Consequently, management fees and operating expenses are reflected as a reduction of investment return for such investments.

**Expenses**—The Plan pays for the administrative expenses of the Plan up to 0.25% of the market value of trust assets. In 2011, the Plan accrued .10% of trust assets. These expenses are limited to services provided by third party vendors. The Company pays Plan administrative expenses which are not paid by the Plan. In addition to the administrative expense charge, an investment management fee is charged to each investment fund except for the Exelis, Xylem and ITT Stock Funds and the Schwab Personal Choice Retirement Account. In 2011 these investment management fees totaled \$3,038 and are reflected as a component of Investment Management and Administrative expense on the Statement of Changes in Net Assets Available For Benefits.

**Payment of Benefits**—Benefit payments to Members are recorded upon distribution. Account balance for Members who have submitted requests to withdraw from the Plan but have not yet been paid were \$212 and \$61 at December 31, 2011 and 2010, respectively.

**Member Loans**—Member loans are recorded at their unpaid principal balance plus any accrued but unpaid interest. In the event that a Member fails to make repayment of amounts due for three consecutive months, the loan is considered to be in default. In the event default is declared, the outstanding loan balance and any accrued interest may be treated as a withdrawal prior to Termination of Employment subject to the withdrawal provisions outlined in the Plan document.

**New Accounting Standards**—The accounting standard initially adopted in 2011 is described below.

**ASU No. 2010-06, Fair Value Measurements and Disclosures**—In January 2010, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2010-06, *Fair Value Measurements and Disclosures*, which amends ASC 820, *Fair Value Measurements and Disclosures*, adding a new disclosure requirement to provide Level 3 activity of purchases, sales, issuances, and settlements on a gross basis. This requirement is effective for fiscal years beginning after December 15, 2010. The adoption in 2011 did not materially affect the Plan’s financial statements.

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## Table of Contents

ASU No. 2011-04 — In May 2011, the FASB issued ASU No. 2011-04, *Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs*, which amends ASC 820. ASU 2011-04 also requires the categorization by level for items that are only required to be disclosed at fair value and information about transfers between Level 1 and Level 2. In addition, the ASU provides guidance on measuring the fair value of financial instruments managed within a portfolio and the application of premiums and discounts on fair value measurements. The ASU requires additional disclosure for Level 3 measurements regarding the sensitivity of fair value to changes in unobservable inputs and any interrelationships between those inputs. The new guidance is effective for reporting periods beginning after December 15, 2011. The Company does not believe the adoption of the standard will have a material effect on the statement of net assets available for benefits and statement of changes in net assets available for benefits.

### **3. FAIR VALUE MEASUREMENTS**

The following is a description of the valuation methodologies and inputs used to measure fair value for major categories of investments.

- Cash equivalents and mutual funds—Fair value is measured at net asset value (“NAV”). Investments in cash equivalents and mutual funds are classified in Level 1 of the fair value hierarchy.
- Equities – Common and preferred stock is valued at the closing price reported on the major market on which the individual securities are traded at the measurement date. Exelis Stock Fund invests primarily in Exelis Inc. common stock, which is traded on the New York Stock Exchange (“NYSE”) under the ticker symbol (“XLS”) and is valued at its NAV. The NAV of the Exelis Stock Fund is computed based on the closing price of Exelis common stock reported by the NYSE at the measurement date, plus the NAV of the short-term money market included in the Exelis Stock Fund, divided by the number of units outstanding. The money market portion of the Exelis Stock Fund provides liquidity, which enables the Plan Members to transfer money daily among all investment choices. As all equity securities held by the Plan are publicly traded in active markets, the securities are classified within Level 1 of the fair value hierarchy.
- U.S. government securities and corporate bonds - U.S. government securities are generally valued using matrix pricing or fair value is estimated using quoted prices of securities with similar characteristics. Corporate bonds are generally valued by using pricing models (e.g., discounted cash flows), quoted prices of securities with similar characteristics or broker quotes. Investments in fixed income securities are classified in Level 2 of the fair value hierarchy.
- Guaranteed investment contracts - The Stable Value Fund includes traditional and synthetic guaranteed investment contracts (“GICs”). For a traditional GIC, the issuer of the GIC takes a deposit from the Plan and purchases investments that are held in the issuer’s general accounts. In return, the issuer of the GIC agrees to repay the principal plus a specified interest amount, provided the terms and conditions of the GIC have been satisfied. The fair value of a traditional GIC is generally estimated by discounting the related cash flows based on current market yields of similar instruments with comparable durations. In a synthetic GIC structure, there are two components, an underlying portfolio of investments and a wrapper contract. The underlying investments remain owned by the Plan and are measured at fair value based on the nature of the individual security. The fair value of a wrapper contract is estimated using a discounted replacement cost approach which incorporates the difference between current market fee for a similar wrapper contract (See Note 8) and the wrap fee currently charged. Traditional GICs are classified in Level 2 of the fair value hierarchy. Investments held underlying a synthetic GIC are classified in the fair value hierarchy based on the nature of the underlying security, which is Level 2, and the wrapper contracts are classified in Level 3.

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## Table of Contents

- Common collective trust (“CCTs”) - Common Collective Trusts are arrangements in which the funds of individual trusts are pooled to avail themselves of professional investment management and achieve greater diversification of investment, stability of income or other investment objectives. CCTs invest in debt and equity securities, the mix of which varies by fund, and report NAV as of the measurement date. Fair value is estimated based on the NAV practical expedient described below. CCTs are classified in Level 2 of the fair value hierarchy.
- Brokerage Account - Securities held in the PCRA Brokerage account are valued at the closing price reported on the major market on which the individual securities are traded at the measurement date. These securities are classified in Level 1 of the fair value hierarchy.

In measuring Plan assets at fair value, a fair value hierarchy is applied which categorizes and prioritizes the inputs used to estimate fair value into three levels. The fair value hierarchy is based on maximizing the use of observable inputs and minimizing the use of unobservable inputs when measuring fair value. Classification within the fair value hierarchy is based on the lowest level input that is significant to the fair value measurement. The three levels of the fair value hierarchy are defined as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices (in non-active markets or in active markets for similar assets or liabilities), inputs other than quoted prices that are observable, and inputs that are derived principally from or corroborated by observable market data by correlation or other means.
- Level 3 inputs are unobservable inputs for the assets or liabilities.

In certain instances, fair value is estimated using quoted market prices obtained from an external pricing service. In obtaining such data from the pricing service, the Plan has evaluated the methodologies used to develop the estimate of fair value in order to assess whether such valuations are representative of fair value, including NAV. Additionally, in certain circumstances, the Plan may adjust NAV reported by an asset manager when sufficient evidence indicates NAV is not representative of fair value.

In September 2009, the Financial Accounting Standards Board provided investors with a practical expedient for measuring the fair value of investments in certain entities that calculate NAV. The practical expedient enables an entity holding investments in certain entities that calculate net asset value per share or its equivalent for which the fair value is not readily determinable, to measure the fair value of such investments on the basis of that net asset value per share or its equivalent without adjustment. The Plan adopted this guidance for the year ended December 31, 2009; however, application of the practical expedient did not have a material effect on the Plan’s fair value measurements. No adjustments to reported NAV reported by an asset manager have been recorded.

The following tables set forth by level within the fair value hierarchy a summary of the Plan’s investments measured at fair value on a recurring basis at December 31, 2011 and December 31, 2010, respectively.

## Table of Contents

### Fair Value Measurements at December 31, 2011

|                                  | Quoted Prices<br>in Active<br>Markets for<br>Identical Assets<br>(Level 1) | Significant<br>Other<br>Observable<br>Inputs<br>(Level 2) | Significant<br>Unobservable<br>Inputs<br>(Level 3) | Total       |
|----------------------------------|----------------------------------------------------------------------------|-----------------------------------------------------------|----------------------------------------------------|-------------|
| Cash and cash equivalents        | \$ 22,036                                                                  |                                                           |                                                    | \$ 22,036   |
| Equities:                        |                                                                            |                                                           |                                                    |             |
| Exelis Company Stock             | 60,744                                                                     |                                                           |                                                    | 60,744      |
| ITT Corporation Stock            | 63,367                                                                     |                                                           |                                                    | 63,367      |
| Xylem Inc. Stock                 | 170,056                                                                    |                                                           |                                                    | 170,056     |
| Domestic Equities                | 251,284                                                                    |                                                           |                                                    | 251,284     |
| International Equities           | 27,345                                                                     |                                                           |                                                    | 27,345      |
| Total equities                   | 572,796                                                                    |                                                           |                                                    | 572,796     |
| Mutual funds                     |                                                                            |                                                           |                                                    |             |
| American New Perspective Fund    | 109,712                                                                    |                                                           |                                                    | 109,712     |
| Eaton Vance Large-Cap Value Fund | 53,890                                                                     |                                                           |                                                    | 53,890      |
| JP Morgan US Large Cap Core Plus | 9,768                                                                      |                                                           |                                                    | 9,768       |
| iShares Russell 2000 Value Index | 586                                                                        |                                                           |                                                    | 586         |
| Total mutual funds               | 173,956                                                                    |                                                           |                                                    | 173,956     |
| U.S. government securities       |                                                                            | \$ 19,904                                                 |                                                    | 19,904      |
| Corporate bonds                  |                                                                            | 18,395                                                    |                                                    | 18,395      |
| Guaranteed investment contracts  | 20,393                                                                     | 686,083                                                   | \$ 483                                             | 706,959     |
| Common collective trusts (1)     |                                                                            | 420,235                                                   |                                                    | 420,235     |
| Brokerage (2)                    | 9,585                                                                      |                                                           |                                                    | 9,585       |
| Participant directed investments | \$ 798,766                                                                 | \$1,144,617                                               | \$ 483                                             | \$1,943,866 |

(1) See Page 12 for break out of Common Collective Trusts

(2) Includes \$2,029 cash and cash equivalents; \$2,041 mutual funds and \$5,515 in equities.

## [Table of Contents](#)

### Fair Value Measurements at December 31, 2010

|                                      | Quoted Prices<br>in Active<br>Markets for<br>Identical Assets<br>(Level 1) | Significant<br>Other<br>Observable<br>Inputs<br>(Level 2) | Significant<br>Unobservable<br>Inputs<br>(Level 3) | Total       |
|--------------------------------------|----------------------------------------------------------------------------|-----------------------------------------------------------|----------------------------------------------------|-------------|
| Cash and cash equivalents            | \$ 27,058                                                                  |                                                           |                                                    | \$ 27,058   |
| Equities:                            |                                                                            |                                                           |                                                    |             |
| ITT Corporation Stock                | 431,958                                                                    |                                                           |                                                    | 431,958     |
| Domestic Equities                    | 299,316                                                                    |                                                           |                                                    | 299,316     |
| International Equities               | 38,270                                                                     |                                                           |                                                    | 38,270      |
| Total equities                       | 769,544                                                                    |                                                           |                                                    | 769,544     |
| Mutual funds                         |                                                                            |                                                           |                                                    |             |
| American New Perspective Fund        | 154,806                                                                    |                                                           |                                                    | 154,806     |
| Eaton Vance Large-Cap Value          | 71,394                                                                     |                                                           |                                                    | 71,394      |
| JP Morgan US Large Cap Core Plus     | 12,018                                                                     |                                                           |                                                    | 12,018      |
| iShares Russell 2000 Value Index     | 1,678                                                                      |                                                           |                                                    | 1,678       |
| Total mutual funds                   | 239,896                                                                    |                                                           |                                                    | 239,896     |
| U.S. government securities           |                                                                            | \$ 27,280                                                 |                                                    | 27,280      |
| Corporate bonds                      |                                                                            | 18,012                                                    |                                                    | 18,012      |
| Guaranteed investment contracts      | 21,787                                                                     | 704,860                                                   | \$ 1,552                                           | 728,199     |
| Common collective trusts             |                                                                            | 473,429                                                   |                                                    | 473,429     |
| Brokerage (1)                        | 10,983                                                                     |                                                           |                                                    | 10,983      |
| Participant directed investments     | 1,069,268                                                                  | 1,223,581                                                 | 1,552                                              | 2,294,401   |
| Non-Participant directed investments |                                                                            |                                                           |                                                    |             |
| Cash                                 | 26                                                                         |                                                           |                                                    | 26          |
| Asset Backed Securities              |                                                                            | 2,461                                                     |                                                    | 2,461       |
| Corporate Bonds                      |                                                                            | 3,177                                                     |                                                    | 3,177       |
| Total non-participant directed       | 26                                                                         | 5,638                                                     | —                                                  | 5,664       |
| Total                                | \$ 1,069,294                                                               | \$1,229,219                                               | \$ 1,552                                           | \$2,300,065 |

(1) Includes \$2,466 cash and cash equivalents; \$2,473 mutual funds and \$6,044 in equities.

The following table presents a reconciliation of the beginning and ending balances of the fair value measurements using significant unobservable inputs (Level 3):

|                             | Guaranteed<br>Investment Contracts |
|-----------------------------|------------------------------------|
| Balance - January 1, 2010   | \$ 1,119                           |
| Unrealized gain             | 433                                |
| Balance - December 31, 2010 | \$ 1,552                           |
| Unrealized loss             | (1,069)                            |
| Balance - December 31, 2011 | \$ 483                             |

## Table of Contents

The Plan reports transfers within the fair value hierarchy as of the beginning of the reporting period.

There are no unfunded commitments related to the CCTs and investments in CCTs can be redeemed on a daily basis. The following table sets forth a summary of the Plan's investments in CCTs reported at fair value using net asset value per share at December 31, 2011 and 2010:

Fair Value Estimated Using Net Asset Value per Share  
Fair Value at December 31

|                                                                          | 2011             | 2010             |
|--------------------------------------------------------------------------|------------------|------------------|
| (a) JPMCB Smartretirement Income Fund                                    | \$ 26,861        | \$ 14,165        |
| (b) JPMCB Target Retirement Date Funds                                   | 179,242          | 210,407          |
| (c) JPMCB Smartindex Fund                                                | 100,628          | 121,755          |
| (d) INTECH Institutional Large Cap Growth Fund                           | 30,213           | 38,606           |
| (e) State Street Global Advisors International Alpha Select<br>SL Series | 9,830            | 15,313           |
| (f) JPMCB Long-term Bond Fund                                            | 73,461           | 73,183           |
| Total Common Collective Trusts                                           | <u>\$420,235</u> | <u>\$473,429</u> |
| (g) Pyramid Short Managed Maturing Fund                                  | \$ 69,930        | \$110,756        |
| (g) Pyramid Intermediate Managed Maturing Fund                           | \$104,974        | \$119,058        |
| (g) Pyramid Intermediate Fixed Income Fund                               | \$353,903        | \$336,557        |

- (a) The fund is designed to provide exposure to a variety of asset classes through investments in underlying funds with a emphasis on fixed income funds over equity funds and other funds. The fund seeks current income and some capital appreciation. The Company must provide 180 days advance notice to terminate the fund.
- (b) Target retirement date funds seek total return with a shift to current income and some capital appreciation over time as the fund approaches and passes the target retirement date. These funds generally reach their most conservative target allocations close to the target retirement date. The Company must provide 180 days advance notice to terminate the fund.
- (c) Seeks to provide a market like total return from a widely diversified portfolio of selected stocks issued primarily by large and medium-sized U.S. companies. The Company must provide 180 days advance notice to terminate the fund.
- (d) The fund employs mathematical and statistical techniques to develop portfolios, which, over time, have the potential to outperform their benchmarks, with low volatility. Subject to SEI Trust Company's discretion, the Company is required to submit written notification of a sponsor-directed full or partial redemption five business days in advance of the desired withdrawal date.
- (e) The SSgA Active International Stock Selection Fund (the "Fund") seeks to provide a total investment return in excess of the performance of the MSCI EAFE® Index (the "Index") over the long term. The Company must provide 30 days advance notice to terminate the management of the fund.
- (f) The fund seeks to provide consistent excess returns over broad market indices with risk similar to its benchmark, Barclays Capital U.S. Aggregate Index, over a three-to-five year horizon. The Company must provide 180 days advance notice to terminate the fund.
- (g) These funds are part of the Stable Value Fund. The Stable Value Fund seeks to preserve principal value and provide a relatively stable rate of return comparable to intermediate fixed-income yields over two to five years. Participating trusts can redeem daily upon written notice to the Trustee of the funds. However, the Trustee, in its absolute discretion, may delay payment in a manner to avoid an adverse impact on the Fund. The Company must provide 30 to 365 days depending on the market value of the fund at the time of termination.

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## [Table of Contents](#)

### 4. INVESTMENTS

The following presents investments that represent 5 percent or more of the Plan's net assets available for benefits:

|                                                                                                                 | December 31, |           |
|-----------------------------------------------------------------------------------------------------------------|--------------|-----------|
|                                                                                                                 | 2011         | 2010      |
| ITT Corporation Common Stock, 8,289,354 shares at fair value                                                    | **           | \$431,958 |
| Xylem Inc Common Stock, 6,619,560 shares at fair value                                                          | \$170,056    | **        |
| Pyramid Enhanced Intermediate Fixed Income Fund*                                                                | \$353,903    | \$336,557 |
| American New Perspective Fund (Global Equity Fund), 4,193,882 and 5,409,023 shares, respectively, at fair value | \$109,712    | \$154,806 |
| JPMCB Smart Index Fund, 3,517,225 and 4,331,381 shares, respectively, at fair value                             | \$100,628    | \$121,755 |
| Pyramid Intermediate Managed Maturing Fund*                                                                     | \$104,974    | \$119,058 |

\* These investment contracts are part of the Stable Value fund investment option

\*\* These investments did not represent 5% or more of the Plan net assets available for benefits in the respective years.

