

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), 6057(b), and 6058(a) of the Internal Revenue Code (the Code). <p style="text-align: center;">▶ Complete all entries in accordance with the instructions to the Form 5500.</p>	OMB Nos. 1210-0110 1210-0089 2013 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2013 or fiscal plan year beginning <u>01/01/2013</u> and ending <u>12/31/2013</u>	
A This return/report is for:	☐ a multiemployer plan; ☐ a multiple-employer plan; or ☒ a single-employer plan; ☐ a DFE (specify) ____
B This return/report is:	☐ the first return/report; ☐ the final return/report; ☒ an amended return/report; ☐ a short plan year return/report (less than 12 months).
C If the plan is a collectively-bargained plan, check here.	☒
D Check box if filing under:	☒ Form 5558; ☐ automatic extension; ☐ the DFVC program; ☐ special extension (enter description)

Part II	Basic Plan Information—enter all requested information										
1a Name of plan <u>BSS RETIREMENT PLAN FOR BARGAINED EMPLOYEES</u> 2a Plan sponsor's name and address; include room or suite number (employer, if for a single-employer plan) <u>THE BOEING CO. AND CONSOLIDATED SUBSIDIARIES</u> <u>C/O BOEING EMPLOYEE BENEFITS</u> <u>P.O. BOX 3707 M/C 9U7-03 SEATTLE, WA 98124-2207</u> <div style="float: right; text-align: right;"> <u>100 N. RIVERSIDE PLAZA CHICAGO, IL 60606-1596</u> </div>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">1b Three-digit plan number (PN) ▶</td> <td style="width: 20%; text-align: center;"><u>061</u></td> </tr> <tr> <td colspan="2">1c Effective date of plan <u>10/06/2000</u></td> </tr> <tr> <td colspan="2">2b Employer Identification Number (EIN) <u>91-0425694</u></td> </tr> <tr> <td colspan="2">2c Sponsor's telephone number <u>866-473-2016</u></td> </tr> <tr> <td colspan="2">2d Business code (see instructions) <u>336410</u></td> </tr> </table>	1b Three-digit plan number (PN) ▶	<u>061</u>	1c Effective date of plan <u>10/06/2000</u>		2b Employer Identification Number (EIN) <u>91-0425694</u>		2c Sponsor's telephone number <u>866-473-2016</u>		2d Business code (see instructions) <u>336410</u>	
1b Three-digit plan number (PN) ▶	<u>061</u>										
1c Effective date of plan <u>10/06/2000</u>											
2b Employer Identification Number (EIN) <u>91-0425694</u>											
2c Sponsor's telephone number <u>866-473-2016</u>											
2d Business code (see instructions) <u>336410</u>											

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

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

SIGN HERE	Filed with authorized/valid electronic signature.	09/29/2014	SCOTT BUCHANAN
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE
Preparer's name (including firm name, if applicable) and address; include room or suite number. (optional)			Preparer's telephone number (optional)

3a Plan administrator's name and address ☐ Same as Plan Sponsor Name ☐ Same as Plan Sponsor Address EMPLOYEE BENEFIT PLANS COMMITTEE THE BOEING COMPANY 100 N. RIVERSIDE PLAZA CHICAGO, IL 60606-1596		3b Administrator's EIN 58-2405861
		3c Administrator's telephone number 312-544-2297
4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: a Sponsor's name		4b EIN 4c PN
5 Total number of participants at the beginning of the plan year	5	2202
6 Number of participants as of the end of the plan year (welfare plans complete only lines 6a , 6b , 6c , and 6d).		
a Active participants	6a	766
b Retired or separated participants receiving benefits	6b	637
c Other retired or separated participants entitled to future benefits	6c	648
d Subtotal. Add lines 6a , 6b , and 6c	6d	2051
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits	6e	88
f Total. Add lines 6d and 6e	6f	2139
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	6g	
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	6h	
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	7	
8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions: 1A 3F 3H		
b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:		
9a Plan funding arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	
10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)		
a Pension Schedules (1) ☒ 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) ☐ 0 A (Insurance Information) (4) ☒ C (Service Provider Information) (5) ☒ D (DFE/Participating Plan Information) (6) ☒ G (Financial Transaction Schedules)	

SCHEDULE SB (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Single-Employer Defined Benefit Plan Actuarial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500 or 5500-SF.	OMB No. 1210-0110 2013 This Form is Open to Public Inspection
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For calendar plan year 2013 or fiscal plan year beginning 01/01/2013 and ending 12/31/2013

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

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

A Name of plan <u>BSS RETIREMENT PLAN FOR BARGAINED EMPLOYEES</u>	B Three-digit plan number (PN) ▶ <u>061</u>
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF <u>THE BOEING CO. AND CONSOLIDATED SUBSIDIARIES</u>	D Employer Identification Number (EIN) <u>91-0425694</u>
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B	F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500

Part I	Basic Information
1 Enter the valuation date: Month <u>01</u> Day <u>01</u> Year <u>2013</u>	
2 Assets:	
a Market value	2a <u>289528575</u>
b Actuarial value	2b <u>279217704</u>
3 Funding target/participant count breakdown:	
a For retired participants and beneficiaries receiving payment.....	3a <u>619</u> <u>76410601</u>
b For terminated vested participants.....	3b <u>696</u> <u>19232938</u>
c For active participants:	
(1) Non-vested benefits	3c(1) <u>40782365</u>
(2) Vested benefits	3c(2) <u>126569239</u>
(3) Total active.....	3c(3) <u>930</u> <u>167351604</u>
d Total.....	3d <u>2245</u> <u>262995143</u>
4 If the plan is in at-risk status, check the box and complete lines (a) and (b)..... ☐	
a Funding target disregarding prescribed at-risk assumptions	4a
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor.....	4b
5 Effective interest rate	5 <u>6.36</u> %
6 Target normal cost	6 <u>8906840</u>

Statement by Enrolled Actuary

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

SIGN HERE		<u>09/24/2014</u>
	Signature of actuary	Date
<u>CHRIS NOBLE</u>		<u>14-06196</u>
	Type or print name of actuary	Most recent enrollment number
<u>TOWERS WATSON DELAWARE INC.</u>		<u>206-625-1125</u>
	Firm name	Telephone number (including area code)
<u>600 UNIVERSITY STREET, SUITE 3100</u> <u>SEATTLE, WA 98101-1176</u>		
	Address of the firm	

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

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

Schedule SB (Form 5500) 2013
v. 130118

Part II Beginning of Year Carryover and Prefunding Balances		
	(a) Carryover balance	(b) Prefunding balance
7 Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	35782133	11893200
8 Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	7336864	0
9 Amount remaining (line 7 minus line 8)	28445269	11893200
10 Interest on line 9 using prior year's actual return of <u>12.82</u> %	3646683	1524708
11 Prior year's excess contributions to be added to prefunding balance:		
a Present value of excess contributions (line 38a from prior year)		0
b Interest on (a) using prior year's effective interest rate of <u>7.08</u> % except as otherwise provided (see instructions)		
c Total available at beginning of current plan year to add to prefunding balance		0
d Portion of (c) to be added to prefunding balance		
12 Other reductions in balances due to elections or deemed elections	6000000	
13 Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	26091952	13417908

Part III Funding Percentages		
14 Funding target attainment percentage	14	91.14 %
15 Adjusted funding target attainment percentage	15	106.16 %
16 Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	108.72 %
17 If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

Part IV Contributions and Liquidity Shortfalls					
18 Contributions made to the plan for the plan year by employer(s) and employees:					
(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
07/01/2013		633961			
08/29/2014	8000000				
			Totals ►	18(b)	8000000
				18(c)	633961

19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:		
a Contributions allocated toward unpaid minimum required contributions from prior years.	19a	0
b Contributions made to avoid restrictions adjusted to valuation date	19b	0
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	7221181
20 Quarterly contributions and liquidity shortfalls:		
a Did the plan have a "funding shortfall" for the prior year? ☒ Yes ☐ No		
b If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner? ☒ Yes ☐ No		
c If line 20a is "Yes," see instructions and complete the following table as applicable:		
Liquidity shortfall as of end of quarter of this plan year		
(1) 1st	(2) 2nd	(3) 3rd
0	0	0
		0

Part V Assumptions Used to Determine Funding Target and Target Normal Cost

21 Discount rate:				
a Segment rates:	1st segment: 4.94%	2nd segment: 6.15%	3rd segment: 6.76 %	☐ N/A, full yield curve used
b Applicable month (enter code).....				21b 4
22 Weighted average retirement age				22 59
23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute				

Part VI Miscellaneous Items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment.	☒ Yes ☐ No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment.	☐ Yes ☒ No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment.	☒ Yes ☐ No
27 If the plan is subject to alternative funding rules, enter applicable code and see instructions regarding attachment.....	27

Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years

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

Part VIII Minimum Required Contribution For Current Year

31 Target normal cost and excess assets (see instructions):			
a Target normal cost (line 6).....	31a	8906840	
b Excess assets, if applicable, but not greater than line 31a	31b	0	
32 Amortization installments:	Outstanding Balance	Installment	
a Net shortfall amortization installment.....	0	0	
b Waiver amortization installment	0	0	
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33		
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)...	34	8906840	
	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement.....	9040956	0	9040956
36 Additional cash requirement (line 34 minus line 35).....	36	0	
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c).....	37	7221181	
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)	38a	7221181	
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b	0	
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	39	0	
40 Unpaid minimum required contributions for all years	40	0	

Part IX Pension Funding Relief Under Pension Relief Act of 2010 (See Instructions)

41 If an election was made to use PRA 2010 funding relief for this plan:			
a Schedule elected	☐ 2 plus 7 years ☐ 15 years		
b Eligible plan year(s) for which the election in line 41a was made	☐ 2008 ☐ 2009 ☐ 2010 ☐ 2011		
42 Amount of acceleration adjustment	42		
43 Excess installment acceleration amount to be carried over to future plan years	43		

SCHEDULE C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ► File as an attachment to Form 5500.	OMB No. 1210-0110
		2013
		This Form is Open to Public Inspection.

For calendar plan year 2013 or fiscal plan year beginning **01/01/2013** and ending **12/31/2013**

A Name of plan BSS RETIREMENT PLAN FOR BARGAINED EMPLOYEES	B Three-digit plan number (PN) ►	061
C Plan sponsor's name as shown on line 2a of Form 5500 THE BOEING CO. AND CONSOLIDATED SUBSIDIARIES	D Employer Identification Number (EIN) 91-0425694	

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

1 Information on Persons Receiving Only Eligible Indirect Compensation

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

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

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

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

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

TOWERS WATSON DELAWARE

53-0181291

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
11 17 50 70	NONE	102143	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

DELOITTE & TOUCHE, LLP

13-3891517

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
10	NONE	55627	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

THE BOEING CO AND CONSOLIDATED SUBS

91-0425694

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
10 14 28	PLANSPONSOR	50649	Yes ☒ No ☐	Yes ☐ No ☒	264	Yes ☐ No ☒

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

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

XEROX HR SOLUTIONS, LLP

20-2185976

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
13 15	NONE	35687	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

STATE STREET BANK AND TRUST COMPANY

04-1867445

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
99 62	NONE	28411	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

IVINS, PHILLIPS & BARKER

52-1229560

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
29	NONE	12439	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

Part I Service Provider Information (continued)

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

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

Part II Service Providers Who Fail or Refuse to Provide Information

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

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

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

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

<div>SCHEDULE D</div> <div>(Form 5500)</div> <div>Department of the Treasury Internal Revenue Service</div> <div>Department of Labor Employee Benefits Security Administration</div>		<div>DFE/Participating Plan Information</div> <div>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).</div> <div>▶ File as an attachment to Form 5500.</div>		<div>OMB No. 1210-0110</div> <div>2013</div> <div>This Form is Open to Public Inspection.</div>	
For calendar plan year 2013 or fiscal plan year beginning 01/01/2013 and ending 12/31/2013					
A Name of plan BSS RETIREMENT PLAN FOR BARGAINED EMPLOYEES				B Three-digit plan number (PN) ▶ 061	
C Plan or DFE sponsor's name as shown on line 2a of Form 5500 THE BOEING CO. AND CONSOLIDATED SUBSIDIARIES				D Employer Identification Number (EIN) 91-0425694	
Part I Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs) (Complete as many entries as needed to report all interests in DFEs)					
a Name of MTIA, CCT, PSA, or 103-12 IE: TBCERP MASTER TRUST					
b Name of sponsor of entity listed in (a): THE BOEING CO. & CONSOLIDATED SUBS					
c EIN-PN 91-0425694-062		d Entity code M		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 284077656	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	

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

Schedule D (Form 5500) 2013 v. 130118

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

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

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

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

<div>SCHEDULE G (Form 5500) Department of Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration</div>	<div>Financial Transaction Schedules</div> <div>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).</div> <div>► File as an attachment to Form 5500.</div>	<div>OMB No. 1210-0110</div> <div>2013</div> <div>This Form is Open to Public Inspection.</div>
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For calendar plan year 2013 or fiscal plan year beginning 01/01/2013 and ending 12/31/2013	
A Name of plan BSS RETIREMENT PLAN FOR BARGAINED EMPLOYEES	B Three-digit plan number (PN) ► 061
C Plan sponsor's name as shown on line 2a of Form 5500 THE BOEING CO. AND CONSOLIDATED SUBSIDIARIES	D Employer Identification Number (EIN) 91-0425694

Part I	Schedule of Loans or Fixed Income Obligations in Default or Classified as Uncollectible Complete as many entries as needed to report all loans or fixed income obligations in default or classified as uncollectible. Check box (a) if obligor is known to be a party in interest. Attach Overdue Loan Explanation for each loan listed. See Instructions.
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(a)	(b) Identity and address of obligor	(c) Detailed description of loan including dates of making and maturity, interest rate, the type and value of collateral, any renegotiation of the loan and the terms of the renegotiation, and other material items
☐		

	Amount received during reporting year			Amount overdue	
(d) Original amount of loan	(e) Principal	(f) Interest	(g) Unpaid balance at end of year	(h) Principal	(i) Interest

(a)	(b) Identity and address of obligor	(c) Detailed description of loan including dates of making and maturity, interest rate, the type and value of collateral, any renegotiation of the loan and the terms of the renegotiation, and other material items
☐		

	Amount received during reporting year			Amount overdue	
(d) Original amount of loan	(e) Principal	(f) Interest	(g) Unpaid balance at end of year	(h) Principal	(i) Interest

(a)	(b) Identity and address of obligor	(c) Detailed description of loan including dates of making and maturity, interest rate, the type and value of collateral, any renegotiation of the loan and the terms of the renegotiation, and other material items
☐		

	Amount received during reporting year			Amount overdue	
(d) Original amount of loan	(e) Principal	(f) Interest	(g) Unpaid balance at end of year	(h) Principal	(i) Interest

(a)	(b) Identity and address of obligor		(c) Detailed description of loan including dates of making and maturity, interest rate, the type and value of collateral, any renegotiation of the loan and the terms of the renegotiation, and other material items		
☐					
		Amount received during reporting year			Amount overdue
(d) Original amount of loan	(e) Principal	(f) Interest	(g) Unpaid balance at end of year	(h) Principal	(i) Interest

(a)	(b) Identity and address of obligor		(c) Detailed description of loan including dates of making and maturity, interest rate, the type and value of collateral, any renegotiation of the loan and the terms of the renegotiation, and other material items		
☐					
		Amount received during reporting year			Amount overdue
(d) Original amount of loan	(e) Principal	(f) Interest	(g) Unpaid balance at end of year	(h) Principal	(i) Interest

(a)	(b) Identity and address of obligor		(c) Detailed description of loan including dates of making and maturity, interest rate, the type and value of collateral, any renegotiation of the loan and the terms of the renegotiation, and other material items		
☐					
		Amount received during reporting year			Amount overdue
(d) Original amount of loan	(e) Principal	(f) Interest	(g) Unpaid balance at end of year	(h) Principal	(i) Interest

(a)	(b) Identity and address of obligor		(c) Detailed description of loan including dates of making and maturity, interest rate, the type and value of collateral, any renegotiation of the loan and the terms of the renegotiation, and other material items		
☐					
		Amount received during reporting year			Amount overdue
(d) Original amount of loan	(e) Principal	(f) Interest	(g) Unpaid balance at end of year	(h) Principal	(i) Interest

(a)	(b) Identity and address of obligor		(c) Detailed description of loan including dates of making and maturity, interest rate, the type and value of collateral, any renegotiation of the loan and the terms of the renegotiation, and other material items		
☐					
		Amount received during reporting year			Amount overdue
(d) Original amount of loan	(e) Principal	(f) Interest	(g) Unpaid balance at end of year	(h) Principal	(i) Interest

Part II Schedule of Leases in Default or Classified as Uncollectible

Complete as many entries as needed to report all leases in default or classified as uncollectible. Check box (a) if lessor or lessee is known to be a party in interest. Attach Overdue Lease Explanation for each lease listed. (See instructions)

(a)	(b) Identity of lessor/lessee	(c) Relationship to plan, employer, employee organization, or other party-in-interest	(d) Terms and description (type of property, location and date it was purchased, terms regarding rent, taxes, insurance, repairs, expenses, renewal options, date property was leased)			
☐						
(e) Original cost	(f) Current value at time of lease	(g) Gross rental receipts during the plan year	(h) Expenses paid during the plan year	(i) Net receipts	(j) Amount in arrears	
(a)	(b) Identity of lessor/lessee	(c) Relationship to plan, employer, employee organization, or other party-in-interest	(d) Terms and description (type of property, location and date it was purchased, terms regarding rent, taxes, insurance, repairs, expenses, renewal options, date property was leased)			
☐						
(e) Original cost	(f) Current value at time of lease	(g) Gross rental receipts during the plan year	(h) Expenses paid during the plan year	(i) Net receipts	(j) Amount in arrears	
(a)	(b) Identity of lessor/lessee	(c) Relationship to plan, employer, employee organization, or other party-in-interest	(d) Terms and description (type of property, location and date it was purchased, terms regarding rent, taxes, insurance, repairs, expenses, renewal options, date property was leased)			
☐						
(e) Original cost	(f) Current value at time of lease	(g) Gross rental receipts during the plan year	(h) Expenses paid during the plan year	(i) Net receipts	(j) Amount in arrears	
(a)	(b) Identity of lessor/lessee	(c) Relationship to plan, employer, employee organization, or other party-in-interest	(d) Terms and description (type of property, location and date it was purchased, terms regarding rent, taxes, insurance, repairs, expenses, renewal options, date property was leased)			
☐						
(e) Original cost	(f) Current value at time of lease	(g) Gross rental receipts during the plan year	(h) Expenses paid during the plan year	(i) Net receipts	(j) Amount in arrears	
(a)	(b) Identity of lessor/lessee	(c) Relationship to plan, employer, employee organization, or other party-in-interest	(d) Terms and description (type of property, location and date it was purchased, terms regarding rent, taxes, insurance, repairs, expenses, renewal options, date property was leased)			
☐						
(e) Original cost	(f) Current value at time of lease	(g) Gross rental receipts during the plan year	(h) Expenses paid during the plan year	(i) Net receipts	(j) Amount in arrears	
(a)	(b) Identity of lessor/lessee	(c) Relationship to plan, employer, employee organization, or other party-in-interest	(d) Terms and description (type of property, location and date it was purchased, terms regarding rent, taxes, insurance, repairs, expenses, renewal options, date property was leased)			
☐						
(e) Original cost	(f) Current value at time of lease	(g) Gross rental receipts during the plan year	(h) Expenses paid during the plan year	(i) Net receipts	(j) Amount in arrears	

Part III Nonexempt Transactions

Complete as many entries as needed to report all nonexempt transactions. **Caution:** If a nonexempt prohibited transaction occurred with respect to a disqualified person, file Form 5330 with the IRS to pay the excise tax on the transaction.

