

|                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                         |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------|
| <b>Form 5500</b><br><br>Department of the Treasury<br>Internal Revenue Service<br><br>Department of Labor<br>Employee Benefits Security<br>Administration<br><br>Pension Benefit Guaranty Corporation | <b>Annual Return/Report of Employee Benefit Plan</b><br><br>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).<br><br><b>▶ Complete all entries in accordance with the instructions to the Form 5500.</b> | OMB Nos. 1210-0110<br>1210-0089<br><br><b>2016</b><br><br><b>This Form is Open to Public Inspection</b> |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------|

|                                                                                                          |                                                                                                                  |                                                                                                                                                                                 |                                           |
|----------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------|
| <b>Part I</b>                                                                                            | <b>Annual Report Identification Information</b>                                                                  |                                                                                                                                                                                 |                                           |
| For calendar plan year 2016 or fiscal plan year beginning <u>01/01/2016</u> and ending <u>12/31/2016</u> |                                                                                                                  |                                                                                                                                                                                 |                                           |
| <b>A</b> This return/report is for:                                                                      | <input type="checkbox"/> a multiemployer plan                                                                    | <input type="checkbox"/> a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions.) |                                           |
|                                                                                                          | <input checked="" type="checkbox"/> a single-employer plan                                                       | <input type="checkbox"/> a DFE (specify) ____                                                                                                                                   |                                           |
| <b>B</b> This return/report is:                                                                          | <input type="checkbox"/> the first return/report                                                                 | <input type="checkbox"/> the final return/report                                                                                                                                |                                           |
|                                                                                                          | <input checked="" type="checkbox"/> an amended return/report                                                     | <input type="checkbox"/> a short plan year return/report (less than 12 months)                                                                                                  |                                           |
| <b>C</b> If the plan is a collectively-bargained plan, check here. ....                                  | <input type="checkbox"/>                                                                                         |                                                                                                                                                                                 |                                           |
| <b>D</b> Check box if filing under:                                                                      | <input checked="" type="checkbox"/> Form 5558                                                                    | <input type="checkbox"/> automatic extension                                                                                                                                    | <input type="checkbox"/> the DFVC program |
|                                                                                                          | <input checked="" type="checkbox"/> special extension (enter description) <u>IRS/DOL HURRICANE HARVEY RELIEF</u> |                                                                                                                                                                                 |                                           |

|                                                                                                         |                                                                |                                          |                   |
|---------------------------------------------------------------------------------------------------------|----------------------------------------------------------------|------------------------------------------|-------------------|
| <b>Part II</b>                                                                                          | <b>Basic Plan Information</b> —enter all requested information |                                          |                   |
| <b>1a</b> Name of plan                                                                                  | <u>BAE SYSTEMS EMPLOYEES' SAVINGS AND INVESTMENT PLAN</u>      | <b>1b</b> Three-digit plan number (PN) ▶ | <u>003</u>        |
|                                                                                                         |                                                                | <b>1c</b> Effective date of plan         | <u>01/01/1987</u> |
| <b>2a</b> Plan sponsor's name (employer, if for a single-employer plan)                                 |                                                                |                                          |                   |
| Mailing address (include room, apt., suite no. and street, or P.O. Box)                                 |                                                                |                                          |                   |
| City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions) |                                                                |                                          |                   |
| <u>BAE SYSTEMS, INC.</u>                                                                                |                                                                |                                          |                   |
| <u>1101 WILSON BLVD., SUITE 2000</u>                                                                    |                                                                |                                          |                   |
| <u>ARLINGTON, VA 22209</u>                                                                              |                                                                |                                          |                   |
|                                                                                                         | <b>2b</b> Employer Identification Number (EIN)                 | <u>22-3537950</u>                        |                   |
|                                                                                                         | <b>2c</b> Plan Sponsor's telephone number                      | <u>703-312-6100</u>                      |                   |
|                                                                                                         | <b>2d</b> Business code (see instructions)                     | <u>336410</u>                            |                   |

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

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

|                                                                                                                              |                                                   |                   |                                                              |
|------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------|-------------------|--------------------------------------------------------------|
| <b>SIGN HERE</b>                                                                                                             | Filed with authorized/valid electronic signature. | <u>05/08/2018</u> | <u>CHANDRA CHUDAMANI</u>                                     |
|                                                                                                                              | <b>Signature of plan administrator</b>            | Date              | Enter name of individual signing as plan administrator       |
| <b>SIGN HERE</b>                                                                                                             |                                                   |                   |                                                              |
|                                                                                                                              | <b>Signature of employer/plan sponsor</b>         | Date              | Enter name of individual signing as employer or plan sponsor |
| <b>SIGN HERE</b>                                                                                                             |                                                   |                   |                                                              |
|                                                                                                                              | <b>Signature of DFE</b>                           | 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                                  |
| <u>CATHY PERKA</u><br><u>5500TAX GROUP, INC.</u><br><br><u>2951 MARINA BAY DRIVE 130-288</u><br><u>LEAGUE CITY, TX 77573</u> |                                                   |                   | <u>281-538-8494</u>                                          |

For Paperwork Reduction Act Notice, see the Instructions for Form 5500.

Form 5500 (2016)  
v. 160205

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>3a</b> Plan administrator's name and address <input type="checkbox"/> Same as Plan Sponsor<br>BAE SYSTEMS ADMINISTRATIVE COMMITTEE<br><br>1101 WILSON BLVD., SUITE 2000<br>ARLINGTON, VA 22209                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | <b>3b</b> Administrator's EIN<br>52-2267705<br><br><b>3c</b> Administrator's telephone number<br>703-312-6100                                                                                                                                                                                                                                                                                                                                                                                                         |
| <b>4</b> 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:<br><b>a</b> Sponsor's name                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | <b>4b</b> EIN<br><br><b>4c</b> PN                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>5</b> Total number of participants at the beginning of the plan year                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | <b>5</b> 45112                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>6</b> Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines <b>6a(1)</b> , <b>6a(2)</b> , <b>6b</b> , <b>6c</b> , and <b>6d</b> ).<br><br><b>a(1)</b> Total number of active participants at the beginning of the plan year.....<br><b>a(2)</b> Total number of active participants at the end of the plan year .....<br><br><b>b</b> Retired or separated participants receiving benefits.....<br><b>c</b> Other retired or separated participants entitled to future benefits .....<br><b>d</b> Subtotal. Add lines <b>6a(2)</b> , <b>6b</b> , and <b>6c</b> .....<br><b>e</b> Deceased participants whose beneficiaries are receiving or are entitled to receive benefits. ....<br><b>f</b> Total. Add lines <b>6d</b> and <b>6e</b> .....<br><br><b>g</b> Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) .....<br><br><b>h</b> Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested ..... | <b>6a(1)</b> 30223<br><b>6a(2)</b> 30136<br><b>6b</b> 286<br><b>6c</b> 13990<br><b>6d</b> 44412<br><b>6e</b> 343<br><b>6f</b> 44755<br><b>6g</b> 41766<br><b>6h</b> 301                                                                                                                                                                                                                                                                                                                                               |
| <b>7</b> Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item).....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | <b>7</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>8a</b> If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions:<br>2E 2F 2G 2K 2J 2R 2S 2T 3F 3H<br><br><b>b</b> If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>9a</b> Plan funding arrangement (check all that apply)<br>(1) <input type="checkbox"/> Insurance<br>(2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts<br>(3) <input checked="" type="checkbox"/> Trust<br>(4) <input type="checkbox"/> General assets of the sponsor                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | <b>9b</b> Plan benefit arrangement (check all that apply)<br>(1) <input type="checkbox"/> Insurance<br>(2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts<br>(3) <input checked="" type="checkbox"/> Trust<br>(4) <input type="checkbox"/> General assets of the sponsor                                                                                                                                                                                                                         |
| <b>10</b> Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>a Pension Schedules</b><br>(1) <input checked="" type="checkbox"/> <b>R</b> (Retirement Plan Information)<br><br>(2) <input type="checkbox"/> <b>MB</b> (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary<br><br>(3) <input type="checkbox"/> <b>SB</b> (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | <b>b General Schedules</b><br>(1) <input checked="" type="checkbox"/> <b>H</b> (Financial Information)<br>(2) <input type="checkbox"/> <b>I</b> (Financial Information – Small Plan)<br>(3) <input type="checkbox"/> <u>0</u> <b>A</b> (Insurance Information)<br>(4) <input checked="" type="checkbox"/> <b>C</b> (Service Provider Information)<br>(5) <input checked="" type="checkbox"/> <b>D</b> (DFE/Participating Plan Information)<br>(6) <input type="checkbox"/> <b>G</b> (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 \_\_\_\_\_

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

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

|                                                                                           |                                                                    |
|-------------------------------------------------------------------------------------------|--------------------------------------------------------------------|
| <b>A</b> Name of plan<br><b>BAE SYSTEMS EMPLOYEES' SAVINGS AND INVESTMENT PLAN</b>        | <b>B</b> Three-digit plan number (PN) ▶ <b>003</b>                 |
| <b>C</b> Plan sponsor's name as shown on line 2a of Form 5500<br><b>BAE SYSTEMS, INC.</b> | <b>D</b> Employer Identification Number (EIN)<br><b>22-3537950</b> |

|               |                                                        |
|---------------|--------------------------------------------------------|
| <b>Part I</b> | <b>Service Provider Information (see instructions)</b> |
|---------------|--------------------------------------------------------|

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>(b)</b> Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation<br><b>GALLIARD CAPITAL MANAGEMENT, INC.</b> |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------|

**41-1813702**

|                                                                                                                                                  |                                                              |
|--------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------|
| <b>(b)</b> Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation<br><b>GLOBAL TRUST COMPANY</b> | <b>12 GILL STREET, SUITE 2600</b><br><b>WOBURN, MA 01801</b> |
|--------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------|

|                                                                                                                                             |
|---------------------------------------------------------------------------------------------------------------------------------------------|
| <b>(b)</b> Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation<br><b>DODGE &amp; COX</b> |
|---------------------------------------------------------------------------------------------------------------------------------------------|

**94-1441976**

|                                                                                                                                                 |
|-------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>(b)</b> Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation<br><b>TOUCHSTONE ADVISORS</b> |
|-------------------------------------------------------------------------------------------------------------------------------------------------|

**31-1394672**

---

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

---

---

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

---

---

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

---

---

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

---

---

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

---

---

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

---

---

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

---

---

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

---

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

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

FINANCIAL ENGINES INC.

94-3250323

| <b>(b)</b><br>Service Code(s) | <b>(c)</b><br>Relationship to employer, employee organization, or person known to be a party-in-interest | <b>(d)</b><br>Enter direct compensation paid by the plan. If none, enter -0-. | <b>(e)</b><br>Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | <b>(f)</b><br>Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | <b>(g)</b><br>Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | <b>(h)</b><br>Did the service provider give you a formula instead of an amount or estimated amount? |
|-------------------------------|----------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------|
| 26 28 99                      | NONE                                                                                                     | 4671115                                                                       | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>                                         | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>                                                                   | 1137454                                                                                                                                                                                | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>                                 |

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

DODGE & COX

94-1441976

| <b>(b)</b><br>Service Code(s) | <b>(c)</b><br>Relationship to employer, employee organization, or person known to be a party-in-interest | <b>(d)</b><br>Enter direct compensation paid by the plan. If none, enter -0-. | <b>(e)</b><br>Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | <b>(f)</b><br>Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | <b>(g)</b><br>Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | <b>(h)</b><br>Did the service provider give you a formula instead of an amount or estimated amount? |
|-------------------------------|----------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------|
| 28                            | NONE                                                                                                     | 1819057                                                                       | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>                                         | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>                                                                   | 0                                                                                                                                                                                      | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>                                 |

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

TIME SQUARE CAPITAL MANAGEMENT LLC

20-1665304

| <b>(b)</b><br>Service Code(s) | <b>(c)</b><br>Relationship to employer, employee organization, or person known to be a party-in-interest | <b>(d)</b><br>Enter direct compensation paid by the plan. If none, enter -0-. | <b>(e)</b><br>Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | <b>(f)</b><br>Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | <b>(g)</b><br>Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | <b>(h)</b><br>Did the service provider give you a formula instead of an amount or estimated amount? |
|-------------------------------|----------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------|
| 28                            | NONE                                                                                                     | 1806616                                                                       | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>                                         | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>                                                                   | 0                                                                                                                                                                                      | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>                                 |

**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>(b)</b><br>Service Code(s) | <b>(c)</b><br>Relationship to employer, employee organization, or person known to be a party-in-interest | <b>(d)</b><br>Enter direct compensation paid by the plan. If none, enter -0-. | <b>(e)</b><br>Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | <b>(f)</b><br>Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | <b>(g)</b><br>Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | <b>(h)</b><br>Did the service provider give you a formula instead of an amount or estimated amount? |
|-------------------------------|----------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------|
| 15 99                         | NONE                                                                                                     | 863364                                                                        | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>                                         | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>                                                                   | 0                                                                                                                                                                                      | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>                                 |

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

GROOM LAW GROUP

52-1219029

| <b>(b)</b><br>Service Code(s) | <b>(c)</b><br>Relationship to employer, employee organization, or person known to be a party-in-interest | <b>(d)</b><br>Enter direct compensation paid by the plan. If none, enter -0-. | <b>(e)</b><br>Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | <b>(f)</b><br>Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | <b>(g)</b><br>Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | <b>(h)</b><br>Did the service provider give you a formula instead of an amount or estimated amount? |
|-------------------------------|----------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------|
| 29                            | NONE                                                                                                     | 512483                                                                        | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>                                         | Yes <input type="checkbox"/> No <input type="checkbox"/>                                                                              |                                                                                                                                                                                        | Yes <input type="checkbox"/> No <input type="checkbox"/>                                            |

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

STATE STREET BANK AND TRUST COMPANY

04-1867445

| <b>(b)</b><br>Service Code(s) | <b>(c)</b><br>Relationship to employer, employee organization, or person known to be a party-in-interest | <b>(d)</b><br>Enter direct compensation paid by the plan. If none, enter -0-. | <b>(e)</b><br>Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | <b>(f)</b><br>Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | <b>(g)</b><br>Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | <b>(h)</b><br>Did the service provider give you a formula instead of an amount or estimated amount? |
|-------------------------------|----------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------|
| 10 19 21 25 62 99             | NONE                                                                                                     | 481297                                                                        | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>                                         | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>                                                                   | 0                                                                                                                                                                                      | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>                                 |

**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)

AON HEWITT INVESTMENT CONSULTING

36-3109431

| <b>(b)</b><br>Service Code(s) | <b>(c)</b><br>Relationship to employer, employee organization, or person known to be a party-in-interest | <b>(d)</b><br>Enter direct compensation paid by the plan. If none, enter -0-. | <b>(e)</b><br>Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | <b>(f)</b><br>Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | <b>(g)</b><br>Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | <b>(h)</b><br>Did the service provider give you a formula instead of an amount or estimated amount? |
|-------------------------------|----------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------|
| 27 70                         | NONE                                                                                                     | 125000                                                                        | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>                                         | Yes <input type="checkbox"/> No <input type="checkbox"/>                                                                              |                                                                                                                                                                                        | Yes <input type="checkbox"/> No <input type="checkbox"/>                                            |

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

KPMG LLP

13-5565207

| <b>(b)</b><br>Service Code(s) | <b>(c)</b><br>Relationship to employer, employee organization, or person known to be a party-in-interest | <b>(d)</b><br>Enter direct compensation paid by the plan. If none, enter -0-. | <b>(e)</b><br>Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | <b>(f)</b><br>Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | <b>(g)</b><br>Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | <b>(h)</b><br>Did the service provider give you a formula instead of an amount or estimated amount? |
|-------------------------------|----------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------|
| 10                            | NONE                                                                                                     | 63350                                                                         | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>                                         | Yes <input type="checkbox"/> No <input type="checkbox"/>                                                                              |                                                                                                                                                                                        | Yes <input type="checkbox"/> No <input type="checkbox"/>                                            |

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

PERSHING LLC

13-2741729

| <b>(b)</b><br>Service Code(s) | <b>(c)</b><br>Relationship to employer, employee organization, or person known to be a party-in-interest | <b>(d)</b><br>Enter direct compensation paid by the plan. If none, enter -0-. | <b>(e)</b><br>Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | <b>(f)</b><br>Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | <b>(g)</b><br>Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | <b>(h)</b><br>Did the service provider give you a formula instead of an amount or estimated amount? |
|-------------------------------|----------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------|
| 59 61                         | NONE                                                                                                     | 0                                                                             | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>                                         | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>                                                                   | 57861                                                                                                                                                                                  | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>                                 |

**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)

PEGGY EDGE, CPA

26-4527814

| <b>(b)</b><br>Service Code(s) | <b>(c)</b><br>Relationship to employer, employee organization, or person known to be a party-in-interest | <b>(d)</b><br>Enter direct compensation paid by the plan. If none, enter -0-. | <b>(e)</b><br>Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | <b>(f)</b><br>Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | <b>(g)</b><br>Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | <b>(h)</b><br>Did the service provider give you a formula instead of an amount or estimated amount? |
|-------------------------------|----------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------|
| 10 15 49                      | NONE                                                                                                     | 46200                                                                         | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>                                         | Yes <input type="checkbox"/> No <input type="checkbox"/>                                                                              |                                                                                                                                                                                        | Yes <input type="checkbox"/> No <input type="checkbox"/>                                            |

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

HEWITT FINANCIAL SERVICES LLC

36-3943169

| <b>(b)</b><br>Service Code(s) | <b>(c)</b><br>Relationship to employer, employee organization, or person known to be a party-in-interest | <b>(d)</b><br>Enter direct compensation paid by the plan. If none, enter -0-. | <b>(e)</b><br>Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | <b>(f)</b><br>Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | <b>(g)</b><br>Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | <b>(h)</b><br>Did the service provider give you a formula instead of an amount or estimated amount? |
|-------------------------------|----------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------|
| 33 61 63                      | NONE                                                                                                     | 0                                                                             | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>                                         | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>                                                                   | 25002                                                                                                                                                                                  | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>                                 |

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

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

**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<br>(see instructions)                                                                                                                            | (c) Enter amount of indirect compensation |
|---------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------|
| HEWITT ASSOCIATES LLC                                               | 99                                                                                                                                                                 | 0                                         |
| (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. |                                           |
| FINANCIAL ENGINES, INC.<br><br>94-3250323                           | 25% OF THE ADVICE FEES PAID TO FINANCIAL ENGINES                                                                                                                   |                                           |
| (a) Enter service provider name as it appears on line 2             | (b) Service Codes<br>(see instructions)                                                                                                                            | (c) Enter amount of indirect compensation |
| HEWITT ASSOCIATES LLC                                               | 99                                                                                                                                                                 | 0                                         |
| (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. |                                           |
| FINANCIAL ENGINES, INC.<br><br>94-3250323                           | 30-35% OF THE MANAGED ACCOUNT FEES PAID TO FINANCIAL ENGINES                                                                                                       |                                           |
| (a) Enter service provider name as it appears on line 2             | (b) Service Codes<br>(see instructions)                                                                                                                            | (c) Enter amount of indirect compensation |
| HEWITT FINANCIAL SERVICES LLC                                       | 61                                                                                                                                                                 | 7008                                      |
| (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. |                                           |
| PERSHING LLC<br><br>13-2741729                                      | FINDER'S FEES                                                                                                                                                      |                                           |

**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<br>(see instructions)                                                                                                                            | (c) Enter amount of indirect compensation |
|---------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------|
| HEWITT FINANCIAL SERVICES LLC                                       | 63                                                                                                                                                                 | 17994                                     |
| (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. |                                           |
| MULTIPLE MUTUAL FUND COMPANIES<br><br>36-3943169                    | AGGREGATED INVESTMENT MANAGER FUND FEES                                                                                                                            |                                           |
| (a) Enter service provider name as it appears on line 2             | (b) Service Codes<br>(see instructions)                                                                                                                            | (c) Enter amount of indirect compensation |
| PERSHING LLC                                                        | 59                                                                                                                                                                 | 23472                                     |
| (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. |                                           |
| MULTIPLE MUTUAL FUND COMPANIES<br><br>13-2741729                    | SHAREHOLDER SERVICING FEES                                                                                                                                         |                                           |
| (a) Enter service provider name as it appears on line 2             | (b) Service Codes<br>(see instructions)                                                                                                                            | (c) Enter amount of indirect compensation |
| PERSHING LLC                                                        | 61                                                                                                                                                                 | 34389                                     |
| (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. |                                           |
| MULTIPLE MUTUAL FUND COMPANIES<br><br>13-2741729                    | FINDER'S FEES                                                                                                                                                      |                                           |

**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<br>(see instructions)                                              | (c) Enter amount of indirect compensation |
|----------------------------------------------------------------------------|--------------------------------------------------------------------------------------|-------------------------------------------|
| PERSHING LLC                                                               | 71 99                                                                                | 108510                                    |
| <b>(d) Enter name and EIN (address) of source of indirect compensation</b> |                                                                                      |                                           |
| HEWITT FINANCIAL SERVICES<br><br>36-3943169                                | SECURITIES BROKERAGE COMMISSIONS AND FEES, OTHER FEES                                |                                           |
| <b>(a) Enter service provider name as it appears on line 2</b>             |                                                                                      |                                           |
| FINANCIAL ENGINES, INC.                                                    | 26 28                                                                                | 1137454                                   |
| <b>(d) Enter name and EIN (address) of source of indirect compensation</b> |                                                                                      |                                           |
| AON HEWITT<br>P.O. BOX 95135<br>CHICAGO, IL 60694                          | OTHER FEES                                                                           |                                           |
| <b>(a) Enter service provider name as it appears on line 2</b>             |                                                                                      |                                           |
| TIMESQUARE CAPITAL MANAGEMENT                                              | 68                                                                                   | 0                                         |
| <b>(d) Enter name and EIN (address) of source of indirect compensation</b> |                                                                                      |                                           |
| BASS TRADING<br><br>04-3695739                                             | 0.625 TIMES THE AMOUNT OF COMMISSIONS PAID THAT ARE ELIGIBLE FOR SOFT DOLLAR CREDITS |                                           |

**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<br>(see instructions)                                                                                                                            | (c) Enter amount of indirect compensation |
|---------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------|
| TIMESQUARE CAPITAL MANAGEMENT                                       | 68                                                                                                                                                                 | 0                                         |
| (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. |                                           |
| KNIGHT SECURITIES<br><br>22-3660471                                 | 0.625 TIMES THE AMOUNT OF COMMISSIONS PAID THAT ARE ELIGIBLE FOR SOFT DOLLAR CREDITS                                                                               |                                           |
| (a) Enter service provider name as it appears on line 2             | (b) Service Codes<br>(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<br>(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)

|                    |                     |
|--------------------|---------------------|
| <b>a</b> Name:     | <b>b</b> EIN:       |
| <b>c</b> Position: |                     |
| <b>d</b> Address:  | <b>e</b> Telephone: |
|                    |                     |

Explanation:

|                    |                     |
|--------------------|---------------------|
| <b>a</b> Name:     | <b>b</b> EIN:       |
| <b>c</b> Position: |                     |
| <b>d</b> Address:  | <b>e</b> Telephone: |
|                    |                     |

Explanation:

|                    |                     |
|--------------------|---------------------|
| <b>a</b> Name:     | <b>b</b> EIN:       |
| <b>c</b> Position: |                     |
| <b>d</b> Address:  | <b>e</b> Telephone: |
|                    |                     |

Explanation:

|                    |                     |
|--------------------|---------------------|
| <b>a</b> Name:     | <b>b</b> EIN:       |
| <b>c</b> Position: |                     |
| <b>d</b> Address:  | <b>e</b> Telephone: |
|                    |                     |

Explanation:

|                    |                     |
|--------------------|---------------------|
| <b>a</b> Name:     | <b>b</b> EIN:       |
| <b>c</b> Position: |                     |
| <b>d</b> Address:  | <b>e</b> Telephone: |
|                    |                     |

Explanation:

|                                                                                                                                                                                                               |                                                                                                                                                                                                                              |                                                                                                                                                                               |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>SCHEDULE D</b><br><b>(Form 5500)</b><br><br><small>Department of the Treasury<br/>Internal Revenue Service</small><br><br><small>Department of Labor<br/>Employee Benefits Security Administration</small> | <b>DFE/Participating Plan Information</b><br><br>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).<br><br><b>► File as an attachment to Form 5500.</b> | OMB No. 1210-0110<br><br><div style="border: 1px solid black; padding: 5px; display: inline-block;"> <b>2016</b> </div><br><br><b>This Form is Open to Public Inspection.</b> |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

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

|                                                                                                  |                                                                                                                                                                                                                                                                             |                                         |            |  |  |
|--------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------|------------|--|--|
| <b>A</b> Name of plan<br><u>BAE SYSTEMS EMPLOYEES' SAVINGS AND INVESTMENT PLAN</u>               | <table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:80%;"><b>B</b> Three-digit plan number (PN) ►</td> <td style="width:20%; text-align: center;"><u>003</u></td> </tr> <tr> <td colspan="2" style="height: 20px;"></td> </tr> </table> | <b>B</b> Three-digit plan number (PN) ► | <u>003</u> |  |  |
| <b>B</b> Three-digit plan number (PN) ►                                                          | <u>003</u>                                                                                                                                                                                                                                                                  |                                         |            |  |  |
|                                                                                                  |                                                                                                                                                                                                                                                                             |                                         |            |  |  |
| <b>C</b> Plan or DFE sponsor's name as shown on line 2a of Form 5500<br><u>BAE SYSTEMS, INC.</u> | <b>D</b> Employer Identification Number (EIN)<br><u>22-3537950</u>                                                                                                                                                                                                          |                                         |            |  |  |

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

|                                                                                           |                               |                                                                                                                      |
|-------------------------------------------------------------------------------------------|-------------------------------|----------------------------------------------------------------------------------------------------------------------|
| <b>a</b> Name of MTIA, CCT, PSA, or 103-12 IE: <u>WELLS FARGO SHORT-TERM INV FUND S</u>   |                               |                                                                                                                      |
| <b>b</b> Name of sponsor of entity listed in (a): <u>WELLS FARGO BANK MINNESOTA, N.A.</u> |                               |                                                                                                                      |
| <b>c</b> EIN-PN <u>41-6292499-001</u>                                                     | <b>d</b> Entity code <u>C</u> | <b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>55163369</u>  |
| <b>a</b> Name of MTIA, CCT, PSA, or 103-12 IE: <u>WELLS FARGO FIXED INCOME FUND F</u>     |                               |                                                                                                                      |
| <b>b</b> Name of sponsor of entity listed in (a): <u>WELLS FARGO BANK MINNESOTA, N.A.</u> |                               |                                                                                                                      |
| <b>c</b> EIN-PN <u>52-2252204-001</u>                                                     | <b>d</b> Entity code <u>C</u> | <b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>299604393</u> |
| <b>a</b> Name of MTIA, CCT, PSA, or 103-12 IE: <u>WELLS FARGO FIXED INCOME FUND Q</u>     |                               |                                                                                                                      |
| <b>b</b> Name of sponsor of entity listed in (a): <u>WELLS FARGO BANK MINNESOTA, N.A.</u> |                               |                                                                                                                      |
| <b>c</b> EIN-PN <u>45-6924923-001</u>                                                     | <b>d</b> Entity code <u>C</u> | <b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>72875796</u>  |
| <b>a</b> Name of MTIA, CCT, PSA, or 103-12 IE:                                            |                               |                                                                                                                      |
| <b>b</b> Name of sponsor of entity listed in (a):                                         |                               |                                                                                                                      |
| <b>c</b> EIN-PN                                                                           | <b>d</b> Entity code          | <b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)                  |
| <b>a</b> Name of MTIA, CCT, PSA, or 103-12 IE:                                            |                               |                                                                                                                      |
| <b>b</b> Name of sponsor of entity listed in (a):                                         |                               |                                                                                                                      |
| <b>c</b> EIN-PN                                                                           | <b>d</b> Entity code          | <b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)                  |
| <b>a</b> Name of MTIA, CCT, PSA, or 103-12 IE:                                            |                               |                                                                                                                      |
| <b>b</b> Name of sponsor of entity listed in (a):                                         |                               |                                                                                                                      |
| <b>c</b> EIN-PN                                                                           | <b>d</b> Entity code          | <b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)                  |
| <b>a</b> Name of MTIA, CCT, PSA, or 103-12 IE:                                            |                               |                                                                                                                      |
| <b>b</b> Name of sponsor of entity listed in (a):                                         |                               |                                                                                                                      |
| <b>c</b> EIN-PN                                                                           | <b>d</b> Entity code          | <b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)                  |

