

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
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Part I	Annual Report Identification Information
For calendar plan year 2015 or fiscal plan year beginning <u>01/01/2015</u> and ending <u>12/31/2015</u>	
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 ☒ a single-employer plan; ☐ a DFE (specify) _____
B This return/report is:	☐ the first return/report; ☐ the final return/report; ☐ an amended return/report; ☐ a short plan year return/report (less than 12 months).
C If the plan is a collectively-bargained plan, check here.	☒
D Check box if filing under:	☒ Form 5558; ☐ automatic extension; ☐ the DFVC program; ☐ special extension (enter description)

Part II	Basic Plan Information —enter all requested information
1a Name of plan <u>EMPLOYEE RETIREMENT INCOME PLAN - HOURLY WEST</u>	1b Three-digit plan number (PN) ▶ <u>102</u>
	1c Effective date of plan <u>12/01/1955</u>
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) <u>THE BOEING CO. AND CONSOLIDATED SUBSIDIARIES</u> <u>C/O BOEING EMPLOYEE BENEFITS</u> <u>P.O. BOX 3707 M/C 9U7-03</u> <u>SEATTLE, WA 98124-2207</u> <u>100 N. RIVERSIDE PLAZA</u> <u>CHICAGO, IL 60606-1596</u>	2b Employer Identification Number (EIN) <u>91-0425694</u> 2c Plan Sponsor's telephone number <u>866-473-2016</u> 2d Business code (see instructions) <u>336410</u>

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

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

SIGN HERE	<u>Filed with authorized/valid electronic signature.</u>	<u>09/20/2016</u>	<u>HEATHER HAYNES-O'BRIEN</u>
	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

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

Form 5500 (2015)
v. 150123

3a Plan administrator's name and address ☐ Same as Plan Sponsor EMPLOYEE BENEFIT PLANS COMMITTEE THE BOEING COMPANY 100 N. RIVERSIDE PLAZA CHICAGO, IL 60606-1596	3b Administrator's EIN 58-2405861
	3c Administrator's telephone number 312-544-2297
4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: a Sponsor's name	4b EIN 4c PN
5 Total number of participants at the beginning of the plan year	5 28570
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) 3049
a(2) Total number of active participants at the end of the plan year	6a(2) 2049
b Retired or separated participants receiving benefits.....	6b 13209
c Other retired or separated participants entitled to future benefits.....	6c 6312
d Subtotal. Add lines 6a(2) , 6b , and 6c	6d 21570
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e 3893
f Total. Add lines 6d and 6e	6f 25463
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 1
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	7
8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions: 1B 3F 3H	
b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:	
9a Plan funding arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ 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) ☐ 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)
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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 _____

<div>SCHEDULE SB (Form 5500)</div> <div>Department of the Treasury Internal Revenue Service</div> <div>Department of Labor Employee Benefits Security Administration</div> <div>Pension Benefit Guaranty Corporation</div>		<div>Single-Employer Defined Benefit Plan Actuarial Information</div> <div>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).</div> <div>▶ File as an attachment to Form 5500 or 5500-SF.</div>		<div>OMB No. 1210-0110</div> <div>2015</div> <div>This Form is Open to Public Inspection</div>	
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 EMPLOYEE RETIREMENT INCOME PLAN - HOURLY WEST			B Three-digit plan number (PN) ▶		102
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF THE BOEING CO. AND CONSOLIDATED SUBSIDIARIES			D Employer Identification Number (EIN) 91-0425694		
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B			F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500		
Part I Basic Information					
1 Enter the valuation date: Month 01 Day 01 Year 2015					
2 Assets:					
a Market value				2a	2188906977
b Actuarial value				2b	2120223039
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			16505	1016535124	1016535124
b For terminated vested participants			9190	269145329	269145329
c For active participants			3049	393286124	439015727
d Total			28744	1678966577	1724696180
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	6.22%
6 Target normal cost				6	10235623
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		07/08/2016			
TODD C. ANDERSON		Date			
Type or print name of actuary		14-06572			
TOWERS WATSON DELAWARE INC.		Most recent enrollment number			
Firm name		206-625-1125			
600 UNIVERSITY STREET, SUITE 3100 SEATTLE, WA 98101-1176		Telephone number (including area code)			
Address of the firm					
If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions ☐					
For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500 or 5500-SF. Schedule SB (Form 5500) 2015 v. 150123					

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)	329423566	0
8	Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	5317090	0
9	Amount remaining (line 7 minus line 8)	324106476	0
10	Interest on line 9 using prior year's actual return of <u>12.74</u> %	41291165	0
11	Prior year's excess contributions to be added to prefunding balance:		
a	Present value of excess contributions (line 38a from prior year)		0
b(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 <u>6.43</u> %		0
b(2)	Interest on line 38b from prior year Schedule SB, using prior year's actual return		0
c	Total available at beginning of current plan year to add to prefunding balance		0
d	Portion of (c) to be added to prefunding balance		0
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)	365397641	0

Part III Funding Percentages			
14	Funding target attainment percentage	14	101.74 %
15	Adjusted funding target attainment percentage	15	122.93 %
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	119.97 %
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

Part IV Contributions and Liquidity Shortfalls					
18 Contributions made to the plan for the plan year by employer(s) and employees:					
(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
Totals ►			18(b)	0	18(c) 0

19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:		
a Contributions allocated toward unpaid minimum required contributions from prior years.	19a	0
b Contributions made to avoid restrictions adjusted to valuation date	19b	0
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	0
20 Quarterly contributions and liquidity shortfalls:		
a Did the plan have a "funding shortfall" for the prior year?	☐ Yes ☒ No	
b If 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

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

21 Discount rate:				
a Segment rates:	1st segment: 4.72 %	2nd segment: 6.11 %	3rd segment: 6.81 %	☐ N/A, full yield curve used
b Applicable month (enter code).....				21b 4
22 Weighted average retirement age				22 57
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	10235623	
b Excess assets, if applicable, but not greater than line 31a	31b	10235623	
32 Amortization installments:			
a Net shortfall amortization installment	Outstanding Balance	Installment	
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	0	
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	0	0
36 Additional cash requirement (line 34 minus line 35)	36	0	
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	37	0	
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)	38a	0	
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b	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	0	
43 Excess installment acceleration amount to be carried over to future plan years	43	0	

SCHEDULE C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		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 EMPLOYEE RETIREMENT INCOME PLAN - HOURLY WEST	B Three-digit plan number (PN) ▶	102
C Plan sponsor's name as shown on line 2a of Form 5500 THE BOEING CO. AND CONSOLIDATED SUBSIDIARIES	D Employer Identification Number (EIN) 91-0425694	

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

1 Information on Persons Receiving Only Eligible Indirect Compensation

- a** Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions)..... ☐ Yes ☒ No
- b** If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

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

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

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

XEROX HR SOLUTIONS, LLC

16-4068020

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
13 15	SERVICE PROVIDER	1442206	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

THE BOEING CO AND CONSOLIDATED SUBS

91-0425694

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
10 14 28	PLAN SPONSOR	347139	Yes ☒ No ☐	Yes ☐ No ☒	60	Yes ☐ No ☒

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

WILLIS TOWERS WATSON

53-0181291

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
11 17 50 70	SERVICE PROVIDER	128078	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

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

STATE STREET BANK AND TRUST COMPANY

04-3581074

(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 17 49	SERVICE PROVIDER	89294	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

PLANTE & MORAN, PLLC

38-1357951

(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 50	AUDITOR	29808	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

IVINS, PHILLIPS & BARKER

52-1229560

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
29	SERVICE PROVIDER	16691	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

Part I Service Provider Information (continued)

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

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

Part II Service Providers Who Fail or Refuse to Provide Information

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

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

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

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

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

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

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

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

<div>SCHEDULE G (Form 5500) Department of Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration</div>	<div>Financial Transaction Schedules</div> <div>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code).</div> <div>► File as an attachment to Form 5500.</div>	<div>OMB No. 1210-0110</div> <div>2015</div> <div>This Form is Open to Public Inspection.</div>
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For calendar plan year 2015 or fiscal plan year beginning 01/01/2015 and ending 12/31/2015	
A Name of plan EMPLOYEE RETIREMENT INCOME PLAN - HOURLY WEST	B Three-digit plan number (PN) ► 102
C Plan sponsor's name as shown on line 2a of Form 5500 THE BOEING CO. AND CONSOLIDATED SUBSIDIARIES	D Employer Identification Number (EIN) 91-0425694

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

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

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

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

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

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

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

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

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

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

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

Part II Schedule of Leases in Default or Classified as Uncollectible

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

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

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

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

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

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

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

Part III Nonexempt Transactions

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

(a) Identity of party involved	(b) Relationship to plan, employer, or other party-in-interest	(c) Description of transaction including maturity date, rate of interest, collateral, par or maturity value			(d) Purchase price
THE BOEING COMPANY	PLAN SPONSOR	PLAN ASSETS WERE INADVERTENTLY RECEIVED BY THE PLAN SPONSOR			
(e) Selling price	(f) Lease rental	(g) Transaction expenses	(h) Cost of asset	(i) Current value of asset	(j) Net gain (or loss) on each transaction
			644	663	19
(a) Identity of party involved	(b) Relationship to plan, employer, or other party-in-interest	(c) Description of transaction including maturity date, rate of interest, collateral, par or maturity value			(d) Purchase price
WILLIAM BLAIR	SERVICE PROVIDER	PLAN ASSETS WERE INADVERTENTLY USED TO MAKE AN OVERPAYMENT TO A THIRD-PARTY			
(e) Selling price	(f) Lease rental	(g) Transaction expenses	(h) Cost of asset	(i) Current value of asset	(j) Net gain (or loss) on each transaction
			6256	6260	4
(a) Identity of party involved	(b) Relationship to plan, employer, or other party-in-interest	(c) Description of transaction including maturity date, rate of interest, collateral, par or maturity value			(d) Purchase price
PIMCO	SERVICE PROVIDER	PLAN ASSETS WERE INADVERTENTLY USED TO MAKE AN OVERPAYMENT TO A THIRD-PARTY			
(e) Selling price	(f) Lease rental	(g) Transaction expenses	(h) Cost of asset	(i) Current value of asset	(j) Net gain (or loss) on each transaction
			2157	2158	1
(a) Identity of party involved	(b) Relationship to plan, employer, or other party-in-interest	(c) Description of transaction including maturity date, rate of interest, collateral, par or maturity value			(d) Purchase price
J.P. MORGAN	TRUSTEE	PLAN ASSETS WERE INADVERTENTLY USED TO MAKE OVERPAYMENTS TO THE TRUSTEE			
(e) Selling price	(f) Lease rental	(g) Transaction expenses	(h) Cost of asset	(i) Current value of asset	(j) Net gain (or loss) on each transaction
			105	108	3
(a) Identity of party involved	(b) Relationship to plan, employer, or other party-in-interest	(c) Description of transaction including maturity date, rate of interest, collateral, par or maturity value			(d) Purchase price
(e) Selling price	(f) Lease rental	(g) Transaction expenses	(h) Cost of asset	(i) Current value of asset	(j) Net gain (or loss) on each transaction
(a) Identity of party involved	(b) Relationship to plan, employer, or other party-in-interest	(c) Description of transaction including maturity date, rate of interest, collateral, par or maturity value			(d) Purchase price
(e) Selling price	(f) Lease rental	(g) Transaction expenses	(h) Cost of asset	(i) Current value of asset	(j) Net gain (or loss) on each transaction

SCHEDULE H (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110 <div style="border: 1px solid black; padding: 5px; font-size: 1.2em; font-weight: bold;">2015</div> This Form is Open to Public Inspection
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For calendar plan year 2015 or fiscal plan year beginning 01/01/2015 and ending 12/31/2015

A Name of plan <u>EMPLOYEE RETIREMENT INCOME PLAN - HOURLY WEST</u>	B Three-digit plan number (PN) ► <u>102</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>THE BOEING CO. AND CONSOLIDATED SUBSIDIARIES</u>	D Employer Identification Number (EIN) <u>91-0425694</u>

Part I Asset and Liability Statement			
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)		
(2) Participant contributions	1b(2)		
(3) Other.....	1b(3)	201131	239999
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)	2188828389	1960726473
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)		
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
(15) Other	1c(15)		

1d Employer-related investments:		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	2189029520	1960966472

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h	122543	107744
i Acquisition indebtedness	1i		
j Other liabilities	1j		
k Total liabilities (add all amounts in lines 1g through 1j)	1k	122543	107744

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	2188906977	1960858728
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Part II Income and Expense Statement

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

Income

		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)		
(B) Participants	2a(1)(B)		
(C) Others (including rollovers)	2a(1)(C)		
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		0
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)		
(F) Other	2b(1)(F)		
(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)		-17578744
(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		-17578744

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	206779980	
(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)		206779980
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)	179389	
(2) Contract administrator fees	2i(2)	1531499	
(3) Investment advisory and management fees	2i(3)	140397	
(4) Other	2i(4)	1838240	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		3689525
j Total expenses. Add all expense amounts in column (b) and enter total	2j		210469505

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		-228048249
l Transfers of assets:			
(1) To this plan	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

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

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

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

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

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

(1) Name: PLANTE & MORAN, PLLC

(2) EIN: 38-1357951

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.)		X		
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)		X		

	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.)		X		
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)	X			9189
e Was this plan covered by a fidelity bond?	X			95000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X		
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?		X		
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?		X		
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)		X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)		X		
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?		X		
l Has the plan failed to provide any benefit when due under the plan?		X		
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)		X		
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.				
o Did the plan trust incur unrelated business taxable income?				
p Were in-service distributions made during the plan year?				

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

A Name of plan <u>EMPLOYEE RETIREMENT INCOME PLAN - HOURLY WEST</u>	B Three-digit plan number (PN) ▶ <u>102</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>THE BOEING CO. AND CONSOLIDATED SUBSIDIARIES</u>	D Employer Identification Number (EIN) <u>91-0425694</u>

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

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....	1	<u>0</u>
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): <u>04-3581074</u>		
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....	3	<u>3377</u>

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

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

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

Schedule R (Form 5500) 2015
v. 150123

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
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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: <u>30.0</u> % Investment-Grade Debt: <u>28.0</u> % High-Yield Debt: <u>2.0</u> % Real Estate: <u>4.0</u> % Other: <u>36.0</u> %
	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
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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

The Boeing Company Employee Retirement Plans

Financial Report
December 31, 2015

THE BOEING COMPANY EMPLOYEE RETIREMENT PLANS

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Independent Auditor's Report

To the Participants and Employee Benefit Plans
Committee
The Boeing Company

We have audited the accompanying financial statements of The Boeing Company Employee Retirement Plan, Boeing North American Retirement Plan, BSS Retirement Plan, BSS Retirement Plan for Bargained Employees, Employee Retirement Income Plan – Hourly East, Employee Retirement Income Plan – Hourly West, Non-Contributory Retirement Plan, and The Pension Value Plan for Employees of The Boeing Company (collectively, the “Plans”) which comprise the statements of net assets available for benefits as of December 31, 2015 and 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 these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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 on the financial statements.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets of the Plans as of December 31, 2015 and 2014 and the changes in net assets for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

To the Participants and Employee Benefit Plans
Committee
The Boeing Company

Emphasis of Matter

Included in investments measured at net asset value in Note 5 to the financial statements, The Boeing Company Employee Retirement Plans Master Trust holds investments valued at approximately \$9.3 billion at December 31, 2015 and approximately \$8.4 billion at December 31, 2014 (approximately 17% and 14%, respectively, of the Master Trust's net assets) whose fair values have been estimated by management in the absence of readily determinable market values. Management's estimates are based on methods described in Note 2 to the financial statements. Our opinion is not modified with respect to this matter.

Report on Supplemental Information

Our audits were conducted for the purpose of forming opinions on the financial statements as a whole. The supplemental schedules of nonexempt transactions and delinquent participant contributions for the year ended December 31, 2015 are presented for the purpose of additional analysis and are not a required part of the financial statements but are supplemental information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. Such information is the responsibility of the Plans' management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Plante & Moran, PLLC

Southfield, Michigan
July 28, 2016

THE BOEING COMPANY EMPLOYEE RETIREMENT PLANS
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

	December 31, 2015								
	The Boeing Company Employee Retirement Plan	Boeing North American Retirement Plan	BSS Retirement Plan	BSS Retirement Plan for Bargained Employees	Employee Retirement Income Plan - Hourly East	Employee Retirement Income Plan - Hourly West	Non-Contributory Retirement Plan	The Pension Value Plan for Employees of The Boeing Company	Total (Memorandum Only)
Assets									
Investments at fair value - Interest in Master Trust	\$ 17,519,532,012	\$3,796,158,861	\$ 1,642,904,359	\$ 250,354,931	\$ 1,638,690,761	\$ 1,960,726,473	\$ 595,307,893	\$ 28,775,463,577	\$ 56,179,138,867
Receivables - other	<u>1,208,637</u>	<u>1,141,053</u>	<u>806,139</u>	<u>13,374</u>	<u>124,171</u>	<u>239,999</u>	<u>45,219</u>	<u>1,717,777</u>	<u>5,296,369</u>
Total assets	17,520,740,649	3,797,299,914	1,643,710,498	250,368,305	1,638,814,932	1,960,966,472	595,353,112	28,777,181,354	56,184,435,236
Liabilities - Accrued administrative expenses	<u>819,352</u>	<u>164,487</u>	<u>83,656</u>	<u>28,144</u>	<u>92,936</u>	<u>107,744</u>	<u>35,295</u>	<u>834,482</u>	<u>2,166,096</u>
Net Assets Available for Benefits	<u>\$ 17,519,921,297</u>	<u>\$3,797,135,427</u>	<u>\$ 1,643,626,842</u>	<u>\$ 250,340,161</u>	<u>\$ 1,638,721,996</u>	<u>\$ 1,960,858,728</u>	<u>\$ 595,317,817</u>	<u>\$ 28,776,346,872</u>	<u>\$ 56,182,269,140</u>
	December 31, 2014								
	The Boeing Company Employee Retirement Plan	Boeing North American Retirement Plan	BSS Retirement Plan	BSS Retirement Plan for Bargained Employees	Employee Retirement Income Plan - Hourly East	Employee Retirement Income Plan - Hourly West	Non-Contributory Retirement Plan	The Pension Value Plan for Employees of The Boeing Company	Total (Memorandum Only)
Assets									
Investments at fair value - Interest in Master Trust	\$ 18,804,890,265	\$4,428,459,516	\$ 1,882,063,895	\$ 287,019,736	\$ 1,803,536,496	\$ 2,188,828,389	\$ 639,098,680	\$ 30,687,958,514	\$ 60,721,855,491
Receivables - other	<u>1,173,072</u>	<u>1,326,312</u>	<u>868,445</u>	<u>6,042</u>	<u>112,450</u>	<u>201,131</u>	<u>31,928</u>	<u>1,756,236</u>	<u>5,475,616</u>
Total assets	18,806,063,337	4,429,785,828	1,882,932,340	287,025,778	1,803,648,946	2,189,029,520	639,130,608	30,689,714,750	60,727,331,107
Liabilities - Accrued administrative expenses	<u>609,370</u>	<u>166,452</u>	<u>105,754</u>	<u>35,015</u>	<u>105,789</u>	<u>122,543</u>	<u>52,922</u>	<u>2,784,278</u>	<u>3,982,123</u>
Net Assets Available for Benefits	<u>\$ 18,805,453,967</u>	<u>\$4,429,619,376</u>	<u>\$ 1,882,826,586</u>	<u>\$ 286,990,763</u>	<u>\$ 1,803,543,157</u>	<u>\$ 2,188,906,977</u>	<u>\$ 639,077,686</u>	<u>\$ 30,686,930,472</u>	<u>\$ 60,723,348,984</u>