(a) Identity of party involved	(b) Relationship to plan, employer, or other party-in-interest	(c) Description of transaction including maturity date, rate of interest, collateral, par or maturity value			(d) Purchase price
PAUL HASTINGS LLP	SERVICE PROVIDER	PLAN ASSETS WERE INADVERTENTLY USED TO MAKE A DUPLICATE PAYMENT TO A THIRD-PARTY PROVIDER			
(e) Selling price	(f) Lease rental	(g) Transaction expenses	(h) Cost of asset	(i) Current value of asset	(j) Net gain (or loss) on each transaction
			60	61	1

(a) Identity of party involved	(b) Relationship to plan, employer, or other party-in-interest	(c) Description of transaction including maturity date, rate of interest, collateral, par or maturity value			(d) Purchase price
(e) Selling price	(f) Lease rental	(g) Transaction expenses	(h) Cost of asset	(i) Current value of asset	(j) Net gain (or loss) on each transaction

(a) Identity of party involved	(b) Relationship to plan, employer, or other party-in-interest	(c) Description of transaction including maturity date, rate of interest, collateral, par or maturity value			(d) Purchase price
(e) Selling price	(f) Lease rental	(g) Transaction expenses	(h) Cost of asset	(i) Current value of asset	(j) Net gain (or loss) on each transaction

(a) Identity of party involved	(b) Relationship to plan, employer, or other party-in-interest	(c) Description of transaction including maturity date, rate of interest, collateral, par or maturity value			(d) Purchase price
(e) Selling price	(f) Lease rental	(g) Transaction expenses	(h) Cost of asset	(i) Current value of asset	(j) Net gain (or loss) on each transaction

(a) Identity of party involved	(b) Relationship to plan, employer, or other party-in-interest	(c) Description of transaction including maturity date, rate of interest, collateral, par or maturity value			(d) Purchase price
(e) Selling price	(f) Lease rental	(g) Transaction expenses	(h) Cost of asset	(i) Current value of asset	(j) Net gain (or loss) on each transaction

(a) Identity of party involved	(b) Relationship to plan, employer, or other party-in-interest	(c) Description of transaction including maturity date, rate of interest, collateral, par or maturity value			(d) Purchase price
(e) Selling price	(f) Lease rental	(g) Transaction expenses	(h) Cost of asset	(i) Current value of asset	(j) Net gain (or loss) on each transaction

(a) Identity of party involved	(b) Relationship to plan, employer, or other party-in-interest	(c) Description of transaction including maturity date, rate of interest, collateral, par or maturity value			(d) Purchase price
(e) Selling price	(f) Lease rental	(g) Transaction expenses	(h) Cost of asset	(i) Current value of asset	(j) Net gain (or loss) on each transaction

SCHEDULE H (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	<small>OMB No. 1210-0110</small> 2013 This Form is Open to Public Inspection
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For calendar plan year 2013 or fiscal plan year beginning <u>01/01/2013</u> and ending <u>12/31/2013</u>		
A Name of plan <u>BSS RETIREMENT PLAN FOR BARGAINED EMPLOYEES</u>	B Three-digit plan number (PN) ►	<u>061</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>THE BOEING CO. AND CONSOLIDATED SUBSIDIARIES</u>	D Employer Identification Number (EIN) <u>91-0425694</u>	

Part I	Asset and Liability Statement		(a) Beginning of Year	(b) End of Year
1	Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.			
	Assets			
a	Total noninterest-bearing cash	1a		
b	Receivables (less allowance for doubtful accounts):			
	(1) Employer contributions	1b(1)	0	0
	(2) Participant contributions	1b(2)		
	(3) Other	1b(3)	5896	1314
c	General investments:			
	(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)		
	(2) U.S. Government securities	1c(2)		
	(3) Corporate debt instruments (other than employer securities):			
	(A) Preferred	1c(3)(A)		
	(B) All other	1c(3)(B)		
	(4) Corporate stocks (other than employer securities):			
	(A) Preferred	1c(4)(A)		
	(B) Common	1c(4)(B)		
	(5) Partnership/joint venture interests	1c(5)		
	(6) Real estate (other than employer real property)	1c(6)		
	(7) Loans (other than to participants)	1c(7)		
	(8) Participant loans	1c(8)		
	(9) Value of interest in common/collective trusts	1c(9)		
	(10) Value of interest in pooled separate accounts	1c(10)		
	(11) Value of interest in master trust investment accounts	1c(11)	289546097	284077656
	(12) Value of interest in 103-12 investment entities	1c(12)		
	(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)		
	(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		
	(15) Other	1c(15)		

1d Employer-related investments:

		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	289551993	284078970

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h	23418	30020
i Acquisition indebtedness	1i		
j Other liabilities	1j		
k Total liabilities (add all amounts in lines 1g through 1j)	1k	23418	30020

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	289528575	284048950
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Part II Income and Expense Statement

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

Income**a Contributions:**

		(a) Amount	(b) Total
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)		
(B) Participants	2a(1)(B)	633961	
(C) Others (including rollovers)	2a(1)(C)		
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		633961

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

(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)		
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		0

(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)		
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		0

(3) Rents	2b(3)		
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(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		0

(5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		0

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		16295677
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		
c Other income	2c		
d Total income. Add all income amounts in column (b) and enter total	2d		16929638

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	22022563	
(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)		22022563
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense	2h		
i Administrative expenses: (1) Professional fees	2i(1)	203173	
(2) Contract administrator fees	2i(2)	68632	
(3) Investment advisory and management fees	2i(3)	20107	
(4) Other	2i(4)	94788	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		386700
j Total expenses. Add all expense amounts in column (b) and enter total	2j		22409263

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		-5479625
l Transfers of assets:			
(1) To this plan	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

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

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

(1) ☒ Unqualified (2) ☐ Qualified (3) ☐ Disclaimer (4) ☐ Adverse

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)?

☐ Yes ☒ No

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

(1) Name: **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 lines 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete lines 4j and 4l. MTIAs also do not complete line 4l.

During the plan year:

a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.)

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.)

	Yes	No	Amount
4a		X	
4b		X	

		Yes	No	Amount
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)	4c		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)	4d	X		61
e Was this plan covered by a fidelity bond?	4e	X		95000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	4f		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?	4g		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?	4h		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	4i		X	
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)	4j		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?	4k		X	
l Has the plan failed to provide any benefit when due under the plan?	4l		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	4m		X	
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.	4n			

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

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

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

5c If the plan is a defined benefit plan, is it covered under the PBGC insurance program (see ERISA section 4021)? ☒ Yes ☐ No ☐ Not determined

Part V Trust Information (optional)

6a Name of trust	6b Trust's EIN

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110 2013 This Form is Open to Public Inspection.
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For calendar plan year 2013 or fiscal plan year beginning 01/01/2013 and ending 12/31/2013

A Name of plan <u>BSS RETIREMENT PLAN FOR BARGAINED EMPLOYEES</u>	B Three-digit plan number (PN) ▶ <u>061</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>THE BOEING CO. AND CONSOLIDATED SUBSIDIARIES</u>	D Employer Identification Number (EIN) <u>91-0425694</u>

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

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....	1	<u>0</u>
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): <u>04-3581074</u>		
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....	3	<u>848</u>

Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part)
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4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?.....	☐ Yes	☒ No	☐ N/A
If the plan is a defined benefit plan, go to line 8.			
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____ If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.			
6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived).....	6a		
b Enter the amount contributed by the employer to the plan for this plan year.....	6b		
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount)	6c		
If you completed line 6c, skip lines 8 and 9.			
7 Will the minimum funding amount reported on line 6c be met by the funding deadline?.....	☐ Yes	☐ No	☐ N/A
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?.....	☐ Yes	☐ No	☒ N/A

Part III	Amendments
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9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box.....	☐ Increase	☐ Decrease	☐ Both	☒ No
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Part IV	ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.
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10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?	☐ Yes	☐ No
11 a Does the ESOP hold any preferred stock?	☐ Yes	☐ No
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.).....	☐ Yes	☐ No
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?	☐ Yes	☐ No

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 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 lines 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 lines 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 lines 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 lines 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 lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

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

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

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

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

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

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

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

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

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

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

- a** Enter the percentage of plan assets held as:
 Stock: 30.0% Investment-Grade Debt: 39.0% High-Yield Debt: 2.0% Real Estate: 4.0% Other: 25.0%
- 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 line 19(b)?
☒ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify):

BSS Retirement Plan for Bargained Employees

Employer Identification Number: 91-0425694
Plan Number: 061

Financial Statements as of and for the Years Ended
December 31, 2013 and 2012, Supplemental
Schedule for the Year Ended December 31, 2013,
and Independent Auditors' Report

BSS RETIREMENT PLAN FOR BARGAINED EMPLOYEES

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INDEPENDENT AUDITORS' REPORT

To the Employee Benefit Plans Committee of and Participants in
The Boeing Company
Chicago, Illinois

We have audited the accompanying financial statements of the BSS Retirement Plan for Bargained Employees (the "Plan"), which comprise the statements of net assets available for benefits as of December 31, 2013 and 2012, and the related statements of changes in net assets for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Plan's preparation and fair presentation of the financial statements in order to design 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. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

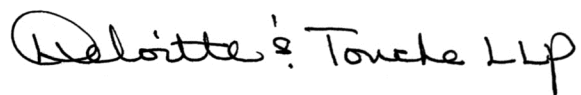
In our opinion, the financial statements referred to above present fairly, in all material respects, information regarding the BSS Retirement Plan for Bargained Employees' net assets available for benefits as of December 31, 2013, and the changes therein for the year then ended and its financial status as of December 31, 2012, and the changes therein for the year ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplemental Schedule

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

Emphasis of Matter

As discussed in Note 5 to the financial statements, The Boeing Company Employee Retirement Plans Master Trust (the "Master Trust") holds investments valued at \$8,152,728,868 (14% of the Master Trust's net assets) and \$7,899,330,172 (14% of the Master Trust's net assets) as of December 31, 2013 and 2012, respectively, whose fair values have been estimated by management in the absence of readily determinable fair values. Management's estimates are based on the methods described in Note 2 to the financial statements. The Plan's interest in the Master Trust of such investments is \$40,097,936 (14% of net assets) and \$41,003,824 (14% of net assets) as of December 31, 2013 and 2012, respectively. Our opinion is not modified with respect to this matter.

A handwritten signature in black ink that reads "Deloitte & Touche LLP". The signature is written in a cursive, flowing style.

July 25, 2014

BSS RETIREMENT PLAN FOR BARGAINED EMPLOYEES

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS AS OF DECEMBER 31, 2013 AND 2012

	2013	2012
ASSETS:		
Investments at fair value — interest in Master Trust	\$ 284,077,656	\$ 289,546,097
Receivables — other	<u>1,314</u>	<u>5,896</u>
Total assets	284,078,970	289,551,993
LIABILITIES — Accrued administrative expenses	<u>30,020</u>	<u>23,418</u>
NET ASSETS AVAILABLE FOR BENEFITS	<u>\$ 284,048,950</u>	<u>\$ 289,528,575</u>

See notes to financial statements.

BSS RETIREMENT PLAN FOR BARGAINED EMPLOYEES

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012

	2013	2012
ADDITIONS:		
Net investment income from Master Trust	\$ 16,295,677	\$ 33,261,541
Employee contributions	<u>633,961</u>	<u>683,564</u>
Total additions	<u>16,929,638</u>	<u>33,945,105</u>
DEDUCTIONS:		
Benefits paid to participants	22,022,563	16,203,929
Administrative expenses	<u>386,700</u>	<u>398,936</u>
Total deductions	<u>22,409,263</u>	<u>16,602,865</u>
NET (DEDUCTIONS) ADDITIONS	(5,479,625)	17,342,240
NET ASSETS AVAILABLE FOR BENEFITS:		
Beginning of year	<u>289,528,575</u>	<u>272,186,335</u>
End of year	<u>\$ 284,048,950</u>	<u>\$ 289,528,575</u>

See notes to financial statements.

BSS RETIREMENT PLAN FOR BARGAINED EMPLOYEES

NOTES TO FINANCIAL STATEMENTS

AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012

1. DESCRIPTION OF PLAN

The following brief description of the BSS Retirement Plan for Bargained Employees (the “Plan”) provides only general information. Eligible participants as defined by the Plan (“Participants”) should refer to the Plan document for a more complete description of the Plan’s provisions.

General — The Plan is a defined benefit pension plan with both contributory and noncontributory benefit structures covering certain bargained employees, formerly of Boeing Satellite Systems, Inc. (“BSS”), a subsidiary merged into The Boeing Company (the “Company”). Eligible active employees are generally located in Southern California represented by Electronic and Space Technicians Local 1553 (“EAST 1553”) and International Brotherhood of Electrical Workers Local 2295 (“IBEW 2295”).

As further described in Note 8, the Plan is closed to certain union new hires and rehires.

The contributory portion of the Plan was closed to new Participants as of May 4, 1992 (for EAST 1553), and August 3, 1992 (for IBEW 2295), and no new Participants have been added to the contributory portion of the Plan since those dates.

Participants who are laid off from the Company and are rehired within 60 months may again participate in the contributory benefit structure.

Participants who voluntarily leave the Company and are rehired are only allowed to participate in the noncontributory benefit structure.

Participants who leave one of the covered groups to accept employment with another member of the Company-controlled group may be allowed to continue participating in the Plan under certain circumstances.

The assets of the Plan are held in The Boeing Company Employee Retirement Plans Master Trust (the “Master Trust”). JPMorgan Chase (“JPM”) serves as the trustee for the Master Trust. The Employee Benefit Plans Committee controls and manages the operation and administration of the Plan. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (“ERISA”).

Pension Benefits — Participants with five or more years of vesting service are entitled to benefits under the Plan. The Plan generally provides for normal retirement benefits upon reaching age 65 and has provisions for early retirement and death benefits.

Benefits are payable in the form of a joint and survivor annuity, a single life annuity, or other optional forms, including fixed-period options.

Participants may accrue benefits in one of two benefit structures of the Plan; however, if they are accruing in the noncontributory structure, they may have prior contributory accruals as follows:

- a. *Noncontributory* — The noncontributory benefit is funded solely by contributions made to the Plan by the Company, as defined by the Plan document. Benefits are based on a formula, including factors, service, and covered compensation (the average of the Social Security maximum taxable wage bases for each (up to 35) of the calendar years ending with the calendar year in which a Participant attains or will attain Social Security retirement date).
- b. *Contributory* — The contributory benefit is funded by the Company, as well as employee contributions. The Participant's portion of the contribution is determined by the Plan and may not be changed by the Participant; the Participant's current rate of contribution is 3% of eligible compensation. Participants may suspend contributions, but they do not accrue benefit service for periods when they are not contributing; however, contribution suspension will not interrupt their continuous service or years of vesting service. If contributions are suspended, Participants must wait 12 calendar months before they can begin contributing again, provided they are still eligible. Participants are always vested in their own contributions to the Plan.

The contributory benefit is the best of three formulas: 1) a career average formula, 2) a final average monthly compensation formula, and 3) a minimum benefit formula.

Grandfathered Benefits — Certain former General Dynamics employees who participate in the Plan may be eligible for different benefits if they were active members in the General Dynamics Corporation Hourly Employees Retirement Plan on August 22, 1992, and were covered by a collective bargaining agreement providing for certain benefits.

Certain other acquired Participants may have grandfathered benefits under the Plan as a result of their participation in heritage retirement plans. In general, these grandfathered benefits preserve benefit amounts and options that were available to the affected Participants.