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

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

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

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

|                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                              |                                                                                                          |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------|
| <b>SCHEDULE H</b><br><b>(Form 5500)</b><br><br><small>Internal Revenue Service</small><br><hr/> <small>Department of Labor</small><br><small>Employee Benefits Security Administration</small><br><hr/> <small>Pension Benefit Guaranty Corporation</small> | <b>Financial Information</b><br><br>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).<br><br><b>► File as an attachment to Form 5500.</b> | <small>OMB No. 1210-0110</small><br><br><b>2016</b><br><br><b>This Form is Open to Public Inspection</b> |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------|

|                                                                                                                                                              |                                                                                              |                                      |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------|--------------------------------------|
| For calendar plan year 2016 or fiscal plan year beginning <span style="color:blue;">01/01/2016</span> and ending <span style="color:blue;">12/31/2016</span> |                                                                                              |                                      |
| <b>A</b> Name of plan<br><span style="color:blue;">BAE SYSTEMS EMPLOYEES' SAVINGS AND INVESTMENT PLAN</span>                                                 | <b>B</b> Three-digit plan number (PN) <span style="color:blue;">►</span>                     | <span style="color:blue;">003</span> |
|                                                                                                                                                              |                                                                                              |                                      |
| <b>C</b> Plan sponsor's name as shown on line 2a of Form 5500<br><span style="color:blue;">BAE SYSTEMS, INC.</span>                                          | <b>D</b> Employer Identification Number (EIN)<br><span style="color:blue;">22-3537950</span> |                                      |

| Part I Asset and Liability Statement                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                 |                       |                 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|-----------------------|-----------------|
| <b>1</b> 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. <b>Round off amounts to the nearest dollar.</b> 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 |
| <b>a</b> Total noninterest-bearing cash .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | <b>1a</b>       | 0                     | 1319253         |
| <b>b</b> Receivables (less allowance for doubtful accounts):                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                 |                       |                 |
| <b>(1)</b> Employer contributions.....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <b>1b(1)</b>    | 1042456               | 0               |
| <b>(2)</b> Participant contributions .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <b>1b(2)</b>    | 1768010               | 0               |
| <b>(3)</b> Other.....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | <b>1b(3)</b>    | 10277479              | 6895422         |
| <b>c</b> General investments:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                 |                       |                 |
| <b>(1)</b> Interest-bearing cash (include money market accounts & certificates of deposit).....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <b>1c(1)</b>    | 33241997              | 5512850         |
| <b>(2)</b> U.S. Government securities .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | <b>1c(2)</b>    | 113673691             | 148256077       |
| <b>(3)</b> Corporate debt instruments (other than employer securities):                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                 |                       |                 |
| <b>(A)</b> Preferred .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <b>1c(3)(A)</b> |                       |                 |
| <b>(B)</b> All other.....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | <b>1c(3)(B)</b> | 138285641             | 142244196       |
| <b>(4)</b> Corporate stocks (other than employer securities):                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                 |                       |                 |
| <b>(A)</b> Preferred .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <b>1c(4)(A)</b> | 2687366               | 2669788         |
| <b>(B)</b> Common.....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <b>1c(4)(B)</b> | 552084336             | 594664655       |
| <b>(5)</b> Partnership/joint venture interests .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | <b>1c(5)</b>    | 4621484               | 0               |
| <b>(6)</b> Real estate (other than employer real property).....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <b>1c(6)</b>    | 0                     | 2436070         |
| <b>(7)</b> Loans (other than to participants) .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | <b>1c(7)</b>    |                       |                 |
| <b>(8)</b> Participant loans.....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | <b>1c(8)</b>    | 77886065              | 76558802        |
| <b>(9)</b> Value of interest in common/collective trusts .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | <b>1c(9)</b>    | 438999847             | 427643558       |
| <b>(10)</b> Value of interest in pooled separate accounts .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <b>1c(10)</b>   |                       |                 |
| <b>(11)</b> Value of interest in master trust investment accounts .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | <b>1c(11)</b>   |                       |                 |
| <b>(12)</b> Value of interest in 103-12 investment entities.....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | <b>1c(12)</b>   |                       |                 |
| <b>(13)</b> Value of interest in registered investment companies (e.g., mutual funds).....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <b>1c(13)</b>   | 3739293997            | 4052869297      |
| <b>(14)</b> Value of funds held in insurance company general account (unallocated contracts).....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | <b>1c(14)</b>   |                       |                 |
| <b>(15)</b> Other .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | <b>1c(15)</b>   | 606152588             | 629446826       |

| <b>1d</b> Employer-related investments:                              |              | (a) Beginning of Year | (b) End of Year |
|----------------------------------------------------------------------|--------------|-----------------------|-----------------|
| (1) Employer securities .....                                        | <b>1d(1)</b> |                       |                 |
| (2) Employer real property .....                                     | <b>1d(2)</b> |                       |                 |
| <b>e</b> Buildings and other property used in plan operation .....   | <b>1e</b>    |                       |                 |
| <b>f</b> Total assets (add all amounts in lines 1a through 1e) ..... | <b>1f</b>    | 5720014957            | 6090516794      |

**Liabilities**

|                                                                           |           |          |         |
|---------------------------------------------------------------------------|-----------|----------|---------|
| <b>g</b> Benefit claims payable .....                                     | <b>1g</b> | 1909980  | 948266  |
| <b>h</b> Operating payables .....                                         | <b>1h</b> | 15246935 | 7699362 |
| <b>i</b> Acquisition indebtedness .....                                   | <b>1i</b> |          |         |
| <b>j</b> Other liabilities .....                                          | <b>1j</b> |          |         |
| <b>k</b> Total liabilities (add all amounts in lines 1g through 1j) ..... | <b>1k</b> | 17156915 | 8647628 |

**Net Assets**

|                                                           |           |            |            |
|-----------------------------------------------------------|-----------|------------|------------|
| <b>l</b> Net assets (subtract line 1k from line 1f) ..... | <b>1l</b> | 5702858042 | 6081869166 |
|-----------------------------------------------------------|-----------|------------|------------|

**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 |
|------------------------------------------------------------------------------------------------------------|-----------------|------------|-----------|
| <b>a Contributions:</b>                                                                                    |                 |            |           |
| (1) Received or receivable in cash from: <b>(A)</b> Employers .....                                        | <b>2a(1)(A)</b> | 137737726  |           |
| <b>(B)</b> Participants .....                                                                              | <b>2a(1)(B)</b> | 221321230  |           |
| <b>(C)</b> Others (including rollovers) .....                                                              | <b>2a(1)(C)</b> | 20199480   |           |
| (2) Noncash contributions .....                                                                            | <b>2a(2)</b>    |            |           |
| (3) Total contributions. Add lines <b>2a(1)(A)</b> , <b>(B)</b> , <b>(C)</b> , and line <b>2a(2)</b> ..... | <b>2a(3)</b>    |            | 379258436 |
| <b>b Earnings on investments:</b>                                                                          |                 |            |           |
| (1) Interest:                                                                                              |                 |            |           |
| <b>(A)</b> Interest-bearing cash (including money market accounts and certificates of deposit) .....       | <b>2b(1)(A)</b> | 127167     |           |
| <b>(B)</b> U.S. Government securities .....                                                                | <b>2b(1)(B)</b> | 3304000    |           |
| <b>(C)</b> Corporate debt instruments .....                                                                | <b>2b(1)(C)</b> | 7432047    |           |
| <b>(D)</b> Loans (other than to participants) .....                                                        | <b>2b(1)(D)</b> |            |           |
| <b>(E)</b> Participant loans .....                                                                         | <b>2b(1)(E)</b> | 353746     |           |
| <b>(F)</b> Other .....                                                                                     | <b>2b(1)(F)</b> | 870797     |           |
| (G) Total interest. Add lines <b>2b(1)(A)</b> through <b>(F)</b> .....                                     | <b>2b(1)(G)</b> |            | 12087757  |
| (2) Dividends: <b>(A)</b> Preferred stock .....                                                            | <b>2b(2)(A)</b> | 183252     |           |
| <b>(B)</b> Common stock .....                                                                              | <b>2b(2)(B)</b> | 9594877    |           |
| <b>(C)</b> Registered investment company shares (e.g. mutual funds) .....                                  | <b>2b(2)(C)</b> | 76048801   |           |
| (D) Total dividends. Add lines <b>2b(2)(A)</b> , <b>(B)</b> , and <b>(C)</b> .....                         | <b>2b(2)(D)</b> |            | 85826930  |
| (3) Rents .....                                                                                            | <b>2b(3)</b>    |            |           |
| (4) Net gain (loss) on sale of assets: <b>(A)</b> Aggregate proceeds .....                                 | <b>2b(4)(A)</b> | 321934748  |           |
| <b>(B)</b> Aggregate carrying amount (see instructions) .....                                              | <b>2b(4)(B)</b> | 307530916  |           |
| <b>(C)</b> Subtract line <b>2b(4)(B)</b> from line <b>2b(4)(A)</b> and enter result .....                  | <b>2b(4)(C)</b> |            | 14403832  |
| (5) Unrealized appreciation (depreciation) of assets: <b>(A)</b> Real estate .....                         | <b>2b(5)(A)</b> | 172687147  |           |
| <b>(B)</b> Other .....                                                                                     | <b>2b(5)(B)</b> |            |           |
| <b>(C)</b> Total unrealized appreciation of assets. Add lines <b>2b(5)(A)</b> and <b>(B)</b> .....         | <b>2b(5)(C)</b> |            | 172687147 |

|                                                                                                |        | (a) Amount | (b) Total |
|------------------------------------------------------------------------------------------------|--------|------------|-----------|
| (6) Net investment gain (loss) from common/collective trusts .....                             | 2b(6)  |            | 2943530   |
| (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) |            | 133093861 |
| c Other income.....                                                                            | 2c     |            | 6876991   |
| d Total income. Add all <b>income</b> amounts in column (b) and enter total.....               | 2d     |            | 807178484 |

**Expenses**

|                                                                                      |       |           |           |
|--------------------------------------------------------------------------------------|-------|-----------|-----------|
| e Benefit payment and payments to provide benefits:                                  |       |           |           |
| (1) Directly to participants or beneficiaries, including direct rollovers .....      | 2e(1) | 417709767 |           |
| (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) |           | 417709767 |
| 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) | 747033    |           |
| (2) Contract administrator fees.....                                                 | 2i(2) | 6015776   |           |
| (3) Investment advisory and management fees.....                                     | 2i(3) | 3268244   |           |
| (4) Other .....                                                                      | 2i(4) | 426540    |           |
| (5) Total administrative expenses. Add lines 2i(1) through (4).....                  | 2i(5) |           | 10457593  |
| j Total expenses. Add all <b>expense</b> amounts in column (b) and enter total ..... | 2j    |           | 428167360 |

**Net Income and Reconciliation**

|                                                          |       |  |           |
|----------------------------------------------------------|-------|--|-----------|
| k Net income (loss). Subtract line 2j from line 2d ..... | 2k    |  | 379011124 |
| l Transfers of assets:                                   |       |  |           |
| (1) To this plan.....                                    | 2l(1) |  |           |
| (2) From this plan.....                                  | 2l(2) |  |           |

**Part III Accountant's Opinion**

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

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

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

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

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

(1) Name: **KPMG LLP**

(2) EIN: **13-1673581**

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

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

**Part IV Compliance Questions**

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

During the plan year:

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

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

|    | Yes | No | Amount |
|----|-----|----|--------|
| 4a |     | X  |        |
| 4b |     | X  |        |

|                                                                                                                                                                                                                               |           | Yes | No | Amount   |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|-----|----|----------|
| <b>c</b> 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.) .....                                          | <b>4c</b> |     | X  |          |
| <b>d</b> 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.) .....                               | <b>4d</b> |     | X  |          |
| <b>e</b> Was this plan covered by a fidelity bond? .....                                                                                                                                                                      | <b>4e</b> | X   |    | 50000000 |
| <b>f</b> Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty? .....                                                                                       | <b>4f</b> |     | X  |          |
| <b>g</b> 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? .....                                                    | <b>4g</b> |     | X  |          |
| <b>h</b> 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? .....                                          | <b>4h</b> |     | X  |          |
| <b>i</b> Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.) .....                                                                | <b>4i</b> | X   |    |          |
| <b>j</b> 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.) ..... | <b>4j</b> |     | X  |          |
| <b>k</b> Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC? .....                                                           | <b>4k</b> |     | X  |          |
| <b>l</b> Has the plan failed to provide any benefit when due under the plan? .....                                                                                                                                            | <b>4l</b> |     | X  |          |
| <b>m</b> If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.) .....                                                                                                  | <b>4m</b> |     | X  |          |
| <b>n</b> 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. ....                                      | <b>4n</b> |     |    |          |
| <b>o</b> Defined Benefit Plan or Money Purchase Pension Plan Only:<br>Were any distributions made during the plan year to an employee who attained age 62 and had not separated from service? .....                           | <b>4o</b> |     |    |          |

**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 ..... (See instructions.)

## Part V Trust Information

|                                        |                                                     |
|----------------------------------------|-----------------------------------------------------|
| <b>6a</b> Name of trust                | <b>6b</b> Trust's EIN                               |
| <b>6c</b> Name of trustee or custodian | <b>6d</b> Trustee's or custodian's telephone number |

|                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                             |                                                                                            |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|
| <b>SCHEDULE R</b><br><b>(Form 5500)</b><br><br>Department of the Treasury<br>Internal Revenue Service<br><br>Department of Labor<br>Employee Benefits Security Administration<br><br>Pension Benefit Guaranty Corporation | <b>Retirement Plan Information</b><br><br>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).<br><br>▶ <b>File as an attachment to Form 5500.</b> | OMB No. 1210-0110<br><br><b>2016</b><br><br><b>This Form is Open to Public Inspection.</b> |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|

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

|                                                                                           |                                                                    |
|-------------------------------------------------------------------------------------------|--------------------------------------------------------------------|
| <b>A</b> Name of plan<br><u>BAE SYSTEMS EMPLOYEES' SAVINGS AND INVESTMENT PLAN</u>        | <b>B</b> Three-digit plan number (PN) ▶<br><u>003</u>              |
| <b>C</b> Plan sponsor's name as shown on line 2a of Form 5500<br><u>BAE SYSTEMS, INC.</u> | <b>D</b> Employer Identification Number (EIN)<br><u>22-3537950</u> |

|               |                      |
|---------------|----------------------|
| <b>Part I</b> | <b>Distributions</b> |
|---------------|----------------------|

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

|                                                                                                                                                                                                                                                                    |          |          |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|----------|
| <b>1</b> Total value of distributions paid in property other than in cash or the forms of property specified in the instructions .....                                                                                                                             | <b>1</b> | <u>0</u> |
| <b>2</b> 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):<br><br>EIN(s): <u>04-3581074</u> |          |          |
| Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.                                                                                                                                                                                                   |          |          |
| <b>3</b> Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year .....                                                                                                                                   | <b>3</b> |          |

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

|                                                                                                                                                                                                                                                                                                                                                             |                              |                             |                              |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|-----------------------------|------------------------------|
| <b>4</b> Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? .....                                                                                                                                                                                                                                        | <input type="checkbox"/> Yes | <input type="checkbox"/> No | <input type="checkbox"/> N/A |
| If the plan is a defined benefit plan, go to line 8.                                                                                                                                                                                                                                                                                                        |                              |                             |                              |
| <b>5</b> 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 _____<br>If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule. |                              |                             |                              |
| <b>6 a</b> Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived) .....                                                                                                                                                                                                              | <b>6a</b>                    |                             |                              |
| <b>b</b> Enter the amount contributed by the employer to the plan for this plan year .....                                                                                                                                                                                                                                                                  | <b>6b</b>                    |                             |                              |
| <b>c</b> 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) .....                                                                                                                                                                                                            | <b>6c</b>                    |                             |                              |
| If you completed line 6c, skip lines 8 and 9.                                                                                                                                                                                                                                                                                                               |                              |                             |                              |
| <b>7</b> Will the minimum funding amount reported on line 6c be met by the funding deadline? .....                                                                                                                                                                                                                                                          | <input type="checkbox"/> Yes | <input type="checkbox"/> No | <input type="checkbox"/> N/A |
| <b>8</b> 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? .....                                                                                 | <input type="checkbox"/> Yes | <input type="checkbox"/> No | <input type="checkbox"/> N/A |

|                 |                   |
|-----------------|-------------------|
| <b>Part III</b> | <b>Amendments</b> |
|-----------------|-------------------|

|                                                                                                                                                                                                                            |                                   |                                   |                               |                             |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|-----------------------------------|-------------------------------|-----------------------------|
| <b>9</b> 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..... | <input type="checkbox"/> Increase | <input type="checkbox"/> Decrease | <input type="checkbox"/> Both | <input type="checkbox"/> No |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|-----------------------------------|-------------------------------|-----------------------------|

|                |                                                                                                                                                   |
|----------------|---------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Part IV</b> | <b>ESOPs</b> (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. |
|----------------|---------------------------------------------------------------------------------------------------------------------------------------------------|

|                                                                                                                                                                                              |                              |                             |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|-----------------------------|
| <b>10</b> Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan? .....                                                      | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| <b>11 a</b> Does the ESOP hold any preferred stock? .....                                                                                                                                    | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| <b>b</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.) ..... | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| <b>12</b> Does the ESOP hold any stock that is not readily tradable on an established securities market? .....                                                                               | <input type="checkbox"/> Yes | <input type="checkbox"/> No |

For Paperwork Reduction Act Notice, see the Instructions for Form 5500.

Schedule R (Form 5500) 2016  
v. 160205

**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): \_\_\_\_\_

|           |                                                                                                                                                                                                                                                      |            |  |
|-----------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|--|
| <b>14</b> | Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:                                                                                                                    |            |  |
|           | <b>a</b> The current year .....                                                                                                                                                                                                                      | <b>14a</b> |  |
|           | <b>b</b> The plan year immediately preceding the current plan year .....                                                                                                                                                                             | <b>14b</b> |  |
|           | <b>c</b> The second preceding plan year .....                                                                                                                                                                                                        | <b>14c</b> |  |
| <b>15</b> | 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:                                                                         |            |  |
|           | <b>a</b> The corresponding number for the plan year immediately preceding the current plan year .....                                                                                                                                                | <b>15a</b> |  |
|           | <b>b</b> The corresponding number for the second preceding plan year .....                                                                                                                                                                           | <b>15b</b> |  |
| <b>16</b> | Information with respect to any employers who withdrew from the plan during the preceding plan year:                                                                                                                                                 |            |  |
|           | <b>a</b> Enter the number of employers who withdrew during the preceding plan year .....                                                                                                                                                             | <b>16a</b> |  |
|           | <b>b</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 .....                                                                               | <b>16b</b> |  |
| <b>17</b> | 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. .... <input type="checkbox"/> |            |  |

|                |                                                                                                   |
|----------------|---------------------------------------------------------------------------------------------------|
| <b>Part VI</b> | <b>Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans</b> |
|----------------|---------------------------------------------------------------------------------------------------|

|           |                                                                                                                                                                                                                                                                                                                                                                                                      |                          |
|-----------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|
| <b>18</b> | 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 .....                         | <input type="checkbox"/> |
| <b>19</b> | If the total number of participants is 1,000 or more, complete lines (a) through (c)                                                                                                                                                                                                                                                                                                                 |                          |
|           | <b>a</b> Enter the percentage of plan assets held as:<br>Stock: <u>0.0</u> % Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%                                                                                                                                                                                                                                 |                          |
|           | <b>b</b> Provide the average duration of the combined investment-grade and high-yield debt:<br><input type="checkbox"/> 0-3 years <input type="checkbox"/> 3-6 years <input type="checkbox"/> 6-9 years <input type="checkbox"/> 9-12 years <input type="checkbox"/> 12-15 years <input type="checkbox"/> 15-18 years <input type="checkbox"/> 18-21 years <input type="checkbox"/> 21 years or more |                          |
|           | <b>c</b> What duration measure was used to calculate line 19(b)?<br><input type="checkbox"/> Effective duration <input type="checkbox"/> Macaulay duration <input type="checkbox"/> Modified duration <input type="checkbox"/> Other (specify): _____                                                                                                                                                |                          |

|                 |                                 |
|-----------------|---------------------------------|
| <b>Part VII</b> | <b>IRS Compliance Questions</b> |
|-----------------|---------------------------------|

|                                                                                                                                                                                                                             |                                                                                                                                                                                   |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>20a</b> Is the plan a 401(k) plan? If "No," skip b .....                                                                                                                                                                 | <input type="checkbox"/> Yes <input type="checkbox"/> No                                                                                                                          |
| <b>20b</b> How did the plan satisfy the nondiscrimination requirements for employee deferrals under section 401(k)(3) for the plan year? Check all that apply: .....                                                        | <input type="checkbox"/> Design-based safe harbor <input type="checkbox"/> "Prior year" ADP test<br><input type="checkbox"/> "Current year" ADP test <input type="checkbox"/> N/A |
| <b>21a</b> What testing method was used to satisfy the coverage requirements under section 410(b) for the plan year? Check all that apply: .....                                                                            | <input type="checkbox"/> Ratio percentage test <input type="checkbox"/> Average benefit test <input type="checkbox"/> N/A                                                         |
| <b>21b</b> 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? ..... | <input type="checkbox"/> Yes <input type="checkbox"/> No                                                                                                                          |
| <b>22a</b> 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   .      |                                                                                                                                                                                   |
| <b>22b</b> 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   /   /   .                                     |                                                                                                                                                                                   |



**BAE SYSTEMS EMPLOYEES' SAVINGS AND INVESTMENT PLAN**

Financial Statements and Supplemental Schedule

December 31, 2016 and 2015

(With Independent Auditors' Report Thereon)

# BAE SYSTEMS EMPLOYEES' SAVINGS AND INVESTMENT PLAN

## Table of Contents

|                                                                  | <b>Page</b> |
|------------------------------------------------------------------|-------------|
| Independent Auditors' Report                                     | 1           |
| Financial Statements:                                            |             |
| Statements of Net Assets Available for Benefits                  | 3           |
| Statement of Changes in Net Assets Available for Benefits        | 4           |
| Notes to Financial Statements                                    | 5           |
| <b>Supplemental Schedule</b>                                     |             |
| Schedule H, Line 4(i) – Schedule of Assets (Held at End of Year) | 13          |



KPMG LLP  
1676 International Drive  
McLean, VA 22102

## **Independent Auditors' Report**

BAE Systems Administrative Committee  
BAE Systems Employees' Savings and Investment Plan:

### **Report on the Financial Statements**

We were engaged to audit the accompanying financial statements of the BAE Systems Employees' Savings and Investment Plan (the Plan), which comprise the statements of net assets available for benefits as of December 31, 2016 and 2015, and the related statement of changes in net assets available for benefits for the year ended December 31, 2016, 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 conducting the audits in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

### ***Basis for Disclaimer of Opinion***

As permitted by 29 CFR 2520.103-8 of the Department of Labor's (DOL) Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the Plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in note 3, which was certified by State Street Bank and Trust Company, N.A., the trustee of the Plan, except for comparing such information with the related information included in the financial statements. We have been informed by the Plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The Plan administrator has obtained a certification from the trustee as of December 31, 2016 and 2015, and for the year ended December 31, 2016, that the information provided to the Plan administrator by the trustee is complete and accurate.

### ***Disclaimer of Opinion***

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

### ***Other Matter***

The supplemental Schedule H, line 4(i) – Schedule of Assets (Held at End of Year) as of December 31, 2016 is required by the DOL's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 and is presented for the purpose of additional analysis and is not a required part of



the financial statements. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on this supplemental schedule.

**Report on Form and Content in Compliance with DOL Rules and Regulations**

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

*KPMG LLP*

McLean, Virginia  
May 8, 2018

# BAE SYSTEMS EMPLOYEES' SAVINGS AND INVESTMENT PLAN

## Statements of Net Assets Available for Benefits

December 31, 2016 and 2015

|                                             | <u>2016</u>             | <u>2015</u>          |
|---------------------------------------------|-------------------------|----------------------|
| Assets:                                     |                         |                      |
| Cash                                        | \$ 1,319,253            | —                    |
| Investments, at fair value (note 3)         | <u>6,005,743,317</u>    | <u>5,629,040,946</u> |
| Receivables:                                |                         |                      |
| Notes receivable from participants (note 3) | 76,558,802              | 77,886,065           |
| Employer contributions                      | —                       | 1,042,456            |
| Employee contributions                      | —                       | 1,768,010            |
| Receivable for securities sold (note 3)     | 1,056,092               | 3,624,404            |
| Accrued income                              | <u>5,839,330</u>        | <u>6,653,075</u>     |
| Total receivables                           | <u>83,454,224</u>       | <u>90,974,010</u>    |
| Total assets                                | <u>6,090,516,794</u>    | <u>5,720,014,956</u> |
| Liabilities:                                |                         |                      |
| Payable for securities purchased (note 3)   | 6,217,159               | 13,609,882           |
| Accrued expenses                            | <u>1,482,203</u>        | <u>1,637,053</u>     |
| Total liabilities                           | <u>7,699,362</u>        | <u>15,246,935</u>    |
| Net assets available for benefits           | <u>\$ 6,082,817,432</u> | <u>5,704,768,021</u> |

See accompanying notes to financial statements.

**BAE SYSTEMS EMPLOYEES' SAVINGS AND INVESTMENT PLAN**

## Statement of Changes in Net Assets Available for Benefits

Year ended December 31, 2016

## Additions:

|                                                        |                |
|--------------------------------------------------------|----------------|
| Interest and dividends (note 3)                        | \$ 125,847,430 |
| Net appreciation in fair value of investments (note 3) | 302,072,619    |

## Contributions:

|                        |                    |
|------------------------|--------------------|
| Employer contributions | 137,737,726        |
| Employee contributions | 221,321,230        |
| Rollovers              | <u>20,199,480</u>  |
| Total contributions    | <u>379,258,436</u> |
| Total additions        | <u>807,178,485</u> |

## Deductions:

|                               |                    |
|-------------------------------|--------------------|
| Benefits paid to participants | 418,671,481        |
| Administrative expenses       | <u>10,457,593</u>  |
| Total deductions              | <u>429,129,074</u> |
| Net increase                  | 378,049,411        |

|                                                        |                         |
|--------------------------------------------------------|-------------------------|
| Net assets available for benefits at beginning of year | <u>5,704,768,021</u>    |
| Net assets available for benefits at end of year       | <u>\$ 6,082,817,432</u> |

See accompanying notes to financial statements.

## BAE SYSTEMS EMPLOYEES' SAVINGS AND INVESTMENT PLAN

Notes to Financial Statements

December 31, 2016 and 2015

### (1) Plan Description

The following description of the BAE Systems Employees' Savings and Investment Plan (the Plan) provides only general information. Participants should refer to the Plan document for a more complete description of the Plan's provisions, as the Plan document shall govern.

#### (a) *General*

The Plan is a defined contribution plan covering eligible employees of BAE Systems, Inc. (Employer) and certain adopting affiliates. The trustee and recordkeeper are State Street Bank and Trust Company, N.A. and Aon Hewitt, respectively. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA), as amended.

#### (b) *Eligibility*

Employees become eligible to participate in the Plan upon their date of hire.

#### (c) *Contributions*

Participants can roll over amounts representing distributions from other qualified defined benefit or defined contribution plans. Since the inception of the Plan, there have been various instances in which legacy plans have been approved for merger into this Plan. All of the legacy plans that have merged into this Plan have been incorporated into the Plan document via supplements. Eligibility for matching and profit sharing contributions is determined in accordance with applicable Plan terms.

Unless specified differently in a collective bargaining agreement or special services agreement, (a) each participant may elect to make before-and after-tax 401(k) contributions for each plan year in whole percentages of 1% up to 50% of Plan Compensation, (b) each business unit that makes matching contributions to the Trustee on behalf of its eligible participants shall make them each payroll period, (c) each participant who is eligible to make 401(k) contributions under the Plan may elect to make Roth 401(k) contributions, (d) each participant who is eligible to make 401(k) contributions under the Plan and who has attained age 50 before the close of the plan year shall be eligible to make Roth catch-up contributions under the Plan, and (e) a direct rollover of an eligible rollover distribution from a Roth 401(k) contributions account or a Roth rollover contributions account under the Plan will only be made to another Roth elective deferral account under a plan qualified under Section 401(a) of the Internal Revenue Code (the Code).

#### (d) *Participant Accounts*

Each participant's account is credited with the participant's contributions and allocations of (a) the Employer's contributions and (b) Plan earnings or losses, and is charged with an allocation of administrative expenses. Allocations are based on participant earnings or account balances, as defined in the Plan document. The benefit to which a participant is entitled is the benefit that can be provided from the participant's account.

#### (e) *Vesting*

Participants are vested immediately in their contributions plus actual earnings thereon. A participant generally becomes 100% vested in the Employer contributions immediately. However, some participants vest in Employer contributions upon completion of up to six years of service depending on the particular component of the Plan in which the participant is enrolled.

## **BAE SYSTEMS EMPLOYEES' SAVINGS AND INVESTMENT PLAN**

### **Notes to Financial Statements**

December 31, 2016 and 2015

**(f) Forfeitures**

If the participant withdraws from the Plan due to termination of employment, the non-vested portion of the Employer's contribution is forfeited and is used to reduce future Employer contributions. At December 31, 2016 and 2015, forfeited non-vested accounts totaled \$205,332 and \$317,205, respectively. For the year ended December 31, 2016, forfeited non-vested accounts of \$636,175 were used to offset Employer contributions. If the participant resumes employment prior to incurring five consecutive one-year breaks in service, the amount will be restored to the participant.

**(g) Payment of Benefits**

The Plan provides for distribution to participants or their beneficiaries upon death, disability, or termination of employment or in the event of financial hardship. Distributions to participants can be made in a lump-sum payment or periodic installments over a period not longer than the life expectancy of the participant and their spouse.