See Notes to Financial Statements

THE BOEING COMPANY EMPLOYEE RETIREMENT PLANS
STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

	Year Ended December 31, 2015								
	The Boeing Company Employee Retirement Plan	Boeing North American Retirement Plan	BSS Retirement Plan	BSS Retirement Plan for Bargained Employees	Employee Retirement Income Plan - Hourly East	Employee Retirement Income Plan - Hourly West	Non-Contributory Retirement Plan	The Pension Value Plan for Employees of The Boeing Company	Total (Memorandum Only)
Additions									
Employer contributions	\$ -	\$ -	\$ 38,000,000	\$ 2,000,000	\$ -	\$ -	\$ -	\$ -	\$ 40,000,000
Employee contributions	-	-	4,037,642	464,623	-	-	-	-	4,502,265
Total additions	-	-	42,037,642	2,464,623	-	-	-	-	44,502,265
Deductions									
Net investment loss from Master Trust	177,178,650	35,920,447	14,370,917	2,375,897	10,774,354	17,578,744	6,068,551	284,330,051	548,597,611
Benefits paid directly to participants or beneficiaries	1,085,906,101	583,833,673	265,544,959	36,364,914	151,281,745	206,779,980	36,749,865	1,543,244,453	3,909,705,690
Administrative expenses	22,447,919	9,063,423	1,321,510	374,414	2,765,062	3,689,525	941,453	83,009,096	123,612,402
Total deductions	1,285,532,670	628,817,543	281,237,386	39,115,225	164,821,161	228,048,249	43,759,869	1,910,583,600	4,581,915,703
Assets Transfer Out to Another Plan	-	217,369	-	-	-	-	-	-	217,369
Assets Transfer Out to Insurance Carriers	-	3,449,037	-	-	-	-	-	-	3,449,037
Net Decrease	(1,285,532,670)	(632,483,949)	(239,199,744)	(36,650,602)	(164,821,161)	(228,048,249)	(43,759,869)	(1,910,583,600)	(4,541,079,844)
Net Assets Available for Benefits - Beginning of year	18,805,453,967	4,429,619,376	1,882,826,586	286,990,763	1,803,543,157	2,188,906,977	639,077,686	30,686,930,472	60,723,348,984
Net Assets Available for Benefits - End of year	<u>\$ 17,519,921,297</u>	<u>\$ 3,797,135,427</u>	<u>\$ 1,643,626,842</u>	<u>\$ 250,340,161</u>	<u>\$ 1,638,721,996</u>	<u>\$ 1,960,858,728</u>	<u>\$ 595,317,817</u>	<u>\$ 28,776,346,872</u>	<u>\$56,182,269,140</u>
	Year Ended December 31, 2014								
	The Boeing Company Employee Retirement Plan	Boeing North American Retirement Plan	BSS Retirement Plan	BSS Retirement Plan for Bargained Employees	Employee Retirement Income Plan - Hourly East	Employee Retirement Income Plan - Hourly West	Non-Contributory Retirement Plan	The Pension Value Plan for Employees of The Boeing Company	Total (Memorandum Only)
Additions									
Net investment income from Master Trust	\$ 1,753,915,413	\$ 433,360,978	\$ 181,923,052	\$ 27,604,352	\$ 189,879,331	\$ 248,721,530	\$ 61,084,491	\$ 2,976,035,878	\$ 5,872,525,025
Employer contributions	604,000,000	-	63,000,000	8,000,000	10,000,000	65,000,000	-	-	750,000,000
Employee contributions	-	-	4,550,990	523,872	-	-	-	-	5,074,862
Total additions	2,357,915,413	433,360,978	249,474,042	36,128,224	199,879,331	313,721,530	61,084,491	2,976,035,878	6,627,599,887
Deductions									
Benefits paid directly to participants or beneficiaries	921,728,170	412,231,780	234,508,088	32,727,335	98,202,893	108,080,472	29,880,119	1,817,717,433	3,655,076,290
Administrative expenses	18,395,634	8,582,039	1,438,253	459,076	2,790,737	3,425,863	756,666	61,693,115	97,541,383
Total deductions	940,123,804	420,813,819	235,946,341	33,186,411	100,993,630	111,506,335	30,636,785	1,879,410,548	3,752,617,673
Net Increase	1,417,791,609	12,547,159	13,527,701	2,941,813	98,885,701	202,215,195	30,447,706	1,096,625,330	2,874,982,214
Net Assets Available for Benefits - Beginning of year	17,387,662,358	4,417,072,217	1,869,298,885	284,048,950	1,704,657,456	1,986,691,782	608,629,980	29,590,305,142	57,848,366,770
Net Assets Available for Benefits - End of year	<u>\$ 18,805,453,967</u>	<u>\$ 4,429,619,376</u>	<u>\$ 1,882,826,586</u>	<u>\$ 286,990,763</u>	<u>\$ 1,803,543,157</u>	<u>\$ 2,188,906,977</u>	<u>\$ 639,077,686</u>	<u>\$ 30,686,930,472</u>	<u>\$60,723,348,984</u>

See Notes to Financial Statements

THE BOEING COMPANY EMPLOYEE RETIREMENT PLANS

NOTES TO FINANCIAL STATEMENTS

AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

1. DESCRIPTION OF THE PLANS

The following is a brief description of the following plans (collectively, the “Plans”), and provides only general information:

The Boeing Company Employee Retirement Plan (“BCERP Plan”)
Boeing North American Retirement Plan (“BNA Plan”)
BSS Retirement Plan (“BSS Plan”)
BSS Retirement Plan for Bargained Employees (“BSSB Plan”)
Employee Retirement Income Plan – Hourly East (“Hourly East Plan”)
Employee Retirement Income Plan – Hourly West (“Hourly West Plan”)
Non-Contributory Retirement Plan (“NCRP Plan”)
The Pension Value Plan for Employees of The Boeing Company (“PVP Plan”)

Eligible participants as defined by the Plans (“Participants”) should refer to the plan documents for a more complete description of the Plans’ provisions.

Each of the Plans is sponsored by The Boeing Company (the “Company”).

General —

BCERP Plan:

The BCERP Plan is a noncontributory defined benefit pension plan covering certain bargained employees of the Company. The BCERP Plan is closed to various unions. These closure dates range from January 1, 2009 through January 3, 2014. Effective January 1, 1999, the assets and liabilities attributable to accrued benefits of active nonunion salaried Participants were transferred to the PVP Plan.

BNA Plan:

The BNA Plan is a noncontributory defined benefit pension plan covering certain employees formerly of Boeing North American, Inc. (formerly Rockwell International Corporation (“Rockwell”)), a subsidiary merged into the Company effective December 1996. The BNA Plan is made up of various sub-plans with varying plan provisions. Since 2000, the only sub-plan still active is the BNA Sub-Plan R02/Aerospace Hourly Plan (“R02 Sub Plan”). Effective January 1, 2009, the R02 Sub Plan was closed to new entrants and all benefit accruals in the R02 Sub Plan will be frozen effective January 1, 2017.

BSS Plan:

The BSS Plan is a contributory defined benefit pension plan covering certain nonbargained employees formerly of Boeing Satellite Systems, Inc. (“BSS”), a subsidiary merged into the Company effective October 2000. The BSS Plan was closed to new entrants for the contributory benefit structure effective January 1, 1991. Noncontributory benefits of the BSS Plan were transferred to the PVP Plan on April 1, 2003. All benefit accruals under the BSS Plan were frozen effective January 1, 2016.

1. DESCRIPTION OF THE PLANS (CONTINUED)

BSSB Plan:

The BSSB Plan is a defined benefit pension plan with both contributory and noncontributory benefit structures covering certain bargained employees formerly of BSS. Eligible active employees are located in Southern California represented by Electronic and Space Technicians Local 1553 (“EAST 1553”). The contributory portion of the BSSB Plan has been closed to new Participants since 1992. Effective January 1, 2012, the noncontributory portion of the BSSB Plan was closed to new entrants.

Hourly East and Hourly West Plans:

The Hourly East and Hourly West Plans are noncontributory defined benefit pension plans covering certain employees formerly of McDonnell Douglas Corporation (“MDC”), which merged with the Company effective August 1997. The Hourly East and Hourly West Plans are closed to all unions. These closure dates range from January 1, 2012 through January 1, 2014 for the Hourly East Plan and January 1, 2010 through February 1, 2014 for the Hourly West Plan.

NCRP Plan:

The NCRP Plan is a noncontributory defined benefit pension plan covering certain bargained employees of the Company, represented by United Automobile, Aerospace and Agricultural Implement Workers of America, (“UAW”) Local 1069, in Ridley Park, Pennsylvania. Effective January 1, 2014, the NCRP Plan was closed to new entrants. All benefit accruals under the NCRP Plan will be frozen effective January 1, 2017.

PVP Plan:

The PVP Plan is a noncontributory defined benefit pension plan covering certain nonunion salaried employees of the Company. Effective January 1, 2009, the PVP Plan was closed to new entrants. Benefit accruals under the PVP Plan were frozen, other than interest credits applied to Participants’ cash balance hypothetical accounts to the extent required by law, effective December 31, 2015.

See Note 8 for recent plan amendments, including plan freezes, closures, and changes to plan benefits.

The assets of the Plans, along with another plan sponsored by a subsidiary of the Company and not included in the accompanying financial statements, are held in The Boeing Company Employee Retirement Plans Master Trust (the “Master Trust”). JPMorgan Chase, N.A. (“JPM”) serves as the trustee for the Master Trust. The Employee Benefit Plans Committee has the overall responsibility for the operation and administration of the Plans. The Plans are subject to the provisions of the Employee Retirement Income Security Act of 1974 (“ERISA”).

The “Total (Memorandum Only)” columns in the accompanying Statements of Net Assets Available for Benefits and Statements of Changes in Net Assets Available for Benefits represent the total activity for the Plans and are provided for information purposes only.

Employee Contributions — For the BSS and BSSB Plans, a Participant’s current rate of contribution is 3% of eligible compensation and may not be changed by the Participant. Participants may suspend contributions, but they do not accrue benefit service for periods when they are not contributing; however, contribution suspension will not interrupt their continuous service or years of vesting service. If contributions are suspended, Participants must wait 12 calendar months before they can begin contributing again, provided they are still eligible. Participants are always vested in their own contributions to the respective BSS and BSSB Plans.

1. DESCRIPTION OF THE PLANS (CONTINUED)

Employer Contributions — The Company funds the estimated current service costs and amortization of unfunded actuarial accrued liability for the Plans. The Plans have met the minimum funding requirements of ERISA, and no contributions were required under ERISA for the years ended December 31, 2015 and 2014. Although no contributions were required under ERISA, the Company may make discretionary contributions to the Plans.

Pension Benefits — Except as noted for the specific plans below, participants with five or more years of vesting service are entitled to benefits under the Plans. The Plans generally provide for normal retirement benefits upon reaching age 65 and have provisions for early retirement benefits. Benefits are payable in the form of a joint and survivor annuity, a single life annuity, or other payment forms, as specified in the applicable plan document. Monthly pension benefits beginning at normal retirement age are generally determined as follows:

Plan	Determination of Benefit Payment Amount
BCERP Plan	The greater of (1) a final average monthly earnings formula, or (2) a rate, based on union affiliation, multiplied by each year of credited service
BNA Plan	For the BNA R02 Sub Plan (the only sub-plan with Participants actively accruing benefits), benefits are based on a rate multiplied by each year of benefit service. Other benefits vary per applicable sub-plan.
BSS Plan	<p>The contributory benefit is funded by the Company, as well as employee contributions. The contributory benefit is the best of three formulas: 1) a career average formula, 2) a final average monthly compensation formula, and 3) a minimum benefit formula.</p> <p><i>Cost of Living Adjustment (“COLA”)</i> — Monthly benefits under the contributory benefit may be adjusted annually to reflect changes in the cost of living. The adjustment is made every January 1 and is based on the change in the Consumer Price Index (“CPI”) relative to the year before; however, if the BSS Plan is terminated, no COLA will be provided except to Participants who are already receiving retirement payments. To be eligible for a COLA, Participants must have retired on their early, normal, or late retirement date.</p>
BSSB Plan	<p>Participants may accrue benefits in one of two benefit structures of the BSSB Plan (contributory and noncontributory); however, if they are accruing in the noncontributory structure, they may also have prior contributory accruals.</p> <ul style="list-style-type: none"> • The noncontributory benefit is funded solely by contributions made to the BSSB Plan by the Company, as defined by the Plan document. Benefits are based on a formula, including final average monthly earnings, service, and covered compensation. • The contributory benefit is funded by the Company, as well as employee contributions. The contributory benefit is the best of three formulas: 1) a career average formula, 2) a final average monthly compensation formula, and 3) a minimum benefit formula. <p><i>COLA</i> — Monthly benefits under the contributory benefit may be adjusted annually to reflect changes in the cost of living. The adjustment is made every January 1 and is based on the change in the CPI relative to the year before; however, if the BSSB Plan is terminated, no COLA will be provided except to Participants who are already receiving retirement payments. To be eligible for a COLA, Participants must have retired on their early, normal, or late retirement date.</p>

1. DESCRIPTION OF THE PLANS (CONTINUED)

Hourly East Plan	A rate, based on union affiliation, multiplied by each year of benefit service while employed with a covered group
Hourly West Plan	A rate, based on union affiliation, multiplied by each year of benefit service while employed with a covered group.
NCRP Plan	A rate multiplied by each year of credited service
PVP Plan	<p>Participants with three or more years of vesting service and Participants who are at least age 62 at termination with one or more years of service are entitled to benefits under the PVP Plan.</p> <p>PVP Plan features that are relevant to the benefit include, but are not limited to:</p> <ul style="list-style-type: none"> • Participants in the PVP Plan maintain a hypothetical separate account similar to a defined contribution plan, although the Company makes all contributions to the PVP Plan. Participants are not permitted to make contributions. • Interest credits applied to Participants' hypothetical accounts are based on the yield of the 30-year U.S. Treasury bond (but not less than an interest credit minimum rate of 5.25% or greater than an interest credit maximum rate of 10%). The rate was 5.25% as of December 31, 2015 and 2014. Effective January 1, 2016, the interest credit minimum rate will be reduced to 5%. See Note 8. • Benefits relating to prior service and transferred to the PVP Plan ("Heritage Benefits") were generally earned under the BCERP Plan, BNA Plan, BSS Plan, and the former McDonnell Douglas Corporation — Salaried Plan ("MDC-Salaried"); Heritage Benefits increased in relation to growth in base pay but not for service earned after these benefits were transferred into the PVP Plan. <p>Monthly pension benefits beginning at normal retirement age (65) equal the greater of the combined benefits described in (1) plus (2) or the benefit described in (3) below:</p> <ol style="list-style-type: none"> 1. The benefit credits, including a percentage of eligible pay based on the Participant's age for each year he or she works for the Company, plus interest credits divided by an annuity conversion factor, ranging from 11 to 15. This annual benefit is then divided by 12 to calculate a monthly benefit. 2. Heritage Benefits transferred to the Plan, plus growth due to increases in pay after the transfer date. 3. A rate multiplied by each year of benefit service.

1. DESCRIPTION OF THE PLANS (CONTINUED)

Death and Disability Benefits — Death benefits are payable from the Plans under certain circumstances. See plan documents for specific provisions.

There are no provisions for disability benefits from the BSS and BSSB Plans. Since December 1, 2004, the PVP Plan has not provided for disability benefits. Disability benefits for the other Plans are payable from the Plans under certain circumstances. See plan documents for specific provisions.

Assets Transfers from the BNA Plan — During the 2015 plan year, \$217,369 in plan assets were transferred from the BNA Plan to Rockwell Automation Pension Trust (“Rockwell Plan”) due to a settlement between the BNA Plan and the Rockwell Plan. The amount represented the pension benefit payments that should have been disbursed from the BNA Plan instead of the Rockwell Plan. In addition, \$3,449,037 in plan assets were transferred from the BNA Plan to insurance carriers for the non-participating portion of certain contracts for which the insurance carriers assumed ownership when the contracts were discontinued. All benefit obligations under these contracts were transferred from the BNA Plan to the insurance carriers.

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

Risks and Uncertainties — The Master Trust utilizes various investment instruments. Investment instruments, in general, are exposed to various risks, such as interest rate risk, credit risk, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term, and such changes could materially affect the amounts reported in the financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Valuation of Investments — Investments in the Master Trust are generally stated at fair value. Fair value of a financial instrument is the price that would be received to sell an asset or paid to transfer a liability (exit price) in an orderly transaction between market participants at the measurement date. Investments at contract value are investment contracts valued at cost, plus accumulated earnings thereon, computed in accordance with contract formulas, less expenses. The Master Trust's investments stated at fair value are valued as follows:

- Corporate bonds, government bonds, mortgage-backed and asset-backed securities, and municipal bonds are primarily valued using a market approach using matrix pricing, which considers a security's relationship to other securities for which quoted prices in an active market may be available, or alternatively based on an income approach, which uses valuation techniques to convert future cash flows to a single present value amount. The valuation approach is designed to maximize the use of observable inputs, such as observable trade prices, multiple broker-dealer quotations, related yield curves, and other assumptions about the security (prepayment projections, cash flows, other security characteristics, etc.) and minimize unobservable inputs. The securities are valued as of the last trading day of the year. To-be-announced securities ("TBAs") and treasury forwards, which have a delayed future settlement, are valued similarly to securities in active markets. The unrealized market appreciation or depreciation is included in other receivables and other liabilities on the Master Trust's statements of net assets.
- Common and preferred stock and certain other investments, including real-estate investment trusts ("REITs"), American depository receipts ("ADRs"), global depository receipts ("GDRs"), rights, and warrants traded in active markets on national and international exchanges are primarily valued using a market approach based on the closing market prices of identical instruments on the last trading day of the year.
- Mutual funds, which are registered investment companies, are valued using quoted market prices to represent the net asset value ("NAV") at year-end.
- Other investments include over-the-counter ("OTC") derivatives, such as options and swap contracts. These derivatives are valued based upon the expected amount that the Master Trust would receive or pay to exit the derivative at the reporting date. The valuation methodology uses the income approach and relies on inputs, including, but not limited to, benchmark yields, swap curves, cash flow analysis, ratings updates, and interdealer broker rates. Credit risk of the derivative counterparties is offset by collateralizing the expected amount that the Master Trust would receive or pay to terminate the derivative.
- Short-term investments include treasury bills, commercial paper, certificates of deposits, and discounted notes with original maturities of up to one year. These investments are primarily valued using a market approach based on matrix pricing as referenced above. In the event that an instrument with an original maturity of less than three months does not have a market price, then those investments are valued at amortized cost, which approximates fair value.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- Investments in funds that do not have a readily determinable fair value and meet the criteria of investment companies are valued using the NAV as the practical expedient. The NAV or its equivalent, such as member units or membership units in partners' capital to which a proportionate share of net assets is attributed, is based on the value of underlying investments. The NAV measurement may be adjusted to estimate net asset value per share for the investment in a manner consistent with measurement principles for investment companies. There were no adjustments in 2015 or 2014.
 - Investments in commingled funds, which include common/collective trusts/pooled funds ("CCTs") are valued based on the year-end unit values. Unit values are determined by the issuer, investment manager or third-party administrator ("TPA") by dividing the fair values of the total net assets at year-end by the outstanding units.
 - Investments in partnerships are recorded based upon year-end valuations, which represent the unit of account, and are determined by the general partner and reflected in the audited financial statements. Where necessary, adjustments may be made to general partner valuations to reflect fair value when such valuations are inconsistent with NAV practical expedient criteria.
 - Investments in hedge funds consist of fund-of-fund structures and direct hedge funds. The fund-of-fund structures are primarily valued using a market approach based on the NAV calculated by the fund and is not publicly available. Direct hedge fund NAV is based on valuation of the underlying holdings.
- Cash and cash equivalents include cash and cash collateral. Cash collateral is related to the collateral received on derivatives.
- Forward and spot currency contracts are valued using a market value approach based on spot foreign currency rates if the contract tenor is two days or less and interpolated forward rates for any contracts with a tenor greater than two days. Forward and spot currency contracts are included in other receivables and other liabilities on the Master Trust's statements of net assets.
- Securities sold short (included in other liabilities on the Master Trust's statements of net assets) represent obligations of the Master Trust to deliver the specified security and thereby create a liability to purchase the security at prevailing prices. Securities sold short are valued based on the fair value of the securities sold as described above.

