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).

▶ **Complete all entries in accordance with the instructions to the Form 5500.**

OMB Nos. 1210-0110
1210-0089

2013

This Form is Open to Public Inspection

Part I Annual Report Identification Information

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

A This return/report is for:
- [ ] a multiemployer plan;
- [ ] a multiple-employer plan; or
- [X] a single-employer plan;
- [ ] a DFE (specify) ____

B This return/report is:
- [ ] the first return/report;
- [ ] the final return/report;
- [ ] an amended return/report;
- [ ] a short plan year return/report (less than 12 months).

C If the plan is a collectively-bargained plan, check here. . . . . ▶ [X]

D Check box if filing under:
- [X] Form 5558;
- [ ] automatic extension;
- [ ] the DFVC program;
- [ ] special extension (enter description)

Part II Basic Plan Information—enter all requested information

1a Name of plan
LOCKHEED MARTIN MISSILES AND FIRE CONTROL DALLAS HOURLY RETIREMENT PLAN

1b Three-digit plan number (PN) ▶ 039

1c Effective date of plan 01/01/1993

2a Plan sponsor's name and address; include room or suite number (employer, if for a single-employer plan)

LOCKHEED MARTIN CORPORATION

6801 ROCKLEDGE DRIVE, CCT-115
BETHESDA, MD 20817

2b Employer Identification Number (EIN)
52-1893632

2c Sponsor's telephone number
301-548-2384

2d Business code (see instructions)
339900

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

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

SIGN HERE	Filed with authorized/valid electronic signature.	10/14/2014	DONALD REMSCH
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	10/14/2014	DONALD REMSCH
	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 [X] Same as Plan Sponsor Name [ ] Same as Plan Sponsor Address

3b Administrator's EIN

3c Administrator's telephone number

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**	836
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**	228
b	Retired or separated participants receiving benefits	**6b**	243
c	Other retired or separated participants entitled to future benefits	**6c**	312
d	Subtotal. Add lines **6a**, **6b**, and **6c**	**6d**	783
e	Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.	**6e**	55
f	Total. Add lines **6d** and **6e**.	**6f**	838
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**	2
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:
1B 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)	[X]	Trust
(4)	[ ]	General assets of the sponsor

9b Plan benefit arrangement (check all that apply)

(1)	[ ]	Insurance
(2)	[ ]	Code section 412(e)(3) insurance contracts
(3)	[X]	Trust
(4)	[ ]	General assets of the sponsor

10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules

(1)	[X]	**R** (Retirement Plan Information)
(2)	[ ]	**MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
(3)	[X]	**SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary

b General Schedules

(1)	[X]	**H** (Financial Information)
(2)	[ ]	**I** (Financial Information – Small Plan)
(3)	[ ]	**A** (Insurance Information)
(4)	[ ]	**C** (Service Provider Information)
(5)	[X]	**D** (DFE/Participating Plan Information)
(6)	[ ]	**G** (Financial Transaction Schedules)

SCHEDULE SB (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Single-Employer Defined Benefit Plan Actuarial Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500 or 5500-SF.**

OMB No. 1210-0110

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

▶ **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
LOCKHEED MARTIN MISSILES AND FIRE CONTROL DALLAS HOURLY RETIREMENT PLAN

B Three-digit plan number (PN) ▶ 039

C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF
LOCKHEED MARTIN CORPORATION

D Employer Identification Number (EIN)
52-1893632

E Type of plan: [X] Single [ ] Multiple-A [ ] Multiple-B

F Prior year plan size: [ ] 100 or fewer [ ] 101-500 [X] More than 500

Part I Basic Information

1	Enter the valuation date: Month _____ Day _____ Year _____			
2	Assets:			
	a Market value	**2a**		63112510
	b Actuarial value	**2b**		63185027
3	Funding target/participant count breakdown:		**(1)** Number of participants	**(2)** Funding Target
	a For retired participants and beneficiaries receiving payment	**3a**	281	28097740
	b For terminated vested participants	**3b**	315	8455153
	c For active participants:			
	(1) Non-vested benefits	**3c(1)**		2575184
	(2) Vested benefits	**3c(2)**		19048811
	(3) Total active	**3c(3)**	240	21623995
	d Total	**3d**	836	58176888
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**		6.30 %
6	Target normal cost	**6**		1175300

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

09/22/2014
Signature of actuary — Date

THOMAS S. STAUFFER — 14-06384
Type or print name of actuary — Most recent enrollment number

AON CONSULTING, INC. — 410-547-2800
Firm name — Telephone number (including area code)

500 EAST PRATT ST.
BALTIMORE, MD 21202
Address of the firm

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

Part II Beginning of Year Carryover and Prefunding Balances

		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	4197535	585658
8	Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	2076031	0
9	Amount remaining (line 7 minus line 8)	2121504	585658
10	Interest on line 9 using prior year's actual return of 7.90 %	167599	46267
11	Prior year's excess contributions to be added to prefunding balance:		
	a Present value of excess contributions (line 38a from prior year)		5735051
	b Interest on (a) using prior year's effective interest rate of 7.00 % except as otherwise provided (see instructions)		420137
	c Total available at beginning of current plan year to add to prefunding balance		6155188
	d Portion of (c) to be added to prefunding balance		6155188
12	Other reductions in balances due to elections or deemed elections	0	0
13	Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	2289103	6787113

Part III Funding Percentages

14	Funding target attainment percentage	14	93.00 %
15	Adjusted funding target attainment percentage	15	108.60 %
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	103.27 %
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
12/20/2013	2000000				
04/15/2014	1600000				
07/15/2014	800000				
			Totals ► 18(b)	4400000	18(c) 0

19	Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:		
	a Contributions allocated toward unpaid minimum required contributions from prior years.	19a	0
	b Contributions made to avoid restrictions adjusted to valuation date	19b	0
	c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	4092868

20 Quarterly contributions and liquidity shortfalls:

a Did the plan have a "funding shortfall" for the prior year? [X] Yes [ ] No

b If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner? [X] 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	(4) 4th
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**	62

23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute

Part VI Miscellaneous Items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment			☒ Yes ☐ No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment			☐ Yes ☒ No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment			☒ Yes ☐ No
27 If the plan is 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**	1175300
b Excess assets, if applicable, but not greater than line 31a	**31b**	0

32 Amortization installments:

	Outstanding Balance	Installment
a Net shortfall amortization installment	4068077	1078598
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**	2253898

	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement	1472561	0	1472561

36 Additional cash requirement (line 34 minus line 35)	**36**	781337
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	**37**	4092868

38 Present value of excess contributions for current year (see instructions)

a Total (excess, if any, of line 37 over line 36)	**38a**	3311531
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	**38b**	1472561
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 D (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

DFE/Participating Plan Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

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
LOCKHEED MARTIN MISSILES AND FIRE CONTROL DALLAS HOURLY RETIREMENT PLAN

B Three-digit plan number (PN) ▶ 039

C Plan or DFE sponsor's name as shown on line 2a of Form 5500
LOCKHEED MARTIN CORPORATION

D Employer Identification Number (EIN)
52-1893632

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: L.M. CORP. MASTER RETIREMENT TRUST

b Name of sponsor of entity listed in (a): NORTHERN TRUST

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)
22-3546821-001	M	66304311

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

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

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

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

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

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

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

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

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

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

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

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

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

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

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

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

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

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

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

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

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

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

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

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

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

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

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

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

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

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

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

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

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

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

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

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

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

SCHEDULE H (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Financial Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

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
LOCKHEED MARTIN MISSILES AND FIRE CONTROL DALLAS HOURLY RETIREMENT PLAN

B Three-digit plan number (PN) ▶ 039

C Plan sponsor's name as shown on line 2a of Form 5500
LOCKHEED MARTIN CORPORATION

D Employer Identification Number (EIN)
52-1893632

Part I Asset and Liability Statement

1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	3000000	2400000
(2) Participant contributions	1b(2)		
(3) Other	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)		
(2) U.S. Government securities	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)		
(9) Value of interest in common/collective trusts	1c(9)		
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)	60203940	66304311
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)		
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		
(15) Other	1c(15)		

		(a) Beginning of Year	(b) End of Year
1d Employer-related investments:			
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	63203940	68704311
Liabilities			
g Benefit claims payable	1g		
h Operating payables	1h	58735	53166
i Acquisition indebtedness	1i		
j Other liabilities	1j		
k Total liabilities (add all amounts in lines 1g through1j)	1k	58735	53166
Net Assets			
l Net assets (subtract line 1k from line 1f)	1l	63145205	68651145

Part II Income and Expense Statement

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

Income		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: **(A)** Employers	2a(1)(A)	4400000	
(B) Participants	2a(1)(B)		
(C) Others (including rollovers)	2a(1)(C)		
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)**	2a(3)		4400000
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)		
(F) Other	2b(1)(F)		
(G) Total interest. Add lines **2b(1)(A)** through **(F)**	2b(1)(G)		0
(2) Dividends: **(A)** Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)		
(D) Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)**	2b(2)(D)		0
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: **(A)** Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line **2b(4)(B)** from line **2b(4)(A)** and enter result	2b(4)(C)		0
(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)		3943754
(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		8343754
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	2784648	
(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)		2784648
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)	13224	
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)	20033	
(4) Other	2i(4)	19909	
(5) Total administrative expenses. Add lines **2i(1)** through **(4)**	2i(5)		53166
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		2837814
Net Income and Reconciliation			
k Net income (loss). Subtract line **2j** from line **2d**	2k		5505940
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)** [X] Disclaimer **(4)** [ ] Adverse

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)? [X] Yes [ ] No

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

(1) Name: MITCHELL & TITUS, LLP **(2)** EIN: 13-2781641

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:

		Yes	No	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.)	4a		X	
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)	4b		X	

			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	
e	Was this plan covered by a fidelity bond?	4e	X		100000000
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			
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.

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

A Name of plan
LOCKHEED MARTIN MISSILES AND FIRE CONTROL DALLAS HOURLY RETIREMENT PLAN

B Three-digit plan number (PN) ▶ 039

C Plan sponsor's name as shown on line 2a of Form 5500
LOCKHEED MARTIN CORPORATION

D Employer Identification Number (EIN)
52-1893632

Part I Distributions

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

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions **1** 0

2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits):

EIN(s): 22-3810641

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** 4

Part II Funding Information (If the plan is not subject to the minimum funding requirements of section of 412 of the Internal Revenue Code or ERISA section 302, skip this Part)

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? ..... ☐ **Yes** ☒ **No** ☐ **N/A**

If the plan is a defined benefit plan, go to line 8.