**(h) Notes Receivable from Participants**

Participants may borrow from their Plan account. The minimum permissible loan amount is \$1,000. Notes receivable from participants are not to exceed the lesser of \$50,000 or 50% of their vested account balance as of the effective date of the loan. Notes receivable from participants are to be repaid through payroll deductions over a period not to exceed five years unless the loan is used to purchase the participant's principal residence, in which case the repayment period may exceed five years. The notes receivable from participants are secured by the balance in the participant's account. The notes receivable from participants' interest rate is a reasonable rate as determined by a committee appointed by the Plan administrator. The interest rates range from 3.27% to 10.75%.

**(i) Administrative Expenses**

The Employer administers the Plan. Administrative expenses may be paid by the Employer or the Plan.

**(2) Summary of Significant Accounting Policies**

**(a) Basis of Accounting**

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles (U.S. GAAP).

**(b) Use of Estimates**

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates that affect the amounts reported in the financial statements and accompanying notes and supplemental schedule. Actual results could differ from those estimates.

**(c) Risks and Uncertainties**

The Plan provides for investments in various investment securities, which, in general, are exposed to various risks such as interest rate, credit, and overall market volatility risks. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that those changes could materially affect the amounts reported in the statements of net assets available for benefits and participant balances.

## BAE SYSTEMS EMPLOYEES' SAVINGS AND INVESTMENT PLAN

Notes to Financial Statements

December 31, 2016 and 2015

### (d) *Investment Valuation and Income Recognition*

Investments held by the Plan are stated at fair value. Fair value is defined as the price 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 (an exit price). The Plan's Investment and Administrative Committees determine the Plan's valuation policies utilizing information provided by the trustee and investment advisors and the valuation of securities by independent brokers. See note 4 for further discussion of fair value measurements.

Purchases and sales of securities are recorded on a settlement-date basis. Trades that occur on or before December 31, 2016 but settle after December 31, 2016, are reflected as a payable/receivable as of the year-end.

Interest income is recorded as earned on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation includes the Plan's gains and losses on investments bought and sold as well as held during the year.

### (e) *Notes Receivable from Participants*

Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Interest income is recorded on the accrual basis.

### (f) *Payment of Benefits*

Benefits are recorded when paid.

### (g) *Reclassifications*

Certain prior year amounts have been reclassified to conform with current year presentation.

## (3) **Investments**

Amounts included in the accompanying financial statements for investments at fair value, notes receivable from participants, receivable for securities sold, payable for securities purchased, interest and dividends, and net appreciation in fair value of investments and the information in Schedule H, Line 4(i) – Schedule of Assets (Held at End of Year), except for the underlying investments in the Stable Value separate account, were obtained or derived from information certified as complete and accurate by State Street Bank and Trust Company, N.A., the trustee of the Plan as of December 31, 2016 and 2015, and for the year ended December 31, 2016.

## (4) **Fair Value Measurements**

Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820, *Fair Value Measurements*, provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

- Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

## BAE SYSTEMS EMPLOYEES' SAVINGS AND INVESTMENT PLAN

### Notes to Financial Statements

December 31, 2016 and 2015

- Level 2 – Inputs to the valuation methodology include:
  - 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
  - Inputs that are derived principally from or corroborated by observable market data by correlation to other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

- Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets and liabilities measured at fair value.

The common collective trusts (CCTs) are valued using a readily determinable fair value. They are valued on the basis of valuations furnished by independent pricing services. These services determine valuations for normal institutional-size trading units of such securities using valuation models or matrix pricing, which incorporates yield and/or price with respect to bonds that are considered comparable in characteristics such as rating, interest rate and maturity date and quotations from securities dealers to determine current value. If these valuations are not readily available or deemed unreliable, the fair value will be determined in good faith by the Trustee. To the extent the inputs are observable, timely and/or consistent with other valuation inputs, these investments are classified within Level 2 of the fair value hierarchy. Short-term investments (with a remaining maturity of 60 days or less at the time of purchase and not credit impaired), if any, are stated at amortized cost, which approximates fair value, and are classified within Level 2 of the fair value hierarchy.

Mutual funds are valued at the net asset value (NAV) of shares held at year-end. The NAV is a quoted price in an active market.

Common stock funds are valued at the last sale price on the valuation date for those securities traded on national stock exchanges. Listed stocks not traded on such date and all unlisted stocks regularly traded in the over-the-counter market are valued at the latest available bid price quotation by such sources as may be deemed appropriate.

The fixed income account investments are valued based on a compilation of primarily observable market information or a broker's quote in a non-active market. Underlying assets may include preferred stock, collateralized mortgage obligations securities, U.S. investment and noninvestment grade corporate bonds, U.S. Municipals, U.S. government securities, and asset-backed securities. These securities are redeemable at fair value on a daily basis. Certain bonds are valued using quoted prices for similar assets in active or inactive markets. There are no unfunded commitments at December 31, 2016.

Real estate investment trusts are valued on the basis of their future principal and interest payments discounted at prevailing interest rates for similar investments.

# BAE SYSTEMS EMPLOYEES' SAVINGS AND INVESTMENT PLAN

## Notes to Financial Statements

December 31, 2016 and 2015

Prices for securities held in the underlying portfolios of the Stable Value separate account are primarily obtained from independent pricing services. These prices are based on observable market data for the same or similar securities and, consequently, are classified as Level 2. To a lesser extent, indicative quotes are obtained from independent brokers. Broker prices may be based on observable market data for the same or similar securities and are classified as Level 2. Due to the nature of the underlying assets, they are included in the financial statements at contract value, which approximates fair value as reported by the trustee. Contract value represents contributions made under the contract, plus earnings, less participant withdrawals and administrative expenses. Contracts are credited with earnings based on the interest or crediting rate. There are no reserves against contract value for credit risk of the contract issuer or otherwise. Participants may ordinarily direct the withdrawal or transfer of all or a portion of their investment at contract value. The contracts have certain restrictions that impact the ability to collect the full contract value.

All securities in the self directed brokerage accounts are valued in such a manner as deemed appropriate by the Plan's Investment and Administrative Committees utilizing information provided by the trustee, investment advisors and the valuation of securities by independent brokers.

The following table sets forth by level, within the fair value hierarchy, the Plan's assets carried at fair value as of December 31, 2016.

| Assets at fair value as of December 31, 2016 |                  |               |         |               |
|----------------------------------------------|------------------|---------------|---------|---------------|
|                                              | Level 1          | Level 2       | Level 3 | Total         |
| Short-term investment funds                  | \$ 5,512,850     | —             | —       | 5,512,850     |
| Mutual funds                                 | 1,153,542,065    | 2,899,327,232 | —       | 4,052,869,297 |
| Common stock funds                           | 594,664,655      | —             | —       | 594,664,655   |
| Fixed income funds:                          |                  |               |         |               |
| Preferred stock fund                         | —                | 2,669,788     | —       | 2,669,788     |
| Collateralized mortgage obligations          | —                | 9,805,620     | —       | 9,805,620     |
| Corporate bonds                              | —                | 126,353,544   | —       | 126,353,544   |
| U.S. government securities                   | —                | 152,840,361   | —       | 152,840,361   |
| Asset-backed securities                      | —                | 1,500,748     | —       | 1,500,748     |
| Real estate investment trust                 | 2,436,070        | —             | —       | 2,436,070     |
| Stable Value separate account                | —                | 839,807,592   | —       | 839,807,592   |
| Self directed brokerage accounts             | 217,282,792      | —             | —       | 217,282,792   |
| Total investments at fair value              | \$ 1,973,438,432 | 4,032,304,885 | —       | 6,005,743,317 |

# BAE SYSTEMS EMPLOYEES' SAVINGS AND INVESTMENT PLAN

## Notes to Financial Statements

December 31, 2016 and 2015

The following table sets forth by level, within the fair value hierarchy, the Plan's assets carried at fair value as of December 31, 2015.

| Assets at fair value as of December 31, 2015 |                  |               |         |               |
|----------------------------------------------|------------------|---------------|---------|---------------|
|                                              | Level 1          | Level 2       | Level 3 | Total         |
| Common collective trusts                     | \$ —             | 33,241,997    | —       | 33,241,997    |
| Mutual funds                                 | 2,779,991,704    | 959,302,293   | —       | 3,739,293,997 |
| Common stock funds                           | 552,084,336      | —             | —       | 552,084,336   |
| Fixed income funds:                          |                  |               |         |               |
| Preferred stock fund                         | —                | 2,687,366     | —       | 2,687,366     |
| Collateralized mortgage obligations          | 13,605,599       | —             | —       | 13,605,599    |
| Corporate bonds                              | 129,728,126      | —             | —       | 129,728,126   |
| U.S. government securities                   | 99,388,217       | —             | —       | 99,388,217    |
| Asset-backed securities                      | 9,237,389        | —             | —       | 9,237,389     |
| Limited partnership unit                     | 4,621,484        | —             | —       | 4,621,484     |
| Stable Value separate account                | —                | 830,208,823   | —       | 830,208,823   |
| Self directed brokerage accounts             | 214,943,612      | —             | —       | 214,943,612   |
| Total investments at fair value              | \$ 3,803,600,467 | 1,825,440,479 | —       | 5,629,040,946 |

The Trustee provides reports to the Employer containing the fund holdings and fair value level classifications for each asset held at year-end. An outside investment consultant reviews the fair value level classification and reports any discrepancies. The Employer reviews and approves the final classifications.

There were no transfers between Level 1 and Level 2 during 2016 and 2015.

## (5) Income Tax Status

The Plan has received a determination letter from the Internal Revenue Service (IRS) dated January 25, 2017, stating that the Plan is qualified under Section 401(a) of the Internal Revenue Code (the Code) and, therefore, the related trust is exempt from taxation. Subsequent to this determination by the IRS, the Plan was amended. Once qualified, the Plan is required to operate in conformity with the Code to maintain its qualification. The Plan administrator believes the Plan is being operated in compliance with the applicable requirements of the Code and, therefore, believes that the Plan, as amended, is qualified and the related trust is tax-exempt.

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

## BAE SYSTEMS EMPLOYEES' SAVINGS AND INVESTMENT PLAN

### Notes to Financial Statements

December 31, 2016 and 2015

The Employer has identified an operational discrepancy with respect to plan compensation. This item did not have a material impact on the Plan's net assets available for benefits. The Employer intends to correct this discrepancy, as recommended by legal counsel and in accordance with applicable IRS guidance, as soon as administratively feasible. With consideration of these actions (including the intended correction of the discrepancy), the Employer believes the Plan (and trust) is being operated in a manner that does not jeopardize the continued qualification of the Plan (and trust).

#### (6) Plan Termination

Although it has not expressed any intent to do so, the Employer has the right to discontinue its contributions to the Plan at any time and to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, those participants who are not already 100% vested in their employer contributions will become 100% vested in their employer contributions.

#### (7) Reconciliation of Financial Statements to Form 5500

The following is a reconciliation of net assets available for benefits as reported per the financial statements accompanying financial statements as of December 31, 2016 and 2015 to the Plan's Form 5500:

|                                                                | <u>2016</u>             | <u>2015</u>          |
|----------------------------------------------------------------|-------------------------|----------------------|
| Net assets available for benefits per the financial statements | \$ 6,082,817,432        | 5,704,768,021        |
| Amounts allocated to withdrawing participants                  | <u>(948,266)</u>        | <u>(1,909,980)</u>   |
| Net assets available for benefits per Form 5500                | <u>\$ 6,081,869,166</u> | <u>5,702,858,041</u> |

The following is a reconciliation of the benefits paid to participants per net assets available for benefits as reported per the financial statements for the year ended December 31, 2016 to the Plan's Form 5500:

|                                                                         |                       |
|-------------------------------------------------------------------------|-----------------------|
| Benefits paid to participants as reported in the financial statements   | \$ 418,671,481        |
| Add amounts allocated to withdrawing participants at December 31, 2016  | 948,266               |
| Less amounts allocated to withdrawing participants at December 31, 2015 | <u>(1,909,980)</u>    |
| Benefits paid to participants as reported in the Form 5500              | <u>\$ 417,709,767</u> |

Amounts allocated to withdrawing participants are recorded on Form 5500 for benefit payments that have been processed and approved for payment prior to year-end, but not yet paid as of that date.

## **BAE SYSTEMS EMPLOYEES' SAVINGS AND INVESTMENT PLAN**

### **Notes to Financial Statements**

December 31, 2016 and 2015

#### **(8) Parties-in-Interest Transactions**

Certain Plan assets totaling \$122,967,849 and \$112,579,563 as of December 31, 2016 and 2015, respectively, are managed by State Street Bank and Trust Company, N.A., which is the trustee, as defined by the Plan, and therefore, transactions with State Street Bank and Trust Company, N.A. qualify as party-in-interest transactions. Fees paid by the Plan to the trustee for services are shown as administrative expenses in the statement of changes in net assets available for benefits and totaled \$481,297 for 2016. Fees paid to other service providers also qualify as party-in interest transactions.

The Stable Value Separate Account is managed by Galliard Capital Management, Inc. (Galliard), which is an affiliate of Wells Fargo; therefore, transactions with Galliard qualify as party-in-interest transactions. The Stable Value Separate Account totaled \$839,807,592 and \$830,208,823 as of December 31, 2016 and 2015, respectively. Within the Stable Value Separate Account there is a Wells Fargo/BlackRock Short-Term Investment Fund that totaled \$48,027,039 and \$78,293,702 as of December 31, 2016 and 2015, respectively. Fees paid by the Plan to Galliard for investment management services totaled \$668,319 for 2016.

#### **(9) Subsequent Events**

The Plan has evaluated subsequent events through May 8, 2018, the date the financial statements were available to be issued, and concluded that no subsequent events require adjustment to or disclosure in the financial statements, except as noted below.

BAE Systems San Francisco Ship Repair Inc. is no longer a participating employer in the Plan effective at the end of the day on January 1, 2017.

Effective January 1, 2017, employees hired on or after January 1, 2017 will be automatically enrolled in the Plan. This amendment is not applicable to:

- (a) Employees employed by Intelligence & Security Sector
- (b) Collectively bargained Employees, except for collectively bargained employees who are part of the Electronic Systems Sector at the Ft. Wayne, Indiana location and who will be subject to the automatic enrollment provisions described in their Plan Document Supplement.

**Form 5500**Department of the Treasury  
Internal Revenue ServiceDepartment 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

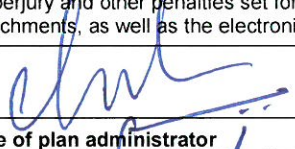
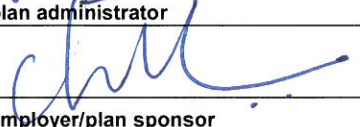
- A** This return/report is for: ☐ a multiemployer plan ☐ a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions.)
- ☒ a single-employer plan ☐ a DFE (specify) \_\_\_\_\_
- B** This return/report is: ☐ the first 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) IRS/DOL Hurricane Harvey Relief

**Part II Basic Plan Information—enter all requested information**

|                                                                                                                                                                                                                                                                                                                                                   |                                                              |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------|
| <b>1a</b> Name of plan<br>BAE SYSTEMS EMPLOYEES' SAVINGS AND INVESTMENT PLAN                                                                                                                                                                                                                                                                      | <b>1b</b> Three-digit plan number (PN) ▶ 003                 |
|                                                                                                                                                                                                                                                                                                                                                   | <b>1c</b> Effective date of plan<br>01/01/1987               |
| <b>2a</b> Plan sponsor's name (employer, if for a single-employer plan)<br>Mailing address (include room, apt., suite no. and street, or P.O. Box)<br>City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions)<br>BAE SYSTEMS, INC.<br><br>1101 WILSON BLVD., SUITE 2000<br><br>ARLINGTON VA 22209 | <b>2b</b> Employer Identification Number (EIN)<br>22-3537950 |
|                                                                                                                                                                                                                                                                                                                                                   | <b>2c</b> Plan Sponsor's telephone number<br>703-312-6100    |
|                                                                                                                                                                                                                                                                                                                                                   | <b>2d</b> Business code (see instructions)<br>336410         |

**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.

|                                                                                                                                                                                                    |                                                                                     |        |                                                              |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|--------|--------------------------------------------------------------|
| <b>SIGN HERE</b>                                                                                                                                                                                   |  | 5/8/18 | Chandra Chudamani                                            |
|                                                                                                                                                                                                    | Signature of plan administrator                                                     | Date   | Enter name of individual signing as plan administrator       |
| <b>SIGN HERE</b>                                                                                                                                                                                   |  | 5/8/18 | Chandra Chudamani                                            |
|                                                                                                                                                                                                    | Signature of employer/plan sponsor                                                  | Date   | Enter name of individual signing as employer or plan sponsor |
| <b>SIGN HERE</b>                                                                                                                                                                                   |                                                                                     |        |                                                              |
|                                                                                                                                                                                                    | 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)<br>Cathy Perka<br>5500Tax Group, Inc.<br>2951 Marina Bay Drive 130-288<br><br>League City TX 77573 |                                                                                     |        | Preparer's telephone number<br>281-538-8494                  |

For Paperwork Reduction Act Notice, see the Instructions for Form 5500.

Form 5500 (2016)

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>3a</b> Plan administrator's name and address <input type="checkbox"/> Same as Plan Sponsor<br>BAE SYSTEMS ADMINISTRATIVE COMMITTEE<br><br>1101 WILSON BLVD., SUITE 2000<br><br>ARLINGTON VA 22209                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | <b>3b</b> Administrator's EIN<br>52-2267705<br><b>3c</b> Administrator's telephone number<br>703-312-6100                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>4</b> 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:<br><b>a</b> Sponsor's name                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | <b>4b</b> EIN<br><br><b>4c</b> PN                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>5</b> Total number of participants at the beginning of the plan year                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <b>5</b> 45,112                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>6</b> Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines <b>6a(1)</b> , <b>6a(2)</b> , <b>6b</b> , <b>6c</b> , and <b>6d</b> ).<br><br><b>a(1)</b> Total number of active participants at the beginning of the plan year .....<br><b>a(2)</b> Total number of active participants at the end of the plan year .....<br><b>b</b> Retired or separated participants receiving benefits.....<br><b>c</b> Other retired or separated participants entitled to future benefits .....<br><b>d</b> Subtotal. Add lines <b>6a(2)</b> , <b>6b</b> , and <b>6c</b> .....<br><b>e</b> Deceased participants whose beneficiaries are receiving or are entitled to receive benefits. ....<br><b>f</b> Total. Add lines <b>6d</b> and <b>6e</b> .....<br><b>g</b> Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) .....<br><b>h</b> Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested ..... | <b>6a(1)</b> 30,223<br><b>6a(2)</b> 30,136<br><b>6b</b> 286<br><b>6c</b> 13,990<br><b>6d</b> 44,412<br><b>6e</b> 343<br><b>6f</b> 44,755<br><b>6g</b> 41,766<br><b>6h</b> 301                                                                                                                                                                                                                                                                                                                                |
| <b>7</b> Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item) .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | <b>7</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>8a</b> If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions:<br>2E 2F 2G 2K 2J 2R 2S 2T 3F 3H<br><br><b>b</b> If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>9a</b> Plan funding arrangement (check all that apply)<br>(1) <input type="checkbox"/> Insurance<br>(2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts<br>(3) <input checked="" type="checkbox"/> Trust<br>(4) <input type="checkbox"/> General assets of the sponsor                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | <b>9b</b> Plan benefit arrangement (check all that apply)<br>(1) <input type="checkbox"/> Insurance<br>(2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts<br>(3) <input checked="" type="checkbox"/> Trust<br>(4) <input type="checkbox"/> General assets of the sponsor                                                                                                                                                                                                                |
| <b>10</b> Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>a Pension Schedules</b><br>(1) <input checked="" type="checkbox"/> <b>R</b> (Retirement Plan Information)<br><br>(2) <input type="checkbox"/> <b>MB</b> (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary<br><br>(3) <input type="checkbox"/> <b>SB</b> (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | <b>b General Schedules</b><br>(1) <input checked="" type="checkbox"/> <b>H</b> (Financial Information)<br>(2) <input type="checkbox"/> <b>I</b> (Financial Information – Small Plan)<br>(3) <input type="checkbox"/> <b>A</b> (Insurance Information)<br>(4) <input checked="" type="checkbox"/> <b>C</b> (Service Provider Information)<br>(5) <input checked="" type="checkbox"/> <b>D</b> (DFE/Participating Plan Information)<br>(6) <input type="checkbox"/> <b>G</b> (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 \_\_\_\_\_

## BAE SYSTEMS EMPLOYEES' SAVINGS AND INVESTMENT PLAN

EIN 22-3537950

Plan No. 003

Schedule H, Line 4(i) – Schedule of Assets (Held at End of Year)

December 31, 2016

| Identity of issuer, borrower, lessor, or similar party | Description of investment including maturity date, rate of interest, collateral, par, or maturity value | Current value |
|--------------------------------------------------------|---------------------------------------------------------------------------------------------------------|---------------|
| Short-term investment funds:                           |                                                                                                         |               |
| ^^ State Street Bank and Trust Company                 | 12(b)(1) Fee Account                                                                                    | \$ 2,165,397  |
| ^^ State Street Bank and Trust Company                 | Clearing Account                                                                                        | 3,347,453     |
| Total short-term investment funds                      |                                                                                                         | 5,512,850     |
| Mutual funds:                                          |                                                                                                         |               |
| ^ Capital                                              | Capital Emerging Markets Growth Fund                                                                    | 35,748,815    |
| ^ Fidelity                                             | Fidelity ContraFund                                                                                     | 578,387,109   |
| ^ Harding Loevner                                      | Harding Loevner International Fund                                                                      | 131,251,529   |
| ^ The Vanguard Group                                   | Vanguard Developed Market Index                                                                         | 267,047,268   |
| ^ The Vanguard Group                                   | Vanguard Emerging Market Index                                                                          | 77,023,639    |
| ^ The Vanguard Group                                   | Vanguard Extended Market Index                                                                          | 306,028,037   |
| ^ The Vanguard Group                                   | Vanguard Institutional Index Plus Fund                                                                  | 798,687,366   |
| ^ The Vanguard Group                                   | Vanguard Target Retirement 2010 Fund                                                                    | 13,654,156    |
| ^ The Vanguard Group                                   | Vanguard Target Retirement 2015 Fund                                                                    | 99,979,134    |
| ^ The Vanguard Group                                   | Vanguard Target Retirement 2020 Fund                                                                    | 67,747,143    |
| ^ The Vanguard Group                                   | Vanguard Target Retirement 2025 Fund                                                                    | 244,262,530   |
| ^ The Vanguard Group                                   | Vanguard Target Retirement 2030 Fund                                                                    | 49,850,280    |
| ^ The Vanguard Group                                   | Vanguard Target Retirement 2035 Fund                                                                    | 161,804,118   |
| ^ The Vanguard Group                                   | Vanguard Target Retirement 2040 Fund                                                                    | 34,667,131    |
| ^ The Vanguard Group                                   | Vanguard Target Retirement 2045 Fund                                                                    | 152,200,142   |
| ^ The Vanguard Group                                   | Vanguard Target Retirement 2050 Fund                                                                    | 25,060,121    |
| ^ The Vanguard Group                                   | Vanguard Target Retirement 2055 Fund                                                                    | 22,681,325    |
| ^ The Vanguard Group                                   | Vanguard Target Retirement Income Fund                                                                  | 48,407,947    |
| ^ The Vanguard Group                                   | Vanguard Federal Money Market                                                                           | 87,294,521    |
| ^ The Vanguard Group                                   | Vanguard Wellington Income Fund                                                                         | 585,508,666   |
| ^ The Vanguard Group                                   | Vanguard Total Bond Market Index Fund                                                                   | 164,659,164   |
| ^ Westwood                                             | Westwood Management Corp. Fund                                                                          | 100,919,156   |
| Total mutual funds                                     |                                                                                                         | 4,052,869,297 |
| Common stock funds:                                    |                                                                                                         |               |
| Dodge & Cox Stock Fund:                                |                                                                                                         |               |
| ^ Aegon N.V.                                           | Common stock                                                                                            | 2,087,022     |
| ^ Alnylam Pharmaceuticals Inc                          | Common stock                                                                                            | 1,284,192     |
| ^ Alphabet Inc Class C                                 | Common stock                                                                                            | 8,128,036     |
| ^ Alphabet Inc Class A                                 | Common stock                                                                                            | 1,109,430     |
| ^ American Express                                     | Common stock                                                                                            | 7,430,224     |
| ^ Anadarko Petroleum Corp                              | Common stock                                                                                            | 5,515,643     |
| ^ Anthem Inc                                           | Common stock                                                                                            | 1,710,863     |
| ^ Apache Corp                                          | Common stock                                                                                            | 6,791,290     |
| ^ AstraZeneca Plc Spons ADR                            | Common stock                                                                                            | 5,636,116     |
| ^ BB+T Corp                                            | Common stock                                                                                            | 3,996,700     |
| ^ Baker Hughes Inc                                     | Common stock                                                                                            | 6,237,120     |
| ^ Bank of America Corp                                 | Common stock                                                                                            | 14,966,120    |
| ^ Bank of New York Mellon Corp                         | Common stock                                                                                            | 8,381,522     |
| ^ Bristol Myers Squibb Co                              | Common stock                                                                                            | 4,570,008     |
| ^ Cigna Corp                                           | Common stock                                                                                            | 6,442,737     |
| ^ Capital One Financial Corp                           | Common stock                                                                                            | 14,420,772    |
| ^ Celanese Corp                                        | Common stock                                                                                            | 3,543,300     |
| ^ Charter Communications Inc                           | Common stock                                                                                            | 10,563,785    |
| ^ Cisco Systems Inc                                    | Common stock                                                                                            | 6,252,518     |
| ^ Coach Inc                                            | Common stock                                                                                            | 2,034,662     |
| ^ Comcast Corp                                         | Common stock                                                                                            | 9,487,470     |
| ^ Concho Resources Inc                                 | Common stock                                                                                            | 2,943,720     |
| ^ Corning Inc                                          | Common stock                                                                                            | 3,257,034     |
| ^ Danaher Corp                                         | Common stock                                                                                            | 2,023,840     |
| ^ Dell Technologies Inc                                | Common stock                                                                                            | 2,732,394     |
| ^ Dish Network Corp                                    | Common stock                                                                                            | 3,649,590     |
| ^ Express Scripts Holding Co                           | Common stock                                                                                            | 5,317,467     |
| ^ Fedex Corp                                           | Common stock                                                                                            | 7,913,500     |
| ^ Goldman Sachs Group Inc                              | Common stock                                                                                            | 12,403,510    |
| ^ HP Inc                                               | Common stock                                                                                            | 6,315,904     |
| ^ Harley Davidson Inc                                  | Common stock                                                                                            | 2,041,900     |
| ^ Hewlett Packard Co                                   | Common stock                                                                                            | 12,266,514    |
| ^ JPMorgan Chase+Co                                    | Common stock                                                                                            | 8,818,838     |
| ^ Juniper Networks Inc                                 | Common stock                                                                                            | 562,374       |
| ^ Liberty Interactive Corp                             | Common stock                                                                                            | 1,654,344     |
| ^ Maxim Integrated Products                            | Common stock                                                                                            | 2,850,323     |
| ^ Merck + Co. Inc                                      | Common stock                                                                                            | 3,102,449     |
| ^ MetLife Inc                                          | Common stock                                                                                            | 8,185,891     |
| ^ Microsoft Corp                                       | Common stock                                                                                            | 9,432,852     |
| ^ National Oilwell Varco Inc                           | Common stock                                                                                            | 4,271,904     |
| ^ NetApp Inc                                           | Common stock                                                                                            | 3,019,112     |
| ^ News Corp                                            | Common stock                                                                                            | 269,883       |
| ^ Novartis AG                                          | Common stock                                                                                            | 8,376,600     |
| ^ Priceline Group Inc                                  | Common stock                                                                                            | 3,958,362     |
| ^ Roche Holdings Ltd                                   | Common stock                                                                                            | 5,340,816     |
| ^ Sanofi ADR                                           | Common stock                                                                                            | 10,571,016    |
| ^ Schlumberger Ltd                                     | Common stock                                                                                            | 8,185,125     |
| ^ Charles Schwab Corp                                  | Common stock                                                                                            | 14,138,154    |
| ^ Sprint Corp                                          | Common stock                                                                                            | 5,205,455     |
| ^ Symantec Corp                                        | Common stock                                                                                            | 585,305       |
| ^ Synopsys Inc                                         | Common stock                                                                                            | 2,884,140     |
| ^ Target Corp                                          | Common stock                                                                                            | 2,708,625     |
| ^ Time Warner Inc                                      | Common stock                                                                                            | 11,535,335    |
| ^ Twenty First Century Fox A                           | Common stock                                                                                            | 6,917,468     |
| ^ Twenty First Century Fox B                           | Common stock                                                                                            | 1,348,875     |
| ^ Union Pacific Corp                                   | Common stock                                                                                            | 5,152,896     |

**BAE SYSTEMS EMPLOYEES' SAVINGS AND INVESTMENT PLAN**

EIN 22-3537950

Plan No. 003

Schedule H, Line 4(i) – Schedule of Assets (Held at End of Year)