Investment Income — Net investment income reflected in the statements of changes in net assets includes the Master Trust's net appreciation/depreciation in fair value of investments, interest income, and dividend income, less administrative expenses. Net appreciation/depreciation in fair value of investments includes both realized and unrealized gains and losses and is calculated as the difference between the fair value of the investments as of the beginning of the year or the purchase date in the current year and either the sales price or the end-of-year fair value. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The Board of Directors of The Boeing Company (the “Company”) has delegated the fiduciary oversight of Plan assets over various retirement plans held within the Master Trust structures to the Employee Benefit Investment Committee (“EBIC”). The EBIC has sub-delegated this responsibility to the Chief Investment Officer (“CIO”), who manages Trust Investments and chairs the Valuation Committee. Trust Investments is responsible for the oversight of the Master Trust assets including selection and monitoring of investment managers, asset strategies, and risk management. The Valuation Committee is responsible for the oversight of the valuation practices of the Master Trust and is represented by members of Trust Investments, including risk management and trust operations, public markets, and investment strategy. The Valuation Committee meets at least quarterly with the purpose of fulfilling the following responsibilities and provides an annual review to the EBIC of its findings and actions:

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Benefits — Benefits are recorded when paid.

Administrative Expenses — Necessary and proper expenses of the Plans are paid from plan assets, at both the Plan and Master Trust levels.

Subsequent Events — Subsequent events were evaluated through July 28, 2016, the date the financial statements were available to be issued. See Note 12 for further discussion of such events.

Recent Accounting Guidance Adopted — In May 2015, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (“ASU”) No. 2015-07, *Fair Value Measurement (Topic 820): Disclosures for Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent)* (“ASU 2015-07”). ASU 2015-07 removes the requirement to present certain investments for which the practical expedient is used to measure fair value at NAV within the fair value hierarchy table. Instead, a plan would be required to include those investments as a reconciling item so that the total fair value amount of investments in the disclosure is consistent with the fair value investment balance on the statement of net assets available for benefits. ASU 2015-07 is effective for fiscal years beginning after December 15, 2016, with early adoption permitted and is to be applied retrospectively. The Plans elected to early adopt ASU 2015-07 as of December 31, 2015, as permitted, and has applied ASU 2015-07 retrospectively, as required. The Plans present the investment disclosure required by this new guidance in Note 5. There are no effects on the statements of net assets available for benefits or the changes therein.

In July 2015, the FASB issued ASU No. 2015-12, *Plan Accounting: Defined Benefit Pension Plans (Topic 960), Defined Contribution Pension Plans (Topic 962), and Health and Welfare Benefit Plans (Topic 965): (Part I) Fully Benefit-Responsive Investment Contracts, (Part II) Plan Investment Disclosures, and (Part III) Measurement Date Practical Expedient* (“ASU 2015-12”). Parts I and III are not applicable to the Plans or the Master Trust. Part II of ASU 2015-12 is applicable to the Plans and the Master Trust. Part II eliminates the requirements to disclose individual investments that represent 5% or more of net assets available for benefits and the net appreciation or depreciation in fair value of investments by general type. Part II also simplifies the level of disaggregation of investments that are measured using fair value. Plans will continue to disaggregate investments that are measured using fair value by general type; however, plans are no longer required to also disaggregate investments by nature, characteristics and risks. Further, the disclosure of information about fair value measurements shall be provided by general type of plan asset. ASU 2015-12 is effective for fiscal years beginning after December 15, 2015, with early adoption permitted. Part II is to be applied retrospectively. The Plans have elected to early adopt ASU 2015-12 as of December 31, 2015, as permitted, and have applied the provisions of ASU 2015-12 retrospectively, as required. Part II is reflected in the notes to the financial statements. Certain historical disclosures that are no longer required were removed. There are no effects on the statements of net assets available for benefits or the changes therein.

3. ACCUMULATED PLAN BENEFITS

Accumulated plan benefits are those future periodic payments, including lump-sum distributions that are attributable under the Plans' provisions to service rendered by employees as of the valuation date. Accumulated plan benefits include benefits expected to be paid to (1) retired or terminated vested employees or their beneficiaries, (2) beneficiaries of employees who have died, and (3) present employees or their beneficiaries. The PVAB has been determined by an independent actuary and is the sum of accumulated benefits adjusted to reflect the probability of payment (by means of decrements, such as death, disability, termination, or retirement) and the time value of money (through discounts for interest) between the valuation date and the expected date of payment. The significant actuarial assumptions used in the December 31, 2014 valuations, the latest valuations, were as follows:

Actuarial cost method: Target Normal Cost

Assumed rate of return: 7.00%

Mortality: RP-2000 separate annuitant and non-annuitant tables with 18-month age setback and generational projected improvements using Scale AA

Average retirement age range: 57 – 62

Cash balance interest indexing rate (applicable to the PVP Plan only): 5.25%

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

Assumption changes for the year ended December 31, 2014 include changes in the assumed rate of return (from 7.50% to 7.00%), the assumption of lost participants who will not be found or collect benefits, the assumed disabled participant mortality table and the assumed cash balance interest indexing rate (from 5.50% to 5.25% for the PVP Plan). See Note 8 for a description of various plan amendments that impacted the PVAB as of December 31, 2014.

For the BSS Plan, the accumulated contributions of active employees are presented as of the beginning of the plan year. As of December 31, 2014 and 2013, the accumulated contributions of active employees, including interest credited on those contributions, amounted to approximately \$102,000,000 and \$105,000,000, respectively. As of December 31, 2014 and 2013, the rates for which interest was credited on the contributions were 1.90% and 1.41%, respectively.

For the BSSB Plan, the accumulated contributions of active employees are presented as of the beginning of the plan year. As of December 31, 2014 and 2013, the accumulated contributions of active employees, including interest credited on those contributions, amounted to approximately \$18,000,000. As of December 31, 2014 and 2013, the rates for which interest was credited on the contributions were 1.90% and 1.41%, respectively.

3. ACCUMULATED PLAN BENEFITS (CONTINUED)

The actuarial PVAB for the Plans as of December 31, 2014, consists of the following:

	The Boeing Company Employee Retirement Plan	Boeing North American Retirement Plan	BSS Retirement Plan	BSS Retirement Plan for Bargained Employees	Employee Retirement Income Plan - Hourly East	Employee Retirement Income Plan - Hourly West	Non-Contributory Retirement Plan	The Pension Value Plan for Employees of The Boeing Company	Total (Memorandum Only)
Actuarial Present Value of Accumulated Benefits									
Vested benefits:									
Participants currently receiving payments	\$ 7,923,827,094	\$ 2,992,949,063	\$ 900,220,713	\$ 118,639,692	\$ 985,349,648	\$ 983,524,342	\$ 277,825,735	\$ 13,075,897,500	\$27,258,233,787
Other participants	6,631,130,263	506,529,081	618,353,126	113,565,607	442,308,066	630,148,776	198,797,914	12,005,779,884	21,146,612,717
Total vested benefits	14,554,957,357	3,499,478,144	1,518,573,839	232,205,299	1,427,657,714	1,613,673,118	476,623,649	25,081,677,384	48,404,846,504
Nonvested benefits	1,067,380,334	3,587,386	229,831,019	27,338,717	110,303,943	45,076,235	43,615,884	789,795,873	2,316,929,391
Total actuarial present value of accumulated benefits	<u>\$ 15,622,337,691</u>	<u>\$ 3,503,065,530</u>	<u>\$ 1,748,404,858</u>	<u>\$ 259,544,016</u>	<u>\$ 1,537,961,657</u>	<u>\$ 1,658,749,353</u>	<u>\$ 520,239,533</u>	<u>\$ 25,871,473,257</u>	<u>\$50,721,775,895</u>

The changes in actuarial PVAB for the Plans for the year ended December 31, 2014, consist of the following:

	The Boeing Company Employee Retirement Plan	Boeing North American Retirement Plan	BSS Retirement Plan	BSS Retirement Plan for Bargained Employees	Employee Retirement Income Plan - Hourly East	Employee Retirement Income Plan - Hourly West	Non-Contributory Retirement Plan	The Pension Value Plan for Employees of The Boeing Company	Total (Memorandum Only)
Actuarial Present Value of Accumulated Benefits - Beginning of year	\$ 14,118,993,008	\$ 3,568,058,201	\$ 1,730,452,018	\$ 257,162,372	\$ 1,356,633,950	\$ 1,584,967,018	\$ 454,552,100	\$ 23,709,781,790	\$46,780,600,457
Increase (decrease) during the period attributable to:									
Additional benefits accumulated	428,095,476	360,777	50,085,313	5,944,726	14,695,657	10,140,714	8,066,039	684,108,312	1,201,497,014
Actuarial (gains)/losses	51,918,682	(27,944,484)	36,447,563	4,563,109	38,641,397	(16,411,749)	(4,539,834)	289,818,990	372,493,674
Interest due to decrease in the discount period	1,055,960,546	252,172,732	124,905,227	18,527,944	99,160,452	115,636,339	33,551,794	1,762,609,643	3,462,524,677
Benefits paid	(921,728,170)	(412,231,780)	(234,508,088)	(32,727,335)	(98,202,893)	(108,080,472)	(29,880,119)	(1,817,717,433)	(3,655,076,290)
Assumption changes	776,883,771	116,122,659	41,022,825	6,073,200	93,899,185	49,268,286	16,715,388	1,242,871,955	2,342,857,269
Plan amendments	112,214,378	6,527,425	-	-	33,133,909	23,229,217	41,774,165	-	216,879,094
Net increase (decrease)	1,503,344,683	(64,992,671)	17,952,840	2,381,644	181,327,707	73,782,335	65,687,433	2,161,691,467	3,941,175,438
Actuarial Present Value of Accumulated Benefits - End of year	<u>\$ 15,622,337,691</u>	<u>\$ 3,503,065,530</u>	<u>\$ 1,748,404,858</u>	<u>\$ 259,544,016</u>	<u>\$ 1,537,961,657</u>	<u>\$ 1,658,749,353</u>	<u>\$ 520,239,533</u>	<u>\$ 25,871,473,257</u>	<u>\$50,721,775,895</u>

4. MASTER TRUST

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

Assets are invested in accordance with the Master Trust's investment policy. The Master Trust consists of the Investment Control Pool (the "IC Pool") and four plan-specific pools. The Plans can own a beneficial interest in one or more of the various investment pools. The IC Pool contains the majority of the assets of the participating plans and is diversified among various asset classes. These assets are invested in individual investment accounts, separately held assets, and investments held in various types of funds, all of which are managed in accordance with established investment guidelines. The IC Pool is valued at year end based on the fair value of underlying assets.

The plan-specific pools hold investment contracts established to benefit participants in specific plans. The Aetna PVP Pool is composed of contracts issued by Aetna Life Insurance Company for the benefit of Participants in the PVP Plan. The Aetna Hourly Pool is composed of a contract issued by Aetna Life Insurance Company for the benefit of Participants in the Hourly East Plan. The Aetna BSS Pool is composed of contracts issued by Aetna Life Insurance Company for the benefit of Participants in the BSS Plan and BSSB Plan. At December 31, 2015, the BNA Contracts Pool is composed of a contract issued by Aetna Life Insurance Company for the benefit of Participants in the BNA Plan. During 2015, the contracts held by the BNA Contracts Pool and issued by the following insurance companies were discontinued – AXA Equitable Life Insurance Company, John Hancock Insurance Company, and Massachusetts Mutual Life Insurance Company.

The Hourly East Plan, Hourly West Plan, and PVP Plan have allocated insurance contracts for certain retirees who were covered under the Hourly East Plan, Hourly West Plan, and PVP Plan in prior years. These contracts remain intact, and no additional contracts have been purchased in the current year. The activity related to the allocated insurance contracts for retirees receiving benefits from these allocated contracts is excluded from the financial statements as well as the related obligation. With limited exceptions, the Hourly East Plan, Hourly West Plan, and PVP Plan receive no income from these allocated insurance contracts.

As of December 31, 2015 and 2014, the assets of the Plans and the Aviall, Inc. Retirement Plan were combined in the Master Trust.

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

4. MASTER TRUST (CONTINUED)

The Plans' ownership interests in the Master Trust were as follows as of December 31, 2015 and 2014:

Plan	2015	2014
BCERP Plan	31.1%	30.9%
BNA Plan	6.8%	7.3%
BSS Plan	2.9%	3.1%
BSSB Plan	0.4%	0.5%
Hourly East Plan	2.9%	3.0%
Hourly West Plan	3.5%	3.6%
NCRP Plan	1.1%	1.1%
PVP Plan	51.1%	50.4%

4. MASTER TRUST (CONTINUED)

The value of net assets within the Master Trust as of December 31, 2015 and 2014, is as follows:

	<u>2015</u>	<u>2014</u>
ASSETS:		
Investments — at fair value:		
Corporate bonds	\$ 16,371,128,749	\$17,570,760,579
Government bonds	5,938,221,002	6,592,649,513
Mortgage-backed and asset-backed securitie	841,340,472	1,210,703,163
Municipal bonds	1,474,893,109	1,636,337,656
Common and preferred stock	11,323,833,451	15,583,077,716
Mutual funds	361,239,893	45,780,250
Partnerships	5,894,088,225	5,786,252,803
Hedge funds	6,944,468,801	4,630,283,339
Commingled funds	5,638,001,407	6,435,009,977
Other investments	26,145,190	31,145,693
Short-term investments	<u>963,614,888</u>	<u>785,224,719</u>
Total investments — at fair value	<u>55,776,975,187</u>	<u>60,307,225,408</u>
Investments at contract value	<u>74,184,968</u>	<u>236,505,143</u>
Total Master Trust investments	<u>55,851,160,155</u>	<u>60,543,730,551</u>
Cash and cash equivalents	187,782,052	135,375,900
Receivables:		
Accrued investment income	309,713,017	315,652,325
Receivables for securities sold	81,520,539	63,529,278
Securities purchased with an agreement to resell	35,300,000	-
Other receivables	<u>67,316,230</u>	<u>89,100,611</u>
Total receivables	<u>493,849,786</u>	<u>468,282,214</u>
Total assets	<u>56,532,791,993</u>	<u>61,147,388,665</u>
LIABILITIES:		
Payables for securities purchased	54,582,936	370,000
Investment and administrative expense	32,847,005	41,225,288
Other liabilities	<u>135,238,235</u>	<u>239,627,037</u>
Total liabilities	<u>222,668,176</u>	<u>281,222,325</u>
NET ASSETS	<u>\$ 56,310,123,817</u>	<u>\$60,866,166,340</u>

4. MASTER TRUST (CONTINUED)

Changes in net assets for the Master Trust for the years ended December 21, 2015 and 2014, are as follows:

	<u>2015</u>	<u>2014</u>
ADDITIONS:		
Investment income	\$ 1,464,183,970	\$ 1,592,401,271
Net (depreciation) appreciation in fair value of investments	(1,881,148,579)	4,431,743,676
Amounts received from participating plans	<u>44,502,265</u>	<u>755,074,862</u>
Total additions - Net	<u>(372,462,344)</u>	<u>6,779,219,809</u>
DEDUCTIONS:		
Amounts paid to participating plans	(4,047,002,244)	(3,768,404,466)
Trustee and investment management fees	<u>(132,911,529)</u>	<u>(137,111,619)</u>
Total deductions	<u>(4,179,913,773)</u>	<u>(3,905,516,085)</u>
ASSETS TRANSFER OUT TO ANOTHER PLAN	<u>(217,369)</u>	<u>-</u>
ASSETS TRANSFER OUT TO INSURANCE CARRIERS	<u>(3,449,037)</u>	<u>-</u>
NET (DEDUCTIONS) ADDITIONS	<u>(4,556,042,523)</u>	<u>2,873,703,724</u>
NET ASSETS:		
Beginning of year	<u>60,866,166,340</u>	<u>57,992,462,616</u>
End of year	<u>\$ 56,310,123,817</u>	<u>\$ 60,866,166,340</u>

4. MASTER TRUST (CONTINUED)

Securities Purchased with an Agreement to Resell — Resale agreements are treated as financing arrangements in receivables and are carried at contract amounts reflective of the amounts at which the securities will be subsequently resold, as specified in the respective agreements. Resale agreements are collateralized by high-quality, fixed-income securities. The Master Trust's policy is to take physical possession or control of the securities purchased under agreements to resell and is permitted by contract to sell or repledge. The Master Trust monitors the market value of the underlying securities as compared to the related receivable, including accrued interest, and requires additional collateral where deemed appropriate. At December 31, 2015, the fair value of the securities received as collateral for resale agreements of \$35,300,000 was \$36,044,714. There were no resale agreements as of December 31, 2014.

5. FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

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

Basis of Fair Value Measurement:

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

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

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

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

5. FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

The following tables set forth by level within the fair value hierarchy a summary of the Master Trust investments by general types of assets and liabilities measured at fair value on a recurring basis as of December 31, 2015 and 2014. As required by ASC 820, assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

	December 31, 2015				
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Not leveled	Total
ASSETS:					
Investments in the fair value hierarchy:					
Corporate bonds	\$ -	\$ 16,367,163,030	\$ 3,965,719	\$ -	\$ 16,371,128,749
Government bonds	-	5,936,869,902	1,351,100	-	5,938,221,002
Mortgage-backed and asset-backed securities	-	387,186,749	454,153,723	-	841,340,472
Municipal bonds	-	1,474,893,109	-	-	1,474,893,109
Common and preferred stock	11,317,906,088	-	5,927,363	-	11,323,833,451
Mutual funds	361,239,893	-	-	-	361,239,893
Partnerships	-	-	30,867	-	30,867
Other investments	173,827	25,971,263	100	-	26,145,190
Short-term investments	-	963,614,888	-	-	963,614,888
Total investments in the fair value hierarchy	11,679,319,808	25,155,698,941	465,428,872	-	37,300,447,621
Investments measured at net asset value:					
Partnerships	-	-	-	5,894,057,358	5,894,057,358
Hedge funds	-	-	-	6,944,468,801	6,944,468,801
Commingled funds	-	-	-	5,638,001,407	5,638,001,407
Total investments — at fair value	11,679,319,808	25,155,698,941	465,428,872	18,476,527,566	55,776,975,187
Investments at contract value	-	-	-	74,184,968	74,184,968
Cash and cash equivalents	-	126,055,714	-	61,726,338	187,782,052
Receivables:					
Accrued investment income	-	-	-	309,713,017	309,713,017
Receivables for securities sold	-	-	-	81,520,539	81,520,539
Securities purchased with an agreement to resell	-	35,300,000	-	-	35,300,000
Other receivables	15,524,295	14,993,312	-	36,798,623	67,316,230
Total receivables	15,524,295	50,293,312	-	428,032,179	493,849,786
Total assets	11,694,844,103	25,332,047,967	465,428,872	19,040,471,051	56,532,791,993
LIABILITIES:					
Payables for securities purchased	-	-	-	54,582,936	54,582,936
Investment and administrative expense	-	-	-	32,847,005	32,847,005
Other liabilities	7,103,656	65,085,733	21	63,048,825	135,238,235
Total liabilities	7,103,656	65,085,733	21	150,478,766	222,668,176
NET ASSETS	\$ 11,687,740,447	\$ 25,266,962,234	\$ 465,428,851	\$ 18,889,992,285	\$ 56,310,123,817

5. FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

	December 31, 2014				
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Not leveled	Total
ASSETS:					
Investments in the fair value hierarchy:					
Corporate bonds	\$ -	\$ 17,568,515,148	\$ 2,245,431	\$ -	\$ 17,570,760,579
Government bonds	-	6,592,649,513	-	-	6,592,649,513
Mortgage-backed and asset-backed securities	-	595,942,695	614,760,468	-	1,210,703,163
Municipal bonds	-	1,636,337,656	-	-	1,636,337,656
Common and preferred stock	15,578,977,383	-	4,100,333	-	15,583,077,716
Mutual funds	45,780,250	-	-	-	45,780,250
Partnerships	-	-	30,867	-	30,867
Other investments	337,500	30,656,517	151,676	-	31,145,693
Short-term investments	-	785,147,714	77,005	-	785,224,719
Total investments in the fair value hierarchy	15,625,095,133	27,209,249,243	621,365,780	-	43,455,710,156
Investments measured at net asset value:					
Partnerships	-	-	-	5,786,221,936	5,786,221,936
Hedge funds	-	-	-	4,630,283,339	4,630,283,339
Commingled funds	-	-	-	6,435,009,977	6,435,009,977
Total investments — at fair value	15,625,095,133	27,209,249,243	621,365,780	16,851,515,252	60,307,225,408
Investments at contract value	-	-	-	236,505,143	236,505,143
Cash and cash equivalents	-	99,592,639	-	35,783,261	135,375,900
Receivables:					
Accrued investment income	-	-	-	315,652,325	315,652,325
Receivables for securities sold	-	-	-	63,529,278	63,529,278
Securities purchased with an agreement to resell	-	-	-	-	-
Other receivables	4,415,525	17,388,245	-	67,296,841	89,100,611
Total receivables	4,415,525	17,388,245	-	446,478,444	468,282,214
Total assets	15,629,510,658	27,326,230,127	621,365,780	17,570,282,100	61,147,388,665
LIABILITIES:					
Payables for securities purchased	-	-	-	370,000	370,000
Investment and administrative expense	-	-	-	41,225,288	41,225,288
Other liabilities	8,198,397	66,406,345	12,440	165,009,855	239,627,037
Total liabilities	8,198,397	66,406,345	12,440	206,605,143	281,222,325
NET ASSETS	\$ 15,621,312,261	\$ 27,259,823,782	\$ 621,353,340	\$ 17,363,676,957	\$ 60,866,166,340

Total Master Trust financial net assets at fair value classified within Level 3 were \$465,428,851 and \$621,353,340 as of December 31, 2015 and 2014, respectively, which primarily consists of investments in mortgage-backed and asset-backed securities. Such amounts were 0.83% of net assets as of December 31, 2015 and 1.02% as of December 31, 2014.

5. FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

Level 3 Activity—A summary of changes in the fair value of the Master Trust's Level 3 financial assets and liabilities for the years ended December 31, 2015 and 2014, is as follows:

	January 1, 2015 Beginning Balance	Net Unrealized and Realized Gains (Losses)	Purchases and Sales (Net)	Transfers into Level 3	Transfers out of Level 3	December 31, 2015 Ending Balance
Financial assets:						
Corporate bonds	\$ 2,245,431	\$ 137,030	\$ 354,645	\$ 1,228,612	\$ -	\$ 3,965,719
Government bonds	-	14,749	1,336,351	-	-	1,351,100
Mortgage-backed and asset-backed securities	614,760,468	(9,295,184)	(154,326,237)	4,167,224	(1,152,548)	454,153,723
Common and preferred stock	4,100,333	(13,810)	(2,235,270)	4,076,110	-	5,927,363
Partnerships	30,867	-	-	-	-	30,867
Other investments	151,676	(2,579,925)	2,428,349	-	-	100
Short-term investments	77,005	(5)	(77,000)	-	-	-
Total assets	621,365,780	(11,737,144)	(152,519,161)	9,471,946	(1,152,548)	465,428,872
Other liabilities	12,440	(23,293)	10,874	-	-	21
Total net assets	\$ 621,353,340	\$ (11,713,851)	\$ (152,530,036)	\$ 9,471,946	\$ (1,152,548)	\$ 465,428,851
	January 1, 2014 Beginning Balance	Net Unrealized and Realized Gains (Losses)	Purchases and Sales (Net)	Transfers into Level 3	Transfers out of Level 3	December 31, 2014 Ending Balance
Financial assets:						
Corporate bonds	\$ 24,180,090	\$ 247,016	\$ (16,569,280)	\$ -	\$ (5,612,395)	\$ 2,245,431
Mortgage-backed and asset-backed securities	548,737,694	12,770,874	61,184,047	6,581,375	(14,513,522)	614,760,468
Common and preferred stock	4,263,239	141,127	(1,133,463)	857,700	(28,270)	4,100,333
Partnerships	-	2,429	28,438	-	-	30,867
Other investments	-	94,626	57,050	-	-	151,676
Short-term investments	-	(999)	78,004	-	-	77,005
Total assets	577,181,023	13,255,073	43,644,796	7,439,075	(20,154,187)	621,365,780
Other liabilities	-	(40,159)	52,599	-	-	12,440
Total net assets	\$ 577,181,023	\$ 13,295,232	\$ 43,592,197	\$ 7,439,075	\$ (20,154,187)	\$ 621,353,340

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

During 2015, \$1,228,612 of corporate bonds were reclassified from Level 2 to Level 3, as these securities started receiving a single broker quote or had stale prices. Mortgage-backed and asset-backed securities in the amount of \$4,167,224 were reclassified from Level 2 to Level 3, as their valuations relied on unobservable inputs. Also, \$4,076,110 of common and preferred stock were reclassified from Level 1 to Level 3, because these securities either had a stale price, or were delisted or suspended. In addition, \$1,152,548 of mortgage-backed and asset-backed securities were transferred from Level 3 to Level 2, as valuations used observable inputs.

During 2014, \$6,581,375 of mortgage-backed and asset-backed securities were transferred into Level 3 because they were reevaluated due to additional available data. \$857,700 in common stocks were reclassified from Level 2 to Level 3 as those securities were delisted or the prices were stale due to a lack of liquidity. In addition, \$5,612,395 and \$14,513,522 in corporate bonds and mortgage-backed and asset-backed securities, respectively, were reclassified from Level 3 to Level 2 as additional pricing information, including significant observable inputs, on these securities became available and because some mortgage-backed and asset-backed securities were reclassified due to additional available data. \$28,270 in common stocks were reclassified from Level 3 to Level 2 as the common stock was picked up by a pricing vendor.

5. FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

Level 3 Quantitative Disclosure — A summary of quantitative data of the Master Trust's Level 3 investment assets for the years ended December 31, 2015 and 2014, is as follows:

2015						
	Level 3 Total	Valuation Technique	Assumptions*	Minimum	Maximum	Weighted Average
Corporate Bonds	373,250		Yield (%)	2.12	4.17	3.57
Mortgag-backed and asset-backed securities						
Asset Backed Securities	15,853,412	Matrix Pricing	Yield (%)	1.95	4.79	3.37
			Prepayment Speed (CPR)	2.00	8.00	3.98
			Default Rate	1.50	3.00	1.97
			Loss Severity Rate(%)	1.00	86.50	6.17
Asset Backed Securities (Agency)	234,121	Matrix Pricing	Yield (%)	1.61	1.61	1.61
			Prepayment Speed	241.00	241.00	241.00
Auction Rate Securities	10,823,189	Discounted Cash Flow	Yield (%)	3.63	4.44	4.08
			Remaining Term to Maturity	15.14	21.75	18.32
Collateralized Loan Obligations	31,955,877	Matrix Pricing	Yield (%)	5.10	7.82	5.80
			Prepayment Speed (CPP)	20.00	20.00	20.00
			Default Rate	2.00	2.00	2.00
			Loss Severity Rate(%)	50.00	50.00	50.00
Commercial Mortgage Backed Securities	154,486,344	Matrix Pricing	Yield (%)	1.51	7.24	3.46
			Prepayment Speed (CPY)	—	100.00	6.50
Commercial Mortgage Backed Securities	3,920,626	Matrix Pricing	Yield (%)	1.33	5.59	1.89
			Prepayment Speed (CPR)	—	100.00	60.06
			Default Rate	—	100.00	0.50
			Loss Severity Rate(%)	—	20.00	0.10
Commercial Mortgage Backed Securities (Agency)	560,713	Matrix Pricing	Yield (%)	1.87	4.02	3.01
Residential Mortgage Backed Securities	135,283,917	Matrix Pricing	Yield (%)	0.83	16.02	4.03
			Prepayment Speed (CPR)	0.25	23.57	5.56
			Default Rate	0.15	9.69	4.66
			Loss Severity Rate(%)	20.00	100.00	67.28
Residential Mortgage Backed Securities (Agency)	1,001,144	Matrix Pricing	Yield (%)	2.29	2.56	2.44
			Prepayment Speed (CPR)	10.00	10.00	10.00
Other	7,655,652	Matrix Pricing	Yield (%)	2.46	8.07	3.69
Total	362,148,247					

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

5. FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

		2014				
	Level 3 Total	Valuation Technique	Assumptions*	Minimum	Maximum	Weighted Average
Mortgage-backed and asset-backed						
Commercial Mortgage Backed Securities						
Agency	\$ 897,780	Matrix Pricing	Yield (%)	1.53	1.82	1.71
			Prepayment Speed (CPY)	-	-	-
Non Agency	241,408,507	Matrix Pricing	Yield (%)	0.73	5.77	2.88
			Prepayment Speed (CPY)	-	100.00	3.24
Auction Rate Securities						
	16,892,160	Discounted Cash Flow	Yield (%)	3.45	4.02	3.64
			Remaining Term to Maturity	15.14	22.19	17.63
Asset Backed Securities						
	3,465,405	Matrix Pricing	Yield (%)	1.11	4.90	2.20
			Prepayment Speed (CPR)	-	11.00	6.59
			Default Rate	-	4.70	0.65
			Loss Severity Rate(%)	-	98.46	12.08
Residential Mortgage Backed Securities						
Agency	1,278,735	Matrix Pricing	Yield (%)	2.15	2.55	2.38
			Prepayment Speed (CPR)	10.00	10.00	10.00
Non Agency	180,791,637	Matrix Pricing	Yield (%)	4.30	4.30	4.30
			Prepayment Speed (CPP)	2.50	2.50	2.50
			Default Rate	2.80	2.80	2.80
			Loss Severity Rate(%)	70.00	70.00	70.00
			Yield (%)	0.86	15.92	4.11
			Prepayment Speed (CPR)	-	21.54	5.17
			Default Rate	-	16.00	5.87
			Loss Severity Rate(%)	-	100.00	64.10
Collateralized Loan Obligations						
	75,315,954	Matrix Pricing	Discount Margin (BPS)	150.00	460.00	280.72
			Prepayment Speed (CPR)	20.00	20.00	20.00
			Default Rate	2.00	2.00	2.00
			Loss Severity Rate(%)	50.00	50.00	50.00
Other	21,299,909	Matrix Pricing	Yield (%)	0.70	5.76	4.38
Total	541,350,087					

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

5. FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

Other Financial Instruments — The Aetna PVP Pool, Aetna Hourly Pool, BNA Contracts Pool, and Aetna BSS Pool identified in Note 1 are valued at contract value in the Master Trust's statements of net assets. The fair value of the investment contracts within these pools is \$76,587,073 and \$256,539,372 as of December 31, 2015 and 2014, respectively. Fair value for each investment contract is calculated by applying a factor determined by the corresponding insurance company to the contract value. Generally, the factor is an adjustment between contract value and market value, based upon predetermined parameters specific to each contract, including, but not limited to, current market yields, period to maturity, expenses, discounted cash flows, benefit payments, and any other applicable payments.

The Master Trust and the Plans also hold other assets and liabilities not measured at fair value on a recurring basis, including cash and cash equivalents, receivables and liabilities. The fair value of these assets and liabilities approximates the carrying amounts in the Master Trust's and the Plans' financial statements due to the short maturity of the instruments.

6. NAV PER SHARE

In accordance with ASC 820, the following is a summary of the Master Trust investments in which the NAV per share of the investment is used to estimate its fair value. The summaries below are categorized by general types of assets as disclosed in the Master Trust's statements of net assets. For each general type of assets utilizing the NAV, the fair value, redemption frequency, and redemption notice period as of December 31, 2015 and 2014 are disclosed.

Commingled Funds — This category includes investments in U.S. and non-U.S. securities held by a CCT, real estate and real asset investments via commingled funds and insurance company pooled separate accounts. Generally, redemptions may occur daily, weekly, semimonthly, monthly or quarterly depending upon the fund. For a majority of the funds, redemption notices may be given daily or up to 10 business days in advance, or up to 120 days in advance for one of the commingled funds. If the fund determines that it would be detrimental to the interests of remaining fund investors to pay wholly or in part with cash based on availability of cash for distributions, distributions may also include securities in kind. Additionally, for large withdrawals, the portfolio manager of the fund may require additional time (up to several weeks) to liquidate assets to satisfy the withdrawal requests. Under extraordinary circumstances, some of the funds may temporarily delay distributions or make distributions of securities in kind. For the CCTs with a quarterly redemption frequency, the notice period ranges from 45 to 90 days in advance of quarter-end. These funds are restricted to a redemption queue. A redemption queue is a restriction on withdrawals from a fund due to liquidity restrictions. The fund manager restricts the percentage of the fund that is available for redemption during each redemption period. All investors in the queue will receive an equal portion of the available liquidity. The queue continues until all investor redemption requests are satisfied or the queue is lifted in its entirety.

Redemption Frequency	Redemption Notice Period	As of December 31, 2015		As of December 31, 2014	
		Fair Value	Unfunded Commitments	Fair Value	Unfunded Commitments
Daily	From daily up to 10 business days	\$ 1,886,604,463	\$ -	\$ 2,680,346,373	\$ -
Weekly	Ten business days prior to trade date	53,930,616	-	55,591,671	-
Semimonthly	Five business days prior to valuation date	702,158,586	-	548,998,638	-
Monthly	From two up to 120 days	2,090,145,661	-	2,313,026,014	-
Quarterly	From 45 up to 90 days	905,162,081	-	837,047,281	-
		<u>\$ 5,638,001,407</u>	<u>\$ -</u>	<u>\$ 6,435,009,977</u>	<u>\$ -</u>

6. NAV PER SHARE (CONTINUED)

Partnerships — This category includes investments in private equities held by limited partnerships that may be in buyout, venture, special situations, distressed debt, or fund-of-fund strategies. This category also includes investments in private real estate (such as office, retail, apartment, and industrial properties) and real assets (such as infrastructure, energy, farmland, and timber) made through limited partnerships. Generally, the investments in limited partnerships do not provide for redemption rights to their investors. As such, the Master Trust must wait until the underlying assets are sold and cash proceeds are distributed. The Master Trust maintains an active portfolio of private equity and real estate/real asset limited partnership investments that are in various stages from start-up to wind-down. The current portfolio of investments is expected to liquidate over a period of up to 10 years. The limited partnership investments with quarterly redemption notice periods are restricted to a redemption queue. A redemption queue is a restriction on withdrawals from a fund due to liquidity restrictions. The fund manager restricts the percentage of the fund that is available for redemption during each redemption period. All investors in the queue will receive an equal portion of the available liquidity. The queue continues until all investor redemption requests are satisfied or the queue is lifted in its entirety.

Redemption Frequency	Redemption Notice Period	As of December 31, 2015		As of December 31, 2014	
		Fair Value	Unfunded Commitments	Fair Value	Unfunded Commitments
Monthly	Five days	\$ 310,733,053	\$ -	\$ -	\$ -
Quarterly	From 45 up to 90 days before quarter end	1,021,482,986	-	903,316,006	5,176,479
Liquidate over the next 10 years	See narrative	<u>4,561,841,319</u>	<u>2,526,823,107</u>	<u>4,882,905,930</u>	<u>2,370,148,825</u>
		<u>\$ 5,894,057,358</u>	<u>\$ 2,526,823,107</u>	<u>\$ 5,786,221,936</u>	<u>\$ 2,375,325,304</u>

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

Each hedge fund has its own redemption rights and distribution process specified in the fund prospectus. Redemption is generally allowed subject to liquidity and certain restrictions. These restrictions generally include fund-level gates and lockup periods. A “gate” provision allows a hedge fund manager to limit the amount of withdrawals on any withdrawal date to not more than a stated percentage of a fund’s net assets — often 10% to 25%, depending on how frequently investors have a right to withdraw capital. A “lock-up” provision restricts an investor’s ability to withdraw capital from a hedge fund for some stated period of time. It is common for hedge funds to lock-up an investor’s investments for one or two years. As of December 31, 2015, the lock-up restriction will lapse in 3 months up to 30 months, depending on each individual fund’s contractual terms.