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## Table of Contents

During the year ended December 31, 2011, the Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) declined in value by \$77,044, as follows:

|                                           |                          |
|-------------------------------------------|--------------------------|
| Equities:                                 |                          |
| Exelis Company Stock                      | \$ 7,277                 |
| ITT Corporation Stock                     | (61,047)                 |
| Xylem Inc. Stock                          | (8,333)                  |
| Domestic Equities                         | 2,165                    |
| International Equities                    | (6,958)                  |
| Total equities                            | (66,896)                 |
| Mutual funds                              |                          |
| American New Perspective Fund             | (12,669)                 |
| Eaton Vance Large-Cap Value Fund          | (4,256)                  |
| JP Morgan US Large Cap Core Plus          | (486)                    |
| iShares Russell 2000 Value Index          | (58)                     |
| Total mutual funds                        | (17,469)                 |
| U.S. Government Securities                | (3,247)                  |
| Corporate Bonds                           | 4,207                    |
| Common Collective Trusts                  | 2,465                    |
| Brokerage                                 | (1,040)                  |
| Other                                     | 4,936                    |
| Net Decrease in Fair Value of Investments | <u><u>\$(77,044)</u></u> |

## **5. SECURITIES LENDING**

Through July 28, 2009, the Plan participated in a securities lending program through the trustee. Under this program, the Plan's investment securities were loaned to investment bankers for a fee. On July 28, 2009, the Plan entered into a loan agreement with ITT for the purpose of unwinding the securities lending program and purchasing the collateral securities. The Plan repaid the collateral it held in return for the securities it had loaned. As the value of the collateral held was less than the Plan's obligation to return the collateral, the Plan entered into a loan agreement with ITT to fund the collateral deficiency. As of July 28, 2009, the Plan no longer participates in the securities lending program.

On June 30, 2011, ITT terminated the loan agreement, forgave the outstanding balance and made a restorative payment to the Plan in the amount of the remaining unpaid balance. No Member has realized a loss as a result of the collateral deficiency or the loan agreement.

## **6. PLAN TRUSTEE**

Fees paid by the Plan for trustee services provided by Wells Fargo Bank, NA amounted to \$282 for the year ended December 31, 2011.

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## Table of Contents

### **7. FEDERAL INCOME TAX STATUS**

The IRS has determined and informed the Company by letter dated February 12, 2004 that the Plan and related trust are designed in accordance with applicable sections of the IRC. The Plan has been amended since receiving the determination letter. However, the Plan administrator believes that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC and the Plan and the related trust continue to be tax-exempt. Therefore, no provision for income taxes has been included in the Plan's financial statements. The Plan was amended and restated in 2010 and an application for a determination letter was filed on January 31, 2011 under Filing Cycle E. The Plan was further amended as of October 31, 2011, to reflect its transfer to the Company in connection with the spin-off and again as of January 1, 2012, to make certain changes in the benefit structure and for other updates. The Plan administrator's position is such changes will not affect the qualification of the Plan under the IRC and it intends to request a determination letter for the Plan during the next IRS filing cycle.

GAAP requires Plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Plan administrator believes it is not subject to income tax examinations for years prior to 2011 because of the Spin-off. The Company became the Plan's sponsor effective October 31, 2011. ITT Corporation, the prior sponsor of the plan, may be subject to income tax examinations for years prior to 2011. The Company and ITT entered into a Tax Matters Agreement, which generally provides that ITT shall indemnify Exelis for consolidated income taxes relating to any pre Spin-off period up to a certain amount.

### **8. INVESTMENT CONTRACTS WITH INSURANCE AND OTHER FINANCIAL INSTITUTIONS**

The Plan provides a separately managed stable value investment option to Members that includes synthetic GICs that simulate the performance of a GIC through an issuer's guarantee of a specific interest rate (the wrapper contract) and a portfolio of financial instruments that are owned by the Plan. The synthetic GIC includes underlying assets which are held by the trust and owned by the Plan and utilizes benefit-responsive wrapper contracts issued by Bank of America, N.A., JP Morgan Chase Bank, Natixis Financial Products LLC. and Monumental Life Insurance Co. The contracts provide that the Members typically execute plan transactions at contract value, although some exceptions apply. Contract value represents contributions made to the fund, plus earnings, less Member withdrawals. The wrapper contract provides that realized and unrealized gains and losses on the underlying fixed income portfolio are not normally reflected immediately in the net assets of the fund, but rather are amortized over the duration of the underlying assets through adjustments to the future interest crediting rate. Primary variables impacting future crediting rates of the Fund include the current yield, duration, and existing difference between contract value of the wrapper and the market value of the assets associated with the wrap contract.

Certain events outside the normal operation of the Plan may limit the ability of the Member or Plan to transact at contract value or may allow for the termination of the wrapper contract at less than contract value, which may result in a loss to Members invested in the Fund. These events include, but are not limited to: (i) changes or amendments to the Plan's operation or administration, investment options or strategy, investment managers, or rules governing the plan's contributions, transfers, or withdrawals, (ii) changes in the tax code or law or regulations, (iii) an employer's bankruptcy, layoffs, plant closings, corporate spin-offs, mergers, divestitures or other workforce restructurings, (iv) certain communications from the plan sponsor, (v) the addition of an advice provider, automatic rebalancing program, or managed account program. Plan management believes that the occurrence of events that may limit the ability of the Members or Plan to transact at less than contract value is not probable.

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## Table of Contents

The following investments are the underlying categories in the guaranteed investment contracts as of December 31, 2011 and 2010:

|                            | <u>2011</u>      | <u>2010</u>      |
|----------------------------|------------------|------------------|
| Cash and cash equivalents  | \$ 20,393        | \$ 21,787        |
| U.S. government securities | 102,765          | 93,230           |
| Corporate bonds            | 31,823           | 30,001           |
| Investment contracts       | 2,952            | 5,122            |
| Common collective trusts   | 528,807          | 566,371          |
| Other                      | 20,219           | 11,688           |
| Total                      | <u>\$706,959</u> | <u>\$728,199</u> |

The interest rates are reset quarterly based on current yield and duration of the associated fixed income investments and the difference between the contract value of the wrapper and the market value of assets associated with the wrap contract. The benefit-responsive contracts contain a provision that prevents the credited rate from resetting below zero.

|                                                   | <u>2011</u> | <u>2010</u> |
|---------------------------------------------------|-------------|-------------|
| Average yields:                                   |             |             |
| Based on year-end average yield of investment (1) | 2.00%       | 2.53%       |
| Based on average yield credited to Members (2)    | 3.24%       | 3.42%       |

- (1) Computed by market value sum of the fund's holdings times their respective yields, divided by the sum of the holdings as of the stated reporting date.
- (2) Computed by the sum of the book value holdings times the crediting rate for the fund divided by the market value of the fund.

The Statements of Net Assets Available for Benefits present investment contracts at fair value, as well as providing an additional line item showing an adjustment from fair value to contract value for fully benefit-responsive investment contracts. The Statement of Changes in Net Assets Available for Benefits is presented on a contract value basis.

## **9. EXEMPT PARTY-IN-INTEREST TRANSACTIONS**

At December 31, 2011, the Plan held 6,712,074 shares outstanding of the Company with a cost basis of \$37,884 and 8,289,354 shares outstanding of ITT common stock at December 31, 2010 with a cost basis \$198,847. During the year ended December 31, 2011, the Plan recorded related dividend income of \$768 and net appreciation of \$25,976 related to these investments.

Certain administrative functions are performed by the officers and employees of the Company (who may also be Members in the Plan) at no cost to the Plan.

At December 31, 2011 and 2010, the Plan maintained Wells Fargo Bank, NA short-term investments of \$51,113 and \$46,169, respectively. In addition, at December 31, 2011 and 2010, the Plan held 89,811 and 132,894 shares outstanding of Wells Fargo common stock, with cost basis of \$2,406 and \$3,514, respectively. During the year ended December 31, 2011, the Plan recorded related dividend income of \$54 and net appreciation of \$69.

Fees paid by the Plan for the investment management fees were \$3,038 for the year-ended December 31, 2011.

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## [Table of Contents](#)

In July of 2009, ITT entered into a loan agreement with the Plan for the purpose of unwinding the securities lending program and purchasing the collateral securities. The original loan amount was \$30.4 million of which \$10.8 million was outstanding at December 31, 2010. Effective June 30, 2011, the loan agreement with ITT was terminated. Immediately following the termination of the loan agreement, ITT forgave the amount remaining owing under the loan agreement and treated such balance as restorative payment to the Plan.

These transactions are not deemed prohibited party-in-interest transactions, because they are covered by statutory or administrative exemptions from the IRC and ERISA's rules on prohibited transactions.

### **10. PLAN TERMINATION**

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, Members will become 100% vested in their accounts.

### **11. ASSET TRANSFERS/ROLLOVERS**

All assets related to ITT and Xylem active employees in the Plan were transferred to the ITT and Xylem plans as of December 14, 2011. In 2011, \$6,479 was rolled over into the Plan from various Members.

### **12. SUBSEQUENT EVENTS**

For the year ended December 31, 2011, subsequent events were evaluated through June 21, 2012, the date the financial statements were available to be issued. Effective January 1, 2012, the Exelis Compensation and Personnel Committee adopted and implemented modifications to the Plan ("Enhanced ISP") and the Exelis Salaried Retirement Plan ("SRP"). All eligible U.S. employees had a one-time opportunity to choose participation in the Enhanced ISP or the SRP. Under Exelis' Enhanced ISP, the company floor contribution will be replaced by a new age-based base contribution, which will be as follows:

- 2% of eligible pay if an employee is less than 35 years of age;
- 3% of eligible pay if an employee is at least 35 years of age but less than 45 years of age; and
- 4% of eligible pay if an employee is 45 years of age or older.

For those employees who elect the Enhanced ISP alternative, Exelis will continue to credit the employee's ISP account each pay period throughout the year with the base contribution regardless of whether an employee contributes to the Enhanced ISP. In addition, an employee receives a dollar-for-dollar match (100%) of the first 1% of eligible pay contributed and 50% match on the next 5% of eligible pay contributed. An employee will be vested immediately in all contributions under the Enhanced ISP. As of the effective date, contributions to the ISP will increase automatically to 6% of eligible pay if an employee is contributing less than 6% as of the effective date or not contributing at all. Employees who choose the SRP will not receive any employer matching or base contributions, but may continue to contribute their own money in the Enhanced ISP. The definition of eligible pay for the Enhanced ISP has been expanded to include bonus and other pay.

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## Table of Contents

The Company communicated on June 13, 2012 that effective June 29, 2012, the co-managers of the International Equity fund, Global Currents Investment Management and State Street Global Advisors will be replaced with Dodge & Cox. In addition, on July 2, 2012, five new funds will be added, which funds are managed by BlackRock Institutional Trust Company, N.A.:

1. BlackRock Equity Index Non-Lendable Fund F
2. BlackRock Russell 2000 Index Non-Lendable Fund F
3. BlackRock ACWI ex-US Index Non-Lendable Fund F
4. BlackRock US Debt Index Non-Lendable Fund F
5. BlackRock US TIPS Index Non-Lendable Fund F

The Company also communicated on June 13, 2012 its intent to eliminate the ITT and Xylem Stock Funds. The Plan has retained an independent fiduciary to begin the process effective September 30, 2012. Members will have until 4:00 pm Eastern Daylight Time on September 28, 2012 to transfer investments out of the ITT and Xylem Stock Funds. The Plan will automatically reinvest the proceeds of the sale by the independent fiduciary of stock in the ITT and Xylem Stock Funds allocable to each Member's accounts into the target retirement fund appropriate for the Member's age.

### **13. RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500**

A reconciliation of net assets available for benefits per the financial statements to the total net assets per the Form 5500 as of December 31, 2011 and 2010, and the increase (decrease) in net assets per the financial statements to the net income per the Form 5500 for the year ended December 31, 2011, is as follows:

|                                                                                                | As of<br>December 31,           |                    |
|------------------------------------------------------------------------------------------------|---------------------------------|--------------------|
|                                                                                                | 2011                            | 2010               |
| Net assets available for benefits per the financial statements                                 | \$1,931,231                     | \$2,294,070        |
| Amounts allocated to withdrawing Members                                                       | (212)                           | (61)               |
| Adjustment from fair value to contract value for fully benefit responsive investment contracts | 35,810                          | 26,930             |
| Net assets available for benefits per the Form 5500                                            | <u>\$1,966,829</u>              | <u>\$2,320,939</u> |
|                                                                                                | Year Ended<br>December 31, 2011 |                    |
| Decrease in net assets per financial statements                                                | \$ (362,839)                    |                    |
| Adjustment from fair value to contract value for fully benefit responsive investment contracts | 8,880                           |                    |
| Add: Amounts allocated to withdrawing Members at December 31, 2010                             | 61                              |                    |
| Less: Amounts allocated to withdrawing Members at December 31, 2011                            | (212)                           |                    |
| Net loss per Form 5500                                                                         | <u>\$ (354,110)</u>             |                    |

The following is a reconciliation of withdrawals and distributions to Members according to the financial statements to the Form 5500:

|                                                                     | Year Ended<br>December 31, 2011 |
|---------------------------------------------------------------------|---------------------------------|
| Withdrawals and distributions per the financial statements          | \$ 176,455                      |
| Add: Amounts allocated to withdrawing Members at December 31, 2011  | 212                             |
| Less: Amounts allocated to withdrawing Members at December 31, 2010 | (61)                            |
| Less: Amounts deemed distributed for tax purposes in 2011           | (1,555)                         |
| Withdrawals and distributions per the Form 5500                     | <u>\$ 175,051</u>               |

[Table of Contents](#)

**EXELIS SALARIED INVESTMENT AND SAVINGS PLAN  
SCHEDULE H, PART IV, LEVEL 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)  
AS OF DECEMBER 31, 2011**

**EIN: 45-2083813  
PN: 100**

| (a) | (b) Identity of Issuer, Borrower, Lesser or Similar Party | (c) Description of Investment, including Maturity Date, Rate of Interest, Collateral, and Par or Maturity Value | (d) Cost | (e) Current Value |
|-----|-----------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------|----------|-------------------|
|     | United States Dollars                                     | Cash - US Dollars                                                                                               | **       | 1                 |
|     | Broker - Euro                                             | Cash - Invested in Euro                                                                                         | **       | 140               |
|     | Broker - New Zealand Dollar                               | Cash - Invested in New Zealand Dollar                                                                           | **       | 12                |
|     | JP MORGAN LIQUIDITY FUND                                  | Money Market                                                                                                    | **       | 807,306           |
| *   | WELLS FARGO ADVANTAGE GOVERNMENT                          | Money Market                                                                                                    | **       | 29,884,721        |
| *   | WELLS FARGO SHORT-TERM INVESTMENT FUND N                  | Money Market                                                                                                    | **       | 21,228,052        |
|     | U S TREASURY BONDS DTD 02/15/89 8.8750 02/15/2019         | US Government Security, Maturity - November 30, 2015                                                            | **       | 3,954,177         |
|     | U S TREASURY INFL INDEX DTD 01/18/05 1.625 01/15/2015     | US Government Security, Par - 2,904,195.63 Maturity 1/15/2015, Interest 1.625%                                  | **       | 3,132,221         |
|     | US TREASURY NOTE DTD 02/01/10 0.875 01/31/2012            | US Government Security, Par - 2,584,000 Maturity 1/31/2012, Interest .875%                                      | **       | 2,585,615         |
|     | US TREASURY NOTE DTD 04/30/10 1.000 04/30/2012            | US Government Security, Par - 4,489,000 Maturity 4/30/2012, Interest 1.0%                                       | **       | 4,503,028         |
|     | US TREASURY NOTE DTD 08/15/09 1.750 08/15/2012            | US Government Security, Par - 2,195,000 Maturity 8/15/2012, Interest 1.75%                                      | **       | 2,217,292         |
|     | US TREASURY NOTE DTD 11/30/07 3.375 11/30/2012            | US Government Security, Par - 336,000 Maturity 11/30/2012, Interest 3.375%                                      | **       | 345,804           |
|     | US TREASURY NOTE DTD 11/15/11 2.000 11/15/2021            | US Government Security, Par - 336,000 Maturity 11/15/2021, Interest 2.000                                       | **       | 3,165,701         |
|     | AMGEN INC DTD 11/10/11 3.875 11/15/2021                   | Corporate Bond, Par -2,445,000 Maturity 11/15/2021, Interest 3.875%                                             | **       | 2,467,286         |
|     | AXIS CAPITAL HOLDINGS DTD 11/15/04 5.750 12/01/2014       | Corporate Bond, Par - 2,615,000 Maturity 12/01/2014, Interest 5.750%                                            | **       | 2,749,487         |
|     | BANK OF AMERICA CORP DTD 11/18/03 5.250 12/01/2015        | Corporate Bond, Par - 1,848,000.000 Maturity 12/01/2015, Interest 5.250%                                        | **       | 1,706,999         |
|     | COMCAST CORP DTD 08/23/2007 6.300 11/15/2017              | Corporate Bond, Par - 1,918,000, Maturity 11/15/2017, Interest 6.3%                                             | **       | 2,268,607         |
|     | EOG RESOURCES INC DTD 09/10/2007 5.875 09/15/2017         | Corporate Bond, Par - 1,898,000, Maturity 9/15/2017, Interest 5.875%                                            | **       | 2,265,244         |
|     | HOME DEPOT INC DTD 03/24/06 5.400 03/01/2016              | Corporate Bond, Par 2,080,000, Maturity 3/1/2016, Interest 5.4%                                                 | **       | 2,402,333         |
|     | TIME WARNER INC DTD 11/13/06 5.875 11/15/2016             | Corporate Bond, Par - 2,039,000, Maturity 11/15/2016, Interest 5.875%                                           | **       | 2,353,467         |
|     | WAL-MART STORES INC DTD 08/24/2007 5.800 02/15/2018       | Corporate Bond, Par - 1,783,000, Maturity 2/15/2018, Interest 5.8%                                              | **       | 2,181,679         |
|     | ITAU UNIBANCO BANCO HOLDING S.A.                          | Preferred Stock                                                                                                 | **       | 116,371           |
|     | 3M CO COM                                                 | Common Stock                                                                                                    | **       | 733,935           |
|     | 99 CENTS ONLY STORES COM                                  | Common Stock                                                                                                    | **       | 1,162,735         |