Cost of Living Adjustment ("COLA") — Monthly benefits under the contributory benefit may be adjusted annually to reflect changes in the cost of living. The adjustment is made every January 1 and is based on the change in the Consumer Price Index ("CPI") relative to the year before; however, if the Plan is terminated, no COLA will be provided except to Participants who are already receiving retirement payments.

To be eligible for a COLA, Participants must have retired on their early, normal, or late retirement date (provided they separated from service on or after age 55 or elected the special layoff benefit under the Plan). The maximum COLA for any year is 4% of the monthly benefit, and a COLA may go up or down, depending on the CPI. The monthly benefit will never be reduced below the amount first received when benefits began.

Special Rule of 75 Retirement — This special rule applies to the contributory benefit structure only. If, on the last day of employment, the Participant is at least age 55 and his or her age, plus years of continuous service is at least 75, the monthly benefit will not be reduced if the Participant elects early retirement.

Death and Disability Benefits — Death benefits are payable from the Plan under certain circumstances. Both the contributory and noncontributory benefit structures provide a joint and survivor annuity provision. There are no provisions for disability benefits from the Plan.

- a) *Noncontributory Benefit* — If death occurs before eligibility for early retirement (age 55), the spouse will receive a monthly payment beginning the first of the month following the date the Participant would have turned 55. Payment will be equal to 50% of the amount that would have been received had the Participant separated from service on the date of his or her death, commenced benefit at age 55 and retired and elected the 50% joint and survivor option and died immediately afterwards.

If death occurs on or after age 55, payment will be equal to 100% of the amount the Participant would have received had the Participant separated from service on the date of death, elected the 100% joint and survivor option, and died immediately.

- b) *Contributory Benefit* — If death occurs before eligibility for early retirement (age 55), the spouse can elect to receive a monthly payment beginning the first of the month following the date the Participant would have turned 55. Payment will be equal to 50% of the amount that would have been received had the Participant separated from service on the date of his or her death, commenced benefit at age 55 and retired and elected the 50% joint and survivor option and died immediately afterwards.

If death occurs on or after age 55, payment will be equal to 100% of the amount the Participant would have received had the Participant separated from service on the date of death, elected the 100% joint and survivor option, and died immediately.

The surviving spouse may also elect to receive a lump sum equal to the Participant's contributions, plus interest, and an actuarially equivalent survivor annuity, attributable to the Participant's benefit from the Company contributions, if any.

If the Participant is an active participant in the Plan at the time of death and is age 55 or older, the spouse's monthly survivor payment will include a COLA. Monthly payments will continue for the rest of the spouse's life. If the spouse dies before receiving the full amount of the Participant's contributions, plus interest, any remaining balance will be paid to the named beneficiary in a single lump sum.

Contributions — The Company's contributions to the Plan provide for funding of estimated current service costs and amortization of unfunded actuarial accrued liability. The Plan has met the minimum funding requirements of ERISA, and no contributions were required under ERISA for the years ended December 31, 2013 and 2012.

There were no discretionary contributions made for the Plan years ended December 31, 2013 and 2012.

Termination — Although it has not expressed any intention to do so, the Company has the right under the Plan, in certain circumstances, to discontinue its contributions at any time and to terminate the Plan subject to the provisions set forth in ERISA. In the event the Plan terminates, the net assets of the Plan will be allocated for payment of Plan benefits to Participants in an order of priority determined in accordance with ERISA and the Plan document.

Certain benefits under the Plan are insured by the Pension Benefit Guaranty Corporation (“PBGC”) if the Plan terminates. Generally, the PBGC guarantees most vested normal age retirement benefits, early retirement benefits, and certain disability and survivor’s pensions; however, the PBGC does not guarantee all types of benefits under the Plan, and the amount of benefit protection is subject to certain limitations. Vested benefits under the Plan are guaranteed at the level in effect on the date of the Plan’s termination, subject to a statutory ceiling on the amount of an individual’s monthly benefit.

Whether all Participants receive their benefits should the Plan terminate at some future time will depend on the sufficiency, at that time, of the Plan’s net assets to provide for accumulated benefit obligations and may also depend on the financial condition of the Plan sponsor and the level of benefits guaranteed by the PBGC. Some benefits may be fully or partially provided for by the then-existing assets and the PBGC guaranty, while other benefits may not be provided for at all.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Accumulated Plan Benefits — The actuarial present value of accumulated plan benefits (“PVAB”) information in Note 3 is presented as of the beginning of the Plan year, as allowed by Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) 960, *Plan Accounting — Defined Benefit Pension Plans*.

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

Risks and Uncertainties — The Master Trust utilizes various investment instruments. Investment instruments, 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 such changes could materially affect the amounts reported in the financial statements.

Plan contributions are made and the actuarial PVAB is reported based on certain assumptions pertaining to interest rates, inflation rates, and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimations and assumptions process, it is at least reasonably possible that changes in these estimates and assumptions in the near term would be material to the financial statements.

Valuation of Investments — Investments in the Master Trust are stated at fair value. Fair value of a financial instrument is the price that would be received to sell an asset or paid to transfer a liability (exit price) in an orderly transaction between market participants at the measurement date. Securities traded in markets that are not considered active may be valued using unobservable inputs, such as less recent trade prices, single broker-dealer quotations, related yield curves, and other assumptions about the security. The Master Trust’s investments are valued as follows:

- Fixed-income securities are primarily valued using a market approach using matrix pricing, which considers a security’s relationship to other securities for which quoted prices in an active market may be available, or alternatively based on an income approach, which uses valuation techniques to convert future cash flows to a single present value amount. The valuation approach is designed to

maximize the use of observable inputs, such as observable trade prices, multiple broker-dealer quotations, related yield curves, and other assumptions about the security (prepayment projections, cash flows, other security characteristics, etc.) and minimize unobservable inputs. The securities are valued as of the last trading day of the year. Fixed-income instruments that have a delayed future settlement, such as to-be-announced securities (“TBAs”) and treasury forwards, are valued similarly to fixed-income securities in active markets. The unrealized market appreciation or depreciation is included in other receivables and other liabilities on the Master Trust’s statements of net assets.

- Common and preferred stock and other investments (rights, warrants, exchange-traded funds (“ETFs”), exchange-traded options, and other exchange-traded derivatives) traded in active markets on national and international exchanges are primarily valued using a market approach based on the closing market prices of identical instruments on the last trading day of the year.
- Mutual funds, which are registered investment companies, are valued using quoted market prices to represent the net asset value at year-end.
- Investments in funds that do not have readily determinable fair value and meet the criteria of investment companies are valued using the net asset value (“NAV”), which is based on the value of underlying investments, as the practical expedient or its equivalent, such as member units or membership units in partners’ capital to which a proportionate share of net assets is attributed. The NAV measurement may be adjusted to estimate net asset value per share for the investment in a manner consistent with measurement principles for investment companies. Such adjustment may be warranted if reported NAV is not calculated in a manner consistent with measurement principles for investment companies or if the NAV is not reported as of the Master Trust’s balance sheet date. There were no adjustments in 2013 and 2012.
 - Investments in common/collective trusts/pooled funds (“CCTs”) are valued based on the year-end unit values. Unit values are determined by the issuer or third-party administrator (“TPA”) by dividing the fair values of the total net assets at year-end by the outstanding units.
 - Private equity, real estate, real asset, and fixed-income investments structured via limited partnership and limited liability corporation vehicles are recorded based upon year-end valuations. Year-end valuations of these vehicles, which represent the unit of account, are determined by the general partner and reflected in the audited financial statements. Where necessary, adjustments may be made to general partner valuations to reflect fair value when such valuations are inconsistent with NAV practical expedient criteria.
 - Real estate and real asset investments via commingled funds and insurance company pooled separate accounts are recorded based upon the year-end valuations provided by the investment manager.
 - Global strategies are primarily limited liability company (“LLC”) structures. The LLCs are primarily valued using a market approach relative to the underlying holdings of the fund. The NAV of the funds is calculated by the fund or its TPA.
 - Hedge funds consist of fund-of-fund structures and direct hedge funds. The fund-of-fund structures are primarily valued using a market approach based on NAVs calculated by the fund and are not publicly available. Direct hedge fund NAVs are based on valuation of the underlying holdings.

- Securities sold short (included in other liabilities on the Master Trust’s financial statements) represent obligations of the Master Trust to deliver the specified security and thereby create a liability to purchase the security at prevailing prices. Securities sold short are valued based on the fair value of securities sold as described above.
- Other investments include over-the-counter (“OTC”) priced derivatives, such as options and swap contracts. These derivatives are valued based upon the expected amount that the Master Trust would receive or pay to exit the derivative at the reporting date. The valuation methodology uses the income approach and relies on inputs, including, but not limited to, benchmark yields, swap curves, cash flow analysis, ratings updates, and interdealer broker rates. Credit risk of the derivative counterparties is offset by collateralizing the expected amount that the Master Trust would receive or pay to terminate the derivative.
- Cash equivalents and other short-term investments include certificates of deposits, treasury bills, discounted notes, and money market mutual funds with original maturities of three months or less for cash equivalents and greater than three months, but less than one year, for short-term investments. These investments are primarily valued using a market approach in the same manner as fixed-income securities referenced above. In the event that an instrument with an original maturity of less than three months does not have a market price, then those investments are valued at amortized cost, which approximates fair value.
- Forward and spot currency contracts are valued using a market value approach based on spot foreign currency rates if the contract tenor is two days or less and an interpolated forward rates for any contracts with a tenor greater than two days. Forward and spot currency contracts are included in other receivables and other liabilities on the statements of net assets.
- Investments at contract value are investment contracts valued at cost, plus accumulated earnings thereon, computed in accordance with contract formulas, less expenses.

Net investment income reflected in the statements of changes in net assets includes the Master Trust’s net appreciation or depreciation in fair value of investments, interest income, and dividend income, less administrative expenses. Net appreciation or depreciation in fair value of investments includes both realized and unrealized gains and losses and is calculated as the difference between the fair value of the investments as of the beginning of the Plan year or the purchase date in the current Plan year and either the sales price or the end-of-year fair value. 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.

Valuation Controls — Plan management has controls that are designed to ensure that fair value measurements used by the Master Trust are appropriate and reliable, that they are based on observable inputs wherever possible, and that the valuation approaches are consistently applied and the assumptions used are reasonable. The controls consist of a framework that provides for oversight of the fair value methodologies and valuations, as well as validation procedures.

The board of directors of The Boeing Company (the “Company”) has delegated the fiduciary oversight of Plan assets over various retirement plans held within the Master Trust structures to the Employee Benefit Investment Committee (“EBIC”). The EBIC has sub-delegated this responsibility to the Chief Investment Officer (“CIO”), who manages Trust Investments and chairs the Valuation Committee. Trust Investments is responsible for the oversight of the Plan assets including selection and monitoring of investment managers, asset strategies, and risk management. The Valuation Committee is responsible for the oversight of the valuation practices of the Master Trust and is represented by members of Trust

Investments, including risk management and trust operations, public markets, private markets, and investment strategy. The Valuation Committee meets at least quarterly with the purpose of fulfilling the following responsibilities and provides an annual review to the EBIC of its findings and actions:

- Review and approve annually the valuation practices, including those used by third parties
- Review and approve the year-end valuations, including the methods used to develop and substantiate the unobservable inputs used in the fair value measurement
- Review analysis and benchmarks used by the Company and the Master Trust to assess the reasonableness of the year-end valuations and changes in fair value measurements from period to period
- Review and approve annual financial statement disclosures of the investments held in the Master Trust

Investments in funds are generally valued using the NAV or its equivalent. This includes limited partnerships, hedge funds, and other commingled investments. Valuations provided by the funds are reviewed at least quarterly. The asset manager's audited financial statements are used in the Master Trust's annual financial reporting process, where applicable. Assessments of reasonableness include regular asset manager meetings and review of quarterly reports, third-party reviews and reconciliations, which includes escalation to Trust Investments for exceptions, quarterly CIO investment reviews, and reviews of manager valuation policies. Valuation policies are reviewed when a new mandate is entered into with an asset manager, on a rolling three-year basis for existing managers, or as changes to policies are provided by managers.

Fixed income, equity, and derivative instruments are generally valued using valuations obtained from pricing vendors. Pricing vendor valuation methodologies and custodian pricing controls and related documentation are assessed for reasonableness on an annual basis. The pricing vendor due diligence process includes reviews of pricing controls and procedures, as well as discussions in order to maintain a current understanding on the valuation processes and related assumptions and inputs that may be used by the vendors to price instruments. The custodian due diligence process includes reviews of pricing controls and procedures that are carried out on the Master Trust's behalf. This includes various levels of tolerance checks on price changes, review of stale or unchanged prices, multiprice source comparisons, and vendor price challenges. Additionally, on a monthly basis, the custodian reconciles its valuations to valuations obtained from each investment manager and any exceptions are reported to Trust Investments for resolution, which may include escalation to the Valuation Committee.

Benefits — Benefits are recorded when paid.

Administrative Expenses — Necessary and proper expenses of the Plan are paid from Plan assets, at both the Plan and Master Trust levels, except for those expenses the Company is required by law or chooses to pay.

Subsequent Events — Subsequent events were evaluated through July 25, 2014, the date the financial statements were available to be issued.

Recently Adopted Accounting Standards — In December 2011 and January 2013, the Financial Accounting Standards Board ("FASB") issued guidance requiring expanded disclosures, including both gross and net information, for derivatives, repurchase and reverse repurchase agreements, and securities borrowing and securities lending transactions that are either offset in the reporting entity's financial

statements or those that are subject to an enforceable master netting arrangement or similar agreement. The Plan adopted the new guidance in 2013 and applied it retrospectively for 2012. The new guidance affects disclosures only and therefore had no impact on the statements of net assets and changes therein.

Recent Accounting Guidance Not Yet Adopted — In June 2014, the FASB issued Accounting Standards Update (ASU) 2014-11, *Transfers and Servicing (Topic 860): Repurchase-to-Maturity Transactions, Repurchase Financings, and Disclosures* (“ASU 2014-11”). ASU 2014-11 requires repurchase-to-maturity transactions to be accounted for as secured borrowings, requires separate accounting for a transfer of a financial asset executed contemporaneously with a repurchase agreement with the same counterparty, and expands disclosure requirements related to certain transfers of financial assets. Plan management is currently evaluating the impact of ASU 2014-11, which will be effective for the Plan beginning January 1, 2015.

3. ACCUMULATED PLAN BENEFITS

Accumulated plan benefits are those future periodic payments, including lump-sum distributions, that are attributable under the Plan’s provisions to service rendered by employees as of the valuation date. Accumulated plan benefits include benefits expected to be paid to (1) retired or terminated vested employees or their beneficiaries, (2) beneficiaries of employees who have died, and (3) present employees or their beneficiaries. The PVAB has been determined by an independent actuary and is the sum of accumulated benefits adjusted to reflect the probability of payment (by means of decrements, such as death, disability, termination, or retirement) and the time value of money (through discounts for interest) between the valuation date and the expected date of payment. The significant actuarial assumptions used in the December 31, 2012 valuation were as follows:

- An assumed rate of return of 7.50%.
- Life expectancy determined by the Internal Revenue Service (“IRS”) prescribed generational mortality table for annuitants and nonannuitants.
- Retirement age assumption: Average age at retirement of 59.

The foregoing actuarial assumptions are based on the presumption that the Plan will continue in operation. If the Plan were to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial PVAB.

The valuation of the actuarial PVAB information was made as of January 1, 2013. Had the valuation been performed as of December 31, 2012, there would be no material difference.

The actuarial PVAB as of December 31, 2012, consists of the following:

Vested benefits:	
Participants currently receiving payments	\$ 71,300,955
Other participants	<u>132,540,886</u>
Total vested benefits	203,841,841
Nonvested benefits	<u>36,470,128</u>
Total actuarial PVAB	<u>\$240,311,969</u>

The changes in actuarial PVAB for the year ended December 31, 2012, consist of the following:

Total actuarial PVAB — December 31, 2011	<u>\$ 222,143,937</u>
Increase (decrease) during the year attributable to:	
Additional benefits accumulated	6,797,423
Noninvestment experience	7,045,979
Interest due to decrease in the discount period	17,115,053
Benefits paid	(16,203,929)
Assumption change	<u>3,413,506</u>
Net increase	<u>18,168,032</u>
Total actuarial PVAB — December 31, 2012	<u>\$ 240,311,969</u>

Assumption change represents a change in the assumed rate of return.

The accumulated contributions of active employees are presented as of the beginning of the plan year. As of December 31, 2012 and 2011, the accumulated contributions of active employees, including interest credited on those contributions amounted to approximately \$26,000,000 and \$27,000,000, respectively. As of December 31, 2012 and 2011, the rates for which interest was credited on the contributions was 1.40% and 2.34%, respectively.

4. MASTER TRUST

The Master Trust facilitates the commingling of employee benefit plan assets for investment and administrative purposes.

Assets are invested in accordance with the Master Trust's investment policy. The Master Trust consists of the Investment Control Pool (the "IC Pool") and four plan-specific pools. The IC Pool contains the majority of the assets of the participating plans and is diversified among various asset classes. These assets are invested in individual investment accounts, separately held assets, and investments held in various types of funds, all of which are managed in accordance with established investment guidelines.

The plan-specific pools hold investment contracts established to benefit participants in specific plans.

