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

2015

This Form is Open to Public Inspection

Part I Annual Report Identification Information

For calendar plan year 2015 or fiscal plan year beginning 01/01/2015 and ending 12/31/2015

A This return/report is for:
- [ ] a multiemployer plan;
- [ ] a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions); 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. . . . . ▶ [ ]

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
RAYTHEON NONBARGAINING RETIREMENT PLAN

1b Three-digit plan number (PN) ▶ 021

1c Effective date of plan 12/18/1997

2a Plan sponsor's name (employer, if for a single-employer plan)
Mailing address (include room, apt., suite no. and street, or P.O. Box)
City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions)
RAYTHEON COMPANY

870 WINTER STREET
WALTHAM, MA 02451-1449

2b Employer Identification Number (EIN)
95-1778500

2c Plan Sponsor's telephone number
781-522-3000

2d Business code (see instructions)
335900

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

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

SIGN HERE	Filed with authorized/valid electronic signature.	09/12/2016	KELLY B. LAPPIN
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

Preparer's name (including firm name, if applicable) and address (include room or suite number)

Preparer's telephone number

3a Plan administrator's name and address ☐ Same as Plan Sponsor

KELLY B. LAPPIN RAYTHEON COMPANY

870 WINTER STREET
WALTHAM, MA 02451-1449

3b Administrator's EIN: 95-1778500

3c Administrator's telephone number: 781-522-5821

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**	39708
6	Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines **6a(1), 6a(2), 6b, 6c,** and **6d**).		
a(1)	Total number of active participants at the beginning of the plan year	**6a(1)**	7859
a(2)	Total number of active participants at the end of the plan year	**6a(2)**	7063
b	Retired or separated participants receiving benefits	**6b**	14529
c	Other retired or separated participants entitled to future benefits	**6c**	13977
d	Subtotal. Add lines **6a(2)**, **6b**, and **6c**.	**6d**	35569
e	Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.	**6e**	2872
f	Total. Add lines **6d** and **6e**.	**6f**	38441
g	Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	
h	Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	**6h**	0
7	Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	**7**	

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

1A

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

9a Plan funding arrangement (check all that apply)

(1)	☐	Insurance
(2)	☐	Code section 412(e)(3) insurance contracts
(3)	☒	Trust
(4)	☐	General assets of the sponsor

9b Plan benefit arrangement (check all that apply)

(1)	☐	Insurance
(2)	☐	Code section 412(e)(3) insurance contracts
(3)	☒	Trust
(4)	☐	General assets of the sponsor

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

a Pension Schedules

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

b General Schedules

(1)	☒		**H** (Financial Information)
(2)	☐		**I** (Financial Information – Small Plan)
(3)	☐	0	**A** (Insurance Information)
(4)	☒		**C** (Service Provider Information)
(5)	☒		**D** (DFE/Participating Plan Information)
(6)	☐		**G** (Financial Transaction Schedules)

Part III **Form M-1 Compliance Information (to be completed by welfare benefit plans)**

11a If the plan provides welfare benefits, was the plan subject to the Form M-1 filing requirements during the plan year? (See instructions and 29 CFR 2520.101-2.) ..... ☐ Yes ☐ No

If "Yes" is checked, complete lines 11b and 11c.

11b Is the plan currently in compliance with the Form M-1 filing requirements? (See instructions and 29 CFR 2520.101-2.) ……..... ☐ Yes ☐ No

11c Enter the Receipt Confirmation Code for the 2015 Form M-1 annual report. If the plan was not required to file the 2015 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code_____

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

2015

This Form is Open to Public Inspection

For calendar plan year 2015 or fiscal plan year beginning 01/01/2015 and ending 12/31/2015

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

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

A Name of plan
RAYTHEON NONBARGAINING RETIREMENT PLAN

B Three-digit plan number (PN) ▶ 021

C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF
RAYTHEON COMPANY

D Employer Identification Number (EIN)
95-1778500

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 01 Day 01 Year 2015

2 Assets:

a Market value	**2a**	7046747329
b Actuarial value	**2b**	6912963000

3 Funding target/participant count breakdown

	(1) Number of participants	(2) Vested Funding Target	(3) Total Funding Target
a For retired participants and beneficiaries receiving payment	16146	3425165005	3425165005
b For terminated vested participants	15700	428492573	428492573
c For active participants	7859	2086764743	2633279193
d Total	39705	5940422321	6486936771

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**	6.06%
6 Target normal cost	**6**	145684062

Statement by Enrolled Actuary

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

SIGN HERE

Signature of actuary

Date

JONATHAN R. BARRY, F.S.A.

Type or print name of actuary

14-06048

Most recent enrollment number

MERCER

Firm name

617-747-9500

Telephone number (including area code)

99 HIGH STREET
BOSTON, MA 02110-2320

Address of the firm

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

Part II Beginning of Year Carryover and Prefunding Balances

		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	0	228179801
8	Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	228179801
9	Amount remaining (line 7 minus line 8)	0	0
10	Interest on line 9 using prior year's actual return of 6.13%	0	0
11	Prior year's excess contributions to be added to prefunding balance:		
	a Present value of excess contributions (line 38a from prior year)		384453501
	b(1) Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of 6.24%		10697894
	b(2) Interest on line 38b from prior year Schedule SB, using prior year's actual return		13057691
	c Total available at beginning of current plan year to add to prefunding balance		408209086
	d Portion of (c) to be added to prefunding balance		106506450
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)	0	106506450

Part III Funding Percentages

14	Funding target attainment percentage	14	104.92 %
15	Adjusted funding target attainment percentage	15	106.56 %
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	96.90 %
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

Part IV Contributions and Liquidity Shortfalls

18 Contributions made to the plan for the plan year by employer(s) and employees:

(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
01/15/2015		667256	07/15/2015		634240
02/15/2015		663843	08/15/2015		625524
03/15/2015		1546507	09/15/2015		612065
04/15/2015		666704	10/15/2015		883481
05/15/2015		989906	11/15/2015		562402
06/15/2015		652430	12/15/2015		505936
			Totals ► 18(b)	160000000	18(c) 9010294

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	150906647

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 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)		
8	Portion elected for use to offset prior year's funding requirement (line 35 from prior year)		
9	Amount remaining (line 7 minus line 8)		
10	Interest on line 9 using prior year's actual return of _____%		
11	Prior year's excess contributions to be added to prefunding balance:		
	a Present value of excess contributions (line 38a from prior year)		
	b(1) Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of ____%		
	b(2) Interest on line 38b from prior year Schedule SB, using prior year's actual return		
	c Total available at beginning of current plan year to add to prefunding balance		
	d Portion of (c) to be added to prefunding balance		
12	Other reductions in balances due to elections or deemed elections		
13	Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)		

Part III Funding Percentages

14	Funding target attainment percentage	14	%
15	Adjusted funding target attainment percentage	15	%
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	%
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
12/30/2015	160000000				
			Totals ► 18(b)		18(c)

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	
b Contributions made to avoid restrictions adjusted to valuation date	19b	
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	

20 Quarterly contributions and liquidity shortfalls:

a Did the plan have a "funding shortfall" for the prior year? ☐ Yes ☐ No

b If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner? ☐ Yes ☐ No

c If line 20a is "Yes," see instructions and complete the following table as applicable:

Liquidity shortfall as of end of quarter of this plan year

(1) 1st	(2) 2nd	(3) 3rd	(4) 4th

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

21 Discount rate:

a Segment rates:

1st segment:	2nd segment:	3rd segment:	
4.72 %	6.11 %	6.81 %	☐ N/A, full yield curve used

b Applicable month (enter code)	**21b**	0
22 Weighted average retirement age	**22**	61

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**	145684062
b Excess assets, if applicable, but not greater than line 31a	**31b**	145684062

32 Amortization installments:

	Outstanding Balance	Installment
a Net shortfall amortization installment	0	0
b Waiver amortization installment	0	0

33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	**33**	
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)	**34**	0

	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement	0	106506450	106506450

36 Additional cash requirement (line 34 minus line 35)	**36**	0
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	**37**	150906647

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

a Total (excess, if any, of line 37 over line 36)	**38a**	150906647
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	**38b**	0
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	**39**	0
40 Unpaid minimum required contributions for all years	**40**	0

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

41 If an election was made to use PRA 2010 funding relief for this plan:

a Schedule elected ☐ 2 plus 7 years ☐ 15 years

b Eligible plan year(s) for which the election in line 41a was made ☐ 2008 ☐ 2009 ☐ 2010 ☐ 2011

42 Amount of acceleration adjustment	**42**	
43 Excess installment acceleration amount to be carried over to future plan years	**43**	

SCHEDULE C (Form 5500)	Service Provider 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). ▶ **File as an attachment to Form 5500.**	**2015** **This Form is Open to Public Inspection.**

For calendar plan year 2015 or fiscal plan year beginning 01/01/2015 and ending 12/31/2015

A Name of plan
RAYTHEON NONBARGAINING RETIREMENT PLAN

B Three-digit plan number (PN) ▶ 021

C Plan sponsor's name as shown on line 2a of Form 5500
RAYTHEON COMPANY

D Employer Identification Number (EIN)
95-1778500

Part I Service Provider Information (see instructions)

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

1 Information on Persons Receiving Only Eligible Indirect Compensation

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

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

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

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

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

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

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

XEROX BUSINESS SERVICES, LLC

51-0310342

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
13	NONE	2625179	Yes [ ] No [X]	Yes [ ] No [ ]		Yes [ ] No [ ]

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

THE BANK OF NEW YORK MELLON

13-5160382

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
21	NONE	440659	Yes [ ] No [X]	Yes [ ] No [ ]		Yes [ ] No [ ]

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

DELOITTE LLP

13-6044173

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
10 16	NONE	322725	Yes [ ] No [X]	Yes [ ] No [ ]		Yes [ ] No [ ]

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

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

PRICEWATERHOUSECOOPERS LLP

13-4008324

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
10	NONE	188655	Yes [ ] No [X]	Yes [ ] No [ ]		Yes [ ] No [ ]

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

MERCER

13-2834414

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
11	NONE	172205	Yes [ ] No [X]	Yes [ ] No [ ]		Yes [ ] No [ ]

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

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

Part I Service Provider Information (continued)

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

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

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

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

Part II Service Providers Who Fail or Refuse to Provide Information

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

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

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

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

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

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

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

Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)

(complete as many entries as needed)

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

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

2015

This Form is Open to Public Inspection.

For calendar plan year 2015 or fiscal plan year beginning 01/01/2015 and ending 12/31/2015

A Name of plan
RAYTHEON NONBARGAINING RETIREMENT PLAN

B Three-digit plan number (PN) ▶ 021

C Plan or DFE sponsor's name as shown on line 2a of Form 5500
RAYTHEON COMPANY

D Employer Identification Number (EIN)
95-1778500

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

a Name of MTIA, CCT, PSA, or 103-12 IE: RAYTHEON MASTER PENSION TRUST

b Name of sponsor of entity listed in (a): THE BANK OF NEW YORK MELLON

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
04-3172773-001	M	6293072901

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

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

2015

This Form is Open to Public Inspection

For calendar plan year 2015 or fiscal plan year beginning 01/01/2015 and ending 12/31/2015

A Name of plan
RAYTHEON NONBARGAINING RETIREMENT PLAN

B Three-digit plan number (PN) ▶ 021

C Plan sponsor's name as shown on line 2a of Form 5500
RAYTHEON COMPANY

D Employer Identification Number (EIN)
95-1778500

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)	213014000	0
(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)	6839268104	6293072901
(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	7052282104	6293072901
	Liabilities			
g	Benefit claims payable	1g		
h	Operating payables	1h	316016	276232
i	Acquisition indebtedness	1i		
j	Other liabilities	1j	12130049	16172406
k	Total liabilities (add all amounts in lines 1g through1j)	1k	12446065	16448638
	Net Assets			
l	Net assets (subtract line 1k from line 1f)	1l	7039836039	6276624263

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)	160000000	
	(B) Participants	2a(1)(B)	9010294	
	(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)		169010294
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)		9975094
(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		178985388
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	935370204	
(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)		935370204
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense	2h		
i Administrative expenses: (1) Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)	6826960	
(5) Total administrative expenses. Add lines **2i(1)** through **(4)**	2i(5)		6826960
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		942197164
Net Income and Reconciliation			
k Net income (loss). Subtract line **2j** from line **2d**	2k		-763211776
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) [X] Unqualified **(2)** [ ] Qualified **(3)** [ ] Disclaimer **(4)** [ ] Adverse

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

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

(1) Name: PRICEWATERHOUSECOOPERS LLP **(2)** EIN: 13-4008324

d The opinion of an independent qualified public accountant is **not attached** because:

(1) [ ] This form is filed for a CCT, PSA, or MTIA. **(2)** [ ] It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

4 CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete 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	N/A	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	N/A	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			20000000
f	Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	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				
o	Did the plan trust incur unrelated business taxable income?	4o				
p	Were in-service distributions made during the plan year?	4p				

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

6a Name of trust	**6b** Trust's EIN

6c Name of trustee or custodian	**6d** Trustee's or custodian's telephone number

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

2015

This Form is Open to Public Inspection.

