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 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

2016

This Form is Open to Public Inspection

Part I Annual Report Identification Information

For calendar plan year 2016 or fiscal plan year beginning 01/01/2016 and ending 12/31/2016

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.)
- [X] a single-employer plan
- [ ] a DFE (specify) ____

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

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

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

Part II Basic Plan Information—enter all requested information

1a Name of plan
MCKESSON CORPORATION RETIREMENT PLAN

1b Three-digit plan number (PN) ▶ 001

1c Effective date of plan 01/01/1972

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)
MCKESSON CORPORATION

ONE POST STREET, 34TH FLOOR
SAN FRANCISCO, CA 94104-5203

2b Employer Identification Number (EIN) 94-3207296

2c Plan Sponsor's telephone number 404-338-3040

2d Business code (see instructions) 424210

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

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

SIGN HERE	Filed with authorized/valid electronic signature.	10/11/2017	KEVIN CLOSE
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

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

Preparer's telephone number

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

MCKESSON CORPORATION EMPLOYEES BENEFITS MANAGEMENT COMMITTEE
TS MANAGEMENT COMMITTEE
ONE POST STREET, 30TH FLOOR
SAN FRANCISCO, CA 94104-5203

3b Administrator's EIN: 94-3207296

3c Administrator's telephone number: 415-983-8689

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**	8411
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)**	740
a(2)	Total number of active participants at the end of the plan year	**6a(2)**	626
b	Retired or separated participants receiving benefits	**6b**	4603
c	Other retired or separated participants entitled to future benefits	**6c**	1989
d	Subtotal. Add lines **6a(2)**, **6b**, and **6c**.	**6d**	7218
e	Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.	**6e**	896
f	Total. Add lines **6d** and **6e**.	**6f**	8114
g	Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	
h	Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	**6h**	0
7	Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	**7**	

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

1A 1I 3F 3H

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

9a Plan funding arrangement (check all that apply)

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

9b Plan benefit arrangement (check all that apply)

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

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

a Pension Schedules

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

b General Schedules

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

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

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

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

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

11c Enter the Receipt Confirmation Code for the 2016 Form M-1 annual report. If the plan was not required to file the 2016 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code_____

SCHEDULE SB (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Single-Employer Defined Benefit Plan Actuarial Information

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

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

OMB No. 1210-0110

2016

This Form is Open to Public Inspection

For calendar plan year 2016 or fiscal plan year beginning 01/01/2016 and ending 12/31/2016

▶ **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
MCKESSON CORPORATION RETIREMENT PLAN

B Three-digit plan number (PN) ▶ 001

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

D Employer Identification Number (EIN)
94-3207296

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

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

Part I Basic Information

1 Enter the valuation date: Month 01 Day 01 Year 2016

2 Assets:

a Market value	**2a**	265068058
b Actuarial value	**2b**	278253995

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	5562	204730063	204730063
b For terminated vested participants	2109	63846067	63846067
c For active participants	740	15373501	15983490
d Total	8411	283949631	284559620

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**	5.90 %
6 Target normal cost	**6**	3200000

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

09/26/2017
Date

SUKHJIT S. BHULLAR
Type or print name of actuary

17-07814
Most recent enrollment number

AON CONSULTING, INC.
Firm name

415-486-7000
Telephone number (including area code)

425 MARKET STREET, SUITE 2800
SAN FRANCISCO, CA 94105
Address of the firm

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

Part II Beginning of Year Carryover and Prefunding Balances

		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	0	0
8	Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	0
9	Amount remaining (line 7 minus line 8)	0	0
10	Interest on line 9 using prior year's actual return of -0.19%	0	0
11	Prior year's excess contributions to be added to prefunding balance:		
	a Present value of excess contributions (line 38a from prior year)		33906
	b(1) Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of 6.12 %		2075
	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		35981
	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)	0	0

Part III Funding Percentages

14	Funding target attainment percentage	14	97.78%
15	Adjusted funding target attainment percentage	15	97.78%
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	99.63%
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
04/14/2016	1347099	0			
07/14/2016	1347099	0			
10/14/2016	1347099	0			
01/11/2017	1347099	0			
03/20/2017	30000000	0			
09/14/2017	34000000	0			
			Totals ► 18(b)	69388396	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	64018394

20 Quarterly contributions and liquidity shortfalls:

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

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

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

Liquidity shortfall as of end of quarter of this plan year

(1) 1st	(2) 2nd	(3) 3rd	(4) 4th
0	0	0	0

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

21 Discount rate:

a Segment rates:

1st segment:	2nd segment:	3rd segment:	
4.43%	5.91%	6.65%	☐ N/A, full yield curve used

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

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

Part VI Miscellaneous Items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment	☐ Yes	☒ No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment	☐ Yes	☒ No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment	☒ Yes	☐ No

27 If the plan is subject to alternative funding rules, enter applicable code and see instructions regarding attachment	**27**	

Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years

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

Part VIII Minimum Required Contribution For Current Year

31 Target normal cost and excess assets (see instructions):

a Target normal cost (line 6)	**31a**	3200000
b Excess assets, if applicable, but not greater than line 31a	**31b**	0

32 Amortization installments:

	Outstanding Balance	Installment
a Net shortfall amortization installment	6305625	4142659
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**	7342659

	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**	7342659
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	**37**	64018394
38 Present value of excess contributions for current year (see instructions)		
a Total (excess, if any, of line 37 over line 36)	**38a**	56675735
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	**38b**	0
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	**39**	0
40 Unpaid minimum required contributions for all years	**40**	0

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

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

a Schedule elected ☐ 2 plus 7 years ☐ 15 years

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

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

SCHEDULE C (Form 5500)	Service Provider Information	OMB No. 1210-0110
Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ **File as an attachment to Form 5500.**	**2016** **This Form is Open to Public Inspection.**

For calendar plan year 2016 or fiscal plan year beginning 01/01/2016 and ending 12/31/2016

A Name of plan MCKESSON CORPORATION RETIREMENT PLAN	**B** Three-digit plan number (PN) ▶ 001
C Plan sponsor's name as shown on line 2a of Form 5500 MCKESSON CORPORATION	**D** Employer Identification Number (EIN) 94-3207296

Part I Service Provider Information (see instructions)

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

1 Information on Persons Receiving Only Eligible Indirect Compensation

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

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

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

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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)

HEWITT ASSOCIATES LLC

36-2235791

(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 50	NONE	644823	Yes [ ] No [X]	Yes [ ] No [ ]		Yes [ ] No [ ]

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

JP MORGAN CHASE BANK N.A.

13-4994650

(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?
24 27 28 50 51 52 59 62 63 71 72	TRUSTEE	329410	Yes [X] No [ ]	Yes [X] No [ ]	13540	Yes [ ] No [X]

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

BROWN BROTHERS

13-4973745

(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?
28 50 51	NONE	147939	Yes [ ] No [X]	Yes [ ] No [ ]		Yes [ ] No [ ]

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

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

LOOMIS SAYLES

20-8080381

(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?
28 50	NONE	134484	Yes [ ] No [X]	Yes [ ] No [ ]		Yes [ ] No [ ]

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

EATON VANCE TRUST COMPANY

20-2074728

(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?
28 50 51 52 68 99	NONE	103779	Yes [X] No [ ]	Yes [X] No [ ]	0	Yes [ ] No [ ]

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

DELOITTE AND TOUCHE

13-3891517

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
10 50	NONE	69973	Yes [ ] No [X]	Yes [ ] No [ ]		Yes [ ] No [ ]

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

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

CALLAN ASSOCIATES INC.

94-2192581

(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?
16 50	NONE	61733	Yes [ ] No [X]	Yes [ ] No [ ]		Yes [ ] No [ ]

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

FISHER INVESTMENTS

20-2480800

(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?
28 31 50 51 55 56 68	NONE	59804	Yes [X] No [ ]	Yes [X] No [ ]	0	Yes [ ] No [ ]

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

WEATHERBIE CAPITAL, LLC

02-0484484

(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?
28 50 51 52 68	NONE	52449	Yes [X] No [ ]	Yes [X] No [ ]	0	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)

BLACKROCK INSTTNL TRUST CO., N.A.

94-3112180

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
21 24 28 50 51	NONE	24332	Yes [ ] No [X]	Yes [ ] No [ ]		Yes [ ] No [ ]

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

STATE STREET GLOBAL ADVISORS

04-1867445

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
19 28 50 51 68	NONE	21051	Yes [X] No [ ]	Yes [X] No [ ]	0	Yes [ ] No [ ]

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

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

Part I Service Provider Information (continued)

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

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
J.P. MORGAN CHASE BANK N.A.	72	13540

(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.
J.P. MORGAN INVESTMENT MGMT INC 245 PARK AVENUE NEW YORK, NY 10167	REVENUE SHARE ON MUTUAL FUNDS

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation

(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation

(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.

Part II Service Providers Who Fail or Refuse to Provide Information

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

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

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

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

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

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

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

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

(complete as many entries as needed)

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

SCHEDULE D (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

DFE/Participating Plan Information

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

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

OMB No. 1210-0110

2016

This Form is Open to Public Inspection.

For calendar plan year 2016 or fiscal plan year beginning 01/01/2016 and ending 12/31/2016

A Name of plan
MCKESSON CORPORATION RETIREMENT PLAN

B Three-digit plan number (PN) ▶ 001

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

D Employer Identification Number (EIN)
94-3207296

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

a Name of MTIA, CCT, PSA, or 103-12 IE: COMMINGLED PN TR FD OF JPM CHASE BK

b Name of sponsor of entity listed in (a): JPMORGAN CHASE BANK, N.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)
13-6038770-001	C	10262646

a Name of MTIA, CCT, PSA, or 103-12 IE: STATE STREET S&P 500 FLAGSHIP NL FD

b Name of sponsor of entity listed in (a): STATE STREET BANK AND TRUST COMPANY

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
04-0025081-004	C	59353347

a Name of MTIA, CCT, PSA, or 103-12 IE: BLACKROCK MSCI EAFE EQ IN NON-LEND

b Name of sponsor of entity listed in (a): BLACKROCK INSTITUTIONAL TRUST COMPANY, N.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)
26-3816145-001	C	41851084

a Name of MTIA, CCT, PSA, or 103-12 IE: LOOMIS SAYLES CORE PLUS FXED INC TR

b Name of sponsor of entity listed in (a): LOOMIS SAYLES TRUST COMPANY, LLC

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)
84-6391546-010	C	51063392

a Name of MTIA, CCT, PSA, or 103-12 IE: EVTC PARAMETRIC EMERGING MKT EQ FD

b Name of sponsor of entity listed in (a): EATON VANCE TRUST COMPANY

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)
32-0225130-001	C	14105668

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

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b Name of plan sponsor	**c** EIN-PN

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b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

SCHEDULE H (Form 5500)

Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Financial Information

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

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

OMB No. 1210-0110

2016

This Form is Open to Public Inspection

For calendar plan year 2016 or fiscal plan year beginning 01/01/2016 and ending 12/31/2016

A Name of plan
MCKESSON CORPORATION RETIREMENT PLAN

B Three-digit plan number (PN) ▶ 001

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

D Employer Identification Number (EIN)
94-3207296

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	0	4334000
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	2012000	65347000
(2) Participant contributions	1b(2)		
(3) Other	1b(3)	5392000	344000
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)		
(2) U.S. Government securities	1c(2)	15478000	18413000
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)	418000	310000
(B) All other	1c(3)(B)	42513000	36493000
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)	16749000	15268000
(5) Partnership/joint venture interests	1c(5)	61930000	0
(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)	114787000	176636000
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)		
(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)	7464000	3342000
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		
(15) Other	1c(15)	4612000	5446000

			(a) Beginning of Year	(b) End of Year
1d	Employer-related investments:			
	(1) Employer securities	1d(1)		
	(2) Employer real property	1d(2)		
e	Buildings and other property used in plan operation	1e		
f	Total assets (add all amounts in lines 1a through 1e)	1f	271355000	325933000
	Liabilities			
g	Benefit claims payable	1g		
h	Operating payables	1h	5579000	7000
i	Acquisition indebtedness	1i		
j	Other liabilities	1j	670000	452000
k	Total liabilities (add all amounts in lines 1g through1j)	1k	6249000	459000
	Net Assets			
l	Net assets (subtract line 1k from line 1f)	1l	265106000	325474000

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)	69388000	
	(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)		69388000
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)	394000	
	(C) Corporate debt instruments	2b(1)(C)	1488000	
	(D) Loans (other than to participants)	2b(1)(D)		
	(E) Participant loans	2b(1)(E)		
	(F) Other	2b(1)(F)	192000	
	(G) Total interest. Add lines **2b(1)(A)** through **(F)**	2b(1)(G)		2074000
	(2) Dividends: **(A)** Preferred stock	2b(2)(A)		
	(B) Common stock	2b(2)(B)	166000	
	(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)		166000
	(3) Rents	2b(3)		
	(4) Net gain (loss) on sale of assets: **(A)** Aggregate proceeds	2b(4)(A)	76717000	
	(B) Aggregate carrying amount (see instructions)	2b(4)(B)	75841000	
	(C) Subtract line **2b(4)(B)** from line **2b(4)(A)** and enter result	2b(4)(C)		876000
	(5) Unrealized appreciation (depreciation) of assets: **(A)** Real estate	2b(5)(A)		
	(B) Other	2b(5)(B)	1828000	
	(C) Total unrealized appreciation of assets. Add lines **2b(5)(A)** and **(B)**	2b(5)(C)		1828000

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		8855000
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		5375000
c Other income	2c		
d Total income. Add all **income** amounts in column (b) and enter total	2d		88562000
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	24142000	
(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)		24142000
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)	776000	
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)	802000	
(4) Other	2i(4)	2474000	
(5) Total administrative expenses. Add lines **2i(1)** through **(4)**	2i(5)		4052000
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		28194000
Net Income and Reconciliation			
k Net income (loss). Subtract line **2j** from line **2d**	2k		60368000
l Transfers of assets:			
(1) To this plan	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

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

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

(1) [X] Unqualified **(2)** [ ] Qualified **(3)** [ ] Disclaimer **(4)** [ ] Adverse

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

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

(1) Name: DELOITTE AND TOUCHE **(2)** EIN: 13-3891517

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

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

Part IV Compliance Questions

4 CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete lines 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete lines 4j and 4l. MTIAs also do not complete line 4l.