December 31, 2016

| Identity of issuer, borrower,<br>lessor, or similar party | Description of investment including maturity<br>date, rate of interest, collateral, par, or<br>maturity value | Current<br>value   |
|-----------------------------------------------------------|---------------------------------------------------------------------------------------------------------------|--------------------|
| ^ United Health Group Inc                                 | Common stock                                                                                                  | 5,601,400          |
| ^ VMWare Inc                                              | Common stock                                                                                                  | 2,763,423          |
| ^ WalMart Stores Inc                                      | Common stock                                                                                                  | 5,529,600          |
| ^ Wells Fargo + Co                                        | Common stock                                                                                                  | 13,942,830         |
| ^ Zayo Group Holdings Inc                                 | Common stock                                                                                                  | 1,656,144          |
| ^ Adient PLC                                              | Common stock                                                                                                  | 412,954            |
| ^ Weatherford Intl LTD                                    | Common stock                                                                                                  | 741,015            |
| ^ Johnson Controls International                          | Common stock                                                                                                  | 2,903,030          |
| ^ Medtronic PLC                                           | Common stock                                                                                                  | 2,863,446          |
| ^ TE Connectivity LTD                                     | Common stock                                                                                                  | 4,226,080          |
| ^A State Street Bank and Trust Company                    | Short term investment fund                                                                                    | 17,094,486         |
| Total Dodge & Cox Stock Fund                              |                                                                                                               | <u>378,265,453</u> |
| Timesquare Capital Mgmt Stock Fund:                       |                                                                                                               |                    |
| ^ Acadia                                                  | Common stock                                                                                                  | 2,393,130          |
| ^ ACI Worldwide Inc                                       | Common stock                                                                                                  | 2,052,765          |
| ^ Advisory Board Co                                       | Common stock                                                                                                  | 2,194,500          |
| ^ Allegiant Travel Co                                     | Common stock                                                                                                  | 2,762,240          |
| ^ Alnylam Pharmaceuticals Inc                             | Common stock                                                                                                  | 423,072            |
| ^ Aptargroup Inc                                          | Common stock                                                                                                  | 3,723,915          |
| ^ Artisan Partners Asset Ma                               | Common stock                                                                                                  | 2,707,250          |
| ^ Asbury Automotive Group                                 | Common stock                                                                                                  | 2,159,500          |
| ^ Aspen Technology Inc                                    | Common stock                                                                                                  | 1,968,480          |
| ^ Avis Budget Group Inc                                   | Common stock                                                                                                  | 2,237,480          |
| ^ BWX Technologies Inc                                    | Common stock                                                                                                  | 2,620,200          |
| ^ Bio Rad Laboratories                                    | Common stock                                                                                                  | 2,278,500          |
| ^ Blue Buffalo Pet Products Inc                           | Common stock                                                                                                  | 2,223,700          |
| ^ Booz Allen Hamilton Holdings                            | Common stock                                                                                                  | 3,102,020          |
| ^ Bright Horizons Family Solut                            | Common stock                                                                                                  | 4,481,280          |
| ^ Broadridge Financial Solution                           | Common stock                                                                                                  | 4,103,970          |
| ^ Brunswick Corp                                          | Common stock                                                                                                  | 2,023,434          |
| ^ CEB Inc                                                 | Common stock                                                                                                  | 1,878,600          |
| ^ Carter S Inc                                            | Common stock                                                                                                  | 2,436,198          |
| ^ Columbia Sportswear Co                                  | Common stock                                                                                                  | 2,209,570          |
| ^ Commscope Holding Co Inc                                | Common stock                                                                                                  | 2,734,200          |
| ^ Corelogic Inc                                           | Common stock                                                                                                  | 2,268,728          |
| ^ Cornerstone OnDemand Inc                                | Common stock                                                                                                  | 3,173,250          |
| ^ Costar Group Inc                                        | Common stock                                                                                                  | 4,806,495          |
| ^ DBV Technologies SA Spon ADR                            | Common stock                                                                                                  | 667,470            |
| ^ Dermira Inc                                             | Common stock                                                                                                  | 1,904,724          |
| ^ Diamondback Energy Inc                                  | Common stock                                                                                                  | 1,465,370          |
| ^ Dick's Sporting Goods Inc                               | Common stock                                                                                                  | 1,879,740          |
| ^ Dun & Bradstreet Corp                                   | Common stock                                                                                                  | 2,305,080          |
| ^ Electronics For Imaging                                 | Common stock                                                                                                  | 2,206,158          |
| ^ Envision Healthcare Holdings                            | Common stock                                                                                                  | 1,444,278          |
| ^ Extraction Oil + Gas Inc                                | Common stock                                                                                                  | 2,124,240          |
| ^ Forum Energy Technologies Inc                           | Common stock                                                                                                  | 1,452,000          |
| ^ G III Apparel Group Ltd                                 | Common stock                                                                                                  | 1,563,724          |
| ^ Gartner Inc                                             | Common stock                                                                                                  | 3,214,026          |
| ^ Genesee + Wyoming Inc                                   | Common stock                                                                                                  | 2,255,825          |
| ^ Global Payments Inc                                     | Common stock                                                                                                  | 4,178,482          |
| ^ Graco Inc                                               | Common stock                                                                                                  | 1,994,160          |
| ^ Grand Canyon Education Inc                              | Common stock                                                                                                  | 2,074,975          |
| ^ Harman International                                    | Common stock                                                                                                  | 1,122,716          |
| ^ Jack Henry + Associates Inc                             | Common stock                                                                                                  | 4,270,318          |
| ^ Huron Consulting Group Inc                              | Common stock                                                                                                  | 1,671,450          |
| ^ IPG Photonics Corp                                      | Common stock                                                                                                  | 1,066,068          |
| ^ ITT Inc                                                 | Common stock                                                                                                  | 1,994,069          |
| ^ IMAX Corp                                               | Common stock                                                                                                  | 2,355,000          |
| ^ INC Research Holdings Inc                               | Common stock                                                                                                  | 3,050,800          |
| ^ Intra Cellular Therapies Inc                            | Common stock                                                                                                  | 769,590            |
| ^ J2 Global Inc                                           | Common stock                                                                                                  | 3,762,800          |
| ^ Marriott Vacations World                                | Common stock                                                                                                  | 933,350            |
| ^ Matador Resources Co                                    | Common stock                                                                                                  | 757,344            |
| ^ Mednax Inc                                              | Common stock                                                                                                  | 3,073,026          |
| ^ Neurocrine Biosciences Inc                              | Common stock                                                                                                  | 1,161,000          |
| ^ Nice Systems Ltd Spons                                  | Common stock                                                                                                  | 2,475,360          |
| ^ Old Dominion Freight Line                               | Common stock                                                                                                  | 1,587,115          |
| ^ Orbital Sciences Corp                                   | Common stock                                                                                                  | 3,506,831          |
| ^ Papa Johns Intl Inc                                     | Common stock                                                                                                  | 1,574,672          |
| ^ Paylocity Holding Corp                                  | Common stock                                                                                                  | 1,986,662          |
| ^ Performance Food Group                                  | Common stock                                                                                                  | 2,568,000          |
| ^ Proassurance Corp                                       | Common stock                                                                                                  | 4,327,400          |
| ^ Proto Labs Inc                                          | Common stock                                                                                                  | 2,213,185          |
| ^ RPM International Inc                                   | Common stock                                                                                                  | 2,799,160          |
| ^ Range Resources Corp                                    | Common stock                                                                                                  | 1,827,952          |
| ^ Repligen Corp                                           | Common stock                                                                                                  | 1,177,324          |
| ^ Rexnord Corp                                            | Common stock                                                                                                  | 2,215,629          |
| ^ SVB Financial Group                                     | Common stock                                                                                                  | 2,059,920          |
| ^ Servicemaster Global Holding                            | Common stock                                                                                                  | 2,328,006          |
| ^ Signature Bank                                          | Common stock                                                                                                  | 1,952,600          |
| ^ Smith (A.O.) Corp                                       | Common stock                                                                                                  | 1,160,075          |
| ^ Surgery Partners Inc                                    | Common stock                                                                                                  | 1,873,470          |
| ^ Surgical Care Affiliates Inc                            | Common stock                                                                                                  | 1,924,832          |
| ^ Taylor Morrison Home Corp                               | Common stock                                                                                                  | \$ 317,790         |
| ^ Team Health Holdings Inc                                | Common stock                                                                                                  | 1,837,935          |
| ^ Tempur Sealy International                              | Common stock                                                                                                  | 1,870,872          |
| ^ Transunion                                              | Common stock                                                                                                  | 4,639,500          |

**BAE SYSTEMS EMPLOYEES' SAVINGS AND INVESTMENT PLAN**

EIN 22-3537950

Plan No. 003

Schedule H, Line 4(i) – Schedule of Assets (Held at End of Year)

December 31, 2016

| Identity of issuer, borrower, lessor, or similar party | Description of investment including maturity date, rate of interest, collateral, par, or maturity value | Current value |
|--------------------------------------------------------|---------------------------------------------------------------------------------------------------------|---------------|
| ^ Tyler Technologies Inc                               | Common stock                                                                                            | 3,440,757     |
| ^ Ultimate Software Group Inc                          | Common stock                                                                                            | 4,285,225     |
| ^ Valvoline Inc                                        | Common stock                                                                                            | 1,913,500     |
| ^ Vantiv Inc                                           | Common stock                                                                                            | 2,981,000     |
| ^ Wabco Holdings Inc                                   | Common stock                                                                                            | 2,972,200     |
| ^ WNS Holdings Ltd                                     | Common stock                                                                                            | 3,622,825     |
| ^ Wageworks Inc                                        | Common stock                                                                                            | 2,240,250     |
| ^ Watco Inc                                            | Common stock                                                                                            | 1,466,388     |
| ^ Wex Inc                                              | Common stock                                                                                            | 3,961,800     |
| ^ WisdomTree Investments Inc                           | Common stock                                                                                            | 1,253,250     |
| ^ Woodward inc                                         | Common stock                                                                                            | 2,168,170     |
| ^Assured Guaranty Ltd                                  | Common stock                                                                                            | 1,246,410     |
| ^ Atlassian Corp                                       | Common stock                                                                                            | 2,297,232     |
| ^ Axalta Coating Systems Ltd                           | Common stock                                                                                            | 1,558,560     |
| ^ Renaissance Holdings Ltd                             | Common stock                                                                                            | 2,097,788     |
| ^ Aercep HHoldings NV                                  | Common stock                                                                                            | 2,205,330     |
| ^* State Street Bank and Trust Company                 | Short term investment fund                                                                              | 8,783,967     |
| Total Timesquare Capital Mgmt Stock Fund               |                                                                                                         | 216,399,202   |
| Total common stock funds                               |                                                                                                         | 594,664,655   |
| ^ Cubesmart REIT                                       | Real estate investment trust                                                                            | 2,436,070     |
| Fixed income fund:                                     |                                                                                                         |               |
| Dodge & Cox Income Fund                                |                                                                                                         |               |
| ^ TIME WARNER INC COMPANY GUAR 04/31 7.625             | CORPORATE BONDS                                                                                         | 603,507       |
| ^ TIME WARNER INC COMPANY GUAR 05/32 7.7               | CORPORATE BONDS                                                                                         | 2,324,255     |
| ^ AT+T CORP COMPANY GUAR 11/31 8.25                    | CORPORATE BONDS                                                                                         | 1,057,890     |
| ^ AT+T INC SR UNSECURED 05/46 4.75                     | CORPORATE BONDS                                                                                         | 426,339       |
| ^ AT+T INC SR UNSECURED 02/47 5.65                     | CORPORATE BONDS                                                                                         | 643,497       |
| ^ AT+T INC SR UNSECURED 03/48 4.5                      | CORPORATE BONDS                                                                                         | 934,516       |
| ^ AT+T INC SR UNSECURED 09/40 5.35                     | CORPORATE BONDS                                                                                         | 477,554       |
| ^ BHP BILLITON FIN USA LTD COMPANY GUAR 144A 10/75 VAR | CORPORATE BONDS                                                                                         | 1,487,312     |
| ^ BURLINGTN NO SF 06 2 TR PASS THRU CE 04/24 5.629     | CORPORATE BONDS                                                                                         | 201,365       |
| ^ BURLINGTN NO SF 06 1 TR PASS THRU CE 01/24 5.72      | CORPORATE BONDS                                                                                         | 155,126       |
| ^ BNSF RAILWAY CO 2007 1 P PASS THRU CE 04/24 5.996    | CORPORATE BONDS                                                                                         | 401,280       |
| ^ BNP PARIBAS COMPANY GUAR 10/24 4.25                  | CORPORATE BONDS                                                                                         | 1,979,878     |
| ^ BNP PARIBAS SUBORDINATED 144A 09/25 4.375            | CORPORATE BONDS                                                                                         | 695,976       |
| ^ BAC CAPITAL TRUST XI LIMITD GUARA 05/36 6.625        | CORPORATE BONDS                                                                                         | 2,461,633     |
| ^ BANK OF AMERICA CORP SR UNSECURED 06/19 7.625        | CORPORATE BONDS                                                                                         | 1,404,645     |
| ^ BANK OF AMERICA CORP SR UNSECURED 07/20 5.625        | CORPORATE BONDS                                                                                         | 659,732       |
| ^ BANK OF AMERICA CORP SUBORDINATED 08/24 4.2          | CORPORATE BONDS                                                                                         | 687,625       |
| ^ BANK ONE CAPITAL III LIMITD GUARA 09/30 8.75         | CORPORATE BONDS                                                                                         | 605,212       |
| ^ BARCLAYS PLC SUBORDINATED 09/24 4.375                | CORPORATE BONDS                                                                                         | 1,264,650     |
| ^ BOSTON PROPERTIES LP SR UNSECURED 11/20 5.625        | CORPORATE BONDS                                                                                         | 672,773       |
| ^ BOSTON PROPERTIES LP SR UNSECURED 05/21 4.125        | CORPORATE BONDS                                                                                         | 232,440       |
| ^ BOSTON PROPERTIES LP SR UNSECURED 02/23 3.85         | CORPORATE BONDS                                                                                         | 200,082       |
| ^ BOSTON PROPERTIES LP SR UNSECURED 09/23 3.125        | CORPORATE BONDS                                                                                         | 661,885       |
| ^ BURLINGTN NORTH SANTA FE SR UNSECURED 09/22 3.05     | CORPORATE BONDS                                                                                         | 137,864       |
| ^ BURLINGTN NORTH SANTA FE SR UNSECURED 09/23 3.85     | CORPORATE BONDS                                                                                         | 873,640       |
| ^ BURLINGTN NO SF 99 2 TR PASS THRU CE 01/21 7.57      | CORPORATE BONDS                                                                                         | 82,363        |
| ^ CEMEX FINANCE LLC SR SECURED 144A 04/24 6            | CORPORATE BONDS                                                                                         | 513,750       |
| ^ CIGNA CORP SR UNSECURED 03/23 7.65                   | CORPORATE BONDS                                                                                         | 66,701        |
| ^ CIGNA CORP SR UNSECURED 05/27 7.875                  | CORPORATE BONDS                                                                                         | 362,000       |
| ^ CIGNA CORP SR UNSECURED 01/33 VAR                    | CORPORATE BONDS                                                                                         | 99,191        |
| ^ CIGNA CORP SR UNSECURED 11/36 6.15                   | CORPORATE BONDS                                                                                         | 1,008,809     |
| ^ CIGNA CORP SR UNSECURED 03/41 5.875                  | CORPORATE BONDS                                                                                         | 804,645       |
| ^ CRH AMERICA INC COMPANY GUAR 144A 05/25 3.875        | CORPORATE BONDS                                                                                         | 1,374,621     |
| ^ CSX CORP SR UNSECURED 08/24 3.4                      | CORPORATE BONDS                                                                                         | 1,655,259     |
| ^ CSX TRANSPORTATION INC SR UNSECURED 06/20 9.75       | CORPORATE BONDS                                                                                         | 116,956       |
| ^ CSX TRANSPORTATION INC SR SECURED 01/23 6.251        | CORPORATE BONDS                                                                                         | 154,931       |
| ^ CALIFORNIA ST CAS 04/34 FIXED 7.5                    | MUNICIPALS                                                                                              | 777,425       |
| ^ CALIFORNIA ST CAS 04/39 FIXED 7.55                   | MUNICIPALS                                                                                              | 3,062,875     |
| ^ CALIFORNIA ST CAS 10/39 FIXED 7.3                    | MUNICIPALS                                                                                              | 396,278       |
| ^ CALIFORNIA ST CAS 03/40 FIXED 7.625                  | MUNICIPALS                                                                                              | 1,050,459     |
| ^ CAPITAL ONE FINANCIAL CO SR UNSECURED 07/21 4.75     | CORPORATE BONDS                                                                                         | 2,033,361     |
| ^ CAPITAL ONE FINANCIAL CO SR UNSECURED 06/23 3.5      | CORPORATE BONDS                                                                                         | 235,889       |
| ^ CAPITAL ONE FINANCIAL CO SR UNSECURED 02/25 3.2      | CORPORATE BONDS                                                                                         | 387,694       |
| ^ CAPITAL ONE FINANCIAL CO SUBORDINATED 10/25 4.2      | CORPORATE BONDS                                                                                         | 677,245       |
| ^ CEMEX SAB DE CV SR SECURED 144A 01/21 7.25           | CORPORATE BONDS                                                                                         | 931,875       |
| ^ CEMEX SAB DE CV SR SECURED 144A 01/25 5.7            | CORPORATE BONDS                                                                                         | 629,687       |
| ^ CEMEX SAB DE CV SR SECURED 144A 05/25 6.125          | CORPORATE BONDS                                                                                         | 1,457,062     |
| ^ CHARTER COMM OPT LLC/CAP SR SECURED 07/25 4.908      | CORPORATE BONDS                                                                                         | 685,055       |
| ^ CHARTER COMM OPT LLC/CAP SR SECURED 10/45 6.484      | CORPORATE BONDS                                                                                         | 635,843       |
| ^ CHASE ISSUANCE TRUST CHAIT 2015 A2 A2                | CREDIT CARD RCVEABLE                                                                                    | 1,002,847     |
| ^ COX COMMUNICATIONS INC SR UNSECURED 144A 01/19 9.375 | CORPORATE BONDS                                                                                         | 1,530,772     |
| ^ COX COMMUNICATIONS INC SR UNSECURED 144A 12/22 3.25  | CORPORATE BONDS                                                                                         | 491,912       |
| ^ COX COMMUNICATIONS INC SR UNSECURED 144A 06/23 2.95  | CORPORATE BONDS                                                                                         | 1,312,812     |
| ^ COX COMMUNICATIONS INC SR UNSECURED 144A 02/25 3.85  | CORPORATE BONDS                                                                                         | 1,078,825     |
| ^ DIAMOND 1 FINDIAMOND 2 SR SECURED 144A 06/21 4.42    | CORPORATE BONDS                                                                                         | 1,940,147     |
| ^ DIAMOND 1 FINDIAMOND 2 SR SECURED 144A 06/23 5.45    | CORPORATE BONDS                                                                                         | 928,147       |
| ^ DILLARDS INC SR UNSECURED 07/26 7.75                 | CORPORATE BONDS                                                                                         | 223,275       |
| ^ DILLARDS INC SR UNSECURED 05/27 7.75                 | CORPORATE BONDS                                                                                         | 140,700       |
| ^ DILLARDS INC SR UNSECURED 08/18 7.13                 | CORPORATE BONDS                                                                                         | 235,657       |
| ^ DILLARDS INC SR UNSECURED 12/28 7                    | CORPORATE BONDS                                                                                         | 296,800       |
| ^ DOMINION RESOURCES INC JR SUBORDINA 04/21 VAR        | CORPORATE BONDS                                                                                         | 416,667       |
| ^ DOMINION RESOURCES INC JR SUBORDINA 07/19 VAR        | CORPORATE BONDS                                                                                         | 531,514       |
| ^ DOMINION RESOURCES INC JR SUBORDINA 10/54 VAR        | CORPORATE BONDS                                                                                         | 1,204,375     |
| ^ DOW CHEMICAL CO/THE SR UNSECURED 11/29 7.375         | CORPORATE BONDS                                                                                         | 900,088       |

\$

## BAE SYSTEMS EMPLOYEES' SAVINGS AND INVESTMENT PLAN

EIN 22-3537950

Plan No. 003

Schedule H, Line 4(i) – Schedule of Assets (Held at End of Year)

December 31, 2016

| Identity of issuer, borrower, lessor, or similar party | Description of investment including maturity date, rate of interest, collateral, par, or maturity value | Current value |
|--------------------------------------------------------|---------------------------------------------------------------------------------------------------------|---------------|
| ^ DOW CHEMICAL CO/THE SR UNSECURED 05/39 9.4           | CORPORATE BONDS                                                                                         | 1,086,058     |
| ^ ERP OPERATING LP SR UNSECURED 12/21 4.625            | CORPORATE BONDS                                                                                         | 483,362       |
| ^ ERP OPERATING LP SR UNSECURED 04/23 3                | CORPORATE BONDS                                                                                         | 424,076       |
| ^ EATON CORP COMPANY GUAR 11/22 2.75                   | CORPORATE BONDS                                                                                         | 579,404       |
| ^ ENEL FINANCE INTL NV COMPANY GUAR 144A 09/37 6.8     | CORPORATE BONDS                                                                                         | 1,580,409     |
| ^ ENEL FINANCE INTL NV COMPANY GUAR 144A 10/39 6       | CORPORATE BONDS                                                                                         | 279,295       |
| ^ FED HM LN PC POOL G01749 FG 01/35 FIXED 5.5          | FHLMC                                                                                                   | 54,880        |
| ^ FED HM LN PC POOL G01665 FG 03/34 FIXED 5.5          | FHLMC                                                                                                   | 125,346       |
| ^ FED HM LN PC POOL G30458 FG 12/27 FIXED 6            | FHLMC                                                                                                   | 264,485       |
| ^ FED HM LN PC POOL G30666 FG 06/31 FIXED 4            | FHLMC                                                                                                   | 2,167,108     |
| ^ FED HM LN PC POOL D98482 FG 12/30 FIXED 4.5          | FHLMC                                                                                                   | 1,456,504     |
| ^ FED HM LN PC POOL 1B1150 FH 09/33 FLOATING VAR       | FHLMC                                                                                                   | 70,862        |
| ^ FED HM LN PC POOL G12339 FG 10/20 FIXED 5.5          | FHLMC                                                                                                   | 68,880        |
| ^ FED HM LN PC POOL G04378 FG 03/38 FIXED 6.5          | FHLMC                                                                                                   | 86,458        |
| ^ FED HM LN PC POOL G05862 FG 07/35 FIXED 5.5          | FHLMC                                                                                                   | 79,515        |
| ^ FED HM LN PC POOL G06875 FG 12/38 FIXED 5.5          | FHLMC                                                                                                   | 513,993       |
| ^ FED HM LN PC POOL G06238 FG 01/38 FIXED 6            | FHLMC                                                                                                   | 76,906        |
| ^ FED HM LN PC POOL G06570 FG 02/39 FIXED 6            | FHLMC                                                                                                   | 100,590       |
| ^ FED HM LN PC POOL G07598 FG 11/43 FIXED 4.5          | FHLMC                                                                                                   | 977,047       |
| ^ FED HM LN PC POOL G13338 FG 11/23 FIXED 6            | FHLMC                                                                                                   | 45,728        |
| ^ FED HM LN PC POOL G13346 FG 03/23 FIXED 6            | FHLMC                                                                                                   | 46,136        |
| ^ FED HM LN PC POOL G12758 FG 02/22 FIXED 6            | FHLMC                                                                                                   | 43,145        |
| ^ FED HM LN PC POOL G13884 FG 06/25 FIXED 4.5          | FHLMC                                                                                                   | 727,456       |
| ^ FED HM LN PC POOL G14585 FG 10/26 FIXED 4            | FHLMC                                                                                                   | 910,317       |
| ^ FED HM LN PC POOL G14593 FG 05/27 FIXED 4            | FHLMC                                                                                                   | 323,511       |
| ^ FED HM LN PC POOL G14680 FG 07/26 FIXED 4            | FHLMC                                                                                                   | 247,403       |
| ^ FED HM LN PC POOL G14667 FG 02/27 FIXED 4            | FHLMC                                                                                                   | 82,522        |
| ^ FED HM LN PC POOL G14730 FG 02/27 FIXED 4            | FHLMC                                                                                                   | 54,938        |
| ^ FED HM LN PC POOL G08678 FG 11/45 FIXED 4.5          | FHLMC                                                                                                   | 4,848,205     |
| ^ FED HM LN PC POOL C91395 FG 09/31 FIXED 4            | FHLMC                                                                                                   | 544,095       |
| ^ FED HM LN PC POOL 1H2581 FH 01/36 FLOATING VAR       | FHLMC                                                                                                   | 75,390        |
| ^ FED HM LN PC POOL 1G2080 FH 07/37 FLOATING VAR       | FHLMC                                                                                                   | 82,255        |
| ^ FED HM LN PC POOL 1Q0479 FH 02/38 FLOATING VAR       | FHLMC                                                                                                   | 98,014        |
| ^ FED HM LN PC POOL 1Q0557 FH 04/38 FLOATING VAR       | FHLMC                                                                                                   | 79,244        |
| ^ FED HM LN PC POOL 1Q0558 FH 04/38 FLOATING VAR       | FHLMC                                                                                                   | 106,233       |
| ^ FED HM LN PC POOL 849885 FH 12/45 FLOATING VAR       | FHLMC                                                                                                   | 693,455       |
| ^ FED HM LN PC POOL 849094 FH 09/41 FLOATING VAR       | FHLMC                                                                                                   | 487,936       |
| ^ FED HM LN PC POOL 849207 FH 08/42 FLOATING VAR       | FHLMC                                                                                                   | 531,084       |
| ^ FED HM LN PC POOL 849353 FH 04/44 FLOATING VAR       | FHLMC                                                                                                   | 496,361       |
| ^ FED HM LN PC POOL 849402 FH 07/44 FLOATING VAR       | FHLMC                                                                                                   | 940,170       |
| ^ FED HM LN PC POOL 849748 FH 10/43 FLOATING VAR       | FHLMC                                                                                                   | 2,652,324     |
| ^ FED HM LN PC POOL 2B1735 FH 10/43 FLOATING VAR       | FHLMC                                                                                                   | 1,981,489     |
| ^ FED HM LN PC POOL 2B1967 FH 12/43 FLOATING VAR       | FHLMC                                                                                                   | 1,428,583     |
| ^ FED HM LN PC POOL 2B2791 FH 07/44 FLOATING VAR       | FHLMC                                                                                                   | 775,943       |
| ^ FED HM LN PC POOL 2B3821 FH 02/45 FLOATING VAR       | FHLMC                                                                                                   | 1,847,253     |
| ^ FED HM LN PC POOL 2B3805 FH 02/45 FLOATING VAR       | FHLMC                                                                                                   | 1,189,204     |
| ^ FED HM LN PC POOL 2B5468 FH 07/46 FLOATING VAR       | FHLMC                                                                                                   | 2,158,049     |
| ^ FED HM LN PC POOL Q02552 FG 08/41 FIXED 4.5          | FHLMC                                                                                                   | 222,358       |
| ^ FED HM LN PC POOL V80953 FG 01/44 FIXED 4.5          | FHLMC                                                                                                   | 889,529       |
| ^ FEDEX CORP 1998 PASS TST PASS THRU CE 07/23 6.72     | CORPORATE BONDS                                                                                         | 153,080       |
| ^ FED HM LN PC POOL G60034 FG 02/45 FIXED 4.5          | FHLMC                                                                                                   | 500,147       |
| ^ FANNIE MAE FNR 2012 134 FT                           | CMO                                                                                                     | 573,711       |
| ^ FANNIE MAE FNR 2012 133 HF                           | CMO                                                                                                     | 418,039       |
| ^ FANNIEMAE ACES FNA 2014 M9 ASQ2                      | CMO                                                                                                     | 183,661       |
| ^ FNMA POOL 256985 FN 11/37 FIXED 7                    | FNMA                                                                                                    | 41,630        |
| ^ FNMA POOL 310048 FN 02/38 FIXED VAR                  | FNMA                                                                                                    | 28,763        |
| ^ FREDDIE MAC FHR 4091 JF                              | CMO                                                                                                     | 258,486       |
| ^ FREDDIE MAC FHR 4120 YF                              | CMO                                                                                                     | 639,022       |
| ^ FREDDIE MAC FHR 4283 EW                              | CMO                                                                                                     | 3,197,178     |
| ^ FNMA POOL 467786 FN 04/18 FIXED 3.81                 | FNMA                                                                                                    | 1,554,991     |
| ^ FNMA POOL 555285 FN 03/33 FIXED VAR                  | FNMA                                                                                                    | 87,940        |
| ^ FNMA POOL 555424 FN 05/33 FIXED VAR                  | FNMA                                                                                                    | 479,243       |
| ^ FNMA POOL AL0787 FN 08/26 FIXED VAR                  | FNMA                                                                                                    | 858,192       |
| ^ FNMA POOL AL1043 FN 10/38 FLOATING VAR               | FNMA                                                                                                    | 83,790        |
| ^ FNMA POOL AL2687 FN 01/27 FIXED VAR                  | FNMA                                                                                                    | 202,762       |
| ^ FNMA POOL AL2689 FN 02/27 FIXED VAR                  | FNMA                                                                                                    | 351,622       |
| ^ FNMA POOL AL2193 FN 07/25 FIXED VAR                  | FNMA                                                                                                    | 88,655        |
| ^ FNMA POOL AL2442 FN 09/25 FIXED VAR                  | FNMA                                                                                                    | 556,373       |
| ^ FNMA POOL AL2844 FN 09/38 FIXED VAR                  | FNMA                                                                                                    | 132,639       |
| ^ FNMA POOL AL4549 FN 01/32 FIXED VAR                  | FNMA                                                                                                    | 1,093,949     |
| ^ FNMA POOL AL4657 FN 01/44 FLOATING VAR               | FNMA                                                                                                    | 328,214       |
| ^ FNMA POOL AL4778 FN 10/32 FIXED VAR                  | FNMA                                                                                                    | 984,577       |
| ^ FNMA POOL AL4980 FN 02/44 FLOATING VAR               | FNMA                                                                                                    | 591,283       |
| ^ FNMA POOL AL5441 FN 09/41 FIXED VAR                  | FNMA                                                                                                    | 819,173       |
| ^ FNMA POOL AL5749 FN 07/42 FIXED VAR                  | FNMA                                                                                                    | 3,561,924     |
| ^ FNMA POOL AL5861 FN 01/31 FIXED VAR                  | FNMA                                                                                                    | 351,180       |
| ^ FNMA POOL AL6137 FN 07/21 FIXED VAR                  | FNMA                                                                                                    | 352,558       |
| ^ FNMA POOL AL6720 FN 06/34 FIXED VAR                  | FNMA                                                                                                    | 6,693,771     |
| ^ FNMA POOL AL7049 FN 02/45 FIXED VAR                  | FNMA                                                                                                    | 2,343,680     |
| ^ FNMA POOL AL7384 FN 09/45 FIXED VAR                  | FNMA                                                                                                    | 1,101,121     |
| ^ FNMA POOL AL9063 FN 02/31 FIXED VAR                  | FNMA                                                                                                    | \$ 1,825,649  |
| ^ FNMA POOL AL9128 FN 02/46 FIXED VAR                  | FNMA                                                                                                    | 633,641       |
| ^ FNMA POOL AL9407 FN 09/42 FIXED VAR                  | FNMA                                                                                                    | 631,048       |
| ^ FNMA POOL AS8156 FN 10/46 FIXED 4.5                  | FNMA                                                                                                    | 2,542,641     |
| ^ FNMA POOL AT7040 FN 09/44 FLOATING VAR               | FNMA                                                                                                    | 792,543       |
| ^ FNMA POOL AV2459 FN 11/43 FLOATING VAR               | FNMA                                                                                                    | 711,206       |
| ^ FNMA POOL AX2197 FN 12/44 FLOATING VAR               | FNMA                                                                                                    | 749,788       |
| ^ FNMA POOL AX2525 FN 12/44 FLOATING VAR               | FNMA                                                                                                    | 1,290,349     |