[Table of Contents](#)

**EXELIS SALARIED INVESTMENT AND SAVINGS PLAN  
SCHEDULE H, PART IV, LEVEL 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)  
AS OF DECEMBER 31, 2011**

**EIN: 45-2083813  
PN: 100**

| (a) | (b) Identity of Issuer, Borrower, Lesser or Similar Party | (c ) Description of Investment, including Maturity Date,<br>Rate of Interest, Collateral, and Par or Maturity Value | (d)<br>Cost | (e) Current<br>Value |
|-----|-----------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------|-------------|----------------------|
|     | AARON'S INC                                               | Common Stock                                                                                                        | **          | 439,660              |
|     | ABBOTT LABS                                               | Common Stock                                                                                                        | **          | 417,789              |
|     | ACCENTURE PLC                                             | Common Stock                                                                                                        | **          | 1,003,918            |
|     | ACCOR SA                                                  | Common Stock                                                                                                        | **          | 804,350              |
|     | ACI WORLDWIDE INC                                         | Common Stock                                                                                                        | **          | 366,592              |
|     | ACTIVISION BLIZZARD INC                                   | Common Stock                                                                                                        | **          | 1,242,952            |
|     | ADOBE SYS INC                                             | Common Stock                                                                                                        | **          | 387,299              |
|     | ADTRAN INC                                                | Common Stock                                                                                                        | **          | 1,080,482            |
|     | ADVANCED MICRO DEVICES INC                                | Common Stock                                                                                                        | **          | 164,700              |
|     | AES CORP                                                  | Common Stock                                                                                                        | **          | 438,080              |
|     | AFLAC INC                                                 | Common Stock                                                                                                        | **          | 220,626              |
|     | AGILENT TECHNOLOGIES INC                                  | Common Stock                                                                                                        | **          | 125,748              |
|     | AIR PRODS & CHEMS INC COM                                 | Common Stock                                                                                                        | **          | 68,152               |
|     | AKAMAI TECHNOLOGIES                                       | Common Stock                                                                                                        | **          | 48,420               |
|     | AKZO NOBEL EUR 2.0                                        | Common Stock                                                                                                        | **          | 198,845              |
|     | ALEXION PHARMACEUTICALS INC                               | Common Stock                                                                                                        | **          | 174,460              |
|     | ALIGN TECHNOLOGY INC                                      | Common Stock                                                                                                        | **          | 1,482,813            |
|     | ALLEGiant TRAVEL CO                                       | Common Stock                                                                                                        | **          | 770,390              |
|     | ALLERGAN INC                                              | Common Stock                                                                                                        | **          | 970,404              |
|     | ALLSTATE CORP                                             | Common Stock                                                                                                        | **          | 367,294              |
|     | ALTRIA GROUP INC COM                                      | Common Stock                                                                                                        | **          | 444,750              |
|     | AMARIN CORPORATION PLC                                    | Common Stock                                                                                                        | **          | 489,516              |
|     | AMAZON COM INC COM                                        | Common Stock                                                                                                        | **          | 1,395,013            |
|     | AMERICAN EXPRESS CO                                       | Common Stock                                                                                                        | **          | 1,025,004            |

[Table of Contents](#)

**EXELIS SALARIED INVESTMENT AND SAVINGS PLAN  
SCHEDULE H, PART IV, LEVEL 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)  
AS OF DECEMBER 31, 2011**

**EIN: 45-2083813  
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| (a) | (b) Identity of Issuer, Borrower, Lesser or Similar Party | (c) Description of Investment, including Maturity Date, Rate of Interest, Collateral, and Par or Maturity Value | (d) Cost | (e) Current Value |
|-----|-----------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------|----------|-------------------|
|     | AMERICAN STATES WATER COMPANY COM                         | Common Stock                                                                                                    | **       | 505,247           |
|     | AMERICAN TOWER SYSTEMS CORP CLASS A                       | Common Stock                                                                                                    | **       | 354,059           |
|     | AMERIPRISE FINL INC                                       | Common Stock                                                                                                    | **       | 158,848           |
|     | AMERISOURCEBERGEN CORP COM                                | Common Stock                                                                                                    | **       | 104,132           |
|     | AMERISTAR CASINOS INC COM                                 | Common Stock                                                                                                    | **       | 325,484           |
|     | AMGEN INC                                                 | Common Stock                                                                                                    | **       | 612,563           |
|     | AMYLIN PHARMACEUTICALS INC COM                            | Common Stock                                                                                                    | **       | 565,871           |
|     | ANCESTRY.COM INC                                          | Common Stock                                                                                                    | **       | 334,068           |
|     | ANHEUSER-BUSH INBEV SA, BRUXELL NPV                       | Common Stock                                                                                                    | **       | 302,745           |
|     | ANHEUSER-BUSH INBEV STRIP VVPR                            | Common Stock                                                                                                    | **       | 2                 |
|     | AON CORP                                                  | Common Stock                                                                                                    | **       | 388,440           |
|     | APACHE CORP                                               | Common Stock                                                                                                    | **       | 589,676           |
|     | APPLE INC                                                 | Common Stock                                                                                                    | **       | 5,192,910         |
|     | APPLIED INDL TECHNOLOGIES INC COM                         | Common Stock                                                                                                    | **       | 747,011           |
|     | APPLIED MATERIALS INC                                     | Common Stock                                                                                                    | **       | 259,182           |
|     | ARCH COAL INC COM                                         | Common Stock                                                                                                    | **       | 695,493           |
|     | ARCHER DANIELS MIDLAND CO                                 | Common Stock                                                                                                    | **       | 94,380            |
|     | ARIBA INC                                                 | Common Stock                                                                                                    | **       | 342,576           |
|     | AT & T INC                                                | Common Stock                                                                                                    | **       | 2,375,957         |
|     | ATHENAHEALTH INC                                          | Common Stock                                                                                                    | **       | 765,044           |
|     | ATMEL CORP                                                | Common Stock                                                                                                    | **       | 305,370           |
|     | AUTODESK INC                                              | Common Stock                                                                                                    | **       | 391,257           |
|     | AUTOMATIC DATA PROCESSING INC                             | Common Stock                                                                                                    | **       | 291,114           |
|     | AUTOZONE INC                                              | Common Stock                                                                                                    | **       | 259,976           |

[Table of Contents](#)

**EXELIS SALARIED INVESTMENT AND SAVINGS PLAN**  
**SCHEDULE H, PART IV, LEVEL 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)**  
**AS OF DECEMBER 31, 2011**

**EIN: 45-2083813**  
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| <b>(a)</b> | <b>(b) Identity of Issuer, Borrower, Lesser or Similar Party</b> | <b>(c ) Description of Investment, including Maturity Date, Rate of Interest, Collateral, and Par or Maturity Value</b> | <b>(d) Cost</b> | <b>(e) Current Value</b> |
|------------|------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------|-----------------|--------------------------|
|            | AVAGO TECHNOLOGIES LTD                                           | Common Stock                                                                                                            | **              | 174,314                  |
|            | AVON PRODS INC                                                   | Common Stock                                                                                                            | **              | 197,935                  |
|            | AXA EUR 2.29                                                     | Common Stock                                                                                                            | **              | 80,143                   |
|            | AXIS CAPITAL HOLDINGS LTD                                        | Common Stock                                                                                                            | **              | 963,530                  |
|            | BAKER HUGHES INC COM                                             | Common Stock                                                                                                            | **              | 347,387                  |
|            | BANCO SANTANDER SA EUR 0.5                                       | Common Stock                                                                                                            | **              | 181,336                  |
|            | BANK OF AMERICA CORP                                             | Common Stock                                                                                                            | **              | 357,936                  |
|            | BARCLAYS ORD 25P                                                 | Common Stock                                                                                                            | **              | 95,226                   |
|            | BARD C R INC                                                     | Common Stock                                                                                                            | **              | 94,050                   |
|            | BARRICK GOLD CORP COM                                            | Common Stock                                                                                                            | **              | 204,530                  |
|            | BASF SE NPV                                                      | Common Stock                                                                                                            | **              | 174,193                  |
|            | BAXTER INTL INC                                                  | Common Stock                                                                                                            | **              | 305,786                  |
|            | BAYER A G NPV                                                    | Common Stock                                                                                                            | **              | 264,801                  |
|            | BED BATH & BEYOND INC                                            | Common Stock                                                                                                            | **              | 909,665                  |
|            | BEIERSDORF AG                                                    | Common Stock                                                                                                            | **              | 108,680                  |
|            | BERKSHIRE HATHAWAY INC.                                          | Common Stock                                                                                                            | **              | 862,190                  |
|            | BG GROUP ORD GBP 0.10                                            | Common Stock                                                                                                            | **              | 256,278                  |
|            | BIOGEN IDEC INC                                                  | Common Stock                                                                                                            | **              | 358,763                  |
|            | BLOCK H & R INC                                                  | Common Stock                                                                                                            | **              | 80,017                   |
|            | BNP PARIBAS EUR 2.0                                              | Common Stock                                                                                                            | **              | 178,870                  |
|            | BOEING CO                                                        | Common Stock                                                                                                            | **              | 2,407,567                |
|            | BOSTON SCIENTIFIC CORP COM                                       | Common Stock                                                                                                            | **              | 91,848                   |
|            | BRIDGESTONE CO JPY ORDS                                          | Common Stock                                                                                                            | **              | 192,803                  |
|            | BRISTOL MYERS SQUIBB CO                                          | Common Stock                                                                                                            | **              | 489,836                  |

[Table of Contents](#)

**EXELIS SALARIED INVESTMENT AND SAVINGS PLAN**  
**SCHEDULE H, PART IV, LEVEL 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)**  
**AS OF DECEMBER 31, 2011**

**EIN: 45-2083813**  
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| (a) | (b) Identity of Issuer, Borrower, Lesser or Similar Party | (c) Description of Investment, including Maturity Date, Rate of Interest, Collateral, and Par or Maturity Value | (d) Cost | (e) Current Value |
|-----|-----------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------|----------|-------------------|
|     | BROADCOM CORPORATION COM                                  | Common Stock                                                                                                    | **       | 525,544           |
|     | BUCKEYE TECHNOLOGY INC COM                                | Common Stock                                                                                                    | **       | 554,368           |
|     | BUNGE LIMITED                                             | Common Stock                                                                                                    | **       | 1,348,776         |
|     | C H ROBINSON WORLDWIDE INC COM NEW                        | Common Stock                                                                                                    | **       | 111,648           |
|     | CA INC                                                    | Common Stock                                                                                                    | **       | 129,280           |
|     | CABOT MICROELECTRONICS CORP                               | Common Stock                                                                                                    | **       | 491,069           |
|     | CABOT OIL & GAS CORP CL A                                 | Common Stock                                                                                                    | **       | 563,633           |
|     | CALPINE CORP/NEW                                          | Common Stock                                                                                                    | **       | 1,472,476         |
|     | CAMERON INTL CORP                                         | Common Stock                                                                                                    | **       | 1,781,416         |
|     | CAPELLA EDUCATION CO                                      | Common Stock                                                                                                    | **       | 275,783           |
|     | CAPITAL ONE FINANCIAL CORP                                | Common Stock                                                                                                    | **       | 295,438           |
|     | CARMAX INC COM                                            | Common Stock                                                                                                    | **       | 396,240           |
|     | CARNIVAL CORP                                             | Common Stock                                                                                                    | **       | 362,304           |
|     | CARNIVAL PLC USD 1.66                                     | Common Stock                                                                                                    | **       | 154,628           |
|     | CASH AMERICA INTERNATIONAL INC                            | Common Stock                                                                                                    | **       | 415,100           |
|     | CATERPILLAR INC                                           | Common Stock                                                                                                    | **       | 1,351,752         |
|     | CBRE GROUP INC                                            | Common Stock                                                                                                    | **       | 22,830            |
|     | CDN NATURAL RESOU                                         | Common Stock                                                                                                    | **       | 196,323           |
|     | CELGENE CORP COM                                          | Common Stock                                                                                                    | **       | 1,787,479         |
|     | CENTERPOINT ENERGY INC COM                                | Common Stock                                                                                                    | **       | 180,810           |
|     | CERADYNE INC                                              | Common Stock                                                                                                    | **       | 237,003           |
|     | CHART INDUSTRIES INC                                      | Common Stock                                                                                                    | **       | 229,798           |
|     | CHEVRON CORP                                              | Common Stock                                                                                                    | **       | 2,115,232         |
|     | CHILDRENS PL RETAIL STORES INC COM                        | Common Stock                                                                                                    | **       | 1,248,745         |

[Table of Contents](#)

**EXELIS SALARIED INVESTMENT AND SAVINGS PLAN  
SCHEDULE H, PART IV, LEVEL 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)  
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|-----|-----------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------|----------|-------------------|
|     | CHIPOTLE MEXICAN GRILL INC CL A                           | Common Stock                                                                                                    | **       | 202,644           |
|     | CHUBB CORP                                                | Common Stock                                                                                                    | **       | 436,086           |
|     | CIELO SA                                                  | Common Stock                                                                                                    | **       | 215,499           |
|     | CIMAREX ENERGY CO                                         | Common Stock                                                                                                    | **       | 74,280            |
|     | CINTAS CORP                                               | Common Stock                                                                                                    | **       | 93,987            |
|     | CIRCOR INTERNATIONAL INC -WI                              | Common Stock                                                                                                    | **       | 436,361           |
|     | CISCO SYSTEMS INC                                         | Common Stock                                                                                                    | **       | 967,099           |
|     | CITIGROUP, INC.                                           | Common Stock                                                                                                    | **       | 1,428,843         |
|     | CLIFFS NAT RES INC                                        | Common Stock                                                                                                    | **       | 118,465           |
|     | CME GROUP INCE                                            | Common Stock                                                                                                    | **       | 292,404           |
|     | COACH INC                                                 | Common Stock                                                                                                    | **       | 147,106           |
|     | COBALT INTERNATIONAL ENERGY IN                            | Common Stock                                                                                                    | **       | 651,669           |
|     | COCA COLA CO                                              | Common Stock                                                                                                    | **       | 1,922,776         |
|     | COCA-COLA ENTERPRISES INC.                                | Common Stock                                                                                                    | **       | 252,644           |
|     | COGNIZANT TECH SOLUTIONS CRP COM                          | Common Stock                                                                                                    | **       | 499,110           |
|     | COINSTAR INC COM                                          | Common Stock                                                                                                    | **       | 1,195,996         |
|     | COLGATE PALMOLIVE CO                                      | Common Stock                                                                                                    | **       | 494,287           |
|     | COLUMBIA BANKING SYSTEM INC                               | Common Stock                                                                                                    | **       | 727,828           |
|     | COMCAST CORP CLASS A                                      | Common Stock                                                                                                    | **       | 630,686           |
|     | COMCAST CORP-SPECIAL CL A                                 | Common Stock                                                                                                    | **       | 2,025,830         |
|     | COMMERCIAL INTERNATIONAL B EGP 10.0                       | Common Stock                                                                                                    | **       | 93,953            |
|     | CONCHO RESOURCES INC                                      | Common Stock                                                                                                    | **       | 121,875           |
|     | CONOCOPHILLIPS                                            | Common Stock                                                                                                    | **       | 547,254           |
|     | CONSOL ENERGY INC COM                                     | Common Stock                                                                                                    | **       | 1,417,684         |

[Table of Contents](#)