Redemption Frequency	Redemption Notice Period	As of December 31, 2015		As of December 31, 2014	
		Fair Value	Unfunded Commitments	Fair Value	Unfunded Commitments
Monthly	Up to 93 days	\$ 3,203,935,926	\$ -	\$ 1,882,802,140	\$ -
Quarterly	From 33 up to 180 days	2,097,134,027	150,000,000	1,440,417,291	-
Semiannually	From 45 up to 65 days	643,415,837	-	276,195,309	-
Annually	From 45 up to 90 days	306,130,861	-	496,900,547	-
Two years	From 45 up to 90 days	247,631,011	-	237,688,628	-
Three years	From 45 up to 95 days	323,131,154	-	296,279,424	19,750,000
Illiquid	Not applicable	<u>123,089,985</u>	<u>-</u>	<u>-</u>	<u>-</u>
		<u>\$ 6,944,468,801</u>	<u>\$ 150,000,000</u>	<u>\$ 4,630,283,339</u>	<u>\$ 19,750,000</u>

7. DERIVATIVE FINANCIAL INSTRUMENTS

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

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

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

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

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

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

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

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

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

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

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

7. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

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

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

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

As of December 31, 2015 and 2014, the Master Trust has invested in derivative contracts, which are reflected in the Master Trust's statements of net assets as follows:

2015	Interest Rate	Credit	Foreign Currency	Equity	Commodity	Future Settlement	Total
Assets:							
Other investments:							
Options	\$ 1,032,939	\$ 60,965	\$ 95,776	\$ -	\$ 192,260	\$ -	\$ 1,381,940
Swaps	2,799,233	19,616,757	34,675	-	2,312,585	-	24,763,250
Other receivables:							
Forward contracts	-	-	14,963,168	-	-	-	14,963,168
Futures	12,087,815	-	-	-	3,436,480	-	15,524,295
Treasury forwards and TBAs	-	-	-	-	-	30,144	30,144
Total assets	<u>\$ 15,919,987</u>	<u>\$ 19,677,722</u>	<u>\$ 15,093,619</u>	<u>\$ -</u>	<u>\$ 5,941,325</u>	<u>\$ 30,144</u>	<u>\$ 56,662,797</u>
Liabilities:							
Other liabilities:							
Forward contracts	\$ -	\$ -	\$ 6,533,594	\$ -	\$ -	\$ -	\$ 6,533,594
Futures	2,094,527	-	-	3,008,727	1,821,894	-	6,925,148
Options	770,519	695,683	214,837	-	178,528	-	1,859,567
Swaps	16,098,700	39,897,474	-	-	595,506	-	56,591,680
Treasury forwards and TBAs	-	-	-	-	-	279,421	279,421
Total liabilities	<u>\$ 18,963,746</u>	<u>\$ 40,593,157</u>	<u>\$ 6,748,431</u>	<u>\$ 3,008,727</u>	<u>\$ 2,595,928</u>	<u>\$ 279,421</u>	<u>\$ 72,189,410</u>

7. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

2014	Interest Rate	Credit	Foreign Currency	Equity	Commodity	Future Settlement	Total
Assets:							
Other investments:							
Options	\$ 5,244,267	\$ 7,188	\$ 93,574	\$ -	\$ 31,500	\$ -	\$ 5,376,529
Swaps	5,585,193	19,483,834	-	-	700,137	-	25,769,164
Other receivables:							
Forward contracts	-	-	17,086,478	-	-	-	17,086,478
Futures	2,901,826	-	-	-	1,513,699	-	4,415,525
Treasury forwards and TBAs	-	-	-	-	-	301,767	301,767
Total assets	<u>\$ 13,731,286</u>	<u>\$ 19,491,022</u>	<u>\$ 17,180,052</u>	<u>\$ -</u>	<u>\$ 2,245,336</u>	<u>\$ 301,767</u>	<u>\$ 52,949,463</u>
Liabilities:							
Other liabilities:							
Forward contracts	\$ -	\$ -	\$ 7,950,965	\$ -	\$ -	\$ -	\$ 7,950,965
Futures	1,083,730	-	-	404,150	6,286,088	-	7,773,968
Options	2,664,002	957,590	231,527	7,200	235,310	-	4,095,629
Swaps	27,712,172	16,918,595	2,360	-	9,309,366	-	53,942,493
Treasury forwards and TBAs	-	-	-	-	-	854,127	854,127
Total liabilities	<u>\$ 31,459,904</u>	<u>\$ 17,876,185</u>	<u>\$ 8,184,852</u>	<u>\$ 411,350</u>	<u>\$ 15,830,764</u>	<u>\$ 854,127</u>	<u>\$ 74,617,182</u>

Realized gains and losses and the change in unrealized gains and losses are reflected in the Master Trust's statements of changes in net assets as net appreciation or depreciation in the fair value of investments. The effects of derivative contracts realized gains and losses and the change in unrealized gains and losses for the years ended December 31, 2015 and 2014, are reflected in the following tables:

2015	Interest Rate	Credit	Foreign Currency	Equity	Commodity	Future Settlement	Total
Net gains (losses):							
Forward contracts	\$ -	\$ -	\$ 21,978,509	\$ -	\$ -	\$ -	\$ 21,978,509
Futures	(43,673,614)	-	403,972	152,773,981	(180,351,249)	-	(70,846,910)
Options	291,415	4,023,404	(470,820)	43,283	287,644	-	4,174,926
Swaps	(11,481,599)	(30,201,476)	(126,608)	-	(20,901,684)	-	(62,711,367)
Treasury forwards and TBAs	-	-	-	-	-	1,560,076	1,560,076
Total net gains and losses	<u>\$ (54,863,798)</u>	<u>\$ (26,178,072)</u>	<u>\$ 21,785,053</u>	<u>\$ 152,817,264</u>	<u>\$ (200,965,289)</u>	<u>\$ 1,560,076</u>	<u>\$ (105,844,766)</u>
2014	Interest Rate	Credit	Foreign Currency	Equity	Commodity	Future Settlement	Total
Net gains (losses):							
Forward contracts	\$ -	\$ -	\$ 29,666,860	\$ -	\$ -	\$ -	\$ 29,666,860
Futures	443,139,617	-	11,844,993	13,089,872	(153,676,699)	-	314,397,783
Options	(1,530,125)	2,533,009	463,812	55,719	1,111,882	-	2,634,297
Swaps	(29,138,635)	3,666,469	(2,360)	-	(4,049,518)	-	(29,524,044)
Treasury forwards and TBAs	-	-	-	-	-	2,240,532	2,240,532
Total net gains and losses	<u>\$ 412,470,857</u>	<u>\$ 6,199,478</u>	<u>\$ 41,973,305</u>	<u>\$ 13,145,591</u>	<u>\$ (156,614,335)</u>	<u>\$ 2,240,532</u>	<u>\$ 319,415,428</u>

7. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

The following tables summarize the gross notional value of derivative contracts outstanding as of December 31, 2015 and 2014. The gross notional amounts give an indication of the volume of the Master Trust's derivative activities and significantly exceed the fair value of the derivative investments, which is more representative of the economic exposure associated with derivatives in the Master Trust.

2015	Interest Rate	Credit	Foreign Currency	Equity	Commodities	Future Settlement	Total
Forward Contracts	\$ -	\$ -	\$ 1,260,834,000	\$ -	\$ -	\$ -	\$ 1,260,834,000
Futures	5,431,489,431	-	58,350,674	2,293,035,552	729,626,860	-	8,512,502,517
Options	592,843,150	391,871,145	34,188,330	-	7,651,700	-	1,026,554,325
Swaps	1,182,760,437	2,377,620,483	5,587,858	-	187,186,612	-	3,753,155,390
Treasury Forward and TBAs	-	-	-	-	-	134,854,285	134,854,285
	<u>\$ 7,207,093,018</u>	<u>\$ 2,769,491,628</u>	<u>\$ 1,358,960,862</u>	<u>\$ 2,293,035,552</u>	<u>\$ 924,465,172</u>	<u>\$ 134,854,285</u>	<u>\$ 14,687,900,517</u>
2014	Interest Rate	Credit	Foreign Currency	Equity	Commodities	Future Settlement	Total
Forward Contracts	\$ -	\$ -	\$ 1,435,380,000	\$ -	\$ -	\$ -	\$ 1,435,380,000
Futures	4,433,015,316	-	124,646,065	818,958,407	919,643,565	-	6,296,263,353
Options	1,194,512,000	547,735,975	44,994,850	2,462,880	14,888,763	-	1,804,594,468
Swaps	926,382,898	2,454,249,083	100,000	-	214,974,051	-	3,595,706,032
Treasury Forward and TBAs	-	-	-	-	-	256,767,284	256,767,284
	<u>\$ 6,553,910,214</u>	<u>\$ 3,001,985,058</u>	<u>\$ 1,605,120,915</u>	<u>\$ 821,421,287</u>	<u>\$ 1,149,506,379</u>	<u>\$ 256,767,284</u>	<u>\$ 13,388,711,137</u>

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

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

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

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

- 1) When the derivative contracts require the Master Trust to post additional cash or securities collateral with counterparties as the fair value of the contracts moves in the counterparties' favor and the Master Trust's receivables under related contracts are unavailable for offset or insufficient in value to offset the payment obligation to the counterparty.

7. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

- 2) When certain derivative contracts have credit-related contingent features under the International Swaps and Derivatives Association Master Agreement (generally swaps) with counterparties for contracts in a net liability position.

The Master Trust has liquidity risk if its assets decline by various, pre-specified rates over predetermined time periods. If this occurs, the Master Trust is required to post more collateral or may be required to pay off the open liability contracts given the counterparty's right to terminate the contract. At December 31, 2015 and 2014, the Master Trust had a fair value of \$30,845,562 and \$19,889,583, respectively, in contracts in a net liability position with contingent features; \$20,291,389 and \$10,118,548, respectively, were posted in collateral against those positions. In the event that a contingent event had occurred at December 31, 2015 and 2014, \$1,494,590 and \$200,000, respectively, in additional collateral would have been required to be posted. Certain derivatives contracts also provide for the right to terminate the contract if a contingent event occurs. At December 31, 2015 and 2014, these terminations would have required the Master Trust to settle trades with a fair value of \$20,337,912 and \$19,063,750, respectively.

8. PLAN AMENDMENTS

BCERP Plan:

The following amendments were reflected in the actuarial PVAB as of December 31, 2014:

- Effective September 5, 2014, the BCERP Plan was amended to offer a voluntary lump sum cash-out (or immediate annuity) payable December 1, 2014 for certain nonunion, terminated vested and deferred vested Participants. Eligible Participants must have terminated employment with the Company controlled group with a nonunion benefit under the BCERP Plan prior to January 1, 2014, and must not have commenced their benefit in the BCERP Plan prior to December 1, 2014. Benefits paid pursuant to this offer approximated \$50 million during the year ended December 31, 2014.
- Effective November 1, 2014 and November 1, 2015, Participants represented by the International Union of Operating Engineers ("IUOE") 286 received benefit rate increases, and became eligible for domestic partner benefits effective July 1, 2014.
- Effective December 15, 2014, the BCERP Plan was amended to resolve a dispute between the Company and the Society of Professional Engineering Employees in Aerospace ("SPEEA"). Certain SPEEA represented employees had been classified as nonunion and had been accruing nonunion benefits for periods on and after March 5, 2001. In lieu of BCERP Plan benefits, affected former employees are permitted to keep any nonunion benefits that had already accrued under the PVP and/or BSS Plans with respect to periods of employment during which they were classified as nonunion rather than SPEEA represented. Affected current employees participate retroactively in the BCERP Plan for all periods in which they are eligible to participate as a SPEEA represented employee.
- Effective December 31, 2015, the BCERP Plan was amended to cease all benefit accruals for Participants represented by IUOE 286.
- Effective October 1, 2016, the BCERP Plan was amended to increase the benefit rate for Participants represented by International Association of Machinists and Aerospace Workers ("IAM&AW") 751, 70 and W24.

8. PLAN AMENDMENTS (CONTINUED)

- Effective October 1, 2016, BCERP benefits payable at an Early Retirement Date will be unreduced for eligible Participants age 58 or older at their Early Retirement Date.
- Effective October 31, 2016, the BCERP Plan was amended to cease all benefit accruals for Participants represented by IAM&AW 751, 70 and W24.

The following amendments had no impact on the December 31, 2014 PVAB, but will have a future impact on the PVAB. The impact is not determined to be significant to the PVAB unless noted.

- Effective August 25, 2015, the BCERP Plan was amended to offer a voluntary lump sum cash-out (or immediate annuity) payable as of November 1, 2015. Eligible participants must have terminated employment with the Company controlled group under the BCERP Plan prior to January 1, 2015, and must not have commenced their benefit prior to November 1, 2015. Benefits paid pursuant to this offer approximated \$167 million during the year ended December 31, 2015.
- Effective January 28, 2016, the BCERP Plan was amended for Participants represented by IAM&AW 751, 70 and W24 under the voluntary layoff benefit program. A benefit rate increase and enhanced early retirement benefits were offered effective October 1, 2016.

BNA Plan:

The following amendments were reflected in the actuarial PVAB as of December 31, 2014:

- The BNA R02 Sub Plan was amended to add a provision to recognize service credit for certain Participants who transfer to a nonunion position with the Company. For retirements on and after June 1, 2015, the service credit will be recognized for purposes of determining eligibility for an unreduced early retirement benefit under the BNA R02 Sub Plan.
- The BNA R02 Sub Plan was amended to adopt a voluntary separation benefit program as a result of the collective bargaining agreements. Under the program, the benefit rate increased for eligible employees who retired during a window period (October 1, 2015 to September 1, 2016 for Participants represented by the International Union, United Automobile, Aerospace, and Agricultural Implement Workers of America ("UAW") 887, and December 1, 2015 to November 1, 2016 for Participants represented by the International Brotherhood of Electrical Workers ("IBEW") 2295). An eligible Participant must either be retirement-eligible under the BNA R02 Sub Plan, or have 25 years of Company service.
- The BNA R02 Sub Plan was amended to reflect a bargained benefit rate increase for Participants who will commence benefits (or terminate employment) on or after December 1, 2016. The BNA Plan was amended to cease the suspension of benefits with respect to rehires, effective December 31, 2016.

The following amendment did not have an impact on the PVAB:

- Effective December 31, 2016, the BNA R02 Sub Plan was amended as a result of the collective bargaining agreements between the Company and UAW 887 and IBEW 2295, which provided for a cessation of all benefit accruals under the BNA R02 Sub Plan. Related changes reflecting the plan freeze include the following:

8. PLAN AMENDMENTS (CONTINUED)

- o Full vesting: Participants will be 100% vested in their BNA R02 Sub Plan benefits as of December 31, 2016, if actively employed or on a leave of absence not exceeding 90 days as of this date.
- o Service credit: After December 31, 2016, Participants will not earn vesting service for any purpose, other than determining non-forfeitability and eligibility for early retirement and disability retirement. Participants will not earn benefit service after this date for any purpose, other than determining eligibility for early retirement with various supplements.

The following amendment had no impact on the December 31, 2014 PVAB, but will have a future impact on the PVAB. The impact is not determined to be significant to the PVAB unless noted.

- Effective August 25, 2015, the BNA Plan was amended to offer a voluntary lump sum cash-out (or immediate annuity) payable as of November 1, 2015. Eligible Participants must have terminated employment with the Company controlled group under the BNA Plan prior to January 1, 2015, and must not have commenced their benefit prior to November 1, 2015. Benefits paid pursuant to this offer approximated \$185 million during the year ended December 31, 2015.

BSS Plan:

The following amendment did not have an impact on the PVAB:

- Effective December 31, 2015, the BSS Plan was amended to cease all benefit accruals. Benefit service also ceased to accrue after December 31, 2015. Participants will continue to accrue service only for purposes of vesting and early retirement eligibility. Payments made to eligible Participants under the Management Incentive Plan during the year ended December 31, 2015 were included in eligible compensation, for purposes of calculating benefits.

The following amendment had no impact on the December 31, 2014 PVAB, but will have a future impact on the PVAB. The impact is not determined to be significant to the PVAB unless noted.

- Effective August 25, 2015, the BSS Plan was amended to offer a voluntary lump sum cash-out (or immediate annuity) payable as of November 1, 2015. Eligible Participants must have terminated employment with the Company controlled group under the BSS Plan prior to January 1, 2015, and must not have commenced their benefit prior to November 1, 2015. Benefits paid pursuant to this offer approximated \$14 million during the year ended December 31, 2015.

BSSB Plan:

The following amendment had no impact on the December 31, 2014 PVAB, but will have a future impact on the PVAB. The impact is not determined to be significant to the PVAB unless noted.

- Effective August 25, 2015, the BSSB Plan was amended to offer a voluntary lump sum cash-out (or immediate annuity) payable as of November 1, 2015. Eligible Participants must have terminated employment with the Company controlled group under the BSSB Plan prior to January 1, 2015, and must not have commenced their benefit prior to November 1, 2015. Benefits paid pursuant to this offer approximated \$3 million during the year ended December 31, 2015.

8. PLAN AMENDMENTS (CONTINUED)

Hourly East Plan:

The following amendments were reflected in the actuarial PVAB as of December 31, 2014:

- Effective June 1, 2015, the Hourly East Plan was amended to increase the monthly pension benefit rate for Participants represented by IBEW 1.
- Effective June 1, 2015, a voluntary separation benefit program was added to offer early retirement benefit increases for eligible Participants represented by IBEW 1 who retired during a window period.
- Effective December 31, 2015, the Hourly East Plan was amended to increase the monthly pension benefit rate for Participants represented by IAM 837 who terminated employment on or after July 1, 2015. The rate increase would apply solely to benefit service credited before December 31, 2015.
- Effective December 31, 2015, a voluntary separation benefit program was added to offer early retirement benefit increases for eligible Participants represented by IAM 837 who retired during a window period.

The following amendment had no impact on the December 31, 2014 PVAB, but will have a future impact on the PVAB. The impact is not determined to be significant to the PVAB unless noted.

- Effective August 25, 2015, the Hourly East Plan was amended to offer a voluntary lump sum cash-out (or immediate annuity) payable as of November 1, 2015. Eligible Participants must have terminated employment with the Company controlled group under the Hourly East Plan prior to January 1, 2015, and must not have commenced their benefit prior to November 1, 2015. Benefits paid pursuant to this offer approximated \$30 million during the year ended December 31, 2015.

Hourly West Plan:

The following amendments were reflected in the actuarial PVAB as of December 31, 2014:

- Effective September 1, 2014, Participants represented by UAW 148 received a monthly pension benefit rate increase.
- Effective October 1, 2014, a special early retirement reduction factor (3%) was added for Participants represented by UAW 148 who are laid off after attainment of age 49 with at least 29 years of aggregate benefit service.

The following amendment did not have an impact on the PVAB:

- Effective June 30, 2016, benefits under the Hourly West Plan will be frozen for all Participants represented by International Association of Firefighters (“IAFF”) I-66 and IUOE 501W.

8. PLAN AMENDMENTS (CONTINUED)

The following amendments had no impact on the December 31, 2014 PVAB, but will have a future impact on the PVAB. The impact is not determined to be significant to the PVAB unless noted.

- Effective August 25, 2015, the Hourly West Plan was amended to offer a voluntary lump sum cash-out (or immediate annuity) payable as of November 1, 2015. Eligible Participants must have terminated employment with the Company controlled group under the Hourly West Plan prior to January 1, 2015, and must not have commenced their benefit prior to November 1, 2015. Benefits paid pursuant to this offer approximated \$85 million during the year ended December 31, 2015.
- Effective September 1, 2015 and December 1, 2015, the Hourly West Plan was amended to increase the monthly pension benefit rates for Participants represented by IAFF I-66 and IUOE 501W, respectively.

NCRP Plan:

The following amendments were reflected in the actuarial PVAB as of December 31, 2014:

- A voluntary separation benefit program was added to offer early retirement benefit increases for eligible Participants who retired during a window period in 2015.
- Effective January 1, 2016, the NCRP Plan was amended to increase the monthly pension benefit rate.

The following amendment had no impact on the December 31, 2014 PVAB, but will have a future impact on the PVAB. The impact is not determined to be significant to the PVAB unless noted.

- Effective August 25, 2015, the NCRP plan was amended to offer a voluntary lump sum cash-out (or immediate annuity) payable as of November 1, 2015. Eligible Participants must have terminated employment with the Company controlled group under the NCRP Plan prior to January 1, 2015, and must not have commenced their benefit prior to November 1, 2015. Benefits paid pursuant to this offer approximated \$2 million during the year ended December 31, 2015.