## BAE SYSTEMS EMPLOYEES' SAVINGS AND INVESTMENT PLAN

EIN 22-3537950

Plan No. 003

Schedule H, Line 4(i) – Schedule of Assets (Held at End of Year)

December 31, 2016

| Identity of issuer, borrower, lessor, or similar party     | Description of investment including maturity date, rate of interest, collateral, par, or maturity value | Current value |
|------------------------------------------------------------|---------------------------------------------------------------------------------------------------------|---------------|
| ^ FNMA POOL AX8474 FN 12/44 FLOATING VAR                   | FNMA                                                                                                    | 3,109,283     |
| ^ FNMA POOL 677709 FN 02/33 FIXED 5.5                      | FNMA                                                                                                    | 96,185        |
| ^ FANNIEMAE WHOLE LOAN FNW 2003 W2 1A2                     | CMO                                                                                                     | 82,540        |
| ^ FANNIEMAE WHOLE LOAN FNW 2004 W2 5A                      | CMO                                                                                                     | 58,973        |
| ^ FREDDIE MAC FHR 2953 DZ                                  | CMO                                                                                                     | 325,792       |
| ^ FANNIE MAE FNR 2009 53 QM                                | CMO                                                                                                     | 23,419        |
| ^ FANNIEMAE WHOLE LOAN FNW 2007 W10 1A                     | CMO                                                                                                     | 147,334       |
| ^ FANNIE MAE FNR 2008 29 ZA                                | CMO                                                                                                     | 983,199       |
| ^ FREDDIE MAC FHR 3330 GZ                                  | CMO                                                                                                     | 38,087        |
| ^ FANNIE MAE FNR 2009 40 TB                                | CMO                                                                                                     | 49,545        |
| ^ FREDDIE MAC FHR 3420 AD                                  | CMO                                                                                                     | 629,208       |
| ^ FANNIE MAE FNR 2010 123 WT                               | CMO                                                                                                     | 458,310       |
| ^ FNMA POOL 725228 FN 03/34 FIXED VAR                      | FNMA                                                                                                    | 335,518       |
| ^ FNMA POOL 725330 FN 03/34 FIXED VAR                      | FNMA                                                                                                    | 452,235       |
| ^ FNMA POOL 735415 FN 12/32 FIXED VAR                      | FNMA                                                                                                    | 195,584       |
| ^ FNMA POOL 745398 FN 06/35 FIXED VAR                      | FNMA                                                                                                    | 48,953        |
| ^ FNMA POOL 745942 FN 04/34 FIXED VAR                      | FNMA                                                                                                    | 56,045        |
| ^ FNMA POOL 832257 FN 08/35 FLOATING VAR                   | FNMA                                                                                                    | 65,601        |
| ^ FNMA POOL 888291 FN 03/22 FIXED VAR                      | FNMA                                                                                                    | 91,546        |
| ^ FNMA POOL 888365 FN 04/22 FIXED VAR                      | FNMA                                                                                                    | 40,257        |
| ^ FNMA POOL 888366 FN 04/37 FIXED VAR                      | FNMA                                                                                                    | 782,226       |
| ^ FNMA POOL 888136 FN 12/21 FIXED VAR                      | FNMA                                                                                                    | 49,509        |
| ^ FNMA POOL 888151 FN 01/21 FIXED VAR                      | FNMA                                                                                                    | 38,906        |
| ^ FNMA POOL 888559 FN 06/17 FIXED VAR                      | FNMA                                                                                                    | 77,926        |
| ^ FNMA POOL 888631 FN 08/22 FIXED VAR                      | FNMA                                                                                                    | 71,325        |
| ^ FNMA POOL 888891 FN 11/37 FIXED VAR                      | FNMA                                                                                                    | 55,907        |
| ^ FNMA POOL 888956 FN 03/36 FIXED VAR                      | FNMA                                                                                                    | 140,180       |
| ^ MACYS RETAIL HLDGS INC COMPANY GUAR 04/29 6.9            | CORPORATE BONDS                                                                                         | 543,585       |
| ^ FNMA POOL 889301 FN 11/35 FIXED VAR                      | FNMA                                                                                                    | 107,913       |
| ^ FNMA POOL 889390 FN 03/23 FIXED VAR                      | FNMA                                                                                                    | 92,395        |
| ^ FNMA POOL 889886 FN 12/37 FIXED VAR                      | FNMA                                                                                                    | 80,258        |
| ^ FNMA POOL 907860 FN 02/37 FLOATING VAR                   | FNMA                                                                                                    | 91,349        |
| ^ FNMA POOL 995597 FN 03/24 FIXED VAR                      | FNMA                                                                                                    | 35,242        |
| ^ FNMA POOL 995212 FN 05/36 FIXED VAR                      | FNMA                                                                                                    | 149,186       |
| ^ FNMA POOL 995405 FN 10/23 FIXED VAR                      | FNMA                                                                                                    | 151,596       |
| ^ FNMA POOL 995694 FN 12/38 FIXED VAR                      | FNMA                                                                                                    | 30,230        |
| ^ FNMA POOL 995788 FN 09/36 FIXED VAR                      | FNMA                                                                                                    | 536,380       |
| ^ FNMA POOL MA0232 FN 11/29 FIXED 4.5                      | FNMA                                                                                                    | 203,937       |
| ^ FNMA POOL MA0563 FN 11/30 FIXED 4                        | FNMA                                                                                                    | 128,245       |
| ^ FNMA POOL MA0587 FN 12/30 FIXED 4                        | FNMA                                                                                                    | 192,944       |
| ^ FNMA POOL MA0634 FN 01/31 FIXED 4.5                      | FNMA                                                                                                    | 225,429       |
| ^ FNMA POOL MA1814 FN 03/34 FIXED 4                        | FNMA                                                                                                    | 1,811,966     |
| ^ FNMA POOL MA2366 FN 08/35 FIXED 4                        | FNMA                                                                                                    | 1,991,088     |
| ^ FNMA POOL MA2455 FN 11/35 FIXED 4                        | FNMA                                                                                                    | 2,545,688     |
| ^ FNMA POOL MA3894 FN 09/31 FIXED 4                        | FNMA                                                                                                    | 522,288       |
| ^ FNMA POOL AD0198 FN 09/38 FIXED VAR                      | FNMA                                                                                                    | 213,415       |
| ^ FNMA POOL AD0249 FN 04/37 FIXED VAR                      | FNMA                                                                                                    | 259,478       |
| ^ FNMA POOL AD0284 FN 01/24 FIXED VAR                      | FNMA                                                                                                    | 65,408        |
| ^ FNMA POOL AD0494 FN 08/37 FIXED VAR                      | FNMA                                                                                                    | 39,838        |
| ^ FNMA POOL AD0650 FN 09/39 FIXED VAR                      | FNMA                                                                                                    | 48,182        |
| ^ FNMA POOL AD0663 FN 06/36 FIXED VAR                      | FNMA                                                                                                    | 197,078       |
| ^ FNMA POOL AD0931 FN 07/35 FIXED VAR                      | FNMA                                                                                                    | 66,301        |
| ^ FNMA POOL AE0875 FN 01/25 FIXED VAR                      | FNMA                                                                                                    | 127,515       |
| ^ FNMA POOL AE0012 FN 09/38 FIXED VAR                      | FNMA                                                                                                    | 159,184       |
| ^ FNMA POOL AE0379 FN 08/24 FIXED VAR                      | FNMA                                                                                                    | 34,736        |
| ^ FNMA POOL AE0380 FN 10/24 FIXED VAR                      | FNMA                                                                                                    | 133,198       |
| ^ FNMA POOL AE0381 FN 12/24 FIXED VAR                      | FNMA                                                                                                    | 578,605       |
| ^ FNMA POOL AE0382 FN 10/24 FIXED VAR                      | FNMA                                                                                                    | 96,418        |
| ^ FNMA POOL AE0442 FN 01/39 FIXED VAR                      | FNMA                                                                                                    | 153,683       |
| ^ FNMA POOL AE0620 FN 05/24 FIXED VAR                      | FNMA                                                                                                    | 93,067        |
| ^ MACYS RETAIL HLDGS INC COMPANY GUAR 03/37 6.375          | CORPORATE BONDS                                                                                         | 919,179       |
| ^ FEDEX CORP COMPANY GUAR 01/19 8                          | CORPORATE BONDS                                                                                         | 190,281       |
| ^ FORD MOTOR CREDIT CO LLC SR UNSECURED 01/20 8.125        | CORPORATE BONDS                                                                                         | 576,590       |
| ^ FORD MOTOR CREDIT CO LLC SR UNSECURED 02/21 5.75         | CORPORATE BONDS                                                                                         | 1,864,188     |
| ^ FORD MOTOR CREDIT CO LLC SR UNSECURED 09/22 4.25         | CORPORATE BONDS                                                                                         | 283,329       |
| ^ GNMA II POOL MA1762 G2 03/44 FIXED 4.5                   | GNMA II                                                                                                 | 1,646,149     |
| ^ HSBC HOLDINGS PLC SUBORDINATED 05/36 6.5                 | CORPORATE BONDS                                                                                         | 2,127,296     |
| ^ HSBC HOLDINGS PLC SUBORDINATED 09/37 6.5                 | CORPORATE BONDS                                                                                         | 1,500,030     |
| ^ HSBC HOLDINGS PLC SR UNSECURED 04/21 5.1                 | CORPORATE BONDS                                                                                         | 432,282       |
| ^ HSBC HOLDINGS PLC SR UNSECURED 03/26 4.3                 | CORPORATE BONDS                                                                                         | 207,373       |
| ^ ILLINOIS ST ILS 06/33 FIXED 5.1                          | MUNICIPALS                                                                                              | 1,259,444     |
| ^ ILLINOIS ST ILS 03/17 FIXED 5.365                        | MUNICIPALS                                                                                              | 1,770,472     |
| ^ ILLINOIS ST ILS 03/18 FIXED 5.665                        | MUNICIPALS                                                                                              | 1,624,542     |
| ^ IMPERIAL BRANDS FIN PLC COMPANY GUAR 144A 07/22 3.75     | CORPORATE BONDS                                                                                         | 564,614       |
| ^ IMPERIAL BRANDS FIN PLC COMPANY GUAR 144A 07/25 4.25     | CORPORATE BONDS                                                                                         | 2,322,508     |
| ^ JPMORGAN CHASE + CO SUBORDINATED 09/24 3.875             | CORPORATE BONDS                                                                                         | 758,878       |
| ^ KINDER MORGAN ENER PART COMPANY GUAR 01/38 6.95          | CORPORATE BONDS                                                                                         | 637,983       |
| ^ KINDER MORGAN ENER PART COMPANY GUAR 02/23 3.45          | CORPORATE BONDS                                                                                         | 644,773       |
| ^ KINDER MORGAN ENER PART COMPANY GUAR 03/43 5             | CORPORATE BONDS                                                                                         | 674,987       |
| ^ KINDER MORGAN ENER PART COMPANY GUAR 02/24 4.15          | CORPORATE BONDS                                                                                         | 886,941       |
| ^ KINDER MORGAN ENER PART COMPANY GUAR 09/44 5.4           | CORPORATE BONDS                                                                                         | 1,794,134     |
| ^ KINDER MORGAN INC/DELAWARE COMPANY GUAR 144A 11/23 5.625 | CORPORATE BONDS                                                                                         | 493,925       |
| ^ LLOYDS BANKING GROUP PLC SUBORDINATED 11/24 4.5          | CORPORATE BONDS                                                                                         | 1,373,826     |
| ^ LLOYDS BANKING GROUP PLC SUBORDINATED 03/26 4.65         | CORPORATE BONDS                                                                                         | 987,570       |
| ^ LOS ANGELES CA UNIF SCH DIST LOSSCD 07/34 FIXED 6.758    | MUNICIPALS                                                                                              | 1,174,250     |
| ^ MACYS RETAIL HLDGS INC COMPANY GUAR 02/28 7              | CORPORATE BONDS                                                                                         | 279,994       |
| ^ MACYS RETAIL HLDGS INC COMPANY GUAR 09/28 6.7            | CORPORATE BONDS                                                                                         | 276,696       |
| ^ MACYS RETAIL HLDGS INC COMPANY GUAR 01/32 6.9            | CORPORATE BONDS                                                                                         | 550,570       |

**BAE SYSTEMS EMPLOYEES' SAVINGS AND INVESTMENT PLAN**

EIN 22-3537950

Plan No. 003

Schedule H, Line 4(i) – Schedule of Assets (Held at End of Year)

December 31, 2016

| Identity of issuer, borrower, lessor, or similar party   | Description of investment including maturity date, rate of interest, collateral, par, or maturity value | Current value |
|----------------------------------------------------------|---------------------------------------------------------------------------------------------------------|---------------|
| ^ MACYS RETAIL HLDGS INC COMPANY GUAR 07/24 6.65         | CORPORATE BONDS                                                                                         | 429,681       |
| ^ MACYS RETAIL HLDGS INC COMPANY GUAR 07/34 6.7          | CORPORATE BONDS                                                                                         | 1,247,813     |
| ^ MYRIAD INTL HOLDINGS BV COMPANY GUAR 144A 07/20 6      | CORPORATE BONDS                                                                                         | 1,271,174     |
| ^ MYRIAD INTL HOLDINGS BV COMPANY GUAR 144A 07/25 5.5    | CORPORATE BONDS                                                                                         | 1,485,709     |
| ^ NEW JERSEY ST TURNPIKE AUTH NJSTRN 01/41 FIXED 7.102   | MUNICIPALS                                                                                              | 1,755,933     |
| ^ NORDSTROM INC SR UNSECURED 03/28 6.95                  | CORPORATE BONDS                                                                                         | 145,224       |
| ^ NORDSTROM INC SR UNSECURED 01/18 6.25                  | CORPORATE BONDS                                                                                         | 162,252       |
| ^ NORFOLK SOUTHERN CORP SR UNSECURED 05/17 7.7           | CORPORATE BONDS                                                                                         | 276,170       |
| ^ NORFOLK SOUTHERN RAIL CO SR UNSECURED 06/20 9.75       | CORPORATE BONDS                                                                                         | 160,690       |
| ^ PETROLEOS MEXICANOS COMPANY GUAR 06/35 6.625           | CORPORATE BONDS                                                                                         | 689,500       |
| ^ PETROBRAS GLOBAL FINANCE COMPANY GUAR 01/20 5.75       | CORPORATE BONDS                                                                                         | 420,188       |
| ^ PETROBRAS GLOBAL FINANCE COMPANY GUAR 01/21 5.375      | CORPORATE BONDS                                                                                         | 528,120       |
| ^ PETROBRAS GLOBAL FINANCE COMPANY GUAR 05/23 4.375      | CORPORATE BONDS                                                                                         | 484,904       |
| ^ PETROLEOS MEXICANOS COMPANY GUAR 01/24 4.875           | CORPORATE BONDS                                                                                         | 509,045       |
| ^ PETROLEOS MEXICANOS COMPANY GUAR 01/45 6.375           | CORPORATE BONDS                                                                                         | 1,456,000     |
| ^ PETROLEOS MEXICANOS COMPANY GUAR 01/25 4.25            | CORPORATE BONDS                                                                                         | 827,460       |
| ^ PETROLEOS MEXICANOS COMPANY GUAR 01/46 5.625           | CORPORATE BONDS                                                                                         | 518,750       |
| ^ PETROLEOS MEXICANOS COMPANY GUAR 144A 08/26 6.875      | CORPORATE BONDS                                                                                         | 633,000       |
| ^ PETROLEOS MEXICANOS COMPANY GUAR 144A 03/27 6.5        | CORPORATE BONDS                                                                                         | 825,200       |
| ^ PROVIDENT COMPANIES INC SR UNSECURED 03/28 7.25        | CORPORATE BONDS                                                                                         | 278,025       |
| ^ RELX CAPITAL INC COMPANY GUAR 01/19 8.625              | CORPORATE BONDS                                                                                         | 292,184       |
| ^ RELX CAPITAL INC COMPANY GUAR 10/22 3.125              | CORPORATE BONDS                                                                                         | 1,174,328     |
| ^ RIO OIL FINANCE TRUST SR SECURED 144A 07/24 9.25       | CORPORATE BONDS                                                                                         | 2,741,657     |
| ^ RIO OIL FINANCE TRUST SR SECURED 144A 01/27 9.75       | CORPORATE BONDS                                                                                         | 2,374,725     |
| ^ ROYAL BK SCOTLND GRP PLC SUBORDINATED 12/23 6          | CORPORATE BONDS                                                                                         | 1,272,412     |
| ^ ROYAL BK SCOTLND GRP PLC SUBORDINATED 12/22 6.125      | CORPORATE BONDS                                                                                         | 2,339,333     |
| ^ NAVIENT CORP SR UNSECURED 06/18 8.45                   | CORPORATE BONDS                                                                                         | 1,346,875     |
| ^ NAVIENT CORP SR UNSECURED 09/17 4.625                  | CORPORATE BONDS                                                                                         | 828,244       |
| ^ SMALL BUSINESS ADMINISTRATION SBAP 2006 20C 1          | OTHER ASSET BACKED                                                                                      | 48,964        |
| ^ SMALL BUSINESS ADMINISTRATION SBAP 2006 20G 1          | OTHER ASSET BACKED                                                                                      | 95,801        |
| ^ SMALL BUSINESS ADMINISTRATION SBAP 2007 20A 1          | OTHER ASSET BACKED                                                                                      | 67,263        |
| ^ SMALL BUSINESS ADMINISTRATION SBAP 2007 20C 1          | OTHER ASSET BACKED                                                                                      | 106,464       |
| ^ SMALL BUSINESS ADMINISTRATION SBAP 2007 20D 1          | OTHER ASSET BACKED                                                                                      | 100,938       |
| ^ SMALL BUSINESS ADMINISTRATION SBAP 2007 20G 1          | OTHER ASSET BACKED                                                                                      | 78,471        |
| ^ TELECOM ITALIA CAPITAL COMPANY GUAR 06/19 7.175        | CORPORATE BONDS                                                                                         | 1,683,400     |
| ^ TELECOM ITALIA CAPITAL COMPANY GUAR 06/18 6.999        | CORPORATE BONDS                                                                                         | 564,450       |
| ^ TELECOM ITALIA CAPITAL COMPANY GUAR 06/38 7.721        | CORPORATE BONDS                                                                                         | 1,221,589     |
| ^ TELECOM ITALIA SPA SR UNSECURED 144A 05/24 5.303       | CORPORATE BONDS                                                                                         | 1,392,938     |
| ^ TIME WARNER CABLE LLC SR SECURED 07/38 7.3             | CORPORATE BONDS                                                                                         | 891,853       |
| ^ TIME WARNER CABLE LLC SR SECURED 02/19 8.75            | CORPORATE BONDS                                                                                         | 873,382       |
| ^ TIME WARNER CABLE LLC SR SECURED 04/19 8.25            | CORPORATE BONDS                                                                                         | 1,938,382     |
| ^ TIME WARNER CABLE LLC SR SECURED 02/20 5               | CORPORATE BONDS                                                                                         | 79,600        |
| ^ TIME WARNER CABLE LLC SR SECURED 02/21 4.125           | CORPORATE BONDS                                                                                         | 266,731       |
| ^ TIME WARNER CABLE LLC SR SECURED 09/21 4               | CORPORATE BONDS                                                                                         | 318,349       |
| ^ TRANSCANADA TRUST COMPANY GUAR 05/75 VAR               | CORPORATE BONDS                                                                                         | 1,363,500     |
| ^ TRANSCANADA TRUST COMPANY GUAR 08/76 VAR               | CORPORATE BONDS                                                                                         | 572,000       |
| ^ 21ST CENTURY FOX AMERICA COMPANY GUAR 12/34 6.2        | CORPORATE BONDS                                                                                         | 82,235        |
| ^ 21ST CENTURY FOX AMERICA COMPANY GUAR 12/35 6.4        | CORPORATE BONDS                                                                                         | 328,528       |
| ^ 21ST CENTURY FOX AMERICA COMPANY GUAR 03/37 6.15       | CORPORATE BONDS                                                                                         | 321,823       |
| ^ 21ST CENTURY FOX AMERICA COMPANY GUAR 11/37 6.65       | CORPORATE BONDS                                                                                         | 141,514       |
| ^ 21ST CENTURY FOX AMERICA COMPANY GUAR 02/41 6.15       | CORPORATE BONDS                                                                                         | 331,175       |
| ^ UNUM GROUP SR UNSECURED 02/28 7.19                     | CORPORATE BONDS                                                                                         | 120,661       |
| ^ UNUM GROUP SR UNSECURED 12/28 6.75                     | CORPORATE BONDS                                                                                         | 84,646        |
| ^ ULTRAPAR INTERNATIONAL SA COMPANY GUAR 144A 10/26 5.25 | CORPORATE BONDS                                                                                         | 1,151,382     |
| ^ UNP RR CO 2006 PASS TRST PASS THRU CE 07/30 5.866      | CORPORATE BONDS                                                                                         | 434,880       |
| ^ UNION PACIFIC RR CO 07 3 PASS THRU CE 01/31 6.176      | CORPORATE BONDS                                                                                         | 328,390       |
| ^ VENDEE MORTGAGE TRUST VENDE 1997 2 Z                   | CMO                                                                                                     | 89,332        |
| ^ VENDEE MORTGAGE TRUST VENDE 2002 1 2J                  | CMO                                                                                                     | 1,649,784     |
| ^ US TREASURY N/B 08/18 0.75                             | GOVERNMENT ISSUES                                                                                       | 3,279,632     |
| ^ US TREASURY N/B 03/19 1.625                            | GOVERNMENT ISSUES                                                                                       | 6,803,527     |
| ^ US TREASURY N/B 08/18 1                                | GOVERNMENT ISSUES                                                                                       | 1,503,001     |
| ^ US TREASURY N/B 01/21 1.375                            | GOVERNMENT ISSUES                                                                                       | 7,380,172     |
| ^ US TREASURY N/B 05/21 1.375                            | GOVERNMENT ISSUES                                                                                       | 9,154,293     |
| ^ US TREASURY N/B 07/19 0.75                             | GOVERNMENT ISSUES                                                                                       | 4,188,243     |
| ^ US TREASURY N/B 05/17 0.625                            | GOVERNMENT ISSUES                                                                                       | 4,250,331     |
| ^ US TREASURY N/B 09/17 0.625                            | GOVERNMENT ISSUES                                                                                       | 6,990,158     |
| ^ VERIZON COMMUNICATIONS SR UNSECURED 09/43 6.55         | CORPORATE BONDS                                                                                         | 2,716,525     |
| ^ VERIZON COMMUNICATIONS SR UNSECURED 01/36 4.272        | CORPORATE BONDS                                                                                         | 2,557,441     |
| ^ VULCAN MATERIALS CO SR UNSECURED 06/21 7.5             | CORPORATE BONDS                                                                                         | 1,501,312     |
| ^ WELLS FARGO + COMPANY SUBORDINATED 07/27 4.3           | CORPORATE BONDS                                                                                         | 1,388,575     |
| ^ WELLS FARGO BANK NA SR UNSECURED 12/19 2.15            | CORPORATE BONDS                                                                                         | 1,848,853     |
| ^ WELLS FARGO BANK NA SR UNSECURED 12/19 VAR             | CORPORATE BONDS                                                                                         | 927,244       |
| ^ XEROX CORPORATION SR UNSECURED 02/17 6.75              | CORPORATE BONDS                                                                                         | 597,149       |
| ^ XEROX CORPORATION SR UNSECURED 05/18 6.35              | CORPORATE BONDS                                                                                         | 1,059,547     |
| ^ XEROX CORPORATION SR UNSECURED 12/19 5.625             | CORPORATE BONDS                                                                                         | 677,482       |
| ^ XEROX CORPORATION SR UNSECURED 05/21 4.5               | CORPORATE BONDS                                                                                         | 618,633       |
| ^ ZOETIS INC SR UNSECURED 11/25 4.5                      | CORPORATE BONDS                                                                                         | \$ 1,378,192  |
| ^ CITIGROUP CAPITAL XIII PREFERRED STOCK 10/40 VAR       | Preferred stock                                                                                         | 2,669,788     |
| ^^ State Street Bank and Trust Company                   | Short term investment fund                                                                              | 14,887,805    |
| Total Fixed Income Fund                                  |                                                                                                         | 293,170,061   |
| ^^ Reliance Trust Company                                | Self directed brokerage accounts                                                                        | 217,282,792   |
| ^^ Notes Receivable from participants                    | Interest rates ranging from 3.27% to 10.75%, for loans maturing from 2001 to 2046                       | 76,558,802    |
| Stable Value Separate Account:                           |                                                                                                         |               |
| Common Collective Trusts:                                |                                                                                                         |               |
| Wells Fargo/BlackRock Short -Term Investment Fund S      | Common Collective trust                                                                                 | 48,027,039    |

EIN 22-3537950  
Plan No. 003

December 31, 2016

(Continued)

## BAE SYSTEMS EMPLOYEES' SAVINGS AND INVESTMENT PLAN

EIN 22-3537950

Plan No. 003

Schedule H, Line 4(i) – Schedule of Assets (Held at End of Year)