During the plan year:

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

			Yes	No	Amount
c	Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)	4c		X	
d	Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)	4d		X	
e	Was this plan covered by a fidelity bond?	4e	X		100000000
f	Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	4f		X	
g	Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?	4g		X	
h	Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?	4h		X	
i	Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	4i	X		
j	Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)	4j	X		
k	Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?	4k		X	
l	Has the plan failed to provide any benefit when due under the plan?	4l		X	
m	If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	4m			
n	If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3	4n			
o	Defined Benefit Plan or Money Purchase Pension Plan Only: Were any distributions made during the plan year to an employee who attained age 62 and had not separated from service?	4o			

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
If "Yes" is checked, enter the My PAA confirmation number from the PBGC premium filing for this plan year 4020521 . (See instructions.)

Part V Trust Information

6a Name of trust
JP MORGAN CHASE BANK

6b Trust's EIN
134994650

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 sections 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

2016

This Form is Open to Public Inspection.

For calendar plan year 2016 or fiscal plan year beginning 01/01/2016 and ending 12/31/2016

A Name of plan
MCKESSON CORPORATION RETIREMENT PLAN

B Three-digit plan number (PN) ▶ 001

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

D Employer Identification Number (EIN)
94-3207296

Part I Distributions

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

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

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

EIN(s): 94-3207296

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** 24

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

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

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

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

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

6 **a** Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived) **6a**

b Enter the amount contributed by the employer to the plan for this plan year **6b**

c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount) **6c**

If you completed line 6c, skip lines 8 and 9.

7 Will the minimum funding amount reported on line 6c be met by the funding deadline? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change? ..... ☐ **Yes** ☐ **No** ☒ **N/A**

Part III Amendments

9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box. ..... ☐ **Increase** ☐ **Decrease** ☐ **Both** ☒ **No**

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

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

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

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

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

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

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

a Name of contributing employer

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

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

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

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

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

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

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

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

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

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

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

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

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

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

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

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

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

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

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

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

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

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

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

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

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

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

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

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

a Enter the percentage of plan assets held as:
Stock: 50.0 % Investment-Grade Debt: 40.0 % High-Yield Debt: 3.0 % Real Estate: 4.0 % Other: 3.0 %

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

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

Part VII IRS Compliance Questions

20a Is the plan a 401(k) plan? If "No," skip b	☐ Yes ☐ No
20b How did the plan satisfy the nondiscrimination requirements for employee deferrals under section 401(k)(3) for the plan year? Check all that apply:	☐ Design-based safe harbor ☐ "Prior year" ADP test ☐ "Current year" ADP test ☐ N/A
21a What testing method was used to satisfy the coverage requirements under section 410(b) for the plan year? Check all that apply:	☐ Ratio percentage test ☐ Average benefit test ☐ N/A
21b Did the plan satisfy the coverage and nondiscrimination requirements of sections 410(b) and 401(a)(4) for the plan year by combining this plan with any other plan under the permissive aggregation rules?	☐ Yes ☐ No

22a If the plan is a master and prototype plan (M&P) or volume submitter plan that received a favorable IRS opinion letter or advisory letter, enter the date of the letter ____/____/____ and the serial number _____.

22b If the plan is an individually-designed plan that received a favorable determination letter from the IRS, enter the date of the most recent determination letter ____/____/____.

McKesson Corporation Retirement Plan

Financial Statements as of and for the Years Ended December 31, 2016 and 2015, Supplemental Schedules as of and for the Year Ended December 31, 2016, and Independent Auditors' Report

MCKESSON CORPORATION RETIREMENT PLAN

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

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INDEPENDENT AUDITORS' REPORT

To the Trustees and Participants of the
McKesson Corporation Retirement Plan

We have audited the accompanying financial statements of McKesson Corporation Retirement Plan (the "Plan"), which comprise the statements of net assets available for benefits as of December 31, 2016 and 2015, 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.

Auditors' Responsibility

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

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

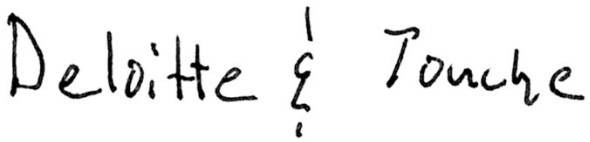
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, information regarding the McKesson Corporation Retirement Plan's net assets available for benefits as of December 31, 2016, and the changes therein for the year then ended and its financial status as of December 31, 2015, and the changes therein for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplemental Schedules

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedules of assets held at end of year and of assets acquired and disposed of within the year as of and for the year ended December 31, 2016 are presented for the purpose of additional analysis and are not a required part of the financial statements but are supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. These schedules are the responsibility of the Plan's management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. These schedules have been subjected to the auditing procedures applied in our audits of the financial statements and certain additional procedures, including comparing and reconciling such schedules directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, such schedules are fairly stated in all material respects in relation to the financial statements as a whole.



October 10, 2017

MCKESSON CORPORATION RETIREMENT PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
AS OF DECEMBER 31, 2016 AND 2015
(In thousands)

	2016	2015
ASSETS:		
Investments — at fair value:		
Short-term investments	$ 3,342	$ 7,464
Equity securities:		
Common stock	15,267	16,749
Equity commingled funds	115,310	108,955
Fixed-income securities:		
Government securities	22,638	18,508
Corporate bonds	11,375	12,512
Mortgage-backed securities	12,208	14,943
Asset-backed securities and other	14,438	17,054
Fixed-income commingled funds	51,063	49,439
Real estate funds	10,263	18,323
Total investments	255,904	263,947
Receivables:		
Accrued interest and dividend income	326	356
Receivables for securities sold	18	-
Employer contribution receivable	65,347	2,015
Total receivables	65,691	2,371
Cash	4,338	0
Total assets	325,933	266,318
LIABILITIES:		
Payables for securities purchased and other	7	542
Accrued administrative expenses	452	670
Total liabilities	459	1,212
NET ASSETS AVAILABLE FOR BENEFITS	$ 325,474	$ 265,106

MCKESSON CORPORATION RETIREMENT PLAN

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015
(In thousands)

	2016	2015
ADDITIONS:		
Investment income:		
Net appreciation (depreciation) in fair value of investments	$ 16,929	$ (3,015)
Interest and dividends	2,245	3,266
Net investment income	19,174	251
CONTRIBUTIONS — Employer	69,388	5,669
DEDUCTIONS:		
Benefits paid	24,142	35,161
Administrative expenses	4,052	3,734
Total deductions	28,194	38,895
NET INCREASE (DECREASE)	60,368	(32,975)
NET ASSETS AVAILABLE FOR BENEFITS:		
Beginning of year	265,106	298,081
End of year	$ 325,474	$ 265,106

See notes to financial statements.

1. PLAN DESCRIPTION

The following description of the McKesson Corporation Retirement Plan (the "Plan") is provided for general informational purposes only. Participants should refer to the plan document for more complete information.

General — The Plan is a defined benefit pension plan covering full-time and part-time employees as of December 31, 1996 (as defined in the plan document) of McKesson Corporation (the "Company" or "Plan Sponsor") and its subsidiaries, except those covered by collectively bargained pension plans. JPMorgan Chase Bank serves as the trustee of the Plan. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended ("ERISA").

Frozen Status of the Plan — Benefits available under the Plan were frozen effective December 31, 1996. The Plan will continue until all vested benefits under the Plan are paid to the participants. However, no new benefits are earned after December 31, 1996, and the participants cannot lose benefits accumulated as of December 31, 1996 as long as they have completed five years of vesting service with the Company. The Plan also includes frozen benefits resulting from plan mergers after 1996.

Pension Benefits — Benefits are generally equal to 0.9% of a participant's final average compensation plus 1.4% of final average compensation in excess of a predetermined level as defined in the plan document and subject to certain limitations and adjustments for each year of creditable service up to a maximum of 30 years. Final average compensation under the Plan is defined generally as base salary plus bonuses, commissions, and overtime. Both final average compensation and credited service were frozen effective December 31, 1996. Full benefits are available for retirement at Social Security normal retirement age, and reduced benefits are available for retirement at age 55 with ten years of vesting service. Employees with a benefit of $1,000 or less receive a mandatory lump-sum payment. Employees with a benefit exceeding $1,000 but not more than $10,000 may elect to receive their benefit as a lump-sum payment or as a monthly allowance. Employees with a benefit exceeding $10,000 may only elect to receive their benefit as a monthly allowance.

On September 1, 2015, the Plan was amended to offer a one-time lump-sum payment window between September 15, 2015 and October 30, 2015 during which eligible vested participants who terminated employment with the Company or their beneficiaries could elect a lump-sum payment option if the payment did not exceed $30,000. The Plan did not offer a lump-sum payment option in 2016.

Death Benefits — The Plan provides for the payment of a benefit to an employee's surviving spouse or legally dependent children if the employee dies with at least five years of vesting service before the monthly allowance starts.

Contributions — The Company made contributions of $69,388,000 and $5,669,000 for the 2016 and 2015 plan years, respectively. The company elected to make early contributions of $64,000,000 for 2016 plan year to reduce pension expense and PBGC premiums.

2. SIGNIFICANT ACCOUNTING POLICIES

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

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

Risks and Uncertainties — The Plan holds various investment securities, including government securities, corporate bonds, mortgage-backed securities, asset-backed securities, and common stock. In addition, the Plan invests in commingled funds and real estate funds. Investment securities, in general, are exposed to various risks, including interest rate risk, credit risk, and overall market volatility. Due to the level of risk associated with certain investments, it is possible that changes in the values of investments may occur in the near term and such changes could materially differ from the amounts reported in the financial statements.

Plan contributions are made and the actuarial present value of accumulated plan benefits 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 could be material to the financial statements.

Investment Valuation and Income Recognition — Investments are stated at fair value. Fair value of a financial instrument is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. If available, publicly quoted market prices are used to value investments. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on an accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation or depreciation includes the Plan's gains and losses on investments sold as well as held during the year.

Payment of Benefits — Benefit payments to participants are recorded upon distribution.

Administrative Expenses — Administrative expenses of the Plan are paid by the Plan.

Reclassifications — Reclassification of prior year amounts were made to conform to the current year presentation. These reclassifications have no effect on total plan benefits. In particular, we reclassified the money market fund from Cash to Short-term investments.

New Accounting Pronouncements — In May 2015, the Financial Accounting Standards Board issued Accounting Standards Updates ("ASU") No. 2015-07, *Disclosures for Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent)*, which amends Accounting Standards Codification 820, *Fair Value Measurement*. Under this ASU, the carrying value of investments measured using the net asset value ("NAV") per share practical expedient are no longer required to be categorized within the fair value hierarchy. The ASU also eliminates certain disclosure requirements for investments that are eligible for fair value measurement using the NAV per share practical expedient. The new guidance is effective for reporting periods beginning after December 15, 2016 and shall be applied retrospectively.

During the year ended December 31, 2016, the Plan adopted ASU No. 2015-07 and accordingly reflected the impact retrospectively as of December 31, 2015. Adoption of this amended guidance had no impact on net assets available for benefits. See Note 4, "Fair Value Measurement," for presentation of assets under the amended guidance.

3. ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS

Accumulated plan benefits are those future periodic payments, including lump-sum distributions that are attributable under the Plan's provisions to the service employees have rendered as of the valuation date. Accumulated plan benefits include benefits expected to be paid to (a) retired or terminated employees or their beneficiaries, (b) beneficiaries of employees who have died, and (c) present employees or their beneficiaries. Non-vested benefits represent additional benefits, such as survivor and disability benefits, that the Plan currently provides. However, these benefits are contingent upon occurrence of a certain event, such as death or disability; hence, these are classified as non-vested.

The Plan is on a calendar year basis but actuarial valuations of accumulated plan benefits were prepared by the actuary as of January 1, 2016 and 2015. Had the valuations been performed as of December 31, 2016 and 2015, there would be no material difference.

The actuarial present value of accumulated plan benefits at January 1, 2016 and 2015 was as follows (in thousands):

	2016
Vested benefits:	
Participants and/or beneficiaries currently receiving payments	$ 210,092
Participants not currently receiving payments	81,065
Total vested benefits	291,157
Nonvested benefits	612
Total actuarial present value of accumulated plan benefits	$ 291,769

Changes in the present value of accumulated plan benefits during the year ended January 1, 2016 were as follows (in thousands):

Actuarial present value of accumulated plan benefits at January 1, 2015	$ 295,413
Increase (decrease) attributable to:	
Benefits paid	(35,161)
Interest accrual	18,773
Change in actuarial assumptions	11,933
Other Changes [(1)]	811
Net decrease	(3,644)
Total actuarial present value of accumulated plan benefits at January 1, 2016	$ 291,769

[(1)] The "Other Changes" component represents the normal operations of the pension plan. It consists primarily of items relating to plan experience that are not associated with plan asset performance.