For calendar plan year 2015 or fiscal plan year beginning 01/01/2015 and ending 12/31/2015

A Name of plan
RAYTHEON NONBARGAINING RETIREMENT PLAN

B Three-digit plan number (PN) ▶ 021

C Plan sponsor's name as shown on line 2a of Form 5500
RAYTHEON COMPANY

D Employer Identification Number (EIN)
95-1778500

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): 13-5160382

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** 139

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: 23.0% Investment-Grade Debt: 28.0% High-Yield Debt: 1.0% Real Estate: 4.0% Other: 44.0%

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

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

Part VII IRS Compliance Questions

20a Is the plan a 401(k) plan?	☐ Yes	☐ No
20b If "Yes," how does the 401(k) plan satisfy the nondiscrimination requirements for employee deferrals and employer matching contributions (as applicable) under sections 401(k)(3) and 401(m)(2)?	☐ Design-based safe harbor method	☐ ADP/ACP test
20c If the ADP/ACP test is used, did the 401(k) plan perform ADP/ACP testing for the plan year using the "current year testing method" for nonhighly compensated employees (Treas. Reg sections 1.401(k)-2(a)(2)(ii) and 1.401(m)-2(a)(2)(ii))?	☐ Yes	☐ No
21a Check the box to indicate the method used by the plan to satisfy the coverage requirements under section 410(b):	☐ Ratio percentage test	☐ Average benefit test
21b Does the plan satisfy the coverage and nondiscrimination tests of sections 410(b) and 401(a)(4) by combining this plan with any other plans under the permissive aggregation rules?	☐ Yes	☐ No
22a Has the plan been timely amended for all required tax law changes?	☐ Yes	☐ No ☐ N/A

22b Date the last plan amendment/restatement for the required tax law changes was adopted ____/____/____. Enter the applicable code _____ (See instructions for tax law changes and codes).

22c If the plan sponsor is an adopter of a pre-approved master and prototype (M&P) or volume submitter plan that is subject to a favorable IRS opinion or advisory letter, enter the date of that favorable letter _____/_____/_____ and the letter's serial number _____.

22d If the plan is an individually-designed plan and received a favorable determination letter from the IRS, enter the date of the plan's last favorable determination letter _____/_____/_____.

23 Is the Plan maintained in a U.S. territory (i.e., Puerto Rico (if no election under ERISA section 1022(i)(2) has been made), American Samoa, Guam, the Commonwealth of the Northern Mariana Islands or the U.S. Virgin Islands)?	☐ Yes	☐ No

Independent Auditor's Report

To the Administrator of Raytheon Non-Bargaining Retirement Plan

We have audited the accompanying financial statements of Raytheon Non-Bargaining Retirement Plan (the "Plan"), which comprise the statements of net assets available for benefits as of December 31, 2015 and December 31, 2014, and the related statements of changes in net assets available for benefits for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, information regarding the Plan's net assets available for benefits as of December 31, 2015 and changes therein for the year then ended and its financial status as of December 31, 2014, and changes therein for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Boston, Massachusetts
September 9, 2016

Schedule SB, line 26 — Schedule of Active Participant Data

Attained age	Years of credited service										
	Under 1	**1–4**	**5–9**	**10–14**	**15–19**	**20–24**	**25–29**	**30–34**	**35–39**	**40 & up**	**Total**
Under 25											
25–29											
30–34					1						1
35–39	1	1	5	222 114,416	70 133,008	2					301
40–44		4	7	224 118,387	352 139,074	20 162,632					607
45–49	4	9	16	201 122,044	352 132,006	192 151,932	37 114,277	2			813
50–54	26 120,150	26 95,255	45 102,449	275 130,155	727 137,708	863 162,955	535 153,072	112 151,182	4		2,613
55–59	13	35 95,295	64 108,536	222 127,888	663 129,785	560 146,593	326 139,442	266 144,408	11		2,160
60–64	8	14	24 91,160	112 118,751	342 121,165	195 128,361	121 125,500	116 129,931	47 154,634	4	983
65–69	2	4	11	23 112,725	104 117,826	51 114,682	41 125,657	36 123,754	20 138,190	5	297
70 & up	4	4	2	5	25 144,711	14	7	10	7	3	81
Total	58	97	174	1,285	2,635	1,897	1,067	542	89	12	7,856

In each cell, the top number is the count of active participants for each age/service combination and the bottom number is average pay for 2014 limited to $260,000. Average pay is not shown for cells with fewer than 20 participants.[1]

[1] Excludes 3 active transferred participants from the Raytheon Subsidiary Retirement Plan with a frozen benefit.

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

Actuarial Assumptions for January 1, 2015 Funding Valuation

Discount rate sponsor elections		
• Segment rates or full yield curve	Segment	
• Look-back months	0	
	Stabilized	**Nonstabilized**
• First 5 years	4.72%	1.22%
• Next 15 years	6.11%	4.11%
• Over 20 years	6.81%	5.20%
Mortality sponsor elections		
• Healthy participants	Section 430(h)(3) prescribed separate static annuitant and nonannuitant mortality tables. These tables are based on the RP-2000 mortality tables projected with mortality improvement to the valuation year plus 7 and 15 years based on Scale AA.	
• Disabled participants	Same as healthy	
Cash balance plans		
• Interest accumulation rate	2.00% per year for PRA participants only Rationale: Based on the assumed long-term one-year treasury rates periodically published by Mercer Investment Consulting's *Capital Market Outlook*	
• Annuity conversion		
— Nonbargaining/PRA		
▪ Mortality table	1983 Group Annuity Mortality Table	
▪ Interest rate basis	5.00%	
— Marine		
▪ Mortality table	Section 430(h)(3) prescribed combined static annuitant and nonannuitant mortality tables. These tables are based on the RP-2000 mortality tables projected with mortality improvement to the valuation year plus 7 and 15 years based on Scale AA.	
▪ Interest rate basis	Segmented interest rates of 4.50% for 5 years, 5.50% for the next 15 years and 6.00% thereafter	
Other economic assumptions		
• Salary increases	See Table of sample rates. Rationale: Based on past experience and current plan membership, adjusted to reflect management's expectation of future wage increases.	
• Social Security wage base	3.75% per year for Raytheon Nonbargaining Retirement Plan and PRA participants only. Rationale: Reflects long-term view of inflation and the average real wage increases for the U.S. economy as a whole.	
• Inflation	3.00% per year for Raytheon Nonbargaining Retirement Plan and PRA participants only. Rationale: This assumption is within a reasonable range of outcomes from the inflation assumption periodically published by Mercer Investment Consulting in their *Capital Markets Outlook*.	

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

• Cost-of-living adjustment (post-retirement)	2.50% per year Rationale: Based on the long-term view of increases in the Consumer Price index for Urban Wage Earners and Clerical Workers (CPI-W) and reflects analysis of historical cumulative retiree cost-of-living adjustments that has shown there is at least a 50 basis difference between the retiree cost-of-living adjustment and the long-term inflation assumption.
• Expected investment return	8.00% per year, but not greater than the 3rd segment rate in effect for each year. Rationale: The expected long-term return on assets assumption was developed based on the plan's current target investment allocation and a building block approach, which looked at the weighted average expected return for each asset class based on long-term capital market assumptions. The expected return for each asset class is composed of inflation plus a risk free rate of return, plus an expected risk premium for each asset class. The resulting return was then adjusted for administrative, investment management and trading expenses as well as recognition of alpha for active management.
• Expenses	$5,015,188 (added to current year target normal cost) Rationale: Based on actual administrative expenses incurred in the prior plan year.
• Actuarial equivalence for conversion to certain only forms of payment	The basis for valuation of certain only payments is based on either: • PBGC interest rates of 1.00% for 2015, 1.75% for 2016 and 2.75% thereafter and 1971 Group Annuity Mortality table (blended 80% males, 20% females), or • Segmented interest rates of 4.50% for 5 years, 5.50% for the next 15 years and 6.00% thereafter and the 417(e) unisex mortality for the current year whichever yields a greater lump sum value. Rationale (PBGC interest rates): Based on long-term historical trends in the PBGC rate which suggests a range of 40 to 200 basis points below the long government bond. The assumption for long government bond is periodically published by Mercer Investment Consulting's *Capital Markets Outlook*. Rationale (Segmented interest rates): Based on a long-term view of the three segment rates extrapolated by bootstrapping the forward rates from the current year's PPA full yield curve.
• Interest accumulation on employee contributions	5.00% per year for Raytheon Nonbargaining Retirement Plan participants only.
Demographic assumptions	
Withdrawal	See tables of sample rates for 3 distinct groups of employees. Rationale: Based on experience studies undertaken from 2010 to 2013 using data from 2002 – 2012 and the expectation that future withdrawal patterns and circumstances of the employer will not differ significantly from the period studied.

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

Disability incidence

See table of sample rates: 1985 Pension Disability Mortality tables for Class 1 Occupations for males and females (PRA participants only)

Rationale: These assumptions have been developed based on the benefit structure under the plan and the actuary's experience with similar plans. Annual review of the experience has shown that these assumptions provide similar results to the actual experience under the plan.

Retirement age

	Percentage				
	Raytheon Nonbargaining Retirement Plan		Former Hughes Personal Retirement Account Plan	Raytheon Subsidiary Retirement Plan	Marine Systems Retirement Plan
Attained age	Basic	Rule of 75			
55	5.40%	10.00%	3.00%	6.26%	10.00%
56	4.87	15.00	3.00	5.81	15.00
57	4.57	20.00	3.00	5.37	15.00
58	4.68	25.00	3.00	5.67	20.00
59	5.11	30.00	3.00	5.99	20.00
60	5.62	35.00	3.00	7.69	20.00
61	7.15	40.00	3.00	13.90	30.00
62	10.47	60.00	20.00	22.51	50.00
63	14.73	50.00	10.00	29.69	50.00
64	24.64	50.00	10.00	42.96	50.00
65	45.02	50.00	100.00	67.76	100.00
66	34.68	50.00	100.00	48.66	100.00
67	28.27	50.00	100.00	44.99	100.00
68	37.03	50.00	100.00	63.96	100.00
69	100.00	50.00	100.00	99.99	100.00
70 and above	100.00	100.00	100.00	100.00	100.0%

Rationale: Based on experience studies undertaken from 2010 to 2013 using data from 2002 – 2012 and the expectation that future retirement patterns and circumstances of the employer will not differ significantly from the period studied.