December 31, 2016

| Identity of issuer, borrower, lessor, or similar party | Description of investment including maturity date, rate of interest, collateral, par, or maturity value | Current value |
|--------------------------------------------------------|---------------------------------------------------------------------------------------------------------|---------------|
| Stable Value Separate Account                          | Compass Bank, 6.4%, \$300,000 par, due 10/1/2017                                                        | 309,145       |
| Stable Value Separate Account                          | Connecticut Light & Power Co/The, 5.38%, \$550,000 par, due 3/1/2017                                    | 553,505       |
| Stable Value Separate Account                          | ConocoPhillips Co, 2.88%, \$600,000 par, due 11/15/2021                                                 | 604,574       |
| Stable Value Separate Account                          | ConocoPhillips, 5.75%, \$250,000 par, due 2/1/2019                                                      | 268,592       |
| Stable Value Separate Account                          | County of Collin TX, 3.04%, \$1,000,000 par, due 2/15/2024                                              | 1,021,800     |
| Stable Value Separate Account                          | County of King WA, 5.03%, \$500,000 par, due 12/1/2023                                                  | 570,065       |
| Stable Value Separate Account                          | Credit Suisse AG/New York NY, 3.63%, \$400,000 par, due 9/9/2024                                        | 402,672       |
| Stable Value Separate Account                          | CVS Health Corp, 2.13%, \$320,000 par, due 6/1/2021                                                     | 313,774       |
| Stable Value Separate Account                          | CVS Health Corp, 3.5%, \$320,000 par, due 7/20/2022                                                     | 328,798       |
| Stable Value Separate Account                          | Daimler Finance North America LLC, 2.2%, \$250,000 par, due 10/30/2021 (d)                              | 244,303       |
| Stable Value Separate Account                          | Daimler Finance North America LLC, 2.45%, \$800,000 par, due 5/18/2020 (d)                              | 798,390       |
| Stable Value Separate Account                          | Dallas Independent School District, 5.2%, \$600,000 par, due 2/15/2023                                  | 679,524       |
| Stable Value Separate Account                          | Danone SA, 1.69%, \$860,000 par, due 10/30/2019 (d)                                                     | 849,233       |
| Stable Value Separate Account                          | Deere & Co, 2.6%, \$342,000 par, due 6/8/2022                                                           | 340,339       |
| Stable Value Separate Account                          | Discover Card Execution Note Trust, 1.39%, \$1,700,000 par, due 4/15/2020                               | 1,702,521     |
| Stable Value Separate Account                          | Duke Energy Progress LLC, 5.3%, \$475,000 par, due 1/15/2019                                            | 507,727       |
| Stable Value Separate Account                          | Ecolab Inc, 2.25%, \$700,000 par, due 1/12/2020                                                         | 699,798       |
| Stable Value Separate Account                          | Ecolab Inc, 3.25%, \$440,000 par, due 1/14/2023                                                         | 448,036       |
| Stable Value Separate Account                          | EMD Finance LLC (Merck KGaA), 2.95%, \$690,000 par, due 3/19/2022 (d)                                   | 687,074       |
| Stable Value Separate Account                          | Enterprise Products Operating LLC, 2.85%, \$340,000 par, due 4/15/2021                                  | 342,586       |
| Stable Value Separate Account                          | EQT Corp, 8.13%, \$650,000 par, due 6/1/2019                                                            | 731,335       |
| Stable Value Separate Account                          | Equifax Inc, 2.3%, \$450,000 par, due 6/1/2021                                                          | 440,999       |
| Stable Value Separate Account                          | ERP Operating LP, 2.85%, \$190,000 par, due 11/1/2026                                                   | 179,137       |
| Stable Value Separate Account                          | ERP Operating LP, 4.63%, \$598,000 par, due 12/15/2021                                                  | 649,551       |
| Stable Value Separate Account                          | Ethiopian Leasing 2012 LLC, 2.57%, \$1,015,437 par, due 8/14/2026                                       | 1,014,395     |
| Stable Value Separate Account                          | Exxon Mobil Corp, 2.73%, \$1,050,000 par, due 3/1/2023                                                  | 1,053,572     |
| Stable Value Separate Account                          | Fannie Mae Grantor Trust 2002-T1, 7%, \$26,155 par, due 11/25/2031                                      | 30,635        |
| Stable Value Separate Account                          | Fannie Mae Grantor Trust 2002-T18, 7%, \$46,673 par, due 8/25/2042                                      | 53,418        |
| Stable Value Separate Account                          | Fannie Mae Grantor Trust 2004-T2, 6%, \$80,118 par, due 11/25/2043                                      | 88,202        |
| Stable Value Separate Account                          | Fannie Mae Grantor Trust 2004-T3, 6%, \$200,767 par, due 2/25/2044                                      | 226,789       |
| Stable Value Separate Account                          | Fannie Mae Pool, 2.27%, \$5,404 par, due 2/1/2036 (b)                                                   | 5,640         |
| Stable Value Separate Account                          | Fannie Mae Pool, 2.31%, \$21,318 par, due 2/1/2035 (b)                                                  | 22,198        |
| Stable Value Separate Account                          | Fannie Mae Pool, 2.38%, \$2,225,000 par, due 3/1/2019                                                   | 2,252,385     |
| Stable Value Separate Account                          | Fannie Mae Pool, 2.39%, \$2,242 par, due 1/1/2034 (b)                                                   | 2,339         |
| Stable Value Separate Account                          | Fannie Mae Pool, 2.42%, \$1,067,824 par, due 2/1/2019                                                   | 1,081,813     |
| Stable Value Separate Account                          | Fannie Mae Pool, 2.42%, \$729 par, due 2/1/2033 (b)                                                     | 753           |
| Stable Value Separate Account                          | Fannie Mae Pool, 2.43%, \$1,336 par, due 2/1/2036 (b)                                                   | 1,397         |
| Stable Value Separate Account                          | Fannie Mae Pool, 2.43%, \$10,359 par, due 9/1/2036 (b)                                                  | 10,729        |
| Stable Value Separate Account                          | Fannie Mae Pool, 2.44%, \$8,569 par, due 3/1/2035 (b)                                                   | 8,940         |
| Stable Value Separate Account                          | Fannie Mae Pool, 2.46%, \$3,484 par, due 12/1/2034 (b)                                                  | 3,634         |
| Stable Value Separate Account                          | Fannie Mae Pool, 2.47%, \$252 par, due 2/1/2035 (b)                                                     | 267           |
| Stable Value Separate Account                          | Fannie Mae Pool, 2.47%, \$630 par, due 2/1/2035 (b)                                                     | 667           |
| Stable Value Separate Account                          | Fannie Mae Pool, 2.48%, \$13,516 par, due 8/1/2034 (b)                                                  | 14,103        |
| Stable Value Separate Account                          | Fannie Mae Pool, 2.49%, \$11,931 par, due 2/1/2035 (b)                                                  | 12,434        |
| Stable Value Separate Account                          | Fannie Mae Pool, 2.49%, \$24,671 par, due 8/1/2034 (b)                                                  | 26,217        |
| Stable Value Separate Account                          | Fannie Mae Pool, 2.5%, \$1,935,729 par, due 8/1/2031                                                    | 1,941,081     |
| Stable Value Separate Account                          | Fannie Mae Pool, 2.5%, \$11,189 par, due 2/1/2035 (b)                                                   | 11,781        |
| Stable Value Separate Account                          | Fannie Mae Pool, 2.5%, \$12,253 par, due 5/1/2036 (b)                                                   | 12,781        |
| Stable Value Separate Account                          | Fannie Mae Pool, 2.5%, \$440,000 par, due 1/1/2032                                                      | 440,696       |
| Stable Value Separate Account                          | Fannie Mae Pool, 2.5%, \$47,398 par, due 8/1/2033 (b)                                                   | 49,483        |
| Stable Value Separate Account                          | Fannie Mae Pool, 2.51%, \$1,644,888 par, due 7/1/2020                                                   | 1,674,787     |
| Stable Value Separate Account                          | Fannie Mae Pool, 2.52%, \$13,314 par, due 9/1/2036 (b)                                                  | 13,956        |
| Stable Value Separate Account                          | Fannie Mae Pool, 2.52%, \$2,264 par, due 4/1/2036 (b)                                                   | 2,364         |
| Stable Value Separate Account                          | Fannie Mae Pool, 2.53%, \$1,090 par, due 7/1/2035 (b)                                                   | 1,155         |
| Stable Value Separate Account                          | Fannie Mae Pool, 2.53%, \$12,464 par, due 1/1/2035 (b)                                                  | 13,016        |
| Stable Value Separate Account                          | Fannie Mae Pool, 2.53%, \$29,377 par, due 8/1/2033 (b)                                                  | 30,643        |
| Stable Value Separate Account                          | Fannie Mae Pool, 2.54%, \$4,746 par, due 3/1/2035 (b)                                                   | 4,970         |
| Stable Value Separate Account                          | Fannie Mae Pool, 2.54%, \$57,365 par, due 9/1/2035 (b)                                                  | 60,207        |
| Stable Value Separate Account                          | Fannie Mae Pool, 2.54%, \$9,246 par, due 7/1/2034 (b)                                                   | 9,682         |
| Stable Value Separate Account                          | Fannie Mae Pool, 2.55%, \$1,687 par, due 12/1/2034 (b)                                                  | 1,767         |
| Stable Value Separate Account                          | Fannie Mae Pool, 2.55%, \$12,690 par, due 11/1/2034 (b)                                                 | 13,546        |
| Stable Value Separate Account                          | Fannie Mae Pool, 2.55%, \$13,860 par, due 3/1/2036 (b)                                                  | 14,588        |
| Stable Value Separate Account                          | Fannie Mae Pool, 2.55%, \$27,813 par, due 9/1/2035 (b)                                                  | 29,175        |
| Stable Value Separate Account                          | Fannie Mae Pool, 2.56%, \$12,975 par, due 9/1/2036 (b)                                                  | 13,541        |
| Stable Value Separate Account                          | Fannie Mae Pool, 2.56%, \$4,234 par, due 1/1/2035 (b)                                                   | 4,439         |
| Stable Value Separate Account                          | Fannie Mae Pool, 2.56%, \$4,697 par, due 3/1/2036 (b)                                                   | 4,901         |
| Stable Value Separate Account                          | Fannie Mae Pool, 2.57%, \$12,657 par, due 1/1/2036 (b)                                                  | 13,319        |
| Stable Value Separate Account                          | Fannie Mae Pool, 2.61%, \$4,670 par, due 2/1/2036 (b)                                                   | 4,928         |
| Stable Value Separate Account                          | Fannie Mae Pool, 2.62%, \$1,964 par, due 10/1/2035 (b)                                                  | 2,056         |
| Stable Value Separate Account                          | Fannie Mae Pool, 2.63%, \$1,698 par, due 2/1/2034 (b)                                                   | 1,797         |
| Stable Value Separate Account                          | Fannie Mae Pool, 2.63%, \$2,242 par, due 1/1/2034 (b)                                                   | 2,386         |
| Stable Value Separate Account                          | Fannie Mae Pool, 2.63%, \$55,408 par, due 1/1/2035 (b)                                                  | 57,829        |
| Stable Value Separate Account                          | Fannie Mae Pool, 2.64%, \$18,031 par, due 2/1/2035 (b)                                                  | 18,941        |
| Stable Value Separate Account                          | Fannie Mae Pool, 2.64%, \$2,655 par, due 1/1/2035 (b)                                                   | 2,801         |
| Stable Value Separate Account                          | Fannie Mae Pool, 2.64%, \$3,179 par, due 1/1/2034 (b)                                                   | 3,346         |
| Stable Value Separate Account                          | Fannie Mae Pool, 2.65%, \$1,793 par, due 2/1/2035 (b)                                                   | 1,895         |
| Stable Value Separate Account                          | Fannie Mae Pool, 2.65%, \$3,168 par, due 10/1/2033 (b)                                                  | 3,256         |
| Stable Value Separate Account                          | Fannie Mae Pool, 2.66%, \$1,428 par, due 3/1/2033 (b)                                                   | 1,519         |
| Stable Value Separate Account                          | Fannie Mae Pool, 2.66%, \$2,489 par, due 4/1/2033 (b)                                                   | 2,613         |
| Stable Value Separate Account                          | Fannie Mae Pool, 2.66%, \$29,735 par, due 9/1/2034 (b)                                                  | 30,988        |
| Stable Value Separate Account                          | Fannie Mae Pool, 2.66%, \$4,982 par, due 4/1/2035 (b)                                                   | 5,338         |
| Stable Value Separate Account                          | Fannie Mae Pool, 2.66%, \$5,604 par, due 2/1/2035 (b)                                                   | 5,920         |
| Stable Value Separate Account                          | Fannie Mae Pool, 2.67%, \$1,023 par, due 10/1/2033 (b)                                                  | 1,069         |
| Stable Value Separate Account                          | Fannie Mae Pool, 2.67%, \$175,648 par, due 6/1/2034 (b)                                                 | 184,811       |
| Stable Value Separate Account                          | Fannie Mae Pool, 2.67%, \$5,758 par, due 8/1/2034 (b)                                                   | 6,131         |
| Stable Value Separate Account                          | Fannie Mae Pool, 2.67%, \$887 par, due 1/1/2035 (b)                                                     | 941           |
| Stable Value Separate Account                          | Fannie Mae Pool, 2.68%, \$11,227 par, due 9/1/2036 (b)                                                  | 11,854        |
| Stable Value Separate Account                          | Fannie Mae Pool, 2.68%, \$2,417 par, due 11/1/2035 (b)                                                  | 2,545         |

\$

## BAE SYSTEMS EMPLOYEES' SAVINGS AND INVESTMENT PLAN

EIN 22-3537950

Plan No. 003

Schedule H, Line 4(i) – Schedule of Assets (Held at End of Year)

December 31, 2016

| Identity of issuer, borrower, lessor, or similar party | Description of investment including maturity date, rate of interest, collateral, par, or maturity value | Current value |
|--------------------------------------------------------|---------------------------------------------------------------------------------------------------------|---------------|
| Stable Value Separate Account                          | Fannie Mae Pool, 2.68%, \$3,961 par, due 2/1/2034 (b)                                                   | 4,169         |
| Stable Value Separate Account                          | Fannie Mae Pool, 2.69%, \$2,213 par, due 7/1/2035 (b)                                                   | 2,345         |
| Stable Value Separate Account                          | Fannie Mae Pool, 2.69%, \$3,473,852 par, due 5/1/2023 (b)                                               | 3,493,403     |
| Stable Value Separate Account                          | Fannie Mae Pool, 2.7%, \$1,067 par, due 8/1/2034 (b)                                                    | 1,127         |
| Stable Value Separate Account                          | Fannie Mae Pool, 2.7%, \$8,055 par, due 4/1/2036 (b)                                                    | 8,401         |
| Stable Value Separate Account                          | Fannie Mae Pool, 2.71%, \$1,618 par, due 6/1/2033 (b)                                                   | 1,711         |
| Stable Value Separate Account                          | Fannie Mae Pool, 2.71%, \$1,655,279 par, due 6/1/2022                                                   | 1,685,183     |
| Stable Value Separate Account                          | Fannie Mae Pool, 2.71%, \$10,360 par, due 6/1/2035 (b)                                                  | 10,990        |
| Stable Value Separate Account                          | Fannie Mae Pool, 2.71%, \$2,400,000 par, due 1/1/2023                                                   | 2,420,602     |
| Stable Value Separate Account                          | Fannie Mae Pool, 2.72%, \$2,460 par, due 1/1/2034 (b)                                                   | 2,600         |
| Stable Value Separate Account                          | Fannie Mae Pool, 2.72%, \$3,308 par, due 8/1/2033 (b)                                                   | 3,485         |
| Stable Value Separate Account                          | Fannie Mae Pool, 2.73%, \$1,759 par, due 7/1/2034 (b)                                                   | 1,854         |
| Stable Value Separate Account                          | Fannie Mae Pool, 2.73%, \$2,376 par, due 3/1/2035 (b)                                                   | 2,524         |
| Stable Value Separate Account                          | Fannie Mae Pool, 2.73%, \$497 par, due 4/1/2033 (b)                                                     | 521           |
| Stable Value Separate Account                          | Fannie Mae Pool, 2.73%, \$8,435 par, due 6/1/2033 (b)                                                   | 8,824         |
| Stable Value Separate Account                          | Fannie Mae Pool, 2.73%, \$8,823 par, due 11/1/2035 (b)                                                  | 9,162         |
| Stable Value Separate Account                          | Fannie Mae Pool, 2.74%, \$3,924 par, due 10/1/2035 (b)                                                  | 4,129         |
| Stable Value Separate Account                          | Fannie Mae Pool, 2.74%, \$6,242 par, due 6/1/2034 (b)                                                   | 6,587         |
| Stable Value Separate Account                          | Fannie Mae Pool, 2.75%, \$2,240 par, due 3/1/2035 (b)                                                   | 2,340         |
| Stable Value Separate Account                          | Fannie Mae Pool, 2.76%, \$10,464 par, due 7/1/2035 (b)                                                  | 11,027        |
| Stable Value Separate Account                          | Fannie Mae Pool, 2.76%, \$4,798 par, due 3/1/2035 (b)                                                   | 5,051         |
| Stable Value Separate Account                          | Fannie Mae Pool, 2.77%, \$4,325 par, due 12/1/2034 (b)                                                  | 4,494         |
| Stable Value Separate Account                          | Fannie Mae Pool, 2.78%, \$1,954 par, due 8/1/2033 (b)                                                   | 2,062         |
| Stable Value Separate Account                          | Fannie Mae Pool, 2.78%, \$10,372 par, due 5/1/2035 (b)                                                  | 10,773        |
| Stable Value Separate Account                          | Fannie Mae Pool, 2.78%, \$11,007 par, due 5/1/2035 (b)                                                  | 11,438        |
| Stable Value Separate Account                          | Fannie Mae Pool, 2.78%, \$7,997 par, due 3/1/2035 (b)                                                   | 8,410         |
| Stable Value Separate Account                          | Fannie Mae Pool, 2.78%, \$957 par, due 2/1/2035 (b)                                                     | 1,007         |
| Stable Value Separate Account                          | Fannie Mae Pool, 2.79%, \$13,147 par, due 1/1/2034 (b)                                                  | 13,852        |
| Stable Value Separate Account                          | Fannie Mae Pool, 2.79%, \$5,480 par, due 5/1/2035 (b)                                                   | 5,738         |
| Stable Value Separate Account                          | Fannie Mae Pool, 2.79%, \$7,438 par, due 7/1/2034 (b)                                                   | 7,857         |
| Stable Value Separate Account                          | Fannie Mae Pool, 2.79%, \$72,199 par, due 5/1/2035 (b)                                                  | 75,805        |
| Stable Value Separate Account                          | Fannie Mae Pool, 2.8%, \$1,879 par, due 10/1/2033 (b)                                                   | 1,989         |
| Stable Value Separate Account                          | Fannie Mae Pool, 2.8%, \$175,797 par, due 5/1/2034 (b)                                                  | 183,879       |
| Stable Value Separate Account                          | Fannie Mae Pool, 2.81%, \$5,982 par, due 11/1/2034 (b)                                                  | 6,331         |
| Stable Value Separate Account                          | Fannie Mae Pool, 2.81%, \$6,310 par, due 4/1/2036 (b)                                                   | 6,622         |
| Stable Value Separate Account                          | Fannie Mae Pool, 2.82%, \$1,878 par, due 2/1/2035 (b)                                                   | 1,983         |
| Stable Value Separate Account                          | Fannie Mae Pool, 2.82%, \$13,940 par, due 6/1/2034 (b)                                                  | 14,781        |
| Stable Value Separate Account                          | Fannie Mae Pool, 2.82%, \$3,183 par, due 5/1/2035 (b)                                                   | 3,372         |
| Stable Value Separate Account                          | Fannie Mae Pool, 2.82%, \$3,430 par, due 8/1/2035 (b)                                                   | 3,638         |
| Stable Value Separate Account                          | Fannie Mae Pool, 2.82%, \$5,534 par, due 2/1/2035 (b)                                                   | 5,870         |
| Stable Value Separate Account                          | Fannie Mae Pool, 2.82%, \$6,765 par, due 11/1/2035 (b)                                                  | 7,097         |
| Stable Value Separate Account                          | Fannie Mae Pool, 2.83%, \$1,327 par, due 3/1/2035 (b)                                                   | 1,394         |
| Stable Value Separate Account                          | Fannie Mae Pool, 2.83%, \$149,855 par, due 2/1/2041 (b)                                                 | 158,856       |
| Stable Value Separate Account                          | Fannie Mae Pool, 2.84%, \$1,038 par, due 9/1/2034 (b)                                                   | 1,088         |
| Stable Value Separate Account                          | Fannie Mae Pool, 2.84%, \$15,305 par, due 1/1/2036 (b)                                                  | 16,163        |
| Stable Value Separate Account                          | Fannie Mae Pool, 2.84%, \$4,432 par, due 8/1/2034 (b)                                                   | 4,698         |
| Stable Value Separate Account                          | Fannie Mae Pool, 2.84%, \$511 par, due 6/1/2033 (b)                                                     | 535           |
| Stable Value Separate Account                          | Fannie Mae Pool, 2.84%, \$82,966 par, due 11/1/2035 (b)                                                 | 86,739        |
| Stable Value Separate Account                          | Fannie Mae Pool, 2.84%, \$966 par, due 3/1/2033 (b)                                                     | 1,014         |
| Stable Value Separate Account                          | Fannie Mae Pool, 2.85%, \$1,600,000 par, due 12/1/2023                                                  | 1,608,411     |
| Stable Value Separate Account                          | Fannie Mae Pool, 2.85%, \$9,017 par, due 7/1/2035 (b)                                                   | 9,548         |
| Stable Value Separate Account                          | Fannie Mae Pool, 2.86%, \$5,318 par, due 11/1/2034 (b)                                                  | 5,602         |
| Stable Value Separate Account                          | Fannie Mae Pool, 2.86%, \$5,404 par, due 4/1/2036 (b)                                                   | 5,698         |
| Stable Value Separate Account                          | Fannie Mae Pool, 2.87%, \$112,331 par, due 5/1/2036 (b)                                                 | 119,096       |
| Stable Value Separate Account                          | Fannie Mae Pool, 2.87%, \$17,590 par, due 7/1/2035 (b)                                                  | 18,566        |
| Stable Value Separate Account                          | Fannie Mae Pool, 2.89%, \$136,404 par, due 5/1/2040 (b)                                                 | 142,727       |
| Stable Value Separate Account                          | Fannie Mae Pool, 2.89%, \$2,479 par, due 9/1/2034 (b)                                                   | 2,606         |
| Stable Value Separate Account                          | Fannie Mae Pool, 2.89%, \$27,808 par, due 5/1/2035 (b)                                                  | 29,260        |
| Stable Value Separate Account                          | Fannie Mae Pool, 2.89%, \$9,147 par, due 7/1/2033 (b)                                                   | 9,676         |
| Stable Value Separate Account                          | Fannie Mae Pool, 2.9%, \$10,632 par, due 6/1/2035 (b)                                                   | 11,250        |
| Stable Value Separate Account                          | Fannie Mae Pool, 2.91%, \$36,244 par, due 9/1/2035 (b)                                                  | 38,168        |
| Stable Value Separate Account                          | Fannie Mae Pool, 2.92%, \$1,171 par, due 4/1/2035 (b)                                                   | 1,237         |
| Stable Value Separate Account                          | Fannie Mae Pool, 2.92%, \$3,828 par, due 11/1/2035 (b)                                                  | 3,969         |
| Stable Value Separate Account                          | Fannie Mae Pool, 2.92%, \$5,171 par, due 8/1/2035 (b)                                                   | 5,490         |
| Stable Value Separate Account                          | Fannie Mae Pool, 2.92%, \$5,440 par, due 3/1/2035 (b)                                                   | 5,724         |
| Stable Value Separate Account                          | Fannie Mae Pool, 2.94%, \$33,700 par, due 9/1/2036 (b)                                                  | 35,398        |
| Stable Value Separate Account                          | Fannie Mae Pool, 2.95%, \$23,378 par, due 7/1/2035 (b)                                                  | 24,800        |
| Stable Value Separate Account                          | Fannie Mae Pool, 2.96%, \$5,196 par, due 10/1/2035 (b)                                                  | 5,466         |
| Stable Value Separate Account                          | Fannie Mae Pool, 2.96%, \$8,614 par, due 9/1/2034 (b)                                                   | 9,022         |
| Stable Value Separate Account                          | Fannie Mae Pool, 2.98%, \$1,749,808 par, due 4/1/2023                                                   | 1,786,157     |
| Stable Value Separate Account                          | Fannie Mae Pool, 3%, \$1,720,000 par, due 1/1/2047                                                      | 1,708,672     |
| Stable Value Separate Account                          | Fannie Mae Pool, 3%, \$2,907,057 par, due 7/1/2046                                                      | \$ 2,892,711  |
| Stable Value Separate Account                          | Fannie Mae Pool, 3%, \$3,898 par, due 9/1/2034 (b)                                                      | 4,138         |
| Stable Value Separate Account                          | Fannie Mae Pool, 3.03%, \$5,750 par, due 5/1/2035 (b)                                                   | 6,121         |
| Stable Value Separate Account                          | Fannie Mae Pool, 3.04%, \$6,483 par, due 11/1/2034 (b)                                                  | 6,842         |
| Stable Value Separate Account                          | Fannie Mae Pool, 3.05%, \$1,561,423 par, due 11/1/2022                                                  | 1,599,503     |
| Stable Value Separate Account                          | Fannie Mae Pool, 3.05%, \$6,713 par, due 7/1/2034 (b)                                                   | 7,154         |
| Stable Value Separate Account                          | Fannie Mae Pool, 3.05%, \$9,568 par, due 8/1/2034 (b)                                                   | 10,138        |
| Stable Value Separate Account                          | Fannie Mae Pool, 3.06%, \$1,800 par, due 6/1/2033 (b)                                                   | 1,917         |
| Stable Value Separate Account                          | Fannie Mae Pool, 3.06%, \$10,152 par, due 11/1/2036 (b)                                                 | 10,868        |
| Stable Value Separate Account                          | Fannie Mae Pool, 3.07%, \$2,791 par, due 6/1/2035 (b)                                                   | 2,935         |
| Stable Value Separate Account                          | Fannie Mae Pool, 3.07%, \$55,789 par, due 8/1/2035 (b)                                                  | 59,350        |
| Stable Value Separate Account                          | Fannie Mae Pool, 3.07%, \$940,000 par, due 2/1/2026                                                     | 948,828       |
| Stable Value Separate Account                          | Fannie Mae Pool, 3.08%, \$1,600,000 par, due 1/1/2026                                                   | 1,616,523     |
| Stable Value Separate Account                          | Fannie Mae Pool, 3.08%, \$8,970 par, due 5/1/2036 (b)                                                   | 9,508         |
| Stable Value Separate Account                          | Fannie Mae Pool, 3.09%, \$14,961 par, due 5/1/2036 (b)                                                  | 15,826        |
| Stable Value Separate Account                          | Fannie Mae Pool, 3.1%, \$4,835 par, due 10/1/2034 (b)                                                   | 5,135         |
| Stable Value Separate Account                          | Fannie Mae Pool, 3.11%, \$4,948 par, due 9/1/2036 (b)                                                   | 5,221         |

## BAE SYSTEMS EMPLOYEES' SAVINGS AND INVESTMENT PLAN

EIN 22-3537950

Plan No. 003

Schedule H, Line 4(i) – Schedule of Assets (Held at End of Year)