PVP Plan:

The following amendments were reflected in the actuarial PVAB as of December 31, 2014:

- Effective September 5, 2014, the PVP Plan was amended to offer a voluntary lump sum cash-out (or immediate annuity) payable December 1, 2014 for certain nonunion, terminated vested Participants. Eligible Participants must have terminated employment with the Company controlled group with a nonunion benefit under the PVP Plan prior to January 1, 2014, and must not have commenced their benefit in the PVP Plan prior to December 1, 2014. Benefits paid pursuant to this offer approximated \$581 million during the year ended December 31, 2014.
- Effective December 15, 2014, the PVP Plan was amended to resolve a dispute between the Company and SPEEA. Certain SPEEA represented employees had been classified as nonunion and had been accruing nonunion benefits for periods on and after March 5, 2001. In lieu of BCERP Plan benefits, affected former employees are permitted to keep any nonunion benefits that had already accrued under the PVP and/or BSS Plans with respect to periods of employment during which they were classified as nonunion rather than SPEEA represented. Affected current employees will participate retroactively in the BCERP Plan for all periods in which they are eligible to participate as a SPEEA represented employee.

8. PLAN AMENDMENTS (CONTINUED)

The following amendments had no impact on the December 31, 2014 PVAB, but will have a future impact on the PVAB. The impact is not determined to be significant to the PVAB unless noted.

- Effective August 25, 2015, the PVP Plan was amended to offer a voluntary lump sum cash-out (or immediate annuity) payable as of November 1, 2015. Eligible Participants must have terminated employment with the Company controlled group under the PVP Plan prior to January 1, 2015, and must not have commenced their benefit prior to November 1, 2015. The existing provision on small benefit cash-outs was removed effective December 2, 2015. Benefits paid pursuant to this offer approximated \$156 million during the year ended December 31, 2015.
- Effective December 31, 2015, the PVP Plan was amended to increase the monthly minimum benefit rate for Participants other than those represented by SPEEA Professional or Technical units at the time they retire or otherwise terminate employment.
- Effective January 1, 2016, the PVP Plan was amended to comply with final Treasury regulations affecting cash balance plans. These changes will include reducing the PVP Plan's minimum interest crediting rate applied to Participants' hypothetical accounts from 5.25% to 5%. The total impact of these changes is estimated to decrease the December 31, 2015 PVAB by approximately \$300 million.
- An amendment clarified the eligibility rules for rehired Participants for periods after the January 1, 2009 PVP Plan closure. In addition, an eligible Participant who was rehired during 2015 was deemed to satisfy the PVP Plan's one year waiting period as of December 31, 2015, notwithstanding the PVP Plan's freeze on that date.

9. RELATED PARTY AND PARTY-IN-INTEREST TRANSACTIONS

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

10. NONEXEMPT PARTY-IN-INTEREST TRANSACTIONS

Certain reportable nonexempt party-in-interest transactions existed. The Plans were corrected according to the guiding principles of the Department of Labor's ("DOL") Voluntary Fiduciary Correction Program ("VFCP"), which involved remitting the total principal and associated lost earnings to the Plans. The table below details the principal amounts of the prohibited transactions ("PT") for each Plan.

Date PT Occurred	Date PT Corrected	Description of PT	BCERP Plan	BNA Plan	BSS Plan	BSSB Plan	HE Plan	HW Plan	NCRP Plan	PVP Plan
July 18, 2013	July 26, 2013 February 12, 2014	Plan assets were inadvertently used to make a duplicate payment to a third-party provider	\$3,521	\$934	\$394	\$60	\$344	\$416	\$127	\$5,909
October 1, 2005 through September 1, 2013	June 27, 2014	Plan assets were inadvertently used to pay participant benefits that should not have been paid by the Plan	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$21,484
2011-2013	November 26, 2014	Plan assets were inadvertently used in a cross-trade transaction	\$1,703	\$399	\$171	\$26	\$155	\$193	\$58	\$2,810
February 1, 2014	March 28, 2014	Plan assets were inadvertently used to pay participant benefits that should not have been paid by the Plan	N/A	N/A	\$2,887	N/A	N/A	N/A	N/A	N/A
February 24, 2014	February 12, 2015 April 3, 2015	Plan assets were inadvertently received by the Plan Sponsor	\$5,534	\$1,285	\$545	\$84	\$509	\$644	\$188	\$8,999
November 28, 2014	January 16, 2015	Delinquent employee contributions	N/A	N/A	\$1,908	#####	N/A	N/A	N/A	N/A
February 25, 2015	December 17, 2015	Plan assets were inadvertently used to make an overpayment to a third-party provider	N/A	N/A	\$798	\$798	N/A	N/A	\$798	N/A
December 18, 2015	January 8, 2016	Plan assets were inadvertently used to pay expenses that should not have been paid by the Plan	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$22,944
February 13, 2014	February 20, 2014 February 21, 2014 May 6, 2016	Plan assets were inadvertently used to make an overpayment to a third-party provider	\$54,809	\$13,724	\$5,788	\$884	\$5,160	\$6,256	\$1,918	\$93,001
September 17, 2015	September 22, 2015 May 6, 2016	Plan assets were inadvertently used to make an overpayment to a third-party provider	\$18,615	\$4,231	\$1,785	\$271	\$1,740	\$2,157	\$630	\$30,426
April 1, 2015 through December 18, 2015*	July 8, 2016	Plan assets were inadvertently used to make overpayments to the Trustee	\$942	\$200	\$84	\$13	\$86	\$105	\$32	\$1,544

* The amounts for this PT are estimates.

11. TAX STATUS

The Internal Revenue Service (“IRS”) determined and informed the Company by letters dated March 6, 2015 (for the BCERP, BNA, BSSB, Hourly East, and Hourly West Plans), May 7, 2015 (for the NCRP Plan), May 11, 2015 (for the PVP Plan) and June 9, 2015 (for the BSS Plan) that the Plans and related trust are designed in accordance with applicable sections of the IRC. Certain Plans have been amended since receiving their determination letters. The Plans’ administrator believes that the Plans are designed and are currently being operated in compliance with the applicable requirements of the IRC. Therefore, the Plans’ administrator believes the Plans’ tax-exempt status has not been affected, and no provision for income taxes has been included in the Plans’ financial statements.

12. SUBSEQUENT EVENTS

During 2016, formal amendments will be adopted to reflect the changes described below, which are either subject to collective bargaining, or effectively approved by plan management:

BCERP Plan:

The BCERP Plan will be amended for the following provisions due to the change in SPEEA’s bargaining agreement.

- Effective January 1, 2017, the BCERP Plan will be amended to increase the benefit rate for eligible Participants represented by SPEEA.
- Effective January 1, 2017, the BCERP Plan will be amended to allow lump sum distributions for eligible Participants who were represented by SPEEA at their termination of employment.
- Effective December 31, 2018, the BCERP Plan will be amended to cease future credited service accruals for Participants represented by SPEEA.

Effective January 1, 2017, the BCERP Plan will also be amended to allow a terminated vested lump sum distribution option for participants who accrued a benefit under the BCERP while represented by SPEEA and terminated employment with the Company prior to February 12, 2016 while represented by SPEEA.

Hourly West Plan:

The Hourly West Plan will be amended for the following provisions due to the change in bargaining agreement with the Participants represented by the International Association of Machinists and Aerospace Workers, AFL-CIO, Aeronautical Industrial Lodge Local No. 725 (“IAM 725”).

- Effective September 1, 2016, the Hourly West Plan will be amended to increase the benefit rate for eligible IAM 725 members. It is estimated that this amendment will have an increase of approximately \$63,000,000 on the actuarial PVAB.
- Effective December 31, 2017, the Hourly West Plan will be frozen and all accruals will cease for members represented by the IAM 725.

12. SUBSEQUENT EVENTS (CONTINUED)

PVP Plan:

The PVP Plan will be amended for the following provisions to reflect a settlement agreement entered into with SPEEA.

- Effective January 1, 2016, an increase of the minimum benefit rate for eligible Participants represented by SPEEA.
- Effective March 4, 2016, an increase of the heritage benefit for eligible Participants represented by SPEEA.

Effective April 1, 2016, the PVP Plan will also be amended to add an on-going lump sum distribution option for all eligible Participants.

The Boeing Company Employee Retirement Plan
Employer Identification Number: 91-0425694
Plan Number: 001

FORM 5500, SCHEDULE G, PART III - SCHEDULE OF NONEXEMPT TRANSACTIONS
FOR THE YEAR ENDED DECEMBER 31, 2015

<u>Party Involved</u>	<u>Relationship to Plan</u>	<u>Description of Transaction</u>	<u>Cost of Asset</u>	<u>Current Value of Asset</u>	<u>Net Gain on Each Transaction</u>
The Boeing Company	Plan Sponsor	Plan assets were inadvertently received by the Plan Sponsor	\$ 5,534	\$ 5,698	\$ 164
William Blair	Service Provider	Plan assets were inadvertently used to make an overpayment to a third-party provider	\$ 54,809	\$ 54,844	\$ 35
PIMCO	Service Provider	Plan assets were inadvertently used to make an overpayment to a third-party provider	\$ 18,615	\$ 18,623	\$ 8
J.P. MORGAN	Trustee	Plan assets were inadvertently used to make overpayments to the Trustee	\$ 942	\$ 966	\$ 24

Boeing North American Retirement Plan
Employer Identification Number: 91-0425694
Plan Number: 048

FORM 5500, SCHEDULE G, PART III - SCHEDULE OF NONEXEMPT TRANSACTIONS
FOR THE YEAR ENDED DECEMBER 31, 2015

<u>Party Involved</u>	<u>Relationship to Plan</u>	<u>Description of Transaction</u>	<u>Cost of Asset</u>	<u>Current Value of Asset</u>	<u>Net Gain on Each Transaction</u>
The Boeing Company	Plan Sponsor	Plan assets were inadvertently received by the Plan Sponsor	\$ 1,285	\$ 1,323	\$ 38
William Blair	Service Provider	Plan assets were inadvertently used to make an overpayment to a third-party provider	\$ 13,724	\$ 13,732	\$ 8
PIMCO	Service Provider	Plan assets were inadvertently used to make an overpayment to a third-party provider	\$ 4,231	\$ 4,233	\$ 2
J.P. MORGAN	Trustee	Plan assets were inadvertently used to make overpayments to the Trustee	\$ 200	\$ 205	\$ 5

BSS Retirement Plan**Employer Identification Number: 91-0425694****Plan Number: 060****FORM 5500, SCHEDULE G, PART III - SCHEDULE OF NONEXEMPT TRANSACTIONS
FOR THE YEAR ENDED DECEMBER 31, 2015**

Party Involved	Relationship to Plan	Description of Transaction	Cost of Asset	Current Value of Asset	Net Gain on Each Transaction
The Boeing Company	Plan Sponsor	Plan assets were inadvertently received by the Plan Sponsor	\$ 545	\$ 561	\$ 16
Ivins, Phillips & Barker	Service Provider	Plan assets were inadvertently used to make an overpayment to a third-party provider	\$ 798	\$ 819	\$ 21
William Blair	Service Provider	Plan assets were inadvertently used to make an overpayment to a third-party provider	\$ 5,788	\$ 5,791	\$ 3
PIMCO	Service Provider	Plan assets were inadvertently used to make an overpayment to a third-party provider	\$ 1,785	\$ 1,786	\$ 1
J.P. MORGAN	Trustee	Plan assets were inadvertently used to make overpayments to the Trustee	\$ 84	\$ 86	\$ 2

BSS Retirement Plan for Bargained Employees
Employer Identification Number: 91-0425694
Plan Number: 061

FORM 5500, SCHEDULE G, PART III - SCHEDULE OF NONEXEMPT TRANSACTIONS
FOR THE YEAR ENDED DECEMBER 31, 2015

<u>Party Involved</u>	<u>Relationship to Plan</u>	<u>Description of Transaction</u>	<u>Cost of Asset</u>	<u>Current Value of Asset</u>	<u>Net Gain on Each Transaction</u>
The Boeing Company	Plan Sponsor	Plan assets were inadvertently received by the Plan Sponsor	\$ 84	\$ 86	\$ 2
Ivins, Phillips & Barker	Service Provider	Plan assets were inadvertently used to make an overpayment to a third-party provider	\$ 798	\$ 819	\$ 21
William Blair	Service Provider	Plan assets were inadvertently used to make an overpayment to a third-party provider	\$ 884	\$ 885	\$ 1
PIMCO	Service Provider	Plan assets were inadvertently used to make an overpayment to a third-party provider	\$ 271	\$ 272	\$ 1
J.P. MORGAN	Trustee	Plan assets were inadvertently used to make overpayments to the Trustee	\$ 13	\$ 14	\$ 1

Employee Retirement Income Plan - Hourly East
Employer Identification Number: 91-0425694
Plan Number: 103

FORM 5500, SCHEDULE G, PART III - SCHEDULE OF NONEXEMPT TRANSACTIONS
FOR THE YEAR ENDED DECEMBER 31, 2015

<u>Party Involved</u>	<u>Relationship to Plan</u>	<u>Description of Transaction</u>	<u>Cost of Asset</u>	<u>Current Value of Asset</u>	<u>Net Gain on Each Transaction</u>
The Boeing Company	Plan Sponsor	Plan assets were inadvertently received by the Plan Sponsor	\$ 509	\$ 524	\$ 15
William Blair	Service Provider	Plan assets were inadvertently used to make an overpayment to a third-party provider	\$ 5,160	\$ 5,163	\$ 3
PIMCO	Service Provider	Plan assets were inadvertently used to make an overpayment to a third-party provider	\$ 1,740	\$ 1,741	\$ 1
J.P. MORGAN	Trustee	Plan assets were inadvertently used to make overpayments to the Trustee	\$ 86	\$ 88	\$ 2

Employee Retirement Income Plan - Hourly West
Employer Identification Number: 91-0425694
Plan Number: 102

FORM 5500, SCHEDULE G, PART III - SCHEDULE OF NONEXEMPT TRANSACTIONS
FOR THE YEAR ENDED DECEMBER 31, 2015

<u>Party Involved</u>	<u>Relationship to Plan</u>	<u>Description of Transaction</u>	<u>Cost of Asset</u>	<u>Current Value of Asset</u>	<u>Net Gain on Each Transaction</u>
The Boeing Company	Plan Sponsor	Plan assets were inadvertently received by the Plan Sponsor	\$ 644	\$ 663	\$ 19
William Blair	Service Provider	Plan assets were inadvertently used to make an overpayment to a third-party provider	\$ 6,256	\$ 6,260	\$ 4
PIMCO	Service Provider	Plan assets were inadvertently used to make an overpayment to a third-party provider	\$ 2,157	\$ 2,158	\$ 1
J.P. MORGAN	Trustee	Plan assets were inadvertently used to make overpayments to the Trustee	\$ 105	\$ 108	\$ 3

Non-Contributory Retirement Plan**Employer Identification Number: 91-0425694****Plan Number: 005****FORM 5500, SCHEDULE G, PART III - SCHEDULE OF NONEXEMPT TRANSACTIONS
FOR THE YEAR ENDED DECEMBER 31, 2015**

Party Involved	Relationship to Plan	Description of Transaction	Cost of Asset	Current Value of Asset	Net Gain on Each Transaction
The Boeing Company	Plan Sponsor	Plan assets were inadvertently received by the Plan Sponsor	\$ 188	\$ 194	\$ 6
Ivins, Phillips & Barker	Service Provider	Plan assets were inadvertently used to make an overpayment to a third-party provider	\$ 798	\$ 819	\$ 21
William Blair	Service Provider	Plan assets were inadvertently used to make an overpayment to a third-party provider	\$ 1,918	\$ 1,919	\$ 1
PIMCO	Service Provider	Plan assets were inadvertently used to make an overpayment to a third-party provider	\$ 630	\$ 631	\$ 1
J.P. MORGAN	Trustee	Plan assets were inadvertently used to make overpayments to the Trustee	\$ 32	\$ 33	\$ 1

The Pension Value Plan for Employees of The Boeing Company
Employer Identification Number: 91-0425694
Plan Number: 100

FORM 5500, SCHEDULE G, PART III - SCHEDULE OF NONEXEMPT TRANSACTIONS
FOR THE YEAR ENDED DECEMBER 31, 2015

<u>Party Involved</u>	<u>Relationship to Plan</u>	<u>Description of Transaction</u>	<u>Cost of Asset</u>	<u>Current Value of Asset</u>	<u>Net Gain on Each Transaction</u>
The Boeing Company	Plan Sponsor	Plan assets were inadvertently received by the Plan Sponsor	\$ 8,999	\$ 9,265	\$ 266
AYCO	Service Provider	Plan assets were inadvertently used to pay expenses that should not have been paid by the Plan	\$ 22,944	\$ 22,984	\$ 40
William Blair	Service Provider	Plan assets were inadvertently used to make an overpayment to a third-party provider	\$ 93,001	\$ 93,058	\$ 57
PIMCO	Service Provider	Plan assets were inadvertently used to make an overpayment to a third-party provider	\$ 30,426	\$ 30,439	\$ 13
J.P. MORGAN	Trustee	Plan assets were inadvertently used to make overpayments to the Trustee	\$ 1,544	\$ 1,583	\$ 39

BSS Retirement Plan**Employer Identification Number: 91-0425694****Plan Number: 060****FORM 5500, SCHEDULE H, LINE 4A - SCHEDULE OF DELINQUENT PARTICIPANT CONTRIBUTIONS
FOR THE YEAR ENDED DECEMBER 31, 2015**

Participant Contributions Transferred Late to Plan	Contributions Not Corrected	Contributions Corrected Outside of VFCP	Contributions Pending Correction in VFCP	Total Fully Corrected Under VFCP and PTE 2002-51
\$ 1,908	\$ -	\$ -	\$ -	\$ 1,908

BSS Retirement Plan for Bargained Employees
Employer Identification Number: 91-0425694
Plan Number: 061

**FORM 5500, SCHEDULE H, LINE 4A - SCHEDULE OF DELINQUENT PARTICIPANT CONTRIBUTIONS
 FOR THE YEAR ENDED DECEMBER 31, 2015**

Participant Contributions Transferred Late to Plan	Contributions Not Corrected	Contributions Corrected Outside of VFCP	Contributions Pending Correction in VFCP	Total Fully Corrected Under VFCP and PTE 2002-51
\$ 20,018	\$ -	\$ -	\$ -	\$ 20,018

Employee Retirement Income Plan — Hourly West
 EIN: 91-0425694
 PN: 102
 Schedule SB, Line 26 — Schedule of Active Participant Data

Schedule SB, Line 26 — Schedule of Active Participant Data¹

Attained Age	Completed years of benefit service									
	Under 1	1-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40 & Over
Under 25	0	0	0	0	0	0	0	0	0	0
25-29	0	4	0	0	0	0	0	0	0	0
30-34	2	4	2	0	0	0	0	0	0	0
35-39	1	7	4	3	0	0	0	0	0	0
40-44	2	16	8	3	3	1	0	0	0	0
45-49	13	104	91	53	46	25	74	1	0	0
50-54	31	204	133	98	73	77	237	24	16	0
55-59	39	167	77	63	61	91	168	131	83	0
60-64	17	63	39	29	23	31	91	56	41	0
65-69	0	21	12	6	3	10	18	13	14	21
70 & over	0	3	0	2	1	0	2	0	0	5

¹ Includes participants who are currently accruing benefit service (count = 982), laid-off participants (count = 3), participants on leave of absence (count = 160) and suspended participants (count = 1,616). Active participants with Fund E balances only have not been included.