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

Benefit commencement age for					
• Future vested deferred	65				
• Current vested deferred	65				
Spouse assumptions	**Male participants**			**Female participants**	
• Percentage married	85%			75%	
• Spouse age difference	3 years younger			3 years older	
Form of payment	**Single life**	**5-year Certain only**	**10-year Certain only**	**50% J&S**	**100% J&S**
Nonbargaining participants					
• Active retirements (contributory for 2015 and 2016 plan year)	10%	90%	N/A	N/A	N/A
• Active retirements (contributory thereafter)	20%	80%	N/A	N/A	N/A
• Active retirements (noncontributory)	50%	N/A	50%	N/A	N/A
• Future vested deferred	100%	N/A	N/A	N/A	N/A
• Future deaths pre-retirement eligibility	N/A	N/A	N/A	100%	N/A
• Future deaths post-retirement eligibility	N/A	N/A	N/A	N/A	100%
• Current vested deferred	100%	N/A	N/A	N/A	N/A
PRA participants	100%	N/A	N/A	N/A	N/A
Subsidiary Participants	100%	N/A	N/A	N/A	N/A
Marine participants					
• Active retirements	Assumed to elect payment in the form of a single life temporary annuity with lump sum at age 62				
• Future deaths	100% Lump sum				
Rationale for all other demographic assumptions	Rationale: These assumptions have been developed based on the benefit structure under the plan and the actuary's experience with similar plans. Annual review of the experience has shown that these assumptions provide similar results to the actual experience under the plan.				
Unpredictable contingent event assumptions	Not applicable				

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

Table of Sample Rates

Attained age	Raytheon Nonbargaining Retirement Plan		
	Withdrawal		Salary increases
	Male	Female	
20	11.90%	23.50%	6.68%
25	9.50	17.20	6.55
30	7.10	11.90	5.99
35	5.40	7.70	5.08
40	3.70	4.90	4.45
45	2.30	2.90	3.94
50	1.50	1.50	3.62
55	0.90	0.90	3.34
60	0.00	0.00	3.16
65	0.00	0.00	2.94
70	0.00	0.00	0.00

Attained age	Former Hughes Personal Retirement Account Plan		
		Disability incidence	
	Withdrawal	Male	Female
20	21.50%	0.03%	0.03%
25	16.50	0.04	0.05
30	10.40	0.05	0.08
35	8.10	0.07	0.14
40	6.30	0.12	0.21
45	5.20	0.20	0.32
50	3.90	0.36	0.53
55	2.20	0.72	0.95
60	0.00	1.26	1.16
65	0.00	1.75	1.36
70	0.00	0.00	0.00

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

Table of Sample Rates (continued)

	Raytheon Subsidiary Retirement Plan	
Attained age	**Withdrawal**	**Salary Increases**
20	7.15%	6.68%
25	5.00	6.55
30	3.90	5.99
35	3.20	5.08
40	2.65	4.45
45	2.10	3.94
50	0.90	3.62
55	0.40	3.34
60	0.10	3.16
65	0.00	2.94
70	0.00	0.00

	Marine System Retirement Plan	
Attained age	**Withdrawal**	**Salary Increases**
20	10.16%	6.68%
25	8.46	6.55
30	6.75	5.99
35	5.04	5.08
40	4.14	4.45
45	3.24	3.94
50	1.62	3.62
55	0.00	3.34
60	0.00	3.16
65	0.00	2.94

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

Service	**Percent Terminating**
1	15.0%
2	11.0%
3	7.0%
4	5.0%
5	3.0%

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

Actuarial Methods for Funding

Asset methods

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

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

Participant methods

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

- **Participants included:**
  - Xerox HR Solutions, LLP provides us with data on all employees as of the valuation date, but only those employees who have completed the plan's eligibility requirements are included in the valuation of liabilities.
- **Participants excluded:**
  - No actuarial liability is included for nonvested participants who terminated prior to the valuation date.
  - It is assumed that 100% of participants with deferred benefits over age 66 will not be located and will not commence benefits, as described in Section 5.12 of the plan document.
  - In addition, for retirees who have elected a contingent annuitant form of payment and for whom no beneficiary data was provided, one-third of future beneficiaries are assumed to decease prior to receiving benefits.
- **Insurance contracts:** The plan does not have any insurance contracts.

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

Minimum funding methods

The funding target for minimum funding calculations is computed using the traditional unit credit method of funding. The objective under this method is to fund each participant's benefits under the plan as they accrue. Thus, the total pension to which each participant is expected to become entitled at retirement is broken down into units, each associated with a year of past or future credited service.

A detailed description of the calculation follows:

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

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.	2015 This Form is Open to Public Inspection

For calendar plan year 2015 or fiscal plan year beginning 01/01/2015 and ending 12/31/2015

▶ **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) ▶	
RAYTHEON NONBARGAINING RETIREMENT PLAN		021
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF	**D** Employer Identification Number (EIN)	
RAYTHEON COMPANY	95-1778500	

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 01 Day 01 Year 2015

2 Assets:

a Market value	2a	7,046,747,329
b Actuarial value	2b	6,912,963,000

3 Funding target/participant count breakdown

	(1) Number of participants	(2) Vested Funding Target	(3) Total Funding Target
a For retired participants and beneficiaries receiving payment	16,146	3,425,165,005	3,425,165,005
b For terminated vested participants	15,700	428,492,573	428,492,573
c For active participants	7,859	2,086,764,743	2,633,279,193
d Total	39,705	5,940,422,321	6,486,936,771

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	6.06%
6 Target normal cost	6	145,684,062

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 Jonathan Barry (JB) — Signature of actuary

September 8, 2016 — Date

JONATHAN R. BARRY, F.S.A. — Type or print name of actuary

1406048 — Most recent enrollment number

MERCER — Firm name

617-747-9500 — Telephone number (including area code)

99 HIGH STREET

BOSTON MA 02110-2320 — Address of the firm

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

Part II Beginning of Year Carryover and Prefunding Balances

	(a) Carryover balance	(b) Prefunding balance
7 Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	0	228,179,801
8 Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	228,179,801
9 Amount remaining (line 7 minus line 8)	0	0
10 Interest on line 9 using prior year's actual return of 6.13%	0	0
11 Prior year's excess contributions to be added to prefunding balance:		
a Present value of excess contributions (line 38a from prior year)		384,453,501
b(1) Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of 6.24%		10,697,894
b(2) Interest on line 38b from prior year Schedule SB, using prior year's actual return		13,057,691
c Total available at beginning of current plan year to add to prefunding balance		408,209,086
d Portion of (c) to be added to prefunding balance		106,506,450
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)	0	106,506,450

Part III Funding Percentages

14 Funding target attainment percentage	14	104.92%
15 Adjusted funding target attainment percentage	15	106.56%
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	96.90%
17 If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage.	17	%

Part IV Contributions and Liquidity Shortfalls

18 Contributions made to the plan for the plan year by employer(s) and employees:

(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
01/15/2015		667,256			
02/15/2015		663,843			
03/15/2015		1,546,507			
04/15/2015		666,704			
05/15/2015		989,906			
06/15/2015		652,430			
07/15/2015		634,240			
08/15/2015		625,524			
09/15/2015		612,065			
10/15/2015		883,481			
11/15/2015		562,402			
12/15/2015		505,936			
12/30/2015	160,000,000				
			Totals ► 18(b)	160,000,000	18(c) 9,010,294

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	150,906,647

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:	2nd segment:	3rd segment:	☐ N/A, full yield curve used
4.72%	6.11%	6.81%	

b Applicable month (enter code)	21b	0
22 Weighted average retirement age	22	61

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	145,684,062
b Excess assets, if applicable, but not greater than line 31a	31b	145,684,062

32 Amortization installments:	Outstanding Balance	Installment
a Net shortfall amortization installment	0	0
b Waiver amortization installment	0	0

33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33	
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)	34	0

	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement	0	106,506,450	106,506,450

36 Additional cash requirement (line 34 minus line 35)	36	0
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	37	150,906,647
38 Present value of excess contributions for current year (see instructions)		
a Total (excess, if any, of line 37 over line 36)	38a	150,906,647
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b	0
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	39	0
40 Unpaid minimum required contributions for all years	40	0

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

41 If an election was made to use PRA 2010 funding relief for this plan:

a Schedule elected ☐ 2 plus 7 years ☐ 15 years

b Eligible plan year(s) for which the election in line 41a was made ☐ 2008 ☐ 2009 ☐ 2010 ☐ 2011

42 Amount of acceleration adjustment	42	
43 Excess installment acceleration amount to be carried over to future plan years	43	

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

Each employee is assumed to retire in accordance with the table of retirement rates. The proportion of employees expected to retire at each potential retirement age is shown below. The average retirement age is 60.63 (50% * 62.76 + 50% * 58.49).

Basic Rates

(A) Retirement age	(B) Retirement Percent	(C) Lx	(D) Number of employees expected to retire (B) x (C)	(E) (A) x (D)
55	5.40%	10,000	540	29,700
56	4.87%	9,460	461	25,799
57	4.57%	8,999	411	23,442
58	4.68%	8,588	402	23,311
59	5.11%	8,186	418	24,680
60	5.62%	7,768	437	26,193
61	7.15%	7,331	524	31,975
62	10.47%	6,807	713	44,187
63	14.73%	6,094	898	56,555
64	24.64%	5,197	1,280	81,949
65	45.02%	3,916	1,763	114,600
66	34.68%	2,153	747	49,283
67	28.27%	1,406	398	26,639
68	37.03%	1,009	374	25,403
69	100.00%	635	635	43,833
Total				627,550
Average				62.76

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

Rule of 75

(A) Retirement age	(B) Retirement Percent	(C) Lx	(D) Number of employees expected to retire (B) x (C)	(E) (A) x (D)
55	10.00%	10,000	1,000	55,000
56	15.00%	9,000	1,350	75,600
57	20.00%	7,650	1,530	87,210
58	25.00%	6,120	1,530	88,740
59	30.00%	4,590	1,377	81,243
60	35.00%	3,213	1,125	67,473
61	40.00%	2,088	835	50,958
62	60.00%	1,253	752	46,614
63	50.00%	501	251	15,789
64	50.00%	251	125	8,020
65	50.00%	125	63	4,072
66	50.00%	63	31	2,068
67	50.00%	31	16	1,049
68	50.00%	16	8	533
69	50.00%	8	4	270
70	100.00%	4	4	274
Total				584,913
Average				58.49

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

Former Hughes Personal Retirement Account

(A) Retirement age	(B) Retirement Percent	(C) Lx	(D) Number of employees expected to retire (B) x (C)	(E) (A) x (D)
55	3.00%	10,000	300	16,500
56	3.00%	9,700	291	16,296
57	3.00%	9,409	282	16,089
58	3.00%	9,127	274	15,881
59	3.00%	8,853	266	15,670
60	3.00%	8,587	258	15,457
61	3.00%	8,330	250	15,243
62	20.00%	8,080	1,616	100,190
63	10.00%	6,464	646	40,722
64	10.00%	5,817	582	37,232
65	100.00%	5,236	5,236	340,322
Total				629,603
Average				62.96

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

Subsidiary

(A) Retirement age	(B) Retirement Percent	(C) Lx	(D) Number of employees expected to retire (B) x (C)	(E) (A) x (D)
55	6.26%	10,000	626	34,430
56	5.81%	9,374	545	30,499
57	5.37%	8,829	474	27,026
58	5.67%	8,355	474	27,477
59	5.99%	7,881	472	27,854
60	7.69%	7,409	570	34,187
61	13.90%	6,840	951	57,993
62	22.51%	5,889	1,326	82,187
63	29.69%	4,563	1,355	85,355
64	42.96%	3,208	1,378	88,215
65	67.76%	1,830	1,240	80,605
66	48.66%	590	287	18,949
67	44.99%	303	136	9,131
68	63.96%	167	107	7,247
69	99.99%	60	60	4,143
70	100.00%	0	0	0
Total				615,300
Average				61.53

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

Marine

(A) Retirement age	(B) Retirement Percent	(C) Lx	(D) Number of employees expected to retire (B) x (C)	(E) (A) x (D)
55	10%	10,000	1,000	55,000
56	15%	9,000	1,350	75,600
57	15%	7,650	1,148	65,408
58	20%	6,503	1,301	75,429
59	20%	5,202	1,040	61,384
60	20%	4,162	832	49,939
61	30%	3,329	999	60,926
62	50%	2,330	1,165	72,245
63	50%	1,165	583	36,705
64	50%	583	291	18,644
65	100%	291	291	18,935
Total				590,215
Average				59.02

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

All Plans (Weighted by Active Headcount)

Plan Name	(A) Average Retirement Age	(B) Active Headcount	[(A) x (B)]
Raytheon Nonbargaining Retirement Plan	60.63	7,802	473,035.26
Former Hughes Personal Retirement Account	62.96	3	188.88
Raytheon Subsidiary Retirement Plan	61.53	4	246.12
Marine Systems Retirement Plan	59.02	50	2,951.00
Total		**7,859**	**476,421.26**
Average			**60.62**

Raytheon Non-Bargaining Retirement Plan

Financial Statements
To Accompany 2015 Form 5500
Annual Report of Employee Benefit Plan
Under ERISA of 1974
December 31, 2015 and 2014

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

Independent Auditor's Report

To the Administrator of Raytheon Non-Bargaining Retirement Plan

We have audited the accompanying financial statements of Raytheon Non-Bargaining Retirement Plan (the "Plan"), which comprise the statements of net assets available for benefits as of December 31, 2015 and December 31, 2014, and the related statements of changes in net assets available for benefits for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, information regarding the Plan's net assets available for benefits as of December 31, 2015 and changes therein for the year then ended and its financial status as of December 31, 2014, and changes therein for the year then ended in accordance with accounting principles generally accepted in the United States of America.