December 31, 2016

| Identity of issuer, borrower, lessor, or similar party | Description of investment including maturity date, rate of interest, collateral, par, or maturity value | Current value |
|--------------------------------------------------------|---------------------------------------------------------------------------------------------------------|---------------|
| Stable Value Separate Account                          | Fannie Mae Pool, 3.13%, \$6,045 par, due 7/1/2034 (b)                                                   | 6,384         |
| Stable Value Separate Account                          | Fannie Mae Pool, 3.25%, \$1,487 par, due 5/1/2035 (b)                                                   | 1,573         |
| Stable Value Separate Account                          | Fannie Mae Pool, 3.25%, \$9,566 par, due 11/1/2036 (b)                                                  | 10,141        |
| Stable Value Separate Account                          | Fannie Mae Pool, 3.26%, \$75,600 par, due 11/1/2035 (b)                                                 | 80,215        |
| Stable Value Separate Account                          | Fannie Mae Pool, 3.29%, \$139 par, due 10/1/2018 (b)                                                    | 142           |
| Stable Value Separate Account                          | Fannie Mae Pool, 3.42%, \$10,785 par, due 12/1/2035 (b)                                                 | 11,480        |
| Stable Value Separate Account                          | Fannie Mae Pool, 3.5%, \$1,044,772 par, due 5/1/2032                                                    | 1,086,888     |
| Stable Value Separate Account                          | Fannie Mae Pool, 3.5%, \$2,206,358 par, due 10/1/2032                                                   | 2,292,245     |
| Stable Value Separate Account                          | Fannie Mae Pool, 3.5%, \$2,403,155 par, due 9/1/2032                                                    | 2,485,122     |
| Stable Value Separate Account                          | Fannie Mae Pool, 3.5%, \$947,691 par, due 4/1/2046                                                      | 974,163       |
| Stable Value Separate Account                          | Fannie Mae Pool, 3.72%, \$263,247 par, due 5/1/2036 (b)                                                 | 269,824       |
| Stable Value Separate Account                          | Fannie Mae Pool, 4%, \$1,640,000 par, due 1/1/2027                                                      | 1,724,147     |
| Stable Value Separate Account                          | Fannie Mae Pool, 4%, \$2,845,371 par, due 11/1/2045                                                     | 3,007,153     |
| Stable Value Separate Account                          | Fannie Mae Pool, 5%, \$122,448 par, due 1/1/2019                                                        | 125,379       |
| Stable Value Separate Account                          | Fannie Mae Pool, 5%, \$138,398 par, due 2/1/2019                                                        | 141,877       |
| Stable Value Separate Account                          | Fannie Mae Pool, 5%, \$141,627 par, due 1/1/2019                                                        | 144,942       |
| Stable Value Separate Account                          | Fannie Mae Pool, 5%, \$293,102 par, due 2/1/2036                                                        | 320,093       |
| Stable Value Separate Account                          | Fannie Mae Pool, 5%, \$320,565 par, due 11/1/2033                                                       | 352,127       |
| Stable Value Separate Account                          | Fannie Mae Pool, 5%, \$350,816 par, due 3/1/2034                                                        | 385,079       |
| Stable Value Separate Account                          | Fannie Mae Pool, 5%, \$62,947 par, due 4/1/2034                                                         | 69,084        |
| Stable Value Separate Account                          | Fannie Mae Pool, 5%, \$878,804 par, due 9/1/2033                                                        | 965,176       |
| Stable Value Separate Account                          | Fannie Mae Pool, 5.18%, \$773,003 par, due 5/1/2019                                                     | 824,150       |
| Stable Value Separate Account                          | Fannie Mae Pool, 5.29%, \$349,580 par, due 6/1/2018                                                     | 362,345       |
| Stable Value Separate Account                          | Fannie Mae Pool, 5.5%, \$1,196 par, due 11/1/2022                                                       | 1,338         |
| Stable Value Separate Account                          | Fannie Mae Pool, 5.5%, \$128,988 par, due 4/1/2033                                                      | 148,432       |
| Stable Value Separate Account                          | Fannie Mae Pool, 5.5%, \$16,893 par, due 5/1/2019                                                       | 17,223        |
| Stable Value Separate Account                          | Fannie Mae Pool, 5.5%, \$167,154 par, due 4/1/2036                                                      | 186,972       |
| Stable Value Separate Account                          | Fannie Mae Pool, 5.5%, \$172,914 par, due 12/1/2033                                                     | 192,081       |
| Stable Value Separate Account                          | Fannie Mae Pool, 5.5%, \$276,165 par, due 2/1/2034                                                      | 316,786       |
| Stable Value Separate Account                          | Fannie Mae Pool, 5.5%, \$342,223 par, due 12/1/2033                                                     | 390,944       |
| Stable Value Separate Account                          | Fannie Mae Pool, 5.5%, \$66,323 par, due 1/1/2034                                                       | 74,160        |
| Stable Value Separate Account                          | Fannie Mae Pool, 5.94%, \$260,776 par, due 11/1/2017                                                    | 268,576       |
| Stable Value Separate Account                          | Fannie Mae Pool, 6.5%, \$4,896 par, due 1/1/2018                                                        | 4,917         |
| Stable Value Separate Account                          | Fannie Mae Pool, 7%, \$15,769 par, due 3/1/2031                                                         | 16,239        |
| Stable Value Separate Account                          | Fannie Mae REMICS Trust 2002-W4, 6.25%, \$316,764 par, due 5/25/2042                                    | 355,724       |
| Stable Value Separate Account                          | Fannie Mae REMICS Trust 2003-W4, 6.24%, \$35,915 par, due 10/25/2042 (b)                                | 40,245        |
| Stable Value Separate Account                          | Fannie Mae REMICS Trust 2005-W1, 6.5%, \$114,923 par, due 10/25/2044                                    | 131,820       |
| Stable Value Separate Account                          | Fannie Mae REMICS Trust 2007-W8, 6.27%, \$61,797 par, due 9/25/2037 (b)                                 | 65,693        |
| Stable Value Separate Account                          | Fannie Mae REMICS, 6.5%, \$86,467 par, due 6/25/2042                                                    | 100,773       |
| Stable Value Separate Account                          | Fannie Mae REMICS, 7%, \$57,659 par, due 1/25/2042                                                      | 65,504        |
| Stable Value Separate Account                          | Fannie Mae Trust 2004-W2, 7%, \$80,179 par, due 2/25/2044                                               | 92,621        |
| Stable Value Separate Account                          | Fannie Mae Trust 2004-W8, 7.5%, \$37,331 par, due 6/25/2044                                             | 42,848        |
| Stable Value Separate Account                          | FedEx Corp, 3.25%, \$640,000 par, due 4/1/2026                                                          | 635,608       |
| Stable Value Separate Account                          | FHLMC Multifamily Structured Passthrough, 2.7%, \$617,392 par, due 5/25/2018                            | 625,992       |
| Stable Value Separate Account                          | FNMA Pool #AN4041, 3.33%, \$650,000 par, due 1/1/2027                                                   | 657,885       |
| Stable Value Separate Account                          | Ford Credit Auto Owner Trust 2015-B, 1.16%, \$1,569,330 par, due 11/15/2019                             | 1,567,897     |
| Stable Value Separate Account                          | Ford Credit Auto Owner Trust 2015-REV1, 2.12%, \$1,300,000 par, due 7/15/2026 (d)                       | 1,302,560     |
| Stable Value Separate Account                          | Ford Credit Auto Owner Trust 2016-REV1, 2.31%, \$1,530,000 par, due 8/15/2027 (d)                       | 1,527,029     |
| Stable Value Separate Account                          | Fortive Corp, 2.35%, \$630,000 par, due 6/15/2021 (d)                                                   | 621,575       |
| Stable Value Separate Account                          | Freddie 20-Yr 3.5 GIGANT, 3.5%, \$1,157,521 par, due 9/1/2032                                           | 1,202,107     |
| Stable Value Separate Account                          | Freddie 20-Yr 3.5 GIGANT, 3.5%, \$2,459,802 par, due 9/1/2032                                           | 2,556,259     |
| Stable Value Separate Account                          | Freddie Mac Gold Pool, 3%, \$1,201,574 par, due 8/1/2027                                                | 1,235,021     |
| Stable Value Separate Account                          | Freddie Mac Gold Pool, 3%, \$1,230,449 par, due 3/1/2027                                                | 1,269,847     |
| Stable Value Separate Account                          | Freddie Mac Gold Pool, 3%, \$1,866,065 par, due 11/1/2032                                               | 1,903,882     |
| Stable Value Separate Account                          | Freddie Mac Gold Pool, 3%, \$1,911,599 par, due 7/1/2046                                                | 1,901,338     |
| Stable Value Separate Account                          | Freddie Mac Gold Pool, 3%, \$2,626,098 par, due 7/1/2046                                                | 2,611,187     |
| Stable Value Separate Account                          | Freddie Mac Gold Pool, 3.5%, \$1,070,041 par, due 2/1/2045                                              | 1,096,501     |
| Stable Value Separate Account                          | Freddie Mac Gold Pool, 3.5%, \$1,302,573 par, due 10/1/2045                                             | 1,338,855     |
| Stable Value Separate Account                          | Freddie Mac Gold Pool, 3.5%, \$1,631,790 par, due 9/1/2045                                              | 1,677,244     |
| Stable Value Separate Account                          | Freddie Mac Gold Pool, 3.5%, \$1,662,296 par, due 10/1/2045                                             | 1,708,599     |
| Stable Value Separate Account                          | Freddie Mac Gold Pool, 3.5%, \$1,940,035 par, due 6/1/2046                                              | 1,990,695     |
| Stable Value Separate Account                          | Freddie Mac Gold Pool, 3.5%, \$2,027,578 par, due 11/1/2045                                             | 2,077,773     |
| Stable Value Separate Account                          | Freddie Mac Gold Pool, 3.5%, \$2,052,732 par, due 3/1/2046                                              | 2,103,488     |
| Stable Value Separate Account                          | Freddie Mac Gold Pool, 3.5%, \$2,143,549 par, due 10/1/2045                                             | 2,203,255     |
| Stable Value Separate Account                          | Freddie Mac Gold Pool, 3.5%, \$3,261,201 par, due 8/1/2043                                              | 3,357,322     |
| Stable Value Separate Account                          | Freddie Mac Gold Pool, 3.5%, \$3,358,281 par, due 2/1/2043                                              | 3,447,732     |
| Stable Value Separate Account                          | Freddie Mac Gold Pool, 3.5%, \$3,484,977 par, due 9/1/2045                                              | 3,582,055     |
| Stable Value Separate Account                          | Freddie Mac Gold Pool, 3.5%, \$4,639,688 par, due 5/1/2044                                              | 4,776,652     |
| Stable Value Separate Account                          | Freddie Mac Gold Pool, 4%, \$1,268,738 par, due 10/1/2045                                               | 1,340,402     |
| Stable Value Separate Account                          | Freddie Mac Gold Pool, 4%, \$1,313,303 par, due 10/1/2045                                               | \$ 1,387,500  |
| Stable Value Separate Account                          | Freddie Mac Gold Pool, 4%, \$1,495,545 par, due 9/1/2045                                                | 1,571,875     |
| Stable Value Separate Account                          | Freddie Mac Gold Pool, 4%, \$1,546,063 par, due 9/1/2045                                                | 1,627,340     |
| Stable Value Separate Account                          | Freddie Mac Gold Pool, 4%, \$2,230,949 par, due 8/1/2044                                                | 2,359,014     |
| Stable Value Separate Account                          | Freddie Mac Gold Pool, 4%, \$4,068,535 par, due 9/1/2045                                                | 4,298,391     |
| Stable Value Separate Account                          | Freddie Mac Gold Pool, 4%, \$441,669 par, due 11/1/2041                                                 | 464,223       |
| Stable Value Separate Account                          | Freddie Mac Gold Pool, 4%, \$733,861 par, due 12/1/2041                                                 | 777,937       |
| Stable Value Separate Account                          | Freddie Mac Gold Pool, 5%, \$114,821 par, due 2/1/2019                                                  | 117,634       |
| Stable Value Separate Account                          | Freddie Mac Gold Pool, 5%, \$65,904 par, due 1/1/2019                                                   | 67,650        |
| Stable Value Separate Account                          | Freddie Mac Gold Pool, 5.5%, \$123,988 par, due 11/1/2033                                               | 137,400       |
| Stable Value Separate Account                          | Freddie Mac Gold Pool, 5.5%, \$15,097 par, due 4/1/2024                                                 | 16,733        |
| Stable Value Separate Account                          | Freddie Mac Gold Pool, 5.5%, \$31,267 par, due 12/1/2018                                                | 32,078        |
| Stable Value Separate Account                          | Freddie Mac Gold Pool, 6%, \$158,773 par, due 8/1/2038                                                  | 184,941       |
| Stable Value Separate Account                          | Freddie Mac Gold Pool, 6%, \$521,438 par, due 8/1/2038                                                  | 608,654       |
| Stable Value Separate Account                          | Freddie Mac Multifamily Structured Pass Through Certificates, 2.41%, \$1,182,710 par, due 8/25/2018     | 1,197,459     |
| Stable Value Separate Account                          | Freddie Mac Non Gold Pool, 2.5%, \$12,622 par, due 4/1/2036 (b)                                         | 13,310        |
| Stable Value Separate Account                          | Freddie Mac Non Gold Pool, 2.53%, \$17,501 par, due 2/1/2036 (b)                                        | 18,301        |
| Stable Value Separate Account                          | Freddie Mac Non Gold Pool, 2.55%, \$9,799 par, due 12/1/2035 (b)                                        | 10,267        |
| Stable Value Separate Account                          | Freddie Mac Non Gold Pool, 2.58%, \$12,661 par, due 12/1/2035 (b)                                       | 13,221        |

## BAE SYSTEMS EMPLOYEES' SAVINGS AND INVESTMENT PLAN

EIN 22-3537950

Plan No. 003

Schedule H, Line 4(i) – Schedule of Assets (Held at End of Year)

December 31, 2016

| Identity of issuer, borrower, lessor, or similar party | Description of investment including maturity date, rate of interest, collateral, par, or maturity value | Current value |
|--------------------------------------------------------|---------------------------------------------------------------------------------------------------------|---------------|
| Stable Value Separate Account                          | Freddie Mac Non Gold Pool, 2.6%, \$53,759 par, due 3/1/2035 (b)                                         | 56,553        |
| Stable Value Separate Account                          | Freddie Mac Non Gold Pool, 2.61%, \$7,888 par, due 2/1/2035 (b)                                         | 8,371         |
| Stable Value Separate Account                          | Freddie Mac Non Gold Pool, 2.63%, \$2,205 par, due 3/1/2035 (b)                                         | 2,318         |
| Stable Value Separate Account                          | Freddie Mac Non Gold Pool, 2.64%, \$3,456 par, due 2/1/2034 (b)                                         | 3,632         |
| Stable Value Separate Account                          | Freddie Mac Non Gold Pool, 2.67%, \$3,464 par, due 1/1/2035 (b)                                         | 3,677         |
| Stable Value Separate Account                          | Freddie Mac Non Gold Pool, 2.75%, \$1,745 par, due 3/1/2035 (b)                                         | 1,822         |
| Stable Value Separate Account                          | Freddie Mac Non Gold Pool, 2.76%, \$18,215 par, due 3/1/2034 (b)                                        | 19,109        |
| Stable Value Separate Account                          | Freddie Mac Non Gold Pool, 2.78%, \$14,496 par, due 1/1/2037 (b)                                        | 15,274        |
| Stable Value Separate Account                          | Freddie Mac Non Gold Pool, 2.78%, \$18,229 par, due 1/1/2036 (b)                                        | 19,292        |
| Stable Value Separate Account                          | Freddie Mac Non Gold Pool, 2.8%, \$15,512 par, due 2/1/2035 (b)                                         | 16,331        |
| Stable Value Separate Account                          | Freddie Mac Non Gold Pool, 2.82%, \$3,532 par, due 3/1/2035 (b)                                         | 3,762         |
| Stable Value Separate Account                          | Freddie Mac Non Gold Pool, 2.83%, \$19,793 par, due 9/1/2035 (b)                                        | 20,948        |
| Stable Value Separate Account                          | Freddie Mac Non Gold Pool, 2.86%, \$1,936 par, due 3/1/2035 (b)                                         | 2,037         |
| Stable Value Separate Account                          | Freddie Mac Non Gold Pool, 2.86%, \$10,663 par, due 11/1/2034 (b)                                       | 11,255        |
| Stable Value Separate Account                          | Freddie Mac Non Gold Pool, 2.86%, \$55,416 par, due 8/1/2035 (b)                                        | 58,666        |
| Stable Value Separate Account                          | Freddie Mac Non Gold Pool, 2.89%, \$14,131 par, due 3/1/2034 (b)                                        | 15,017        |
| Stable Value Separate Account                          | Freddie Mac Non Gold Pool, 2.9%, \$3,767 par, due 1/1/2036 (b)                                          | 3,989         |
| Stable Value Separate Account                          | Freddie Mac Non Gold Pool, 2.92%, \$10,129 par, due 1/1/2036 (b)                                        | 10,763        |
| Stable Value Separate Account                          | Freddie Mac Non Gold Pool, 2.92%, \$144,972 par, due 1/1/2041 (b)                                       | 153,357       |
| Stable Value Separate Account                          | Freddie Mac Non Gold Pool, 2.93%, \$3,328 par, due 12/1/2034 (b)                                        | 3,561         |
| Stable Value Separate Account                          | Freddie Mac Non Gold Pool, 2.96%, \$10,302 par, due 2/1/2035 (b)                                        | 10,873        |
| Stable Value Separate Account                          | Freddie Mac Non Gold Pool, 2.96%, \$5,769 par, due 2/1/2035 (b)                                         | 6,116         |
| Stable Value Separate Account                          | Freddie Mac Non Gold Pool, 2.99%, \$9,335 par, due 6/1/2035 (b)                                         | 9,914         |
| Stable Value Separate Account                          | Freddie Mac Non Gold Pool, 3.02%, \$12,404 par, due 3/1/2035 (b)                                        | 13,121        |
| Stable Value Separate Account                          | Freddie Mac Non Gold Pool, 3.03%, \$11,563 par, due 11/1/2035 (b)                                       | 12,303        |
| Stable Value Separate Account                          | Freddie Mac Non Gold Pool, 3.07%, \$11,871 par, due 11/1/2035 (b)                                       | 12,477        |
| Stable Value Separate Account                          | Freddie Mac Non Gold Pool, 3.07%, \$41,691 par, due 1/1/2036 (b)                                        | 44,065        |
| Stable Value Separate Account                          | Freddie Mac Non Gold Pool, 3.07%, \$54,362 par, due 7/1/2036 (b)                                        | 57,478        |
| Stable Value Separate Account                          | Freddie Mac Non Gold Pool, 3.08%, \$7,951 par, due 8/1/2036 (b)                                         | 8,399         |
| Stable Value Separate Account                          | Freddie Mac Non Gold Pool, 3.12%, \$4,125 par, due 8/1/2035 (b)                                         | 4,380         |
| Stable Value Separate Account                          | Freddie Mac Non Gold Pool, 3.13%, \$122,332 par, due 9/1/2041 (b)                                       | 127,511       |
| Stable Value Separate Account                          | Freddie Mac Non Gold Pool, 3.14%, \$121 par, due 3/1/2033 (b)                                           | 126           |
| Stable Value Separate Account                          | Freddie Mac Non Gold Pool, 3.14%, \$522,781 par, due 9/1/2040 (b)                                       | 554,557       |
| Stable Value Separate Account                          | Freddie Mac Non Gold Pool, 3.27%, \$154,203 par, due 11/1/2040 (b)                                      | 160,750       |
| Stable Value Separate Account                          | Freddie Mac Non Gold Pool, 3.79%, \$8,353 par, due 6/1/2035 (b)                                         | 8,897         |
| Stable Value Separate Account                          | Freddie Mac REMICS, 4%, \$116,844 par, due 6/15/2023                                                    | 119,132       |
| Stable Value Separate Account                          | Freddie Mac REMICS, 4.5%, \$457,578 par, due 3/15/2022                                                  | 469,515       |
| Stable Value Separate Account                          | Freddie Mac REMICS, 5.5%, \$312,558 par, due 11/15/2033                                                 | 335,196       |
| Stable Value Separate Account                          | Freddie Mac Struct PT Cert, 6.5%, \$112,391 par, due 9/25/2043                                          | 128,584       |
| Stable Value Separate Account                          | Freddie Mac Struct PT Cert, 6.5%, \$229,539 par, due 2/25/2043                                          | 265,552       |
| Stable Value Separate Account                          | Freddie Struct PT Cert, 6.5%, \$215,433 par, due 2/25/2042                                              | 239,064       |
| Stable Value Separate Account                          | Freddie Struct PT Cert, 7%, \$105,614 par, due 3/25/2043                                                | 116,061       |
| Stable Value Separate Account                          | GE Capital International Funding Co Unlimited Co, 2.34%, \$1,014,000 par, due 11/15/2020                | 1,013,516     |
| Stable Value Separate Account                          | General Electric Co, 5.5%, \$351,000 par, due 1/8/2020                                                  | 384,589       |
| Stable Value Separate Account                          | Georgia-Pacific LLC, 2.54%, \$430,000 par, due 11/15/2019 (d)                                           | 433,769       |
| Stable Value Separate Account                          | Gilead Sciences Inc, 2.55%, \$360,000 par, due 9/1/2020                                                 | 363,794       |
| Stable Value Separate Account                          | Goldman Sachs Group Inc/The, 5.38%, \$820,000 par, due 3/15/2020                                        | 889,689       |
| Stable Value Separate Account                          | Goldman Sachs Group Inc/The, 5.75%, \$500,000 par, due 1/24/2022                                        | 562,108       |
| Stable Value Separate Account                          | Great River Energy, 5.83%, \$47,558 par, due 7/1/2017 (d)                                               | 48,277        |
| Stable Value Separate Account                          | GS Mortgage Securities Corp II, 2.56%, \$2,400,000 par, due 2/10/2046                                   | 2,422,450     |
| Stable Value Separate Account                          | GS Mortgage Securities Trust 2011-GC3, 4.75%, \$1,670,456 par, due 3/10/2044 (d)                        | 1,806,011     |
| Stable Value Separate Account                          | GS Mortgage Securities Trust 2011-GC5, 3.71%, \$1,600,000 par, due 8/10/2044                            | 1,688,632     |
| Stable Value Separate Account                          | GS Mortgage Securities Trust 2013-GCJ12, 2.68%, \$1,900,000 par, due 6/10/2046                          | 1,924,366     |
| Stable Value Separate Account                          | GSMS 2014-GC18 AAB, 3.65%, \$1,700,000 par, due 1/10/2047                                               | 1,784,687     |
| Stable Value Separate Account                          | Halliburton Co, 3.8%, \$300,000 par, due 11/15/2025                                                     | 304,769       |
| Stable Value Separate Account                          | Halliburton Co, 5.9%, \$350,000 par, due 9/15/2018                                                      | 372,496       |
| Stable Value Separate Account                          | Hartford Financial Services Group Inc/The, 6%, \$250,000 par, due 1/15/2019                             | 269,020       |
| Stable Value Separate Account                          | Hewlett Packard Enterprise Co, 2.85%, \$840,000 par, due 10/5/2018                                      | 848,124       |
| Stable Value Separate Account                          | Honeywell International Inc, 1.85%, \$1,090,000 par, due 11/1/2021                                      | 1,065,181     |
| Stable Value Separate Account                          | Howard Hughes Medical Institute, 3.5%, \$400,000 par, due 9/1/2023                                      | 417,086       |
| Stable Value Separate Account                          | HSBC Holdings PLC, 5.1%, \$600,000 par, due 4/5/2021                                                    | 648,424       |
| Stable Value Separate Account                          | HSBC USA Inc, 2.35%, \$500,000 par, due 3/5/2020                                                        | 496,090       |
| Stable Value Separate Account                          | Illinois Tool Works Inc, 1.95%, \$590,000 par, due 3/1/2019                                             | 593,044       |
| Stable Value Separate Account                          | Indiana Housing & Community Development Authority, 5.9%, \$35,000 par, due 1/1/2037                     | 35,116        |
| Stable Value Separate Account                          | Ingredion Inc, 6%, \$325,000 par, due 4/15/2017                                                         | 328,774       |
| Stable Value Separate Account                          | Intel Corp, 2.45%, \$330,000 par, due 7/29/2020                                                         | 334,653       |
| Stable Value Separate Account                          | John Deere Capital Corp, 2.38%, \$260,000 par, due 7/14/2020                                            | 260,771       |
| Stable Value Separate Account                          | Johns Hopkins University, 5.25%, \$81,000 par, due 7/1/2019                                             | 87,545        |
| Stable Value Separate Account                          | Johnson & Johnson, 2.45%, \$710,000 par, due 3/1/2026                                                   | \$ 679,067    |
| Stable Value Separate Account                          | JP Morgan Chase Commercial Mortgage Securities Trust 2010-C1, 5.06%, \$1,800,000 par, due 6/15/2043 (d) | 1,925,647     |
| Stable Value Separate Account                          | JP Morgan Chase Commercial Mortgage Securities Trust 2010-C2, 4.07%, \$440,000 par, due 11/15/2043 (d)  | 458,990       |
| Stable Value Separate Account                          | JP Morgan Chase Commercial Mortgage Securities Trust 2012-C8, 2.38%, \$1,000,000 par, due 10/15/2045    | 1,004,656     |
| Stable Value Separate Account                          | JP Morgan Chase Commercial Mortgage Securities Trust 2013-C13, 3.41%, \$500,000 par, due 1/15/2046      | 518,514       |
| Stable Value Separate Account                          | JP Morgan Chase Commercial Mortgage Security Corporation, 3.68%, \$386,569 par, due 8/15/2046           | 399,988       |
| Stable Value Separate Account                          | JP Morgan Chase Commercial Mortgage Security Corporation, 4.17%, \$1,015,266 par, due 8/15/2046         | 1,088,901     |
| Stable Value Separate Account                          | JPMBB Commercial Mortgage Securities Trust 2013-C12, 3.16%, \$1,920,000 par, due 7/15/2045              | 1,973,687     |
| Stable Value Separate Account                          | JP Morgan Chase & Co, 4.4%, \$100,000 par, due 7/22/2020                                                | 106,221       |
| Stable Value Separate Account                          | JP Morgan Chase & Co, 4.63%, \$1,000,000 par, due 5/10/2021                                             | 1,076,730     |
| Stable Value Separate Account                          | JP Morgan Chase & Co, 4.95%, \$500,000 par, due 3/25/2020                                               | 538,729       |
| Stable Value Separate Account                          | Kansas City Power & Light Co, 7.15%, \$550,000 par, due 4/1/2019                                        | 608,633       |
| Stable Value Separate Account                          | Kentucky Housing Corp, 3.5%, \$500,000 par, due 1/1/2040                                                | 506,290       |
| Stable Value Separate Account                          | KeyBank NA/Cleveland OH, 2.25%, \$250,000 par, due 3/16/2020                                            | 248,951       |
| Stable Value Separate Account                          | KeyBank NA/Cleveland OH, 2.5%, \$250,000 par, due 12/15/2019                                            | 252,604       |
| Stable Value Separate Account                          | KeyBank NA/Cleveland OH, 3.4%, \$500,000 par, due 5/20/2026                                             | 485,536       |
| Stable Value Separate Account                          | Kimco Realty Corp, 3.4%, \$430,000 par, due 11/1/2022                                                   | 436,355       |
| Stable Value Separate Account                          | Kraft Heinz Foods Co, 3%, \$325,000 par, due 6/1/2026                                                   | 305,122       |
| Stable Value Separate Account                          | Manufacturers & Traders Trust Co, 1.97%, \$332,000 par, due 12/28/2020 (b)                              | 329,939       |
| Stable Value Separate Account                          | Marathon Oil Corp, 3.85%, \$1,110,000 par, due 6/1/2025                                                 | 1,076,401     |

## BAE SYSTEMS EMPLOYEES' SAVINGS AND INVESTMENT PLAN

EIN 22-3537950

Plan No. 003

Schedule H, Line 4(i) – Schedule of Assets (Held at End of Year)