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

Economic Assumptions

Interest rate basis:

Applicable month	September 2014
Yield curve basis	3-Segment rates

Interest rates:

	Reflecting Corridors	Not Reflecting Corridors
First segment rate	4.72%	1.15%
Second segment rate	6.11%	4.06%
Third segment rate	6.81%	5.15%
Effective interest rate	6.22%	4.27%
Annual rates of increase		
Salary increase		N/A
Statutory limits on benefits		3.00%
Assumed earnings rate on investments		6.99% ¹

¹ Used to develop the expected return in 2014 for the development of the actuarial value of assets. Represents the lesser of the long-term expected asset return and third segment rate used for the 2014 valuation.

Demographic Assumptions

Mortality

- Healthy For all participants: The prescribed mortality assumption under Section 430(h)(3)(A) of the Internal Revenue Code using static tables with separate mortality rates for annuitants and non-annuitants (Exhibit A).
- Disabled Alternative disabled life mortality table after 1994, as defined under IRS Revenue Ruling 96-7 (Exhibit B).

Layoffs

Assume 100% of UAW 148 are laid-off effective July 1, 2015 due to the C-17 plant closure announced on September 18, 2013.

Termination

Rates varying by service:

Years of Service	Rate
Under 1	20.0%
1-9	15.0%
10-12	10.0%
13-19	5.0%
20 or more	2.0%

Rates are 0.0% for ages 60 and older or eligible to retire

Disability

0.25% at each eligible age

Retirement

Rates varying by age, for purposes of determining the Funding Target and Target Normal Cost (both disregarding at-risk assumptions), the rates at which participants retire by age are shown below.

Age	Rate
50	15.0%
51-54	10.0%
55	15.0%
56-59	10.0%
60-61	12.0%
62-64	25.0%
65-69	30.0%
70	100.0%

Rates are 0.0% if not eligible to retire

Employee Retirement Income Plan — Hourly West

EIN: 91-0425694

PN: 102

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

Benefit commencement date:

- **Survivor benefits** If participant has less than 10 years of vesting service and is not yet eligible to retire at date of death, surviving spouse benefits commence at the date the participant would have attained age 65. Otherwise, surviving spouse benefits commence at the later of the death of the active participant or the date the participant would have been eligible to retire.
- **Layoffs** Those who are laid-off due to the C-17 plant closure we assumed to commence benefits at the later of age 55 or age on the event date.
- **Termination** The later of age 62 or termination of employment
- **Disability** Immediately if participant has at least 10 years of vesting service, otherwise age 65.
- **Retirement** Upon termination of employment

Employees

It is assumed there will be no new or rehired employees

Benefit commencement for terminated vested participants

Terminated vested participants are assumed to commence benefits at age 62, or immediately if between age 62 and 65. Terminated vested participants over age 65 are assumed to commence benefits immediately and collect a retroactive annuity starting date payment equal to the sum of their missed payments plus interest. For terminated vested participants over age 72 it is assumed that 0% of these participants will be found and collect their benefits.

Missing participants

Terminated vested participants who are past age 72 or who have been identified by the Plan Administrator as Missing Participants are deemed to have forfeited their benefits. It is assumed that no claim for these benefits will be made. Those identified by the Plan Administrator are also excluded from the participant counts and demographic information.

Form of payment

Life annuity if single or terminate from vested status, 50% or 100% joint and survivor annuity with “pop-up” if married and retire from active status (actuarially reduced from the life annuity).

Percent married

80% of males and 60% of females

Percent electing contingent annuity benefit

Of the total active population, 75% of males and 25% of females elect the 55% joint and survivor annuity with “pop-up.”

Spouse age

Actual age is used if available. Spouse three years younger than male employee, spouse two years older than female employee

Employee Retirement Income Plan — Hourly West

EIN: 91-0425694

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

Administrative expense	Plan-related expenses are assumed to be the actual prior year administrative expenses, adjusted for the expected change in PBGC premium, rounded up to two significant digits. The assumed administrative expense is \$3,700,000 for 2015 and \$3,100,000 for 2014.
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Methods

Valuation date	First day of plan year
Funding target	Present value of accrued benefits
Target normal cost	Present value of benefits expected to accrue during the plan year plus plan-related expenses expected to be paid from plan assets during the plan year.
Actuarial value of assets	Average of the market value of assets on the valuation date and the preceding two valuation dates, adjusted for contributions, benefits, administrative expenses and expected return (with such expected earnings limited as described in IRS Notice 2009-22). The average asset value must be within 10% of the market value on the valuation date, including contributions receivable (discounted using the effective interest rate for the prior plan year).

Funding policy

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

Benefits not valued

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

Assumptions Rationale - Significant Economic Assumptions

Discount rate	The basis chosen was selected by the plan sponsor from among choices prescribed by law, all of which are based on observed market data over certain periods of time.
Pension Plan Administrative Expenses	Administrative expenses are based on the prior year's actual administrative expenses and expected changes in PBGC premiums rounded up to two significant figures.
Limit on Expected Return on Assets for AVA	Boeing analyzed their investments with their internal and external investment advisors and, based on their investment allocation, chose an assumption of 7% for long term expected return on assets for accounting purposes. Based on our high level view of their investment allocation, we believe their best estimate for the return on assets is reasonable. For purposes of this funding valuation, we applied the third segment rate as a limit and reflected an expected return on assets of 6.99%.

Assumptions Rationale - Significant Demographic Assumptions

Healthy Mortality	Assumptions used for funding purposes are among the choices prescribed by IRC §430(h).
Disabled Mortality	IRC §430(h)(3)(D) provides for the use of separate mortality tables with respect to certain individuals who are entitled to benefits on account of disability. Disabled mortality tables from IRS Revenue Ruling 96-7 have been selected. These separate mortality tables are permitted to be used with respect to disabled individuals in lieu of the generally applicable mortality tables provided pursuant to IRC §430(h)(3)(A) or the substitute mortality tables under IRC §430(h)(3)(C). Disabled mortality improvement is not assumed beyond the valuation date because the degree of improvement, if any, is unknown and the assumption is considered to be immaterial.
Layoffs	The layoff assumptions related to the C-17 plant closure expected to occur in 2015 were developed based on discussions with Boeing regarding future expectations.
Termination	The assumed termination rates are based on actual termination experience by the plan over the period 2002 – 2013, with consideration for future conditions that might be expected to produce different results in the future. The analysis of historical termination rates was presented in the experience study delivered to Boeing on August 27, 2014.
Retirement	The assumed rates of retirement from active employment are based on actual retirement experience by the plan over the period 2002 – 2013, with considerations for future conditions that might be expected to produce different results in the future. The analysis of historical rates of retirement from active employment was presented in the experience study delivered to Boeing on August 27, 2014.
Benefit commencement date for deferred benefits	Deferred vested participants' assumed commencement age is a single age intended to capture the average age at commencement, based on plan experience. The analysis of historical ages of benefit commencement for deferred vested participants was presented in the experience study delivered to Boeing on August 27, 2014.

Source of Prescribed Methods

Funding methods	The methods used for funding purposes as described in Appendix A, including the method of determining plan assets, are "prescribed methods set by law", as defined in the actuarial standards of practice (ASOPs). These methods are required by IRC §430, or were selected by the plan sponsor from a range of methods permitted by IRC §430.
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Changes in Assumptions and Methods

- The segment interest rates used to calculate the funding target and target normal cost were updated from an applicable month of September 2013 to September 2014 before application of HATFA corridors. In addition, the segment interest rates were updated from reflecting interest rate corridors applicable for a January 1, 2014 valuation to those applicable for a January 1, 2015 valuation.
- The assumed mortality for healthy participants has been updated to include one additional year of projected mortality improvements in IRS prescribed annuitant and non-annuitant static tables.
- The assumed mortality for disabled participants has been changed to IRS Revenue Ruling 96-7 disabled mortality tables from the IRS-prescribed annuitant and non-annuitant static tables for healthy participants.
- Terminated vested participants age 72 and older are assumed to be lost participants who will not be found or collect benefits. In the prior year valuation it was assumed 90% of terminated vested participants age 75 and older would not be found or collect their benefits. The change in assumption was made to better reflect the plan sponsor's efforts in locating participants and the expected rates at which participants will claim benefits after deferral beyond normal retirement age.
- There has been a change in the valuation software used to calculate results. We acknowledge it may constitute a change in method. Any such change is very small and is designed to produce results at least as accurate as the previous software would have produced. The change in valuation software receives automatic approval under IRS Announcement 2010-3.

Employee Retirement Income Plan — Hourly West

EIN: 91-0425694

PN: 102

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

IRS 2015 Prescribed Preretirement and Postretirement Mortality Tables

Exhibit A

Non-Annuitants						Annuitants					
<u>Age</u>	<u>Male</u>	<u>Female</u>	<u>Age</u>	<u>Male</u>	<u>Female</u>	<u>Age</u>	<u>Male</u>	<u>Female</u>	<u>Age</u>	<u>Male</u>	<u>Female</u>
1	0.0347%	0.0311%	61	0.3420%	0.3687%	1	0.0347%	0.0311%	61	0.6455%	0.6197%
2	0.0235%	0.0203%	62	0.3761%	0.4006%	2	0.0235%	0.0203%	62	0.7110%	0.6886%
3	0.0195%	0.0152%	63	0.4240%	0.4335%	3	0.0195%	0.0152%	63	0.8031%	0.7621%
4	0.0152%	0.0113%	64	0.4604%	0.4671%	4	0.0152%	0.0113%	64	0.8886%	0.8414%
5	0.0139%	0.0103%	65	0.4961%	0.5008%	5	0.0139%	0.0103%	65	0.9840%	0.9282%
6	0.0133%	0.0096%	66	0.5469%	0.5340%	6	0.0133%	0.0096%	66	1.1149%	1.0221%
7	0.0128%	0.0090%	67	0.5806%	0.5664%	7	0.0128%	0.0090%	67	1.2343%	1.1231%
8	0.0118%	0.0080%	68	0.5941%	0.5975%	8	0.0118%	0.0080%	68	1.3346%	1.2333%
9	0.0114%	0.0076%	69	0.6230%	0.6271%	9	0.0114%	0.0076%	69	1.4743%	1.3571%
10	0.0116%	0.0077%	70	0.6305%	0.6550%	10	0.0116%	0.0077%	70	1.5925%	1.4994%
11	0.0119%	0.0078%	71	0.7129%	0.7146%	11	0.0119%	0.0078%	71	1.7620%	1.6275%
12	0.0124%	0.0081%	72	0.8776%	0.8337%	12	0.0124%	0.0081%	72	1.9564%	1.8102%
13	0.0131%	0.0085%	73	1.1247%	1.0124%	13	0.0131%	0.0085%	73	2.1791%	1.9681%
14	0.0143%	0.0094%	74	1.4541%	1.2506%	14	0.0143%	0.0094%	74	2.4311%	2.1813%
15	0.0151%	0.0105%	75	1.8659%	1.5484%	15	0.0151%	0.0105%	75	2.7744%	2.3554%
16	0.0160%	0.0112%	76	2.3600%	1.9058%	16	0.0160%	0.0112%	76	3.0923%	2.5950%
17	0.0169%	0.0121%	77	2.9365%	2.3227%	17	0.0169%	0.0121%	77	3.5173%	2.9221%
18	0.0178%	0.0123%	78	3.5953%	2.7992%	18	0.0178%	0.0123%	78	3.9965%	3.2212%
19	0.0186%	0.0121%	79	4.3365%	3.3353%	19	0.0186%	0.0121%	79	4.5415%	3.5563%
20	0.0194%	0.0118%	80	5.1599%	3.9309%	20	0.0194%	0.0118%	80	5.1599%	3.9309%
21	0.0207%	0.0115%	81	5.9047%	4.3509%	21	0.0207%	0.0115%	81	5.9047%	4.3509%
22	0.0219%	0.0116%	82	6.7449%	4.8233%	22	0.0219%	0.0116%	82	6.7449%	4.8233%
23	0.0237%	0.0121%	83	7.5186%	5.3556%	23	0.0237%	0.0121%	83	7.5186%	5.3556%
24	0.0254%	0.0128%	84	8.5491%	5.9563%	24	0.0254%	0.0128%	84	8.5491%	5.9563%
25	0.0278%	0.0136%	85	9.4897%	6.7842%	25	0.0278%	0.0136%	85	9.4897%	6.7842%
26	0.0316%	0.0149%	86	10.5213%	7.7357%	26	0.0316%	0.0149%	86	10.5213%	7.7357%
27	0.0329%	0.0155%	87	11.9173%	8.8206%	27	0.0329%	0.0155%	87	11.9173%	8.8206%
28	0.0338%	0.0164%	88	13.4866%	9.8247%	28	0.0338%	0.0164%	88	13.4866%	9.8247%
29	0.0354%	0.0173%	89	14.9044%	11.1533%	29	0.0354%	0.0173%	89	14.9044%	11.1533%
30	0.0382%	0.0195%	90	16.7928%	12.3259%	30	0.0382%	0.0195%	90	16.7928%	12.3259%
31	0.0429%	0.0241%	91	18.2908%	13.5355%	31	0.0429%	0.0241%	91	18.2908%	13.5355%
32	0.0484%	0.0275%	92	20.2751%	14.7536%	32	0.0484%	0.0275%	92	20.2751%	14.7536%
33	0.0543%	0.0300%	93	21.8717%	16.3089%	33	0.0543%	0.0300%	93	21.8717%	16.3089%
34	0.0604%	0.0322%	94	23.4658%	17.4923%	34	0.0604%	0.0322%	94	23.4658%	17.4923%
35	0.0665%	0.0341%	95	25.5965%	18.6128%	35	0.0665%	0.0341%	95	25.5965%	18.6128%
36	0.0724%	0.0358%	96	27.1672%	19.6530%	36	0.0724%	0.0358%	96	27.1672%	19.6530%
37	0.0778%	0.0374%	97	28.6932%	21.0554%	37	0.0778%	0.0374%	97	28.6932%	21.0554%
38	0.0805%	0.0392%	98	30.8432%	21.9072%	38	0.0805%	0.0392%	98	30.8432%	21.9072%
39	0.0827%	0.0412%	99	32.3018%	22.6350%	39	0.0827%	0.0412%	99	32.3018%	22.6350%
40	0.0848%	0.0449%	100	33.7055%	23.2297%	40	0.0848%	0.0449%	100	33.7055%	23.2297%
41	0.0871%	0.0492%	101	35.8628%	24.4834%	41	0.0898%	0.0492%	101	35.8628%	24.4834%
42	0.0899%	0.0541%	102	37.1685%	25.4498%	42	0.0998%	0.0541%	102	37.1685%	25.4498%
43	0.0932%	0.0595%	103	38.3040%	26.6044%	43	0.1147%	0.0595%	103	38.3040%	26.6044%
44	0.0973%	0.0654%	104	39.2003%	27.9055%	44	0.1346%	0.0654%	104	39.2003%	27.9055%
45	0.1018%	0.0693%	105	39.7886%	29.3116%	45	0.1595%	0.0699%	105	39.7886%	29.3116%
46	0.1059%	0.0731%	106	40.0000%	30.7811%	46	0.1894%	0.0790%	106	40.0000%	30.7811%
47	0.1102%	0.0769%	107	40.0000%	32.2725%	47	0.2242%	0.0926%	107	40.0000%	32.2725%
48	0.1146%	0.0832%	108	40.0000%	33.7441%	48	0.2640%	0.1108%	108	40.0000%	33.7441%
49	0.1193%	0.0899%	109	40.0000%	35.1544%	49	0.3088%	0.1335%	109	40.0000%	35.1544%
50	0.1240%	0.1002%	110	40.0000%	36.4617%	50	0.3586%	0.1607%	110	40.0000%	36.4617%
51	0.1287%	0.1118%	111	40.0000%	37.6246%	51	0.3625%	0.1724%	111	40.0000%	37.6246%
52	0.1335%	0.1289%	112	40.0000%	38.6015%	52	0.3619%	0.1941%	112	40.0000%	38.6015%
53	0.1430%	0.1486%	113	40.0000%	39.3507%	53	0.3669%	0.2220%	113	40.0000%	39.3507%
54	0.1534%	0.1717%	114	40.0000%	39.8308%	54	0.3717%	0.2557%	114	40.0000%	39.8308%
55	0.1704%	0.1985%	115	40.0000%	40.0000%	55	0.3872%	0.2959%	115	40.0000%	40.0000%
56	0.1917%	0.2301%	116	40.0000%	40.0000%	56	0.4107%	0.3438%	116	40.0000%	40.0000%
57	0.2169%	0.2590%	117	40.0000%	40.0000%	57	0.4419%	0.3927%	117	40.0000%	40.0000%
58	0.2464%	0.2832%	118	40.0000%	40.0000%	58	0.4835%	0.4407%	118	40.0000%	40.0000%
59	0.2721%	0.3097%	119	40.0000%	40.0000%	59	0.5249%	0.4953%	119	40.0000%	40.0000%
60	0.3007%	0.3382%	120	100.0000%	100.0000%	60	0.5748%	0.5553%	120	100.0000%	100.0000%

Employee Retirement Income Plan — Hourly West

EIN: 91-0425694

PN: 102

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

IRS Revenue Ruling 96-7 Post-1994 Disabled Mortality

Exhibit B

Disabled Participants					
<u>Age</u>	<u>Male</u>	<u>Female</u>	<u>Age</u>	<u>Male</u>	<u>Female</u>
1	2.2010%	0.7777%	61	5.9172%	3.9176%
2	2.2010%	0.7777%	62	6.0232%	4.0395%
3	2.2010%	0.7777%	63	6.1303%	4.1653%
4	2.2010%	0.7777%	64	6.2429%	4.2950%
5	2.2010%	0.7777%	65	6.3669%	4.4287%
6	2.2010%	0.7777%	66	6.5082%	4.5666%
7	2.2010%	0.7777%	67	6.6724%	4.6828%
8	2.2010%	0.7777%	68	6.8642%	4.8070%
9	2.2010%	0.7777%	69	7.0834%	4.9584%
10	2.2010%	0.7777%	70	7.3284%	5.1331%
11	2.2010%	0.7777%	71	7.5979%	5.3268%
12	2.2010%	0.7777%	72	7.8903%	5.5356%
13	2.2010%	0.7777%	73	8.2070%	5.7573%
14	2.2010%	0.7777%	74	8.5606%	5.9979%
15	2.2010%	0.7777%	75	8.8918%	6.2574%
16	2.2502%	0.8120%	76	9.2208%	6.5480%
17	2.3001%	0.8476%	77	9.5625%	6.8690%
18	2.3519%	0.8852%	78	9.9216%	7.2237%
19	2.4045%	0.9243%	79	10.3030%	7.6156%
20	2.4583%	0.9650%	80	10.7113%	8.0480%
21	2.5133%	1.0076%	81	11.1515%	8.5243%
22	2.5697%	1.0521%	82	11.6283%	9.0480%
23	2.6269%	1.0984%	83	12.1464%	9.6224%
24	2.6857%	1.1468%	84	12.7108%	10.2508%
25	2.7457%	1.1974%	85	13.3262%	10.9368%
26	2.8071%	1.2502%	86	13.9974%	11.6837%
27	2.8704%	1.3057%	87	14.7292%	12.4948%
28	2.9345%	1.3632%	88	15.5265%	13.3736%
29	2.9999%	1.4229%	89	16.3939%	14.3234%
30	3.0661%	1.4843%	90	17.3363%	15.3477%
31	3.1331%	1.5473%	91	18.3585%	16.4498%
32	3.2006%	1.6103%	92	19.4653%	17.6332%
33	3.2689%	1.6604%	93	20.6615%	18.9011%
34	3.3405%	1.7121%	94	21.9519%	20.2571%
35	3.4184%	1.7654%	95	23.4086%	21.7045%
36	3.4981%	1.8204%	96	24.8436%	23.2467%
37	3.5796%	1.8770%	97	26.3954%	24.8870%
38	3.6634%	1.9355%	98	28.0803%	26.6289%
39	3.7493%	1.9957%	99	29.9154%	28.4758%
40	3.8373%	2.0579%	100	31.9185%	30.3433%
41	3.9272%	2.1219%	101	34.1086%	32.7385%
42	4.0189%	2.1880%	102	36.5052%	35.9020%
43	4.1122%	2.2561%	103	39.3102%	39.5842%
44	4.2071%	2.3263%	104	42.7255%	43.8360%
45	4.3033%	2.3988%	105	46.9531%	48.7816%
46	4.4007%	2.4734%	106	52.1945%	54.5886%
47	4.4993%	2.5504%	107	58.6518%	61.4309%
48	4.5989%	2.6298%	108	66.5268%	69.4884%
49	4.6993%	2.7117%	109	76.0215%	78.9474%
50	4.8004%	2.7961%	110	76.0215%	78.9474%
51	4.9021%	2.8832%	111	76.0215%	78.9474%
52	5.0042%	2.9730%	112	76.0215%	78.9474%
53	5.1067%	3.0655%	113	76.0215%	78.9474%
54	5.2093%	3.1609%	114	76.0215%	78.9474%
55	5.3120%	3.2594%	115	76.0215%	78.9474%
56	5.4144%	3.3608%	116	76.0215%	78.9474%
57	5.5089%	3.4655%	117	76.0215%	78.9474%
58	5.6068%	3.5733%	118	76.0215%	78.9474%
59	5.7080%	3.6846%	119	76.0215%	78.9474%
60	5.8118%	3.7993%	120	100.0000%	100.0000%