PricewaterhouseCoopers LLP

Boston, Massachusetts
September 9, 2016

Raytheon Non-Bargaining Retirement Plan
Statements of Net Assets Available for Benefits
December 31, 2015 and 2014

Assets	**2015**	**2014**
Investments at fair value (Notes 2 and 5)		
Raytheon Master Pension Trust	$ 6,293,072,901	$ 6,839,268,104
Receivables		
Employer contributions9999	-	213,014,000
Total assets	6,293,072,901	7,052,282,104
Liabilities		
Other liabilities	$ 16,172,406	$ 12,130,049
Accrued administratitive expenses	276,232	316,016
Total liabilities	16,448,638	12,446,065
Net assets available for benefits	$ 6,276,624,263	$ 7,039,836,039

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

Raytheon Non-Bargaining Retirement Plan
Statements of Changes in Net Assets Available for Benefits
Years Ended December 31, 2015 and 2014

Additions	**2015**	**2014**
Raytheon Master Pension Trust investment income (Notes 2 and 5)	$ 9,975,094	$ 402,844,203
Employer contributions	160,000,000	413,014,000
Employee contributions	9,010,294	9,922,401
Total additions	178,985,388	825,780,604
Deductions		
Benefit payments	$ 935,370,204	$ 904,069,066
Administrative expenses	6,826,960	5,136,862
Total deductions	942,197,164	909,205,928
Net increase/(decrease) in net assets available for benefits prior to merger	(763,211,776)	(83,425,324)
Merger of Raytheon Marine Systems Retirement Plan (Note 1)	-	51,876,079
Net assets available for benefits, beginning of year	7,039,836,039	7,071,385,284
Net assets available for benefits, end of year	$ 6,276,624,263	$ 7,039,836,039

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

1. Plan Description

The following description of the Raytheon Non-Bargaining Retirement Plan (the "Plan") is for general information purposes only. Participants should refer to the Summary Plan Description or the Plan Document for a complete description of the Plan's provisions.

General

The Plan was established on December 18, 1997 to provide retirement benefits to eligible non-bargaining employees as part of the Raytheon Company's (the "Company") merger with the Defense Business of Hughes Electronics ("Hughes") on December 17, 1997. A proportionate allocation of the liabilities and assets of the preexisting Hughes Non-Bargaining Retirement Plan (the "Hughes Plan") was transferred to the Plan. Effective October 1, 2011, the Raytheon Subsidiary Retirement Plan was merged into and became a part of the Plan. Effective July 1, 2014, the Raytheon Marine Systems Retirement Plan was merged into and became a part of the Plan.

Investments are held in the Raytheon Master Pension Trust ("Master Trust"). The Plan is administered by the Plan Administrator appointed by the Company's Vice President of Human Resources and Global Security and is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA").

Benefits, Eligibility and Vesting

The Plan is a defined benefit plan covering certain employees of the Company. The Plan provides specified benefits to be paid from the net assets available for benefits. Each employee who was a participant in the Hughes Plan on December 17, 1997, continued as a participant in the Plan with all prior service recognized. Other salaried employees working in a non-bargaining unit in the defense business formerly operated by Hughes generally became eligible under this plan following completion of a year of service. The level of benefits depends upon the status of each participant as either a member of the contributory benefit structure of the Plan, the noncontributory portion, or the benefit structure applicable to former salaried employees of General Dynamics.

Benefits are based principally upon years of service and compensation. Annual earnings in excess of the limit provided for that year by Section 401(a)(17) of the Internal Revenue Code are not used in determining benefits under the Plan.

Effective January 1, 2007, employees who are either hired or rehired (after the expiration of any salary continuation payments) are not eligible to participate in the Plan. In addition, former employees who are rehired on or after March 1, 2007 and have received or are receiving payment from a Company-sponsored pension plan are not eligible to participate in the Plan.

Non-Contributory Benefit Structure

Most salaried employees of the defense businesses formerly operated by Hughes, who were hired between August 1, 1990 and September 1, 1999, participate in the non-contributory benefit structure of the Plan.

After completing 5 years of service under the Plan, participants are entitled to annual pension benefits beginning at their Social Security Retirement Date, defined as a percentage of their final average earnings multiplied by their years of service. The non-contributory portion of the Plan provides for normal retirement, early retirement, deferred vested and death benefits. The standard form of retirement benefit to unmarried participants is a monthly payment beginning the month following retirement and continuing until death. The standard form of benefit to married participants is a reduced monthly payment for the participant's life and one-half of that payment for the life of the participant's surviving spouse (or same sex domestic partner, if appropriate forms have been filed with the Raytheon Benefit Center). Other optional forms of benefits are also available

including a 10 Year Certain and Continuous Benefit, a 10 or 15 Year Period Certain Benefit, and 50%, 75%, and 100% Contingent Annuity.

Contributory Benefit Structure
Employees hired or rehired by Hughes on or before August 1, 1990 are eligible to participate in the contributory benefit structure of the Plan. Employees who, in 1990, chose to continue participation in the contributory benefit structure, may elect to contribute 3% of their pay to the Plan. Participants are always vested in their contributions and interest in the Plan.

After completing 5 years of service as an employee of Hughes or Raytheon, a participant is entitled to annual pension benefits beginning at their normal retirement date based upon the greater of three formulas (a career average formula, a minimum benefit formula and a final average compensation formula). The pension under the contributory benefit may be adjusted annually to reflect changes in the cost of living (maximum annual increase or decrease of 4%). The contributory portion of the plan provides for normal retirement, early retirement, deferred vested and death benefits. The early retirement pension is the same as the age 65 pension for a retiree who is at least 55 at termination of employment and whose age plus continuous service (both at termination) total at least 75. The standard form of retirement benefit to unmarried participants is a monthly payment beginning the month following retirement and continuing until death. The standard form of benefit to married participants is a reduced monthly payment for the participant's life and one-half of that payment for the life of the participant's surviving spouse (or same sex domestic partner, if appropriate forms have been filed with the Raytheon Benefit Center). Other optional forms of benefits are also available including a 5, 10 or 15 Year Certain and Continuous Benefit, a 5, 10 or 15 Year Period Certain Benefit, 5, 10 or 15 Year Temporary Modified Cash Refund Annuity, and 50%, 66 2/3%, 75% and 100% Contingent Annuity and Social Security Level Income Options.

Benefit Structure for Former Salaried Employees of General Dynamics
Employees who are former General Dynamics salaried employees whose employment was transferred to Hughes on August 22, 1992 are eligible to participate in the General Dynamics benefit structure of the Plan.

After completing 5 years of service under the General Dynamics benefit structure, participants are entitled to annual pension benefits beginning at their normal retirement date based upon the greater of three formulas (a career average formula, a minimum benefit formula and a final average compensation formula). The General Dynamics portion of the Plan provides for normal retirement, early retirement, deferred vested and death benefits. The standard form of retirement benefit to unmarried participants is a monthly payment beginning the month following retirement and continuing until death. The standard form of benefit to married participants is a reduced monthly payment for the participant's life and one-half of that payment for the life of the participant's surviving spouse (or same sex domestic partner, if appropriate forms have been filed with the Raytheon Benefit Center). Other optional forms of benefits are also available including a 5 or 10 Certain and Continuous Benefit.

Benefit Structure for Participants in the Former Raytheon Subsidiary Retirement Plan
The standard form of retirement benefit to unmarried participants is a monthly payment based upon 1% of compensation for each year of benefit accrual service beginning the month following retirement and continuing until death. The standard form of benefit to married participants is a reduced monthly payment for the participant's life and one-half of that payment for the life of the participant's surviving spouse (or same sex domestic partner, if appropriate forms have been filed with the Raytheon Benefits Center). Other optional forms are also available. This portion of the Plan provides for normal retirement, early retirement, deferred vested and death benefits. Vesting occurs after a period of five years of service.

Benefit Structure for Participants in the Former Raytheon Marine Systems Retirement Plan
Participants are entitled to monthly pension benefits beginning at age 65 equal to the greatest of (a) the accrued benefit available from the participant's account balance in the cash balance portion of the plan, (b) $39 times the years of credited service, or (c) (only for members of the Alliant Plan before April 1, 1992 meeting requirements specified in the Plan Document), the benefit specified in the Alliant Plan as of that date. In the cash balance portion of the plan, participants earn pay credits which are determined as a percentage of pay plus a supplemental percentage for pay exceeding the Social Security wage base. Both percentages increase with the participant's years of service. An interest credit is applied to the cash balance account based on an interest rate benchmark described in the Plan Document. Participants may elect various optional forms of benefit payment. This portion of the Plan provides for normal retirement, early retirement, deferred vested, disability and pre-retirement death benefits. All participants with accrued benefits under this benefit structure are currently fully vested.

Contributions
The Company makes contributions to the Plan to ensure assets are sufficient to pay the benefits of the Plan. Participants in the contributory portion of the Plan, except those on inactive status, are required to contribute to the Plan.

2. Summary of Significant Accounting Policies

Basis of Presentation
The accompanying financial statements are prepared on the accrual basis of accounting.

Investment Valuation and Income Recognition
The Plan's interest in the Master Trust is stated at fair value. Net investment income/ (loss) from the Master Trust is allocated proportionately on a monthly basis based on the Plan's interest in the Master Trust. See Note 5 for additional information.

Contributions
Employer contributions are funded and recorded as determined by actuarial computation. Participants in the contributory portion of the Plan contribute 3% of eligible compensation as defined under the Plan Document. See Note 4 for additional information.

Benefit Payments
Benefit payments to participants are recorded when paid.

Administrative Expenses
All expenses of the Plan, which primarily consist of professional and administrative fees, are paid by the Plan. Expenses specifically related to the Plan are included in the Statements of Changes in Net Assets Available for Benefits under "Administrative expenses." Additionally, expenses paid directly by the Master Trust, which primarily consist of investment management fees, are allocated proportionally on a monthly basis based on the Plan's interest in the Master Trust and are included in the Statements of Changes in Net Assets Available for Benefits under "Raytheon Master Pension Trust investment income."

Use of Estimates
The Plan's financial statements have been prepared in conformity with U.S. Generally Accepted Accounting Principles ("GAAP") and require the Plan Administrator to make significant estimates and assumptions that affect the reported amounts of net assets available for benefits at the date of the financial statements and the actuarial present value of accumulated plan benefits as of the benefit information date, the changes in net assets available for benefits during the reporting period

and, when applicable, the disclosures of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates.

New Accounting Pronouncements
In July 2015, FASB issued ASU No. 2015-12 "I. Fully Benefit-Responsive Investment Contracts, II. Plan Investment Disclosures, III. Measurement Date Practical Expedient." Under Part I of the update, fully benefit-responsive investment contracts are measured, presented and disclosed only at contract value for defined contribution and health and welfare benefit plans. Part II of the update eliminates the requirement to disclose individual investments that represent 5 percent or more of net assets available for benefits and the net appreciation or depreciation for investment by general type. Additionally, Part II requires that investments of employee benefit plans be grouped only by general type, eliminating the need to disaggregate the investment in multiple ways. Part III of the update provides a practical expedient to permit plans to measure investment and investment-related accounting as of a month-end date that is closest to the plan's fiscal year-end, when the fiscal period does not coincide with a month-end.

The update is effective for fiscal years beginning after December 15, 2015. The Plan's financial statements reflect early adoption, including retrospective application, as allowed by the accounting standard. The adoption of the standard did not result in a material change to the presentation of the financial statements as a whole.

3. Actuarial Present Value of Accumulated Pension Plan Benefits

Accumulated plan benefits are those future periodic payments that are attributable, under the Plan's provisions, to the service employees have rendered. Accumulated plan benefits include benefits expected to be paid to (a) retired or terminated employees or their beneficiaries, (b) beneficiaries of deceased employees, and (c) active employees or their beneficiaries. The level of benefits depends upon the status of each participant as either in the contributory portion or the noncontributory portion or the benefit structure applicable to former salaried employees of General Dynamics of the Plan. Benefits are based principally upon years of service and compensation. Benefits payable under all circumstances – retirement, termination of employment, and death – are included to the extent that they are deemed attributable to employee service rendered to the valuation date.

The actuarial present value of accumulated plan benefits is determined by the Company's consulting actuary, Mercer, and is the amount which results from applying actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements for retirement, death, or withdrawal) between the valuation date and the expected date of payment.

The significant actuarial assumptions used in the valuation as of December 31, 2014 and 2013, are as follows:

Assumed rate of return on investments for accumulated benefits	8.00% as of December 31, 2014 8.75% as of December 31, 2013
Mortality basis	
Healthy & disabled participants	Modified version of the RP-2014 employee/retiree no collar tables, which has the projection scale backed off to 2007 and projected future generational mortality improvement based on a modified version of the MP-2014 scale, which reflects a 10-year downgrade period and an ultimate improvement rate of 0.75%
Retirement	Several rates, varying by age from 55 to 70
Post-retirement cost-of-living adjustment	2.5% for contributory participants

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

Assumption Changes
There have been changes in the actuarial assumptions since the prior valuation of the Plan as follows:

- The discount rate decreased from 8.75% to 8.00%.
- The form of payment for contributing participants retiring in the 2015 and 2016 plan years was updated from 20% Single Life and 80% 5-year Certain Only to 10% Single Life and 90% 5-year Certain Only based on past experience and future payment elections by contributing participants.
- The PBGC interest basis for conversion to certain only form of payment was changed from 2.75% to 1.00% for 2015, 1.75% for 2016 and 2.75% thereafter.
- The cash balance annuity conversion interest rate basis decreased from 7.25% to 5.00%.