5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. **Date:** Month _____ Day _____ Year _____

If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.

6 **a** Enter the minimum required contribution for this plan year (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

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**

Part IV ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.

10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan? ..... ☐ **Yes** ☐ **No**

11 **a** Does the ESOP hold any preferred stock? ..... ☐ **Yes** ☐ **No**

b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.) ..... ☐ **Yes** ☐ **No**

12 Does the ESOP hold any stock that is not readily tradable on an established securities market? ..... ☐ **Yes** ☐ **No**

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

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

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

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

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete 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: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%

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

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

Lockheed Martin Missiles and Fire Control—Dallas Hourly Retirement Plan

Financial Statements as of December 31, 2013 and 2012,
and for the Year Ended December 31, 2013, with Report of Independent Auditors

Lockheed Martin Missiles and Fire Control—Dallas Hourly Retirement Plan

Financial Statements

Year ended December 31, 2013

Table of Contents

Report of Independent Auditors	1
Financial Statements:	
Statements of Net Assets Available for Benefits as of December 31, 2013 and 2012	3
Statement of Changes in Net Assets Available for Benefits for the Year Ended December 31, 2013	4
Notes to Financial Statements	5

Mitchell
&Titus

Mitchell & Titus, LLP
1101 New York Avenue, NW
Washington, DC 20005

Tel: +1 202 293 7500
Fax: +1 202 465 3149
mitchelltitus.com

REPORT OF INDEPENDENT AUDITORS

Plan Administrator
Lockheed Martin Missiles and Fire Control – Dallas Hourly Retirement Plan

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of Lockheed Martin Missiles and Fire Control – Dallas Hourly Retirement Plan, which comprise the statements of net assets available for benefits as of December 31, 2013 and 2012, and the related statement of changes in net assets available for benefits for the year ended December 31, 2013, 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 conformity with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on conducting the audits in accordance with auditing standards generally accepted in the United States. Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the certified investment information described in Note 5, except for comparing such information with the related information included in the financial statements. We have been informed by the plan administrator that the entity that certified the investment information meets the requirements of 29 CFR 2520.103-8. The plan administrator has obtained certifications as of December 31, 2013 and 2012, and for the year ended December 31, 2013, stating that the investment information provided to the plan administrator is complete and accurate.

Disclaimer of Opinion on Financial Statements

Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on these financial statements.

Mitchell
&Titus

Report on Compliance of Form and Content with Department of Labor's Rules and Regulations

The form and content of the information included in the financial statements, other than that derived from the certified investment information, have been audited by us in accordance with auditing standards generally accepted in the United States and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Mitchell & Titus, LLP

October 1, 2014

Lockheed Martin Missiles and Fire Control—Dallas Hourly Retirement Plan
Statements of Net Assets Available for Benefits
(in thousands)

	December 31, 2013	2012
Assets		
Investments:		
Interest in Master Trust	$ 66,304	$ 60,204
Employer contributions receivable	2,400	3,000
Total assets	68,704	63,204
Liabilities		
Accrued expenses	53	59
Net assets available for benefits	$ 68,651	$ 63,145

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

Lockheed Martin Missiles and Fire Control—Dallas Hourly Retirement Plan
Statement of Changes in Net Assets Available for Benefits
(in thousands)

	Year Ended December 31, 2013
Net assets available for benefits at beginning of year	$ 63,145
Additions to net assets:	
Interest in net investment gain of Master Trust	4,405
Employer contributions	4,400
Total additions	8,805
Deductions from net assets:	
Benefit payments	2,785
Administrative expenses	514
Total deductions	3,299
Change in net assets	5,506
Net assets available for benefits at end of year	$ 68,651

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

1. Description of the Plan

The following description of the Lockheed Martin Missiles and Fire Control—Dallas Hourly Retirement Plan (the Plan) provides only general information about the Plan's provisions. Participants should refer to the Plan document and Summary Plan Description for a more complete description of the Plan's provisions.

General

The Plan is a defined benefit plan covering certain collective bargaining employees of Lockheed Martin Missiles and Fire Control—Dallas, and has been amended from time to time. Lockheed Martin Corporation (the Corporation) is the Plan Sponsor and the Plan Administrator. Active participants become fully vested in the Plan upon the earlier of the completion of five years of service or attainment of age 65. Employees hired or rehired on or after October 17, 2011 are not eligible to participate in the Plan.

The assets of the Plan, excluding the "Employer contributions receivable," are held and invested on a commingled basis in the Lockheed Martin Corporation Master Retirement Trust (the Master Trust). The assets of the Master Trust are held by The Northern Trust Company (the Trustee), with the exception of certain assets that are not held under custody by the Trustee as described in Note 5.

Funding Policy

The Corporation has agreed to contribute such amounts as are necessary to satisfy the funding requirements under the Employee Retirement Income Security Act of 1974 (ERISA) and also satisfy the funding requirements for U.S. Government Cost Accounting Standards (CAS) reimbursements. Contributions by the Corporation, if any, meet the ERISA minimum funding requirements. The Corporation has the right under the Plan to discontinue such contributions at any time and/or terminate the Plan. In the event of termination, the Plan's net assets are to be used first for the payment of retirement benefits that former employees or their beneficiaries have been receiving, next for the payment of other vested benefits, and finally for the payment of nonvested benefits for the remaining participants. If the net assets are not sufficient to pay all benefits, the net assets shall be paid to the most senior categories until a category cannot be paid in full, and remaining net assets shall be allocated pro rata to all the benefits in that category and not those of lower priority. However, in the event of termination of the Plan, the Pension Benefit Guaranty Corporation (PBGC) guarantees the payment of nonforfeitable retirement benefits subject to certain limitations prescribed by ERISA.

2. Summary of Significant Accounting Policies

Basis of Accounting

The financial statements of the Plan are prepared on the accrual basis of accounting. Certain amounts in the prior year have been reclassified to conform to the current year presentation (see Note 5).

Accumulated Plan Benefits

Accumulated plan benefits are those estimated future periodic payments that are attributable under the Plan's provisions for credited service by participants from their date of eligibility to the valuation date. Accumulated plan benefits include benefits expected to be paid to (a) retired, terminated and disabled participants or their beneficiaries, and (b) present participants or their beneficiaries. Benefits for retired, terminated and disabled participants or their beneficiaries are based on each former participant's compensation during each year of credited service prior to his or her termination or retirement date. Accumulated plan benefits for active participants are based on each participant's compensation during each year of credited service preceding the valuation date. Benefits payable under all circumstances—retirement,

death, disability and termination of employment—are included to the extent they are deemed attributable to employee service prior to the valuation date.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles (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 present value of accumulated plan benefits. Actual results could differ from those estimates.

Payment of Benefits

Benefit payments to participants are recorded upon distribution.

Risks and Uncertainties

The Plan, through the Master Trust, invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, currency, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the Statements of Net Assets Available for Benefits.

Plan contributions are made and the actuarial present value of accumulated plan benefits are reported based on certain assumptions pertaining to interest rates, inflation rates and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimation and assumption processes, it is at least reasonably possible that changes in these estimates and assumptions in the near term could materially affect the amounts reported and disclosed in the financial statements.

Investment Valuation and Income Recognition

Investments in the Master Trust are reported at fair value. Fair value is the price that would have been received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 5 for discussion of fair value measurements.

Purchases and sales of securities in the Master Trust are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Gains and losses on investments bought and sold as well as held during the year are included in interest in net investment gain of Master Trust on the Statement of Changes in Net Assets Available for Benefits.

Administrative Expenses

Direct administrative expenses are paid by the Master Trust and generally allocated to the Plan proportionally based on the Plan's interest in the Master Trust's net assets or directly if specifically related to the Plan. Other indirect administrative expenses are paid by the Corporation.

Recent Accounting Pronouncements

In December 2011, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2011-11 "Disclosures about Offsetting Assets and Liabilities". ASU 2011-11, as amended by ASU 2013-01 "Balance Sheet (Topic 210): Clarifying the Scope of Disclosures about Offsetting Assets and Liabilities," requires additional disclosures that include both gross and net amounts for derivatives including bifurcated embedded derivatives, repurchase and reverse repurchase agreements, and securities borrowing and lending transactions eligible for offset in the statement of assets and liabilities or subject to an agreement similar to a master netting arrangement. In addition, ASU 2011-11, as amended

by ASU 2013-01, requires disclosure of collateral received and posted in connection with master netting agreements or similar arrangements. The new disclosures became effective for the Plan on January 1, 2013 (see Note 5).

In June 2014, the FASB issued ASU No. 2014-11, "Transfers and Servicing (Topic 860): Repurchase-to-Maturity Transactions, Repurchase Financings, and Disclosures." ASU No. 2014-11 changes the accounting for repurchase- and resale-to-maturity agreements by requiring that such agreements be recognized as financing arrangements, and requires that a transfer of a financial asset and a repurchase agreement entered into contemporaneously be accounted for separately. ASU No. 2014-11 also requires additional disclosures about certain transferred financial assets accounted for as sales and certain securities financing transactions. The accounting changes and additional disclosures are required for annual reporting periods beginning after December 15, 2014. Early adoption is not permitted. We are currently evaluating the effect the standard is expected to have on our financial statements and disclosures.

Subsequent Events

The Plan has evaluated subsequent events through October 1, 2014, the date the financial statements were available to be issued. No material subsequent events have occurred since December 31, 2013 that required recognition or disclosure in these financial statements.

3. Actuarial Present Value of Accumulated Plan Benefits

The actuarial present value of accumulated plan benefits is the amount that results from applying actuarial assumptions to the accumulated plan benefits earned by the participants to reflect the time value of money and the probability of payment between the valuation date and the expected date of payment.

The actuarial present value of accumulated plan benefits is as follows (in thousands):

	December 31, 2013	December 31, 2012
Vested benefits:		
Participants currently receiving payments	$ 29,877	$ 28,029
Participants not currently receiving payments	37,527	43,932
Total vested benefits	67,404	71,961
Nonvested benefits	3,301	3,455
Total actuarial present value of accumulated plan benefits	$ 70,705	$ 75,416

The significant actuarial assumptions used in the valuations were (a) life expectancy of participants (Prescribed Internal Revenue Service (IRS) Static Mortality Table - Separate), (b) turnover based upon the termination experience of the Plan, (c) assumed retirement age probabilities based on the experience of the Plan resulting in an average retirement age of 62, and (d) an annual discount rate of 4.75% and 4.00% for 2013 and 2012, respectively. The discount rate assumption used to calculate the actuarial present value of accumulated plan benefits is adjusted annually to reflect current yields on long-term high-quality corporate bonds. This can result in significant year to year fluctuations in the valuations.