The actuarial present value of accumulated plan benefits was determined by the Plan's actuary using the accrued benefit actuarial cost method. Under this method, actuarial assumptions are used to adjust the accumulated plan benefits to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements, such as for death, disability, withdrawal, or retirement) between the valuation date and the expected date of payment. Significant actuarial assumptions used in the valuations as of January 1, 2016 and 2015 include:

	2016	**2015**
Investment return	6.25 %	6.75 %
Discount rate	6.25 %	6.75 %
Mortality table	2016 statistic mortality table for annuitants and nonannuitants per IRS §1.430(h)(3)-1(e)	2015 statistic mortality table for annuitants and nonannuitants per IRS §1.430(h)(3)-1(e)
Active retirement rates	5% from 55–57 10% from 58–60 15% for 61 15% for 62 20% from 63–64 30% from 65–67 50% from 68–69 100% from 70+	5% from 55–57 10% from 58–60 15% for 61 15% for 62 20% from 63–64 30% from 65–67 50% from 68–69 100% from 70+
Assumed retirement age for terminated vested participants	62	62

The foregoing actuarial assumptions are based on the presumption that the Plan will continue. If the Plan were to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial value of accumulated plan benefits. Due to uncertainties inherent in the estimations and assumptions process, it is at least reasonably possible that certain changes in these estimates and assumptions could be material to the financial statements.

4. FAIR VALUE MEASUREMENTS

Fair value is defined as the price that would be received upon sale of an asset or paid upon transfer of a liability in an orderly transaction between market participants at the measurement date. When determining fair value, the Plan considers the principal or most advantageous market in which the Plan would transact, and the Plan considers assumptions that market participants would use when pricing the asset or liability, such as inherent risk, transfer restrictions, redemption restrictions, and risk of nonperformance.

In addition to determining fair value, the Plan is required to establish a fair value hierarchy for valuation inputs. The hierarchy prioritizes the inputs into three levels based on the extent to which inputs used in measuring fair value are observable in the market. Each fair value measurement reported in one of the three levels is determined by the lowest level input that is significant to the fair value measurement in its entirety.

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. We evaluate the significance of transfer between levels based upon the nature of the financial instrument and size of the transfer relative to total net assets available for benefits. For the years ended December 31, 2016 and 2015, there were no significant transfers in or out of Levels 1, 2, or 3.

These levels are:

Level 1 — unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 — quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in inactive markets, inputs other than quoted prices that are observable for the asset or liability, and inputs that are derived principally from or corroborated by observable market data by correlation or other means;

Level 3 — unobservable inputs to the valuation methodology that are significant to the measurement of the fair value of assets or liabilities.

The Plan's investments measured at fair value on a recurring basis as of December 31, 2016 and 2015 are summarized below (in thousands):

	Fair Value Measurements at December 31, 2016			
	(Level 1)	(Level 2)	(Level 3)	Total
Cash	$ 4,338	$ -	$ -	$ 4,338
Short-term investments	3,342	-	-	3,342
Equity securities:				
Common stock	15,267	-	-	15,267
Fixed-income securities:				
Government securities	-	22,638	-	22,638
Corporate bonds	-	11,375	-	11,375
Mortgage-backed securities	-	12,208	-	12,208
Asset-backed securities and other	-	14,438	-	14,438
Total	$ 22,947	$ 60,659	$ -	$ 83,606
Assets held at NAV practical expedient [1]				
Equity commingled funds — domestic				59,353
Equity commingled funds — international				55,957
Total equity commingled funds				115,310
Fixed-income commingled funds				51,063
Real estate funds				10,263
Total Plan benefits				$ 260,242

[1] Equity commingled funds, fixed income commingled funds, and real estate funds for which fair value is measured using the NAV per share as a practical expedient are not leveled within the fair value hierarchy and are included as a reconciling item to total investments.

	Fair Value Measurements at December 31, 2015			
	(Level 1)	(Level 2)	(Level 3)	Total
Short-term investments	$ 7,464	$ -	$ -	$ 7,464
Equity securities:				
Common stock	16,749	-	-	16,749
Fixed-income securities:				
Government securities	-	18,508	-	18,508
Corporate bonds	-	12,512	-	12,512
Mortgage-backed securities	-	14,943	-	14,943
Asset-backed securities and other	-	17,054	-	17,054
Total	$ 24,213	$ 63,017	$ -	$ 87,230
Assets held at NAV practical expedient [(1)]				
Equity commingled funds — domestic				57,344
Equity commingled funds — international				51,611
Total equity commingled funds				108,955
Fixed-income commingled funds				49,439
Real estate funds				18,323
Total Plan assets				$ 263,947

(1) Equity commingled funds, fixed income commingled funds, and real estate funds for which fair value is measured using the NAV per share as a practical expedient are not leveled within the fair value hierarchy and are included as a reconciling item to total investments.

Cash — Cash held by the Plan is classified as Level 1 investment.

Short-term investments — These investments consist of money market funds that are valued at cost plus interest and are classified as Level 1 investments.

Common stock — This investment class consists of common shares issued by U.S. and non-U.S. corporations. Common shares are traded actively on exchanges and price quotes are readily available. Holdings of common shares are classified as Level 1 investments.

Equity commingled funds — Domestic and international equity securities consisting of common and preferred stock are held in commingled funds, which have daily NAVs derived from quoted prices for the underlying securities in active markets; these are valued using the NAV practical expedient method.

Fixed-income securities — This investment class consists of government securities, corporate bonds, mortgage-backed securities, and asset-backed securities. Inputs to the valuation methodology include quoted prices for similar assets in active markets and inputs that are observable for the asset, either directly or indirectly, for substantially the full term of the asset. Multiple prices and price types are obtained from pricing vendors whenever possible, which enables cross-provider validations. The Company obtains an understanding of how these prices are derived, including the nature and observability of the inputs used in deriving such prices. Fixed-income securities are classified as Level 2.

Fixed-income commingled funds — Certain fixed-income securities are held in commingled funds, which have daily NAVs derived from the underlying securities; these valued using the NAV practical expedient method.

Real estate funds — The value of the real estate fund is reported by the fund manager and is based on a valuation of the underlying properties. The fund's administrator provides a NAV for the fund. Inputs used in the valuation include items such as cost, discounted future cash flows, independent appraisals, and market-based comparable data. The real estate fund is valued using the NAV practical expedient method.

The Plan's investments in certain entities where the fair value is measured by NAV per share are summarized below as of December 31, 2016 and 2015 (in thousands):

	2016	2015	Redemption Frequency	Redemption Notice Period
Equity commingled funds — domestic	$ 59,353	$ 57,344	As needed	3–5 days
Equity commingled funds — international	55,957	51,611	As needed	3–4 days
Fixed-income commingled funds	51,063	49,439	As needed	3–5 days
Real estate funds	10,263	18,323	As needed	45 days
Total	$ 176,636	$ 176,717		

There are no unfunded commitments for the Plan's investments in certain entities where the fair value is measured by NAV per share.

5. FEDERAL INCOME TAX STATUS

The Company and the plan administrator believe that the Plan, in form and operation, complies with the applicable requirements of the Internal Revenue Code of 1986, as amended (the "Code"), and that the Plan and related trust continue to be tax exempt. On February 12, 2014, the Internal Revenue Service issued a favorable determination letter to the Plan indicating that, in its opinion, the terms of the Plan conform to the requirements of Section 401(a) of the Code. Therefore, no provision for income taxes has been included in the Plan's financial statements.

GAAP requires plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. The plan administrator has analyzed the tax positions taken by the Plan and has concluded that as of December 31, 2016 and 2015, there are no uncertain tax positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The plan administrator believes the Plan is no longer subject to income tax examinations for years prior to 2014.

6. PLAN TERMINATION

The Plan may be terminated by the Company's Board of Directors. If the Plan is terminated (partially or fully), the net assets of the Plan will be distributed to participants in order of priority determined in accordance with ERISA and its applicable regulations and with the plan document.

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

Whether all participants receive benefits should the Plan be terminated at some future time will depend on the sufficiency, at that time, of the Plan's net assets to provide these benefits, the priority of those benefits to be paid, and the level and type of benefits guaranteed by the PBGC at that time. Some benefits may be fully or partially provided for by the existing assets and the PBGC guarantee, while other benefits may not be provided for at all.

7. EXEMPT RELATED PARTY TRANSACTIONS

Certain funds are managed by JPMorgan Chase, which also serves as the trustee of the Plan; therefore, these transactions qualify as party-in-interest transactions. Fees paid by the Plan to JPMorgan Chase are included as a reduction of the return on the funds. At December 31, 2016 and December 31, 2015, the administrative fees paid to JPMorgan Chase were $329 thousand and $392 thousand, respectively.

8. SUBSEQUENT EVENTS

For the year ended December 31, 2016, subsequent events were evaluated through

October 10, 2017, which is the date that the financial statements were available to be issued.

* * * * * *

SUPPLEMENTAL SCHEDULES

MCKESSON CORPORATION RETIREMENT PLAN

EIN 94-3207296

FORM 5500, SCHEDULE H, PART IV, LINE 4i-1
SCHEDULE OF ASSETS (HELD AT END OF YEAR)
AS OF DECEMBER 31, 2016

SEE ATTACHED LISTING

MCKESSON CORPORATION RETIREMENT PLAN

EIN 94-3207296

FORM 5500, SCHEDULE H, PART IV, LINE 4i-2
SCHEDULE OF ASSETS (ACQUIRED AND DISPOSED OF WITHIN THE YEAR)
YEAR ENDED DECEMBER 31, 2016

SEE ATTACHED LISTING

IDENTITY OF ISSUE, BORROWER, LESSOR	DESCRIPTION OF INVESTMENT	SHARES / PAR	COST	CURRENT VALUE
NONINTEREST-BEARING CASH				
CASH CASH		4,334,353.160	4,334,353	4,334,353
TOTAL NONINTEREST-BEARING CASH			4,334,353	4,334,353
GENERAL INVESTMENTS				
U.S. GOVERNMENT SECURITIES				
3128S4CH8 FHLMC MORTPASS ARM 01/APR/2036 1Q PN# 1Q	MONTHLY FLOATING 04/01/2036	28,452.920	28,493	30,206
3128NHRU9 FHLMC MORTPASS ARM 01/DEC/2036 1J PN# 1J	MONTHLY FLOATING 12/01/2036	64,337.320	65,745	69,535
3128QGLN0 FHLMC MORTPASS ARM 01/DEC/2036 1N PN# 1N	MONTHLY FLOATING 12/01/2036	16,791.800	16,800	17,712
3128NH4L4 FHLMC MORTPASS ARM 01/JUN/2037 1J PN# 1J	MONTHLY FLOATING 06/01/2037	40,473.260	41,566	42,771
3128NKEJ1 FHLMC MORTPASS ARM 01/SEP/2037 1J PN# 1J	MONTHLY FLOATING 09/01/2037	127,757.360	130,911	135,944
3128M6WB0 FHLMCGLD MORTPASS 6% 01/OCT/2038 G0 PN#	MONTHLY 6.000% 10/01/2038	39,737.130	42,972	45,646
31411E2N6 FNMA MORTPASS ARM 01/JAN/2037 S1 PN# 906	MONTHLY FLOATING 01/01/2037	23,432.100	23,487	24,831
31403DVS5 FNMA MORTPASS ARM 01/SEP/2036 LB PN# 745	MONTHLY FLOATING 09/01/2036	27,677.660	27,874	29,039
31410FR56 FNMA MORTPASS ARM 01/SEP/2036 WD PN# 888	MONTHLY FLOATING 09/01/2036	28,782.260	29,169	30,221
31374CNV4 FNMA MORTPASS 5.5% 01/AUG/2037 ZL PN# 31	MONTHLY 5.500% 08/01/2037	141,448.010	155,902	158,654

IDENTITY OF ISSUE, BORROWER, LESSOR	DESCRIPTION OF INVESTMENT SHARES / PAR	COST	CURRENT VALUE
31402RJV2 FNMA MORTPASS 5% 01/JUL/2035 CL PN# 7356	MONTHLY 5.000% 07/01/2035 247,713.130	269,388	271,811
31418MEC2 FNMA MORTPASS 6.5% 01/AUG/2039 CL PN# AD	MONTHLY 6.500% 08/01/2039 16,421.540	17,925	18,579
31416BQA9 FNMA MORTPASS 6.5% 01/OCT/2038 CL PN# 99	MONTHLY 6.500% 10/01/2038 62,980.200	69,170	71,279
31402CVW9 FNMA MORTPASS 6% 01/MAR/2034 CL PN# 7252	MONTHLY 6.000% 03/01/2034 142,178.620	157,152	163,495
31418MU34 FNMA MORTPASS 6% 01/SEP/2037 CL PN# AD06	MONTHLY 6.000% 09/01/2037 95,333.620	104,048	108,205
912810RT7 UNITED STATES OF AMERICA BOND FIXED 2.25	SEMI-ANN. 2.250% 08/15/2046 150,000.000	139,735	126,123
912810RS9 UNITED STATES OF AMERICA BOND FIXED 2.5%	SEMI-ANN. 2.500% 05/15/2046 2,775,000.000	2,799,803	2,466,059
912810QK7 UNITED STATES OF AMERICA BOND FIXED 3.87	SEMI-ANN. 3.875% 08/15/2040 2,700,000.000	3,110,906	3,100,032
912828XB1 UNITED STATES OF AMERICA NOTES FIXED 2.1	SEMI-ANN. 2.125% 05/15/2025 4,500,000.000	4,417,207	4,411,395
912828UN8 UNITED STATES OF AMERICA NOTES FIXED 2%	SEMI-ANN. 2.000% 02/15/2023 7,150,000.000	7,075,316	7,091,084
TOTAL U.S. GOVERNMENT SECURITIES		18,723,568	18,412,620
CORPORATE DEBT INSTRUMENTS: PREFERRED			

931142CM3 WAL-MART STORES INC NOTES FIXED 6.2% 15/	SEMI-ANN. 6.200% 04/15/2038 235,000.000	299,493	309,775
RATINGS: AA2 AA			
TOTAL CORPORATE DEBT INSTRUMENTS: PREFERRED		299,493	309,775