**EXELIS SALARIED INVESTMENT AND SAVINGS PLAN  
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|-----|-----------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------|----------|-------------------|
|     | COOPER INDUSTRIES PLC NEW IRELAND                         | Common Stock                                                                                                    | **       | 270,750           |
|     | CORNERSTONE ONDEMAND INC                                  | Common Stock                                                                                                    | **       | 234,202           |
|     | CORNING INC                                               | Common Stock                                                                                                    | **       | 122,012           |
|     | CORPORATE EXECUTIVE BOARD CO                              | Common Stock                                                                                                    | **       | 1,268,730         |
|     | COSTAR GROUP, INC                                         | Common Stock                                                                                                    | **       | 825,784           |
|     | COVIDIEN PLC                                              | Common Stock                                                                                                    | **       | 308,994           |
|     | CROWN CASTLE INTL CORP                                    | Common Stock                                                                                                    | **       | 215,040           |
|     | CSX CORP                                                  | Common Stock                                                                                                    | **       | 1,394,909         |
|     | CUMMINS INC.                                              | Common Stock                                                                                                    | **       | 727,925           |
|     | CVS/CAREMARK CORPORATION                                  | Common Stock                                                                                                    | **       | 1,744,324         |
|     | DAIMLER AG                                                | Common Stock                                                                                                    | **       | 155,877           |
|     | DAIWA SECS GROUP JPY50                                    | Common Stock                                                                                                    | **       | 100,192           |
|     | DANAHER CORP                                              | Common Stock                                                                                                    | **       | 720,653           |
|     | DANONE EUR 0.25                                           | Common Stock                                                                                                    | **       | 168,976           |
|     | DAVITA INC                                                | Common Stock                                                                                                    | **       | 121,296           |
|     | DEALERTRACK HLDGS INC COM                                 | Common Stock                                                                                                    | **       | 1,174,906         |
|     | DECKERS OUTDOOR CORP                                      | Common Stock                                                                                                    | **       | 819,935           |
|     | DEERE & CO                                                | Common Stock                                                                                                    | **       | 659,873           |
|     | DELL INC                                                  | Common Stock                                                                                                    | **       | 1,298,881         |
|     | DELTA AIR LINES INC                                       | Common Stock                                                                                                    | **       | 787,181           |
|     | DENDREON CORP                                             | Common Stock                                                                                                    | **       | 51,680            |
|     | DENTSPLY INTL INC COM                                     | Common Stock                                                                                                    | **       | 321,908           |
|     | DEVON ENERGY CORPORATION                                  | Common Stock                                                                                                    | **       | 375,720           |
|     | DEVRY INC DEL COM                                         | Common Stock                                                                                                    | **       | 252,875           |

[Table of Contents](#)

**EXELIS SALARIED INVESTMENT AND SAVINGS PLAN**  
**SCHEDULE H, PART IV, LEVEL 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)**  
**AS OF DECEMBER 31, 2011**

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|-----|-----------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------|----------|-------------------|
|     | DICE HOLDINGS INC                                         | Common Stock                                                                                                    | **       | 353,154           |
|     | DIRECTV                                                   | Common Stock                                                                                                    | **       | 526,803           |
|     | DISCOVER FINANCIAL SERVICES                               | Common Stock                                                                                                    | **       | 685,176           |
|     | DISCOVERY COMMUNICATIONS INC                              | Common Stock                                                                                                    | **       | 173,420           |
|     | DOLBY LABORATORIES INC                                    | Common Stock                                                                                                    | **       | 198,315           |
|     | DOLLAR GENERAL CORP                                       | Common Stock                                                                                                    | **       | 255,068           |
|     | DOVER CORP COM                                            | Common Stock                                                                                                    | **       | 883,985           |
|     | DOW CHEMICAL CO                                           | Common Stock                                                                                                    | **       | 156,454           |
|     | DPS CHINA MOBILE LIMITED ADR                              | American Depositary Receipt                                                                                     | **       | 175,049           |
|     | DTS INC                                                   | Common Stock                                                                                                    | **       | 264,228           |
|     | DU PONT E I DE NEMOURS & CO                               | Common Stock                                                                                                    | **       | 132,762           |
|     | DUPONT FABROS TECHNOLOGY INC                              | Common Stock                                                                                                    | **       | 590,145           |
|     | E M C CORP MASS                                           | Common Stock                                                                                                    | **       | 1,105,971         |
|     | EBAY INC                                                  | Common Stock                                                                                                    | **       | 385,191           |
|     | EDISON INTL COM                                           | Common Stock                                                                                                    | **       | 310,500           |
|     | EDWARDS LIFESCIENCES CORP                                 | Common Stock                                                                                                    | **       | 134,330           |
|     | EL PASO CORPORATION                                       | Common Stock                                                                                                    | **       | 310,869           |
|     | EL PASO ELEC CO COM                                       | Common Stock                                                                                                    | **       | 324,923           |
|     | ELECTRONIC ARTS INC                                       | Common Stock                                                                                                    | **       | 343,608           |
|     | ELIZABETH ARDEN INC                                       | Common Stock                                                                                                    | **       | 704,316           |
|     | EMCOR GROUP INC COM                                       | Common Stock                                                                                                    | **       | 512,983           |
|     | EMERSON ELECTRIC CO                                       | Common Stock                                                                                                    | **       | 628,965           |
|     | ENERGIZER HOLDINGS INC                                    | Common Stock                                                                                                    | **       | 154,960           |
|     | ENSCO INTERNATIONAL PLC                                   | Common Stock                                                                                                    | **       | 405,858           |

[Table of Contents](#)

**EXELIS SALARIED INVESTMENT AND SAVINGS PLAN**  
**SCHEDULE H, PART IV, LEVEL 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)**  
**AS OF DECEMBER 31, 2011**

**EIN: 45-2083813**  
**PN: 100**

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|-----|-----------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------|----------|-------------------|
|     | ENTERGY CORP NEW COM                                      | Common Stock                                                                                                    | **       | 423,690           |
|     | EOG RESOURCES, INC                                        | Common Stock                                                                                                    | **       | 240,364           |
|     | EQT CORPORATION                                           | Common Stock                                                                                                    | **       | 93,143            |
|     | ESTEE LAUDER COMPANIES INC                                | Common Stock                                                                                                    | **       | 487,918           |
|     | EVERCORE PARTNERS INC                                     | Common Stock                                                                                                    | **       | 913,119           |
| *   | EXELIS INC                                                | Common Stock                                                                                                    | **       | 60,744,270        |
|     | EXELON CORPORATION                                        | Common Stock                                                                                                    | **       | 2,436,440         |
|     | EXPEDIA INC                                               | Common Stock                                                                                                    | **       | 490,046           |
|     | EXPEDITORS INTL WASH INC                                  | Common Stock                                                                                                    | **       | 45,056            |
|     | EXPERIAN PLC USD 0.10                                     | Common Stock                                                                                                    | **       | 192,391           |
|     | EXPONENT INC COM                                          | Common Stock                                                                                                    | **       | 426,602           |
|     | EXPRESS SCRIPTS INC COMMON STOCK                          | Common Stock                                                                                                    | **       | 263,671           |
|     | EXXON MOBIL CORPORATION                                   | Common Stock                                                                                                    | **       | 3,826,066         |
|     | EZCORP INC CL A NON VTG                                   | Common Stock                                                                                                    | **       | 359,449           |
|     | FASTENAL CO                                               | Common Stock                                                                                                    | **       | 117,747           |
|     | FEDEX CORPORATION                                         | Common Stock                                                                                                    | **       | 790,005           |
|     | FIDELITY NATL INFORMATION SVCS INC                        | Common Stock                                                                                                    | **       | 63,816            |
|     | FIFTH THIRD BANCORP                                       | Common Stock                                                                                                    | **       | 185,712           |
|     | FINANCIAL ENGINES INC                                     | Common Stock                                                                                                    | **       | 399,707           |
|     | FIRST HORIZON NATL CORP COM                               | Common Stock                                                                                                    | **       | 14,400            |
|     | FIRSTENERGY CORP COM                                      | Common Stock                                                                                                    | **       | 472,637           |
|     | FIRSTMERIT CORPORATION COM                                | Common Stock                                                                                                    | **       | 541,775           |
|     | FIRSTSERVICE CORP                                         | Common Stock                                                                                                    | **       | 452,979           |
|     | FIRSTSERVICE CORP                                         | Common Stock                                                                                                    | **       | 371               |

[Table of Contents](#)

**EXELIS SALARIED INVESTMENT AND SAVINGS PLAN**  
**SCHEDULE H, PART IV, LEVEL 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)**  
**AS OF DECEMBER 31, 2011**

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|-----|-----------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------|----------|-------------------|
|     | FLEXTRONICS INTL LTD                                      | Common Stock                                                                                                    | **       | 443,631           |
|     | FLUOR CORP NEW                                            | Common Stock                                                                                                    | **       | 110,550           |
|     | FMC TECHNOLOGIES INC                                      | Common Stock                                                                                                    | **       | 329,049           |
|     | FORD MOTOR COMPANY                                        | Common Stock                                                                                                    | **       | 847,070           |
|     | FRANKLIN RESOURCES INC                                    | Common Stock                                                                                                    | **       | 124,878           |
|     | FREEMPORT-MCMORAN COPPER & GOLD INC                       | Common Stock                                                                                                    | **       | 364,221           |
|     | FRESH MARKET INC/THE                                      | Common Stock                                                                                                    | **       | 556,605           |
|     | GAGFAH SA EUR 1.25                                        | Common Stock                                                                                                    | **       | 64,434            |
|     | GAMESTOP CORP NEW CL A                                    | Common Stock                                                                                                    | **       | 1,452,312         |
|     | GAZPROM OAO USD ADR                                       | American Depository Receipt                                                                                     | **       | 153,078           |
|     | GENERAL ELECTRIC CO                                       | Common Stock                                                                                                    | **       | 1,622,467         |
|     | GENERAL GROWTH PROPERTIES, INC.                           | Common Stock                                                                                                    | **       | 108,144           |
|     | GENERAL MILLS INC                                         | Common Stock                                                                                                    | **       | 493,002           |
|     | GENERAL MOTORS CO                                         | Common Stock                                                                                                    | **       | 192,565           |
|     | GENTEX CORP                                               | Common Stock                                                                                                    | **       | 824,821           |
|     | GILEAD SCIENCES INC                                       | Common Stock                                                                                                    | **       | 745,745           |
|     | GIVAUDAN SA CHF 10.0                                      | Common Stock                                                                                                    | **       | 153,481           |
|     | GOLD FIELDS LIMITED - ADR SPONSORED ADR                   | American Depository Receipt                                                                                     | **       | 194,285           |
|     | GOLDCORP INC NEW                                          | Common Stock                                                                                                    | **       | 727,205           |
|     | GOLDMAN SACHS GROUP INC                                   | Common Stock                                                                                                    | **       | 1,456,013         |
|     | GOOGLE INC CL A                                           | Common Stock                                                                                                    | **       | 3,863,774         |
|     | GREATBATCH INC                                            | Common Stock                                                                                                    | **       | 482,443           |
|     | GROUP 1 AUTOMOTIVE INC                                    | Common Stock                                                                                                    | **       | 734,472           |
|     | GROUPON INC                                               | Common Stock                                                                                                    | **       | 82,520            |

[Table of Contents](#)

**EXELIS SALARIED INVESTMENT AND SAVINGS PLAN**  
**SCHEDULE H, PART IV, LEVEL 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)**  
**AS OF DECEMBER 31, 2011**

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|-----|-----------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------|----------|-------------------|
|     | GRUPO TELEVISA, S.A. - ADR SPONSORED ADR                  | American Depositary Receipt                                                                                     | **       | 161,951           |
|     | H. LUNDBECK A/S DKK 5.0 RFD                               | Common Stock                                                                                                    | **       | 58,288            |
|     | HAEMONETICS CORP MASS                                     | Common Stock                                                                                                    | **       | 659,646           |
|     | HALLIBURTON CO                                            | Common Stock                                                                                                    | **       | 158,746           |
|     | HANGER ORTHOPEDIC GROUP INC COM NEW                       | Common Stock                                                                                                    | **       | 197,460           |
|     | HANOVER INS GROUP INC                                     | Common Stock                                                                                                    | **       | 499,156           |
|     | HARLEY DAVIDSON INC                                       | Common Stock                                                                                                    | **       | 128,271           |
|     | HARMAN INTL INDS INC NEW COM                              | Common Stock                                                                                                    | **       | 846,390           |
|     | HASBRO INC                                                | Common Stock                                                                                                    | **       | 133,938           |
|     | HCA HOLDINGS INC                                          | Common Stock                                                                                                    | **       | 121,165           |
|     | HEALTH MGMT ASSOC INC NEW CL A                            | Common Stock                                                                                                    | **       | 372,273           |
|     | HEIDELBERGCEMENT AG                                       | Common Stock                                                                                                    | **       | 85,845            |
|     | HELIX ENERGY SOLUTIONS INC                                | Common Stock                                                                                                    | **       | 420,944           |
|     | HESS CORP COM                                             | Common Stock                                                                                                    | **       | 238,560           |
|     | HEWLETT PACKARD CO                                        | Common Stock                                                                                                    | **       | 377,126           |
|     | HEXCEL CORP NEW COM                                       | Common Stock                                                                                                    | **       | 1,092,476         |
|     | HOLOGIC INC COM                                           | Common Stock                                                                                                    | **       | 1,377,529         |
|     | HOME DEPOT INC                                            | Common Stock                                                                                                    | **       | 1,198,560         |
|     | HONEYWELL INTERNATIONAL INC                               | Common Stock                                                                                                    | **       | 500,564           |
|     | HOSPIRA INC COM                                           | Common Stock                                                                                                    | **       | 45,555            |
|     | HSBC HOLDINGS PLC 50P                                     | Common Stock                                                                                                    | **       | 263,321           |
|     | HUMANA INC                                                | Common Stock                                                                                                    | **       | 96,371            |
|     | HUNTINGTON BANCSHARES INC                                 | Common Stock                                                                                                    | **       | 96,624            |
|     | IBERIABANK CORP                                           | Common Stock                                                                                                    | **       | 658,599           |

[Table of Contents](#)

**EXELIS SALARIED INVESTMENT AND SAVINGS PLAN**  
**SCHEDULE H, PART IV, LEVEL 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)**  
**AS OF DECEMBER 31, 2011**

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|-----|-----------------------------------------------------------|------------------------------------------------------------------------------------------------------------------|----------|-------------------|
|     | ICON PLC - ADR SPONSORED ADR                              | American Depository Receipt                                                                                      | **       | 449,993           |
|     | IMPAX LABORATORIES INC                                    | Common Stock                                                                                                     | **       | 821,000           |
|     | INDRA SISTEMAS SA EUR 0.2                                 | Common Stock                                                                                                     | **       | 88,878            |
|     | INGERSOLL-RAND PLC                                        | Common Stock                                                                                                     | **       | 432,674           |
|     | INTEL CORP COMM                                           | Common Stock                                                                                                     | **       | 145,258           |
|     | INTERNAP NETWORK SERVICES                                 | Common Stock                                                                                                     | **       | 239,976           |
|     | INTERNATIONAL BUSINESS MACHS CORP COM                     | Common Stock                                                                                                     | **       | 1,654,920         |
|     | INTERNATIONAL GAME TECHNOLOGY                             | Common Stock                                                                                                     | **       | 2,009,596         |
|     | INTERNATIONAL PAPER CO                                    | Common Stock                                                                                                     | **       | 189,440           |
|     | INVESCO LIMITED                                           | Common Stock                                                                                                     | **       | 166,747           |
|     | ITT CORP                                                  | Common Stock                                                                                                     | **       | 63,366,543        |
|     | JOHNSON & JOHNSON                                         | Common Stock                                                                                                     | **       | 1,553,590         |
|     | JOHNSON CONTROLS INC                                      | Common Stock                                                                                                     | **       | 212,568           |
|     | JOS A BANK CLOTHIERS INC                                  | Common Stock                                                                                                     | **       | 527,193           |
|     | JOY GLOBAL INC                                            | Common Stock                                                                                                     | **       | 149,940           |
|     | JPMORGAN CHASE & CO                                       | Common Stock                                                                                                     | **       | 2,445,870         |
|     | JUNIPER NETWORKS INC COM                                  | Common Stock                                                                                                     | **       | 1,039,257         |
|     | KELLOGG CO                                                | Common Stock                                                                                                     | **       | 353,990           |
|     | KILROY REALTY CORP COM                                    | Common Stock                                                                                                     | **       | 305,854           |
|     | KIMBERLY CLARK CORP COM                                   | Common Stock                                                                                                     | **       | 132,408           |
|     | KOHL'S CORP                                               | Common Stock                                                                                                     | **       | 471,293           |
|     | KORN FERRY INTERNATIONAL                                  | Common Stock                                                                                                     | **       | 159,511           |
|     | KOSMOS ENERGY LLC.                                        | Common Stock                                                                                                     | **       | 317,975           |
|     | KRAFT FOODS INC CL A                                      | Common Stock                                                                                                     | **       | 1,903,230         |

[Table of Contents](#)

**EXELIS SALARIED INVESTMENT AND SAVINGS PLAN**  
**SCHEDULE H, PART IV, LEVEL 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)**  
**AS OF DECEMBER 31, 2011**