Changes in the actuarial present value of accumulated plan benefits are as follows (in thousands):

	Year Ended December 31, 2013
Actuarial present value of accumulated plan benefits at beginning of year	$ 75,416
Increase (decrease) during the year attributable to:	
Increase for interest due to the decrease in the discount period	2,960
Benefits paid	(2,785)
Benefits accumulated	1,874

Changes in actuarial assumptions	(6,760)
Net decrease	(4,711)
Actuarial present value of accumulated plan benefits at end of year	$ 70,705

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

4. Reconciliation of Financial Statements to Form 5500

Interest in net investment gain of Master Trust reported in the financial statements is $461,000 greater than the amount reported on Form 5500 for the year ended December 31, 2013. Administrative expenses reported in the financial statements are $461,000 greater than the amount reported on Form 5500 for the year ended December 31, 2013. These differences arose from the classification of certain administrative expenses which are included in the net investment gain in the Master Trust for Form 5500 reporting purposes.

5. Master Trust

General

The Plan's investments are held by the Master Trust, which was established for the investment of the Plan's assets and the assets of several other defined benefit plans sponsored by the Corporation. The assets, realized and unrealized gains and losses, and investment income of the Master Trust are allocated among the participating plans included therein proportionally based on each plan's interest in the Master Trust's net assets. The Plan's interest in the Master Trust's net assets as of December 31, 2013 and 2012 was approximately 0.20% and 0.19%, respectively.

The Master Trust owes direct reimbursements to the Corporation for certain expenses incurred by the Corporation and its subsidiaries in providing services to the Plan.

Other than the financial information in the following table, the reported total fair value by asset class as disclosed in the fair value of assets tables including investments held as of December 31, 2013 and 2012, and net appreciation (depreciation) in fair value of investments, interest income, and dividend income for the year ended December 31, 2013, was obtained or derived from information certified as complete and accurate by The Northern Trust Company, the Trustee of the Master Trust. The following financial information was not certified by the Trustee, as the net assets are not held in custody by the Trustee (in thousands):

	December 31, 2013	2012
Assets		
Cash and cash equivalents	$ 1,295,517	$ 909,125
Equity:		
U.S. equity securities	405,785	450,505
International equity securities	150,774	39,426
Commingled equity funds	89,296	—
Fixed income:		
Corporate debt securities	662,133	397,668
U.S. Government securities	64,236	43
Other fixed income securities	169,655	48,447
Alternative investments:		

	December 31, 2013	2012
Hedge funds	46,087	149,745
Commodities	(10)	379
Total assets	2,883,473	1,995,338
Liabilities		
Payables, net	123,642	26,886
Total net assets	$ $2,759,831	$ 1,968,452

	Year Ended December 31, 2013
Investment income not certified by the custodian	
Interest and dividend income	$ 57,436
Net appreciation in fair value of investments	317,034

Fair Value of Assets

The accounting standard for fair value measurements defines fair value, establishes a market-based framework or hierarchy for measuring fair value, and requires disclosures regarding fair value measurements. The standard is applicable whenever assets and liabilities are measured and included in the financial statements at fair value.

The fair value hierarchy established in the standard prioritizes the inputs used in valuation techniques into three levels as follows:

- Level 1 – Observable inputs – quoted prices in active markets for identical assets and liabilities;
- Level 2 – Observable inputs other than the quoted prices in active markets for identical assets and liabilities – includes quoted prices for similar instruments, quoted prices for identical or similar instruments in inactive markets, and amounts derived from valuation models where all significant inputs are observable in active markets; and
- Level 3 – Unobservable inputs – includes amounts derived from valuation models where one or more significant inputs are unobservable and require development of relevant assumptions.

The following table presents the fair value of the assets in the Master Trust by asset category and their level within the fair value hierarchy as of December 31, 2013 and their appreciation (depreciation) for the year ended December 31, 2013 (in thousands):

	Level 1	Level 2	Level 3	Total	Appreciation (Depreciation)
Cash and cash equivalents	$ 1,769,454	$ —	$ —	$ 1,769,454	$ (104,293)
Equity:					
U.S. equity securities	5,105,727	97,141	110	5,202,978	1,061,282
International equity securities	4,816,834	12,399	6,851	4,836,084	662,245
Commingled equity funds	1,146,088	4,831,162	—	5,977,250	1,109,563

	Level 1	Level 2	Level 3	Total	Appreciation (Depreciation)
Fixed income:					
Corporate debt securities	—	2,941,901	51,239	2,993,140	103,481
U.S. Government securities	—	6,161,749	—	6,161,749	(1,223,527)
U.S. Government-sponsored enterprise securities	—	1,495,025	87	1,495,112	26,824
Other fixed income securities	—	1,303,514	91,190	1,394,704	(88,569)
Alternative investments:					
Private equity funds	—	—	2,629,382	2,629,382	209,701
Real estate funds	—	29,945	573,061	603,006	68,468
Hedge funds	—	46,087	518,569	564,656	127,424
Commodities	156,787	—	—	156,787	(491,612)
Total Investment Assets at Fair Value	$ 12,994,890	$ 16,918,923	$ 3,870,489	$ 33,784,302	$1,460,987
Receivables, net				31,478	
Total net assets				$ 33,815,780	

Interest and dividend income earned by the Master Trust for the year ended December 31, 2013 was $264,826,000 and $92,131,000, respectively. Other income for the year ended December 31, 2013 was $261,786,000.

The following table presents the fair value of the assets in the Master Trust by asset category and their level within the fair value hierarchy as of December 31, 2012 (in thousands):

	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 2,187,055	$ —	$ —	$ 2,187,055
Equity:				
U.S. equity securities	3,696,746	49,887	18,609	3,765,242
International equity securities	3,254,972	15,316	10,959	3,281,247
Commingled equity funds	890,915	2,969,831	—	3,860,746
Fixed income:				
Corporate debt securities	—	1,037,630	66,748	1,104,378
U.S. Government securities	—	11,536,799	—	11,536,799
U.S. Government-sponsored enterprise securities	—	239,992	—	239,992
Other fixed income securities	—	1,176,864	43,336	1,220,200
Alternative investments:				
Private equity funds	—	—	2,463,814	2,463,814
Real estate funds	—	25,780	501,312	527,092
Hedge funds	—	31,404	717,167	748,571
Commodities	712,440	(1,737)	—	710,703
Total Investment Assets at Fair Value	$ 10,742,128	$17,081,766	$3,821,945	$31,645,839
Receivables, net				97,323
Total net assets				$31,743,162

The Corporation corrected the classifications of $980,000,000 of other fixed income investments and $118,000,000 of commingled equity funds as of December 31, 2012, which were reclassified from cash and cash equivalents into their respective asset category. These reclassifications are not material as the changes do not impact the 2012 financial statements nor the total plan assets previously reported, rather just the presentation of the components of total plan assets in the table above.

The following table presents the changes in the fair value of Master Trust's Level 3 assets for the year ended December 31, 2013 (in thousands):

	Balance, beginning of year	Realized gains	Unrealized gains/ (losses)	Purchases	Sales	Settlements	Issuances	Transfers out of Level 3	Balance, end of year
Equity:									
U.S. equity securities.....	$ 18,609	$ —	$ —	$ —	$ —	$ (18,499)	$ —	$ —	$ 110
International equity securities.....	10,959	16	1,144	2,000	(2,333)	(5,054)	119	—	6,851
Fixed income:									
Corporate debt securities.....	66,748	2,186	(339)	28,773	(40,790)	(3,208)	—	(2,131)	51,239
U.S. Government-sponsored enterprise securities.....	—	—	—	—	(66)	—	153	—	87
Other fixed income securities.....	43,336	2,061	(168)	104,323	(55,287)	(3,075)	—	—	91,190
Alternative investments:									
Private equity funds.....	2,463,814	144,506	64,575	504,505	(419,767)	(128,522)	271	—	2,629,382
Real estate funds.....	501,312	42,807	22,798	187,340	(138,396)	(42,800)	—	—	573,061
Hedge funds...	717,167	20,429	19,991	124,172	(359,510)	(8,437)	4,757	—	518,569
Total	$ 3,821,945	$ 212,005	$ 108,001	$951,113	$(1,016,149)	$ (209,595)	$ 5,300	$ (2,131)	$3,870,489

Reclassifications from Level 3 to Level 2 were $2,131,000, resulting from a change of the custodian's pricing provider and subsequently the assigned fair value level. The Master Trust recognizes transfers between levels of the fair value hierarchy as of the date of the change in circumstances that causes the transfer.

Valuation Techniques

Cash equivalents are mostly comprised of short-term money-market instruments and are valued at cost, which approximates fair value.

U.S. equity securities and international equity securities categorized as Level 1 are traded on active national and international exchanges and are valued at their closing prices on the last trading day of the year. For U.S. equity securities and international equity securities not traded on an active exchange, or if the closing

price is not available, the Trustee obtains indicative quotes from a pricing vendor, broker, or investment manager. These securities are categorized as Level 2 if the custodian obtains corroborated quotes from a pricing vendor or categorized as Level 3 if the custodian obtains uncorroborated quotes from a broker or investment manager.

Commingled equity funds are investment vehicles valued using the Net Asset Value (NAV) provided by the fund managers. The NAV is the total value of the fund divided by the number of shares outstanding. Commingled equity funds are categorized as Level 1 if traded at their NAV on a nationally recognized securities exchange or categorized as Level 2 if the NAV is corroborated by observable market data (e.g., purchases or sales activity). Funds may be redeemed daily, monthly, or annually, depending upon notification requirements, liquidity, and other matters. Certain funds may require notification of management's intent to redeem at least one to 90 days in advance of exercising management's redemption right.

Corporate debt securities, U.S. government securities, U.S. Government-sponsored enterprise securities, real estate funds, and other fixed income securities categorized as Level 2 are valued by the Trustee using pricing models that use verifiable observable market data (e.g., interest rates and yield curves observable at commonly quoted intervals and credit spreads), bids provided by brokers or dealers, or quoted prices of securities with similar characteristics. Corporate debt securities, U.S. Government-sponsored enterprise securities, and other fixed income securities are categorized at Level 3 when valuations using observable inputs are unavailable. The Trustee obtains pricing based on indicative quotes or bid evaluations from vendors, brokers or the investment manager.