IDENTITY OF ISSUE, BORROWER, LESSOR	DESCRIPTION OF INVESTMENT	SHARES / PAR			COST	CURRENT VALUE
CORPORATE DEBT INSTRUMENTS: ALL OTHER						
942683AH6 ACTAVIS INC CALLABLE NOTES FIXED 4.625%	SEMI-ANN.	4.625%	10/01/2042	150,000.000	142,988	145,253
001406AB3 AIM AVIATION FINANCE LTD 2015-1A B1 STEP	MONTHLY	FLOATING	02/15/2040	299,821.460	299,821	288,578
02005ACW6 ALLY MASTER OWNER TRUST 2012-5 A 1.54% 1	MONTHLY	1.540%	09/15/2019	100,000.000	99,971	100,142
037833BX7 APPLE INC CALLABLE NOTES FIXED 4.65% 23/	SEMI-ANN.	4.650%	02/23/2046	305,000.000	303,644	329,354
04010LAR4 ARES CAPITAL CORP CALLABLE NOTES FIXED 3	SEMI-ANN.	3.625%	01/19/2022	320,000.000	318,845	310,218
04685A2A8 ATHENE GLOBAL FUNDING MEDIUM TERM NOTE F	SEMI-ANN.	2.875%	10/23/2018	340,000.000	339,769	339,874
05357HAJ9 AVENTURA MALL TRUST 2013-AVM 2013-AVM C	MONTHLY	FLOATING	12/05/2032	250,000.000	248,677	258,353
05377RBB9 AVIS BUDGET RENTAL CAR FUNDING AESOP LLC	MONTHLY	2.100%	03/20/2019	1,085,000.000	1,084,516	1,086,111
054303BA9 AVON PRODUCTS INC CALLABLE NOTES FIXED 7	SEMI-ANN.	FLOATING	03/15/2023	355,000.000	353,472	336,008
054303AZ5 AVON PRODUCTS INC CALLABLE NOTES FIXED 8	SEMI-ANN.	FLOATING	03/15/2043	305,000.000	291,801	267,638
05524HAJ7 BAMLL COMMERCIAL MORTGAGE SECURITIES TRU	MONTHLY	FLOATING	09/15/2026	440,000.000	440,000	439,241
05490AAC7 BB-UBS TRUST 2012-TFT B VARIABLE 05/JUN/	MONTHLY	FLOATING	06/05/2030	600,000.000	602,086	590,805
05529SAJ8 BBCMS TRUST 2013-TYSN 2013-TYSN B 4.0447	MONTHLY	4.044%	09/05/2032	310,000.000	319,055	324,199
05543BAA6 BCC FUNDING VIII LLC 2014-1A A 1.794% 20	MONTHLY	1.794%	06/20/2020	54,652.170	54,652	54,618
05550YAL2 BLCP HOTEL TRUST 2014-CLRN D FLOATING 15	MONTHLY	FLOATING	08/15/2029	595,000.000	595,000	587,897

IDENTITY OF ISSUE, BORROWER, LESSOR	DESCRIPTION OF INVESTMENT SHARES / PAR	COST	CURRENT VALUE
12189LAP6 BURLINGTON NORTHERN SANTA FE LLC CALLABL	SEMI-ANN. 5.150% 09/01/2043 285,000.000	303,004	327,308
05606YAQ5 BXHTL 2015-JWRZ MORTGAGE TRUST 2015-JWRZ	MONTHLY FLOATING 05/15/2029 520,000.000	520,000	517,389
139742AF7 CAPITAL AUTO RECEIVABLES ASSET TRUST 201	MONTHLY 2.660% 04/22/2019 390,000.000	389,983	391,162
13975DAF2 CAPITAL AUTO RECEIVABLES ASSET TRUST 201	MONTHLY 2.790% 10/22/2018 210,000.000	209,971	211,421
14310RAA4 CARLYLE GLOBAL MARKET STRATEGIES COMMODI	QUARTERLY FLOATING 10/15/2021 239,473.690	239,474	187,987
12505JAB9 CBL & ASSOCIATES LP CALLABLE NOTES FIXED	SEMI-ANN. 4.600% 10/15/2024 270,000.000	269,933	253,082
12505JAA1 CBL & ASSOCIATES LP CALLABLE NOTES FIXED	SEMI-ANN. 5.250% 12/01/2023 360,000.000	356,299	353,981
12508FAE8 CDGJ COMMERCIAL MORTGAGE TRUST 2014-BXCH	MONTHLY FLOATING 12/15/2027 405,000.000	405,000	403,475
12508FAG3 CDGJ COMMERCIAL MORTGAGE TRUST 2014-BXCH	MONTHLY FLOATING 12/15/2027 135,657.900	135,658	135,913
12528PAD4 CG-CCRE COMMERCIAL MORTGAGE TRUST 2014-F	MONTHLY FLOATING 11/15/2031 786,000.000	784,838	788,722
12528LAE1 CGBAM COMMERCIAL MORTGAGE TRUST 2014-HD	MONTHLY FLOATING 02/15/2031 110,000.000	110,000	107,767
12528LAG6 CGBAM COMMERCIAL MORTGAGE TRUST 2014-HD	MONTHLY FLOATING 02/15/2031 330,000.000	330,000	322,803
12532LAA3 CGGS COMMERCIAL MORTGAGE TRUST 2016-RND	MONTHLY 2.757% 02/10/2033 530,000.000	529,996	533,385
166430AA6 CHESTERFIELD FINANCIAL HOLDINGS LLC 2014	QUARTERLY 4.500% 12/15/2034 336,610.000	336,610	334,446
17319WAG4 CITIGROUP COMMERCIAL MORTGAGE TRUST 2013	MONTHLY 2.435% 01/12/2030 130,000.000	133,248	129,767
17325CAA3 CITIGROUP COMMERCIAL MORTGAGE TRUST 2016	MONTHLY 2.228% 09/10/2031 390,000.000	389,997	380,194

IDENTITY OF ISSUE, BORROWER, LESSOR	DESCRIPTION OF INVESTMENT	SHARES / PAR	COST	CURRENT VALUE
12625EAA7 COMM 2013-SFS MORTGAGE TRUST 2013-SFS A1	MONTHLY 1.872% 04/12/2035	153,726.700	153,726	150,927
212168AA6 CONTINENTAL WIND LLC CALLABLE NOTES FIXE	SEMI-ANN. 6.000% 02/28/2033	252,660.190	252,660	264,164
22003BAG1 CORPORATE OFFICE PROPERTIES LP CALLABLE	SEMI-ANN. 3.600% 05/15/2023	1,150,000.000	1,094,207	1,106,576
22533QAC6 CREDIT ACCEPTANCE AUTO LOAN TRUST 2014-2	MONTHLY 2.670% 09/15/2022	640,000.000	639,886	642,577
238791AB3 DAVINCIRE HOLDINGS LTD CALLABLE NOTES FI	SEMI-ANN. 4.750% 05/01/2025	695,000.000	689,169	670,717
25272KAG8 DIAMOND 1 FINANCE CORP / DIAMOND 2 FINAN	SEMI-ANN. 5.450% 06/15/2023	265,000.000	264,886	281,096
25272KAK9 DIAMOND 1 FINANCE CORP / DIAMOND 2 FINAN	SEMI-ANN. 6.020% 06/15/2026	325,000.000	324,844	352,073
26207UAF6 DRIVE AUTO RECEIVABLES TRUST 2015-B 2015	MONTHLY 2.760% 07/15/2021	580,000.000	579,920	583,696
26223UAD1 DRUG ROYALTY II LP 2 2014-1 A2 3.484% 15	QUARTERLY 3.484% 07/15/2023	231,700.400	231,697	230,116
26224HAA5 DRUG ROYALTY III LP 1 2016-1A A 3.979% 1	QUARTERLY 3.979% 04/15/2027	316,870.430	316,867	313,894
26971HAC6 EAGLE I LTD 2014-1A B 5.29% 15/DEC/2039	MONTHLY 5.290% 12/15/2039	279,999.940	279,983	270,900
26827EAA3 ECAF I LTD 2015-1A A1 3.473% 15/JUN/2040	MONTHLY 3.473% 06/15/2040	429,397.630	429,398	428,109
28140TAA6 EDUCATION REALTY OPERATING PARTNERSHIP L	SEMI-ANN. 4.600% 12/01/2024	410,000.000	409,963	408,003
29082AAA5 EMBRAER SA CALLABLE NOTES FIXED 5.15% 15	SEMI-ANN. 5.150% 06/15/2022	390,000.000	392,231	404,886
29100XAA3 EMERALD AVIATION FINANCE LTD 2013-1 A ST	MONTHLY FLOATING 10/15/2038	308,416.690	307,633	312,657
26885KAJ9 EQTY 2014-INNS MORTGAGE TRUST 2014-INNS	MONTHLY FLOATING 05/08/2031	210,000.000	210,000	207,825

IDENTITY OF ISSUE, BORROWER, LESSOR	DESCRIPTION OF INVESTMENT	SHARES / PAR	COST	CURRENT VALUE
30217AAA1 EXPERIAN FINANCE PLC CALLABLE NOTES FIXE	SEMI-ANN. 2.375% 06/15/2017	285,000.000	286,234	286,003
304071AA1 FAIRFAX US INC CALLABLE NOTES FIXED 4.87	SEMI-ANN. 4.875% 08/13/2024	595,000.000	576,109	581,970
34528QBR4 FORD CREDIT FLOORPLAN MASTER OWNER TRUST	MONTHLY 2.860% 01/15/2019	390,000.000	389,878	390,216
30291DAB2 FRS I LLC 2013-1A A2 3.08% 15/APR/2043	MONTHLY 3.080% 04/15/2043	435,215.980	435,212	427,036
302635AB3 FS INVESTMENT CORP CALLABLE NOTES FIXED	SEMI-ANN. 4.250% 01/15/2020	705,000.000	702,920	709,279
37890RAF2 GLOBAL CONTAINER ASSETS LTD 2015-1A B 4.	MONTHLY 4.500% 02/05/2030	612,367.900	612,164	588,496
37953RAA7 GLOBAL CONTAINER ASSETS 2013-1 LTD 2013-	MONTHLY 2.200% 11/05/2028	.010	0	0
384780AA0 GRAIN SPECTRUM FUNDING II LLC CALLABLE N	SEMI-ANN. 3.290% 10/10/2034	186,189.800	186,190	185,521
36192QAG9 GS MORTGAGE SECURITIES CORP II 2012-TMSQ	MONTHLY 3.409% 12/10/2030	600,000.000	549,492	575,648
36193AAA6 GS MORTGAGE SECURITIES CORP II 2013-KING	MONTHLY 2.706% 12/10/2027	440,147.410	453,346	445,322
36248PAL4 GS MORTGAGE SECURITIES CORP TRUST 2014-N	MONTHLY 3.790% 01/10/2031	620,000.000	604,838	612,931
36251HAJ1 GS MORTGAGE SECURITIES CORP TRUST 2016-I	MONTHLY FLOATING 02/15/2033	250,000.000	250,000	253,142
40963KAA4 HANA SMALL BUSINESS LENDING LOAN TRUST 2	MONTHLY FLOATING 01/25/2040	137,909.480	134,934	134,655
448578AL8 HYATT HOTEL PORTFOLIO TRUST 2015-HYT 201	MONTHLY FLOATING 11/15/2029	370,000.000	370,000	371,388
44890LAF1 HYUNDAI AUTO RECEIVABLES TRUST 2013-B 20	MONTHLY 1.710% 02/15/2019	310,000.000	309,892	310,809
462590HW3 IOWA STUDENT LOAN LIQUIDITY CORP 2011-1	QUARTERLY FLOATING 06/25/2042	279,099.580	263,438	277,877

IDENTITY OF ISSUE, BORROWER, LESSOR	DESCRIPTION OF INVESTMENT			SHARES / PAR	COST	CURRENT VALUE
48125LRF1 JPMORGAN CHASE BANK NA CALLABLE BOND FIX	SEMI-ANN.	1.450%	09/21/2018	365,000.000	364,828	363,401
524ESCXA3 LEHMAN BROTHERS HOLDINGS INC BOND FIXED	SEMI-ANN.	5.857%	12/31/2049	70,000.000	67,361	0
524ESC7M6 LEHMAN BROTHERS HOLDINGS INC BOND FIXED	SEMI-ANN.	6.750%	12/28/2017	270,000.000	248,414	338
524ESCR36 LEHMAN BROTHERS HOLDINGS INC MEDIUM TERM	SEMI-ANN.	6.500%	07/19/2017	110,000.000	102,000	0
55259PAD8 M&I MARSHALL & ILSLEY BANK NOTES FIXED 5	SEMI-ANN.	5.000%	01/17/2017	95,000.000	96,900	95,101
RATINGS: BAA1 BBB-						
56501RAC0 MANULIFE FINANCIAL CORP CALLABLE NOTES F	SEMI-ANN.	4.150%	03/04/2026	155,000.000	154,623	161,822
55314QAE7 MMAF EQUIPMENT FINANCE LLC 2012-A 2012-A	MONTHLY	1.980%	06/10/2032	600,000.000	599,861	603,219
61205PAK5 MONTANA HIGHER EDUCATION STUDENT ASSISTA	MONTHLY	FLOATING	05/20/2030	268,062.220	264,468	268,306
617453AV7 MORGAN STANLEY CAPITAL I TRUST 2006-IQ11	MONTHLY	FLOATING	10/15/2042	166,617.390	175,430	166,870
62942QBC6 NEW RESIDENTIAL ADVANCE RECEIVABLES TRUS	MONTHLY	2.575%	10/15/2049	620,000.000	620,000	612,645
65252VAA7 NEWTEK SMALL BUSINESS LOAN TRUST 2014-1	MONTHLY	FLOATING	04/25/2040	457,788.030	457,788	463,609
65341KAB2 NEXTGEAR FLOORPLAN MASTER OWNER TRUST 20	MONTHLY	2.610%	10/15/2019	460,000.000	459,875	459,489
658262GE4 NORTH CAROLINA STATE EDUCATION ASSISTANC	MONTHLY	FLOATING	07/25/2039	173,247.200	172,844	170,709
62942QAX1 NRZ ADVANCE RECEIVABLES TRUST ADVANCE RE	MONTHLY	2.751%	06/15/2049	180,000.000	180,000	179,325
675757AA6 ODEBRECHT DRILLING NORBE VIII/IX LTD CAL	SEMI-ANN.	6.350%	06/30/2022	135,850.000	140,944	60,793
67576GAB3 ODEBRECHT OFFSHORE DRILLING FINANCE LTD	QUARTERLY	6.625%	10/01/2023	252,166.000	252,156	72,551