The above changes were made to better reflect anticipated demographic experience.

As of December 31, 2014, the most recent valuation date, the actuarial present value of accumulated plan benefits is as follows:

Vested benefits		
Participants receiving benefits	$	3,214,300,372
Participants with deferred benefits		351,559,029
Active participants		1,780,545,807
Total vested benefits		5,346,405,208
Nonvested benefits		487,821,232
Total actuarial present value of accumulated plan benefits	$	5,834,226,440
Employee contributions with interest as of December 31, 2014 (2.10% interest rate)	$	317,042,077

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

Actuarial present value of accumulated plan benefits as of December 31, 2013	$	5,801,861,655
Benefits accumulated and non-investment (gains)/losses		141,742,527
Increase for interest due to decrease in discount period		466,307,087
Benefits paid		(904,069,066)
Change in actuarial assumptions		292,586,464
Plan merger accumulated plan benefits (Marine)		35,797,773
Actuarial present value of accumulated plan benefits as of December 31, 2014	$	5,834,226,440

4. Funding Policy

The employer's contributions are actuarially determined to fund the Plan's current normal costs on a current basis and to generally fund the existing unfunded liability on account of qualified service prior to the valuation date in accordance with the amortization schedules prescribed by ERISA minimum funding requirements (as amended by the Pension Protection Act). At the Company's discretion, and to the extent allowable under maximum tax deductibility regulations, contributions above the ERISA minimum requirements may be made to the Plan. Contributions for the years ended December 31, 2015 and 2014 met the minimum funding requirements of ERISA.

Participants, who choose the option to participate in the Contributory Benefit feature of the Plan, contribute 3% of their eligible compensation. Employee contributions are placed into a Trust Fund. If a participant does not earn a benefit under the Plan, any contributions made to the Plan, plus interest for 2014 will be returned to the participant or designated beneficiary.

Participants are always vested in their contributions and interest in the Plan.

5. Master Trust

Summary Financial Information

The Plan's assets are held in the Master Trust, which was established for the investment of assets of the Plan and several other Company sponsored retirement plans. The assets of the Master Trust are held by the Bank of New York Mellon ("BNY Mellon"), the Trustee. The Investment Committee, appointed by the Chairman and CEO of the Company, periodically reviews the asset allocation and performance of the investments held in the Master Trust. The investment policy, as approved by the Investment Committee, permits asset diversification to include a combination of cash and cash equivalents, publicly traded equity securities, private equity funds, fixed-income securities, private real estate funds, commingled funds and other investments such as insurance contracts and derivatives.

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 value of investment securities will occur and such changes could materially affect the amounts reported in the statements of net assets available for benefits.

At December 31, 2015 and 2014, the Plan owned approximately 35% of the fair value of the Master Trust net assets. The total net assets of the Master Trust at December 31, 2015 and 2014 were:

	2015	2014
Assets		
Investments at fair market value		
Interest-bearing cash	$874,723	$276,489
U.S. government bonds	346,542,940	126,237,804
Corporate debt instruments and other fixed income securities	2,463,352,496	2,711,719,385
Corporate stock - preferred	10,576,573	18,046,380
Corporate stock - common and other equity securities	3,804,671,071	3,685,308,484
Commingled funds	6,463,106,241	7,805,044,527
Registered investment companies	3,469,557,182	3,589,618,430
Unallocated insurance contracts	18,182,463	17,570,569
Private equity funds	1,069,246,262	928,800,989
Private real estate funds	599,924,583	391,502,259
	$18,246,034,534	$19,274,125,316
Cash	76,532	26,323,762
Cash held at broker due to variation margin	10,385,026	23,814,288
Foreign cash	4,353,286	3,212,232
Interest and dividends receivable	43,792,688	53,038,048
Receivable for forward foreign currency contracts	99,718	1,269,831
Receivable for securities sold	69,149,254	225,725,742
Other assets and receivables	20,491,029	-
Total Assets	$18,394,382,067	$19,607,509,219
Liabilities		
Interest and dividend payable	$209,431	$161,867
Payable for forward foreign currency contracts	310,658	448,464
Payable for securities purchased	172,831,746	99,872,018
Other payables	7,625,102	7,860,934
Total Liabilities	$180,976,937	$108,343,283
Master Trust net assets	$18,213,405,130	$19,499,165,936
Plan's interest in Master Trust	$6,293,072,901	$6,839,268,104

The following table is a summary of the investment earnings and the net appreciation (depreciation) in the fair market value of the Master Trust for the years ended December 31, 2015 and 2014:

	2015	2014
Net appreciation (depreciation) in investments at fair market value	($152,532,373)	$953,727,827
Interest	118,731,573	118,214,230
Dividends	170,541,073	183,113,373
Other income	57,742,348	4,182,413
Subtotal Master Trust investment income	$194,482,621	$1,259,237,843
Total expenses	$156,145,471	$132,669,079
Total Master Trust net investment income	$38,337,150	$1,126,568,764
Portion allocated to the Plan	$9,975,094	$402,844,203

Fair Value Measurements
The accounting standard for fair value measurements provides a framework for measuring fair value and requires expanded disclosures regarding fair value measurements. Fair value is defined as the price that would be received for an asset or the exit price that would be paid to transfer a liability in the principal or most advantageous market in an orderly transaction between market participants on the measurement date. The accounting standard established a fair value hierarchy which requires an entity to maximize the use of observable inputs, where available. The following summarizes the three levels of inputs required as well as the assets and liabilities that we value using those levels of inputs.

Level 1:	Unadjusted quoted prices in active markets for identical assets or liabilities.
Level 2:	Observable inputs, other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs which are observable or have been corroborated by observable market data for substantially the full term of the related assets or liabilities.
Level 3:	Unobservable inputs supported by little or no market activity that are significant to the fair value of the assets or liabilities.

A financial instrument's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. Certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. See valuation policy section for further information.

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

For the years ended December 31, 2015 and December 31, 2014, there were no transfers in or out of Levels 1, 2 or 3.

The following tables summarize the fair value of investment assets and liabilities as of December 31, 2015.

	Fair Value of Investment Assets as of 12/31/2015				
	Total	**Level 1**	**Level 2**	**Level 3**	**Not Subject To Leveling[4]**
Interest-bearing cash	$ 874,723	$ -	$ 874,723	$ -	$ -
U.S. government bonds	346,542,940	259,732,762	86,810,178	-	-
Corporate debt instruments and other fixed income securities [1]	2,463,352,496	-	2,463,352,496	-	-
Corporate stock – preferred	10,576,573	10,576,573	-	-	-
Corporate stock - common and other equity securities [2]	3,804,671,071	3,803,025,836	1,645,235	-	-
Registered investment companies	3,469,557,182	3,469,557,182	-	-	-
Commingled funds	6,463,106,241	-	-	-	6,463,106,241
Private equity funds	1,069,246,262	-	-	-	1,069,246,262
Private real estate funds	599,924,583	-	-	-	599,924,583
Unallocated insurance contracts	18,182,463	-	-	18,182,463	-
Unrealized gain on futures contracts [3]	1,188,967	1,188,967	-	-	-
Receivable for forward foreign currency contracts	99,718	-	99,718	-	-
Total assets in fair value hierarchy	$ 18,247,323,219	$ 7,544,081,320	$2,552,782,350	$ 18,182,463	$ 8,132,277,086

	Fair Value of Investment Liabilities as of 12/31/2015				
	Total	**Level 1**	**Level 2**	**Level 3**	**Not Subject To Leveling**
Unrealized loss on futures contracts [3]	$ 1,074,096	$ 1,074,096	$ -	$ -	$ -
Payable for forward foreign currency contracts	310,658	-	310,658	-	-
Total liabilities	$ 1,384,754	$ 1,074,096	$ 310,658	$ -	$ -

(1) Corporate debt instruments and other fixed income securities includes $46,008,378 of asset backed securities and $136,711,059 of term loans.

(2) Corporate stock - common and other equity securities includes $118,551,244 of master limited partnership securities in U.S. equity.

(3) Unrealized gain/loss on futures contracts are recorded as Cash held at broker due to variation margin on the balance sheet.

(4) In accordance with Subtopic 820-10, certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statements of net assets available for benefits.

The following tables summarize the fair value of investment assets and liabilities as of December 31, 2014.

	Fair Value of Investment Assets as of 12/31/2014				
	Total	**Level 1**	**Level 2**	**Level 3**	**Not Subject To Leveling[4]**
Interest-bearing cash	$ 276,489	$ -	$ 276,489	$ -	$ -
U.S. government bonds	105,921,536	98,210,540	7,710,996	-	-
Corporate debt instruments and other fixed income securities [1]	2,711,719,385	-	2,711,719,385	-	-
Corporate stock – preferred	18,046,380	18,046,380	-	-	-
Corporate stock - common and other equity securities [2]	3,685,308,484	3,684,850,531	457,953	-	-
Registered investment companies	3,589,618,430	3,589,618,430	-	-	-
Commingled funds	7,805,044,527	-	-	-	7,805,044,527
Private equity funds	928,800,989				928,800,989
Private real estate funds	391,502,259				391,502,259
Unallocated insurance contracts	17,570,569	-	-	17,570,569	-
Collateral for futures held	20,316,268	20,316,268	-	-	-
Unrealized gain on futures contracts [3]	6,154,059	6,154,059	-	-	-
Receivable for forward foreign currency contracts	1,269,831	-	1,269,831	-	-
Total assets in fair value hierarchy	$ 19,281,549,206	$ 7,417,196,208	$ 2,721,434,654	$ 17,570,569	$ 9,125,347,775

	Fair Value of Investment Liabilities as of 12/31/2014				
	Total	**Level 1**	**Level 2**	**Level 3**	**Not Subject To Leveling**
Unrealized loss on futures contracts [3]	$ 13,745,864	$ 13,745,864	$ -	$ -	$ -
Payable for forward foreign currency contracts	448,464	-	448,464	-	-
Total liabilities	$ 14,194,328	$ 13,745,864	$ 448,464	$ -	$ -

(1) Corporate debt instruments and other fixed income securities includes $71,663,654 of asset backed securities and $136,774,275 of term loans.
(2) Corporate stock - common and other equity securities includes $195,345,848 of master limited partnership securities in U.S. equity.
(3) Unrealized gain/loss on futures contracts are recorded as Cash held at broker due to variation margin on the balance sheet.
(4) In accordance with Subtopic 820-10, certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statements of net assets available for benefits.

Level 3 Investments

Level 3 investments consist mainly of unallocated insurance contracts. Unallocated insurance contracts represent less than 1% of the Master Trust assets and are valued at their contract price which approximates fair value.

A reconciliation of investments with significant unobservable inputs (Level 3) has not been provided as the amounts are immaterial.

The table below summarizes the fair value measurements of the investments in certain entities that calculate net asset value per share as of December 31, 2015.

Category of Investment	Fair Value	Unfunded Commitments	Remaining Life, if applicable	Redemption Terms, if currently eligible	Redemption restrictions and terms	Redemption restrictions and terms in place at year end
Commingled Funds						
103-12 Entities	$ 653,660,676	Not applicable	Not applicable	Ranges from 5-15 days notice monthly	100% of these funds are either not under lock or have a lock of one year or less.	Less than 5% of the funds have gates in place as of December 31, 2015
Common/Collective Trusts	3,137,808,121	91,666,268	Not applicable	Ranges up to 10 days daily, up to 90 days quarterly	100% of these funds are either not under lock or have a lock of one year or less.	None
Real Estate Pooled Separate Accounts	132,553,538	25,000,000	Not applicable	90 days quarterly	100% of these funds are either not under lock or have a lock of one year or less.	None
Other Commingled Funds	2,539,083,906	Not applicable	Not applicable	Ranges from 10-65 days notice monthly, 30-90 days notice quarterly, 90 days notice semi-annually, 90 days notice annually, 60 days notice only on specified dates	14% of these funds have a lock up provision greater than one year and up to ten years	Less than 10% of the funds have gates in place as of December 31, 2015
Private Equity Funds	1,069,246,262	1,023,880,279	0 - 10 years	Not applicable	Not applicable	Not applicable
Private Real Estate Funds	599,924,583	607,980,733	0 - 10 years	Not applicable	Not applicable	Not applicable

The table below summarizes the fair value measurements of the investments in certain entities that calculate net asset value per share as of December 31, 2014.