As of December 31, 2013 and 2012, the assets of the following plans (collectively, the "Plans") were combined in the Master Trust:

- The Boeing Company Employee Retirement Plan ("BCERP")
- Non-Contributory Retirement Plan ("NCRP")
- Boeing North American Retirement Plan ("BNA")
- BSS Retirement Plan ("BSS Retirement")
- BSS Retirement Plan for Bargained Employees ("BSS Bargained")
- Employee Retirement Income Plan — Hourly West ("Hourly West Plan")
- Employee Retirement Income Plan — Hourly East ("Hourly East Plan")
- The Pension Value Plan for Employees of The Boeing Company ("PVP")
- Aviall, Inc. Retirement Plan ("Aviall")

Effective January 3, 2012, all assets of Aviall, totaling \$105,380,751, were transferred to the Master Trust. Effective on that date, JPM became the trustee, and the assets were combined in the Master Trust.

The Plans can own a beneficial interest in one or more of the various investment pools.

On a daily basis, the Plans may have contributions, withdrawals, asset transfers (in combination with a liability transfer), and/or expense charges. The trustee calculates a market value for each plan for each day of the month. At month-end, these “dollar days” are aggregated to determine a daily dollar-weighted-average market value for each participating plan in the IC Pool for the prior month. This average is then used to allocate to each participating plan its share of realized gains/losses, unrealized appreciation/depreciation, income, and share expenses in the IC Pool in order to arrive at each plan’s ending beneficial interest in the IC Pool. Similarly, the trustee calculates a participating factor in the insurance contract pools, which are associated with specific plan(s). All expenses that are plan specific are automatically recorded on that basis. A plan’s total participation in the Master Trust is the sum of the beneficial interests it owns in the various pools.

The Plan’s interest in the Master Trust was \$284,077,656 and \$289,546,097, representing 0.5% of the Master Trust’s net assets as of December 31, 2013 and 2012, respectively.

The value of net assets within the Master Trust as of December 31, 2013 and 2012, is as follows:

	2013	2012
Investments at fair value:		
Fixed-income securities:		
Corporate	\$ 15,261,971,797	\$ 14,362,787,480
U.S. government and agency	4,870,187,478	5,162,189,377
Mortgage backed and asset backed	1,040,214,094	751,939,094
Municipal	1,722,216,654	1,770,476,074
Sovereign	1,024,726,679	1,049,136,132
Common/collective trusts/pooled funds	2,469,776,262	2,196,367,460
Other	263,923,744	-
Total fixed-income securities	<u>26,653,016,708</u>	<u>25,292,895,617</u>
Global equities:		
Common and preferred stock — non-U.S.	8,151,935,798	7,910,019,615
Common and preferred stock — U.S.	7,200,922,689	6,592,027,896
Common/collective trusts/pooled funds	2,549,361,819	2,155,226,956
Mutual funds	591,250,138	-
Total global equities	<u>18,493,470,444</u>	<u>16,657,274,467</u>
Private equities	3,038,460,617	3,015,016,569
Real estate	2,489,209,544	2,190,889,229
Real assets	782,196,181	766,406,761
Global strategies	2,354,341,221	2,150,247,065
Hedge funds	2,777,598,956	2,746,753,189
Other investments	53,316,727	35,243,170
Short-term investments	763,176,798	346,329,695
Total investments at fair value	<u>57,404,787,196</u>	<u>53,201,055,762</u>
Investments at contract value	<u>227,717,371</u>	<u>219,115,015</u>
Total Master Trust investments	<u>57,632,504,567</u>	<u>53,420,170,777</u>
Receivables:		
Accrued investment income	318,560,441	279,932,583
Receivables for securities sold	67,704,166	106,780,241
Securities purchased with an agreement to resell	36,100,000	103,600,000
Other receivables	80,124,819	87,576,126
Total receivables	<u>502,489,426</u>	<u>577,888,950</u>
Cash and cash equivalents	<u>135,249,652</u>	<u>2,362,878,541</u>
Total assets	<u>58,270,243,645</u>	<u>56,360,938,268</u>
Liabilities:		
Payables for securities purchased	80,120,762	131,496,979
Investment and administrative expense	38,396,029	47,583,873
Other liabilities	159,264,238	161,663,610
Total liabilities	<u>277,781,029</u>	<u>340,744,462</u>
Total Master Trust net assets	<u>\$ 57,992,462,616</u>	<u>\$ 56,020,193,806</u>

Changes in net assets for the Master Trust for the years ended December 31, 2013 and 2012, are as follows:

	2013	2012
Net appreciation (depreciation) in fair value of investments:		
Investments at fair value as determined by quoted market price:		
Fixed-income securities —	\$ -	\$ 2,403,222
Global equities:		
Common and preferred stock — non-U.S.	1,116,133,766	1,105,049,029
Common and preferred stock — U.S.	1,857,623,356	773,580,842
Common/collective trusts/pooled funds	-	(22,708,674)
Mutual funds	93,465,588	-
Other investments	(433,875,756)	262,898,300
	<u>2,633,346,954</u>	<u>2,121,222,719</u>
Investments at estimated fair value:		
Fixed-income securities:		
Corporate	(1,334,000,491)	1,202,988,493
U.S. government and agency	(806,582,025)	92,155,776
Mortgage backed and asset backed	(9,825,490)	47,755,102
Municipal	(186,160,396)	151,178,063
Sovereign	(192,738,446)	57,354,532
Common/collective trusts/pooled funds	9,290,171	127,437,811
Other	44,837,119	624
Global equities:		
Common and preferred stock — non-U.S.	(3,427,850)	954,423
Common and preferred stock — U.S.	(728,675)	(2,730,003)
Common/collective trusts/pooled funds	477,028,309	371,451,438
Private equities	517,397,775	318,578,713
Real estate	224,698,420	149,788,868
Real assets	50,234,568	48,762,452
Global strategies	83,975,424	45,836,610
Hedge funds	327,119,601	187,451,920
Other investments	21,024,838	29,004,016
Short-term investments	(25,121,969)	2,003,530
	<u>(802,979,117)</u>	<u>2,829,972,368</u>
Net appreciation in fair value of investments	1,830,367,837	4,951,195,087
Interest income	1,099,487,746	1,142,453,161
Dividend income	<u>497,212,602</u>	<u>453,193,317</u>
Total Master Trust investment income	3,427,068,185	6,546,841,565
Trustee and investment management fees	<u>(144,835,240)</u>	<u>(152,589,448)</u>
Net investment income from Master Trust	3,282,232,945	6,394,252,117
Amounts received from participating plans	1,519,761,716	1,520,304,104
Transfer in from merged plan	-	105,380,751
Transfer out to other plans	(6,227,328)	-
Amounts paid to participating plans	<u>(2,823,498,523)</u>	<u>(2,695,769,029)</u>
Increase in net assets	1,972,268,810	5,324,167,943
Net assets:		
Beginning of year	<u>56,020,193,806</u>	<u>50,696,025,863</u>
End of year	<u>\$ 57,992,462,616</u>	<u>\$ 56,020,193,806</u>

Net appreciation or net depreciation on cash and cash equivalents (due to fluctuations in foreign currency rates) is included within the net appreciation (depreciation) on other investments.

Securities Purchased with an Agreement to Resell — Resale agreements are treated as financing arrangements as a receivable in the Master Trust’s financial statements and are carried at contract amounts reflective of the amounts at which the securities will be subsequently resold, as specified in the respective agreements. Resale agreements are collateralized by high-quality, fixed-income securities. The Master Trust’s policy is to take physical possession or control of the securities purchased under agreements to resell and is permitted by contract to sell or repledge. The Master Trust monitors the market value of the underlying securities as compared to the related receivable, including accrued interest, and requires additional collateral where deemed appropriate. At December 31, 2013 and 2012, the fair value of the securities received as collateral for resale agreements of \$36,100,000 and \$103,600,000 was \$36,765,774 and \$122,626,201, respectively.

5. FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Accounting Standards Codification (“ASC”) 820 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under ASC 820 for financial assets and financial liabilities are described below:

Basis of Fair Value Measurement:

Level 1 — Values are based on unadjusted quoted prices in active markets that are accessible at the measurement date for identical and unrestricted assets or liabilities. An active market is a market in which transactions for the asset or liability occur with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 — Values are based on (a) quoted prices for similar assets or liabilities in active markets; (b) quoted prices for identical or similar assets or liabilities in markets that are not active; or (c) valuation models whose inputs are observable, directly or indirectly, for substantially the full term of the asset or liability.

Level 3 — Values are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement.

Fair value is a market-based measure considered from the perspective of a market participant who owns an asset or owes a liability. Accordingly, when market observable data is not readily available, assumptions are set to reflect those that market participants would be presumed to use in pricing the asset or liability at the measurement date. Prices and inputs are used that are current as of the measurement date, including during periods of market disruption. In periods of market disruption, the ability to observe prices and inputs may be reduced for many instruments. This condition could cause an instrument to be reclassified from Level 1 to Level 2 or from Level 2 to Level 3.

The following tables set forth by level within the fair value hierarchy a summary of the Master Trust investments by classes of assets and liabilities measured at fair value on a recurring basis as of December 31, 2013 and 2012. As required by ASC 820, assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

Financial Assets and Liabilities at Fair Value as of December 31, 2013				
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance as of December 31, 2013
Financial assets:				
Investments:				
Fixed-income securities:				
Corporate	\$ -	\$15,237,791,707	\$ 24,180,090	\$15,261,971,797
U.S. government and agency	-	4,870,187,478	-	4,870,187,478
Mortgage backed and asset backed	-	491,476,400	548,737,694	1,040,214,094
Municipal	-	1,722,216,654	-	1,722,216,654
Sovereign	-	1,024,726,679	-	1,024,726,679
Common/collective trusts/pooled funds	-	2,469,776,262	-	2,469,776,262
Other	-	-	263,923,744	263,923,744
Total fixed-income securities	-	25,816,175,180	836,841,528	26,653,016,708
Global equities:				
Common and preferred stock — non-U.S.	8,145,451,270	-	6,484,528	8,151,935,798
Common and preferred stock — U.S.	7,192,315,236	907,289	7,700,164	7,200,922,689
Common/collective trusts/pooled funds	-	2,549,361,819	-	2,549,361,819
Mutual funds	591,250,138	-	-	591,250,138
Total global equities	15,929,016,644	2,550,269,108	14,184,692	18,493,470,444
Private equities	-	-	3,038,460,617	3,038,460,617
Real estate	-	-	2,489,209,544	2,489,209,544
Real assets	-	122,255,556	659,940,625	782,196,181
Global strategies	-	2,354,341,221	-	2,354,341,221
Hedge funds	-	1,663,507,094	1,114,091,862	2,777,598,956
Other investments	3,250	53,313,477	-	53,316,727
Short-term investments	-	763,176,798	-	763,176,798
Total investments	15,929,019,894	33,323,038,434	8,152,728,868	57,404,787,196
Receivables:				
Forward currency contracts	-	7,521,896	-	7,521,896
Other receivables	2,851,426	10,683	-	2,862,109
Total receivables	2,851,426	7,532,579	-	10,384,005
Cash equivalents	-	89,610,719	-	89,610,719
Total financial assets	\$15,931,871,320	\$33,420,181,732	\$8,152,728,868	\$57,504,781,920
Financial liabilities:				
Forward currency contracts	\$ -	\$ 9,988,541	\$ -	\$ 9,988,541
Other liabilities	19,717,849	10,646,864	-	30,364,713
Total financial liabilities	\$ 19,717,849	\$ 20,635,405	\$ -	\$ 40,353,254

Financial Assets and Liabilities at Fair Value as of December 31, 2012				
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance as of December 31, 2012
Financial assets:				
Investments:				
Fixed-income securities:				
Corporate	\$ -	\$14,359,613,193	\$ 3,174,287	\$14,362,787,480
U.S. government and agency	-	5,162,189,377	-	5,162,189,377
Mortgage backed and asset backed	-	191,530,841	560,408,253	751,939,094
Municipal	-	1,770,476,074	-	1,770,476,074
Sovereign	-	1,049,136,132	-	1,049,136,132
Common/collective trusts/pooled funds	-	2,196,367,460	-	2,196,367,460
Total fixed-income securities	-	24,729,313,077	563,582,540	25,292,895,617
Global equities:				
Common and preferred stock — non-U.S.	7,909,760,498	-	259,117	7,910,019,615
Common and preferred stock — U.S.	6,588,712,245	289,755	3,025,896	6,592,027,896
Common/collective trusts/pooled funds	311,071,026	1,844,155,930	-	2,155,226,956
Total global equities	14,809,543,769	1,844,445,685	3,285,013	16,657,274,467
Private equities	-	-	3,015,016,569	3,015,016,569
Real estate	-	-	2,190,889,229	2,190,889,229
Real assets	-	119,578,413	646,828,348	766,406,761
Global strategies	-	2,150,247,065	-	2,150,247,065
Hedge funds	-	1,267,024,716	1,479,728,473	2,746,753,189
Other investments	884,866	34,358,304	-	35,243,170
Short-term investments	-	346,329,695	-	346,329,695
Total investments	14,810,428,635	30,491,296,955	7,899,330,172	53,201,055,762
Receivables:				
Forward currency contracts	-	63,864,615	-	63,864,615
Other receivables	3,258,682	9,289,723	-	12,548,405
Total receivables	3,258,682	73,154,338	-	76,413,020
Cash equivalents	2,223,962,233	89,846,396	-	2,313,808,629
Total financial assets	<u>\$17,037,649,550</u>	<u>\$30,654,297,689</u>	<u>\$7,899,330,172</u>	<u>\$55,591,277,411</u>
Financial liabilities:				
Forward currency contracts	\$ -	\$ 54,064,379	\$ -	\$ 54,064,379
Other liabilities	17,177,412	32,376,758	-	49,554,170
Total financial liabilities	<u>\$ 17,177,412</u>	<u>\$ 86,441,137</u>	<u>\$ -</u>	<u>\$ 103,618,549</u>

Change in Investment Strategy — As of December 31, 2012, private limited partnership investments in debt-related strategies were classified within the private equities and were considered part of the Master Trust's private equity target asset allocation. As part of the review of the Master Trust's investment strategy during 2013, it was decided that these private limited partnerships better aligned with the Master Trust's fixed income strategy, based on the expected risk and return characteristics. Thus, these investments were reclassified from private equities to other fixed-income securities on January 1, 2013. The fair value of these funds was \$254,632,203 as of January 1, 2013. Had the reclassifications been made on January 1, 2012, fair value of other fixed-income securities would have been \$254,632,203 as of December 31, 2012. Fair value of private equities would have been \$2,760,384,366 as of December 31, 2012. Net appreciation in fair value of other fixed-income securities would have been \$44,942,559 for the year ended December 31, 2012. Net appreciation in fair value of private equities would have been \$273,636,778 for the year ended December 31, 2012. Management does not believe the change in investment strategy to be an error, but rather an adjustment in the assets allocated to the specific target allocations.

Total Master Trust financial assets at fair value classified within Level 3 were \$8,152,728,868 and \$7,899,330,172 as of December 31, 2013 and 2012, respectively, which primarily consists of investments in private equities, real estate, real assets, hedge funds, and mortgage-backed and asset-backed securities. Such amounts were 14% of net assets as of December 31, 2013 and 2012.

Level 3 Activity — The change in unrealized gains or losses on assets still held by the Master Trust as of December 31, 2013 and 2012, was an unrealized gain of \$902,753,475 and \$1,091,284,048, respectively. Values by asset class are provided in the table below:

	2013	2012
Fixed-income securities:		
Corporate	\$ (136,138)	\$ (11,731,496)
Mortgage backed and asset backed	437,728	35,456,865
Other	26,074,479	-
Total fixed-income securities	26,376,069	23,725,369
Global equities securities:		
Common and preferred stock — non-U.S.	166,893	(157,436)
Common and preferred stock — U.S.	(300)	(164,663)
Total global equities securities	166,593	(322,099)
Private equities	369,571,210	257,674,552
Real estate	214,594,134	601,717,558
Real assets	29,048,365	93,791,316
Global strategies	-	5,474,086
Hedge funds	262,997,104	109,223,266
Total change	\$ 902,753,475	\$ 1,091,284,048

A summary of changes in the fair value of the Master Trust's Level 3 financial assets for the years ended December 31, 2013 and 2012, is as follows:

	January 1, 2013 Beginning Balance	Net Unrealized and Realized (Losses) Gains	Purchases	Sales	Transfers into Level 3	Transfers out of Level 3	December 31, 2013 Ending Balance
Financial assets:							
Fixed-income securities:							
Corporate	\$ 3,174,287	\$ (132,742)	\$ 16,858,735	\$ (542,397)	\$ 5,112,968	\$ (290,761)	\$ 24,180,090
Mortgage backed and asset backed	560,408,253	(865,587)	197,041,615	(206,994,740)	-	(851,847)	548,737,694
Other	254,632,203	35,012,757	48,920,638	(74,641,854)	-	-	263,923,744
Total fixed-income securities	818,214,743	34,014,428	262,820,988	(282,178,991)	5,112,968	(1,142,608)	836,841,528
Global equities:							
Common and preferred stock — Non U.S.	259,117	(412,214)	9,767,450	(5,044,365)	1,914,540	-	6,484,528
Common and preferred stock — U.S.	3,025,896	(861,384)	5,903,228	(367,788)	430	(218)	7,700,164
Total global equities	3,285,013	(1,273,598)	15,670,678	(5,412,153)	1,914,970	(218)	14,184,692
Private equities	2,760,384,366	527,267,010	363,075,216	(612,265,975)	-	-	3,038,460,617
Real estate	2,190,889,229	224,698,421	368,688,159	(295,066,265)	-	-	2,489,209,544
Real assets	646,828,348	50,152,789	119,435,979	(156,476,491)	-	-	659,940,625
Hedge funds	1,479,728,473	160,944,738	31,155,870	(636,854,697)	158,425,811	(79,308,333)	1,114,091,862
Total financial assets	\$ 7,899,330,172	\$ 995,803,788	\$ 1,160,846,890	\$ (1,988,254,572)	\$ 165,453,749	\$ (80,451,159)	\$ 8,152,728,868