Private equity funds, real estate funds, and hedge funds are valued using the NAV based on the valuation models of underlying securities which generally include significant unobservable inputs that cannot be corroborated using verifiable observable market data. Valuations for private equity funds and real estate funds are determined by the general partners. Depending on the nature of the assets, the general partners may use various valuation methodologies, including the income and market approaches in their models. The market approach consists of analyzing market transactions for comparable assets while the income approach uses earnings or the net present value of estimated future cash flows adjusted for liquidity and other risk factors. Hedge funds are valued by independent administrators using various pricing sources and models based on the nature of the securities. Private equity funds, real estate funds, and hedge funds are generally categorized as Level 3 as the Corporation cannot fully redeem our investment in the near-term.

Private equity funds consist of investments in private equities that are held primarily by limited partnerships and are in various strategies, including venture capital, corporate finance, opportunistic, and distressed. The term of each private equity fund is generally 10 years, and the fund's investors do not have the right to redeem their investment at its NAV. Instead, the investors receive distributions as the underlying assets of the fund are liquidated. Unfunded capital commitments related to the Master Trust's investment in private equity funds as of December 31, 2013 and 2012 totaled $2,178,127,000 and $1,699,995,000, respectively. Real estate funds consist of investments in U.S. and international commercial real estate that are held primarily by limited partnerships. The term of each real estate fund is generally 10 years, and the fund's investors do not have the right to redeem their investment at its NAV. Instead, the investors receive distributions as the underlying assets of the fund are liquidated. Hedge fund investments are made through fund-of-funds vehicles which invest in a diversified array of hedge funds across a multitude of strategies. Depending on the hedge fund, redemptions can be monthly or annually. The redemption notice period, depending on the hedge fund, is 45 to 180 days in advance.

Commodities categorized as Level 1 are traded on an active commodity exchange and are valued at their closing prices on the last trading day of the year. Commodities categorized as Level 2 as of December 31, 2012 represent over the counter derivative instruments using observable inputs other than quoted prices in active markets.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while management believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

In estimating the fair value of the investments in Level 3, management may use third-party pricing sources or appraisers. In substantiating the reasonableness of the pricing data provided by third parties, management evaluates a variety of factors including review of methods and assumptions used by external sources, recently executed transactions, existing contracts, economic conditions, industry and market developments, and overall credit ratings.

Derivative Instruments

Derivative instruments are used in the Master Trust to achieve certain portfolio objectives and to adjust asset allocation in order to manage market risk. Derivative instruments allow internal and external investment managers to achieve these goals efficiently while maintaining appropriate liquidity.

At December 31, 2013 and 2012, the Master Trust utilized four types of derivative instruments:

Futures Contracts – The purchase of futures contracts allows the Master Trust to achieve desired portfolio positions in various commodities without the need to physically own and store them. Futures are used to manage the overall risk to equity and fixed income markets. Foreign exchange futures are used to separate the management of currency exposure from foreign equity exposure. Futures contracts are exchange-traded with initial margin required from both parties and daily settlement of gains and losses; therefore credit and counterparty risks are minimal, and futures contracts have no net market value.

Forward Contracts – Forward contracts are similar to futures contracts except that they are traded over-the-counter rather than over a standardized exchange. Foreign exchange forwards are used by investment managers as another means of separating currency risk from investment risk. These contracts allow a manager to lock into a rate at which to exchange an upcoming settlement in a foreign currency into US dollars. Commodity forward contracts are used by investment managers to achieve desired portfolio positions in various commodities. While forward contracts are traded over-the-counter, they are generally very short-term which minimizes counterparty risk.

Options, including Options on Futures – These contracts allow the holder to buy or sell a security or a futures contract at a specified price prior to an expiration date. Options are primarily used to protect against downside risk in an equity, commodity or currency position held by the Master Trust.

Swaps – Swaps are over-the-counter agreements between counterparties to exchange the return stream of one security for another. Swaps are utilized either to provide exposure to a security for which there is no available futures contract, or to achieve an exposure over a specific time horizon.

A long derivative position increases (decreases) in value when the price of the underlying asset (e.g., currency, equity index) increases (decreases). A short derivative position increases (decreases) when the price of the underlying asset decreases (increases).

The notional amounts and fair values of derivative instruments as of December 31, 2013 and 2012 are presented below (in thousands):

	December 31, 2013		December 31, 2012	
	Notional Amount	Amount included in Fair Value of Asset	Notional Amount	Amount included in Fair Value of Asset
Equity Securities				
Futures Contracts (Long)	$ 449,388	$ —	$ 614,566	$ —
Futures Contracts (Short)	(45,022)	—	(162,205)	—
Equity Options (Long)	493,595	9,210	250,159	2,110
Equity Options (Short)	(361,208)	(3,200)	(129,615)	(1,565)
Swaps	803,797	5,419	888,860	2,160
Fixed Income Securities				
Futures Contracts (Long)	1,237,223	—	1,604,419	—
Futures Contracts (Short)	(2,766,283)	—	(1,410,448)	—
Fixed Income Options (Long)	355,589	3,442	—	—
Fixed Income Options (Short)	(568,238)	(7,051)	—	—
Swaps	2,481,183	3,446	607,023	(1,284)
Commodities				
Futures Contracts (Long)	2,324,722	—	4,293,694	—
Futures Contracts (Short)	(274,624)	—	(537,427)	—
Commodity Options (Long)	237,448	3,348	136,275	2,134
Commodity Options (Short)	(178,997)	(1,069)	(59,342)	(1,037)
Forward Contracts	(5,409)	(2,443)	—	—
Swaps	10,564	(629)	188,775	(1,738)
Foreign Exchange				
Futures Contracts (Long)	132,355	—	80,798	—
Futures Contracts (Short)	(107,378)	—	(92,253)	—
FX Options (Long)	411,042	1,802	162,768	1,001
FX Options (Short)	(431,546)	(933)	(147,533)	(277)
Forward Contracts	447,351	(556)	(67,583)	(1,578)
Swaps	—	(63)	(1,877)	(6)
Total	$ 4,645,552	$ 10,723	$ 6,219,054	$ (80)

Offsetting and Netting of Assets and Liabilities

The Master Trust is subject to master netting agreements with certain counterparties. These agreements govern the terms of certain transactions and reduce the counterparty risk associated with the relevant transactions by permitting the Master Trust to net certain amounts due from the Plan to a counterparty against amounts due to the Plan from the same counterparty under certain conditions. As of December 31, 2013, information related to the potential effect of the Master Trust's master netting agreements was as follows (in thousands):

Derivative Assets	Gross Recognized Assets	Gross Amounts Offset	Net Amounts Presented	Net Collateral Received	Net Exposure
Exchange Cleared Interest Rate / Credit	$ 1,995	$ 1,995	$ —	$ —	$ —
Exchange Traded Commodities	2,717	819	1,898	—	1,898
Exchange Traded Equities	3,265	478	2,787	—	2,787
Exchange Traded Foreign Exchange	1	—	1	—	1

Exchange Traded Interest Rate / Credit	—	—	—	—	—
OTC Commodities	766	375	391	—	391
OTC Equities	23,667	7,785	15,882	1,750	14,132
OTC Foreign Exchange	7,152	3,728	3,424	1,165	2,259
OTC Interest Rate / Credit	28,754	18,292	10,462	1,672	8,790
Total Derivatives	**$ 68,317**	**$ 33,472**	**$ 34,845**	**$ 4,587**	**$ 30,258**
Repurchase Agreements	790,887	50,096	740,791	677,317	63,474
Securities on Loan	191,299	—	191,299	191,299	—

Derivative Liabilities	Gross Recognized Liabilities	Gross Amounts Offset	Net Amounts Presented	Net Collateral Pledged	Net Exposure
Exchange Cleared Interest Rate / Credit	$ 3,065	$ 1,995	$ 1,070	$ 347	$ 723
Exchange Traded Commodities	819	819	—	—	—
Exchange Traded Equities	478	478	—	—	—
Exchange Traded Foreign Exchange	—	—	—	—	—
Exchange Traded Interest Rate / Credit	38	—	38	—	38
OTC Commodities	3,457	375	3,082	2,550	532
OTC Equities	15,025	7,785	7,240	—	7,240
OTC Foreign Exchange	6,902	3,728	3,174	—	3,174
OTC Interest Rate / Credit	27,810	18,292	9,518	1,917	7,601
Total Derivatives	**$ 57,594**	**$ 33,472**	**$ 24,122**	**$ 4,814**	**$ 19,308**
Repurchase Agreements	87,718	50,096	37,622	—	37,622
Securities on Loan	—	—	—	—	—

As of December 31, 2012, information related to the potential effect of the Master Trust's master netting agreements was as follows (in thousands):

Derivative Assets	Gross Recognized Assets	Gross Amounts Offset	Net Amounts Presented	Net Collateral Received	Net Exposure
Exchange Cleared Interest Rate / Credit	$ —	$ —	$ —	$ —	$ —
Exchange Traded Commodities	825	556	269	—	269
Exchange Traded Equities	312	312	—	—	—
Exchange Traded Foreign Exchange	—	—	—	—	—
Exchange Traded Interest Rate / Credit	—	—	—	—	—
OTC Commodities	1,309	445	864	—	864
OTC Equities	18,230	2,275	15,955	—	15,955
OTC Foreign Exchange	7,762	3,541	4,221	—	4,221
OTC Interest Rate / Credit	3,921	3,725	196	—	196
Total Derivatives	**$ 32,359**	**$ 10,854**	**$ 21,505**	**$ —**	**$ 21,505**
Repurchase Agreements	—	—	—	—	—
Securities on Loan	—	—	—	—	—

Derivative Liabilities	Gross Recognized Liabilities	Gross Amounts Offset	Net Amounts Presented	Net Collateral Pledged	Net Exposure
Exchange Cleared Interest Rate / Credit	$ —	$ —	$ —	$ —	$ —
Exchange Traded Commodities	592	556	36	—	36
Exchange Traded Equities	492	312	180	—	180

Exchange Traded Foreign Exchange	—	—	—	—	—
Exchange Traded Interest Rate / Credit	—	—	—	—	—
OTC Commodities	2,182	445	1,737	940	797
OTC Equities	15,345	2,275	13,070	—	13,070
OTC Foreign Exchange	8,622	3,541	5,081	—	5,081
OTC Interest Rate / Credit	5,205	3,725	1,480	—	1,480
Total Derivatives	**$ 32,438**	**$ 10,854**	**$ 21,584**	**$ 940**	**$ 20,644**
Repurchase Agreements	—	—	—	—	—
Securities on Loan	—	—	—	—	—

Collateralized Transactions

The Master Trust enters into reverse repurchase agreements as well as securities lending and borrowing agreements to generate additional income and earnings. Reverse repurchase agreements are transactions in which the Master Trust lends cash to borrow financial instruments from another firm and simultaneously enters into an agreement to resell the same financial instruments at a higher price in the future. Securities lending agreements are transactions in which the Master Trust lends securities to another firm, in exchange for collateral which is returned upon the conclusion of the loan, with interest received by the Master Trust over the life of the transaction. The collateral requires 102% of the fair value of U.S. securities borrowed and 105% for non-U.S. securities borrowed. The collateral is marked to market on a daily basis. In the event the counterparty is unable to meet its contractual obligation under the securities lending arrangement, the Master Trust may incur losses equal to the amount by which the market value of the securities differ from the amount of collateral held. The Master Trust mitigates credit risk associated with securities lending arrangements by monitoring the fair value of the securities loaned on a daily basis, with additional collateral obtained or refunded as necessary. Securities borrowing agreements are transactions in which the Master Trust borrows securities from another firm, typically in connection with a short sale, in exchange for collateral which is returned upon the conclusion of the transaction.