Category of Investment	Fair Value	Unfunded Commitments	Remaining Life, if applicable	Redemption Terms, if currently eligible	Redemption restrictions and terms	Redemption restrictions and terms in place at year end
Commingled Funds						
103-12 Entities	$ 621,240,373	Not applicable	Not applicable	Ranges from 5-15 days notice monthly	100% of these funds are either not under lock or have a lock of one year or less.	Less than 5% of the funds have gates in place as of December 31, 2014.
Common/Collective Trusts	4,228,784,563	$ 94,006,515	Not applicable	Ranges up to 2 days notice daily, 90 days notice quarterly	100% of these funds are either not under lock or have a lock of one year or less.	None
Real Estate Pooled Separate Accounts	119,648,789	Not applicable	Not applicable	90 days quarterly	100% of these funds are either not under lock or have a lock of one year or less.	None
Other Commingled Funds	2,835,370,802	Not applicable	Not applicable	Ranges from 45-65 days notice monthly, 45-90 days notice quarterly, 90 days notice semi-annually, 90 days notice annually	17% of these funds have a lock up provision greater than one year and up to ten years.	Less than 15% of the funds have gates in place as of December 31, 2014.
Private Equity Funds	928,800,989	$1,225,071,953	0-10 years	Not applicable	Not applicable	Not applicable
Private Real Estate Funds	391,502,259	$ 647,242,017	0-10 years	Not applicable	Not applicable	Not applicable

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

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

Investments in equity securities (common and preferred) and equity securities sold short, if any, are valued at the exchange traded closing price if available.

Investments in fixed income securities (U.S. Government, domestic and foreign bonds, asset backed securities and term loans) are valued by a pricing service which determines valuations for normal institutional-size trading units of such securities using methods based upon market transactions for comparable securities and various relationships between securities which are generally recognized by institutional traders, or at fair value as determined in good faith by the Trustee of the Master Trust and management.

Investments denominated in foreign currencies are translated into U.S. Dollars using the last reported exchange rate.

Investments in registered investment companies are valued at their last reported net asset value.

Investments in commingled funds, private equity fund and private real estate funds are estimated at fair market value, which primarily utilizes net asset values reported by the investment manager or fund administrator. Management reviews additional valuation and pricing information from fund managers, including audited financial statements, to evaluate the net asset values.

Unallocated insurance contracts are valued at their contract price which approximates fair value.

Securities and other assets for which market quotations are not readily available or for which the above valuation procedures are deemed not to reflect fair value are valued in a manner that is intended to reflect their fair value.

Valuation policies for derivative investments are disclosed in the Derivative Policy paragraph.

Investment Income (Loss)
The Trustee maintains separate records of each plan's proportionate share in the Master Trust's investment accounts. The Plan's share of investment income (loss) and net appreciation (depreciation) in the fair value of investments of the Master Trust is included in the Statements of Changes in Net Assets Available for Benefits as Master Trust investment income (loss). The net appreciation (depreciation) in the fair value of investments consists of the realized gains (losses) and the change in unrealized appreciation (depreciation) on those investments.

Under the Master Trust Agreement, each plan's assets are jointly invested. The Plan uses the unit participation method to calculate the Plan's interest in the Master Trust. Under this method, contributions made to and benefits paid from the Master Trust result in increases or decreases in units of participation. All Master Trust income or loss results in a change in unit value.

Dividends are recorded on the ex-dividend date and interest income is accrued as earned. All security transactions are recorded on the trade date. Premiums and discounts on debt securities are amortized to maturity. Gains or losses on sales of securities are based on average cost.

Derivatives Policy
The Master Trust enters into contractual arrangements classified as derivatives in carrying out its investment strategy, principally to: (1) hedge a portion of the Master Trust's portfolio to limit or minimize exposure to certain risks, (2) gain exposure to a market more rapidly or less expensively than could be accomplished through the use of the cash markets, and (3) increase investment returns by reducing the cost of structuring the portfolio or capturing value disparities between financial instruments. The Master Trust may utilize both exchange traded investment instruments such as equity and fixed income futures and options contracts and over-the-counter derivatives such as forward contracts and swaps. Select major financial institutions are used in derivatives transactions. When engaging in over the counter derivatives and forward foreign exchange contracts, there is exposure to credit loss in the event of nonperformance by the counterparties to these transactions. As needed for material exposures, the Master Trust manages these exposures through credit approvals, limits, monitoring procedures, and to the extent possible, by restricting the period over which unpaid balances are allowed to accumulate. The Master Trust does not anticipate nonperformance by counterparties to these contracts.

The following tables present the values of derivatives carried on the Statement of Net Assets and the Statement of Changes in Net Assets of the Master Trust as of and for the year ended December 31, 2015:

Derivatives not accounted for as hedging instruments

Assets	Credit	Equity	Foreign Exchange	Total
Unrealized gain on futures contracts	$ 1,188,967	-	$ -	$ 1,188,967
Unrealized gain on forward currency contracts	-	-	99,718	99,718
	$ 1,188,967	-	$ 99,718	$ 1,288,685
Liabilities				
Unrealized loss on futures contracts	$ 1,074,096	$ -	$ -	$ 1,074,096
Unrealized loss on forward currency contracts	-	-	310,658	310,658
	$ 1,074,096	$ -	$ 310,658	$ 1,384,754

Effect of Derivative Instruments on the Statements of Changes in Net Assets

Derivatives not accounted for as hedging instruments	Net Appreciation/ (Depreciation)	Average Number of Contracts*
Futures contracts	$ (20,313,085)	9,125
Forward currency contracts	497,530	75
	$ (19,815,555.00)	9,200

The following tables present the values of derivatives carried on the Statement of Net Assets and the Statement of Changes in Net Assets of the Master Trust as of and for the year ended December 31, 2014:

Derivatives not accounted for as hedging instruments

Assets	Credit	Equity	Foreign Exchange	Total
Unrealized gain on futures contracts	$ 6,154,059	$ -	$ -	$ 6,154,059
Unrealized gain on forward currency contracts	-	-	1,269,831	1,269,831
	$ 6,154,059	$ -	$ 1,269,831	$ 7,423,890
Liabilities				
Unrealized loss on futures contracts	$ 13,745,864	$ -	$ -	$ 13,745,864
Unrealized loss on forward currency contracts	-	-	448,464	448,464
	$ 13,745,864	$ -	$ 448,464	$ 14,194,328

Effect of Derivative Instruments on the Statements of Changes in Net Assets

Derivatives not accounted for as hedging instruments	Net Appreciation/ (Depreciation)	Average Number of Contracts*
Options	$ (3,963,333)	725
Futures contracts	(103,967,039)	14,000
Forward currency contracts	(1,689,058)	100
	$ (109,619,430)	14,825

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

The following is a summary of the significant accounting policies associated with the Master Trust's use of derivatives:

Forward Foreign Currency Exchange Contracts
A forward foreign currency exchange contract ("forward currency contract") is a commitment to purchase or sell a foreign currency at a future settlement date and at a negotiated rate.

Forward currency contracts are utilized to hedge a portion of the currency exposure that results from the Master Trust's holdings of equity and fixed income securities denominated in foreign currencies.

Forward currency contracts are marked-to-market at the prevailing forward exchange rate of the underlying currencies and the difference between contract value and market value is recorded as unrealized appreciation (depreciation) in Master Trust net assets. When the forward exchange contract is closed, the Master Trust transfers the unrealized appreciation (depreciation) to a realized gain (loss) equal to the change in the value of the forward exchange contract when it was opened and the value at the time it was closed or offset. Sales and purchases of forward currency contracts having the same settlement date and broker are offset and any gain (loss) is realized on the date of offset.

Certain risks may arise upon entering into a forward currency contract from the potential inability of counterparties to meet the terms of their contracts. Additionally, when utilizing forward currency contracts to hedge, the Master Trust gives up the opportunity to profit from favorable exchange rate movements during the term of the contract.

As of December 31, 2015 and 2014, the total aggregate face value of open forward currency contracts in the Master Trust was $20,308,587 and ($1,778,759), respectively.

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

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

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

Futures contracts involve, to varying degrees, credit and market risks. The Master Trust enters into futures contracts on exchanges where the exchange acts as the counterparty to the transaction. Thus, credit risk on such transactions is limited to the failure of the exchange. The daily settlement on the futures contracts serves to greatly reduce credit risk. Losses in value may arise from

changes in the value of the underlying instrument or if there is an illiquid secondary market for the contracts. In addition, there is the risk that there may not be an exact correlation between a futures contract and the underlying index or security.

At December 31, 2015, U.S. Government Bonds with a par value of $14,195,000 ($30,695,366 fair value) were pledged as collateral for open equity, fixed income and cash and cash equivalents futures positions. These bonds are restricted from trading until the futures positions for which they are pledged as collateral are settled. A cash balance of $10,270,155 was pledged to cover margin requirements for open futures contracts.

At December 31, 2014, U.S. Government Bonds with a par value of $20,209,000 ($20,316,268 fair value) were pledged as collateral for open equity, fixed income and cash and cash equivalents futures positions. These bonds are restricted from trading until the futures positions for which they are pledged as collateral are settled. A cash balance of $31,406,093 was pledged to cover margin requirements for open futures contracts.

A summary of the open futures as of December 31, 2015 are presented below:

	Long Contracts		Short Contracts	
	Number of Contracts	Aggregate Face Value	Number of Contracts	Aggregate Face Value
Fixed income	2,434	$ 324,170,782	1,082	$ 139,291,016
Equity index	2,740	278,849,800	-	-
Cash & cash equivalents	-	-	626	154,485,425
Grand Total	5,174	$ 603,020,582	1,708	$ 293,776,441

A summary of the open futures as of December 31, 2014 are presented below:

	Long Contracts		Short Contracts	
	Number of Contracts	Aggregate Face Value	Number of Contracts	Aggregate Face Value
Fixed income	962	$ 128,428,485	4,931	$ 698,356,157
Equity index	3,022	310,117,640	-	-
Cash & cash equivalents	-	-	1,210	298,043,850
Grand Total	3,984	$ 438,546,125	6,141	$ 996,400,007

6. Termination Policies

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

(a) The assets comprising the Plan, including the net income/ (loss) of the Plan shall be revalued at market by the Trustee.

(b) The Plan provides that the net assets of the Plan shall be allocated among the participants and beneficiaries of the Plan in the order provided by ERISA.

(c) To the extent unfunded vested benefits exist, ERISA provides that such benefits are payable by the Pension Benefit Guaranty Corporation (the "PBGC") to participants, up to specified limitations, as described in ERISA.

Whether all participants receive their full or partial benefits should the Plan terminate at some future time will depend on the sufficiency, at that time, of the Plan's net assets to provide for accumulated plan benefit obligations, and may also depend on the financial condition of the plan sponsor and the level of benefits guaranteed by the PBGC.

The Company may terminate the Plan in whole or in part at any time. This summary of termination priorities is provided for general information purposes only. Participants should refer to the Plan Document for more information.

7. Certain Transactions Involving Related Parties and Parties-in-Interest

The Bank of New York Mellon ("BNY Mellon") is the Trustee and Custodian of the Plan, and is therefore a party-in-interest with respect to the Plan. Certain investments within the Master Trust were advised by or affiliated with BNY Mellon. The Plan Sponsor, Raytheon Company, is a party-in interest with respect to the Plan and incurs expenses in connection with the administration of the Plan and the Master Trust.

	Year Ended 2015	Year Ended 2014
Expenses specifically related to the Plan (included in "Administrative expenses")	$ 442,917	$ 422,942
Plan allocation of expenses paid directly by the Master Trust (included in "Raytheon Master Pension Trust investment income")	1,558,070	1,914,828

	As of December 31, 2015	As of December 31, 2014
Accrued expenses (included in "Accrued administrative expenses" and "Other liabilities")	498,153	481,267

All of these transactions either fall outside the scope of, or are exempt from, ERISA's prohibited transaction rules.

8. Tax Status

The Internal Revenue Service (the "IRS") has determined and informed the Company by letter dated May 1, 2012, that the design of the Plan meets the requirements for qualification under Code section 401(a), on which the tax exemption of the Trust under Code section 501(a) is based. The

Plan has been amended since receiving the determination letter. The Plan Administrator and the Company's benefits counsel believe that the current design and operation of the Plan are consistent with continued qualification of the Plan and exemption of the Trust in the context of applicable IRS procedures. The Company, on behalf of the Plan, applied for a new determination letter on January 29, 2016.

The Plan adopted the provisions of uncertain tax positions that provide criteria for the recognition, measurement, presentation and disclosure of uncertain tax positions. The Plan may from time to time hold investments that give rise to certain tax liabilities. Based upon management's assessment, the Plan has not recognized any tax liabilities at December 31, 2015 and 2014, respectively. The Plan is subject to examinations by taxing jurisdictions; however there are currently no audits for any tax period in progress. The Plan Administrator believes the Plan is no longer subject to federal tax examinations for years prior to 2012.