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|-----|-----------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------|----------|-------------------|
|     | KROGER CO                                                 | Common Stock                                                                                                    | **       | 387,520           |
|     | LAS VEGAS SANDS CORP COM                                  | Common Stock                                                                                                    | **       | 1,102,861         |
|     | LASALLE HOTEL PROPERTIES COM                              | Common Stock                                                                                                    | **       | 499,210           |
|     | LAZARD LTD                                                | Common Stock                                                                                                    | **       | 714,944           |
|     | LEAR CORP                                                 | Common Stock                                                                                                    | **       | 1,260,824         |
|     | LEGG MASON INC COM                                        | Common Stock                                                                                                    | **       | 146,705           |
|     | LENNAR CORPORATION CLASS A COMMON                         | Common Stock                                                                                                    | **       | 80,565            |
|     | LIBBEY INC 1 COM & 1 RT EXP 01/04/05                      | Common Stock                                                                                                    | **       | 378,505           |
|     | LIBERTY GLOBAL INC COM SER C                              | Common Stock                                                                                                    | **       | 906,747           |
|     | LIBERTY INTERACTIVE CORPORATION                           | Common Stock                                                                                                    | **       | 129,720           |
|     | LIFE TECHNOLOGIES CORP                                    | Common Stock                                                                                                    | **       | 42,801            |
|     | LIFE TIME FITNESS INC COM                                 | Common Stock                                                                                                    | **       | 1,345,231         |
|     | LIMITED BRANDS, INC                                       | Common Stock                                                                                                    | **       | 322,397           |
|     | LOCKHEED MARTIN CORP                                      | Common Stock                                                                                                    | **       | 105,170           |
|     | LOEWS CORP                                                | Common Stock                                                                                                    | **       | 139,305           |
|     | LOGMEIN INC                                               | Common Stock                                                                                                    | **       | 225,518           |
|     | LOWES COS INC                                             | Common Stock                                                                                                    | **       | 66,242            |
|     | LUFKIN INDS INC COM                                       | Common Stock                                                                                                    | **       | 161,544           |
|     | LYONDELLBASELL INDUSTRIES NV                              | Common Stock                                                                                                    | **       | 133,209           |
|     | M & T BANK CORPORATION COM                                | Common Stock                                                                                                    | **       | 106,876           |
|     | MACY'S INC                                                | Common Stock                                                                                                    | **       | 289,620           |
|     | MAGELLAN HEALTH SERVICES INC                              | Common Stock                                                                                                    | **       | 666,608           |
|     | MANHATTAN ASSOCIATES, INC COM                             | Common Stock                                                                                                    | **       | 675,004           |
|     | MANPOWER INC WIS                                          | Common Stock                                                                                                    | **       | 895,287           |

[Table of Contents](#)

**EXELIS SALARIED INVESTMENT AND SAVINGS PLAN**  
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|     | MARATHON PETROLEUM CORP                                   | Common Stock                                                                                                    | **       | 139,818           |
|     | MARKETAXESS HLDGS INC COM                                 | Common Stock                                                                                                    | **       | 673,711           |
|     | MARRIOTT INTERNATIONAL INC CLASS A                        | Common Stock                                                                                                    | **       | 122,777           |
|     | MARSH & MCLENNAN COS INC                                  | Common Stock                                                                                                    | **       | 366,792           |
|     | MARVELL TECHNOLOGY GROUP                                  | Common Stock                                                                                                    | **       | 289,465           |
|     | MASTERCARD INC CL A                                       | Common Stock                                                                                                    | **       | 2,648,886         |
|     | MATTEL INC                                                | Common Stock                                                                                                    | **       | 58,296            |
|     | MCDERMOTT INTL INC                                        | Common Stock                                                                                                    | **       | 55,248            |
|     | MCDONALDS CORP                                            | Common Stock                                                                                                    | **       | 1,399,604         |
|     | MCGRAW-HILL COMPANIES INC                                 | Common Stock                                                                                                    | **       | 53,964            |
|     | MCKESSON CORP                                             | Common Stock                                                                                                    | **       | 350,595           |
|     | MEDCO HEALTH SOLUTIONS INC                                | Common Stock                                                                                                    | **       | 179,998           |
|     | MERCK & CO INC NEW                                        | Common Stock                                                                                                    | **       | 1,019,069         |
|     | METLIFE INC                                               | Common Stock                                                                                                    | **       | 1,630,901         |
|     | METRO AG NPV ORDS                                         | Common Stock                                                                                                    | **       | 82,291            |
|     | MICRON TECHNOLOGY INC                                     | Common Stock                                                                                                    | **       | 506,345           |
|     | MICROSOFT CORP                                            | Common Stock                                                                                                    | **       | 3,443,931         |
|     | MKS INSTRS INC COM                                        | Common Stock                                                                                                    | **       | 1,034,904         |
|     | MOLSON COORS BREWING CO CL B                              | Common Stock                                                                                                    | **       | 204,638           |
|     | MONSANTO CO NEW                                           | Common Stock                                                                                                    | **       | 2,545,153         |
|     | MOODYS CORP                                               | Common Stock                                                                                                    | **       | 1,109,352         |
|     | MORGAN STANLEY COM                                        | Common Stock                                                                                                    | **       | 1,220,764         |
|     | MORNINGSTAR INC COM                                       | Common Stock                                                                                                    | **       | 655,436           |
|     | MUNCHENER RUCKVERS NPV                                    | Common Stock                                                                                                    | **       | 217,778           |

[Table of Contents](#)

**EXELIS SALARIED INVESTMENT AND SAVINGS PLAN**  
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|     | MURPHY OIL CORP                                           | Common Stock                                                                                                    | **       | 306,570           |
|     | MYER HOLDINGS LTD                                         | Common Stock                                                                                                    | **       | 118,312           |
|     | NATIONAL FUEL GAS CO N J                                  | Common Stock                                                                                                    | **       | 524,731           |
|     | NATIONAL INSTRS CORP COM                                  | Common Stock                                                                                                    | **       | 595,215           |
|     | NATIONAL OILWELL VARCO INC COM                            | Common Stock                                                                                                    | **       | 1,809,282         |
|     | NATIONAL RETAIL PPTYS INC COM                             | Common Stock                                                                                                    | **       | 545,486           |
|     | NESTLE SA CHF 0.1                                         | Common Stock                                                                                                    | **       | 164,004           |
|     | NETAPP INC                                                | Common Stock                                                                                                    | **       | 274,963           |
|     | NETFLIX.COM INC                                           | Common Stock                                                                                                    | **       | 103,935           |
|     | NEUSTAR INC CL A                                          | Common Stock                                                                                                    | **       | 965,166           |
|     | NEWFIELD EXPL CO COM                                      | Common Stock                                                                                                    | **       | 181,104           |
|     | NEWMARKET CORP COM                                        | Common Stock                                                                                                    | **       | 1,038,691         |
|     | NEWMONT MINING CORP                                       | Common Stock                                                                                                    | **       | 1,014,709         |
|     | NEWS CORP CL A                                            | Common Stock                                                                                                    | **       | 1,843,407         |
|     | NIKE INC CL B                                             | Common Stock                                                                                                    | **       | 995,502           |
|     | NOBEL BIOCARE HOLDING AG CHF 0.4                          | Common Stock                                                                                                    | **       | 132,778           |
|     | NOBLE CORPORATION                                         | Common Stock                                                                                                    | **       | 145,056           |
|     | NORTHERN TRUST CORP                                       | Common Stock                                                                                                    | **       | 249,858           |
|     | NOVARTIS AG CHF 0.5                                       | American Depository Receipt                                                                                     | **       | 362,939           |
|     | NUCOR CORP                                                | Common Stock                                                                                                    | **       | 142,452           |
|     | NVIDIA CORP COM                                           | Common Stock                                                                                                    | **       | 83,160            |
|     | NYSE EURONEXT INC                                         | Common Stock                                                                                                    | **       | 138,330           |
|     | OASIS PETROLEUM INC                                       | Common Stock                                                                                                    | **       | 365,836           |
|     | OCCIDENTAL PETE CORP                                      | Common Stock                                                                                                    | **       | 1,867,722         |

[Table of Contents](#)

**EXELIS SALARIED INVESTMENT AND SAVINGS PLAN  
SCHEDULE H, PART IV, LEVEL 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)  
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|     | OIL STATES INTERNATIONAL INC                              | Common Stock                                                                                                    | **       | 670,376           |
|     | OMNICOM GROUP                                             | Common Stock                                                                                                    | **       | 173,862           |
|     | OPNET TECHNOLOGIES INC                                    | Common Stock                                                                                                    | **       | 344,698           |
|     | ORACLE CORPORATION                                        | Common Stock                                                                                                    | **       | 2,027,273         |
|     | OXFORD INDS INC                                           | Common Stock                                                                                                    | **       | 587,688           |
|     | P F CHANGS CHINA BISTRO INC COM                           | Common Stock                                                                                                    | **       | 765,795           |
|     | PALL CORP                                                 | Common Stock                                                                                                    | **       | 148,590           |
|     | PANERA BREAD COMPANY - CL A                               | Common Stock                                                                                                    | **       | 1,184,644         |
|     | PAYCHEX INC                                               | Common Stock                                                                                                    | **       | 48,176            |
|     | PEABODY ENERGY CORPORATION                                | Common Stock                                                                                                    | **       | 175,483           |
|     | PENNEY J C INC                                            | Common Stock                                                                                                    | **       | 84,360            |
|     | PEPSICO INC                                               | Common Stock                                                                                                    | **       | 1,353,540         |
|     | PETROLEO BRASILEIRO S.A. - ADR SPONSORED ADR              | American Depositary Receipt                                                                                     | **       | 67,886            |
|     | PFIZER INC                                                | Common Stock                                                                                                    | **       | 4,070,722         |
|     | PG&E CORP COM                                             | Common Stock                                                                                                    | **       | 41,220            |
|     | PHILIP MORRIS INTERNATIONAL IN                            | Common Stock                                                                                                    | **       | 1,065,758         |
|     | PINNACLE ENTERTAINMENT INC                                | Common Stock                                                                                                    | **       | 1,523,086         |
|     | PIONEER DRILLING CO COM                                   | Common Stock                                                                                                    | **       | 283,072           |
|     | PNC FINANCIAL SERVICES GROUP                              | Common Stock                                                                                                    | **       | 322,952           |
|     | POLYPORE INTERNATIONAL INC                                | Common Stock                                                                                                    | **       | 228,748           |
|     | POTASH CORP SASK                                          | Common Stock                                                                                                    | **       | 517,651           |
|     | PPG INDUSTRIES INC                                        | Common Stock                                                                                                    | **       | 1,073,681         |
|     | PPL CORPORATION                                           | Common Stock                                                                                                    | **       | 64,724            |
|     | PRAXAIR INC COM                                           | Common Stock                                                                                                    | **       | 370,943           |

[Table of Contents](#)

**EXELIS SALARIED INVESTMENT AND SAVINGS PLAN**  
**SCHEDULE H, PART IV, LEVEL 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)**  
**AS OF DECEMBER 31, 2011**

**EIN: 45-2083813**  
**PN: 100**

| (a) | (b) Identity of Issuer, Borrower, Lesser or Similar Party | (c) Description of Investment, including Maturity Date, Rate of Interest, Collateral, and Par or Maturity Value | (d) Cost | (e) Current Value |
|-----|-----------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------|----------|-------------------|
|     | PRECISION CASTPARTS CORP                                  | Common Stock                                                                                                    | **       | 313,101           |
|     | PRICELINE COM INC COM NEW                                 | Common Stock                                                                                                    | **       | 963,483           |
|     | PRIMARY HEALTH CARE LTD NPV                               | Common Stock                                                                                                    | **       | 211,402           |
|     | PRINCIPAL FINANCIAL GROUP                                 | Common Stock                                                                                                    | **       | 108,240           |
|     | PROCTER & GAMBLE CO                                       | Common Stock                                                                                                    | **       | 2,011,840         |
|     | PROLOGIS, INC.                                            | Common Stock                                                                                                    | **       | 150,955           |
|     | PSS WORLD MEDICAL INC COM                                 | Common Stock                                                                                                    | **       | 370,712           |
|     | PUBLIC STORAGE INC COM                                    | Common Stock                                                                                                    | **       | 242,028           |
|     | PUBLICIS GROUPE SA, PARIS ACT.                            | Common Stock                                                                                                    | **       | 228,406           |
|     | QUALCOMM INC                                              | Common Stock                                                                                                    | **       | 1,940,756         |
|     | QUEST DIAGNOSTICS INC                                     | Common Stock                                                                                                    | **       | 1,182,508         |
|     | RANGE RES CORP COM                                        | Common Stock                                                                                                    | **       | 43,358            |
|     | RAYONIER INC COM                                          | Common Stock                                                                                                    | **       | 795,039           |
|     | RAYTHEON CO COM NEW                                       | Common Stock                                                                                                    | **       | 116,112           |
|     | REALD INC                                                 | Common Stock                                                                                                    | **       | 184,605           |
|     | RED HAT INC                                               | Common Stock                                                                                                    | **       | 317,933           |
|     | REXAM PLC GBP 64.285714                                   | Common Stock                                                                                                    | **       | 166,525           |
|     | RHOEN KLINIKUM AG NPV                                     | Common Stock                                                                                                    | **       | 196,113           |
|     | RIVERBED TECHNOLOGY INC                                   | Common Stock                                                                                                    | **       | 183,535           |
|     | ROBERT HALF INTL INC                                      | Common Stock                                                                                                    | **       | 119,532           |
|     | ROCK-TENN CO CL A                                         | Common Stock                                                                                                    | **       | 263,343           |
|     | ROSS STORES INC                                           | Common Stock                                                                                                    | **       | 313,698           |
|     | ROYAL DUTCH SHELL PLC EUR 0.07                            | Common Stock                                                                                                    | **       | 330,567           |
|     | RYDER SYS INC                                             | Common Stock                                                                                                    | **       | 111,594           |

[Table of Contents](#)

**EXELIS SALARIED INVESTMENT AND SAVINGS PLAN**  
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|-----|-----------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------|-----|-------------------|
|     | RYLAND GROUP INC                                          | Common Stock                                                                                                    | **  | 1,066,542         |
|     | SALESFORCE COM INC COM                                    | Common Stock                                                                                                    | **  | 412,942           |
|     | SANDISK CORP COM                                          | Common Stock                                                                                                    | **  | 348,259           |
|     | SANOFI-AVENTIS EUR 2.0                                    | Common Stock                                                                                                    | **  | 247,530           |
|     | SCHLUMBERGER LTD                                          | Common Stock                                                                                                    | **  | 2,849,552         |
|     | SCHNEIDER ELECTRIC EUR8                                   | Common Stock                                                                                                    | **  | 132,549           |
|     | SCHWAB CHARLES CORP NEW                                   | Common Stock                                                                                                    | **  | 1,193,188         |
|     | SEMPRA ENERGY COM                                         | Common Stock                                                                                                    | **  | 308,000           |
|     | SEMTECH CORP COM                                          | Common Stock                                                                                                    | **  | 751,823           |
|     | SHERWIN WILLIAMS CO                                       | Common Stock                                                                                                    | **  | 160,686           |
|     | SIEMENS AG (REGISTERED)                                   | Common Stock                                                                                                    | **  | 263,958           |
|     | SILGAN HLDGS INC COM                                      | Common Stock                                                                                                    | **  | 859,508           |
|     | SIMON PROPERTY GROUP INC                                  | Common Stock                                                                                                    | **  | 549,671           |
|     | SLM CORP                                                  | Common Stock                                                                                                    | **  | 136,680           |
|     | SOUTHWEST AIRLINES CO                                     | Common Stock                                                                                                    | **  | 83,888            |
|     | SOUTHWESTERN ENERGY CO COM                                | Common Stock                                                                                                    | **  | 883,045           |
|     | SPECTRA ENERGY CORP                                       | Common Stock                                                                                                    | **  | 458,175           |
|     | SPRINT NEXTEL CORP                                        | Common Stock                                                                                                    | **  | 143,442           |
|     | ST JUDE MED INC                                           | Common Stock                                                                                                    | **  | 99,470            |
|     | STANLEY BLACK & DECKER, INC.                              | Common Stock                                                                                                    | **  | 74,360            |
|     | STARBUCKS CORP COM                                        | Common Stock                                                                                                    | **  | 1,457,137         |
|     | STARWOOD HOTELS & RESORTS WORLDWIDE<br>INC COM            | Common Stock                                                                                                    | **  | 129,519           |
|     | STATE STREET CORP                                         | Common Stock                                                                                                    | **  | 238,232           |
|     | STERICYCLE INC COM                                        | Common Stock                                                                                                    | **  | 202,592           |

[Table of Contents](#)

**EXELIS SALARIED INVESTMENT AND SAVINGS PLAN  
SCHEDULE H, PART IV, LEVEL 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)  
AS OF DECEMBER 31, 2011**