IDENTITY OF ISSUE, BORROWER, LESSOR	DESCRIPTION OF INVESTMENT			SHARES / PAR	COST	CURRENT VALUE
67576GAA5 ODEBRECHT OFFSHORE DRILLING FINANCE LTD	QUARTERLY	6.750%	10/01/2023	218,712.000	218,699	57,959
68267YAA8 ONEMAIN FINANCIAL ISSUANCE TRUST 2014-1	MONTHLY	2.430%	06/18/2024	168,975.080	168,972	168,983
68268BAB5 ONEMAIN FINANCIAL ISSUANCE TRUST 2014-2	MONTHLY	3.020%	09/18/2024	210,000.000	210,000	209,915
68268EAB9 ONEMAIN FINANCIAL ISSUANCE TRUST 2015-1	MONTHLY	3.850%	03/18/2026	350,000.000	349,917	350,288
708062AA2 PENNANTPARK INVESTMENT CORP CALLABLE NOT	SEMI-ANN.	4.500%	10/01/2019	590,000.000	591,885	592,272
717081EA7 PFIZER INC CALLABLE NOTES FIXED 3% 15/DE	SEMI-ANN.	3.000%	12/15/2026	425,000.000	421,379	419,560
69335PCB9 PFS FINANCING CORP 2016-BA A 1.87% 15/OC	MONTHLY	1.870%	10/15/2021	410,000.000	409,992	405,900
80283DAE1 SANTANDER DRIVE AUTO RECEIVABLES TRUST 2	MONTHLY	1.950%	03/15/2019	85,547.190	82,867	85,681
80283HAE2 SANTANDER DRIVE AUTO RECEIVABLES TRUST 2	MONTHLY	3.250%	01/15/2020	152,118.130	152,094	153,108
78403DAC4 SBA TOWER TRUST CALLABLE NOTES FIXED 2.9	MONTHLY	2.933%	12/09/2042	340,000.000	340,000	340,352
81618TAC4 SELECT INCOME REIT CALLABLE NOTES FIXED	SEMI-ANN.	4.500%	02/01/2025	680,000.000	681,510	657,193
82321UAA1 SHENTON AIRCRAFT INVESTMENT I LTD 2015-1	MONTHLY	4.750%	10/15/2042	598,217.570	592,475	601,030
78447UAF7 SMART ABS SERIES 2013-2US TRUST 2013-2US	MONTHLY	1.180%	02/14/2019	170,235.320	170,229	169,691
840555CZ7 SOUTH TEXAS HIGHER EDUCATION AUTHORITY I	QUARTERLY	FLOATING	10/01/2024	275,000.000	265,915	271,700
84861CAA3 SPIRIT MASTER FUNDING LLC 2014-4A A1 3.5	MONTHLY	3.501%	01/20/2045	405,000.000	404,254	393,566
84860XAB6 SPIRIT MASTER FUNDING VII LLC 2013-2A A	MONTHLY	5.268%	12/20/2043	206,460.850	206,457	211,946

IDENTITY OF ISSUE, BORROWER, LESSOR	DESCRIPTION OF INVESTMENT	SHARES / PAR	COST	CURRENT VALUE
85172KAB4 SPRINGLEAF FUNDING TRUST 2014-A 2014-AA	MONTHLY 3.450% 12/15/2022	370,000.000	369,886	370,780
86212UAB2 STORE MASTER FUNDING LLC 2013-1A A2 4.65	MONTHLY 4.650% 03/20/2043	197,014.180	196,948	193,361
86212WAB8 STORE MASTER FUNDING LLC 2013-2A A2 5.33	MONTHLY 5.330% 07/20/2043	369,095.900	369,033	385,417
86213AAB5 STORE MASTER FUNDING LLC 2013-3A A2 5.21	MONTHLY 5.210% 11/20/2043	342,734.540	342,540	350,660
86213BAA5 STORE MASTER FUNDING LLC 2014-1A A1 4.21	MONTHLY 4.210% 04/20/2044	463,929.270	463,906	459,631
87407PAN0 TAL ADVANTAGE V LLC 2014-2A A1 1.7% 20/M	MONTHLY 1.700% 05/20/2039	34,062.460	34,059	33,685
87407PAR1 TAL ADVANTAGE V LLC 2014-3A A 3.27% 21/N	MONTHLY 3.270% 11/21/2039	229,583.310	229,505	219,157
88314RAC0 TEXTAINER MARINE CONTAINERS III LTD 2014	MONTHLY 3.270% 10/20/2039	407,333.420	407,196	387,613
89400PAG8 TRANSURBAN FINANCE CO PTY LTD CALLABLE N	SEMI-ANN. 3.375% 03/22/2027	350,000.000	347,459	330,712
90269PAA9 UBS-BAMLL TRUST 2012-WRM A 3.663% 10/JUN	MONTHLY 3.663% 06/10/2030	330,000.000	336,578	337,099
917546HX4 UTAH STATE BOARD OF REGENTS 2011-1 A2 FL	QUARTERLY FLOATING 05/01/2029	81,915.460	79,768	81,959
91830MAG1 VNDO 2013-PENN MORTGAGE TRUST 2013-PENN	MONTHLY FLOATING 12/13/2029	330,000.000	337,771	345,179
94988MAA8 WELLS FARGO COMMERCIAL MORTGAGE TRUST 20	MONTHLY 3.544% 04/16/2035	190,000.000	195,693	195,443
92890XAE7 WFCG COMMERCIAL MORTGAGE TRUST 2015-BXRP	MONTHLY FLOATING 11/15/2029	421,799.240	421,272	419,696
TOTAL CORPORATE DEBT INSTRUMENTS: ALL OTHER			37,395,774	36,493,308

IDENTITY OF ISSUE, BORROWER, LESSOR	DESCRIPTION OF INVESTMENT	SHARES / PAR	COST	CURRENT VALUE
COMMON				
000361105 AAR CORP COMMON STOCK USD 1		1,225.000	31,691	40,486
004225108 ACADIA PHARMACEUTICALS INC COMMON STOCK		6,004.000	169,100	173,155
004239109 ACADIA REALTY TRUST REIT USD 0.001		1,945.000	34,630	63,563
006855100 ADEPTUS HEALTH INC COMMON STOCK USD 0.01		727.000	39,752	5,554
00762W107 ADVISORY BOARD CO/THE COMMON STOCK USD 0		4,010.000	168,736	133,333
00771V108 AERIE PHARMACEUTICALS INC COMMON STOCK U		1,191.000	23,156	45,079
035290105 ANIXTER INTERNATIONAL INC COMMON STOCK U		710.000	26,964	57,546
04316A108 ARTISAN PARTNERS ASSET MANAGEMENT INC CO	USD 0.01	2,375.000	81,372	70,656
045327103 ASPEN TECHNOLOGY INC COMMON STOCK USD 0.		1,956.000	71,745	106,954
049164205 ATLAS AIR WORLDWIDE HOLDINGS INC COMMON	0.01	1,275.000	50,475	66,491
05379B107 AVISTA CORP COMMON STOCK USD 0		795.000	16,743	31,792
059692103 BANCORPSOUTH INC COMMON STOCK USD 2.5		3,100.000	62,667	96,255
073685109 BEACON ROOFING SUPPLY INC COMMON STOCK U		1,800.000	69,612	82,926
090572207 BIO-RAD LABORATORIES INC COMMON STOCK US		375.000	13,415	68,355
05566U108 BOFI HOLDING INC COMMON STOCK USD 0.01		11,779.000	250,461	336,290

IDENTITY OF ISSUE, BORROWER, LESSOR	DESCRIPTION OF INVESTMENT	SHARES / PAR	COST	CURRENT VALUE
100557107 BOSTON BEER CO INC/THE	COMMON STOCK USD	550.000	74,528	93,418
128195104 CALATLANTIC GROUP INC		2,432.990	59,090	82,746
14057J101 CAPITOL FEDERAL FINANCIAL INC	COMMON STO 0.01	2,650.000	31,581	43,619
16359R103 CHEMED CORP	COMMON STOCK USD 1	575.000	58,500	92,236
171604101 CHUY'S HOLDINGS INC	COMMON STOCK USD 0.0	3,827.000	109,026	124,186
207410101 CONMED CORP	COMMON STOCK USD 0.01	1,975.000	81,637	87,236
21871D103 CORELOGIC INC/UNITED STATES	COMMON STOCK	2,250.000	84,413	82,868
22002T108 CORPORATE OFFICE PROPERTIES TRUST	REIT U	940.000	39,640	29,347
22164K101 COTIVITI HOLDINGS INC	COMMON STOCK USD 0	6,503.000	150,312	223,703
237266101 DARLING INGREDIENTS INC		1,700.000	29,312	21,947
25456K101 DIPLOMAT PHARMACY INC	COMMON STOCK USD 0	5,911.000	107,701	74,479
25754A201 DOMINO'S PIZZA INC	COMMON STOCK USD 0.01	1,640.000	55,026	261,154
258278100 DORMAN PRODUCTS INC	COMMON STOCK USD 0.0	23.000	1,254	1,680
262037104 DRIL-QUIP INC	COMMON STOCK USD 0.01	515.000	31,498	30,926
233326107 DST SYSTEMS INC	COMMON STOCK USD 0.01	875.000	97,827	93,756
26613Q106 DUPONT FABROS TECHNOLOGY INC	REIT USD 0.	1,590.000	40,770	69,849

IDENTITY OF ISSUE, BORROWER, LESSOR	DESCRIPTION OF INVESTMENT	SHARES / PAR	COST	CURRENT VALUE
27579R104 EAST WEST BANCORP INC COMMON STOCK USD 0		2,735.000	40,733	139,020
278715206 EBIX INC COMMON STOCK USD 0.1		3,070.000	178,007	175,144
28140H203 EDUCATION REALTY TRUST INC REIT USD 0.01		1,307.670	40,448	55,314
29414B104 EPAM SYSTEMS INC COMMON STOCK USD 0.001		2,050.000	124,674	131,836
29978A104 EVERBRIDGE INC COMMON STOCK USD 0.001		10,809.000	172,033	199,426
317485100 FINANCIAL ENGINES INC COMMON STOCK USD 0		882.000	34,057	32,414
31787A507 FINISAR CORP COMMON STOCK USD 0.001		5,035.000	80,339	152,409
31847R102 FIRST AMERICAN FINANCIAL CORP COMMON STO	0.00001	2,225.000	88,695	81,502
33767E103 FIRSTSERVICE CORP COMMON STOCK CAD		8,200.000	234,274	389,336
351793104 FRANCESCA'S HOLDINGS CORP COMMON STOCK U		3,206.000	50,075	57,804
37637Q105 GLACIER BANCORP INC COMMON STOCK USD 0.0		2,630.000	51,565	95,285
L44385109 GLOBANT SA COMMON STOCK USD 1.2		3,141.000	107,089	104,752
38268T103 GOPRO INC COMMON STOCK USD 0.0001		8,313.000	121,747	72,406
395259104 GREENHILL & CO INC COMMON STOCK USD 0.01		2,400.000	95,717	66,480
G4095J109 GREENLIGHT CAPITAL RE LTD COMMON STOCK U		5,430.000	133,047	123,804
362393100 GTT COMMUNICATIONS INC COMMON STOCK USD		14,619.000	291,088	420,296

IDENTITY OF ISSUE, BORROWER, LESSOR	DESCRIPTION OF INVESTMENT	SHARES / PAR	COST	CURRENT VALUE
404030108 H&E EQUIPMENT SERVICES INC COMMON STOCK		3,897.000	75,365	90,605
422347104 HEARTLAND EXPRESS INC COMMON STOCK USD 0		2,325.000	46,246	47,337
422806109 HEICO CORP COMMON STOCK USD 0.01		4,295.000	232,149	331,359
G4388N106 HELEN OF TROY LTD COMMON STOCK USD 0.1		1,175.000	109,744	99,229
423452101 HELMERICH & PAYNE INC COMMON STOCK USD 0		360.000	5,522	27,864
431475102 HILL-ROM HOLDINGS INC COMMON STOCK USD 0		2,275.000	66,101	127,719
443320106 HUB GROUP INC COMMON STOCK USD 0.01		1,950.000	79,919	85,313
451107106 IDACORP INC COMMON STOCK USD 0		470.000	14,870	37,859
G47567105 IHS MARKIT LTD		.840	29	30
45384B106 INDEPENDENT BANK GROUP INC COMMON STOCK		1,790.000	73,569	111,696
457187102 INGREDION INC COMMON STOCK USD 0.01		910.000	26,747	113,714
45784P101 INSULET CORP COMMON STOCK USD 0.001		8,614.000	306,003	324,576
45826H109 INTEGER HOLDINGS CORP		2,025.000	74,312	59,636
457985208 INTEGRA LIFESCIENCES HOLDINGS CORP COMMO	USD 0.01	1,990.000	78,623	170,722
44980X109 IPG PHOTONICS CORP COMMON STOCK USD 0.00		1,912.000	157,699	188,734
47102X105 JANUS CAPITAL GROUP INC COMMON STOCK USD		5,850.000	48,070	77,630