	January 1, 2012 Beginning Balance	Net Unrealized and Realized (Losses) Gains	Purchases	Sales	Transfers into Level 3	Transfers out of Level 3	December 31, 2012 Ending Balance
Financial assets:							
Fixed-income securities:							
Corporate	\$ 7,204,034	\$ (17,731,540)	\$ 12,161,113	\$ (918,599)	\$ 3,422,297	\$ (963,018)	\$ 3,174,287
Mortgage backed and asset backed	14,741,538	48,481,069	242,732,963	(91,232,651)	345,685,334	-	560,408,253
Municipal	3,006,000	(3,006,000)	-	-	-	-	-
Total fixed-income securities	24,951,572	27,743,529	254,894,076	(92,151,250)	349,107,631	(963,018)	563,582,540
Global equities:							
Common and preferred stock — Non U.S.	294,707	10,822	103,470	(149,882)	-	-	259,117
Common and preferred stock — U.S.	7,062,296	(3,736,139)	168,257	(468,518)	-	-	3,025,896
Total global equities	7,357,003	(3,725,317)	271,727	(618,400)	-	-	3,285,013
Private equities	2,902,830,546	318,574,710	470,500,803	(676,889,490)	-	-	3,015,016,569
Real estate	1,870,560,766	149,788,869	287,773,822	(117,234,228)	-	-	2,190,889,229
Real assets	521,674,401	48,428,471	150,867,846	(74,142,370)	-	-	646,828,348
Global strategies	75,332,105	(750,085)	-	-	-	(74,582,020)	-
Hedge funds	2,450,541,658	118,614,065	60,375,000	(8,627,362)	-	(1,141,174,888)	1,479,728,473
Total financial assets	\$7,853,248,051	\$658,674,242	\$1,224,683,274	\$969,663,100	\$349,107,631	\$ (1,216,719,926)	\$7,899,330,172

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

During 2013, \$5,112,968 of corporate bonds were transferred into Level 3 because the significant valuation input was unobservable as the securities were generally valued via single broker quotes. \$158,425,811 in hedge funds were transferred in to Level 3 as the redemption provisions changed and no longer provided for liquidity within three months of December 31, 2013. Hedge funds in the amount of \$79,308,333 were reclassified from Level 3 to Level 2 due to expirations of lockup provisions and having fund liquidity within three months of December 31, 2013. \$1,914,970 in common stocks were reclassified from Level 2 to Level 3 as those securities were delisted or the prices were stale due to a lack of liquidity. In addition, \$290,761 and \$851,847 in corporate bonds and mortgage- and asset-backed securities, respectively, were reclassified from Level 3 to Level 2 as additional pricing information, including significant observable inputs, on these securities became available. There were no reclassifications between Level 1 and Level 2 during 2013.

During 2012, \$345,685,334 and \$3,422,297 of mortgage- and asset-backed securities and corporate bonds, respectively, were transferred into Level 3 during 2012 because the pricing vendor notified management that the significant valuation input was unobservable. Global strategies and hedge funds in the amounts of \$74,582,020 and \$1,141,174,888, respectively, were reclassified from Level 3 to Level 2 due to expirations of lockup provisions and having fund liquidity within three months of December 31, 2012. In addition, \$963,018 in corporate bonds were reclassified from Level 3 to Level 2 as additional pricing information, including significant observable inputs, on these securities became available. There were no reclassifications between Level 1 and Level 2 during 2012.

Level 3 Quantitative Disclosure — A summary of quantitative data of the Master Trust's Level 3 investment assets for the year ended December 31, 2013 and 2012, is as follows:

	2013					
	Level 3 Total	Valuation Technique	Assumptions*	Minimum	Maximum	Weighted Average
Fixed-income securities:						
Auction rate securities	\$ 2,028,420	Discounted cash flow	Yield	5.7 %	5.7 %	5.7 %
Corporate bonds	<u>4,956,221</u>	Matrix pricing	Yield	2.1 %	2.4 %	2.1 %
Corporate	<u>6,984,641</u>					
Residential mortgage-backed securities	94,496,498	Matrix pricing	Prepayment speed	0.5	25.0	4.9
			Default rate	0.3	19.6	7.9
			Loss severity rate	20.0	98.5	59.6
			Yield	1.7 %	20.9 %	4.7 %
Commercial mortgage-backed securities	21,532,996	Matrix pricing	Prepayment speed	-	100.0	19.7
			Yield	1.5 %	5.2 %	3.9 %
Asset-backed securities	113,916,249	Matrix pricing	Prepayment speed	-	15.0	3.8
			Default rate	-	16.0	6.2
			Loss severity rate	-	100.0	66.8
			Yield	0.6 %	6.0 %	4.1 %
Auction rate securities	25,006,275	Discounted cash flow	Yield	4.6 %	5.8 %	5.1 %
Corporate bonds	<u>13,461,417</u>	Matrix pricing	Yield	1.8 %	8.2 %	5.8 %
Total mortgage-backed and asset-backed securities	<u>268,413,435</u>					
Total fixed-income securities	<u>\$ 275,398,076</u>					

* Valuation techniques for which no unobservable inputs are disclosed generally reflect the use of third-party pricing services or dealers, and the range of unobservable inputs applied by these sources is not readily available or cannot be reasonably estimated.

	2012					
	Level 3 Total	Valuation Technique	Assumptions*	Minimum	Maximum	Weighted Average
Fixed-income securities:						
Structured notes	\$ 99,290	Matrix pricing	Yield	1.8 %	1.8 %	1.8 %
Auction rate securities	<u>1,707,987</u>	Discounted cash flow	Expected maturity (years)	12.5	18.6	15.1
			Yield	4.0 %	4.2 %	4.0 %
Corporate	<u>1,807,277</u>					
Residential mortgage-backed securities	219,951,598	Matrix pricing	Prepayment speed	-	326.0	4.0
			Default rate	-	19.4	6.7
			Loss severity rate	-	100.0	56.7
			Yield	(0.8)%	70.0 %	4.3 %
Commercial mortgage-backed securities	177,632,010	Matrix pricing	Prepayment speed	-	100.0	0.5
			Yield	0.6 %	6.8 %	2.0 %
Asset-backed securities	<u>56,852,103</u>	Matrix pricing	Prepayment speed	-	20.0	3.0
			Yield	(0.7)%	4.6 %	1.3 %
Total mortgage-backed and asset-backed securities	<u>454,435,711</u>					
Total fixed-income securities	<u>\$ 456,242,988</u>					

* Valuation techniques for which no unobservable inputs are disclosed generally reflect the use of third-party pricing services or dealers, and the range of unobservable inputs applied by these sources is not readily available or cannot be reasonably estimated.

Sensitivity Disclosures for Level 3 — For residential mortgage-backed securities, commercial mortgage-backed securities, and asset-backed securities, an increase in unobservable yields, loss severity rates, or default rates, when applicable, in isolation would generally result in a decrease in fair value.

For mortgage-backed securities and asset-backed securities, an increase in unobservable prepayment speeds in isolation may result in an increase or a decrease in fair value, depending upon the nature of the security.

For corporate issues, including structured notes and auction rate securities, an increase in unobservable spreads or yields, in isolation, would generally result in a decrease in fair value.

Although the sensitivities of the fair value of these securities to various unobservable inputs are discussed in isolation above, interrelationships exist among observable and unobservable inputs such that a change in any significant unobservable input may affect changes to one or more of the other inputs.

Investment Contract Pools — The Aetna PVP Pool, Aetna Hourly Pool, BNA Contracts Pool, and Aetna BSS Pool identified in Note 1 are valued at contract value in the statements of net assets. The fair value of the investment contracts within these pools is \$245,620,297 and \$250,727,919 as of December 31, 2013 and 2012, respectively. Fair value for each investment contract is calculated by applying a factor determined by the corresponding insurance company to the contract value. Generally, the factor is an adjustment between contract value and market value, based upon predetermined parameters specific to each contract, including, but not limited to, current market yields, period to maturity, expenses, discounted cash flows, benefit payments, and any other applicable payments. These investment contracts are Level 2 investments, and there were no transfers to or from Levels 1 or 3 during 2013 or 2012.

6. NAV PER SHARE

In accordance with ASC 820, the following is a summary of the Master Trust investments in which the NAV per share of the investment is used to estimate its fair value. The summaries below are categorized by asset class as disclosed in the Master Trust's statements of net assets. For each asset class utilizing the NAV, the fair value, redemption frequency, and redemption notice period as of December 31, 2013 and 2012, are disclosed.

Fixed-Income Investments — This category includes investments in U.S. and non-U.S. debt securities held by a CCT or limited partnership. In general, for CCTs redemptions can occur daily, and redemption notices may be given daily or up to 10 business days in advance. If the fund determines that it would be detrimental to the interests of remaining fund investors to pay wholly or in part with cash based on availability of cash for distributions, distributions may also include securities in kind. Additionally, for large withdrawals, the portfolio manager of the fund may require additional time (up to several weeks) to liquidate assets to satisfy the withdrawal requests. The investments in private equity do not provide for redemption rights to their investors. As such, the Master Trust must wait until the underlying assets are sold and cash proceeds are distributed. The Master Trust maintains an active portfolio of private equity investments that are in various stages from start-up to wind-down. The current portfolio of investments is expected to liquidate over a period of up to 10 years.

Redemption Frequency	Redemption Notice Period	As of December 31, 2013		As of December 31, 2012	
		Fair Value	Unfunded Commitments	Fair Value	Unfunded Commitments
Daily	From daily up to 10 business days	\$2,469,776,262	\$ -	\$2,196,367,460	\$ -
Liquidates over the next 10 years	See narrative	<u>263,923,744</u>	<u>133,487,521</u>	<u>-</u>	<u>-</u>
		<u>\$2,733,700,006</u>	<u>\$133,487,521</u>	<u>\$2,196,367,460</u>	<u>\$ -</u>

Global Equity Investments — This category includes investments in U.S. and non-U.S. equity securities held by CCTs. Generally, redemptions may occur daily, weekly, semimonthly, or monthly depending upon the fund. Redemption notices may be given daily up to 10 business days in advance, or up to 120 days in advance for one of the funds. Under extraordinary circumstances, some of the funds may temporarily delay distributions or make distributions of securities in kind.

Redemption Frequency	Redemption Notice Period	As of December 31, 2013		As of December 31, 2012	
		Fair Value	Unfunded Commitments	Fair Value	Unfunded Commitments
Daily	Same day up to 3 days	\$ 392,079,006	\$ -	\$ 189,208,340	\$ -
Weekly	Ten business days prior to trade date	-	-	55,663,723	-
Semimonthly	Five business days prior to valuation date	625,253,980	-	506,000,487	-
Monthly	From two up to 120 days	<u>1,532,028,833</u>	<u>-</u>	<u>1,093,283,380</u>	<u>-</u>
		<u>\$2,549,361,819</u>	<u>\$ -</u>	<u>\$1,844,155,930</u>	<u>\$ -</u>

Private Equity Investments — This category includes investments in private equities held by limited partnerships. Private equity investments may be in buyout, venture, special situations, or fund-of-fund strategies. The investments in private equity do not provide for redemption rights to their investors. As such, the Master Trust must wait until the underlying assets are sold and cash proceeds are distributed. The Master Trust maintains an active portfolio of private equity investments that are in various stages from start-up to wind-down. The current portfolio of investments is expected to liquidate over a period of up to 10 years.

Redemption Frequency	Redemption Notice Period	As of December 31, 2013		As of December 31, 2012	
		Fair Value	Unfunded Commitments	Fair Value	Unfunded Commitments
Liquidates over the next 10 years	See narrative	<u>\$3,036,764,530</u>	<u>\$1,609,476,891</u>	<u>\$3,001,401,531</u>	<u>\$1,602,170,842</u>

Real Estate and Real Assets — This category includes investments in private real estate (such as office, retail, apartment, and industrial properties) and real assets (such as infrastructure, energy,

farmland, and timber). These investments are made through limited partnerships and CCTs. The limited partnerships generally do not provide redemption rights to their investors. As such, the Master Trust must wait until the underlying assets are sold and cash proceeds are distributed. The Master Trust maintains an active portfolio of real estate/real asset limited partnership investments that are in various stages from start-up to wind-down. The current portfolio of investments is expected to liquidate over a period of up to 10 years. Investments via CCT provide for daily or quarterly redemption frequency. Notices of redemption for these funds range from daily to 90 days in advance of quarter-end. Certain funds are restricted to a redemption queue. A redemption queue is a restriction on withdrawals from a fund due to liquidity restrictions. The fund manager restricts the percentage of the fund that is available for redemption during each redemption period. All investors in the queue will receive an equal portion of the available liquidity. The queue continues until all investor redemption requests are satisfied or the queue is lifted in its entirety.

Redemption Frequency	Redemption Notice Period	As of December 31, 2013		As of December 31, 2012	
		Fair Value	Unfunded Commitments	Fair Value	Unfunded Commitments
Daily	Same day	\$ 122,255,556	\$ -	\$ 147,708,015	\$ -
Quarterly	From 45 up to 90 days	1,552,227,912	14,129,555	1,453,583,566	62,603,559
Three-year lockup		-	-	16,406,377	25,635,998
Liquidates over the next 10 years	See narrative	<u>1,596,922,257</u>	<u>879,523,732</u>	<u>1,339,598,032</u>	<u>776,900,249</u>
		<u>\$3,271,405,725</u>	<u>\$893,653,287</u>	<u>\$2,957,295,990</u>	<u>\$865,139,806</u>

Global Strategy Investments — This category includes investment strategies that seek to identify inefficiencies across various asset classes and markets using long and short positions in physical securities and derivatives. Depending on the fund, redemptions can be daily or monthly. The redemption notice period, depending on the fund, is three business days to 30 days in advance or daily. Generally, redemptions may be restricted or delayed, in whole or in part, due to extraordinary circumstances in the market, such as reduced liquidity, the inability to adequately value the assets, or activity that would potentially negatively affect other fund investors.

Redemption Frequency	Redemption Notice Period	As of December 31, 2013		As of December 31, 2012	
		Fair Value	Unfunded Commitments	Fair Value	Unfunded Commitments
Daily	Same day	\$ 368,301,606	\$ -	\$ 331,151,020	\$ -
Monthly	From three business days to 30 days	<u>1,986,039,615</u>	<u>-</u>	<u>1,819,096,045</u>	<u>-</u>
		<u>\$2,354,341,221</u>	<u>\$ -</u>	<u>\$2,150,247,065</u>	<u>\$ -</u>

Hedge Funds — Hedge fund investments are made through fund-of-fund vehicles and through direct investments into various hedge funds. The fund-of-fund vehicles are used for the purpose of making investments in a diverse portfolio of hedge funds, while the direct investments allow for larger targeted investments without the additional fund-of-fund fee structure. Hedge funds include event-driven, relative value, long-short, and market neutral strategies.

Of the \$2,777,598,956 invested in hedge funds as of December 31, 2013, \$605,878,698 are Level 3 fund-of-fund vehicles with restrictions in effect for the life of the hedge fund based on the terms of each underlying hedge fund within the fund of fund, and the restrictions on these underlying hedge funds are estimated to expire within 12–18 months. \$479,340,273 are Level 3 hedge fund investments with restrictions on redemption, expiring between March 31, 2014, and December 31, 2014. These restrictions generally include lockups and fund-level gates. There is one Level 3 hedge fund totaling \$28,872,891 in the form of a limited partnership investment. Investments in limited partnerships do not provide for redemption rights to their investors. As such, the Master Trust must wait until the underlying

assets are sold and cash proceeds are distributed. The remaining \$1,663,507,094 makes up Level 2 hedge funds with restrictions on redemption expiring within the three months leading up to December 31, 2013, and the subsequent three months following December 31, 2013. These restrictions generally include lockups and fund-level gates.

Of the \$2,746,753,189 invested in hedge funds as of December 31, 2012, \$1,148,493,674 are Level 3 fund-of-fund vehicles with restrictions in effect for the life of the hedge fund based on the terms of each underlying hedge fund within the fund of fund, and the restrictions on these underlying hedge funds are estimated to expire within 12–18 months. \$315,727,349 are Level 3 hedge fund investments with restrictions on redemption, expiring between June 30, 2013, and December 31, 2014. These restrictions generally include lockups and fund-level gates. There is one Level 3 hedge fund totaling \$15,507,450 in the form of a limited partnership investment. Investments in limited partnerships do not provide for redemption rights to their investors. As such, the Master Trust must wait until the underlying assets are sold and cash proceeds are distributed. The remaining \$1,267,024,716 makes up Level 2 hedge funds with restrictions on redemption expiring within the three months leading up to December 31, 2012, and the subsequent three months following December 31, 2012. These restrictions generally include lockups and fund-level gates.

Redemption Frequency	Redemption Notice Period	As of December 31, 2013		As of December 31, 2012	
		Fair Value	Unfunded Commitments	Fair Value	Unfunded Commitments
Monthly	Up to 93 days	\$ 881,327,008	\$ -	\$ 1,297,014,474	\$ -
Quarterly	From 33 up to 90 days	891,601,789	-	726,242,554	-
Semiannually	From 45 up to 65 days	208,032,349	-	159,447,598	-
Annually	From 45 up to 90 days	373,513,449	-	231,390,934	-
Two years	From 45 up to 90 days	211,908,728	-	159,584,743	-
Three years	From 45 up to 95 days	210,680,168	23,375,000	173,072,886	33,375,000
Illiquid	Not applicable	535,465	-	-	-
		<u>\$ 2,777,598,956</u>	<u>\$ 23,375,000</u>	<u>\$ 2,746,753,189</u>	<u>\$ 33,375,000</u>

7. DERIVATIVE FINANCIAL INSTRUMENTS

ASC 815, *Derivatives and Hedging*, requires disclosures on how and why derivatives are used, accounted for, and affect the results of operations and financial position. Derivative instruments held by the Master Trust are not designated as hedging instruments under ASC 815. The Master Trust is exposed to the following financial instruments risk:

Interest Rate Risk — Interest rate risk is the risk of change in the market value of the assets due to a change in interest rates. Bond futures, interest rate swaps, and interest rate swaptions are generally used to manage interest rate risk or adjust portfolio duration.