At December 31, 2013 and 2012, the fair value of securities on loan was $191,000,000 and $0, the fair value of securities borrowed was $387,000,000 and $977,000,000, and the fair value for reverse repurchase agreements was $707,000,000 and $980,000,000. The Master Trust is not permitted to sell or repledge collateral received.

Securities lending and borrowing and reverse repurchase agreement income earned by the Master Trust is recorded on the accrual basis and was approximately $1,000,000, ($7,000,000), and $1,000,000 for the year ended December 31, 2013.

6. Parties-in-Interest Transactions

The Master Trust invests in funds managed by The Northern Trust Company, the Trustee. Investments in these funds qualify as party-in-interest transactions for which a statutory exemption from the prohibited transaction regulation exists.

7. Income Tax Status

The IRS has determined and informed the Corporation by letter dated June 19, 2013, that the Plan is designed in accordance with applicable sections of the Internal Revenue Code (IRC) and, therefore, the related trust is exempt from taxation. The Plan has been amended since issuance of the determination letter. However, the Plan Administrator and the Plan's counsel believe that the Plan is designed and is currently being operated in compliance with the applicable provisions of the IRC and, therefore, believes the Plan, as amended, is qualified and the related trust is tax exempt.

GAAP requires plan management to evaluate tax positions taken by the Plan to determine whether the Plan has taken any uncertain positions 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, there are no uncertain 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, but no tax audits are in progress. The Plan Administrator believes the Plan is no longer subject to income tax examinations for years prior to 2010.

SB Actuary Signature

SCHEDULE SB (Form 5500)	Single-Employer Defined Benefit Plan Actuarial Information	OMB No. 1210-0110
Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	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.	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

▶ 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	B Three-digit plan number (PN) ▶	039
Lockheed Martin Missiles & Fire Control - Dallas Hourly Ret. Plan		
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF	D Employer Identification Number (EIN)	
Lockheed Martin Corporation	52-1893632	

E Type of plan: [X] Single [ ] Multiple-A [ ] Multiple-B

F Prior year plan size: [ ] 100 or fewer [ ] 101-500 [X] More than 500

Part I Basic Information

1 Enter the valuation date: Month 1 Day 1 Year 2013

2	Assets:			
	a Market value		2a	63,112,510
	b Actuarial value		2b	63,185,027
3	Funding target/participant count breakdown:		(1) Number of participants	(2) Funding Target
	a For retired participants and beneficiaries receiving payment	3a	281	28,097,740
	b For terminated vested participants	3b	315	8,455,153
	c For active participants:			
	(1) Non-vested benefits	3c(1)		2,575,184
	(2) Vested benefits	3c(2)		19,048,811
	(3) Total active	3c(3)	240	21,623,995
	d Total	3d	836	58,176,888
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	6.30 %
6	Target normal cost		6	1,175,300

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

THOMAS S. STAUFFER /TSS

Signature of actuary

09/22/2014

Date

Thomas S. Stauffer

Type or print name of actuary

14-06384

Most recent enrollment number

Aon Consulting, Inc.

Firm name

(410) 547-2800

Telephone number (including area code)

500 EAST PRATT ST.

BALTIMORE MD 21202

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 [ ]

SB Actuary Signature

Part II Beginning of Year Carryover and Prefunding Balances

		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	4,197,535	585,658
8	Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	2,076,031	0
9	Amount remaining (line 7 minus line 8)	2,121,504	585,658
10	Interest on line 9 using prior year's actual return of 7.90 %	167,599	46,267
11	Prior year's excess contributions to be added to prefunding balance:		
	a Present value of excess contributions (line 38a from prior year)		5,735,051
	b Interest on (a) using prior year's effective interest rate of 7.00 % except as otherwise provided (see instructions)		420,137
	c Total available at beginning of current plan year to add to prefunding balance		6,155,188
	d Portion of (c) to be added to prefunding balance		6,155,188
12	Other reductions in balances due to elections or deemed elections	0	0
13	Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	2,289,103	6,787,113

Part III Funding Percentages

14	Funding target attainment percentage	14	93.00 %
15	Adjusted funding target attainment percentage	15	108.60 %
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	103.27 %
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
12/20/2013	2,000,000				
04/15/2014	1,600,000				
07/15/2014	800,000				
			Totals ▶ 18(b)	4,400,000	18(c) 0

19	Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:		
	a Contributions allocated toward unpaid minimum required contributions from prior years	19a	0
	b Contributions made to avoid restrictions adjusted to valuation date	19b	0
	c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	4,092,868

20 Quarterly contributions and liquidity shortfalls:

a Did the plan have a "funding shortfall" for the prior year? [X] Yes [ ] No

b If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner? [X] 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	(4) 4th
0	0	0	0

SB Actuary Signature

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

21 Discount rate:

	1st segment:	2nd segment:	3rd segment:	
a Segment rates:	4.94 %	6.15 %	6.76 %	☐ N/A, full yield curve used

b Applicable month (enter code)	21b	4
22 Weighted average retirement age	22	62

23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute

Part VI Miscellaneous Items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment		☒ Yes ☐ No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment		☐ Yes ☒ No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment		☒ Yes ☐ No
27 If the plan is 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	1,175,300
b Excess assets, if applicable, but not greater than line 31a	31b	0

	Outstanding Balance	Installment
32 Amortization installments:		
a Net shortfall amortization installment	4,068,077	1,078,598
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	2,253,898

	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement	1,472,561	0	1,472,561

36 Additional cash requirement (line 34 minus line 35)	36	781,337
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	37	4,092,868
38 Present value of excess contributions for current year (see instructions)		
a Total (excess, if any, of line 37 over line 36)	38a	3,311,531
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b	1,472,561
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 SB Attachment (Form 5500)—2013 Plan Year
Lockheed Martin Missiles & Fire Control - Dallas Hourly Retirement Plan
EIN: 52-1893632 PN: 039

Schedule SB, line 19—Discounted Employer Contributions

Year applied for contributions: 2013

Date	Amount	Days to Discount to 1/1/2013 at 6.30%	Interest Adjusted Contribution
December 20, 2013	$ 2,000,000	353	$ 1,885,250
April 15, 2014	1,600,000	469	1,479,199
July 15, 2014	800,000	560	728,419
Total Contribution	$ 4,400,000		$ 4,092,868

Schedule SB Attachment (Form 5500)—2013 Plan Year
Lockheed Martin Missiles & Fire Control - Dallas Hourly Retirement Plan
EIN: 52-1893632 PN: 039

Schedule SB, line 22—Description of Weighted Average Retirement Age

The average retirement age shown in line 22 has been calculated by assuming the following retirement rates and no decrements other than retirement for this calculation. All retirements are assumed to occur at beginning of year.

(a) Age	(b) Rate	(c) Weight	(d) Product (a) × (b) × (c)
55	10.00%	1.0000	5.50
56	5.00%	0.9000	2.52
57	5.00%	0.8550	2.44
58	5.00%	0.8123	2.36
59	10.00%	0.7716	4.55
60	10.00%	0.6945	4.17
61	15.00%	0.6250	5.72
62	20.00%	0.5313	6.59
63	15.00%	0.4250	4.02
64	15.00%	0.3613	3.47
65	20.00%	0.3071	3.99
66	15.00%	0.2457	2.43
67	20.00%	0.2088	2.80
68	15.00%	0.1670	1.70
69	15.00%	0.1420	1.47
70	100.00%	0.1207	8.45
		Weighted Average	62.18

Schedule SB Attachment (Form 5500)—2013 Plan Year
Lockheed Martin Missiles & Fire Control - Dallas Hourly Retirement Plan
EIN: 52-1893632 PN: 039

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

Interest Rates for Minimum Funding Purposes	Based on segment rates with a four-month lookback (as of September 2012), each adjusted as needed to fall within the 25-year average interest rate corridor under MAP-21.
1st Segment Rate	4.94%
2nd Segment Rate	6.15%
3rd Segment Rate	6.76%
Interest Rates for Maximum Tax Purposes	Based on segment rates with a four-month lookback (as of September 2012), without regard to interest rate stabilization.
1st Segment Rate	1.75%
2nd Segment Rate	4.62%
3rd Segment Rate	5.72%
Retirement Age	
Active Participants	See Table 1.
Terminated Vested Participants	Age 65
Mortality Rates	
Healthy and Disabled	2013 static mortality table for annuitants and non-annuitants per §1.430(h)(3)-1(e)
Withdrawal Rates	2003 SOA select and ultimate table. See Table 2.
Disability Rates	See Table 3.
Decrement Timing	Beginning of year decrements, with 100% retirement occurring at beginning of year.
Surviving Spouse Benefit	It is assumed that 80% of males and 50% of females have an eligible spouse, and that males are three years older than their spouses.
Benefit Limits	Projected benefits are limited by the current IRC section 415 maximum benefit of $205,000.