IDENTITY OF ISSUE, BORROWER, LESSOR	DESCRIPTION OF INVESTMENT	SHARES / PAR	COST	CURRENT VALUE
485170302 KANSAS CITY SOUTHERN COMMON STOCK USD 0.		575.000	15,285	48,789
485865109 KATE SPADE & CO COMMON STOCK USD 1		2,785.000	34,307	51,996
48666K109 KB HOME COMMON STOCK USD 1		5,118.000	80,361	80,916
513847103 LANCASTER COLONY CORP COMMON STOCK USD 0		625.000	67,371	88,369
515098101 LANDSTAR SYSTEM INC COMMON STOCK USD 0.0		525.000	37,008	44,783
53223X107 LIFE STORAGE INC REIT USD 0.01		1,100.000	51,910	93,786
537008104 LITTELFUSE INC COMMON STOCK USD 0.01		725.000	89,073	110,033
55405Y100 MACOM TECHNOLOGY SOLUTIONS HOLDINGS INC		7,264.000	298,029	336,178
559079207 MAGELLAN HEALTH INC COMMON STOCK USD 0.0		882.000	51,550	66,371
58506Q109 MEDPACE HOLDINGS INC COMMON STOCK USD 0.		247.000	6,799	8,909
589433101 MEREDITH CORP COMMON STOCK USD 1		1,125.000	40,229	66,544
59001A102 MERITAGE HOMES CORP COMMON STOCK USD 0.0		1,975.000	85,761	68,730
59522J103 MID-AMERICA APARTMENT COMMUNITIES INC RE	0.01	755.000	40,512	73,930
596278101 MIDDLEBY CORP/THE COMMON STOCK USD 0.01		2,527.000	253,989	325,503
553530106 MSC INDUSTRIAL DIRECT CO INC COMMON STOC	0.001	530.000	9,411	48,967
624756102 MUELLER INDUSTRIES INC COMMON STOCK USD		1,565.000	23,953	62,537

IDENTITY OF ISSUE, BORROWER, LESSOR	DESCRIPTION OF INVESTMENT	SHARES / PAR	COST	CURRENT VALUE
639050103 NATUS MEDICAL INC COMMON STOCK USD 0.001		2,100.000	57,711	73,080
64115T104 NETSCOUT SYSTEMS INC COMMON STOCK USD 0.		3,250.000	94,182	102,375
G6583A102 NORD ANGLIA EDUCATION INC COMMON STOCK U		4,978.000	108,072	115,987
667655104 NORTHWEST NATURAL GAS CO COMMON STOCK US		375.000	16,558	22,425
670704105 NUVASIVE INC COMMON STOCK USD 0.001		1,600.000	41,790	107,776
675232102 OCEANEERING INTERNATIONAL INC COMMON STO	0.25	635.000	7,325	17,913
681116109 OLLIE'S BARGAIN OUTLET HOLDINGS INC COMM	USD 0.001	4,613.000	106,259	131,240
695263103 PACWEST BANCORP COMMON STOCK USD 0		2,296.010	69,365	124,995
699462107 PAREXEL INTERNATIONAL CORP COMMON STOCK		2,005.000	46,954	131,769
70438V106 PAYLOCITY HOLDING CORP COMMON STOCK USD		6,829.000	218,451	204,938
705573103 PEGASYSTEMS INC COMMON STOCK USD 0.01		3,890.000	43,196	140,040
72703H101 PLANET FITNESS INC COMMON STOCK USD 0.00		8,463.000	171,042	170,106
729132100 PLEXUS CORP COMMON STOCK USD 0.01		1,145.000	24,395	61,876
73278L105 POOL CORP COMMON STOCK USD 0.001		2,045.000	52,528	213,375
737010108 PORTOLA PHARMACEUTICALS INC COMMON STOCK		6,418.000	136,735	144,020
74112D101 PRESTIGE BRANDS HOLDINGS INC COMMON STOC		2,850.000	39,077	148,485

IDENTITY OF ISSUE, BORROWER, LESSOR	DESCRIPTION OF INVESTMENT SHARES / PAR	COST	CURRENT VALUE
743713109 PROTO LABS INC COMMON STOCK USD 0.001	1,077.000	65,380	55,304
74587V107 PUMA BIOTECHNOLOGY INC COMMON STOCK USD	2,691.000	185,276	82,614
74736K101 QORVO INC COMMON STOCK USD 0.0001	1,431.450	19,267	75,480

75606N109	REALPAGE INC COMMON STOCK USD 0.001		1,391.000	28,305	41,730
758750103	REGAL BELOIT CORP COMMON STOCK USD 0.01		540.000	22,440	37,395
74965L101	RLJ LODGING TRUST REIT USD		2,775.000	69,406	67,960
810186106	SCOTTS MIRACLE-GRO CO/THE COMMON STOCK U		1,450.000	48,558	138,548
81619Q105	SELECT MEDICAL HOLDINGS CORP COMMON STOC	0.001	4,805.000	64,034	63,666
82669G104	SIGNATURE BANK/NEW YORK NY COMMON STOCK		1,665.000	211,776	250,083
82982L103	SITEONE LANDSCAPE SUPPLY INC COMMON STOC		4,272.000	148,007	148,367
835898107	SOTHEBY'S COMMON STOCK USD 0.01		900.000	30,433	35,874
78463M107	SPS COMMERCE INC COMMON STOCK USD 0.001		1,971.000	113,364	137,753
852857200	STAMPS.COM INC COMMON STOCK USD 0.001		3,803.000	339,668	436,014
G84720104	STERIS PLC COMMON STOCK USD		1,615.000	42,974	108,835
860630102	STIFEL FINANCIAL CORP COMMON STOCK USD 0		2,835.000	90,109	141,608
M85548101	STRATASYS LTD COMMON STOCK USD 0.01		6,801.000	156,233	112,489

IDENTITY OF ISSUE, BORROWER, LESSOR	DESCRIPTION OF INVESTMENT	SHARES / PAR	COST	CURRENT VALUE
78486Q101 SVB FINANCIAL GROUP COMMON STOCK USD 0.0		1,550.000	64,428	266,073
87074U101 SWIFT TRANSPORTATION CO COMMON STOCK USD		2,000.000	54,192	48,720
879360105 TELEDYNE TECHNOLOGIES INC COMMON STOCK U		465.000	10,865	57,195
88224Q107 TEXAS CAPITAL BANCSHARES INC COMMON STOC		1,560.000	62,841	122,304
891092108 TORO CO/THE COMMON STOCK USD 1		1,850.000	8,271	103,508
88339J105 TRADE DESK INC/THE COMMON STOCK USD 0.00		230.000	6,707	6,364
89469A104 TREEHOUSE FOODS INC COMMON STOCK USD 0.0		750.000	40,156	54,143
90385D107 ULTIMATE SOFTWARE GROUP INC/THE COMMON S	0.01	1,663.000	277,941	303,248
90400D108 ULTRAGENYX PHARMACEUTICAL INC COMMON STO	0.001	1,690.000	124,066	118,824
902788108 UMB FINANCIAL CORP COMMON STOCK USD 1		1,050.000	64,107	80,976
904214103 UMPQUA HOLDINGS CORP COMMON STOCK USD 0		4,650.000	81,097	87,327
910710102 UNITED INSURANCE HOLDINGS CORP COMMON ST	0.0001	24.000	429	363
90337L108 US PHYSICAL THERAPY INC COMMON STOCK USD		2,293.000	130,192	160,969
922417100 VEECO INSTRUMENTS INC COMMON STOCK USD 0		2,125.000	66,371	61,944
92343X100 VERINT SYSTEMS INC COMMON STOCK USD 0.00		2,373.000	121,476	83,648
92828Q109 VIRTUS INVESTMENT PARTNERS INC COMMON ST	0.01	1,177.000	175,550	138,945

IDENTITY OF ISSUE, BORROWER, LESSOR	DESCRIPTION OF INVESTMENT SHARES / PAR	COST	CURRENT VALUE
928298108 VISHAY INTERTECHNOLOGY INC COMMON STOCK	6,050.000	83,108	98,010
930059100 WADDELL & REED FINANCIAL INC COMMON STOC	2,060.000	57,344	40,191
930427109 WAGEWORKS INC COMMON STOCK USD 0.001	2,841.000	136,909	205,973
94419L101 WAYFAIR INC COMMON STOCK USD 0.001	6,522.000	232,177	228,596
947890109 WEBSTER FINANCIAL CORP COMMON STOCK USD	2,985.000	76,703	162,026
97650W108 WINTRUST FINANCIAL CORP COMMON STOCK USD	1,825.000	77,114	132,440
N96617118 WRIGHT MEDICAL GROUP NV COMMON STOCK USD	2,413.000	51,113	55,451
983793100 XPO LOGISTICS INC COMMON STOCK USD 0.001	4,185.000	138,952	180,625
90214J101 2U INC COMMON STOCK USD 0.001	2,204.000	70,168	66,451
TOTAL COMMON		11,667,890	15,267,601
VALUE OF INTEREST IN COMMON/COLLECTIVE TRUSTS			

AAD9994N2 BLACKROCK MSCI EAFE EQUITY INDEX NON-LEN	2,068,409.040	42,000,000	41,851,084
89599L244 JPMCB STRATEGIC PROPERTY FUND	3,398.370	5,855,307	10,262,646
857997977 STATE STR S&P 500 INDEX	112,259.190	28,927,966	59,353,347
TOTAL VALUE OF INTEREST IN COMMON/COLLECTIVE TRUSTS		76,783,273	111,467,076

IDENTITY OF ISSUE, BORROWER, LESSOR	DESCRIPTION OF INVESTMENT			SHARES / PAR	COST	CURRENT VALUE
VALUE OF INTEREST IN REGISTERED INVESTMENT COMPANIES						
277997888 EATON VANCE PARAMETRIC STRUCTURED FUND				1,424,225.120	13,375,066	14,105,668
46699A9L2 JPMORGAN US GOVT MMKT FUND INST SHARES -	MONTHLY	VARIABLE	12/31/2049	3,341,835.990	3,341,836	3,341,836
543995625 LOOMIS SAYLES CORE PLUS FIXED INCOME TRU				4,479,244.900	48,952,862	51,063,392
TOTAL VALUE OF INTEREST IN REGISTERED INVESTMENT COMPANIES					65,669,764	68,510,896
GENERAL INVESTMENTS - OTHER						
STATE AND MUNICIPAL SECURITIES						
2511295D0 DETROIT MICH CITY SCH DIST TAXABLE-B-BUI	SEMI-ANN.	7.747%	05/01/2039	890,000.000	985,558	1,154,570
251130ED8 DETROIT MICH CITY SCH DIST TAXABLE-SCH B	SEMI-ANN.	6.845%	05/01/2040	430,000.000	456,282	461,154
57582RLY0 MASSACHUSETTS ST FOR ISSUES DTD PRIOR TO	SEMI-ANN.	5.000%	12/01/2033	425,000.000	487,564	500,246
645918W58 NEW JERSEY ECONOMIC DEV AUTH REV RFDG-SC	MONTHLY	FLOATING	03/01/2028	875,000.000	776,376	806,890
64972GMW1 NEW YORK N Y CITY MUN WTR FIN AUTH WTR &	SEMI-ANN.	5.000%	06/15/2046	630,000.000	695,098	715,850
717883TC6 PHILADELPHIA PA SCH DIST RFDG-SER F 16/N	SEMI-ANN.	5.000%	09/01/2027	200,000.000	218,332	220,506
717883LV2 PHILADELPHIA PA SCH DIST TAXABLE-SER A-Q	SEMI-ANN.	5.995%	09/01/2030	345,000.000	343,801	376,619
83754LAS6 SOUTH DAKOTA EDL ENHANCEMENT FDG CORP TO	SEMI-ANN.	3.539%	06/01/2022	280,000.000	280,579	283,004
888808DG4 TOBACCO SETTLEMENT FING CORP N J RFDG-SU	SEMI-ANN.	0.000%	06/01/2041	2,775,000.000	672,938	724,775

IDENTITY OF ISSUE, BORROWER, LESSOR	DESCRIPTION OF INVESTMENT SHARES / PAR	COST	CURRENT VALUE
888808DH2 TOBACCO SETTLEMENT FING CORP N J RFDG-SU	SEMI-ANN. 0.000% 06/01/2041 775,000.000	184,063	199,470
TOTAL STATE AND MUNICIPAL SECURITIES		5,100,589	5,443,084
OTHER SECURITIES			
LEHESCR LEHMAN ESCROW RECEIPT	24,609.380	0	3,199
TOTAL OTHER SECURITIES		0	3,199
TOTAL GENERAL INVESTMENTS - OTHER		5,100,589	5,446,283
TOTAL GENERAL INVESTMENTS		215,640,352	255,907,559

IDENTITY OF ISSUE, BORROWER, LESSOR	DESCRIPTION OF INVESTMENT SHARES / PAR	COST	CURRENT VALUE
OTHER LIABILITIES			
TOTAL PAYABLES FOR SECURITIES PURCHASED		(6,707)	(6,707)
TOTAL OTHER LIABILITIES		(6,707)	(6,707)

IDENTITY OF ISSUE, BORROWER, LESSOR	DESCRIPTION OF INVESTMENT SHARES / PAR			COST OF ACQUISITION	PROCEEDS FROM DISPOSITION
CORPORATE DEBT INSTRUMENTS					
63254AAM0 NATIONAL AUSTRALIA BANK LTD/NEW YORK MED	SEMI-ANN. 320,000.000	2.000%	01/14/2019	(319,203)	321,062
TOTAL CORPORATE DEBT INSTRUMENTS				(319,203)	321,062
COMMON					
651229106 NEWELL BRANDS INC	1,200.770			(8,334)	53,056
704699107 PEAPACK GLADSTONE FINANCIAL CORP COMMON	0 363.000			(7,478)	6,654
94106B101 WASTE CONNECTIONS INC	5,277.000			(261,665)	375,573
TOTAL COMMON				(277,477)	435,284
TOTAL GENERAL INVESTMENTS				(596,680)	756,346