A futures contract is an agreement between two parties to buy and sell a financial instrument at a set price on a future date.

Interest rate swap agreements involve the exchange by the Master Trust, with a counterparty, of respective commitments to pay or receive interest, e.g., an exchange of floating rate payments for fixed rate payments, with respect to the notional amount of principal.

Interest rate swaptions are options to enter into an interest rate swap based on predetermined conditions.

Credit Risk — Credit risk is the risk of change in the market value of assets due to the change in creditworthiness of the underlying issuer. Credit default swaps are used to manage the credit exposure of a security or basket of securities.

Credit default swap agreements involve one party (referred to as the buyer of protection) making a stream of payments to another party (the seller of protection) in exchange for the right to receive a specified return in the event of a default or other credit event for the referenced entity, obligation, or index.

Foreign Currency Risk — Currency risk is the risk of a change in market value due to the change in foreign currency exchange rates. Generally, currency futures and forward contracts are used to achieve the desired currency exposure, or generate value-added performance.

Foreign currency futures and forwards are agreements between two parties to buy and sell a set of currencies at a set exchange rate on a specified future date.

A currency option gives the buyer the right, but not the obligation, to buy one currency or sell another currency at a set exchange rate on or before a given date.

Equity Risk — Equity risk is the risk of a change in market value of assets due to the change in equity or equity index prices. Equity futures are generally used to manage the market exposure of a security or index, or rebalance the total portfolio to the target asset allocation. An equity futures contract is an agreement between two parties to buy and sell a financial instrument at a set price on a future date.

Commodity Risk — Commodity risk is the risk of change in the market value of the underlying commodity due to a change in the price of the commodity. Commodity futures, swaps, and options are generally used to achieve the desired market exposure to commodities. A futures contract is an agreement between two parties to buy and sell a commodity at a set price on a future date. Commodity swaps are agreements involving the exchange by the Master Trust, with a counterparty, of respective commitments to pay or receive cash flows, e.g., an exchange of payments based on the price movement for the commodity, with respect to the notional amount of principal. Commodity options give the buyer the right, but not the obligation, to buy one commodity or sell another commodity at a set price on or before a given date.

Future Settlement Risk — Future settlement risk is the risk of counterparty nonperformance resulting in not receiving the asset or associated gains specified in the contract. Gains are derived from the change in market value of the contract due to a change in price of the underlying security.

Mortgage TBAs are used to manage the market exposure of a security or asset class. A TBA is a contract for the purchase or sale of agency mortgage-backed securities to be delivered at a future agreed-upon date.

As of December 31, 2013 and 2012, the Master Trust has invested in derivative contracts, which are reflected in the Master Trust's statements of net assets as follows:

2013	Interest Rate	Credit	Foreign Currency	Equity	Commodity	Future Settlement	Total
Assets:							
Other investments:							
Options	\$ 6,337,103	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,337,103
Swaps	13,310,169	33,089,762	-	-	579,693	-	46,979,624
Receivables:							
Forward contracts	-	-	7,521,896	-	-	-	7,521,896
Futures	903,018	-	-	85,170	1,863,238	-	2,851,426
Treasury forwards and TBAs	-	-	-	-	-	10,683	10,683
Total assets	<u>\$20,550,290</u>	<u>\$33,089,762</u>	<u>\$ 7,521,896</u>	<u>\$ 85,170</u>	<u>\$2,442,931</u>	<u>\$ 10,683</u>	<u>\$ 63,700,732</u>
Liabilities:							
Other liabilities:							
Forward contracts	\$ -	\$ -	\$ 9,988,541	\$ -	\$ -	\$ -	\$ 9,988,541
Futures	14,794,790	-	-	2,165	4,920,894	-	19,717,849
Options	1,207,759	-	-	-	96,603	-	1,304,362
Swaps	4,803,820	2,905,179	-	-	1,178,944	-	8,887,943
Treasury forwards and TBAs	-	-	-	-	-	454,559	454,559
Total liabilities	<u>\$20,806,369</u>	<u>\$ 2,905,179</u>	<u>\$ 9,988,541</u>	<u>\$ 2,165</u>	<u>\$6,196,441</u>	<u>\$ 454,559</u>	<u>\$ 40,353,254</u>
2012							
	Interest Rate	Credit	Foreign Currency	Equity	Commodity	Future Settlement	Total
Assets:							
Other investments:							
Options	\$ 2,642,938	\$ -	\$ 129,830	\$ -	\$ 959,393	\$ -	\$ 3,732,161
Swaps	21,215,586	10,070,496	-	-	224,927	-	31,511,009
Receivables:							
Forward contracts	-	-	63,864,615	-	-	-	63,864,615
Futures	572,852	-	-	662,930	2,022,900	-	3,258,682
Treasury forwards and TBAs	-	-	-	-	-	9,289,723	9,289,723
Total assets	<u>\$24,431,376</u>	<u>\$10,070,496</u>	<u>\$63,994,445</u>	<u>\$662,930</u>	<u>\$3,207,220</u>	<u>\$9,289,723</u>	<u>\$ 111,656,190</u>
Liabilities:							
Other liabilities:							
Forward contracts	\$ -	\$ -	\$54,064,379	\$ -	\$ -	\$ -	\$ 54,064,379
Futures	15,174,907	-	-	-	2,002,505	-	17,177,412
Options	3,068,675	-	-	-	286,572	-	3,355,247
Swaps	2,193,780	15,876,734	-	-	1,616,463	-	19,686,977
Treasury forwards and TBAs	-	-	-	-	-	9,334,534	9,334,534
Total liabilities	<u>\$20,437,362</u>	<u>\$15,876,734</u>	<u>\$54,064,379</u>	<u>\$ -</u>	<u>\$3,905,540</u>	<u>\$9,334,534</u>	<u>\$ 103,618,549</u>

Realized gains and losses and the change in unrealized gains and losses are reflected in the Master Trust's statements of changes in net assets as net appreciation or depreciation in the fair value of investments. The effects of derivative contracts realized gains and losses and the change in unrealized gains and losses for the years ended December 31, 2013 and 2012, are reflected in the following tables:

2013	Interest Rate	Credit	Foreign Currency	Equity	Commodity	Future Settlement	Total
Net gains (losses):							
Forward contracts	\$ -	\$ -	\$ (8,239,102)	\$ -	\$ -	\$ -	\$ (8,239,102)
Futures	(319,854,400)	-	16,523,076	(59,826,167)	(73,696,642)	-	(436,854,133)
Options	3,064,061	(327,410)	(190,521)	-	2,121,535	-	4,667,665
Swaps	12,375,991	18,466,375	-	-	3,009,241	-	33,851,607
Treasury forwards and TBAs	-	-	-	-	-	(3,710,009)	(3,710,009)
Total net gains and losses	<u>\$(304,414,348)</u>	<u>\$18,138,965</u>	<u>\$ 8,093,453</u>	<u>\$ (59,826,167)</u>	<u>\$(68,565,866)</u>	<u>\$(3,710,009)</u>	<u>\$(410,283,972)</u>
2012	Interest Rate	Credit	Foreign Currency	Equity	Commodity	Future Settlement	Total
Net gains (losses):							
Forward contracts	\$ -	\$ -	\$ 19,486,877	\$ -	\$ -	\$ -	\$ 19,486,877
Futures	27,307,344	-	14,868,299	229,211,237	(7,182,115)	-	264,204,765
Options	4,915,347	-	(12,250,419)	-	130,994	-	(7,204,078)
Swaps	5,765,685	1,810,272	-	-	(6,155,991)	-	1,419,966
Treasury forwards and TBAs	-	-	-	-	-	(358,870)	(358,870)
Total net gains and losses	<u>\$ 37,988,376</u>	<u>\$ 1,810,272</u>	<u>\$ 22,104,757</u>	<u>\$ 229,211,237</u>	<u>\$(13,207,112)</u>	<u>\$ (358,870)</u>	<u>\$ 277,548,660</u>

The following tables summarize the gross notional value of derivative contracts outstanding as of December 31, 2013 and 2012. The gross notional amounts give an indication of the volume of the Master Trust's derivative activities and significantly exceed the fair value of the derivative investments, which is more representative of the economic exposure associated with derivatives in the Master Trust.

2013	Interest Rate	Credit	Foreign Currency	Equity	Commodity	Future Settlement	Total
Forward contracts	\$ -	\$ -	\$1,321,345,000	\$ -	\$ -	\$ -	\$ 1,321,345,000
Futures	17,647,902,342	-	711,216,443	2,897,324,886	1,164,477,950	-	22,420,921,621
Options	313,697,625	-	-	-	6,153,884	-	319,851,509
Swaps	509,840,796	1,715,640,038	-	-	231,948,132	-	2,457,428,966
Treasury forwards and TBAs	-	-	-	-	-	98,991,545	98,991,545
	<u>\$18,471,440,763</u>	<u>\$1,715,640,038</u>	<u>\$2,032,561,443</u>	<u>\$2,897,324,886</u>	<u>\$1,402,579,966</u>	<u>\$ 98,991,545</u>	<u>\$26,618,538,641</u>
2012	Interest Rate	Credit	Foreign Currency	Equity	Commodity	Future Settlement	Total
Forward contracts	\$ -	\$ -	\$7,890,751,000	\$ -	\$ -	\$ -	\$ 7,890,751,000
Futures	7,023,471,526	-	381,085,880	1,329,007,958	418,224,107	-	9,151,789,471
Options	673,383,897	-	5,395,520	-	100,367,616	-	779,147,033
Swaps	475,648,602	1,666,875,566	-	-	153,590,429	-	2,296,114,597
Treasury forwards and TBAs	-	-	-	-	-	212,616,016	212,616,016
	<u>\$ 8,172,504,025</u>	<u>\$1,666,875,566</u>	<u>\$8,277,232,400</u>	<u>\$1,329,007,958</u>	<u>\$ 672,182,152</u>	<u>\$212,616,016</u>	<u>\$20,330,418,117</u>

Derivatives are generally used to manage the market exposure of a security, index or currency, or adjust the portfolio duration. Derivative contracts are instruments that derive their value from underlying assets, indices, reference interest rates, or a combination of these factors. Refer to Note 2 for further description of how derivative instruments are valued. Certain cash instruments, such as mortgage-backed TBAs, meet the definition of a derivative instrument under U.S. GAAP.

The nature of the counterparty and the settlement mechanism of the derivative affect the credit risk to which the Master Trust is exposed. For OTC derivatives such as swaps, forwards, options and TBAs, the Master Trust is exposed to the credit risk of the derivative counterparty.

For exchange-traded derivatives, such as futures and options, and “cleared” OTC swaps, the Master Trust is generally exposed to the credit risk of the relevant exchange or clearinghouse. Where possible, the Master Trust seeks to mitigate its credit risk exposures arising on derivatives transactions through the use of legally enforceable master netting arrangements and collateral agreements.

The Master Trust is also exposed to liquidity risk in the following situations:

- 1) When the derivative contracts require the Master Trust to post additional cash or securities collateral with counterparties as the fair value of the contracts moves in the counterparties’ favor and the Master Trust’s receivables under related contracts are unavailable for offset or insufficient in value to offset the payment obligation to the counterparty.
- 2) When certain derivative contracts have credit-related contingent features under the International Swaps and Derivatives Association Master Agreement (generally swaps) with counterparties for contracts in a net liability position.

The Master Trust has liquidity risk if its assets decline by various, prespecified rates over predetermined time periods. If this occurs, the Master Trust is required to post more collateral or may be required to pay off the open liability contracts given the counterparty’s right to terminate the contract. At December 31, 2013 and 2012, the Master Trust had a fair value of \$7,235,703 and \$23,003,854, respectively, in contracts in a net liability position with contingent features; \$3,114,931 and \$20,710,700, respectively, were posted in collateral against those positions. In the event that a contingent event occurred at December 31, 2013 and 2012, \$0 and \$961,750, respectively, in additional collateral would have been required to be posted. Certain derivatives contracts also provide for the right to terminate the contract if a contingent event occurs. At December 31, 2013 and 2012, these terminations would have required the Master Trust to settle trades with a fair value of \$7,235,703 and \$22,088,868, respectively.

The Master Trust enters into master netting or similar agreements and collateral agreements with counterparties that provide the Master Trust, in the event of a counterparty default (such as bankruptcy or a counterparty’s failure to pay or perform), with the right to net a counterparty’s rights and obligations under such agreement and liquidate and set off collateral held by the Master Trust against the net amount owed by the counterparty.

The Master Trust policy is generally to take possession of securities purchased under agreements to resell and to receive securities and cash posted as collateral. Collateral received generally has rights of rehypothecation.

In some cases, the Master Trust may agree for collateral to be posted to a third-party custodian under a tri-party arrangement that enables the Master Trust to take control of such collateral in the event of a counterparty default. The trustee of the Master Trust monitors the fair value of the underlying securities

as compared with the related receivable or payable, including accrued interest, and, as necessary, requests additional collateral as provided under the applicable agreement to ensure such transactions are adequately collateralized.

The tables below present the fair value of derivative contracts by major instrument type on a gross basis. The Master Trust reflects the recognized amounts for all financial instruments on a gross basis in the statements of net assets even if the instruments are subject to enforceable master netting arrangements. Thus, gross recognized amounts exclude the effects of counterparty netting and collateral and are not representative of the Master Trust's credit exposure. The tables also present the amounts of counterparty netting and cash collateral that have the right to offset but have not been offset in the Master Trust statements of net assets and cash and securities collateral posted and received under enforceable credit support agreements that do not meet the criteria for netting under U.S. GAAP. Derivatives that are not subject to a master netting or similar type arrangement or those that Master Trust management have not yet concluded if the arrangements are enforceable are included in the caption "Total derivatives, not subject to a master netting arrangement" in the tables below:

As of December 31, 2013		Gross Amount Not Offset in the Statement of Net Assets		
Descriptions	Gross Amounts Presented in the Statement of Net Assets	Financial Instrument	Cash and Securities Collateral Received/ Pledged	Net Amount (A)
Assets:				
Other investments:				
Options	\$ 6,337,103	\$ 1,188,251	\$ 4,352,276	\$ 796,576
Swaps	9,512,411	1,554,971	7,103,997	853,443
Receivables:				
Forward contracts	7,521,896	5,592,373	-	1,929,523
Treasury forwards and TBAs	<u>10,683</u>	<u>10,683</u>	<u>-</u>	<u>-</u>
Total derivatives, subject to a master netting arrangement	23,382,093	<u>\$8,346,278</u>	<u>\$11,456,273</u>	<u>\$ 3,579,542</u>
Total derivatives, not subject to a master netting arrangement	<u>40,318,639</u>			
Total derivatives recognized in the master trust statement of net assets	<u>\$ 63,700,732</u>			
Liabilities:				
Other liabilities:				
Forward contracts	\$ 9,988,541	\$ 5,592,373	\$ 250,242	\$ 4,145,926
Options	1,304,362	1,188,251	-	116,111
Swaps	6,010,950	1,554,971	2,608,142	1,847,837
Treasury forwards and TBAs	<u>454,559</u>	<u>10,683</u>	<u>-</u>	<u>443,876</u>
Total derivatives, subject to a master netting arrangement	17,758,412	<u>\$8,346,278</u>	<u>\$ 2,858,384</u>	<u>\$ 6,553,750</u>
Total derivatives, not subject to a master netting arrangement	<u>22,594,842</u>			
Total derivatives recognized in the master trust statement of net assets	<u>\$ 40,353,254</u>			

As of December 31, 2012

Descriptions	Gross Amounts Presented in the Statement of Net Assets	Gross Amount Not Offset in the Statement of Net Assets		
		Financial Instrument	Cash and Securities Collateral Received/ Pledged	Net Amount (A)
Assets:				
Other investments:				
Options	\$ 3,732,161	\$ 2,749,350	\$ -	\$ 982,811
Swaps	28,589,795	7,268,975	16,557,482	4,763,338
Receivables:				
Forward contracts	61,676,063	38,451,115	3,952,350	19,272,598
Treasury forwards and TBAs	<u>9,289,723</u>	<u>9,237,325</u>	<u>-</u>	<u>52,398</u>
Total derivatives, subject to a master netting arrangement	103,287,742	<u>\$ 57,706,765</u>	<u>\$ 20,509,832</u>	<u>\$ 25,071,145</u>
Total derivatives, not subject to a master netting arrangement	<u>8,368,448</u>			
Total derivatives recognized in the master trust statement of net assets	<u>\$ 111,656,190</u>			
Liabilities:				
Other liabilities:				
Forward contracts	\$ 53,044,013	\$ 38,451,115	\$ -	\$ 14,592,898
Options	3,355,247	2,749,350	-	605,897
Swaps	12,808,004	7,268,975	5,074,056	464,973
Treasury forwards and TBAs	<u>9,334,534</u>	<u>9,237,325</u>	<u>-</u>	<u>97,209</u>
Total derivatives, subject to a master netting arrangement	78,541,798	<u>\$ 57,706,765</u>	<u>\$ 5,074,056</u>	<u>\$ 15,760,977</u>
Total derivatives, not subject to a master netting arrangement	<u>25,076,751</u>			
Total derivatives recognized in the master trust statement of net assets	<u>\$ 103,618,549</u>			

(A) Net represents the receivable/payable that would be due from/to the counterparty in an event of default. Netting may be allowed across transactions traded under the same legal agreement with the same legal entity.