Schedule SB Attachment (Form 5500)—2013 Plan Year
Lockheed Martin Missiles & Fire Control - Dallas Hourly Retirement Plan
EIN: 52-1893632 PN: 039

Valuation of Plan Assets	Smoothed fair market value of assets over the current and prior two years, adjusted for contributions, benefit payments, administrative expenses, and expected earnings. The average value of assets calculated in this manner is further limited to not less than 90% nor more than 110% of fair market value. A characteristic of this method is that the expected distribution of the value of plan assets is skewed toward understatement relative to the corresponding market values for expected long-term rates of return in excess of the third segment rate under IRC section 430(h)(2)(C)(iii).
Expected Return on Assets 2011 Plan Year 2012 Plan Year	 8.50%, limited to 6.57% 8.00%, limited to 7.52%
Trust Expenses Included in Target Normal Cost	$163,947
Actuarial Method	Standard unit credit cost method
Valuation Date	January 1, 2013

Schedule SB Attachment (Form 5500)—2013 Plan Year
Lockheed Martin Missiles & Fire Control - Dallas Hourly Retirement Plan
EIN: 52-1893632 PN: 039

Table 1
Retirement Rates

Age	Rate
55	10.00%
56	5.00%
57	5.00%
58	5.00%
59	10.00%
60	10.00%
61	15.00%
62	20.00%
63	15.00%
64	15.00%
65	20.00%
66	15.00%
67	20.00%
68	15.00%
69	15.00%
70+	100.00%

Schedule SB Attachment (Form 5500)—2013 Plan Year
Lockheed Martin Missiles & Fire Control - Dallas Hourly Retirement Plan
EIN: 52-1893632 PN: 039

Table 2—Page 1 of 2
Withdrawal Rates

	Years of Service			
Age	0-1	2-4	5-9	10+
18	39.64%	0.00%	0.00%	0.00%
19	20.23%	0.00%	0.00%	0.00%
20	17.99%	14.19%	0.00%	0.00%
21	22.38%	18.19%	0.00%	0.00%
22	24.07%	19.60%	15.00%	0.00%
23	23.85%	19.58%	15.09%	0.00%
24	22.70%	18.32%	14.25%	0.00%
25	21.74%	17.14%	12.96%	0.00%
26	20.95%	16.27%	11.29%	0.00%
27	20.41%	15.29%	9.97%	0.00%
28	19.42%	14.52%	9.15%	8.75%
29	18.73%	13.93%	8.69%	5.21%
30	18.61%	13.58%	8.39%	4.84%
31	18.83%	13.09%	8.02%	5.39%
32	18.32%	12.60%	7.76%	5.47%
33	17.39%	11.97%	7.56%	5.30%
34	16.94%	11.33%	7.37%	5.15%
35	16.78%	11.02%	7.15%	5.02%
36	16.69%	10.98%	6.85%	4.87%
37	16.29%	10.99%	6.68%	4.68%
38	16.00%	10.77%	6.44%	4.43%
39	15.36%	10.59%	6.27%	4.32%
40	15.91%	10.35%	6.01%	4.15%
41	15.94%	10.01%	5.89%	3.93%
42	16.05%	9.72%	5.84%	3.86%
43	15.98%	9.71%	5.75%	3.81%
44	15.88%	9.62%	5.77%	3.79%
45	15.48%	9.47%	5.82%	3.73%
46	15.61%	9.54%	5.81%	3.64%
47	15.30%	9.47%	5.61%	3.66%
48	15.15%	9.37%	5.52%	3.70%
49	15.35%	9.02%	5.60%	3.65%

Schedule SB Attachment (Form 5500)—2013 Plan Year
Lockheed Martin Missiles & Fire Control - Dallas Hourly Retirement Plan
EIN: 52-1893632 PN: 039

Table 2---Page 2 of 2
Withdrawal Rates

	Years of Service			
Age	0-1	2-4	5-9	10+
50	15.60%	8.90%	5.32%	3.49%
51	15.35%	9.32%	5.13%	3.38%
52	14.35%	9.52%	4.99%	3.35%
53	14.34%	9.24%	4.70%	3.22%
54	14.17%	8.80%	4.12%	2.37%
55	13.52%	7.82%	2.59%	0.88%
56	12.84%	7.49%	1.84%	0.23%
57	12.66%	7.67%	1.54%	0.11%
58	12.74%	7.68%	1.58%	0.22%
59	13.50%	7.94%	1.92%	0.31%
60	13.63%	7.84%	2.12%	0.20%
61+	0.00%	0.00%	0.00%	0.00%

Schedule SB Attachment (Form 5500)—2013 Plan Year
Lockheed Martin Missiles & Fire Control - Dallas Hourly Retirement Plan
EIN: 52-1893632 PN: 039

Table 3
Disability Rates

Age	Rate	Age	Rate
18	0.03%	50	0.18%
19	0.03%	51	0.20%
		52	0.23%
20	0.03%	53	0.26%
21	0.03%	54	0.30%
22	0.03%		
23	0.03%	55	0.36%
24	0.03%	56	0.42%
		57	0.50%
25	0.03%	58	0.59%
26	0.04%	59	0.69%
27	0.04%		
28	0.04%	60	0.90%
29	0.04%	61	1.16%
		62	1.46%
30	0.04%	63	1.81%
31	0.04%	64	2.22%
32	0.04%		
33	0.05%	65	1.00%
34	0.05%	66+	0.00%
35	0.05%		
36	0.05%		
37	0.05%		
38	0.06%		
39	0.06%		
40	0.07%		
41	0.07%		
42	0.08%		
43	0.08%		
44	0.09%		
45	0.10%		
46	0.11%		
47	0.12%		
48	0.14%		
49	0.16%		

Schedule SB Attachment (Form 5500)—2013 Plan Year
Lockheed Martin Missiles & Fire Control - Dallas Hourly Retirement Plan
EIN: 52-1893632 PN: 039

Actuarial Assumptions and Methods

Discussion of Actuarial Assumptions and Methods

For the funding valuation, the allowable interest rates and mortality tables available to measure plan liabilities are prescribed by IRC section 412. Aon Hewitt provided guidance with respect to the alternative interest rate and mortality table options, and it is our belief that the options prescribed by Lockheed Martin Corporation are appropriate for funding purposes. It is our belief that all other actuarial assumptions used for the funding valuation represent reasonable expectations of anticipated plan experience. The actuarial cost and amortization methods used are prescribed by IRC section 412. While the method used to value assets is prescribed by Lockheed Martin Corporation, Aon Hewitt provided guidance with respect to the use of this method, and it is our belief that the method is appropriate for funding purposes.

Calculation of Normal Costs and Liabilities

The method used to calculate the ERISA target normal cost and funding target is the unit credit cost method. The funding target under IRC section 430 is calculated as the present value of all benefits that have been accrued or earned under the plan as of the first day of the plan year, based on current service and current pay. The target normal cost is the present value of all benefits expected to accrue or be earned under the plan during the plan year, including any increase in benefits earned in prior plan years attributable to compensation increases in the current plan year, plus certain trust expenses.

Under this method, benefits are estimated at each decrement age using service and earnings as of the valuation date. The present value of these estimated benefits using the applicable ERISA assumptions is the ERISA funding target. The target normal cost is the present value of the benefits earned during the year.

For calculating the actuarial present value of vested benefits, benefits at each decrement age are determined in the same manner, but are then multiplied by each participant's vesting percentage as of the valuation date. The present value of these estimated vested benefits is determined without recognition of any benefit for which a participant will become entitled only through the advancement in service or age while actively employed. In addition, certain ancillary benefits have been treated as vested consistent with PBGC premium regulations.

The ERISA funding target for lump sum benefits is determined by valuing the annuity that corresponds to the distribution using special actuarial assumptions, as described under Treasury regulations section 1.430(d). Under these special assumptions, for the period beginning with the annuity starting date, the current IRC section 417(e) applicable mortality table is substituted for the mortality table otherwise used.

Schedule SB Attachment (Form 5500)—2013 Plan Year
Lockheed Martin Missiles & Fire Control - Dallas Hourly Retirement Plan
EIN: 52-1893632 PN: 039

Schedule SB, Part V—Summary of Plan Provisions

Effective Date of Plan	January 1, 1993
Most Recent Collective Bargaining Agreement	October 2011
Eligibility	Age 21 and one year of vesting service. For IBEW, participation is frozen to new hires effective March 22, 2009. For UAW, participation is frozen effective October 17, 2011.
Normal Retirement	
Eligibility Requirement	Age 65
Benefit	Varies by union. Years of credited service multiplied by the following:

IBEW

Effective Date	Multiplier
May 1, 2003	$40
March 22, 2004	$43
May 1, 2006	$47
May 1, 2008	$50
March 22, 2009	$61

SPFPA

Effective Date	Multiplier
May 1, 2003	$40
April 12, 2004	$48

UAW

Effective Date	Multiplier
January 1, 2004	$47
January 1, 2006	$50
January 1, 2007	$61
January 1, 2012	$72

Schedule SB Attachment (Form 5500)—2013 Plan Year
Lockheed Martin Missiles & Fire Control - Dallas Hourly Retirement Plan
EIN: 52-1893632 PN: 039

Unreduced Early Retirement Eligibility Requirement

(a) Age 62 and five years of vesting service; or

(b) Age 55 and age plus vesting service at least 85; or

(c) Age 60 and 20 years of vesting service.

Benefit

Unreduced monthly benefit computed as in normal retirement. Monthly supplement payable until age 62 and one month as follows:

IBEW

Effective Date	Supplement
May 1, 1994	$450
March 22, 2004	$700
March 22, 2009	$775

SPFPA

Effective Date	Supplement
May 1, 1994	$450

UAW

Effective Date	Supplement
January 1, 2002	$700
January 1, 2007	$775
January 1, 2012	$850

Reduced Early Retirement Eligibility Requirement

Age 55 with 10 years of vesting service

Benefit

Monthly benefit computed as in normal retirement, reduced by 7.00% per year for the first five years and 5.00% per year for the next two years by which retirement age precedes age 62.

Retiree Bonus Eligibility Requirement

UAW retirees or surviving spouses receiving benefits

Benefit

$350 each September from 2002 through 2016

Schedule SB Attachment (Form 5500)—2013 Plan Year
Lockheed Martin Missiles & Fire Control - Dallas Hourly Retirement Plan
EIN: 52-1893632 PN: 039

Total and Permanent Disability Retirement	
Eligibility Requirement	UAW employees with 10 years of credited service
Benefit	Monthly benefit computed as in normal retirement, unreduced and payable immediately.
Termination	
Eligibility Requirement	Five years of vesting service
Benefit	Monthly benefit computed as in normal retirement, payable at age 65, or monthly benefit reduced by 7.00% for the first five years and 5.00% for the next five years by which retirement age precedes age 65.
Automatic 55% Survivor Benefit	
Eligibility Requirement	Death occurs while in active status or under total disability, after attainment of the eligibility requirements for early retirement or 30 years of vesting service regardless of age.
Benefit	The surviving spouse receives the spouse's portion of the 55% joint and survivor annuity with pop up, payable immediately.
Qualified Preretirement Survivor Annuity	
Eligibility Requirement	Death occurs while vested, and not eligible for the automatic 55% survivor benefit.
Benefit	50% of the benefit the participant would have received if he had retired on the first of the month preceding or coincident with his death, and had elected the 50% joint and survivor option. The benefit is deferred to the participant's age 55.