Schedule SB Attachment (Form 5500)—2016 Plan Year
McKesson Corporation Retirement Plan
EIN: 94-3207296 PN: 001

Schedule SB, line 26—Schedule of Active Participant Data as of January 1, 2016

Number of Participants

Attained Age	Years of Credited Service									
	<1	1-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40+
<25										
25-29										
30-34				1						
35-39				5	2					
40-44	1	27	2	7	2	5	1			
45-49	1	47	23	8	8	18	6	1		
50-54		54	37	61	9	19	10	4	2	
55-59		42	49	69	11	12	14	5	4	
60-64	1	28	29	26	19	10	8	2	6	1
65-69		4	6	8	7	8	1			2
70+			1	4			1	1		

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Schedule SB Attachment (Form 5500)—2016 Plan Year
McKesson Corporation Retirement Plan
EIN: 94-3207296 PN: 001

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

For ERISA Requirements

Interest Rates for Minimum Funding Purposes	Based on segment rates with a four-month lookback (as of September 2015), each adjusted as needed to fall within the 25-year average interest rate stabilization corridor
1st Segment Rate	4.43%
2nd Segment Rate	5.91%
3rd Segment Rate	6.65%
Interest Rates for Maximum Tax Purposes	Based on segment rates with a four-month lookback (as of September 2015), without regard to interest rate stabilization
1st Segment Rate	1.34%
2nd Segment Rate	4.03%
3rd Segment Rate	5.06%
Optional Payment Form Election Percentage	McKesson and NDCHealth: 100% elect a Life Annuity Moore Medical: 50% elect a Lump Sum and 50% elect a 50% Joint and Survivor Annuity; for terminated vested participants, 100% elect a ten-year certain and life annuity
Optional Payment Form Conversion Interest Rate	Same as funding interest rate above for lump sums
Optional Payment Form Conversion Mortality	Current 417(e) table for lump sums
Retirement Age	
Active Participants	See Table 1
Terminated Vested Participants	Age 62
Mortality Rates	
Healthy and Disabled	2016 static mortality table for annuitants and non-annuitants per §1.430(h)(3)-1(e)
Withdrawal Rates	See Tables 2–3
Disability Rates	See Table 4

Decrement Timing	Middle of year decrements (except that retirement is assumed to occur at the beginning of the year for ages where the assumed retirement rate is 100%)
Surviving Spouse Benefit	It is assumed that 100% of males and 100% of females have an eligible spouse, and that males are Three years older than their spouses.
Benefit Limits	Projected benefits are limited by the current IRC section 415 maximum benefit of $210,000.
Valuation of Plan Assets	Smoothed fair market value of assets over the current and prior two years, adjusted for contributions, benefit payments, administrative expenses, and expected earnings. The average value of assets calculated in this manner is further limited to not less than 90% nor more than 110% of fair market value. A characteristic of this method is that the expected distribution of the value of plan assets is skewed toward understatement relative to the corresponding market values for expected long-term rates of return in excess of the third segment rate under IRC section 430(h)(2)(C)(iii).
Expected Return on Assets	
2014 Plan Year	6.75%
2015 Plan Year	6.25%
2016 Plan Year	6.25%
Trust Expenses Included in Target Normal Cost	$3,200,000
Actuarial Method	Standard unit credit cost method
Valuation Date	January 1, 2016

Table 1

Retirement Rates

Age	Rate
55	5.00%
56	5.00%
57	5.00%
58	10.00%
59	10.00%
60	10.00%
61	15.00%
62	15.00%
63	20.00%
64	20.00%
65	30.00%
66	30.00%
67	30.00%
68	50.00%
69	50.00%
70+	100.00%

Table 2—Page 1 of 2

Withdrawal Rates (Exempt)

	Years of Service		
Age	**0-1**	**2**	**3+**
15	25.00%	20.00%	13.20%
16	25.00%	20.00%	13.20%
17	25.00%	20.00%	13.20%
18	25.00%	20.00%	13.20%
19	25.00%	20.00%	13.20%
20	25.00%	20.00%	13.20%
21	25.00%	20.00%	13.20%
22	25.00%	20.00%	13.20%
23	25.00%	20.00%	13.20%
24	25.00%	20.00%	13.20%
25	25.00%	20.00%	13.20%
26	25.00%	20.00%	13.00%
27	25.00%	20.00%	12.80%
28	25.00%	20.00%	12.40%
29	25.00%	20.00%	12.00%
30	25.00%	20.00%	11.60%
31	25.00%	20.00%	11.20%
32	25.00%	20.00%	10.80%
33	25.00%	20.00%	10.40%
34	25.00%	20.00%	10.00%
35	25.00%	20.00%	9.60%
36	25.00%	20.00%	9.20%
37	25.00%	20.00%	8.80%
38	25.00%	20.00%	8.60%
39	25.00%	20.00%	8.40%
40	25.00%	20.00%	8.20%
41	24.00%	19.00%	8.00%
42	23.00%	18.00%	7.80%
43	22.00%	17.00%	7.60%
44	21.00%	16.00%	7.40%

Table 2—Page 2 of 2

Withdrawal Rates (Exempt)

	Years of Service		
Age	**0-1**	**2**	**3+**
45	20.00%	15.00%	7.20%
46	20.00%	15.00%	7.00%
47	20.00%	15.00%	6.80%
48	20.00%	15.00%	6.60%
49	20.00%	15.00%	6.40%
50	20.00%	15.00%	6.40%
51	20.00%	15.00%	6.00%
52	20.00%	15.00%	5.60%
53	20.00%	15.00%	5.20%
54	20.00%	15.00%	4.80%
55+	20.00%	15.00%	4.40%

Table 3—Page 1 of 2

Withdrawal Rates (Non-Exempt)

	Years of Service		
Age	**0-1**	**2**	**3+**
15	25.00%	20.00%	0.00%
16	25.00%	20.00%	0.00%
17	25.00%	20.00%	0.00%
18	25.00%	20.00%	16.40%
19	25.00%	20.00%	16.40%
20	25.00%	20.00%	16.40%
21	25.00%	20.00%	16.40%
22	25.00%	20.00%	16.40%
23	25.00%	20.00%	16.40%
24	25.00%	20.00%	16.40%
25	25.00%	20.00%	16.40%
26	25.00%	20.00%	16.00%
27	25.00%	20.00%	15.60%
28	25.00%	20.00%	15.20%
29	25.00%	20.00%	14.80%
30	25.00%	20.00%	14.40%
31	25.00%	20.00%	14.00%
32	25.00%	20.00%	13.60%
33	25.00%	20.00%	13.20%
34	25.00%	20.00%	12.80%
35	25.00%	20.00%	12.40%
36	25.00%	20.00%	12.00%
37	25.00%	20.00%	11.60%
38	25.00%	20.00%	11.20%
39	25.00%	20.00%	10.80%
40	25.00%	20.00%	10.40%
41	24.00%	19.00%	10.00%
42	23.00%	18.00%	9.60%
43	22.00%	17.00%	9.20%
44	21.00%	16.00%	8.80%

Table 3—Page 2 of 2

Withdrawal Rates (Non-Exempt)

	Years of Service		
Age	**0-1**	**2**	**3+**
45	20.00%	15.00%	8.40%
46	20.00%	15.00%	8.00%
47	20.00%	15.00%	7.60%
48	20.00%	15.00%	7.20%
49	20.00%	15.00%	6.80%
50	20.00%	15.00%	6.40%
51	20.00%	15.00%	6.00%
52	20.00%	15.00%	5.60%
53	20.00%	15.00%	5.20%
54	20.00%	15.00%	4.80%
55+	20.00%	15.00%	4.40%

Table 4

Disability Rates

Age	Male	Female	Age	Male	Female
15	0.10%	0.10%	45	0.50%	0.66%
16	0.10%	0.10%	46	0.50%	0.66%
17	0.10%	0.10%	47	0.50%	0.66%
18	0.10%	0.10%	48	0.50%	0.66%
19	0.10%	0.10%	49	0.50%	0.66%
20	0.10%	0.10%	50	1.00%	0.88%
21	0.10%	0.10%	51	1.00%	0.88%
22	0.10%	0.10%	52	1.00%	0.88%
23	0.10%	0.10%	53	1.00%	0.88%
24	0.10%	0.10%	54	1.00%	0.88%
25	0.10%	0.10%	55	1.62%	1.26%
26	0.10%	0.10%	56	1.62%	1.26%
27	0.10%	0.10%	57	1.62%	1.26%
28	0.10%	0.10%	58	1.62%	1.26%
29	0.10%	0.10%	59	1.62%	1.26%
30	0.10%	0.15%	60+	2.15%	1.33%
31	0.10%	0.15%			
32	0.10%	0.15%			
33	0.10%	0.15%			
34	0.10%	0.15%			
35	0.18%	0.30%			
36	0.18%	0.30%			
37	0.18%	0.30%			
38	0.18%	0.30%			
39	0.18%	0.30%			
40	0.24%	0.42%			
41	0.24%	0.42%			
42	0.24%	0.42%			
43	0.24%	0.42%			
44	0.24%	0.42%			

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 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

2016

This Form is Open to Public Inspection

Part I Annual Report Identification Information

For calendar plan year 2016 or fiscal plan year beginning 01/01/2016 and ending 12/31/2016

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.)
- ☒ 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
MCKESSON CORPORATION RETIREMENT PLAN

1b Three-digit plan number (PN) ▶ 001

1c Effective date of plan 01/01/1972

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)
MCKESSON CORPORATION

ONE POST STREET, 34TH FLOOR

SAN FRANCISCO CA 94104-5203

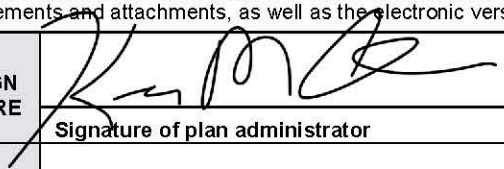
2b Employer Identification Number (EIN)
94-3207296

2c Plan Sponsor's telephone number
404-338-3040

2d Business code (see instructions)
424210

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		10.11.17	KEVIN CLOSE
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

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

Preparer's telephone number

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

MCKESSON CORPORATION EMPLOYEES BENEFITS MANAGEMENT COMMITTEE
TS MANAGEMENT COMMITTEE
ONE POST STREET, 30TH FLOOR

SAN FRANCISCO CA 94104-5203

3b Administrator's EIN: 94-3207296

3c Administrator's telephone number: 415-983-8689

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**	8,411
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)**	740
a(2)	Total number of active participants at the end of the plan year	**6a(2)**	626
b	Retired or separated participants receiving benefits	**6b**	4,603
c	Other retired or separated participants entitled to future benefits	**6c**	1,989
d	Subtotal. Add lines **6a(2)**, **6b**, and **6c**	**6d**	7,218
e	Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.	**6e**	896
f	Total. Add lines **6d** and **6e**	**6f**	8,114
g	Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	
h	Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	**6h**	0
7	Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	**7**	

8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions:
1A 1I 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)

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 2016 Form M-1 annual report. If the plan was not required to file the 2016 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_____

Plan Name	**McKesson Corporation Retirement Plan**
Plan Sponsor EIN	**94-3207296**
ERISA Plan No.	**001**
Plan Year End	**12/31/2016**

The required attachment noted below is included within the Accountant's Opinion attachment to the Form 5500 Schedule H, Part III, which consists of the entire Audit report issued by the Plan's Independent Qualified Public Accountant (IQPA).

Form/Schedule	Line Item	Description
5500 Schedule H	Line 4j	Schedule of Reportable Transactions

SCHEDULE SB (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Single-Employer Defined Benefit Plan Actuarial Information

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

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

OMB No. 1210-0110

2016

This Form is Open to Public Inspection

For calendar plan year 2016 or fiscal plan year beginning 01/01/2016 and ending 12/31/2016

▶ **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
MCKESSON CORPORATION RETIREMENT PLAN

B Three-digit plan number (PN) ▶ 001

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

D Employer Identification Number (EIN)
94-3207296

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

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

Part I Basic Information

1 Enter the valuation date: Month 01 Day 01 Year 2016

2 Assets:

a Market value	**2a**	265,068,058
b Actuarial value	**2b**	278,253,995

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	5,562	204,730,063	204,730,063
b For terminated vested participants	2,109	63,846,067	63,846,067
c For active participants	740	15,373,501	15,983,490
d Total	8,411	283,949,631	284,559,620

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**	5.90%
6 Target normal cost	**6**	3,200,000

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 Sukhjit Bhullar SB — Signature of actuary

09/26/2017 — Date

SUKHJIT S. BHULLAR — Type or print name of actuary

1707814 — Most recent enrollment number

AON CONSULTING, INC. — Firm name

415-486-7000 — Telephone number (including area code)

425 MARKET STREET, SUITE 2800

SAN FRANCISCO CA 94105 — Address of the firm

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

Part II Beginning of Year Carryover and Prefunding Balances

	(a) Carryover balance	(b) Prefunding balance
7 Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	0	0
8 Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	0
9 Amount remaining (line 7 minus line 8)	0	0
10 Interest on line 9 using prior year's actual return of -0.19%	0	0
11 Prior year's excess contributions to be added to prefunding balance:		
a Present value of excess contributions (line 38a from prior year)		33,906
b(1) Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of 6.12%		2,075
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		35,981
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)	0	0

Part III Funding Percentages

14 Funding target attainment percentage	14	97.78%
15 Adjusted funding target attainment percentage	15	97.78%
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	99.63%
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
04/14/2016	1,347,099	0			
07/14/2016	1,347,099	0			
10/14/2016	1,347,099	0			
01/11/2017	1,347,099	0			
03/20/2017	30,000,000	0			
09/14/2017	34,000,000	0			
			Totals ► 18(b)	69,388,396	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	64,018,394