At December 31, 2013 and 2012, receivables for securities purchased with an agreement to resell were \$36,100,000 and \$103,600,000, respectively. As disclosed in Note 2, the fair value of the collateral received for resale agreements exceeds the contractual agreement amount. The Master Trust has the right to offset the collateral received against the resale agreement in the event of default and thus has a net exposure of \$0 at December 31, 2013 and 2012.

8. PLAN AMENDMENTS

Effective January 1, 2012, the Plan was closed to new hires or rehires represented by IBEW 2295 and EAST 1553. All current Participants and their accrued benefits were not impacted by this change.

Effective December 31, 2012, BSS was dissolved and the name of the Plan was changed from Boeing Satellite Systems Retirement Plan for Bargained Employees to BSS Retirement Plan for Bargained Employees.

Effective September 16, 2013, the Plan was amended to address the expansion of same-sex spouse benefits in light of the Supreme Court decision in *United States. v. Windsor*. This amendment is effective for benefits commencing on and after September 16, 2013 (or such earlier effective date to the extent required by law). This amendment does not have an impact on the actuarial PVAB.

9. SIGNIFICANT INVESTMENTS

As of December 31, 2013 and 2012, the Plan's investment in the Master Trust represents 5% or more of the net assets available for benefits.

10. RELATED-PARTY AND PARTY-IN-INTEREST TRANSACTIONS

Certain Master Trust investments are managed by JPM. JPM is the trustee for the Plan, and, therefore, these transactions qualify as party-in-interest transactions. The investment management fees to JPM for the Plan are paid at the Master Trust level.

11. PROHIBITED TRANSACTIONS

Between November 14, 2011, and November 23, 2011, a reportable nonexempt party-in-interest transaction existed. Plan assets were inadvertently used to make a duplicate payment to a third-party provider. The Plan was corrected according to the guiding principles of the Department of Labor's ("DOL") Voluntary Fiduciary Correction Program ("VFCP"), which involved remitting the principal amount of \$31 and associated lost earnings in the amount of less than \$1 to the Plan on November 23, 2011, and May 11, 2012.

On June 30, 2011, a reportable nonexempt party-in-interest transaction existed. Plan assets were inadvertently used in a cross-trade transaction. The transaction was discovered on February 18, 2013. The Plan was corrected according to the guiding principles of the DOL's VFCP, which involved remitting the principal amount of \$17 and associated lost earnings in the amount of \$1 to the Plan on February 19, 2013, and March 6, 2013.

On July 18, 2013, a reportable nonexempt party-in-interest transaction existed. Plan assets were inadvertently used to make a duplicate payment to a third-party provider. The Plan was corrected according to the guiding principles of the DOL's VFCP, which involved remitting the total principal amount of \$60 and associated lost earnings in the amount of \$1 to the Plan on July 26, 2013, and February 12, 2014.

12. TAX STATUS

The IRS determined and informed the Company by a letter dated September 18, 2012, that the Plan and related trust are designed in accordance with applicable sections of the Internal Revenue Code ("IRC"). The Plan has been amended since receiving the determination letter. The Plan administrator believes that the Plan is designed and is currently being operated in compliance with the applicable requirements of

the IRC. Therefore, the Plan administrator believes the Plan's tax-exempt status has not been affected, and no provision for income taxes has been included in the Plan's financial statements.

U.S. 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 administrator has analyzed the tax positions taken by the Plan and has concluded that as of December 31, 2013 and 2012, there are no uncertain tax positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. 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 no longer subject to income tax examinations for years prior to 2007.

* * * * *

SUPPLEMENTAL SCHEDULE

BSS RETIREMENT PLAN FOR BARGAINED EMPLOYEES

Employer Identification Number: 91-0425694

Plan Number: 061

**FORM 5500, SCHEDULE G, PART III - SCHEDULE OF NONEXEMPT TRANSACTIONS
FOR THE YEAR ENDED DECEMBER 31, 2013**

Party Involved	Relationship to Plan	Description of Transaction	Cost of Asset	Current Value of Asset	Net Gain on Each Transaction
Paul Hastings LLP	Service provider	Plan assets were inadvertently used to make a duplicate payment to a third-party provider	<u>\$ 60</u>	<u>\$ 61</u>	<u>\$ 1</u>

BSS Retirement Plan for Bargained Employees

EIN: 91-0425694

PN: 061

Schedule SB, Line 26 — Schedule of Active Participant Data

Schedule SB, Line 26 – Schedule of Active Participant Data

Attained Age	Years of Credited Service ¹																			
	Under 1		1 to 4		5 to 9		10 to 14		15 to 19		20 to 24		25 to 29		30 to 34		35 to 39		40 & Over	
	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.
Under 25	8		4		0		0		0		0		0		0		0		0	
25 - 29	15		8		0		0		0		0		0		0		0		0	
30 - 34	8		9		6		2		0		0		0		0		0		0	
35 - 39	7		12		9		10		0		0		0		0		0		0	
40 - 44	8		17		10		8		5		4		0		0		0		0	
45 - 49	12		37	96,801	16		19		20	82,764	15		7		0		0		0	
50 - 54	22	132,693	51	111,511	44	93,999	48	89,389	52	87,190	32	80,665	32	76,835	18		0		0	
55 - 59	17		37	107,803	26	83,700	30	81,077	24	80,136	23	80,714	39	72,655	24	74,057	2		0	
60 - 64	4		13		11		4		16		13		15		9		2		0	
65 - 69	2		5		3		6		8		2		4		6		0		0	
70 & Over	0		0		3		0		1		1		2		2		1		0	

¹ Age and service for purposes of determining category are based on exact (not rounded) values.

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

Economic Assumptions

Interest rate basis:

- | | |
|---|-----------------|
| ▶ Applicable month | September 2012 |
| ▶ Yield curve basic | 3-Segment rates |
| ▶ MAP-21 applied for funding | Yes |
| ▶ MAP-21 applied for benefit restrictions | Yes |

Interest rates:

	Reflecting Corridors	Not Reflecting Corridors
▶ First segment rate	4.94%	1.75%
▶ Second segment rate	6.15%	4.62%
▶ Third segment rate	6.67%	5.72%
▶ Effective interest rate	6.36%	5.02%

Annual rates of increase in:

- | | |
|---|-------|
| ▶ Salary | |
| – Contributory benefit structure | 4.00% |
| – Non-contributory benefit structure | 5.00% |
| ▶ Assumed Cost of Living Adjustments | 3.00% |
| ▶ Social Security Wage Base | 3.50% |
| ▶ Consumer Price Index | 3.00% |
| ▶ Statutory limits on compensation and benefits | N/A |

Return on assets	7.52% ¹
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MAP-21 requires that the rates not reflecting corridors be used for purposes of determining the deductible limit. For simplicity, the corridors have been reflected in Section 2.5: Calculation of estimated maximum deductible contribution. This simplification produces an estimate that is smaller than the actual deductible limit.

¹ Used to develop the expected return in 2012 for the development of the actuarial value of assets. Represents the lesser of the long-term expected asset return and third segment rate used for the 2012 valuation.

Demographic Assumptions

Mortality The prescribed mortality assumption under Section 430(h)(3)(A) of the Internal Revenue Code using generational tables with separate mortality rates for annuitants and non-annuitants.

Termination Representative termination rates not due to disability, retirement, or mortality.

Attained Age	Contributory	Non-Contributory
20	0.050	0.300
25	0.036	0.216
30	0.032	0.192
35	0.027	0.162
40	0.022	0.132
45	0.018	0.105
50	0.000	0.075
55	0.000	0.000

Rates are 0.0% if eligible to retire.

Disability None.

Retirement Rates varying by age:

Age	Non-contributory	Contributory non-R75 eligible	Contributory R75 unreduced eligible
55	0.150	0.300	0.300
56	0.075	0.165	0.200
57	0.075	0.165	0.200
58	0.075	0.165	0.200
59	0.075	0.165	0.200
60	0.075	0.225	0.250
61	0.075	0.150	0.200
62	0.375	0.220	0.270
63	0.225	0.220	0.270
64	0.225	0.220	0.270
65	0.750	0.400	0.450
66	0.200	0.300	0.350
67	0.200	0.300	0.350
68	0.200	0.300	0.350
69	0.990	0.990	0.990
70	1.000	1.000	1.000

Form of payment For contributory participants, 80% are assumed to elect a five-year certain annuity and 20% are assumed to elect a single life annuity. For non-contributory participants, 80% are assumed to elect a ten-year certain annuity and 20% are assumed to elect a single life annuity. Actuarial equivalence for the certain payment options is determined using the IRS Revenue Ruling 2001-62 mortality table and a discount rate of 3.58% which is the 24-month average of 30-year treasury rates for the period ending September 2012.

A post-retirement cost-of-living assumption of 4.00% is applied for eligible contributory participants when converting to alternative benefit payment options.

Percent married	For purpose of valuing the pre-retirement surviving spouse's benefit, 85% of eligible participants are assumed to be married.
Spouse age	Wife three years younger than male employee, husband three years older than female employee.
Pay load factor	To reflect estimated overtime and incentive pay, a load factor of 18% is applied to the pay rate at the valuation date.
Interest on Employee Contributions	It is assumed employee contributions will be credited with interest at the rate of 1.77% annually, which is based on the 24-month average of 120% of the Applicable Federal Rate for the period ending December 2012.
Plan-related expenses	Plan-related expenses are assumed to be the actual 2012 administrative expenses rounded to two significant digits.
Employees	It was assumed that there will be no new or rehired employees.
Benefit commencement for terminated vested participants	Terminated vested participants are assumed to commence benefits at age 60, or immediately if past age 60. Participants over age 65 are assumed to collect a retroactive payment equal to the sum of their missed payments, increased with interest to their age as of the valuation date. It is also assumed that only 10% of terminated vested participants age 75 and older will be located and collect their benefits.

Methods

Valuation date	First day of plan year
Funding target	Present value of accrued benefits
Target normal cost	Present value of benefits expected to accrue during plan year plus plan-related expenses expected to be paid from plan assets during plan year
Actuarial value of assets	<p>Average of the market value of assets on the valuation date and the preceding two valuation dates, adjusted for contributions, benefits, administrative expenses and expected return. The average asset value must be within 10% of the market value on the valuation date, including contributions receivable.</p> <p>The method of computing the actuarial value of assets complies with rules governing the calculation of such values under the Pension Protection Act of 2006 (PPA). These rules produce smoothed values that reflect the underlying market value of plan assets but fluctuate less than the market value. As a result, the actuarial value of assets will be lower than the market value in some years and greater in other years. However, over the long term under PPA's smoothing rules, the method has a bias to produce an actuarial value of assets that is below the market value of assets.</p>

Funding policy

The funding policy of the Plan is to contribute an amount each year that is at least equal to the minimum required contribution under federal law and that is tax-deductible under the Internal Revenue Code.

Benefits not valued

All benefits described in the Plan Provisions section of this report were valued based on discussions with The Boeing Company regarding the likelihood that these benefits will be paid. Towers Watson has reviewed the plan provisions with The Boeing Company and, based on that review, is not aware of any significant benefits required to be valued that were not.

Data Sources

Towers Watson used asset data supplied by The Boeing Company. The Boeing Company, through its third-party administrator, furnished participant data as of January 1, 2013. The Boeing Company furnished the dates and amounts of the plan contributions. Data were reviewed for reasonableness and consistency, but no audit was performed. Assumptions or estimates were made by The Boeing Company and Towers Watson when data were not available. We are not aware of any errors or omissions in the data that would have a significant effect on the results of our calculations. The following adjustments were made to the data for this report:

- Data received from the record keeper was supplemented with prior record keeper (Fidelity) data pertaining to the withdrawal of employee contribution amounts for active records.
- Estimated benefits for active transfer participants are based on pay rate rather than actual earnings history at transfer, as complete data for these participants is not available.
- Vested terminated participants with missing benefit amounts are assumed to get the average benefit for vested terms with a benefit other than return of contributions. As of January 1, 2013, the average benefit at age 65 was \$4,066 per year, for contributory participants and \$2,930 per year for non-contributory participants. There were 4 contributory and 7 non-contributory vested terms with missing benefit amounts assigned these averages.
- For male participants currently in payout status with a joint and survivor benefit, the spouse is assumed to be three years younger. For female participants currently in payout status with a joint and survivor benefit, the spouse is assumed to be three years older. Same age difference assumption was used for surviving beneficiaries currently in payment status based on deceased participant's birth date. This assumption was made since the birth date for most of the beneficiaries is not currently available. Actual beneficiary date of birth is used when available.

SCHEDULE SB (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Single-Employer Defined Benefit Plan Actuarial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500 or 5500-SF.	OMB No. 1210-0110 2013 This Form is Open to Public Inspection
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For calendar plan year 2013 or fiscal plan year beginning 01/01/2013 and ending 12/31/2013

► **Round off amounts to nearest dollar.**
 ► **Caution:** A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan <u>BSS Retirement Plan for Bargained Employees</u>	B Three-digit plan number (PN) ► <u>061</u>
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF <u>The Boeing Co. and Consolidated Subsidiaries</u>	D Employer Identification Number (EIN) <u>91-0425694</u>
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500	

Part I Basic Information			
1 Enter the valuation date: Month <u>1</u> Day <u>1</u> Year <u>2013</u>			
2 Assets:			
a Market value	2a		289,528,575
b Actuarial value	2b		279,217,704
3 Funding target/participant count breakdown:		(1) Number of participants	(2) Funding Target
a For retired participants and beneficiaries receiving payment	3a	619	76,410,601
b For terminated vested participants	3b	696	19,232,938
c For active participants:			
(1) Non-vested benefits	3c(1)		40,782,365
(2) Vested benefits	3c(2)		126,569,239
(3) Total active	3c(3)	930	167,351,604
d Total	3d	2,245	262,995,143
4 If the plan is in at-risk status, check the box and complete lines (a) and (b). ☐			
a Funding target disregarding prescribed at-risk assumptions	4a		
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor	4b		
5 Effective interest rate	5		6.36 %
6 Target normal cost	6		8,906,840

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

SIGN HERE	<u>Chris Noble</u> Signature of actuary	<u>09/24/2014</u> Date <u>14-06196</u> Most recent enrollment number <u>(206) 625-1125</u> Telephone number (including area code)
	<u>Chris Noble</u> Type or print name of actuary <u>Towers Watson Delaware Inc.</u> Firm name <u>600 UNIVERSITY STREET, SUITE 3100</u> <u>Seattle</u> <u>WA 98101-1176</u> Address of the firm	

Part V Assumptions Used to Determine Funding Target and Target Normal Cost

21 Discount rate:				
a Segment rates:	1st segment: 4.94 %	2nd segment: 6.15 %	3rd segment: 6.76 %	☐ N/A, full yield curve used
b Applicable month (enter code).....				21b 4
22 Weighted average retirement age				22 59
23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute				

Part VI Miscellaneous Items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment.		☒ Yes ☐ No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment.		☐ Yes ☒ No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment.		☒ Yes ☐ No
27 If the plan is subject to alternative funding rules, enter applicable code and see instructions regarding attachment.....	27	

Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years

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

Part VIII Minimum Required Contribution For Current Year

31 Target normal cost and excess assets (see instructions):			
a Target normal cost (line 6)		31a	8,906,840
b Excess assets, if applicable, but not greater than line 31a		31b	0
32 Amortization installments:		Outstanding Balance	Installment
a Net shortfall amortization installment.....		0	0
b Waiver amortization installment		0	0
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount		33	
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33) ..		34	8,906,840
	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement.....	9,040,956	0	9,040,956
36 Additional cash requirement (line 34 minus line 35).....		36	0
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c).....		37	7,221,181
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)		38a	7,221,181
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances		38b	0
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)		39	0
40 Unpaid minimum required contributions for all years		40	0

Part IX Pension Funding Relief Under Pension Relief Act of 2010 (See Instructions)

41 If an election was made to use PRA 2010 funding relief for this plan:			
a Schedule elected ☐ 2 plus 7 years ☐ 15 years			
b Eligible plan year(s) for which the election in line 41a was made ☐ 2008 ☐ 2009 ☐ 2010 ☐ 2011			
42 Amount of acceleration adjustment		42	
43 Excess installment acceleration amount to be carried over to future plan years		43	

Statement by Enrolled Actuary

Plan Sponsor	The Boeing Company and Consolidated Subsidiaries
EIN/PN	91-0425694/061
Plan Name	BSS Retirement Plan for Bargained Employees
Valuation Date	January 1, 2013
Enrolled Actuary	Chris Noble
Enrollment Number	14-06196

The actuarial assumptions that are not mandated by IRC § 430 and regulations, represent the enrolled actuary's best estimate of anticipated experience under the plan, subject to the following conditions:

The actuarial valuation, on which the information in this Schedule SB is based, has been prepared in reliance upon the employee and financial data furnished by the plan administrator and The Boeing Company. The enrolled actuary has not made a rigorous check of the accuracy of this information but has accepted it after reviewing it and concluding it is reasonable in relation to similar information furnished in previous years. The amounts of contributions and dates paid shown in Item 18 of Schedule SB were listed in reliance on information provided by The Boeing Company.

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

See Schedule SB, Part V – Statement of Actuarial Assumptions and Methods attachment for retirement rates. The average retirement age for Line 22 was calculated by determining the average age at retirement for those current active participants expected to reach retirement, based on all current decrements assumed.