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|-----|-----------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------|----------|-------------------|
|     | STIFEL FINANCIAL CORP                                     | Common Stock                                                                                                    | **       | 363,768           |
|     | STRATASYS INC COM                                         | Common Stock                                                                                                    | **       | 520,011           |
|     | STRYKER CORP                                              | Common Stock                                                                                                    | **       | 412,593           |
|     | SUNCOR ENERGY INC NEW F                                   | Common Stock                                                                                                    | **       | 942,366           |
|     | SYMANTEC CORP                                             | Common Stock                                                                                                    | **       | 1,025,529         |
|     | SYMETRA FINANCIAL CORP                                    | Common Stock                                                                                                    | **       | 864,698           |
|     | TARGET CORP                                               | Common Stock                                                                                                    | **       | 327,808           |
|     | TD AMERITRADE HLDG CORP COM                               | Common Stock                                                                                                    | **       | 120,505           |
|     | TEAM, INC. COMMON STOCK                                   | Common Stock                                                                                                    | **       | 464,368           |
|     | TECHNE CORP                                               | Common Stock                                                                                                    | **       | 728,676           |
|     | TECO ENERGY INC                                           | Common Stock                                                                                                    | **       | 120,582           |
|     | TELEDYNE TECHNOLOGIES INC                                 | Common Stock                                                                                                    | **       | 631,378           |
|     | TELEFONICA SA EUR 1                                       | Common Stock                                                                                                    | **       | 195,650           |
|     | TERADATA CORP                                             | Common Stock                                                                                                    | **       | 267,290           |
|     | TEVA PHARMACEUTICAL INDUSTRIES – ADR                      | American Depositary Receipt                                                                                     | **       | 174,355           |
|     | TEXAS INSTRUMENTS INC                                     | Common Stock                                                                                                    | **       | 183,393           |
|     | TEXTRON INC                                               | Common Stock                                                                                                    | **       | 171,957           |
|     | THALES SA EUR 3.0                                         | Common Stock                                                                                                    | **       | 100,726           |
|     | THE HERSHEY COMPANY                                       | Common Stock                                                                                                    | **       | 349,489           |
|     | THE WENDY’S COMPANY                                       | Common Stock                                                                                                    | **       | 850,771           |
|     | THERMO FISHER SCIENTIFIC INC                              | Common Stock                                                                                                    | **       | 997,884           |
|     | THOMAS & BETTS CORP                                       | Common Stock                                                                                                    | **       | 641,277           |
|     | THOMSON REUTERS PLC                                       | Common Stock                                                                                                    | **       | 816,235           |
|     | TIME WARNER CABLE INC                                     | Common Stock                                                                                                    | **       | 267,185           |

[Table of Contents](#)

**EXELIS SALARIED INVESTMENT AND SAVINGS PLAN  
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|     | TIME WARNER INC                                           | Common Stock                                                                                                    | **       | 465,808           |
|     | TOYOTA MOTOR CORP JPY ORDS                                | Common Stock                                                                                                    | **       | 190,991           |
|     | TOYOTA MOTOR CORPORATION – ADR                            | American Depository Receipt                                                                                     | **       | 1,040,159         |
|     | TRACTOR SUPPLY CO COM                                     | Common Stock                                                                                                    | **       | 141,002           |
|     | TRANSOCEAN LTD.                                           | Common Stock                                                                                                    | **       | 112,099           |
|     | TRAVELERS COMPANIES, INC                                  | Common Stock                                                                                                    | **       | 785,186           |
|     | TREEHOUSE FOODS INC                                       | Common Stock                                                                                                    | **       | 295,648           |
|     | TRIPADVISOR INC                                           | Common Stock                                                                                                    | **       | 425,709           |
|     | TRW AUTOMOTIVE HLDGS CORP COM                             | Common Stock                                                                                                    | **       | 68,460            |
|     | TYSON FOODS INC CL A DEL                                  | Common Stock                                                                                                    | **       | 998,770           |
|     | UIL HOLDINGS                                              | Common Stock                                                                                                    | **       | 679,033           |
|     | ULTA SALON COSMETICS & FRAGRAN                            | Common Stock                                                                                                    | **       | 114,259           |
|     | ULTIMATE SOFTWARE GROUP INC                               | Common Stock                                                                                                    | **       | 423,280           |
|     | UMPQUA HOLDINGS CORP                                      | Common Stock                                                                                                    | **       | 644,875           |
|     | UNDER ARMOUR INC                                          | Common Stock                                                                                                    | **       | 204,602           |
|     | UNILEVER NV EUR 0.16                                      | Common Stock                                                                                                    | **       | 370,338           |
|     | UNION PACIFIC CORP                                        | Common Stock                                                                                                    | **       | 442,829           |
|     | UNITED PARCEL SERVICE-CL B                                | Common Stock                                                                                                    | **       | 614,796           |
|     | UNITED STS STL CORP NEW COM                               | Common Stock                                                                                                    | **       | 76,734            |
|     | UNITED TECHNOLOGIES CORP                                  | Common Stock                                                                                                    | **       | 724,322           |
|     | UNITEDHEALTH GROUP INC                                    | Common Stock                                                                                                    | **       | 687,221           |
|     | US BANCORP DEL NEW                                        | Common Stock                                                                                                    | **       | 630,265           |
|     | VALEANT PHARMACEUTICALS INTERNATIONAL<br>INC              | Common Stock                                                                                                    | **       | 190,028           |
|     | VALERO ENERGY CORP                                        | Common Stock                                                                                                    | **       | 106,303           |

[Table of Contents](#)

**EXELIS SALARIED INVESTMENT AND SAVINGS PLAN**  
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|-----|-----------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------|----------|-------------------|
|     | VALMONT INDS INC                                          | Common Stock                                                                                                    | **       | 649,149           |
|     | VERIZON COMMUNICATIONS                                    | Common Stock                                                                                                    | **       | 24,072            |
|     | VERTEX PHARMACEUTICALS INC COM                            | Common Stock                                                                                                    | **       | 819,357           |
|     | VIACOM INC NEW CL B                                       | Common Stock                                                                                                    | **       | 1,175,392         |
|     | VISA INC-CLASS A SHRS                                     | Common Stock                                                                                                    | **       | 1,167,087         |
|     | VIVENDI                                                   | Common Stock                                                                                                    | **       | 971,582           |
|     | VIVENDI SA EUR 5.50                                       | Common Stock                                                                                                    | **       | 142,770           |
|     | VMWARE INC                                                | Common Stock                                                                                                    | **       | 270,368           |
|     | VODAFONE GR PLC 0.114286                                  | Common Stock                                                                                                    | **       | 189,671           |
|     | VORNADO REALTY TRUST                                      | Common Stock                                                                                                    | **       | 269,010           |
|     | VULCAN MATLS CO                                           | Common Stock                                                                                                    | **       | 247,905           |
|     | WABTEC CORP                                               | Common Stock                                                                                                    | **       | 887,526           |
|     | WADDELL & REED FINANCIAL INC COM CLASS A                  | Common Stock                                                                                                    | **       | 829,795           |
|     | WAL MART STORES INC                                       | Common Stock                                                                                                    | **       | 1,745,112         |
|     | WALGREEN CO                                               | Common Stock                                                                                                    | **       | 30,085            |
|     | WALT DISNEY CO                                            | Common Stock                                                                                                    | **       | 680,250           |
|     | WATSON PHARMACEUTICALS INC COM                            | Common Stock                                                                                                    | **       | 662,533           |
|     | WELLPOINT INC COM                                         | Common Stock                                                                                                    | **       | 357,088           |
| *   | WELLS FARGO & CO                                          | Common Stock                                                                                                    | **       | 2,475,191         |
|     | WESTERN UNION CO/THE                                      | Common Stock                                                                                                    | **       | 180,774           |
|     | WEYERHAEUSER CO                                           | Common Stock                                                                                                    | **       | 146,485           |
|     | WHARF (HOLDINGS) HKD 1.0                                  | Common Stock                                                                                                    | **       | 124,852           |
|     | WHOLE FOODS MKT INC                                       | Common Stock                                                                                                    | **       | 990,819           |
|     | WILLIAMS COS INC                                          | Common Stock                                                                                                    | **       | 412,750           |

[Table of Contents](#)

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|-----|-----------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------|-------------|----------------------|
|     | WINTRUST FINL CORP                                        | Common Stock                                                                                                    | **          | 513,343              |
|     | WMS INDS INC                                              | Common Stock                                                                                                    | **          | 875,178              |
|     | WYNN RESORTS LTD                                          | Common Stock                                                                                                    | **          | 55,245               |
|     | XEROX CORP                                                | Common Stock                                                                                                    | **          | 108,256              |
|     | XILINX INC                                                | Common Stock                                                                                                    | **          | 1,720,596            |
|     | XYLEM INC/NY                                              | Common Stock                                                                                                    | **          | 170,056,496          |
|     | YUM BRANDS INC COM                                        | Common Stock                                                                                                    | **          | 324,555              |
|     | ZIMMER HOLDINGS INC                                       | Common Stock                                                                                                    | **          | 176,286              |
|     | ZIONS BANCORP                                             | Common Stock                                                                                                    | **          | 65,120               |
|     | ZYNGA INC                                                 | Common Stock                                                                                                    | **          | 11,358               |
|     | INTECH INSTITUTIONAL LAGRE CAP GROWTH FUND                | Common Collective Trust                                                                                         | **          | 30,213,227           |
|     | JPMCB INTERNATIONAL BOND FUND                             | Common Collective Trust                                                                                         | **          | 877,093              |
|     | JPMCB MORTGAGE PRIVATE PLACEMENT FUND                     | Common Collective Trust                                                                                         | **          | 8,799,567            |
|     | JPMCB PUB BOND FD – LIQUID TRST ACCT                      |                                                                                                                 |             |                      |
|     | JPMCB PUBLIC BOND FUND                                    | Common Collective Trust                                                                                         | **          | 1,631,062            |
|     | JPMCB PUBLIC BONDS FUND                                   | Common Collective Trust                                                                                         | **          | 62,153,472           |
|     | JPMCB SMARTINDEX FUND                                     | Common Collective Trust                                                                                         | **          | 100,627,793          |
|     | JPMCB SMARTRETIREMENT 2015 C10 CLASS                      | Common Collective Trust                                                                                         | **          | 36,143,238           |
|     | JPMCB SMARTRETIREMENT 2020 FUND C10 CLASS                 | Common Collective Trust                                                                                         | **          | 55,315,741           |
|     | JPMCB SMARTRETIREMENT 2025 FUND C10 CLASS                 | Common Collective Trust                                                                                         | **          | 19,489,915           |
|     | JPMCB SMARTRETIREMENT 2030 FUND C10 CLASS                 | Common Collective Trust                                                                                         | **          | 35,770,343           |
|     | JPMCB SMARTRETIREMENT 2035 FUND C10 CLASS                 | Common Collective Trust                                                                                         | **          | 11,129,621           |
|     | JPMCB SMARTRETIREMENT 2040 FUND C10 CLASS                 | Common Collective Trust                                                                                         | **          | 9,879,495            |
|     | JPMCB SMARTRETIREMENT 2045 FUND C10 CLASS                 | Common Collective Trust                                                                                         | **          | 6,870,335            |
|     | JPMCB SMARTRETIREMENT 2050 FUND C10 CLASS                 | Common Collective Trust                                                                                         | **          | 4,642,984            |

[Table of Contents](#)

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|     | JPMCB SMARTRETIREMENT INCOME FUND                         |                                                                                                                 |             |                      |
|     | C10 CLASS                                                 | Common Collective Trust                                                                                         | **          | 26,861,072           |
|     | STATE STREET GLOBAL ADVISORS                              | Common Collective Trust                                                                                         | **          | 9,830,444            |
|     | PYRAMID SHORT MANAGED MATURING FUND                       | Common Collective Trust                                                                                         | **          | 69,930,239           |
|     | PYRAMID INTERMEDIATE MANAGED                              |                                                                                                                 |             |                      |
|     | MATURING FUND                                             | Common Collective Trust                                                                                         | **          | 104,973,874          |
|     | PYRAMID INTERMEDIATE FIXED INCOME                         | Common Collective Trust                                                                                         |             |                      |
|     | FUND                                                      |                                                                                                                 | **          | 353,902,925          |
|     | AMERICAN NEW PERSPECTIVE FUND #7                          | Registered Investment Company                                                                                   | **          | 109,711,945          |
|     | EATON VANCE LARGE-CAP VALUE FUND                          |                                                                                                                 |             |                      |
|     | CLASS I #0223                                             | Registered Investment Company                                                                                   | **          | 53,890,510           |
|     | ISHARES RUSSELL 2000 VALUE INDEX FUND                     | Registered Investment Company                                                                                   | **          | 585,837              |
|     | JPMORGAN U.S.LARGE CAP CORE PLUS-S                        | Registered Investment Company                                                                                   |             |                      |
|     | #1002                                                     |                                                                                                                 | **          | 9,768,129            |
|     | BANK OF AMERICA GUARANTEED                                | Bank Investment Contract Interest 4.03%                                                                         |             |                      |
|     | INVESTMENT CONTRACT                                       | Guaranteed Investment Contract                                                                                  | **          | 433,919              |
|     | JACKSON NATIONAL LIFE INSURANCE CO.                       | Insurance Company General Account 5.16%                                                                         |             |                      |
|     |                                                           | Traditional Guaranteed Investment                                                                               |             |                      |
|     |                                                           | Contract                                                                                                        | **          | 2,469,434            |
|     | MONUMENTAL LIFE INSURANCE                                 | Insurance Company General Account                                                                               |             |                      |
|     |                                                           | 2.786% Guaranteed Investment Contract                                                                           | **          | 49,581               |
|     | EXELIS BROKERAGE WINDOW                                   | Other                                                                                                           | **          | 9,584,412            |
|     | UNITED STATES DOLLAR DOLLARS                              | Cash                                                                                                            | **          | (9,492,030)          |
|     | MEDL 2005-2G A                                            | Asset Backed Security - Global - .53 August                                                                     |             |                      |
|     |                                                           | 22, 2036                                                                                                        | **          | 107,137              |
|     | FHR 2475 F                                                | Collateralized Mortgage Obligation - 1.24                                                                       |             |                      |
|     |                                                           | February, 15 2032                                                                                               | **          | 216,181              |
|     | BOAMS 2004-5 3A2                                          | Collateralized Mortgage Obligation - 4.75                                                                       |             |                      |
|     |                                                           | June 25 2019                                                                                                    | **          | 129,831              |
|     | FNR 2010-116 BI                                           | Collateralized Mortgage Obligation - 5.00                                                                       |             |                      |
|     |                                                           | August, 25 2020                                                                                                 | **          | 139,751              |
|     | FHR 2931 GA                                               | Collateralized Mortgage Obligation - 5.00                                                                       |             |                      |
|     |                                                           | November, 15 2028                                                                                               | **          | 28,099               |
|     | FNW 2003-W6 1A41                                          | Collateralized Mortgage Obligation - 5.40                                                                       |             |                      |
|     |                                                           | October, 25 2042                                                                                                | **          | 214,239              |
|     | FNR 2006-78 BC                                            | Collateralized Mortgage Obligation - 6.50                                                                       |             |                      |
|     |                                                           | January, 25 2034                                                                                                | **          | 8,348                |
|     | FHS 237 S23                                               | Collateralized Mortgage Obligation - 6.86                                                                       |             |                      |
|     |                                                           | May, 15 2036                                                                                                    | **          | 45,824               |
|     | FHS 240 S22                                               | Collateralized Mortgage Obligation - 6.91                                                                       |             |                      |
|     |                                                           | July, 15 2036                                                                                                   | **          | 134,605              |
|     | FHR 3036 NS                                               | Collateralized Mortgage Obligation - 6.96                                                                       |             |                      |
|     |                                                           | August, 15 2035                                                                                                 | **          | 21,644               |

[Table of Contents](#)