20 Quarterly contributions and liquidity shortfalls:

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

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

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

Liquidity shortfall as of end of quarter of this plan year

(1) 1st	(2) 2nd	(3) 3rd	(4) 4th
0	0	0	0

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

21 Discount rate:

	1st segment:	2nd segment:	3rd segment:	
a Segment rates:	4.43 %	5.91 %	6.65%	☐ N/A, full yield curve used

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

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

Part VI Miscellaneous Items

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

Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years

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

Part VIII Minimum Required Contribution For Current Year

31 Target normal cost and excess assets (see instructions):			
a Target normal cost (line 6)	**31a**		3,200,000
b Excess assets, if applicable, but not greater than line 31a	**31b**		0
32 Amortization installments:		Outstanding Balance	Installment
a Net shortfall amortization installment		6,305,625	4,142,659
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**		7,342,659

	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**	7,342,659
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	**37**	64,018,394
38 Present value of excess contributions for current year (see instructions)		
a Total (excess, if any, of line 37 over line 36)	**38a**	56,675,735
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	**38b**	0
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	**39**	0
40 Unpaid minimum required contributions for all years	**40**	0

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

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

a Schedule elected ☐ 2 plus 7 years ☐ 15 years

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

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

Schedule SB Attachment (Form 5500)—2016 Plan Year
McKesson Corporation Retirement Plan
EIN: 94-3207296 PN: 001

Schedule SB, line 19—Discounted Employer Contributions

Year applied for contributions: 2016

Date	Amount	Days to Discount to 1/1/2016 at 5.90%	Interest Adjusted Contribution
April 14, 2016	$ 1,347,099	104	$ 1,325,334
July 14, 2016	1,347,099	195	1,306,578
October 14, 2016	1,347,099	287	1,287,886
January 11, 2017	1,347,099	376	1,270,057
March 20, 2017	30,000,000	444	27,984,632
September 14, 2017	34,000,000	622	30,843,907
Total Contribution	$ 69,388,396		$ 64,018,394

Schedule SB Attachment (Form 5500)—2016 Plan Year
McKesson Corporation Retirement Plan
EIN: 94-3207296 PN: 001

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

The average retirement age shown in line 22 has been calculated by assuming the following retirement rates and no decrements other than retirement for this calculation. All retirements are assumed to occur at mid-year, except for the 100% retirement age.

(a) Age	(b) Rate	(c) Weight	(d) Product (a) × (b) × (c)
55.5	5.00%	1.0000	2.78
56.5	5.00%	0.9500	2.68
57.5	5.00%	0.9025	2.59
58.5	10.00%	0.8574	5.02
59.5	10.00%	0.7716	4.59
60.5	10.00%	0.6945	4.20
61.5	15.00%	0.6250	5.77
62.5	15.00%	0.5313	4.98
63.5	20.00%	0.4516	5.74
64.5	20.00%	0.3613	4.66
65.5	30.00%	0.2890	5.68
66.5	30.00%	0.2023	4.04
67.5	30.00%	0.1416	2.87
68.5	50.00%	0.0991	3.40
69.5	50.00%	0.0496	1.72
70	100.00%	0.0248	1.73
		Weighted Average	62.45

Schedule SB, Part V—Summary of Plan Provisions
Plan Provisions

Effective Date	January 1, 1972. Amended and restated as of January 1, 2008. Plan most recently amended (Amendment No. 5) effective September 1, 2015.
Eligibility	Regular employees not covered by a union who attained age 21 and completed one year of service hired prior to December 31, 1996 (the freeze date). Includes Armor All employees for service prior to the sale of Armor All, effective December 31, 1996. Includes Ephrata employees for service prior to the Sale of Ephrata Diamond Spring Water Company, effective December 31, 2003. Includes former participants in the Moore Medical Corporation Plan as of December 31, 2006 and former participants in the NDCHealth Plan as of December 31, 2007.
Normal Retirement	
Eligibility	Termination of employment on or after the normal retirement date.
Benefit	Monthly retirement allowance determined as of normal retirement date. Benefits are frozen as of the freeze date.

Early Retirement	
Eligibility	Attainment of age 55 and the completion of 10 years of service (five years for Moore Medical and 15 years for NDCHealth).
Benefit	The monthly early retirement benefit is calculated as the normal retirement benefit, reduced by multiplying the following factors: (1) 0.3% for each month between age 65 and normal retirement date, subtracted from 100%, and further multiplied by; (2) 0.3% for each month that early retirement precedes age 65, subtracted from 100%. Ephrata reduction: 0.5% for each month for the first five years and 0.25% for each month for the next five years that early retirement precedes normal retirement. Moore Medical reduction: 1/15 for each of the first five years and 1/30 for each of the next five years that early retirement precedes normal retirement. NDCHealth reduction: 5/9 of 1% for each of the first 60 months and 5/18 of 1% for the next 60 months. The offset benefit is also reduced actuarially for each additional month retirement precedes Social Security retirement age.
Deferred Vested Benefit	
Eligibility	Termination with five years of service.
Benefit	The amount of the deferred vested benefit equals the accrued pension payable at normal retirement date, or reduced by multiplying the following factors: (1) 0.3% for each month between age 65 and normal retirement date, subtracted from 100%, and further multiplied by; (2) 0.5% for each month between the date payments commence and age 65, subtracted from 100%. Reductions for former Ephrata, Moore Medical and NDCHealth participants are the same as for early retirement.

Late Retirement	
Eligibility	Any time after eligibility for normal retirement.
Benefit	McKesson and NDCHealth: The monthly late retirement benefit is calculated as the normal retirement benefit, using credited service and final average earnings as of the earlier of the late retirement date and the freeze date. Moore Medical: Actuarial equivalent increase.
Disability	
Eligibility	Attainment of age 35 or after completing five years of service. Moore Medical participants: Total and permanent disability for six consecutive months. NDCHealth participants: Rate of 40 (age plus service), eligible for LTD plan, and total and permanent disability for 12 consecutive months.
Benefit	If eligible for Social Security disability, the benefit is determined in the same manner as the monthly pension benefit with the following exceptions: Creditable service continues to accrue to the earlier of the freeze date and normal retirement age; earnings for final average pay during disability will be computed by using the annual rate at the time of disability; covered compensation is determined at the earlier of the freeze date and the time of disability. If not eligible for Social Security disability, then no benefit is earned during disability. Vesting service, however, continues to accrue. Moore Medical participants: Monthly pension benefit for life with 10 years certain. NDCHealth participants: Credited service cease accrual. However, earnings are projected level forward to age 65 from the amount earned in the year-preceding disablement.

Preretirement Spouse Benefit

Eligibility	Death while eligible for deferred vested, early, normal, or late retirement benefits, with a surviving spouse. Ephrata participants: death regardless of existence of a surviving spouse.
Benefit	Monthly preretirement spouse benefit shall be determined as follows: (1) For a participant who dies after age 50 with 10 years of service, age 65 with five years of service, or 10 years of service and age plus service of 60 or more at the date of death, the spouse receives a benefit equal to 50% of the amount that would have been payable to the participant as a single life annuity, determined as if the first day of the month following his death were his normal retirement date. (2) For a participant with age plus service at date of death equals 51 or more, with 10 or more years of service, and not eligible for (1) above, the spouse receives the benefit described in (1), reduced 10% multiplied by the amount by which the sum of age plus service is less than 60. (3) For vested participants not eligible for any of the above benefits, the spouse receives a benefit equals 50% of the accrued pension, reduced to a 50% contingent annuity basis, and reduced for early retirement at age 55, payable commencing on the date the participant would have attained age 55, had he survived. Ephrata, Moore Medical and NDCHealth preretirement survivor benefit shall be the amount payable as a survivor annuity under the joint and 50% survivor annuity provisions if the participant had terminated on the date of death, retired at the earliest retirement age, and then died.

Normal Form of Payment

Married Participants	50% joint and survivor annuity.
Unmarried Participants	Life annuity. Moore Medical participants: Life annuity with 10 years certain.

Optional Form of Payment	100%, 75%, 66⅔%, or 50% joint and survivor annuity, a level income annuity, or (for married participant) a life annuity; lump sum (up to $10,000). Ephrata optional forms also include a life annuity with 5 year and 10 year certain periods and lump sums less than $10,000, but exclude the level income annuity and the 100% joint and survivor annuity. Moore Medical optional forms include 15, 10 or 5 year certain and life annuities and also a lump sum payment option, but exclude the level income annuity and the 66⅔% joint and survivor annuity. NDCHealth optional forms also include 10 year certain and life a lump sum payment option (up to $5,000) but excludes the level income annuity and the 66⅔% joint and survivor annuity.
Definitions	
Plan Year	January 1 to December 31.
Service	All continuous employment, (back to original date of hire for acquisitions) determined under the elapsed time method.
Creditable Service	Full year for plan year participant is credited with 2000 or more hours of service. Partial years equal to ratio of hours of service credited in plan year 2000. Creditable service was frozen on the freeze date.
Covered Compensation	The 35-year average of Social Security wage bases ending in the year Social Security retirement age is attained.
Compensation	Compensation includes scheduled base pay, bonuses, overtime pay, and commissions paid during the calendar year. Effective January 1, 1994, compensation cannot exceed $150,000, as indexed. For participants whose earnings exceeded this amount prior to 1994, there is a minimum benefit equal to the December 31, 1993 accrued benefit plus the formula benefit for service after January 1, 1994.

Final Average Pay	(1) Average monthly compensation of the five consecutive years out of the last 15 years when compensation were highest. If an employee worked for less than five years, the average of compensation during the period of employment is used. (2) Final average pay was frozen on the freeze date.
Normal Retirement Date	First of the month coinciding with or next following the Social Security retirement age with five years of service. First of the month following age 65 for Ephrata and Moore Medical and NDCHealth.
Retirement Allowance	0.9% of final average pay up to covered compensation plus 1.4% of final average pay over covered compensation, times creditable service up to 30 years. Not less than the benefit accrued to December 31, 1989 under the prior formula.
Monthly Ephrata Pension Benefit	Sum of 1% of average monthly compensation for each year of service. Benefit accruals were frozen as of April 15, 1999. Effective April 15, 1999, all participants are 100% vested in their accrued benefit.
Monthly Moore Medical Pension Benefit	1.25% of average annual compensation plus 0.6% of average annual compensation in excess of covered compensation per year of credited service, to a maximum of 25 years. Calculated at the earlier of separation from service or the freeze date.
Contributions	All contributions are made by the company, employee contributions are not required.
Actuarial Equivalent	Factors listed in Appendix 1 for joint and survivor annuities. For other forms, based on the applicable mortality table and applicable interest rate under section 417(e)(3) for the fourth month preceding the first day of the calendar year.

Monthly NDCHealth Pension Benefit	1.65% of final average earnings (FAE) per year of credited service (up to 35 years) less 0.75% of the participant's integration level per year of credited service (up to 35 years) reduced by 5/9 of 1% for each month retirement precedes the participant's Social Security normal retirement age. The amount above is based on credited service at July 31, 1998, FAE and integration level at December 31, 1998 and multiplied by the ratio of FAE at June 1, 2003 to FAE at December 31, 1998.
Freeze Date	December 31, 1996; April 15, 1999 for Ephrata; April 1, 2004 for Moore Medical; July 31, 1998 for NDCHealth.
Changes	Effective December 31, 2006, the Moore Medical Corporation Defined Benefit Pension Plan was merged into the McKesson Corporation Retirement Plan. Effective December 31, 2007, the NDC Health Corporation Employees' Retirement Plan was merged into the Retirement Plan.
Integration Level (NDCHealth)	The lesser of the three-year final average FICA compensation (highest consecutive three calendar years) and covered compensation determined as of the date of termination. Frozen as of December 31, 1998. (1) NDCHealth: Total compensation actually paid during a calendar year plus 401(k) contributions and section 125 deferrals limited by the IRC section 401(a)(17) limit for purposes of determining retirement benefit. Compensation after June 30, 2003 is not considered. (2) NDCHealth: Average of the highest five consecutive annual earnings during the last 10 years preceding termination (or December 31, 1998 if earlier).

Plan Changes Since the Prior Year

The January 1, 2016 funding valuation reflects the following plan changes:

- A change in the mortality basis for lump sum payments from the 2015 plan year 417(e)(3) mortality table to the 2016 plan year 417(e)(3) mortality table.

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

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

Plan Name	**McKesson Corporation Retirement Plan**
Plan Sponsor EIN	**94-3207296**
ERISA Plan No.	**001**
Plan Year End	**12/31/2016**

The required attachment noted below is included within the Accountant's Opinion attachment to the Form 5500 Schedule H, Part III, which consists of the entire Audit report issued by the Plan's Independent Qualified Public Accountant (IQPA).

Form/Schedule	Line Item	Description
5500 Schedule H	Line 4i	Schedule of Assets (Held at End of Year)

Schedule SB Attachment (Form 5500)—2016 Plan Year
McKesson Corporation Retirement Plan
EIN: 94-3207296 PN: 001

Schedule SB, line 32—Schedule of Amortization Bases

Type of Base	Present Value of Installment	Date Established	Years Remaining	Amortization Installment
Shortfall	$ 15,697,885	January 1, 2011	2	$ 8,019,029
Shortfall	$ (12,097,033)	January 1, 2012	3	$ (4,208,341)
Shortfall	$ 255,631	January 1, 2013	4	$ 68,121
Shortfall	$ (487,145)	January 1, 2014	5	$ (106,053)
Shortfall	$ (5,260,275)	January 1, 2015	6	$ (984,361)
Shortfall	$ 8,196,562	January 1, 2016	7	$ 1,354,264