9. Risks and Uncertainties

The Plan financial statements are based on the application of U.S. GAAP, which require the Plan to make estimates and assumptions about future events that affect the amounts reported in financial statements and the accompanying notes.

Contributions to the Plan are made and the actuarial present value of accumulated plan benefits are reported based on certain assumptions pertaining to interest rates, inflation rates and employee compensation and demographics. Due to the changing nature of these assumptions, it is at least reasonably possible that changes in these assumptions will occur in the near term and, due to the uncertainties inherent in setting assumptions, that the effect of such changes could be material to the financial statements. The investments of the Plan, which are held in the Master Trust, are exposed to various risks, such as interest rate, market and credit risks. See Note 5 for additional information with respect to investment risk.

10. Subsequent Events

The Plan has evaluated subsequent events and transactions subsequent to December 31, 2015 through the date the Plan's financial statements were available to be issued, September 9, 2016.

Schedule SB, Part V — Summary of Plan Provisions

Summary of Major Plan Provisions – Nonbargaining Retirement Plan

Effective date and plan year	Original plan: December 17, 1997 when Raytheon Company acquired the Defense Business of Hughes Electronics Corporation. Effective December 1, 2000, the Hughes Personal Retirement Account Plan merged into the Raytheon Nonbargaining Retirement Plan. Restated plan: April 25, 2006 Plan year: January 1
Status of the plan	The plan has ongoing benefit accruals but is closed to new entrants.
Significant events	Effective July 1, 2014 the Raytheon Company Marine Systems Retirement Plan was merged into the Plan
Definitions	
• Covered employees	Employees hired before the date on which payroll processing functions are transferred to Raytheon's payroll center.
• Participation	Completion of 12 months of Vesting Service.
• Employee contributions	3.0% of pay if covered under the formula for contributing participants.
• Vesting service	Continuous service from the employee's date of hire.
• Credited service	Total service accrued monthly from first of the month eligibility commenced.
• Pensionable earnings	Basic compensation subsequent to the effective date of the plan and prior to retirement date, including regular pay, bonuses, results-sharing, overtime pay, shift differential, sick leave pay, workers' compensation, vacation and holiday pay, and bereavement or leave pay, but excluding any other extraordinary compensation.
• Final average earnings	The aggregate Compensation prior to separation from service attributed to the five highest consecutive twelve month periods in the last ten years, or all consecutive twelve-month periods if less than five, in which a Participant had at least one hour of Benefit Accrual Service each month, divided by the applicable number of twelve-month periods.
• Social security normal retirement age	(i) For a participant born prior to 1938, the first day of the Retirement Age calendar month coincident with or next following his/her sixty-fifth (65th) birthday, (ii) For a participant born after 1937 and before 1955, the first day of the calendar month coincident with or next following his/her sixty-sixth (66th) birthday, and (iii) For a participant born after 1954, the first day of the calendar month coincident with or next following his/her sixty-seventh (67th) birthday.

Schedule SB, Part V — Summary of Plan Provisions

• Actuarial equivalence	**Contributing and noncontributing participants**: Interest rate used by the PBGC for valuing immediate annuities on the October 1st (or December 1st, if less) preceding the plan year including the annuity start date and the 1971 Group Annuity Mortality Table 80% males, 20% females. **General Dynamics salaried employees:** • For nondecreasing annuities – 7% and the 1984 Uninsured Pension Mortality Table (including specified setbacks) for nondecreasing annuities • Other forms of payment – Interest rate used by the PBGC for valuing immediate annuities on the January 1st of the calendar year in which distributions commence and the 1984 Uninsured Pension Mortality Table (including specified setbacks) Actuarial equivalence is subject to “applicable interest rate” and “applicable mortality table” pursuant to 417(e)(3)(A)(ii) of the Internal Revenue Code for benefits that are not payable in the form of a nondecreasing annuity.

Schedule SB, Part V — Summary of Plan Provisions

Normal retirement	
• Eligibility	First of the month coinciding with or next following the attainment of age 65.
• Benefit	**Contributing participants:** The benefit is the greatest of (i), (ii), or (iii) below: (i) Accrued benefit through December 31, 1975 plus 1% of the first $3,600 of compensation and 2% of compensation in excess of $3,600, for all compensation received after December 31, 1975. (ii) The product of (1) and (2): (1) Benefit Accrual Service (2) $156 plus 0.5% of Final Average Compensation (iii) The result of (1) less (2): (1) The product of Benefit Accrual Service and 1.75% of Final Average Compensation (2) The product of Benefit Accrual Service (maximum 33-1/3 years) and 1.5% of Primary Insurance Amount. **Noncontributing participants:** Benefit A offset by Benefit B, where: (i) Benefit A equals the sum of: (1) 1.5% of Final Average Compensation multiplied by years of Benefit Accrual Service (not in excess of 35 years) (2) 0.5% of Final Average Compensation multiplied by years of Benefit Accrual Service in excess of 35 years (ii) Benefit B equals 0.6% of Final Average Compensation (not in excess of Covered Compensation) multiplied by years of Benefit Accrual Service (not in excess of 35 years). **General Dynamics salaried employees:** The monthly benefit is the greatest of (i), (ii), or (iii) below: (i) Accrued benefit through December 31, 1998, plus 1.75% (2.00% for Benefit Accrual Service in excess of 35 years) of the first $23,400 in base pay plus 2.00% of base pay in excess of $23,400 for all compensation received after December 31, 1998 (ii) The product of Benefit Accrual Service and 1.33% of Final Average Compensation (iii) The product of Benefit Accrual Service and $312. **General Dynamics Hourly employees:** The monthly benefit is equal to the product of Benefit Accrual Service and: (i) $120 for NAPI and Fort Defiance participants (ii) $216 for Camden participants.

Schedule SB, Part V — Summary of Plan Provisions

Early retirement	
• Eligibility	Age 55 and 5 years of vesting service.
• Benefit	**Contributing participants:** Actuarial equivalent of Normal Retirement benefit unless eligible for unreduced benefit under Rule of 75 (sum of attained age and continuous service is at least 75). **Noncontributing participants:** Accrued benefit reduced based on Actuarial Equivalence or 6% per year prior to Social Security Normal Retirement Age, whichever produces a greater amount. Unreduced early retirement available three years prior to Social Security Normal Retirement Age with ten years of continuous service. **General Dynamics salaried employees:** If eligible for unreduced final average pay benefit (10 years of continuous service), accrued benefit reduced 2.5% per year prior to age 62. If eligible for unreduced career average pay benefit (satisfaction of required points based on sum of attained age and continuous service), accrued benefit reduced by the lesser of 2.5% per year prior to Normal Retirement and 2.5% times excess of required over actual points. Otherwise, Actuarial Equivalent of Normal Retirement benefit.
Late retirement	
• Benefit	Normal Retirement Benefit determined as of actual retirement date.
Deferred vested	
• Eligibility	Termination for reasons other than death or retirement after completing five years of vesting service.
• Benefit	Benefit accrued to date of termination payable at age 65 or the Actuarial Equivalent, as described in the “Early Retirement” section above, payable for commencement after age 55 and prior to age 65.
Pre-retirement death	
• Eligibility	5 years of vesting service.
• Benefit	Benefit accrued to date of death, calculated as if the participant had retired at the earliest retirement age and elected the 50% contingent annuitant option or, if already eligible for early retirement, elected to retire and had elected the 100% contingent annuitant option on the day before death. The benefit is actuarially reduced with benefit payments to the spouse commencing on the date when the participant would have become eligible for retirement benefits.
Unpredictable contingent event benefits	Not applicable

Schedule SB, Part V — Summary of Plan Provisions

Form of benefits	
• Automatic form for unmarried participants	Single life annuity
• Automatic form for married participants	Actuarially equivalent 50% Joint & Survivor Annuity
• Optional forms	50% Joint & Survivor Annuity 66-2/3% Joint & Survivor Annuity 75% Joint & Survivor Annuity 100% Joint & Survivor Annuity 5,10 or 15 year Certain Only 5,10 or 15 year Certain & Life Single life annuity Temporary modified cash refund Social Security leveling options
• Optional form conversion factors	See Actuarial Equivalence section above
Miscellaneous	
• Cost of Living	Automatic cost-of-living adjustments of up to 4.0% are payable on retirement benefits after age 55 for contributing participants.
• Maximum compensation	Compensation for any 12-month period used to determine accrued benefits may not exceed the limits in IRC Section 401(a)(17) for the calendar year in which the 12-month period begins. This limit is indexed annually. For 2015, the limit is $265,000.
• Maximum benefits	Annual benefits may not exceed the limits in IRC Section 415. This limit is indexed annually. For 2015, the limit is $210,000.

Schedule SB, Part V — Summary of Plan Provisions

Former Hughes Personal Retirement Account Plan Provisions

Definitions	
• Former Singer Employee	An employee with the Singer Company on August 22, 1988 and subsequently hired by Hughes on or before July 1, 1990.
• Participation	Age 21 after completing 1 year of service. Former Singer Employees are eligible on the later of March 31, 1989 or the date of employment with Hughes. As of December 1, 1995, no new employees will be eligible to participate in the Plan.
• Vesting service	Service measured on an elapsed time basis from date of hire with Hughes. For Former Singer employees, all periods of service with the Singer Company, including periods during which required contributions were not made to the Singer Plan and including the period prior to the May 1, 1986 Allen acquisition date.
• Credited service	100% of the service with the Singer Company credited to the employee through August 31, 1988 during the time the employee made required contributions to the Singer Plan. Service measured on an elapsed time basis from the later of September 1, 1988 or date of hire with Hughes.
• Pensionable earnings	Regular or base salary or wages (excluding overtime or bonus), including 401(k) salary deferrals. There is a $200,000 limit, indexed each year beginning in 2002 ($255,000 for 2014), on compensation used for benefit accrual purposes.
Estimated Singer Accrued Benefit	The estimated accrued benefit, whether or not fully vested, determined as of August 22, 1988 using the provisions of the Singer Plan payable at age 65 under the normal form of payment.
Account Balance	The notional value assigned to a participant's account based on the participant's initial account balance, pay-based credits (3% of Compensation before age 40 and 4% of Compensation after age 40) and increases based upon the Periodic Adjustment Percentage or Minimum Adjustment Percentage (a factor equal to 1/12th of the applicable annual rate of interest set forth in the plan document). As of November 30, 1995 (Training Systems employees) or June 30, 1996 (other employees), no additional pay credits will be made to a participant’s account, and interest adjustments will be based solely on the Minimum Adjustment Percentage.
Periodic Adjustment Percentage	The three year average of the yield on one-year treasury constant maturities for October through December, as published in the Wall Street Journal, subject to plan maximums.

Schedule SB, Part V — Summary of Plan Provisions

Accrued Benefit	A monthly amount of benefit, payable in the form of a straight life annuity commencing at the participant's Normal Retirement Date (NRD) equal to one-twelfth of the amount determined in accordance with the formula [(A/F)*(1+M)^{n}] where: • A equals the participant's Account Balance; • F equals the Actuarial Factor (GAM-83 mortality and the plan's annuity purchase rate) at the later of the determination date and the participant's NRD; • M equals the Minimum Adjustment Percentage as of the determination date; • N equals the number of months, if any, from the determination date until the participant's NRD. The plan's annuity purchase rate is set each year and equals the yield on 10-year Treasury notes plus 100 basis points.
Normal retirement	
• Eligibility	First of the month coincident with or next following attainment of age 65 with 5 years of vesting service.
• Benefit	The Accrued Benefit payable at Normal Retirement.
Late retirement	
• Eligibility	Retirement after Normal Retirement eligibility.
• Benefit	The Accrued Benefit calculated as of late retirement.
Early retirement	
• Eligibility	Age 55 and 5 years of vesting service.
• Benefit	Actuarial equivalent based on the 10-Year Treasury rate + 1% and the 1983 Group Annuity Mortality Table.
Deferred vested	
• Eligibility	5 years of vesting service.
• Benefit	Accrued Benefit payable at age 65 or the actuarial equivalent, as described in the “Early Retirement” section above, of the participant's Account Balance as of the determination date.
Disability	
• Eligibility	First of the month coincident with or next following Total and Permanent Disability provided the employee has at least 15 years of Vesting Service. Total and Permanent Disability means disability as determined by the Social Security Administration.
• Benefit	Accrued Benefit payable at Normal Retirement. Interest and pay-based credits continue to accrue during a participant's Disability Retirement until Normal Retirement, or, if earlier until recovery from disability. Accruals for all employees ceased as of the applicable freeze date, as described under Account Balance.