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|     | FNR 2002-81 SJ                                            | Collateralized Mortgage Obligation -<br>7.26 April, 25 2032                                                     | **       | 9,874             |
|     | ARMT 2005-1 5A2                                           | Collateralized Mortgage Obligation - Floater<br>0.572 May 25, 2035                                              | **       | 10,682            |
|     | CSFB 2004-AR8 2A1                                         | Comm Pty - Securities 2.65 September 25,<br>2034                                                                | **       | 128,741           |
|     | FG J10982                                                 | Federal Home Loan Mortgage Corporation<br>15 year 4.50 October 1, 2024                                          | **       | 605,091           |
|     | FG A29420                                                 | Federal Home Loan Mortgage Corporation<br>30 year 6.00 January 1, 2035                                          | **       | 63,995            |
|     | FH 1B3170                                                 | Federal Home Loan Mortgage Corporation 7<br>year hybrid 2.80 November 1, 2036                                   | **       | 290,644           |
|     | FH 1G1999                                                 | Federal Home Loan Mortgage Corporation 7<br>year hybrid 5.36 June 1, 2037                                       | **       | 20,173            |
|     | FH 1G2061                                                 | Federal Home Loan Mortgage Corporation 7<br>year hybrid 5.43 July 1, 2037                                       | **       | 31,597            |
|     | FH 1J1749                                                 | Federal Home Loan Mortgage Corporation 7<br>year hybrid 5.46 June 1, 2037                                       | **       | 137,517           |
|     | FH 1J0453                                                 | Federal Home Loan Mortgage Corporation 7<br>year hybrid 5.57 June 1, 2037                                       | **       | 18,969            |
|     | FH 782758                                                 | Federal Home Loan Mortgage Corporation 7<br>year hybrid 5.74 November 1, 2036                                   | **       | 170,020           |
|     | FGLMC 4 1/12                                              | Federal Home Loan Mortgage Corporation<br>Gold 30 year 4.00 January 1, 2042                                     | **       | 1,258,500         |
|     | FGLMC 4.5 1/12                                            | Federal Home Loan Mortgage Corporation<br>Gold 30 year 4.50 January 1, 2042                                     | **       | 2,415,731         |
|     | FGLMC 5 1/12                                              | Federal Home Loan Mortgage Corporation<br>Gold 30 year 5.00 January 1, 2042                                     | **       | 1,977,137         |
|     | FGLMC 5.5 1/12                                            | Federal Home Loan Mortgage Corporation<br>Gold 30 year 5.50 January 1, 2042                                     | **       | 1,573,250         |
|     | FGLMC 6 1/12                                              | Federal Home Loan Mortgage Corporation<br>Gold 30 year 6.00 January 1, 2042                                     | **       | 867,519           |
|     | FNCI 3 1/12                                               | Federal National Mortgage Association 15<br>year 3.00 January 1, 2027                                           | **       | 423,389           |
|     | FNCI 3.5 1/12                                             | Federal National Mortgage Association 15<br>year 3.50 January 1, 2027                                           | **       | 1,453,419         |
|     | FN AJ2329                                                 | Federal National Mortgage Association 15<br>year 3.50 October 1, 2026                                           | **       | 503,453           |
|     | FNCI 4 1/12                                               | Federal National Mortgage Association 15<br>year 4.00 January 1, 2027                                           | **       | 1,845,430         |
|     | FN AC6082                                                 | Federal National Mortgage Association 15<br>year 4.50 November 1, 2024                                          | **       | 389,056           |
|     | FNCI 5 1/12                                               | Federal National Mortgage Association 15<br>year 5.00 January 1, 2027                                           | **       | 741,966           |
|     | FN 889568                                                 | Federal National Mortgage Association 15<br>year 5.50 March 1, 2020                                             | **       | 881,064           |
|     | FNCL 3.5 1/12                                             | Federal National Mortgage Association 30<br>year 3.50 January 1, 2042                                           | **       | 647,916           |

[Table of Contents](#)

**EXELIS SALARIED INVESTMENT AND SAVINGS PLAN  
SCHEDULE H, PART IV, LEVEL 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)  
AS OF DECEMBER 31, 2011**

**EIN: 45-2083813  
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|     | FNCL 4 1/12                                               | Federal National Mortgage Association 30 year 4.00 January 1, 2042                                              | **       | 5,567,485         |
|     | FNCL 4.5 1/12                                             | Federal National Mortgage Association 30 year 4.50 January 1, 2042                                              | **       | 3,686,977         |
|     | FNCL 5 1/12                                               | Federal National Mortgage Association 30 year 5.00 January 1, 2042                                              | **       | 1,231,556         |
|     | FN AI9856                                                 | Federal National Mortgage Association 30 year 5.00 September 1, 2041                                            | **       | 1,277,375         |
|     | FN AD0249                                                 | Federal National Mortgage Association 30 year 5.5 April 1, 2037                                                 | **       | 848,012           |
|     | FNCL 6 1/12                                               | Federal National Mortgage Association 30 year 6.0 January 1, 2042                                               | **       | 2,620,603         |
|     | FN 745327                                                 | Federal National Mortgage Association 30 year 6.00 March 1, 2036                                                | **       | 580,737           |
|     | FN 984281                                                 | Federal National Mortgage Association 30 year 6.00 May 1, 2038                                                  | **       | 708,773           |
|     | FN AL1064                                                 | Federal National Mortgage Association 30 year 6.50 October 1, 2039                                              | **       | 560,635           |
|     | GNSF 4.5 1/12                                             | Government National Mortgage Association 30 year 4.50 January 1, 2042                                           | **       | 1,133,112         |
|     | GNSF 4 1/12                                               | Government National Mortgage Association 30 year 4.00 January 1, 2042                                           | **       | 1,383,726         |
|     | GN 713334                                                 | Government National Mortgage Association 30 year 4.50 May 15, 2039                                              | **       | 263,460           |
|     | GNSF 5 1/12                                               | Government National Mortgage Association 30 year 5.00 January 1, 2042                                           | **       | 1,340,264         |
|     | GN 781986                                                 | Government National Mortgage Association 30 year 5.50 September 15, 2035                                        | **       | 692,967           |
|     | GNSF 6 1/12                                               | Government National Mortgage Association 30 year 6.00 January 1, 2042                                           | **       | 588,575           |
|     | G2 4834                                                   | Government National Mortgage Association II 30 year 4.50 October 20, 2040                                       | **       | 1,450,394         |
|     | G2 4679                                                   | Government National Mortgage Association II 30 year 5.00 Apr 20, 2040                                           | **       | 630,456           |
|     | LBFR 2006-LLFA A2                                         | Commercial Mortgage Backed Security - .36 September, 15 2021                                                    | **       | 142,085           |
|     | BSCMS 2004-PWR6 A4                                        | Commercial Mortgage Backed Security - 4.52 November, 11 2041                                                    | **       | 11,831            |
|     | JPMCC 2005-LDP2 ASB                                       | Commercial Mortgage Backed Security - 4.66 July, 15 2042                                                        | **       | 504,180           |
|     | CSFB 2005-C2 AAB                                          | Commercial Mortgage Backed Security - 4.68 April, 15 2037                                                       | **       | 117,427           |
|     | LBUBS 2005-C3 A5                                          | Commercial Mortgage Backed Security - 4.74 July, 15 2030                                                        | **       | 205,586           |
|     | GCCFC 2005-GG3 A4                                         | Commercial Mortgage Backed Security - 4.80 August, 10 2042                                                      | **       | 673,777           |
|     | CGCMT 2005-C3 A4                                          | Commercial Mortgage Backed Security - 4.86 May, 15 2043                                                         | **       | 387,823           |

[Table of Contents](#)

**EXELIS SALARIED INVESTMENT AND SAVINGS PLAN**  
**SCHEDULE H, PART IV, LEVEL 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)**  
**AS OF DECEMBER 31, 2011**

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|     | JPMCC 2004-CBX A6                                         | Commercial Mortgage Backed Security -<br>4.90 January, 12 2037                                                  | **       | 308,598           |
|     | MSDWC 2003-HQ2 A2                                         | Commercial Mortgage Backed Security -<br>4.92 March, 12 2035                                                    | **       | 309,952           |
|     | WBCMT 2005-C18 A4                                         | Commercial Mortgage Backed Security -<br>4.93 April, 15 2042                                                    | **       | 250,884           |
|     | WBCMT 2003-C8 A4                                          | Commercial Mortgage Backed Security -<br>4.96 November, 15 2035                                                 | **       | 597,238           |
|     | MLMT 2005-CIP1 A4                                         | Commercial Mortgage Backed Security -<br>5.05 July, 12 2038                                                     | **       | 186,958           |
|     | LBUBS 2003-C8 A4                                          | Commercial Mortgage Backed Security -<br>5.12 November, 15 2032                                                 | **       | 1,396,613         |
|     | LBUBS 2005-C2 A5                                          | Commercial Mortgage Backed Security -<br>5.15 April, 15 2030                                                    | **       | 188,369           |
|     | WBCMT 2005-C21 A4                                         | Commercial Mortgage Backed Security -<br>5.20 October, 15 2044                                                  | **       | 935,364           |
|     | BSCMS 2006-PW14 AM                                        | Commercial Mortgage Backed Security -<br>5.24 December, 11 2038                                                 | **       | 177,874           |
|     | MSC 2006-IQ12 A4                                          | Commercial Mortgage Backed Security -<br>5.33 December, 15 2043                                                 | **       | 836,035           |
|     | LBUBS 2006-C6 A4                                          | Commercial Mortgage Backed Security -<br>5.37 September, 15 2039                                                | **       | 1,261,494         |
|     | GSMS 2006-GG8 A4                                          | Commercial Mortgage Backed Security -<br>5.56 November, 10 2039                                                 | **       | 77,178            |
|     | BACM 2006-2 A4                                            | Commercial Mortgage Backed Security -<br>5.73 May, 10 2045                                                      | **       | 674,507           |
|     | WBCMT 2006-C25 A5                                         | Commercial Mortgage Backed Security -<br>5.74 May, 15 2043                                                      | **       | 612,861           |
|     | WBCMT 2006-C26 AM                                         | Commercial Mortgage Backed Security -<br>5.97 June, 15 2045                                                     | **       | 317,435           |
|     | MSDWC 2002-TOP7 A2                                        | Commercial Mortgage Backed Security -<br>5.98 January, 15 2039                                                  | **       | 695,746           |
|     | GECMC 2002-1A A3                                          | Commercial Mortgage Backed Security -<br>6.27 December, 10 2035                                                 | **       | 318,968           |
|     | LBUBS 2002-C1 B                                           | Commercial Mortgage Backed Security -<br>6.58 March, 15 2034                                                    | **       | 514,381           |
|     | NALT 2011-A A2B                                           | Asset Backed Security - Auto Prime Quality<br>- .42 January, 15 2014                                            | **       | 750,393           |
|     | FORDO 2011-B A2                                           | Asset Backed Security - Auto Prime Quality<br>- .68 January, 15 2014                                            | **       | 500,207           |
|     | MBALT 2011-1A A2                                          | Asset Backed Security - Auto Prime Quality<br>- .79 April, 15 2013                                              | **       | 506,088           |
|     | AMCAR 2011-2 A2                                           | Asset Backed Security - Auto Prime Quality<br>- .90 September, 8 2014                                           | **       | 300,745           |
|     | FORDO 2009-A A3B                                          | Asset Backed Security - Auto Prime Quality<br>- 2.75 May, 15 2013                                               | **       | 47,820            |
|     | DCAT 2007-A A4                                            | Asset Backed Security - Auto Prime Quality<br>- 5.28 March, 8 2013                                              | **       | 110,989           |

[Table of Contents](#)

**EXELIS SALARIED INVESTMENT AND SAVINGS PLAN**  
**SCHEDULE H, PART IV, LEVEL 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)**  
**AS OF DECEMBER 31, 2011**

**EIN: 45-2083813**  
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|     | MBNAS 2002-A3 A3                                          | Asset Backed Security - Card - .48<br>September, 15 2014                                                        | **       | 975,670           |
|     | BACCT 2008-A7 A7                                          | Asset Backed Security - Card - .94<br>December, 15 2014                                                         | **       | 296,141           |
|     | DCENT 2009-A1 A1                                          | Asset Backed Security - Card - 1.54<br>December, 15 2014                                                        | **       | 206,347           |
|     | FNMT 2009-3 A                                             | Asset Backed Security - Card - 1.59 July, 15<br>2015                                                            | **       | 1,793,638         |
|     | COMNI 2009-A8 A8                                          | Asset Backed Security - Card - 2.34 May,<br>16 2016                                                             | **       | 1,405,135         |
|     | OOMLT 2007-4 2A1                                          | Asset Backed Security - Home Equity - .38<br>April, 25 2037                                                     | **       | 4,620             |
|     | RAMP 2006-EFC1 A2                                         | Asset Backed Security - Home Equity - .44<br>February, 25 2036                                                  | **       | 65,199            |
|     | OOMLT 2005-4 A3                                           | Asset Backed Security - Home Equity - .50<br>November, 25 2035                                                  | **       | 46,511            |
|     | CWL 2004-1 3A                                             | Asset Backed Security - Home Equity - .80<br>April, 25 2034                                                     | **       | 877               |
|     | WFHET 2004-2 AI6                                          | Asset Backed Security - Home Equity - 5.00<br>May, 25 2034                                                      | **       | 310,368           |
|     | CBT US T LONG BOND                                        | US Treasury Note Futures 0 March, 21 2012                                                                       | **       | (1,875)           |
|     | US 10YR T NOTE                                            | US Treasury Note Futures 0 March, 21 2012                                                                       | **       | 26                |
|     | US 10YR T NOTE                                            | US Treasury Note Futures 0 March, 21 2012                                                                       | **       | (851)             |
|     | US ULTRA BOND(CBT) MAR12                                  | US Treasury Note Futures 0 March, 21 2012                                                                       | **       | (1,125)           |
|     | CBT US 2 YR T NOTE                                        | US Treasury Note Futures 0 March, 30 2012                                                                       | **       | 914               |
|     | US 5YR NOTE (CBT) MAR12                                   | US Treasury Note Futures 0 March, 30 2012                                                                       | **       | (17,187)          |
|     | TREASURY BILL                                             | Short Term US Treasury - March 15, 2012                                                                         | **       | 154,994           |
|     | US TREASURY N/B                                           | US Treasury .25 December, 15 2014                                                                               | **       | 8,468,114         |
|     | US TREASURY N/B                                           | US Treasury .75 September, 15 2013                                                                              | **       | 945,080           |
|     | US TREASURY N/B                                           | US Treasury .88 November, 30 2016                                                                               | **       | 12,818,672        |
|     | US TREASURY N/B                                           | US Treasury 1.25 October, 31 2015                                                                               | **       | 2,975,348         |
|     | US TREASURY N/B                                           | US Treasury 1.25 September, 30 2015                                                                             | **       | 1,034,260         |
|     | US TREASURY N/B                                           | US Treasury 1.38 November, 30 2015                                                                              | **       | 520,994           |
|     | US TREASURY N/B                                           | US Treasury 1.75 October, 31 2018                                                                               | **       | 4,826,566         |

[Table of Contents](#)

**EXELIS SALARIED INVESTMENT AND SAVINGS PLAN**  
**SCHEDULE H, PART IV, LEVEL 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)**  
**AS OF DECEMBER 31, 2011**

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|     | US TREASURY N/B                                           | US Treasury 2.00 November, 15 2021                                                                              | **       | 5,876,063         |
|     | US TREASURY N/B                                           | US Treasury 2.25 January, 31 2015                                                                               | **       | 2,616,401         |
|     | US TREASURY N/B                                           | US Treasury 2.38 May, 31 2018                                                                                   | **       | 9,926,571         |
|     | US TREASURY N/B                                           | US Treasury 5.38 February, 15 2031                                                                              | **       | 318,035           |
|     | US TREASURY N/B                                           | US Treasury 8.75 May, 15 2017                                                                                   | **       | 1,554,216         |
|     | FARMER MAC GTD TR 07-1                                    | Federal Agricultural Mortgage Corporation<br>5.12 April, 19 2017                                                | **       | 1,412,374         |
|     | FREDDIE MAC                                               | Federal Home Loan Corporation 1.00 July,<br>30 2014                                                             | **       | 1,270,659         |
|     | FREDDIE MAC                                               | Federal Home Loan Corporation 3.75<br>March, 27 2019                                                            | **       | 115,132           |
|     | FREDDIE MAC                                               | Federal Home Loan Corporation 5.12<br>October, 18 2016                                                          | **       | 524,826           |
|     | FANNIE MAE                                                | Federal National Mortgage Association 2.38<br>July, 28 2015                                                     | **       | 3,062,349         |
|     | FANNIE MAE                                                | Federal National Mortgage Association 4.62<br>May, 1 2013                                                       | **       | 949,696           |
|     | FANNIE MAE                                                | Federal National Mortgage Association 4.88<br>December, 15 2016                                                 | **       | 613,619           |
|     | FANNIE MAE                                                | Federal National Mortgage Association 5.25<br>August, 1 2012                                                    | **       | 1,075,769         |
|     | IL ST TXB                                                 | Municipal 5.10 June, 1 2033                                                                                     | **       | 73,354            |
|     | CA TXB-VAR PURP                                           | Municipal 7.55 April, 1 2039                                                                                    | **       | 68,345            |
|     | TENN VALLEY AUTHORITY                                     | Tennessee Valley Authority 5.25<br>September, 15 2039                                                           | **       | 368,211           |
|     | RUSSIA FOREIGN BOND                                       | Federal Agricultural Mortgage Corporation<br>3.62 April, 29 2015                                                | **       | 303,373           |
|     | BRITISH COLUMBIA PROV OF                                  | Sovereign 2.85 June, 15 2015                                                                                    | **       | 334,128           |
|     | REPUBLIC OF SOUTH AFRICA                                  | Sovereign 5.5 March 9, 2020                                                                                     | **       | 204,005           |
|     | FED REPUBLIC OF BRAZIL                                    | Sovereign 6.0 January, 17 2017                                                                                  | **       | 508,867           |
|     | REPUBLIC OF PERU                                          | Sovereign 8.75 November 21, 2033                                                                                | **       | 153,472           |
|     | NCUA GUARANTEED NOTES                                     | Corporate Bond .26 June, 12 2013                                                                                | **       | 849,358           |
|     | BAXTER INTERNATIONAL INC                                  | Corporate Bond 1.85 January, 15 2017                                                                            | **       | 151,258           |
|     | VERIZON COMMUNICATIONS                                    | Corporate Bond 2.00 November, 1 2016                                                                            | **       | 115,716           |

[Table of Contents](#)

**EXELIS SALARIED INVESTMENT AND SAVINGS PLAN**  
**SCHEDULE H, PART IV, LEVEL 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)**  
**AS OF DECEMBER 31, 2011**