SCHEDULE SB (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	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 <u>01/01/2015</u> and ending <u>12/31/2015</u>		

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

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

A Name of plan Employee Retirement Income Plan - Hourly West	B Three-digit plan number (PN) ►	102
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF The Boeing Co. and Consolidated Subsidiaries	D Employer Identification Number (EIN) 91-0425694	
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B ☐ Other		
F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500		

Part I Basic Information			
1 Enter the valuation date: Month <u>01</u> Day <u>01</u> Year <u>2015</u>			
2 Assets:			
a Market value	2a	2,188,906,977	
b Actuarial value	2b	2,120,223,039	
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	16,505	1,016,535,124	1,016,535,124
b For terminated vested participants	9,190	269,145,329	269,145,329
c For active participants	3,049	393,286,124	439,015,727
d Total	28,744	1,678,966,577	1,724,696,180
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	6.22%	
6 Target normal cost	6	10,235,623	

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	Todd C. Anderson TCA Signature of actuary Todd C. Anderson Type or print name of actuary Towers Watson Delaware Inc. Firm name 600 University Street, Suite 3100 Seattle WA 98101-1176 Address of the firm	July 8, 2016 Date 1406572 Most recent enrollment number 206-625-1125 Telephone number (including area code)
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If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions ☐

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

Schedule SB (Form 5500) 2015
v. 150123

Part II

7 Balance at beginning of prior year after applicable adjustments (line 13 from prior year).....

Part III	Funding Percentages
-----------------	----------------------------

Part IV

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

[illegible]

19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:

a Contributions allocated toward unpaid minimum required contributions from prior years.....	19a	0
b Contributions made to avoid restrictions adjusted to valuation date	19b	0
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	0

20 Quarterly contributions and liquidity shortfalls:

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

b If 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:
4.72%2nd segment:
6.11%3rd segment:
6.81%☐ N/A, full yield curve used**b** Applicable month (enter code)**21b**

4

22 Weighted average retirement age**22**

57

23 Mortality table(s) (see instructions) ☐ Prescribed - combined☐ 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**

10,235,623

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

10,235,623

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**

0

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	0	0

36 Additional cash requirement (line 34 minus line 35)**36**

0

37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)**37**

0

38 Present value of excess contributions for current year (see instructions)**a** Total (excess, if any, of line 37 over line 36)**38a**

0

b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances**38b**

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**

0

43 Excess installment acceleration amount to be carried over to future plan years**43**

0

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

Age	Combined Rate of Retirement*	Assumed Number Eligible	Number of Retirements	Age X Number Retiring
50	15%	10,000	1,500	75,000
51	10%	8,500	850	43,350
52	10%	7,650	765	39,780
53	10%	6,885	689	36,517
54	10%	6,196	620	33,480
55	15%	5,576	836	45,980
56	10%	4,740	474	26,544
57	10%	4,266	427	24,339
58	10%	3,839	384	22,272
59	10%	3,455	346	20,414
60	12%		373	22,380
61	12%	2,736	328	20,008
62	25%	2,408	602	37,324
63	25%	1,806	452	28,476
64	25%	1,354	339	21,696
65	30%	1,015	305	19,825
66	30%	710	213	14,058
67	30%	497	149	9,983
68	30%	348	104	7,072
69	30%	244	73	5,037
70	100%	171	171	11,970
			10,000	565,505
				÷
				10,000
				57

Statement by Enrolled Actuary

Plan Sponsor	The Boeing Company
EIN/PN	91-0425694/102
Plan Name	Employee Retirement Income Plan – Hourly West
Valuation Date	January 1, 2015
Enrolled Actuary	Todd C. Anderson
Enrollment Number	14-06572

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

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

Schedule SB, Part V — Summary of Plan Provisions

Plan Provisions

Effective date	December 1, 1955. The most recent plan amendment for this plan (Amendment No. 16) was signed December 15, 2014, and is effective December 31, 2016 unless otherwise stated. The most recent amendment for PVP (Amendment No. 25) which impacts non-represented hourly participants in this plan is effective January 1, 2013.
Covered employees	<p>Hourly West Employee Retirement Income Plan employees employed by Boeing.</p> <p>Members of SPFPA 159 are excluded from participating in the plan if hired on or after a disqualifying break in service after January 1, 2010.</p> <p>Members of UAW 148 are excluded from participating in the plan if hired or rehired after a disqualifying break in service after January 1, 2011.</p> <p>Members of IAFF I-66 are excluded from participating in the plan if hired or rehired after a disqualifying break in service after January 1, 2012.</p> <p>Members of IAM&AW 725 are excluded from participating in the plan if hired on or after a disqualifying break in service after January 1, 2013.</p> <p>Members of IUOE 501W are excluded from participating in the plan if hired on or after a disqualifying break in service after February 1, 2014.</p> <p>A disqualifying break is any termination and rehire, except a rehire while in a 6 year layoff period, a rehire from an approved leave of absence, or transfers within the control group. For this purpose, an employee's period of employment with United Launch Alliance (ULA) will be considered an authorized leave of absence, to the extent that the employee first transferred directly from the controlled group to ULA and subsequently transferred from ULA back to the controlled group.</p>
Participation date	The employee becomes covered after an initial 1 year period or subsequent 1 year period where the participant earns 1,000 hours.

Definitions

Actuarial equivalence for annuity conversion	<p>For the single life annuity, the monthly pension benefit is payable without adjustment.</p> <p>For the accelerated income annuity, the monthly benefit is actuarially adjusted based on the applicable 417(e)(3) interest rate for November of the prior plan year, and the applicable 417(e)(3) mortality table.</p> <p>For the 55% joint and survivor annuity with “pop-up”, the monthly benefit is multiplied by 95%, where this factor is increased (decreased) by 0.5% for each year in excess of 5 years that the spouse’s age exceeds (is less than) the employee’s age.</p> <p>For all other optional payment forms, the monthly pension benefit is actuarially adjusted based on an interest rate of 6% and the RP 2000 mixed collar mortality table with a 50/50 male/female blend then projected to 2015 using Scale AA.</p>
Aggregate benefit service	Total amount of benefit service the participant earned in the MDC pension plans and their successors including ULA plans.
Benefit service	One year for each calendar year an employee completes 1,800 hours. A prorated portion is provided if at least 1,000 hours of benefit service is earned. Hours are counted using a 45 hour/week equivalency. Effective December 31, 2016, benefit service accruals will cease for UAW 148 participants.
ERS/LISA	Participants in SPFPA 160 and AFSO 1 get \$500 per month. \$550 per month for all other participants.
Monthly pension benefit	Amount per year of benefit service (see Exhibit A)
Monthly preretirement death benefit	55% of the monthly pension benefit accrued as of the date of death, reduced for the 55% joint and survivor election as if the participant survived to early retirement, and actuarially reduced, if needed, for payment as early as the first of the month following death
Normal retirement date (NRD)	First of month coinciding with or next following the attainment of age 65
Postretirement death benefit	\$2,000
Vesting service	One year for 1,000 hours of service in a plan year; partial credit for less than 1,000 hours

Eligibility for Benefits

Normal retirement	Retirement on NRD
Early retirement	Attainment of age 55 with 10 years of vesting service as of the termination date. In addition, the following groups are eligible upon reaching age 50 with 30 years of aggregate benefit service as of the termination date: AFG 1, AFSO 1, IAM 725, SPFPA 159, SPFPA 160 and all non-represented participants.
ERS/LISA	Early retirement with 30 years of aggregate benefit service or age 60 with 20 years of aggregate benefit service, and before age 62. Employees who transferred to another plan are not eligible.
Postponed retirement	Retirement after NRD
Vested termination	Termination for reasons other than death or retirement after completing 5 years of vesting service.
Preretirement death	Death while vested and before benefits commence, with a surviving spouse
Postretirement death	Death after normal, early, postponed retirement or disablement from active or layoff status
Disablement	Total and permanent disability for a period of 6 months while active with 10 years of vesting service
Fund E	Certain participants are eligible for a lump sum benefit. These participants and amounts have been provided by The Boeing Company through its third party administrator for inclusion in this valuation.

Monthly Benefits Paid Upon the Following Events

Normal retirement	Monthly pension benefit determined as of NRD
Early retirement	<p>Monthly pension benefit determined as of early retirement date, reduced by an actuarial factor of 6% per year before age 62, interpolated monthly, plus LISA if eligible. No reduction is applied for participants who retire after age 55 with 30 or more years of aggregate benefit service plus ERS if eligible.</p> <p>No reduction is applied for participants in the specified unions who retire after age 50 with 30 or more years of aggregate benefit service, plus ERS if eligible.</p>
Postponed retirement	Monthly pension benefit determined as of actual retirement date
Vested termination	Monthly pension benefit determined as of termination date, actuarially reduced for payment before NRD. If payment begins after NRD, a make-up payment based on the number of missed payments with interest will also be provided.
Employees transferred to another plan	Monthly pension benefit determined using benefit service as of the transfer date. Minimum benefit provisions and pay are determined as of retirement date.

Layoffs	<p>Monthly benefit determined using benefit service, vesting service and the minimum benefit provisions as of the layoff date.</p> <p>UAW 148 participants who are laid off on or after July 1, 2007 may elect early retirement during the 6-year period following the layoff date, if the participant was at least age 49 with 10 years of vesting service at the layoff date.</p> <p>UAW 148 participants who are laid off on or after October 1, 2014 may elect early retirement using enhanced early retirement factors during the 6-year period following the layoff date (but not before age 55), if the participant was at least age 49 but less than 55 with at least 10 years of vesting service and at least 29 years of benefit service at the layoff date (and at least 30 years of benefit service at commencement). Monthly pension benefit determined as of early retirement date, reduced by an actuarial factor of 3% per year before age 62. No reduction is applied for participants who retire after age 55 with 30 or more years of aggregate benefit service.</p> <p>Non-represented participants who are laid off may subsequently elect early retirement at any point between ages 55 and 65 if the participant was at least age 50 with 10 years of vesting service, or was under age 50 but had at least 75 points, at the layoff date.</p> <p>All other laid-off participants may elect early retirement during the 5-year period following the layoff date, if the participant met the early retirement eligibility at the layoff date.</p>
Preretirement death	Monthly preretirement death benefit is determined as of the date of death, actuarially reduced for early commencement
Postretirement death	Postretirement death benefit payable in a lump sum
Disablement	Monthly pension benefit unreduced for early commencement
Fund E	Fund E benefit determined as of the benefit commencement date
Missing participants	Terminated vested participants past normal retirement age who have not been located after reasonable attempts are deemed to have forfeited their benefits. Such benefits will be reinstated after verification of a claim for the benefit.
Forms of payment	<p>Monthly preretirement death benefits are paid as a single life annuity. Monthly pension benefits are paid as a single life annuity, if the participant has no spouse as of the date payments begin, or if the participant so elects. Otherwise, benefits are paid in the form of the 55% joint and survivor annuity with “pop-up” (where annuity will “pop-up” to the benefit amount before the joint and survivor option election if the spouse predeceases the retired participant) or, if the participant elects and the spouse consents, another actuarially equivalent optional form offered by the plan.</p> <p>Optional forms are accelerated income annuity, 10-year certain and life annuity, 75% joint and survivor annuity with “pop-up” or a single life annuity (for married participants).</p>

Maximum on benefits
and pay

All benefits and pay for any calendar year may not exceed the maximum limitations for that year as defined in the Internal Revenue Code. The plan provides for increasing the dollar limits automatically as such changes become effective prior to benefit commencement, but does not allow changes once the benefit has commenced.

Changes in Benefits Since Prior Year

These plan provisions reflect all amendments to the Hourly West Employee Retirement Income Plan effective during 2014 and not reflected in last year's results, or adopted before January 1, 2015 and effective during the 2015 plan year.

- The monthly pension benefit rate for IAM&AW 725 increased from \$77 to \$78 per month for each year of benefit service effective January 1, 2015 (per Amendment No. 8).
- The monthly pension benefit rate for SPFPA 159 increased from \$77 to \$78 per month for each year of benefit service effective January 1, 2015 (per Amendment No. 9).
- The monthly pension benefit rate for IUOE Local 501W increased from \$77 to \$78 per month for each year of benefit service effective January 1, 2015 (per Amendment No. 12).
- Four groups are identified as defunct unions effective September 1, 2014. Any remaining inactive employees in these unions will now be represented by IAM 725 (per Amendment No. 13).
- The plan was clarified to specify that participants with benefits attributable to the Salaried Plan will not be eligible to participate in the 2014 voluntary lump sum window described under the terms of the PVP, effective September 1, 2014 (per Amendment No. 14).
- The monthly pension benefit rate for UAW 148 participants who are active or are on an approved leave of absence increased from \$81 to \$85 effective September 1, 2014 (per Amendment No. 16).
- UAW 148 participants who are laid off on or after October 1, 2014 may elect early retirement using enhanced early retirement factors during the 6-year period following the layoff date (but not before age 55), if the participant was at least age 49 but less than 55 with at least 10 years of vesting service and at least 29 years of aggregate benefit service at the layoff date (and at least 30 years of aggregate benefit service at commencement). Monthly pension benefit determined as of early retirement date, reduced by an actuarial factor of 3% per year before age 62. No reduction is applied for participants who retire after age 55 with 30 or more years of aggregate benefit service (per Amendment No 16).
- The monthly pension benefit rate for non-represented participants increased from \$87 to \$89 per month for each year of benefit service effective January 1, 2015 (per PVP Amendment No. 25).
- The IRC Section 415 dollar limit remained at \$210,000 for the 2015 plan year.

To our knowledge, no changes effective in the 2015 plan year are pending.

Future Plan Changes

After the valuation date, the plan was amended to permit a one-time lump sum cash-out (or immediate annuity) for certain vested terminated participants as of November 1, 2015.

The future plan change described above is not reflected in the contribution requirement results presented in this report. Willis Towers Watson is not aware of any future plan changes which are required to be reflected.

		Dollar per month per year of benefit service amounts						
		Effective Date						
Labor Group Code	Description	03/01/2012	01/01/2013	03/01/2013	01/01/2014	09/01/2014	01/01/2015	01/01/2016
Other	All non-represented hourly participant and labor groups not listed below ¹	83	85	85	87	87	89	91
411 & 416	UAW Local 148 (Long Beach, CA) (hired before 1-1-2011)	81	81	81	81	85	85	85
418	UAW Local 1482 (Melbourne, AR) (closed - terms only)	60	60	60	60	60	60	60
420	IUOE Local 501W (Welders) (LA Basin)	75	76	76	77	77	78	80
421	IUOE Local 501W (Operating Engineers) (LA Basin) (closed - terms only)	75	75	75	75	75	75	75
422	IBEW Local 2295 (Long Beach, CA) (hired before 1-1-2013)	77	77	77	77	77	77	77
425	DASO (LA Basin) (closed - terms only)	70	70	70	70	70	70	70
426	SPFPA Local 1 (Guards) (Long Beach, CA) (closed - terms only)	60	60	60	60	60	60	60
429 & 437	IAM&AW Local 725 (Huntington Beach, CA) (hired before 1-1-2013)	75	76	76	77	77	78	80
430	IAM&AW Local 725 (Monrovia) (closed - terms only)	75	76	76	77	77	78	80
428 & 436	IAM&AW Local 725 (Huntington Beach, CA) (closed - terms only)	75	76	76	77	77	78	80
442	IAFF Local I-66 (Long Beach, CA) (hired before 1-1-2012)	80	80	80	80	80	80	80
447	SPFPA Local 159 (Guards) (Huntington Beach, CA) (hired before 1-1-2010)	75	75	76	77	77	78	79
449	SPFPA Local 160 (LA Basin)	60	60	60	60	60	60	60
462	ULA - IUOE Local 501W (Welders) (LA Basin)	75	75	75	75	75	75	75
463 & 464	ULA - IAM&AW Local 725 (Huntington Beach, CA)	75	75	75	75	75	75	75

¹ This rate is tied to the minimum monthly benefit for the Pension Value Plan.

Schedule SB, Line 25

Change in Methods

The valuation software used to produce the actuarial information submitted on this schedule has been changed and such modification may be considered to be a method change. The percentage changes in funding target, and target normal cost due to refinements in the software are each less than 2%, and the modifications to the software were designed to produce results no less accurate than the results produced by the software prior to the change. Therefore, the change in valuation software receives automatic approval under IRS Announcement 2010-3.

Schedule SB, Line 24 Change in Actuarial Assumptions

- The segment interest rates used to calculate the funding target and target normal cost were updated from an applicable month of September 2013 to September 2014 before application of HATFA corridors. In addition, the segment interest rates were updated from reflecting interest rate corridors applicable for a January 1, 2014 valuation to those applicable for a January 1, 2015 valuation.
- The assumed mortality for healthy participants has been updated to include one additional year of projected mortality improvements in IRS prescribed annuitant and non-annuitant static tables.
- The assumed mortality for disabled participants has been changed to IRS Revenue Ruling 96-7 disabled mortality tables from the IRS-prescribed annuitant and non-annuitant static tables for healthy participants.
- Terminated vested participants age 72 and older are assumed to be lost participants who will not be found or collect benefits. In the prior year valuation it was assumed 90% of terminated vested participants age 75 and older would not be found or collect their benefits.