Schedule SB, Part V — Summary of Plan Provisions

Pre-retirement death	
• Eligibility	If a vested married participant dies prior to Normal Retirement eligibility, the surviving spouse is entitled to a lifetime benefit as described below.
• Benefit	The actuarial equivalent of the participant's Account Balance, or if greater, 50% of the amount which would have been payable to the spouse had the participant terminated or retired on the first day of the month in which death occurred, having elected a 50% joint and survivor annuity. Benefits begin immediately if the participant was at least age 55. Otherwise, benefits begin on the first of the month when the participant would have attained the age of 55.
Unpredictable contingent event benefits	Not applicable
Form of benefits	
• Automatic form for unmarried participants	Single life annuity
• Automatic form for married participants	Actuarially equivalent 50% Joint & Survivor Annuity
• Optional forms	50% Joint & Survivor Annuity 75% Joint & Survivor Annuity 100% Joint & Survivor Annuity Lump Sum Single life annuity
• Optional form conversion factors	See Actuarial Equivalence section above.
Miscellaneous	
• Maximum compensation	Compensation for any 12-month period used to determine accrued benefits may not exceed the limits in IRC Section 401(a)(17) for the calendar year in which the 12-month period begins. This limit is indexed annually. For 2015, the limit is $265,000.
• Maximum benefits	Annual benefits may not exceed the limits in IRC Section 415. This limit is indexed annually. For 2015, the limit is $210,000.

Schedule SB, Part V — Summary of Plan Provisions

Raytheon Subsidiary Retirement Plan Provisions

Effective date and plan year	Original plan: December 17, 1997 Restated plan: March 28, 2005. Plan year: January 1
Status of the plan	The plan has ongoing benefit accruals but is closed to new entrants
Significant events that occurred during the year	None
Normal retirement	
• Eligibility	First of the month coinciding with or next following the attainment of age 65.
• Benefit	1.0% of Compensation during each period of Benefit Accrual Service.
Early retirement	
• Eligibility	Age 55 and 5 years of Vesting Service.
• Benefit	Actuarial equivalent of the Normal Retirement Benefit. Actuarial equivalence for this purpose is based on the interest rate used by the PBGC for valuing immediate annuities for the October 1st preceding the plan year including the annuity start date and the 1971 Group Annuity Mortality Table blended 80% males, 20% females.
Late retirement	
• Benefit	Normal Retirement Benefit determined as of actual retirement date.
Deferred vested	
• Eligibility	Termination for reasons other than death or retirement after completing five years of Vesting Service.
• Benefit	Benefit accrued to date of termination payable at age 65 or the actuarial equivalent, as described in the “Early Retirement” section above, payable for commencement after age 55 and prior to age 65.
Pre-retirement death	
• Eligibility	5 years of Vesting Service.
• Benefit	Benefit accrued to date of death, calculated as if the Participant had retired at the earliest retirement age and elected the 50% contingent annuitant option or, if already eligible for early retirement, elected to retire and had elected the 100% contingent annuitant option on the day before death. The benefit is actuarially reduced with benefit payments to the spouse commencing on the date when the Participant would have become eligible for retirement benefits.
Unpredictable contingent event benefits	Not applicable

Schedule SB, Part V — Summary of Plan Provisions

Form of benefits	
• Automatic form for unmarried participants	Single life annuity
• Automatic form for married participants	Actuarially equivalent 50% Joint & Survivor Annuity
• Optional forms	75% Joint & Survivor Annuity 100% Joint & Survivor Annuity 10 or 15 year Certain Only
• Optional form conversion factors	Optional forms are based on actuarial equivalence, i.e., the interest rate used by the PBGC for valuing immediate annuities for the October 1st preceding the plan year including the annuity start date and the 1971 Group Annuity Mortality Table blended 80% males, 20% females.
Miscellaneous	
• Maximum compensation	Compensation for any 12-month period used to determine accrued benefits may not exceed the limits in IRC Section 401(a)(17) for the calendar year in which the 12-month period begins. This limit is indexed annually. For 2015, the limit is $265,000.
• Maximum benefits	Annual benefits may not exceed the limits in IRC Section 415. This limit is indexed annually. For 2015, the limit is $210,000.

Schedule SB, Part V — Summary of Plan Provisions

Marine Systems Retirement Plan Provisions

<table>
<tr><td>Effective date and plan year</td><td>February 28, 1997. Amended and restated as of May 17, 2004.
Plan year: December 1 through November 30</td></tr>
<tr><td>Status of the plan</td><td>The plan has ongoing benefit accruals but it is closed to new entrants</td></tr>
<tr><td>Significant events</td><td>Effective July 1, 2014 the Plan was merged into the Raytheon Nonbargaining Plan</td></tr>
<tr><td>Definitions</td><td></td></tr>
<tr><td>• Account balance</td><td>The actuarial equivalent of the participant’s accrued benefit on April 1, 1992, plus pay and interest credits.
Pay, credits are made monthly based on the following table:
<table>
<tr><th>Credited Service</th><th>Percent of compensation</th><th>Percent of compensation in Excess of the Social Security Wage Base</th></tr>
<tr><td>0-4</td><td>3.5%</td><td>3.5%</td></tr>
<tr><td>5-9</td><td>4.5%</td><td>4.5%</td></tr>
<tr><td>10-14</td><td>5.5%</td><td>5.5%</td></tr>
<tr><td>15-19</td><td>6.5%</td><td>5.5%</td></tr>
<tr><td>20-24</td><td>7.5%</td><td>5.5%</td></tr>
<tr><td>25+</td><td>8.5%</td><td>5.5%</td></tr>
</table>
Interest is credited monthly on the account balance based on the average rate for one year Treasury Bills constant maturities for the 12 months ending September 30.</td></tr>
<tr><td>• Accrued Benefit</td><td>Account balance divided by an appropriate factor as described in plan document -225.0 for increasing life annuity and a factor determined using applicable mortality and interest under Code section 417(e) for fixed life annuity.</td></tr>
<tr><td>• Actuarial equivalent</td><td>Defined by factors described in the plan document.</td></tr>
<tr><td>• Compensation</td><td>Total wages for federal income tax reporting, excluding expense reimbursement and fringe benefits.</td></tr>
<tr><td>• Credited service</td><td>The elapsed time of employment with the Company.</td></tr>
<tr><td>Normal retirement</td><td></td></tr>
<tr><td>• Eligibility</td><td>Age 65 with one year of credited service.</td></tr>
<tr><td>• Benefit</td><td>The greater of (1) or (2) below.
(1) The accrued benefit available from the participant’s account balance
(2) A minimum monthly benefit equal up to $39 times years of credited service.
Participants whose age plus service totaled 50 or more on April 1, 1992 are guaranteed to receive at least the prior plan benefit.</td></tr>
</table>

Schedule SB, Part V — Summary of Plan Provisions

Early retirement

- Eligibility: Age 55 with five years of credited service.

- Benefit:

For benefits based on the participant's account balance:
An amount computed as for normal retirement, reduced by the factor derived from the following for the straight life annuity:
1- .009 * (65 – Participant's Age)

For benefits based on minimum or prior plan benefits:
Rule of 85: For Participants at least age 55 at termination and the sum of age plus credited service is at least 85, an amount computed as for normal retirement, reduced by the factor derived from the following for the straight life annuity for commencement before age 60:
1- .036 * (60 – Participant's Age)

Age 55 with 10 years of credited service: For Participants at least age 55 at termination with 10 years of credited service, an amount computed as for normal retirement, reduced by the factor derived from the following for the straight life annuity:
1- .036 * (65 – Participant's Age)

Other early commencement: An amount computed as for normal retirement, multiplied by the factor derived from the following table for the straight life annuity:

Age at Benefit Commencement	Factor
55	36.53%
56	40.05%
57	43.98%
58	48.38%
59	53.31%
60	58.86%
61	65.13%
62	72.22%
63	80.28%
64	89.48%
65	100%

Deferred vested

- Eligibility: Five years of vesting service.

- Benefit: An amount computed as for normal retirement, reduced by factors described in the plan document.

Schedule SB, Part V — Summary of Plan Provisions

Disability	
• Eligibility	Termination on account of total and permanent disability.
• Benefit	An amount computed as for normal retirement, including contribution credits and interest while disabled.
• Commencement	Payable at normal retirement or recovery from disability if then eligible for benefits.
Pre-retirement Death Benefits	
• Eligibility	Completion of 5 years of service but not yet receiving retirement benefits.
• Benefit	100% of the value of the participant's account balance.
Unpredictable contingent event benefits	N/A
Form of benefits	
• Automatic form for unmarried participants	The equivalent increasing life annuity
• Automatic form for married participants	The equivalent increasing 50% Joint & Survivor Annuity
• Optional forms	Benefits are optionally available in the following forms: • Life annuity • Increasing life annuity • Social Security level income option • 50% or 100% joint and survivor • Increasing 50% or 100% • Lump sum at 65 • Lump sum at 62 (retirees only) • Annuity with lump sum at 62 (retirees only)
Miscellaneous	
• Maximum compensation	Compensation for any 12-month period used to determine accrued benefits may not exceed the limits in IRC Section 401(a)(17) for the calendar year in which the 12-month period begins. This limit is indexed annually. For 2015, the limit is $265,000.
• Maximum benefits	Annual benefits may not exceed the limits in IRC Section 415. This limit is indexed annually. For 2015, the limit is $210,000.

Schedule SB, Part V — Summary of Plan Provisions

Benefits Included or Excluded

Unless noted below, all benefits provided by the plan, as amended through January 16, 2015.

- **Most recent plan amendments included:** None.
- **Plan amendments excluded:** None.
- **Late retirement increases:**
  - *Deferred vested participants:* Current deferred vested participants over normal retirement age are valued including the late retirement actuarial increase.
- **Internal Revenue Code limitations:** The limitations of Internal Revenue Code Section 415(b) and 401(a) (17) have been incorporated into our calculations.
- **IRC Section 416 rules for top-heavy plans:** We did not test whether this plan is top-heavy (when the present value of benefits for key employees equals or exceeds 60 percent of the present value for all participants). However, we expect that the plan is not top-heavy due to the large number of rank-and-file participants; therefore, the funding target and target normal cost do not reflect any liability for top-heavy benefit accruals.

Plan Provisions Specific to Funding

Additional Benefits Included or Excluded

- **IRC Section 436 benefit restrictions:**
  - *Unpredictable contingent event benefits:* This valuation excludes restricted contingent event benefits that occurred before the valuation date but includes contingent event benefits which are expected to occur on or after the valuation date regardless of anticipated funding-based limitations.
  - *Plan amendments:* See above.
  - *Prohibited payments:* Limitations on prohibited benefits (if any) are reflected for annuity starting dates before the valuation date but are ignored for annuity starting dates on or after the valuation date.
  - *Benefit accruals:* The plan's funding target does not reflect any limitation on benefit accruals. The target normal cost does not reflect any limitation on benefit accruals.
- **Unpredictable contingent event benefits:** The plan does not have any unpredictable contingent event benefits.

Plan Provision Changes Since Prior Valuation

- Reflects plan provisions as of January 16, 2015.
- Maximum compensation and maximum benefits were updated from 2014 to 2015.
- Effective July 1, 2014, the Marine Systems Retirement Plan merged into the Nonbargaining Plan.

Schedule SB, Line 25 — Change in Method

Raytheon provided the Internal Revenue Service with a Request for IRS Approval for a Change in Funding Method in November of 2014 in connection with the merger of the Raytheon Marine Systems Retirement Plan into the Raytheon Nonbargaining Retirement Plan effective July 1, 2014. The IRS responded with comments in a letter dated July 20, 2016 with commentary on proposed changes to the funding method as documented in the original Request. Raytheon accepted the IRS proposal in August of 2016, and those changes are reflected in the funding valuation as of January 1, 2015.

Schedule SB, line 24 — Change in Actuarial Assumptions

Actuarial Assumption Changes Since Prior Valuation

Funding

- Mortality and interest rates were updated from 2014 to 2015 in accordance with PPA.
- Expense load on the normal cost decreased from $5,067,818 to $5,015,188 to reflect our best estimate of the current plan year's expenses.
- The form of payment for contributing participants for retirements in 2015 and 2016 was updated from 20% Single Life and 80% 5-year Certain Only to 10% Single Life and 90% 5-year Certain Only based on past experience and future payment elections by contributing participants.
- The PBGC interest basis for conversion to certain only form of payment was changed from 2.75% to 1.00% for 2015, 1.75% for 2016 and 2.75% thereafter.
- The cash balance annuity conversion interest rate basis decreased from 7.25% to 5.00%.
- The expected investment return assumption was updated from 8.75% to 8.00%.