Age	Combined Rate of Retirement*	Number of Retirements	Number of Remaining Participants**	Weighted Average Age
			100,000	
55	23%	23,000	77,000	1,265,000
56	13%	10,010	66,990	560,560
57	12%	8,039	58,951	458,212
58	12%	7,074	51,877	410,300
59	12%	6,225	45,652	367,290
60	14%	6,391	39,261	383,475
61	11%	4,319	34,942	263,438
62	33%	11,531	23,411	714,911
63	23%	5,385	18,027	339,226
64	23%	4,146	13,880	265,350
65	63%	8,745	5,136	568,403
66	26%	1,335	3,800	88,130
67	26%	988	2,812	66,204
68	25%	703	2,109	47,810
69	99%	2,088	21	144,083
70	100%	21	-	1,476

Weighted Average Age**59.439**

* Combined rates for contributory and noncontributory plan participants

** Assuming 100,000 participants

BSS Retirement Plan for Bargained Employees

EIN: 91-0425694

PN: 061

Schedule SB, Line 18c — Employee Contributions Paid for the 2013 Plan Year

Schedule SB, Line 18c – Employee Contributions Paid for the 2013 Plan Year

The following schedule of employee contributions reflects actual dates and contributions. Due to limited space, line 18c of the 2013 Schedule SB for BSS Retirement Plan for Bargained Employees shows the total employee contributions for the 2013 plan year at July 1, 2013

Date (MM/DD/YYYY)	Amount paid by employees
01/15/2013	77,121
02/15/2013	49,685
03/15/2013	50,318
04/15/2013	49,089
05/15/2013	74,836
06/15/2013	50,028
07/15/2013	48,924
08/15/2013	44,805
09/15/2013	48,782
10/15/2013	46,925
11/15/2013	71,244
12/15/2013	22,204
	633,961

TOWERS WATSON 

Schedule SB, Part V - Summary of Plan Provisions

Plan Provisions

Plan Sponsor	The Boeing Company
EIN/PIN	91-0425694/061
Plan	BSS Retirement Plan for Bargained Employees
Effective Date and Most Recent Amendment	<p>The Plan was established October 6, 2000 (the Closing Date) upon the acquisition of Hughes Space and Communications Company, Hughes Electron Dynamics, Inc., and Spectrolab, Inc., from Hughes Electronics Corporation.</p> <p>The Plan was last amended on December 31, 2012 (Amendment No. 20)</p>
Plan Year	January 1 through December 31.
Coverage and Participation	<p>A U.S. Employee on the payroll of the Company who is represented by a collective bargaining agent if the terms of the collective bargaining agreement covering such Employee specifically provide for coverage under the Plan. An Employee covered by any other defined benefit plan maintained by a member of the Controlled Group is not eligible to participate in this Plan.</p> <p>With respect to any Employee subject to a participating collective bargaining agreement, if as of the specified Election Date the participant did not elect to participate in the non-contributory benefit structure, they shall remain a participant in the contributory benefit structure. Subsequent to the appropriate Election Dates, after 1,000 hours of service in 12 months, the Employee participates in the non-contributory benefit structure unless a specific employee election was made to participate in the Contributory Plan.</p>

Benefit Accrual Service

Contributory Benefit Structure

Months of service when Employee contributions were made by the participant, or as a participant in the Income Insurance Plan.

Non-Contributory Benefit Structure

Months of service while not participating in contributory structure and while employed by the Company plus applicable service while employed by appropriate Hughes divisions prior to the Effective Date.

No Employee will have any Benefit Accrual Service attributable to employment with the Boeing Controlled Group for any period before the Closing Date. No Employee will have any Benefit Accrual Service attributable to employment with the Hughes Controlled Group for any period on or after the Effective Date.

Total Accrued Service

Benefit Accrual Service in this Plan, plus the appropriate Benefit Accrual Service pursuant to the Boeing Satellite Systems Retirement Plan.

Continuous Service

Current period of employment with the Boeing Controlled Group including Military Service, but excluding other periods of unpaid absence.

Compensation

Contributory Benefit Structure

Regular base pay, shift differential pay, Company sick leave or paid time off, payments of state unemployment compensation for disability while receiving Company sick leave pay, payments of workers' compensation for disability while receiving Company sick leave pay or paid time off, payment for overtime hours, paid time off actually taken, holiday, bereavement, personal leave, jury duty, military training pay when such payments are made by the Company (or paid by a governmental agency and used as an offset by the Company), sea duty premium, hazard area premium, domestic field allowances, flight pay, compensable travel pay, capture and detention pay, foreign service premiums (including mobility allowances), working leader bonuses, sales commissions or bonuses, cost of living allowances, amounts paid prior to a Separation from Service but before the Closing Date under the Hughes Result Sharing Plan, and amounts deferred by a Participant which are contributed by the Company under a cash or deferred arrangement under Section 401(k) of the Code and amounts deferred by a Participant to the flexible spending account in a Company cafeteria plan under Section 125 of the Code.

Non-Contributory Benefit Structure

Regular base pay, Company sick leave or paid time off, payments of state unemployment compensation for disability while receiving Company sick leave pay, lead person and shift differentials, payments of workers' compensation for disability while receiving Company sick leave pay, payment for overtime hours, paid time off actually taken, and holiday, bereavement or personal leave pay, sales commissions or bonuses, jury duty, military training pay when such payments are made by the Company (or paid by a governmental agency and used as an offset by the Company), amounts paid prior to a Separation from Service but before the Closing Date under the Hughes Result Sharing Plan, and amounts deferred by a Participant which are contributed by the Company under a cash or deferred arrangement under Section 401(k) of the Code and amounts deferred by a Participant to a flexible spending account in a Company cafeteria plan under Section 125 of the Code.

Final Average Compensation/Salary

Average monthly Compensation for five highest years out of the final 10 years while an Eligible Employee. For purposes of determining Final Average Monthly Compensation before the Closing Date, in the event a Participant transferred employment to a member of the Hughes Controlled Group that was not a Company, and if a reciprocal arrangement existed between the Company and such member, then such member was treated as a Participant for purposes of determining Final Average Monthly Compensation unless doing so produced a smaller benefit for the Participant under the Plan than otherwise.

As of January 1, 2002, the IRC Section 401(a)(17) limit of \$200,000 was applied retroactively for all compensation earned prior to January 1, 2002 for active participants only. Participants who left active status prior to January 1, 2002 are not eligible for this amendment. Before the amendment, all compensation earned prior to January 1, 2002 was limited to the historical IRC Section 401(a)(17) limit for the applicable plan year.

Compensation earned for each 12-month period beginning January 1, 2002 and later will be subject to the annual IRC Section 401(a)(17) limit adjusted for cost-of-living increases.

Compensation for Career Average Benefit

For purposes of calculating this benefit, compensation earned for each 12-month period will be subject to the compensation limit of IRC Section 401(a)(17) in effect for each plan year. The retroactive pay cap limit as of January 1, 2002 described on the prior page does not apply for this purpose.

Social Security Primary Insurance Amount	<p>Monthly primary insurance amount of old age insurance benefit payable on Normal Retirement Date under the federal Social Security Act as in effect on the date of Separation from Service.</p> <p>The actual compensation paid to the participant by the Company during the last 10 years of service of the Participant for the Company are used in determining the Participant's projected Primary Insurance Amount. Assumed prior compensation starting at age 21 is determined by regressing compensation as of the determination date at 6% per annum.</p>
Social Security Covered Compensation	<p>Monthly average of the Social Security wage bases during the 35 calendar years ending with the calendar year before the year in which the employee reaches Social Security retirement age, assuming no change in the wage base after the calendar year of determination, adjusted for each Plan year.</p>
Cost of Living Adjustment (COLA) Eligibility	<p>Participants in the contributory benefit structure are eligible for COLA if separated from active service at age 55 or later, or on account of layoff at age 50 or later with at least 15 years of Continuous Service and at least 70 years of age plus Continuous Service.</p> <p>Contributory Benefit Structure</p> <p>Annual cost of living adjustments for benefits in payment from .96 up to 1.04 based on the annual change in CPI-U, as of the September before the applicable calendar year.</p> <p>Non-Contributory Benefit Structure</p> <p>None.</p>
Employee Contributions	<p>Contributory Benefit Structure</p> <p>An active Participant contributes 3.00% of Compensation earned in a Plan Year.</p> <p>Non-Contributory Benefit Structure</p> <p>None.</p>
Normal Retirement Date	<p>First day of the month coincident with or next following the date on which the Participant reaches age 65.</p>

Early Retirement Eligibility

Regular

Any day after the Participant reaches age 55 and completes five years of vesting service, but before Normal Retirement Age.

Rule of 75 (Contributory benefit structure only).

Any day after the Participant separates from active service at age 55 or later and completes the sum of 75 years of age and Continuous Service.

50/15 (Contributory benefit structure only).

If the Participant was laid-off after January 1, 1991, any day after the Participant reaches age 50, completes 15 years of Continuous Service, is within five years of fulfilling the Rule of 75, and executes an Agreement to Arbitrate Claims.

62/10 (Non-contributory benefit structure only).

Any day after the Participant separates from active service at age 62 or later and completes 10 years of Continuous Service.

Late Retirement

Any day after the Participant reaches Normal Retirement Age.

Disability Retirement

None.

Vesting Date

The earlier of five years of vesting service and age 65 for accrued benefit derived from company contributions. Accrued benefit derived from Employee Contributions is non-forfeitable. Employees other than acquired Hughes Participants will have no years of vesting service attributable to any period before the Closing Date.

Normal Retirement Benefit

Contributory Benefit Structure

Greatest of the following, including COLA if applicable:

i. Final Average Monthly Compensation Benefit:

- a. $1\frac{3}{4}\%$ of Final Average Earnings per year of Benefit Accrual Service, less
- b. Social Security Primary Insurance Amount at the Normal Retirement age times a factor of: $1\frac{1}{2}\%$ of Total Accrued Service (up to $33\frac{1}{3}$ years), times the ratio of Benefit Accrual Service over Total Accrued Service. For retirements prior to age 62, the factor is not greater than

Age at Separation	Maximum Factor
55	.37
56	.39
57	.42
58	.44
59	.47
60	.49
61	.50

ii. Career Average Benefit:

- a. $\frac{1}{24}$ of total Employee Contributions through December 1, 1985 (net of unrepaid withdrawals), plus
- b. Accrued Benefit as of December 31, 1975 less $\frac{1}{24}$ th of Employee Contributions as of December 31, 1975, plus
- c. $\frac{1}{12}$ th of [1% of first \$3,600 of annual pay plus 2% of annual pay over \$3,600] for all Benefit Accrual Service years after 1985.

iii. Minimum Benefit:

$\$13 + \frac{1}{2}\%$ of Final Average Earnings, per year of Benefit Accrual Service.

iv. Equivalent Mandatory Contributions:

Actuarial equivalent of mandatory Employee Contributions with interest.

Non-Contributory Benefit Structure

Monthly benefit equal to i. plus ii. less iii., reduced per Early Retirement reductions if actual retirement is before Normal Retirement Age:

i. $1\frac{1}{2}\%$ of Final Average Earnings per year of

Benefit Accrual Service included in the first 35 years of Total Accrual Service, *plus*

- ii. $\frac{1}{2}\%$ of Final Average Earnings per year of Benefit Accrual Service included in the Total Benefit Accrual Service in excess of 35 years, *less*
- iii. 0.6% of Final Average Earnings not in excess of Social Security Covered Compensation per year of Benefit Accrual Service included in the first 35 years of Total Accrual Service.

Regular Early Retirement Benefit

Benefit payable at retirement is the greater of:

Vested accrued benefit determined as for Normal Retirement, based on credited service to Early Retirement Date with a reduction equal to 6.00% for each year (and a proportional reduction for partial years) that the participant's Early Retirement Date precedes age 65.

Vested accrued benefit as of April 30, 2003 (to the extent such accrued benefit is vested upon the participant's separation from service), actuarially reduced from age 65 to the retirement date using an interest rate of 4.00% and the 1971 Group Annuity Mortality Table blended 80% males and 20% females.

50/15 Early Retirement Benefit applicable for post-1990 layoffs only (Contributory)

Benefit determined as for Normal Retirement, based on credited service to Early Retirement Date, payable immediately, with reduction of $1\frac{1}{2}\%$ for each month from the date benefits commence to age when they would have fulfilled the Rule of 75, but no less than Actuarial Equivalent.

62/10 Early Retirement Benefit (Non-contributory benefit structure only)

Benefit determined as for Normal Retirement, based on credited service to Early Retirement Date, payable immediately without reduction as long as the Participant has reached age 62.

Rule of 75 Early Retirement Benefit (Contributory)

Benefit determined as for Normal Retirement, based on credited service to Early Retirement Date, payable immediately without reduction.

Late Retirement Benefit

Contributory Benefit Structure

Benefit determined as for Normal Retirement, based on Participant's credited service to actual retirement date with an actuarial equivalent adjustment for the accrued benefit derived from participant contributions.

Non-Contributory Benefit Structure

Normal Retirement Benefit payable immediately with Benefit Accrual Service, Social Security Covered Compensation and Final Average Compensation determined as of the Late Retirement Date.

Termination Benefit

On termination of employment after five years of vesting service, a Participant is entitled to a deferred vested benefit determined as for Normal Retirement, based on credited service to date of termination. The deferred vested benefit is payable without reduction beginning at age 65, or at any time after age 55 based on the plan provisions for Early Retirement.

Pre-Retirement

Contributory Benefit Structure

Death Benefit

- i. If not vested, a lump sum of the Employee Contributions Account is paid to the beneficiary.
- ii. If vested, but not age 55, the surviving spouse of a married Participant is entitled to a choice of a lifetime benefit of 50% Survivor Annuity, without COLA, or a lump sum of the Participant Contributions Account and 50% Survivor Annuity of Employer paid benefit, without COLA. Payments commence on the first day of the month following death or, if later, the earliest date on which the Participant would have been eligible to retire based on service at death.
- iii. If a vested former Participant dies after age 55, the surviving spouse is entitled to a choice of lifetime benefit of 100% Survivor Annuity, without COLA, or a lump sum of the Employee Contributions Account and actuarial equivalent of Employer paid benefit, without COLA.

Non-Contributory Benefit Structure

The surviving spouse of a married vested Participant is entitled to a lifetime benefit of a 50% Survivor Annuity, payable at what would have been the Participant's Early Retirement Date.

Death Benefits While
Eligible for Retirement

Contributory Benefit Structure

If a Participant dies while active and eligible for retirement, the surviving spouse may choose:

- i. 100% Survivor Annuity that would have been paid to the Participant if retired on the day before death, including COLA (aggregate payments not less than Participant Contributions Account); or
- ii. Lump sum of the Employee Contributions Account, and actuarial equivalent of Employer paid benefit, including COLA.

The Surviving Spouse Death Benefit is the remaining amount in the Employee's Contribution Account.

Non-Contributory Benefit Structure

The surviving spouse receives an immediate 100% Survivor Annuity that would have been paid to the Participant if retired on the day before death.

Normal Form of Payment	Single Life Annuity for unmarried participants, and 50% Joint and Survivor Annuity for married participants.
Optional Forms of Payment	<p>Contributory Benefit Structure</p> <ul style="list-style-type: none">i. Single Life Annuityii. Joint and Survivor Annuity of 50%, 66-2/3%, 75% or 100%iii. Certain and Continuous Annuity of 5, 10 or 15 yearsiv. Certain Only Annuity of 5, 10 or 15 yearsv. Temporary Modified Cash Refund Annuity of 5, 10 or 15 years (TMCR)vi. Accelerated Income Option, available in conjunction with the Single Life Annuity, Joint and Survivor Annuity, or Certain and Continuous Annuity of 10 years <p>Non-Contributory Benefit Structure</p> <ul style="list-style-type: none">i. Single Life Annuityii. Joint and Survivor Annuity of 50%, 75% or 100%iii. Certain and Continuous Annuity of 10 yearsiv. Certain Only Annuity of 10 or 15 years
Actuarial Equivalence for Annuity Conversion	Certain only annuities and TMCR are actuarially equivalent using interest equal to 30-year Treasury yields from August or October preceding the plan year, whichever is lower, and GAR-94 mortality. Other optional forms of payment are generally determined using actuarial equivalence with 6% interest and RP-2000 mortality projected to 2015 with Scale AA, blended 50/50 male/female, or simplified factors if greater. Actuarial equivalence reflects 4% annual assumed COLA for COLA eligible benefits. Optional forms to which 417(e) apply are not less than the amount using 417(e) minimum conversions with Applicable Interest Rates from August or October preceding the plan year, whichever produces a greater benefit. Other factors apply in limited cases.
Other Plan Benefits	Special heritage benefit provisions apply to former employees of General Dynamics Corporation, PanAmSat, HE Holdings (or its subsidiaries) and various other entities formerly associated with Hughes, and to certain participants transferred to General Dynamics Corporation or Hughes Missile Systems Company, or employed by Delphi Automotive Systems. These provisions are not valued in this report, since only a limited number of participants are eligible and their impact has been deemed immaterial.

Changes in Plan Provisions since Prior Valuation

These plan provisions reflect all amendments through May 22, 2013 to the BSS Retirement Plan for Bargained Employees, (Amendment 20).

The pay and dollar limits were adjusted in accordance with legislative changes effective for 2013 as follows:

- The IRC Section 401(a)(17) pay limit increased to \$255,000 for the 2013 plan year.
- The IRC Section 415 dollar limit increased to \$205,000 for the 2013 plan year.

There have been no other changes in Plan provisions since the prior valuation. Changes to comply with Regulations under IRC section 436 are pending but will have no impact on plan benefit obligations.

Schedule SB, line 24 – Change in Actuarial Assumptions

The assumed pay load factor was updated to 18% from 15% in the prior year to better reflect plan experience and future expectations.