Schedule SB Attachment (Form 5500)—2013 Plan Year
Lockheed Martin Missiles & Fire Control - Dallas Hourly Retirement Plan
EIN: 52-1893632 PN: 039

Transition Survivor Benefit	
Eligibility Requirement	Eligible spouse, children under age 21 (under age 25 if dependent), or dependent parents. Not payable if eligible for automatic 55% survivor benefit or if qualified preretirement survivor annuity is larger.
Benefit	24 monthly payments of $175 ($300 for UAW). If not eligible for Social Security survivor benefits, monthly payments increase to $300 ($600 for UAW).
Bridge Survivor Benefit	
Eligibility Requirement	Eligible spouse, between the ages of 48 and 60 at participant's death, who received all 24 monthly transition survivor benefit payments.
Benefit	Monthly payment of $300 ($600 for UAW), payable until remarriage, death or age 62.
Postretirement Death Benefit	
Eligibility Requirement	Participants who die after retiring from active status
Benefit	$2,000 lump sum ($3,000 for UAW)
Normal Form of Benefit Payment	
Married Participants	50% joint and survivor annuity
Unmarried Participants	Single life annuity

Schedule SB Attachment (Form 5500)—2013 Plan Year
Lockheed Martin Missiles & Fire Control - Dallas Hourly Retirement Plan
EIN: 52-1893632 PN: 039

Other Information to Fully and Fairly Disclose the Actuarial Position of the Plan

Due to software limitations with the electronic filing process, information filed electronically cannot be controlled by the Enrolled Actuary. The values on the signed Schedule SB will govern to the extent there are any differences in the entries filed electronically and the actual data contained on the signed Schedule SB.

Schedule SB Attachment (Form 5500)—2013 Plan Year
Lockheed Martin Missiles & Fire Control - Dallas Hourly Retirement Plan
EIN: 52-1893632 PN: 039

Schedule SB, Line 24—Changes in Actuarial Assumptions

The following Assumption Changes have been made since the prior Valuation:

- The Expense Load was changed from $184,928 to $163,947 to reflect actual administrative expenses.

Schedule SB Attachment (Form 5500)—2013 Plan Year
Lockheed Martin Missiles & Fire Control - Dallas Hourly Retirement Plan
EIN: 52-1893632 PN: 039

Schedule SB, line 26—Schedule of Active Participant Data as of January 1, 2013

Number of Participants

Attained Age	Years of Credited Service									
	<1	1-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40+
<25										
25-29		3								
30-34	3	10	2							
35-39		7	1	4						
40-44	1	9	5	4	1		1			
45-49		8	9	6	5	3	8			
50-54	3	10	4	4	10	2	14	4		
55-59	3	3	6	2	11	5	11	8	2	
60-64	1	3	3	2	4	6	9	4		
65-69		1		2	1		7	1		1
70+		1					2			

N-240

Schedule SB Attachment (Form 5500)—2013 Plan Year
Lockheed Martin Missiles & Fire Control - Dallas Hourly Retirement Plan
EIN: 52-1893632 PN: 039

Schedule SB, line 32—Schedule of Amortization Bases

Type of Base	Present Value of Installment	Date Established	Years Remaining	Amortization Installment
Shortfall	$7,563,065	January 1,2011	5	$1,661,884
Shortfall	($3,494,988)	January 1,2013	7	($583,286)

Schedule SB Attachment (Form 5500)—2013 Plan Year
Lockheed Martin Missiles & Fire Control - Dallas Hourly Retirement Plan
EIN: 52-1893632 PN: 039

Schedule SB, line 19—Discounted Employer Contributions

Year applied for contributions: 2013

Date	Amount	Days to Discount to 1/1/2013 at 6.30%	Interest Adjusted Contribution
December 20, 2013	$ 2,000,000	353	$ 1,885,250
April 15, 2014	1,600,000	469	1,479,199
July 15, 2014	800,000	560	728,419
Total Contribution	$ 4,400,000		$ 4,092,868

Schedule SB Attachment (Form 5500)—2013 Plan Year
Lockheed Martin Missiles & Fire Control - Dallas Hourly Retirement Plan
EIN: 52-1893632 PN: 039

Schedule SB, line 22—Description of Weighted Average Retirement Age

The average retirement age shown in line 22 has been calculated by assuming the following retirement rates and no decrements other than retirement for this calculation. All retirements are assumed to occur at beginning of year.

(a) Age	(b) Rate	(c) Weight	(d) Product (a) × (b) × (c)
55	10.00%	1.0000	5.50
56	5.00%	0.9000	2.52
57	5.00%	0.8550	2.44
58	5.00%	0.8123	2.36
59	10.00%	0.7716	4.55
60	10.00%	0.6945	4.17
61	15.00%	0.6250	5.72
62	20.00%	0.5313	6.59
63	15.00%	0.4250	4.02
64	15.00%	0.3613	3.47
65	20.00%	0.3071	3.99
66	15.00%	0.2457	2.43
67	20.00%	0.2088	2.80
68	15.00%	0.1670	1.70
69	15.00%	0.1420	1.47
70	100.00%	0.1207	8.45
		Weighted Average	62.18

Schedule SB Attachment (Form 5500)—2013 Plan Year
Lockheed Martin Missiles & Fire Control - Dallas Hourly Retirement Plan
EIN: 52-1893632 PN: 039

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

Interest Rates for Minimum Funding Purposes	Based on segment rates with a four-month lookback (as of September 2012), each adjusted as needed to fall within the 25-year average interest rate corridor under MAP-21.
1st Segment Rate	4.94%
2nd Segment Rate	6.15%
3rd Segment Rate	6.76%
Interest Rates for Maximum Tax Purposes	Based on segment rates with a four-month lookback (as of September 2012), without regard to interest rate stabilization.
1st Segment Rate	1.75%
2nd Segment Rate	4.62%
3rd Segment Rate	5.72%
Retirement Age	
Active Participants	See Table 1.
Terminated Vested Participants	Age 65
Mortality Rates	
Healthy and Disabled	2013 static mortality table for annuitants and non-annuitants per §1.430(h)(3)-1(e)
Withdrawal Rates	2003 SOA select and ultimate table. See Table 2.
Disability Rates	See Table 3.
Decrement Timing	Beginning of year decrements, with 100% retirement occurring at beginning of year.
Surviving Spouse Benefit	It is assumed that 80% of males and 50% of females have an eligible spouse, and that males are three years older than their spouses.
Benefit Limits	Projected benefits are limited by the current IRC section 415 maximum benefit of $205,000.

Schedule SB Attachment (Form 5500)—2013 Plan Year
Lockheed Martin Missiles & Fire Control - Dallas Hourly Retirement Plan
EIN: 52-1893632 PN: 039

Valuation of Plan Assets	Smoothed fair market value of assets over the current and prior two years, adjusted for contributions, benefit payments, administrative expenses, and expected earnings. The average value of assets calculated in this manner is further limited to not less than 90% nor more than 110% of fair market value. A characteristic of this method is that the expected distribution of the value of plan assets is skewed toward understatement relative to the corresponding market values for expected long-term rates of return in excess of the third segment rate under IRC section 430(h)(2)(C)(iii).
Expected Return on Assets	
2011 Plan Year	8.50%, limited to 6.57%
2012 Plan Year	8.00%, limited to 7.52%
Trust Expenses Included in Target Normal Cost	$163,947
Actuarial Method	Standard unit credit cost method
Valuation Date	January 1, 2013

Schedule SB Attachment (Form 5500)—2013 Plan Year
Lockheed Martin Missiles & Fire Control - Dallas Hourly Retirement Plan
EIN: 52-1893632 PN: 039

Table 1
Retirement Rates

Age	Rate
55	10.00%
56	5.00%
57	5.00%
58	5.00%
59	10.00%
60	10.00%
61	15.00%
62	20.00%
63	15.00%
64	15.00%
65	20.00%
66	15.00%
67	20.00%
68	15.00%
69	15.00%
70+	100.00%

Table 2—Page 1 of 2
Withdrawal Rates

	Years of Service			
Age	0-1	2-4	5-9	10+
18	39.64%	0.00%	0.00%	0.00%
19	20.23%	0.00%	0.00%	0.00%
20	17.99%	14.19%	0.00%	0.00%
21	22.38%	18.19%	0.00%	0.00%
22	24.07%	19.60%	15.00%	0.00%
23	23.85%	19.58%	15.09%	0.00%
24	22.70%	18.32%	14.25%	0.00%
25	21.74%	17.14%	12.96%	0.00%
26	20.95%	16.27%	11.29%	0.00%
27	20.41%	15.29%	9.97%	0.00%
28	19.42%	14.52%	9.15%	8.75%
29	18.73%	13.93%	8.69%	5.21%
30	18.61%	13.58%	8.39%	4.84%
31	18.83%	13.09%	8.02%	5.39%
32	18.32%	12.60%	7.76%	5.47%
33	17.39%	11.97%	7.56%	5.30%
34	16.94%	11.33%	7.37%	5.15%
35	16.78%	11.02%	7.15%	5.02%
36	16.69%	10.98%	6.85%	4.87%
37	16.29%	10.99%	6.68%	4.68%
38	16.00%	10.77%	6.44%	4.43%
39	15.36%	10.59%	6.27%	4.32%
40	15.91%	10.35%	6.01%	4.15%
41	15.94%	10.01%	5.89%	3.93%
42	16.05%	9.72%	5.84%	3.86%
43	15.98%	9.71%	5.75%	3.81%
44	15.88%	9.62%	5.77%	3.79%
45	15.48%	9.47%	5.82%	3.73%
46	15.61%	9.54%	5.81%	3.64%
47	15.30%	9.47%	5.61%	3.66%
48	15.15%	9.37%	5.52%	3.70%
49	15.35%	9.02%	5.60%	3.65%

Schedule SB Attachment (Form 5500)—2013 Plan Year
Lockheed Martin Missiles & Fire Control - Dallas Hourly Retirement Plan
EIN: 52-1893632 PN: 039