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|     |                                                           |                                                                                                                 |          | Current Value |
|     | LOCKHEED MARTIN CORP                                      | Corporate Bond 2.12 September, 15 2016                                                                          | **       | 166,360       |
|     | AMERICA MOVIL SAB DE CV                                   | Corporate Bond 2.38 September, 8 2016                                                                           | **       | 336,564       |
|     | TEVA PHARMACEUT FIN BV                                    | Corporate Bond 2.40 November, 10 2016                                                                           | **       | 346,966       |
|     | MATTEL INC                                                | Corporate Bond 2.50 November, 1 2016                                                                            | **       | 181,819       |
|     | BARRICK GOLD CORP                                         | Corporate Bond 2.90 May, 30 2016                                                                                | **       | 360,094       |
|     | HEWLETT-PACKARD CO                                        | Corporate Bond 3.00 September, 15 2016                                                                          | **       | 812,443       |
|     | SHELL INTERNATIONAL FIN                                   | Corporate Bond 3.10 June, 28 2015                                                                               | **       | 214,480       |
|     | HSBC BANK PLC                                             | Corporate Bond 3.10 May, 24 2016                                                                                | **       | 190,617       |
|     | MORGAN STANLEY                                            | Corporate Bond 3.45 November, 2 2015                                                                            | **       | 291,799       |
|     | AMERISOURCEBERGEN CORP                                    | Corporate Bond 3.50 November, 15 2021                                                                           | **       | 92,833        |
|     | BNP PARIBAS                                               | Corporate Bond 3.60 February, 23 2016                                                                           | **       | 128,354       |
|     | BANK OF AMERICA CORP                                      | Corporate Bond 3.62 March, 17 2016                                                                              | **       | 288,998       |
|     | WELLS FARGO & COMPANY                                     | Corporate Bond 3.68 June, 15 2016                                                                               | **       | 702,121       |
|     | GOLDMAN SACHS GROUP INC                                   | Corporate Bond 3.70 August, 1 2015                                                                              | **       | 34,829        |
|     | WELLPOINT INC                                             | Corporate Bond 3.70 August, 15 2021                                                                             | **       | 416,667       |
|     | ENTERPRISE PRODUCTS OPER                                  | Corporate Bond 3.70 June, 1 2015                                                                                | **       | 436,356       |
|     | ENTERGY ARKANSAS INC                                      | Corporate Bond 3.75 February, 15 2021                                                                           | **       | 200,540       |
|     | UNITEDHEALTH GROUP INC                                    | Corporate Bond 3.88 October, 15 2020                                                                            | **       | 230,103       |
|     | ING BANK NV                                               | Corporate Bond 4.00 March, 15 2016                                                                              | **       | 283,626       |
|     | SIMON PROPERTY GROUP LP                                   | Corporate Bond 4.12 December, 1 2021                                                                            | **       | 252,198       |
|     | CVS CAREMARK CORP                                         | Corporate Bond 4.12 May, 15 2021                                                                                | **       | 438,145       |
|     | WESTPAC BANKING CORP                                      | Corporate Bond 4.20 February, 27 2015                                                                           | **       | 163,789       |
|     | FUEL TRUST                                                | Corporate Bond 4.21 April, 15 2016                                                                              | **       | 371,340       |
|     | NBCUNIVERSAL MEDIA LLC                                    | Corporate Bond 4.38 April, 1 2021                                                                               | **       | 405,188       |

[Table of Contents](#)

**EXELIS SALARIED INVESTMENT AND SAVINGS PLAN  
SCHEDULE H, PART IV, LEVEL 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)  
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|     | GENERAL ELEC CAP CORP                                     | Corporate Bond 4.38 September, 16 2020                                                                          | **       | 879,449           |
|     | NISOURCE FINANCE CORP                                     | Corporate Bond 4.45 December, 1 2021                                                                            | **       | 205,304           |
|     | AT&T INC                                                  | Corporate Bond 4.45 May, 15 2021                                                                                | **       | 358,849           |
|     | BANK OF AMERICA CORP                                      | Corporate Bond 4.50 April, 1 2015                                                                               | **       | 268,465           |
|     | GILEAD SCIENCES INC                                       | Corporate Bond 4.50 April, 1 2021                                                                               | **       | 203,583           |
|     | JOHN DEERE CAPITAL CORP                                   | Corporate Bond 4.50 April, 3 2013                                                                               | **       | 338,792           |
|     | BERKSHIRE HATHAWAY FIN                                    | Corporate Bond 4.50 January, 15 2013                                                                            | **       | 594,003           |
|     | XEROX CORPORATION                                         | Corporate Bond 4.50 May, 15 2021                                                                                | **       | 234,419           |
|     | CENOVUS ENERGY INC                                        | Corporate Bond 4.50 September, 15 2014                                                                          | **       | 632,509           |
|     | VERIZON COMMUNICATIONS                                    | Corporate Bond 4.60 April, 1 2021                                                                               | **       | 285,091           |
|     | RCI BANQUE SA                                             | Corporate Bond 4.60 April, 12 2016                                                                              | **       | 168,346           |
|     | VALE OVERSEAS LIMITED                                     | Corporate Bond 4.62 September, 15 2020                                                                          | **       | 261,930           |
|     | XCEL ENERGY INC                                           | Corporate Bond 4.70 May, 15 2020                                                                                | **       | 266,261           |
|     | INTL PAPER CO                                             | Corporate Bond 4.75 February, 15 2022                                                                           | **       | 267,222           |
|     | CAPITAL ONE FINANCIAL CO                                  | Corporate Bond 4.75 July, 15 2021                                                                               | **       | 283,632           |
|     | TIME WARNER INC                                           | Corporate Bond 4.75 March, 29 2021                                                                              | **       | 449,612           |
|     | CITIGROUP INC                                             | Corporate Bond 4.75 May, 19 2015                                                                                | **       | 392,046           |
|     | ALTRIA GROUP INC                                          | Corporate Bond 4.75 May, 5 2021                                                                                 | **       | 105,301           |
|     | ARISTOTLE HOLDING INC                                     | Corporate Bond 4.75 November, 15 2021                                                                           | **       | 379,618           |
|     | WPP FINANCE 2010                                          | Corporate Bond 4.75 November, 21 2021                                                                           | **       | 79,839            |
|     | SVENSKA HANDELSBANKEN AB                                  | Corporate Bond 4.88 June, 10 2014                                                                               | **       | 599,929           |
|     | ORACLE CORP                                               | Corporate Bond 5.00 July, 8 2019                                                                                | **       | 481,212           |
|     | DIRECTV HOLDINGS/FING                                     | Corporate Bond 5.00 March, 1 2021                                                                               | **       | 304,328           |
|     | AMERICA MOVIL SAB DE CV                                   | Corporate Bond 5.00 March, 30 2020                                                                              | **       | 273,766           |

[Table of Contents](#)

**EXELIS SALARIED INVESTMENT AND SAVINGS PLAN  
SCHEDULE H, PART IV, LEVEL 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)  
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|     | CREDIT SUISSE NEW YORK                                    | Corporate Bond 5.00 May, 15 2013                                                                                | **       | 319,981           |
|     | ONCOR ELECTRIC DELIVERY                                   | Corporate Bond 5.00 September, 30 2017                                                                          | **       | 279,495           |
|     | HSBC HOLDINGS PLC                                         | Corporate Bond 5.10 April, 5 2021                                                                               | **       | 241,825           |
|     | VIRGINIA ELEC & POWER CO                                  | Corporate Bond 5.10 November, 30 2012                                                                           | **       | 297,282           |
|     | MET LIFE GLOB FUNDING I                                   | Corporate Bond 5.12 April, 10 2013                                                                              | **       | 327,411           |
|     | DOMINION RESOURCES INC                                    | Corporate Bond 5.20 August, 15 2019                                                                             | **       | 205,457           |
|     | VERIZON COMMUNICATIONS                                    | Corporate Bond 5.25 April, 15 2013                                                                              | **       | 431,858           |
|     | GENERAL ELECTRIC CO                                       | Corporate Bond 5.25 December, 6 2017                                                                            | **       | 132,412           |
|     | DCP MIDSTREAM LLC                                         | Corporate Bond 5.35 March, 15 2020                                                                              | **       | 195,469           |
|     | CITIGROUP INC                                             | Corporate Bond 5.38 August, 9 2020                                                                              | **       | 335,831           |
|     | HCP INC                                                   | Corporate Bond 5.38 February, 1 2021                                                                            | **       | 214,156           |
|     | KRAFT FOODS INC                                           | Corporate Bond 5.38 February, 10 2020                                                                           | **       | 146,863           |
|     | ANHEUSER-BUSCH INBEV WOR                                  | Corporate Bond 5.38 January, 15 2020                                                                            | **       | 311,373           |
|     | PPL WEM HOLDINGS PLC                                      | Corporate Bond 5.38 May, 1 2021                                                                                 | **       | 407,179           |
|     | PRICOA GLOBAL FUNDING 1                                   | Corporate Bond 5.40 October, 18 2012                                                                            | **       | 505,049           |
|     | MORGAN STANLEY                                            | Corporate Bond 5.45 January, 9 2017                                                                             | **       | 79,104            |
|     | COVENTRY HEALTH CARE INC                                  | Corporate Bond 5.45 June, 15 2021                                                                               | **       | 211,590           |
|     | MORGAN STANLEY                                            | Corporate Bond 5.50 January, 26 2020                                                                            | **       | 107,405           |
|     | STANDARD CHARTERED PLC                                    | Corporate Bond 5.50 November, 18 2014                                                                           | **       | 553,884           |
|     | CITIGROUP INC                                             | Corporate Bond 5.50 October, 15 2014                                                                            | **       | 57,181            |
|     | PACIFICORP                                                | Corporate Bond 5.65 July, 15 2018                                                                               | **       | 97,590            |
|     | BANK OF AMERICA CORP                                      | Corporate Bond 5.65 May, 1 2018                                                                                 | **       | 153,947           |
|     | PHILIP MORRIS INTL INC                                    | Corporate Bond 5.65 May, 16 2018                                                                                | **       | 333,168           |
|     | MORGAN STANLEY                                            | Corporate Bond 5.75 January, 25 2021                                                                            | **       | 196,333           |

[Table of Contents](#)

**EXELIS SALARIED INVESTMENT AND SAVINGS PLAN**  
**SCHEDULE H, PART IV, LEVEL 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)**  
**AS OF DECEMBER 31, 2011**

**EIN: 45-2083813**  
**PN: 100**

| <b>(a)</b> | <b>(b) Identity of Issuer, Borrower, Lesser or Similar Party</b> | <b>(c ) Description of Investment, including Maturity Date, Rate of Interest, Collateral, and Par or Maturity Value</b> | <b>(d) Cost</b> | <b>(e) Current Value</b> |
|------------|------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------|-----------------|--------------------------|
|            | WAL-MART STORES INC                                              | Corporate Bond 5.80 February, 15 2018                                                                                   | **              | 112,297                  |
|            | XSTRATA FINANCE CANADA                                           | Corporate Bond 5.80 November, 15 2016                                                                                   | **              | 159,252                  |
|            | ONEOK PARTNERS LP                                                | Corporate Bond 5.90 April, 1 2012                                                                                       | **              | 169,254                  |
|            | GOLDMAN SACHS GROUP INC                                          | Corporate Bond 5.95 January, 18 2018                                                                                    | **              | 247,023                  |
|            | MIDAMERICAN ENERGY CO                                            | Corporate Bond 5.95 July, 15 2017                                                                                       | **              | 145,655                  |
|            | CITIGROUP INC                                                    | Corporate Bond 6.00 August, 15 2017                                                                                     | **              | 42,825                   |
|            | KRAFT FOODS INC                                                  | Corporate Bond 6.00 February, 11 2013                                                                                   | **              | 1,195,328                |
|            | ROCHE HLDGS INC                                                  | Corporate Bond 6.00 March, 1 2019                                                                                       | **              | 210,020                  |
|            | SUNCOR ENERGY INC                                                | Corporate Bond 6.10 June, 1 2018                                                                                        | **              | 493,372                  |
|            | WATSON PHARMACEUTICALS I                                         | Corporate Bond 6.12 August, 15 2019                                                                                     | **              | 221,850                  |
|            | GOLDMAN SACHS GROUP INC                                          | Corporate Bond 6.15 April, 1 2018                                                                                       | **              | 204,255                  |
|            | COMCAST CORP                                                     | Corporate Bond 6.30 November, 15 2017                                                                                   | **              | 178,627                  |
|            | VERIZON COMMUNICATIONS                                           | Corporate Bond 6.35 April, 1 2019                                                                                       | **              | 222,189                  |
|            | CITIGROUP INC                                                    | Corporate Bond 6.38 August, 12 2014                                                                                     | **              | 252,422                  |
|            | TRANSOCEAN INC                                                   | Corporate Bond 6.38 December, 15 2021                                                                                   | **              | 202,823                  |
|            | LLOYDS TSB BANK PLC                                              | Corporate Bond 6.38 January, 21 2021                                                                                    | **              | 46,371                   |
|            | ANADARKO PETROLEUM CORP                                          | Corporate Bond 6.38 September, 15 2017                                                                                  | **              | 376,930                  |
|            | AMERICAN INTL GROUP                                              | Corporate Bond 6.40 December, 15 2020                                                                                   | **              | 465,554                  |
|            | BANK OF AMERICA CORP                                             | Corporate Bond 6.50 August, 1 2016                                                                                      | **              | 439,515                  |
|            | AT&T INC                                                         | Corporate Bond 6.70 November, 15 2013                                                                                   | **              | 405,504                  |
|            | NEVADA POWER CO                                                  | Corporate Bond 7.12 March, 15 2019                                                                                      | **              | 215,862                  |
|            | PRUDENTIAL FINANCIAL INC                                         | Corporate Bond 7.38 June, 15 2019                                                                                       | **              | 266,701                  |
|            | EURASIAN DEVELOPMENT BAN                                         | Corporate Bond 7.38 September, 29 2014                                                                                  | **              | 106,385                  |
|            | TIME WARNER CABLE INC                                            | Corporate Bond 7.50 April, 1 2014                                                                                       | **              | 700,119                  |

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[Table of Contents](#)

**EXELIS SALARIED INVESTMENT AND SAVINGS PLAN**  
**SCHEDULE H, PART IV, LEVEL 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)**  
**AS OF DECEMBER 31, 2011**

**EIN: 45-2083813**  
**PN: 100**

| <b>(a)</b> | <b>(b) Identity of Issuer, Borrower, Lesser or Similar Party</b> | <b>(c ) Description of Investment, including Maturity Date, Rate of Interest, Collateral, and Par or Maturity Value</b> | <b>(d) Cost</b> | <b>(e) Current Value</b> |
|------------|------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------|-----------------|--------------------------|
|            | DCP MIDSTREAM LLC                                                | Corporate Bond 9.75 March, 15 2019                                                                                      | **              | 213,168                  |
|            | BANK OF SCOTLAND PLC                                             | Covered Bond 5.25 February, 21 2017                                                                                     | **              | 335,836                  |
|            | COUNCIL OF EUROPE                                                | Sovereign 1.50 January, 15 2015                                                                                         | **              | 106,155                  |
|            | TOTAL                                                            |                                                                                                                         |                 | <u>1,943,865,707</u>     |

\* Party-in-interest to the Plan

\*\* Cost information is not required for participant directed investments and, therefore, is not included.

|                         |                                                    |
|-------------------------|----------------------------------------------------|
| <b>Plan Name</b>        | <b>Exelis Salaried Investment and Savings Plan</b> |
| <b>Plan Sponsor EIN</b> | <b>45-2083813</b>                                  |
| <b>ERISA Plan #</b>     | <b>100</b>                                         |
| <b>Plan Year Ending</b> | <b>12/31/2011</b>                                  |

The required attachment marked with an “X” in the Attachment column is included within the Accountant’s Opinion attachment to Sch. H, Part III, Line 3, which consists of the entire audit report issued by the plan’s Independent Qualified Public Accountant (IQPA).

| <b>Form / Schedule</b> | <b>Line #</b> | <b>Description</b>                                          | <b>Attachment</b> |
|------------------------|---------------|-------------------------------------------------------------|-------------------|
| 5500 Sch. H            | Line 3        | Financial statements used in formulating the IQPA's opinion | X                 |
| 5500 Sch. H            | Line 4i       | Schedule of Assets (Held at End of Year)                    | X                 |
| 5500 Sch. H            | Line 4i       | Schedule of Assets (Acquired and Disposed of Within Year)   |                   |
| 5500 Sch. H            | Line 4j       | Schedule of Reportable Transactions                         |                   |
| 5500 Sch. H            | Line 4a       | Schedule of Delinquent Participant Contributions            |                   |

|                         |                                                    |
|-------------------------|----------------------------------------------------|
| <b>Plan Name</b>        | <b>Exelis Salaried Investment and Savings Plan</b> |
| <b>Plan Sponsor EIN</b> | <b>45-2083813</b>                                  |
| <b>ERISA Plan #</b>     | <b>100</b>                                         |
| <b>Plan Year Ending</b> | <b>12/31/2011</b>                                  |

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