Table 2—Page 2 of 2

Withdrawal Rates

	Years of Service			
Age	**0-1**	**2-4**	**5-9**	**10+**
50	15.60%	8.90%	5.32%	3.49%
51	15.35%	9.32%	5.13%	3.38%
52	14.35%	9.52%	4.99%	3.35%
53	14.34%	9.24%	4.70%	3.22%
54	14.17%	8.80%	4.12%	2.37%
55	13.52%	7.82%	2.59%	0.88%
56	12.84%	7.49%	1.84%	0.23%
57	12.66%	7.67%	1.54%	0.11%
58	12.74%	7.68%	1.58%	0.22%
59	13.50%	7.94%	1.92%	0.31%
60	13.63%	7.84%	2.12%	0.20%
61+	0.00%	0.00%	0.00%	0.00%

Table 3
Disability Rates

Age	Rate	Age	Rate
18	0.03%	50	0.18%
19	0.03%	51	0.20%
		52	0.23%
20	0.03%	53	0.26%
21	0.03%	54	0.30%
22	0.03%		
23	0.03%	55	0.36%
24	0.03%	56	0.42%
		57	0.50%
25	0.03%	58	0.59%
26	0.04%	59	0.69%
27	0.04%		
28	0.04%	60	0.90%
29	0.04%	61	1.16%
		62	1.46%
30	0.04%	63	1.81%
31	0.04%	64	2.22%
32	0.04%		
33	0.05%	65	1.00%
34	0.05%	66+	0.00%
35	0.05%		
36	0.05%		
37	0.05%		
38	0.06%		
39	0.06%		
40	0.07%		
41	0.07%		
42	0.08%		
43	0.08%		
44	0.09%		
45	0.10%		
46	0.11%		
47	0.12%		
48	0.14%		
49	0.16%		

Actuarial Assumptions and Methods

Discussion of Actuarial Assumptions and Methods

For the funding valuation, the allowable interest rates and mortality tables available to measure plan liabilities are prescribed by IRC section 412. Aon Hewitt provided guidance with respect to the alternative interest rate and mortality table options, and it is our belief that the options prescribed by Lockheed Martin Corporation are appropriate for funding purposes. It is our belief that all other actuarial assumptions used for the funding valuation represent reasonable expectations of anticipated plan experience. The actuarial cost and amortization methods used are prescribed by IRC section 412. While the method used to value assets is prescribed by Lockheed Martin Corporation, Aon Hewitt provided guidance with respect to the use of this method, and it is our belief that the method is appropriate for funding purposes.

Calculation of Normal Costs and Liabilities

The method used to calculate the ERISA target normal cost and funding target is the unit credit cost method. The funding target under IRC section 430 is calculated as the present value of all benefits that have been accrued or earned under the plan as of the first day of the plan year, based on current service and current pay. The target normal cost is the present value of all benefits expected to accrue or be earned under the plan during the plan year, including any increase in benefits earned in prior plan years attributable to compensation increases in the current plan year, plus certain trust expenses.

Under this method, benefits are estimated at each decrement age using service and earnings as of the valuation date. The present value of these estimated benefits using the applicable ERISA assumptions is the ERISA funding target. The target normal cost is the present value of the benefits earned during the year.

For calculating the actuarial present value of vested benefits, benefits at each decrement age are determined in the same manner, but are then multiplied by each participant's vesting percentage as of the valuation date. The present value of these estimated vested benefits is determined without recognition of any benefit for which a participant will become entitled only through the advancement in service or age while actively employed. In addition, certain ancillary benefits have been treated as vested consistent with PBGC premium regulations.

The ERISA funding target for lump sum benefits is determined by valuing the annuity that corresponds to the distribution using special actuarial assumptions, as described under Treasury regulations section 1.430(d). Under these special assumptions, for the period beginning with the annuity starting date, the current IRC section 417(e) applicable mortality table is substituted for the mortality table otherwise used.

Schedule SB Attachment (Form 5500)—2013 Plan Year
Lockheed Martin Missiles & Fire Control - Dallas Hourly Retirement Plan
EIN: 52-1893632 PN: 039

Schedule SB, Part V—Summary of Plan Provisions

Effective Date of Plan: January 1, 1993

Most Recent Collective Bargaining Agreement: October 2011

Eligibility: Age 21 and one year of vesting service. For IBEW, participation is frozen to new hires effective March 22, 2009. For UAW, participation is frozen effective October 17, 2011.

Normal Retirement

Eligibility Requirement: Age 65

Benefit: Varies by union. Years of credited service multiplied by the following:

IBEW

Effective Date	Multiplier
May 1, 2003	$40
March 22, 2004	$43
May 1, 2006	$47
May 1, 2008	$50
March 22, 2009	$61

SPFPA

Effective Date	Multiplier
May 1, 2003	$40
April 12, 2004	$48

UAW

Effective Date	Multiplier
January 1, 2004	$47
January 1, 2006	$50
January 1, 2007	$61
January 1, 2012	$72

Schedule SB Attachment (Form 5500)—2013 Plan Year
Lockheed Martin Missiles & Fire Control - Dallas Hourly Retirement Plan
EIN: 52-1893632 PN: 039

Unreduced Early Retirement Eligibility Requirement

(a) Age 62 and five years of vesting service; or

(b) Age 55 and age plus vesting service at least 85; or

(c) Age 60 and 20 years of vesting service.

Benefit

Unreduced monthly benefit computed as in normal retirement. Monthly supplement payable until age 62 and one month as follows:

IBEW

Effective Date	Supplement
May 1, 1994	$450
March 22, 2004	$700
March 22, 2009	$775

SPFPA

Effective Date	Supplement
May 1, 1994	$450

UAW

Effective Date	Supplement
January 1, 2002	$700
January 1, 2007	$775
January 1, 2012	$850

Reduced Early Retirement Eligibility Requirement

Age 55 with 10 years of vesting service

Benefit

Monthly benefit computed as in normal retirement, reduced by 7.00% per year for the first five years and 5.00% per year for the next two years by which retirement age precedes age 62.

Retiree Bonus Eligibility Requirement

UAW retirees or surviving spouses receiving benefits

Benefit

$350 each September from 2002 through 2016

Schedule SB Attachment (Form 5500)—2013 Plan Year
Lockheed Martin Missiles & Fire Control - Dallas Hourly Retirement Plan
EIN: 52-1893632 PN: 039

Total and Permanent Disability Retirement	
Eligibility Requirement	UAW employees with 10 years of credited service
Benefit	Monthly benefit computed as in normal retirement, unreduced and payable immediately.
Termination	
Eligibility Requirement	Five years of vesting service
Benefit	Monthly benefit computed as in normal retirement, payable at age 65, or monthly benefit reduced by 7.00% for the first five years and 5.00% for the next five years by which retirement age precedes age 65.
Automatic 55% Survivor Benefit	
Eligibility Requirement	Death occurs while in active status or under total disability, after attainment of the eligibility requirements for early retirement or 30 years of vesting service regardless of age.
Benefit	The surviving spouse receives the spouse's portion of the 55% joint and survivor annuity with pop up, payable immediately.
Qualified Preretirement Survivor Annuity	
Eligibility Requirement	Death occurs while vested, and not eligible for the automatic 55% survivor benefit.
Benefit	50% of the benefit the participant would have received if he had retired on the first of the month preceding or coincident with his death, and had elected the 50% joint and survivor option. The benefit is deferred to the participant's age 55.

Schedule SB Attachment (Form 5500)—2013 Plan Year
Lockheed Martin Missiles & Fire Control - Dallas Hourly Retirement Plan
EIN: 52-1893632 PN: 039

Transition Survivor Benefit	
Eligibility Requirement	Eligible spouse, children under age 21 (under age 25 if dependent), or dependent parents. Not payable if eligible for automatic 55% survivor benefit or if qualified preretirement survivor annuity is larger.
Benefit	24 monthly payments of $175 ($300 for UAW). If not eligible for Social Security survivor benefits, monthly payments increase to $300 ($600 for UAW).
Bridge Survivor Benefit	
Eligibility Requirement	Eligible spouse, between the ages of 48 and 60 at participant's death, who received all 24 monthly transition survivor benefit payments.
Benefit	Monthly payment of $300 ($600 for UAW), payable until remarriage, death or age 62.
Postretirement Death Benefit	
Eligibility Requirement	Participants who die after retiring from active status
Benefit	$2,000 lump sum ($3,000 for UAW)
Normal Form of Benefit Payment	
Married Participants	50% joint and survivor annuity
Unmarried Participants	Single life annuity

Schedule SB Attachment (Form 5500)—2013 Plan Year
Lockheed Martin Missiles & Fire Control - Dallas Hourly Retirement Plan
EIN: 52-1893632 PN: 039

Other Information to Fully and Fairly Disclose the Actuarial Position of the Plan

Due to software limitations with the electronic filing process, information filed electronically cannot be controlled by the Enrolled Actuary. The values on the signed Schedule SB will govern to the extent there are any differences in the entries filed electronically and the actual data contained on the signed Schedule SB.

Schedule SB Attachment (Form 5500)—2013 Plan Year
Lockheed Martin Missiles & Fire Control - Dallas Hourly Retirement Plan
EIN: 52-1893632 PN: 039

Schedule SB, Line 24—Changes in Actuarial Assumptions

The following Assumption Changes have been made since the prior Valuation:

- The Expense Load was changed from $184,928 to $163,947 to reflect actual administrative expenses.

Schedule SB Attachment (Form 5500)—2013 Plan Year
Lockheed Martin Missiles & Fire Control - Dallas Hourly Retirement Plan
EIN: 52-1893632 PN: 039

Schedule SB, line 26—Schedule of Active Participant Data as of January 1, 2013

Number of Participants

Attained Age	Years of Credited Service									
	<1	1-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40+
<25										
25-29		3								
30-34	3	10	2							
35-39		7	1	4						
40-44	1	9	5	4	1		1			
45-49		8	9	6	5	3	8			
50-54	3	10	4	4	10	2	14	4		
55-59	3	3	6	2	11	5	11	8	2	
60-64	1	3	3	2	4	6	9	4		
65-69		1		2	1		7	1		1
70+		1					2			

N-240

Schedule SB Attachment (Form 5500)—2013 Plan Year
Lockheed Martin Missiles & Fire Control - Dallas Hourly Retirement Plan
EIN: 52-1893632 PN: 039

Schedule SB, line 32—Schedule of Amortization Bases

Type of Base	Present Value of Installment	Date Established	Years Remaining	Amortization Installment
Shortfall	$7,563,065	January 1,2011	5	$1,661,884
Shortfall	($3,494,988)	January 1,2013	7	($583,286)