December 31, 2016

| Identity of issuer, borrower, lessor, or similar party | Description of investment including maturity date, rate of interest, collateral, par, or maturity value | Current value |
|--------------------------------------------------------|---------------------------------------------------------------------------------------------------------|---------------|
| Stable Value Separate Account                          | Marathon Petroleum Corp, 3.4%, \$700,000 par, due 12/15/2020                                            | 715,907       |
| Stable Value Separate Account                          | Massachusetts Health & Educational Facilities Authority, 5.26%, \$200,000 par, due 10/1/2018            | 213,648       |
| Stable Value Separate Account                          | McDonald's Corp, 2.75%, \$260,000 par, due 12/9/2020                                                    | 262,898       |
| Stable Value Separate Account                          | Medtronic Inc, 3.15%, \$410,000 par, due 3/15/2022                                                      | 419,931       |
| Stable Value Separate Account                          | Merrill Lynch Mortgage Investors Trust Series MLCC 2004-A, 1.22%, \$46,228 par, due 4/25/2029 (b)       | 44,223        |
| Stable Value Separate Account                          | Metropolitan Council, 4.2%, \$445,000 par, due 2/1/2021                                                 | 478,072       |
| Stable Value Separate Account                          | Michigan Finance Authority, 1.51%, \$1,163,833 par, due 4/29/2030 (b)                                   | 1,155,019     |
| Stable Value Separate Account                          | Microsoft Corp, 1.55%, \$650,000 par, due 8/8/2021                                                      | 630,443       |
| Stable Value Separate Account                          | Minnesota Housing Finance Agency, 5.76%, \$20,000 par, due 1/1/2037                                     | 20,074        |
| Stable Value Separate Account                          | Mississippi Higher Ed Assistance Corp, 1.44%, \$1,223,321 par, due 10/25/2035 (b)                       | 1,191,047     |
| Stable Value Separate Account                          | Missouri Higher Ed Loan Authority, 1.77%, \$732,557 par, due 8/26/2030 (b)                              | 706,866       |
| Stable Value Separate Account                          | MMAF Equipment Finance LLC 2014-A, 1.59%, \$2,400,000 par, due 2/8/2022 (d)                             | 2,390,995     |
| Stable Value Separate Account                          | MMAF Equipment Finance LLC 2016-A, 1.76%, \$1,600,000 par, due 1/17/2023 (d)                            | 1,575,704     |
| Stable Value Separate Account                          | Morgan Stanley Capital I Trust 2011-C3, 4.12%, \$1,600,000 par, due 7/15/2049                           | 1,718,504     |
| Stable Value Separate Account                          | Morgan Stanley, 2.5%, \$310,000 par, due 1/24/2019                                                      | 313,259       |
| Stable Value Separate Account                          | Morgan Stanley, 2.5%, \$460,000 par, due 4/21/2021                                                      | 454,999       |
| Stable Value Separate Account                          | Morgan Stanley, 2.63%, \$490,000 par, due 11/17/2021                                                    | 484,101       |
| Stable Value Separate Account                          | Morgan Stanley, 3.7%, \$270,000 par, due 10/23/2024                                                     | 273,216       |
| Stable Value Separate Account                          | Morgan Stanley, 5.5%, \$250,000 par, due 7/24/2020                                                      | 273,802       |
| Stable Value Separate Account                          | National City Bank/Cleveland OH, 1.32%, \$300,000 par, due 6/7/2017 (b)                                 | 300,123       |
| Stable Value Separate Account                          | New Hampshire Higher Education Loan Corp, 0.94%, \$538,451 par, due 10/25/2028 (b)                      | 537,477       |
| Stable Value Separate Account                          | New York Life Global Funding, 2%, \$600,000 par, due 4/13/2021 (d)                                      | 589,075       |
| Stable Value Separate Account                          | New York State Urban Development Corp, 6.5%, \$175,000 par, due 12/15/2018                              | 186,744       |
| Stable Value Separate Account                          | Northstar Education Finance Inc, 1.46%, \$447,096 par, due 12/26/2031 (b)(d)                            | 437,088       |
| Stable Value Separate Account                          | Northstar Education Finance Inc, 1.64%, \$179,130 par, due 10/30/2045 (b)                               | 174,148       |
| Stable Value Separate Account                          | Occidental Petroleum Corp, 3%, \$295,000 par, due 2/15/2027                                             | 285,435       |
| Stable Value Separate Account                          | Oklahoma Water Resources Board, 3.27%, \$1,240,000 par, due 4/1/2023                                    | 1,281,156     |
| Stable Value Separate Account                          | Oracle Corp, 2.4%, \$390,000 par, due 9/15/2023                                                         | 377,832       |
| Stable Value Separate Account                          | Oracle Corp, 2.5%, \$480,000 par, due 5/15/2022                                                         | 476,666       |
| Stable Value Separate Account                          | Overseas Private Investment Corp, 3.37%, \$873,198 par, due 5/15/2021                                   | 902,927       |
| Stable Value Separate Account                          | PacificCorp, 5.65%, \$250,000 par, due 7/15/2018                                                        | 265,053       |
| Stable Value Separate Account                          | Pearson Dollar Finance Two PLC, 6.25%, \$400,000 par, due 5/6/2018 (d)                                  | 420,111       |
| Stable Value Separate Account                          | PepsiCo Inc, 5%, \$294,000 par, due 6/1/2018                                                            | 308,752       |
| Stable Value Separate Account                          | PNC Bank NA, 3.25%, \$320,000 par, due 6/1/2025                                                         | 319,438       |
| Stable Value Separate Account                          | PNC Bank NA, 4.88%, \$200,000 par, due 9/21/2017                                                        | 204,783       |
| Stable Value Separate Account                          | PNC Bank NA, 6.88%, \$400,000 par, due 4/1/2018                                                         | 423,828       |
| Stable Value Separate Account                          | Portland General Electric Co, 6.1%, \$725,000 par, due 4/15/2019                                        | 790,795       |
| Stable Value Separate Account                          | Precision Castparts Corp, 2.25%, \$980,000 par, due 6/15/2020                                           | 983,618       |
| Stable Value Separate Account                          | Providence St Joseph Health Obligated Group, 2.75%, \$400,000 par, due 10/1/2026                        | 378,660       |
| Stable Value Separate Account                          | Public Service Co of Colorado, 5.13%, \$600,000 par, due 6/1/2019                                       | 646,694       |
| Stable Value Separate Account                          | Realty Income Corp, 3.25%, \$650,000 par, due 10/15/2022                                                | 655,249       |
| Stable Value Separate Account                          | Realty Income Corp, 4.65%, \$150,000 par, due 8/1/2023                                                  | 160,820       |
| Stable Value Separate Account                          | Reckitt Benckiser Treasury Services PLC, 2.13%, \$300,000 par, due 9/21/2018 (d)                        | 300,524       |
| Stable Value Separate Account                          | Reliance Industries Ltd, 1.87%, \$1,500,000 par, due 1/15/2026                                          | 1,465,769     |
| Stable Value Separate Account                          | Rockwell Collins Inc, 5.25%, \$300,000 par, due 7/15/2019                                               | 322,091       |
| Stable Value Separate Account                          | Rogers Communications Inc, 4.1%, \$1,200,000 par, due 10/1/2023                                         | 1,253,178     |
| Stable Value Separate Account                          | Rolls-Royce PLC, 3.63%, \$240,000 par, due 10/14/2025 (d)                                               | 240,210       |
| Stable Value Separate Account                          | SBA Small Business Investment Cos, 2.83%, \$1,460,444 par, due 9/10/2025                                | 1,485,879     |
| Stable Value Separate Account                          | SBA Small Business Investment Cos, 2.88%, \$827,327 par, due 9/10/2021                                  | 851,541       |
| Stable Value Separate Account                          | SBA Small Business Investment Cos, 3.02%, \$4,651,594 par, due 9/10/2024                                | 4,811,474     |
| Stable Value Separate Account                          | SBA Small Business Investment Cos, 3.64%, \$2,105,945 par, due 9/10/2023                                | 2,189,319     |
| Stable Value Separate Account                          | SBA Small Business Investment Cos, 4.23%, \$340,653 par, due 9/10/2019                                  | 353,641       |
| Stable Value Separate Account                          | SBA Small Business Investment Cos, 4.73%, \$918,318 par, due 2/10/2019                                  | 959,679       |
| Stable Value Separate Account                          | SBA Small Business Investment Cos, 5.46%, \$83,048 par, due 2/10/2017                                   | 83,554        |
| Stable Value Separate Account                          | SBA Small Business Investment Cos, 5.72%, \$39,751 par, due 9/10/2018                                   | 41,018        |
| Stable Value Separate Account                          | SBA Small Business Investment Cos, 5.79%, \$112,127 par, due 8/10/2017                                  | 114,722       |
| Stable Value Separate Account                          | SBA Small Business Investment Cos, 5.94%, \$307,399 par, due 8/10/2018                                  | 325,172       |
| Stable Value Separate Account                          | SCG Trust 2013-SRP1, 2.1%, \$1,200,000 par, due 11/15/2026 (b)(d)                                       | 1,200,001     |
| Stable Value Separate Account                          | Sequoia Union High School District, 5.38%, \$375,000 par, due 7/1/2021                                  | 415,804       |
| Stable Value Separate Account                          | Shell International Finance BV, 2.13%, \$710,000 par, due 5/11/2020                                     | 709,152       |
| Stable Value Separate Account                          | Shell International Finance BV, 2.88%, \$920,000 par, due 5/10/2026                                     | 889,449       |
| Stable Value Separate Account                          | Shire Acquisitions Investments Ireland DAC, 2.4%, \$470,000 par, due 9/23/2021                          | 454,014       |
| Stable Value Separate Account                          | Siemens Financieringsmaatschappij NV, 2.15%, \$390,000 par, due 5/27/2020 (d)                           | 387,633       |
| Stable Value Separate Account                          | Siemens Financieringsmaatschappij NV, 2.9%, \$240,000 par, due 5/27/2022 (d)                            | 241,801       |
| Stable Value Separate Account                          | SLC Student Loan Trust 2010-1, 1.8%, \$566,501 par, due 11/25/2042 (b)                                  | 567,282       |
| Stable Value Separate Account                          | South Carolina Student Loan Corp, 1.52%, \$1,600,000 par, due 5/1/2030 (b)                              | \$ 1,552,048  |
| Stable Value Separate Account                          | State of CA Dept of Water Resources Power Supply Revenue, 2%, \$750,000 par, due 5/1/2022               | 728,843       |
| Stable Value Separate Account                          | State of Hawaii, 2.8%, \$1,000,000 par, due 10/1/2027                                                   | 958,390       |
| Stable Value Separate Account                          | State of Tennessee, 2.93%, \$400,000 par, due 8/1/2019                                                  | 413,720       |
| Stable Value Separate Account                          | State of Tennessee, 3.18%, \$400,000 par, due 8/1/2020                                                  | 416,928       |
| Stable Value Separate Account                          | State of Texas, 2.76%, \$750,000 par, due 8/1/2020                                                      | 770,768       |
| Stable Value Separate Account                          | State of Texas, 5.33%, \$575,000 par, due 10/1/2021                                                     | 628,670       |
| Stable Value Separate Account                          | State of Wisconsin, 1.9%, \$325,000 par, due 5/1/2022                                                   | 312,946       |
| Stable Value Separate Account                          | Statoil ASA, 2.25%, \$790,000 par, due 11/8/2019                                                        | 796,559       |
| Stable Value Separate Account                          | SunTrust Banks Inc, 2.9%, \$320,000 par, due 3/3/2021                                                   | 324,520       |
| Stable Value Separate Account                          | Symantec Corp, 2.75%, \$1,145,000 par, due 6/15/2017                                                    | 1,148,923     |
| Stable Value Separate Account                          | Teva Pharmaceutical Finance Netherlands III BV, 2.2%, \$390,000 par, due 7/21/2021                      | 373,108       |
| Stable Value Separate Account                          | Texas Transportation Commission State Highway Fund, 5.03%, \$1,000,000 par, due 4/1/2026                | 1,152,490     |
| Stable Value Separate Account                          | Thermo Fisher Scientific Inc, 3%, \$300,000 par, due 4/15/2023                                          | 294,860       |
| Stable Value Separate Account                          | Time Warner Cable LLC, 5.85%, \$350,000 par, due 5/1/2017                                               | 354,967       |
| Stable Value Separate Account                          | Time Warner Inc, 3.4%, \$440,000 par, due 6/15/2022                                                     | 442,573       |
| Stable Value Separate Account                          | Time Warner Inc, 3.6%, \$640,000 par, due 7/15/2025                                                     | 636,416       |
| Stable Value Separate Account                          | Towd Point Mortgage Trust 2016-1, 2.75%, \$1,023,836 par, due 2/25/2055 (d)                             | 1,026,245     |
| Stable Value Separate Account                          | Towd Point Mortgage Trust 2016-2, 2.75%, \$1,045,946 par, due 8/25/2055 (d)                             | 1,043,763     |
| Stable Value Separate Account                          | Towd Point Mortgage Trust 2016-3, 2.25%, \$723,788 par, due 8/25/2055 (d)                               | 717,967       |
| Stable Value Separate Account                          | UBS Group Funding Jersey Ltd, 2.65%, \$400,000 par, due 2/1/2022 (d)                                    | 388,758       |
| Stable Value Separate Account                          | UBS-Citigroup Commercial Mortgage Trust 2011-C1, 3.6%, \$2,000,000 par, due 1/10/2045                   | 2,067,176     |
| Stable Value Separate Account                          | UDR Inc, 2.95%, \$300,000 par, due 9/1/2026                                                             | 280,610       |

## BAE SYSTEMS EMPLOYEES' SAVINGS AND INVESTMENT PLAN

EIN 22-3537950

Plan No. 003

Schedule H, Line 4(i) – Schedule of Assets (Held at End of Year)

December 31, 2016

| Identity of issuer, borrower, lessor, or similar party | Description of investment including maturity date, rate of interest, collateral, par, or maturity value | Current value |
|--------------------------------------------------------|---------------------------------------------------------------------------------------------------------|---------------|
| Stable Value Separate Account                          | Ukraine Government AID Bonds, 1.47%, \$625,000 par, due 9/29/2021                                       | 610,153       |
| Stable Value Separate Account                          | Union Electric Co, 5.1%, \$650,000 par, due 10/1/2019                                                   | 701,921       |
| Stable Value Separate Account                          | United States Small Business Administration, 2.7%, \$2,212,779 par, due 12/1/2034                       | 2,193,809     |
| Stable Value Separate Account                          | United States Small Business Administration, 3.21%, \$1,400,177 par, due 3/1/2034                       | 1,432,548     |
| Stable Value Separate Account                          | United States Small Business Administration, 3.37%, \$1,929,993 par, due 10/1/2033                      | 1,992,162     |
| Stable Value Separate Account                          | United States Small Business Administration, 5.17%, \$301,571 par, due 1/1/2028                         | 327,827       |
| Stable Value Separate Account                          | United States Small Business Administration, 5.6%, \$339,317 par, due 9/1/2028                          | 371,449       |
| Stable Value Separate Account                          | United States Small Business Administration, 5.63%, \$783,499 par, due 10/1/2028                        | 859,288       |
| Stable Value Separate Account                          | United States Small Business Administration, 5.68%, \$186,838 par, due 6/1/2028                         | 204,783       |
| Stable Value Separate Account                          | United States Small Business Administration, 5.72%, \$664,246 par, due 1/1/2029                         | 729,541       |
| Stable Value Separate Account                          | United States Small Business Administration, 5.87%, \$552,584 par, due 7/1/2028                         | 612,567       |
| Stable Value Separate Account                          | United States Treasury Note/Bond, 1.13%, \$3,325,000 par, due 9/30/2021                                 | 3,207,195     |
| Stable Value Separate Account                          | United States Treasury Note/Bond, 1.25%, \$4,175,000 par, due 10/31/2021                                | 4,048,447     |
| Stable Value Separate Account                          | United States Treasury Note/Bond, 1.5%, \$5,250,000 par, due 8/15/2026                                  | 4,828,567     |
| Stable Value Separate Account                          | United States Treasury Note/Bond, 1.63%, \$4,125,000 par, due 5/15/2026                                 | 3,846,563     |
| Stable Value Separate Account                          | United States Treasury Note/Bond, 1.75%, \$1,625,000 par, due 11/30/2021                                | 1,612,876     |
| Stable Value Separate Account                          | United States Treasury Note/Bond, 2%, \$1,675,000 par, due 11/15/2026                                   | 1,611,598     |
| Stable Value Separate Account                          | United States Treasury Note/Bond, 2.13%, \$7,225,000 par, due 5/15/2025                                 | 7,082,754     |
| Stable Value Separate Account                          | United Technologies Corp, 1.95%, \$320,000 par, due 11/1/2021                                           | 313,684       |
| Stable Value Separate Account                          | UnitedHealth Group Inc, 2.13%, \$320,000 par, due 3/15/2021                                             | 316,257       |
| Stable Value Separate Account                          | UnitedHealth Group Inc, 3.35%, \$290,000 par, due 7/15/2022                                             | 298,789       |
| Stable Value Separate Account                          | Utah State Building Ownership Authority, 5.05%, \$500,000 par, due 5/15/2020                            | 531,880       |
| Stable Value Separate Account                          | VCK Lease SA, 2.59%, \$919,159 par, due 7/24/2026                                                       | 924,166       |
| Stable Value Separate Account                          | Ventas Realty LP, 3.5%, \$450,000 par, due 2/1/2025                                                     | 443,037       |
| Stable Value Separate Account                          | Verizon Communications Inc, 3%, \$610,000 par, due 11/1/2021                                            | 614,448       |
| Stable Value Separate Account                          | Verizon Communications Inc, 5.15%, \$800,000 par, due 9/15/2023                                         | 884,594       |
| Stable Value Separate Account                          | Vermont Student Assistance Corp, 1.51%, \$1,002,226 par, due 4/30/2035 (b)                              | 980,788       |
| Stable Value Separate Account                          | Vessel Management Services Inc, 5.13%, \$700,000 par, due 4/16/2035                                     | 771,507       |
| Stable Value Separate Account                          | Virginia College Building Authority, 5.45%, \$375,000 par, due 2/1/2018                                 | 384,529       |
| Stable Value Separate Account                          | Virginia Housing Development Authority, 3.1%, \$571,525 par, due 6/25/2041                              | 568,044       |
| Stable Value Separate Account                          | Vornado Realty LP, 5%, \$700,000 par, due 1/15/2022                                                     | 757,052       |
| Stable Value Separate Account                          | Wells Fargo Commercial Mortgage Trust 2012-LC5, 2.92%, \$1,115,000 par, due 10/15/2045                  | 1,134,678     |
| Stable Value Separate Account                          | WF Dealer Floorplan Master Note Trust, 1.12%, \$1,600,000 par, due 7/20/2019 (b)                        | 1,600,170     |
| Stable Value Separate Account                          | WFRBS Commercial Mortgage Trust 2013-C12, 3.2%, \$1,300,000 par, due 3/15/2048                          | 1,330,664     |
| Stable Value Separate Account                          | WFRBS Commercial Mortgage Trust 2013-UBS1, 3.6%, \$1,700,000 par, due 3/15/2046                         | 1,778,501     |
| Stable Value Separate Account                          | Wells Fargo/BlackRock Short-Term Investment Fund S, 0.83%, \$5,250,719 par (b)(c)                       | 5,250,719     |
| Wrapper contract total                                 |                                                                                                         | 325,086,104   |
| Royal Bank of Canada 2.45%                             | Wrapper contract                                                                                        | (1,070,293)   |
| Stable Value Separate Account                          | 3M Co, 1.63%, \$140,000 par, due 9/19/2021                                                              | 136,432       |
| Stable Value Separate Account                          | AbbVie Inc, 1.8%, \$60,000 par, due 5/14/2018                                                           | 60,045        |
| Stable Value Separate Account                          | AIG Global Funding, 2.7%, \$230,000 par, due 12/15/2021 (d)                                             | 229,506       |
| Stable Value Separate Account                          | Air Liquide Finance SA, 1.75%, \$200,000 par, due 9/27/2021 (d)                                         | 192,038       |
| Stable Value Separate Account                          | Ally Auto Receivables Trust 2014-2, 1.25%, \$297,840 par, due 4/15/2019                                 | 297,957       |
| Stable Value Separate Account                          | American Express Co, 1.55%, \$320,000 par, due 5/22/2018                                                | 319,378       |
| Stable Value Separate Account                          | American Express Credit Corp, 1.7%, \$60,000 par, due 10/30/2019                                        | 59,414        |
| Stable Value Separate Account                          | American Honda Finance Corp, 1.6%, \$230,000 par, due 7/13/2018                                         | 230,502       |
| Stable Value Separate Account                          | American Honda Finance Corp, 2.45%, \$170,000 par, due 9/24/2020                                        | 170,879       |
| Stable Value Separate Account                          | AmeriCredit Automobile Receivables 2016-1, 1.81%, \$460,000 par, due 10/8/2020                          | 461,023       |
| Stable Value Separate Account                          | AmeriCredit Automobile Receivables Trust 2014-3, 1.15%, \$297,080 par, due 6/10/2019                    | 296,952       |
| Stable Value Separate Account                          | AmeriCredit Automobile Receivables Trust 2016-2, 1.6%, \$450,000 par, due 11/9/2020                     | 449,178       |
| Stable Value Separate Account                          | Anheuser-Busch InBev Finance Inc, 3.3%, \$320,000 par, due 2/1/2023                                     | 325,674       |
| Stable Value Separate Account                          | Apple Inc, 1.1%, \$110,000 par, due 8/2/2019                                                            | 108,357       |
| Stable Value Separate Account                          | Apple Inc, 2.25%, \$140,000 par, due 2/23/2021                                                          | 139,884       |
| Stable Value Separate Account                          | AT&T Inc, 2.4%, \$325,000 par, due 3/15/2017                                                            | 325,799       |
| Stable Value Separate Account                          | AT&T Inc, 2.45%, \$130,000 par, due 6/30/2020                                                           | 129,094       |
| Stable Value Separate Account                          | AT&T Inc, 2.8%, \$100,000 par, due 2/17/2021                                                            | 99,206        |
| Stable Value Separate Account                          | Atmos Energy Corp, 6.35%, \$350,000 par, due 6/15/2017                                                  | 357,980       |
| Stable Value Separate Account                          | Automatic Data Processing Inc, 2.25%, \$90,000 par, due 9/15/2020                                       | 90,465        |
| Stable Value Separate Account                          | BAMLL Commercial Mortgage Securities Trust 2013-DSNY, 1.75%, \$150,000 par, due 9/15/2026 (b)(d)        | 150,064       |
| Stable Value Separate Account                          | Bank of America Corp, 2.63%, \$190,000 par, due 4/19/2021                                               | 188,686       |
| Stable Value Separate Account                          | Bank of America Corp, 3.3%, \$180,000 par, due 1/11/2023                                                | 180,601       |
| Stable Value Separate Account                          | Bank of America NA, 1.75%, \$250,000 par, due 6/5/2018                                                  | 249,990       |
| Stable Value Separate Account                          | Bank of Montreal, 1.5%, \$125,000 par, due 7/18/2019                                                    | \$ 123,363    |
| Stable Value Separate Account                          | Bank of Montreal, 1.9%, \$140,000 par, due 8/27/2021                                                    | 135,663       |
| Stable Value Separate Account                          | Bank of New York Mellon Corp/The, 2.05%, \$100,000 par, due 5/3/2021                                    | 98,150        |
| Stable Value Separate Account                          | Bank of New York Mellon Corp/The, 2.5%, \$190,000 par, due 4/15/2021                                    | 190,211       |
| Stable Value Separate Account                          | Bank of Nova Scotia/The, 1.88%, \$475,000 par, due 4/26/2021                                            | 463,401       |
| Stable Value Separate Account                          | Bank of The West Auto Trust 2015-1, 1.31%, \$460,000 par, due 10/15/2019 (d)                            | 460,290       |
| Stable Value Separate Account                          | BB&T Corp, 2.15%, \$360,000 par, due 3/22/2017                                                          | 360,501       |
| Stable Value Separate Account                          | Bear Stearns Commercial Mortgage Securities Trust 2007-TOP28, 5.74%, \$69,508 par, due 9/11/2042 (b)    | 70,696        |
| Stable Value Separate Account                          | Becton Dickinson and Co, 2.67%, \$157,000 par, due 12/15/2019                                           | 159,294       |
| Stable Value Separate Account                          | BHP Billiton Finance USA Ltd, 1.63%, \$350,000 par, due 2/24/2017                                       | 350,264       |
| Stable Value Separate Account                          | BMW US Capital LLC, 1.5%, \$195,000 par, due 4/11/2019 (d)                                              | 193,150       |
| Stable Value Separate Account                          | BMW Vehicle Lease Trust 2015-1, 1.24%, \$363,684 par, due 12/20/2017                                    | 363,778       |
| Stable Value Separate Account                          | BNP Paribas SA, 1.38%, \$240,000 par, due 3/17/2017                                                     | 240,037       |
| Stable Value Separate Account                          | Boston Properties LP, 3.13%, \$100,000 par, due 9/1/2023                                                | 98,057        |
| Stable Value Separate Account                          | Boston Properties LP, 5.63%, \$150,000 par, due 11/15/2020                                              | 165,436       |
| Stable Value Separate Account                          | BP Capital Markets PLC, 1.68%, \$190,000 par, due 5/3/2019                                              | 188,655       |
| Stable Value Separate Account                          | BP Capital Markets PLC, 2.75%, \$125,000 par, due 5/10/2023                                             | 122,719       |
| Stable Value Separate Account                          | Burlington Northern Santa Fe LLC, 5.65%, \$325,000 par, due 5/1/2017                                    | 329,382       |
| Stable Value Separate Account                          | Caledonia Community Schools, 2.3%, \$200,000 par, due 5/1/2023                                          | 193,430       |
| Stable Value Separate Account                          | Capital Auto Receivables Asset Trust 2015-2, 1.73%, \$460,000 par, due 9/20/2019                        | 461,205       |
| Stable Value Separate Account                          | Capital Auto Receivables Asset Trust 2015-4, 1.83%, \$230,000 par, due 3/20/2020                        | 230,368       |
| Stable Value Separate Account                          | Capital One MultiAsset Execution Tr, 0.75%, \$550,000 par, due 11/15/2019 (b)                           | 550,000       |
| Stable Value Separate Account                          | Capital One NA/Mclean VA, 1.85%, \$250,000 par, due 9/13/2019                                           | 247,158       |
| Stable Value Separate Account                          | CarMax Auto Owner Trust 2016-1, 1.61%, \$460,000 par, due 11/16/2020                                    | 460,085       |
| Stable Value Separate Account                          | Caterpillar Financial Services Corp, 1.7%, \$200,000 par, due 8/9/2021                                  | 192,102       |

## BAE SYSTEMS EMPLOYEES' SAVINGS AND INVESTMENT PLAN

EIN 22-3537950

Plan No. 003

Schedule H, Line 4(i) – Schedule of Assets (Held at End of Year)

December 31, 2016

| Identity of issuer, borrower, lessor, or similar party | Description of investment including maturity date, rate of interest, collateral, par, or maturity value | Current value |
|--------------------------------------------------------|---------------------------------------------------------------------------------------------------------|---------------|
| Stable Value Separate Account                          | Caterpillar Financial Services Corp, 2.25%, \$60,000 par, due 12/1/2019                                 | 60,245        |
| Stable Value Separate Account                          | Charles Schwab Corp/The, 6.38%, \$350,000 par, due 9/1/2017                                             | 361,688       |
| Stable Value Separate Account                          | Chase Issuance Trust, 1.27%, \$450,000 par, due 7/15/2021                                               | 443,999       |
| Stable Value Separate Account                          | Chevron Corp, 1.36%, \$80,000 par, due 3/2/2018                                                         | 79,921        |
| Stable Value Separate Account                          | Chevron Corp, 2.1%, \$190,000 par, due 5/16/2021                                                        | 188,371       |
| Stable Value Separate Account                          | Chevron Corp, 2.19%, \$170,000 par, due 11/15/2019                                                      | 171,695       |
| Stable Value Separate Account                          | Chevron Corp, 2.42%, \$170,000 par, due 11/17/2020                                                      | 171,210       |
| Stable Value Separate Account                          | Chrysler Capital Auto Receivables Trust 2015-B, 1.91%, \$460,000 par, due 3/16/2020 (d)                 | 461,769       |
| Stable Value Separate Account                          | Chubb INA Holdings Inc, 2.3%, \$70,000 par, due 11/3/2020                                               | 69,984        |
| Stable Value Separate Account                          | Cisco Systems Inc, 2.45%, \$280,000 par, due 6/15/2020                                                  | 282,825       |
| Stable Value Separate Account                          | CIT Education Loan Trust 2005-1, 1.08%, \$166,652 par, due 3/15/2026 (b)                                | 165,328       |
| Stable Value Separate Account                          | Citibank Credit Card Issuance Trust, 1.23%, \$560,000 par, due 4/24/2019                                | 560,224       |
| Stable Value Separate Account                          | Citigroup Commercial Mortgage Trust 2014-GC19, 3.55%, \$468,000 par, due 3/10/2047                      | 486,054       |
| Stable Value Separate Account                          | Citigroup Inc, 1.75%, \$150,000 par, due 5/1/2018                                                       | 149,680       |
| Stable Value Separate Account                          | Citigroup Inc, 2.35%, \$190,000 par, due 8/2/2021                                                       | 185,858       |
| Stable Value Separate Account                          | Citigroup Inc, 2.65%, \$160,000 par, due 10/26/2020                                                     | 160,113       |
| Stable Value Separate Account                          | Citigroup Inc, 2.9%, \$100,000 par, due 12/8/2021                                                       | 99,730        |
| Stable Value Separate Account                          | City of Baltimore MD, 5.64%, \$80,000 par, due 10/15/2018                                               | 82,992        |
| Stable Value Separate Account                          | City of Dallas TX Waterworks & Sewer System Revenue, 2.92%, \$215,000 par, due 10/1/2024                | 215,617       |
| Stable Value Separate Account                          | City of Farmers Branch TX, 4.62%, \$240,000 par, due 2/15/2018                                          | 248,299       |
| Stable Value Separate Account                          | CNH Equipment Trust 2014-A, 0.84%, \$134,034 par, due 5/15/2019                                         | 133,981       |
| Stable Value Separate Account                          | CNH Equipment Trust 2015-C, 1.66%, \$450,000 par, due 11/16/2020                                        | 450,824       |
| Stable Value Separate Account                          | CNH Equipment Trust 2016-A, 1.48%, \$460,000 par, due 4/15/2021                                         | 457,703       |
| Stable Value Separate Account                          | CNH Equipment Trust 2016-B, 1.63%, \$480,000 par, due 8/15/2021                                         | 478,048       |
| Stable Value Separate Account                          | Cobb-Marietta Coliseum & Exhibit Hall Authority, 2.45%, \$200,000 par, due 1/1/2021                     | 201,022       |
| Stable Value Separate Account                          | College Loan Corp Trust I, 1.63%, \$750,000 par, due 4/25/2046 (b)(d)                                   | 697,275       |
| Stable Value Separate Account                          | Comm 2013-CCRE13 Mortgage Trust, 4.19%, \$450,000 par, due 11/10/2023 (b)                               | 485,828       |
| Stable Value Separate Account                          | Commercial Mortgage Pass Through Certificates, 2.37%, \$575,000 par, due 10/15/2045                     | 577,953       |
| Stable Value Separate Account                          | Commonwealth Edison Co, 4%, \$300,000 par, due 8/1/2020                                                 | 316,190       |
| Stable Value Separate Account                          | ConocoPhillips Co, 2.2%, \$90,000 par, due 5/15/2020                                                    | 89,313        |
| Stable Value Separate Account                          | ConocoPhillips Co, 4.2%, \$80,000 par, due 3/15/2021                                                    | 84,978        |
| Stable Value Separate Account                          | Core Industrial Trust 2015-CALW, 3.04%, \$500,000 par, due 2/10/2034 (d)                                | 510,151       |
| Stable Value Separate Account                          | County of Baltimore MD, 2.17%, \$225,000 par, due 7/1/2024                                              | 214,484       |
| Stable Value Separate Account                          | County of Collin TX, 1.48%, \$325,000 par, due 2/15/2018                                                | 326,014       |
| Stable Value Separate Account                          | Covidien International Finance SA, 6%, \$300,000 par, due 10/15/2017                                    | 310,686       |
| Stable Value Separate Account                          | CVS Health Corp, 2.8%, \$220,000 par, due 7/20/2020                                                     | 223,213       |
| Stable Value Separate Account                          | Daimler Finance North America LLC, 2%, \$190,000 par, due 7/6/2021 (d)                                  | 184,492       |
| Stable Value Separate Account                          | Daimler Finance North America LLC, 2.95%, \$350,000 par, due 1/11/2017 (d)                              | 350,111       |
| Stable Value Separate Account                          | Danone SA, 1.69%, \$250,000 par, due 10/30/2019 (d)                                                     | 246,870       |
| Stable Value Separate Account                          | Diageo Capital PLC, 5.75%, \$350,000 par, due 10/23/2017                                                | 361,866       |
| Stable Value Separate Account                          | Discover Card Execution Note Trust, 1.39%, \$530,000 par, due 4/15/2020                                 | 530,786       |
| Stable Value Separate Account                          | Duke Energy Carolinas LLC, 2.5%, \$190,000 par, due 3/15/2023                                           | 188,311       |
| Stable Value Separate Account                          | Eaton Corp, 1.5%, \$350,000 par, due 11/2/2017                                                          | 350,291       |
| Stable Value Separate Account                          | Ecolab Inc, 3.25%, \$190,000 par, due 1/14/2023                                                         | 193,470       |
| Stable Value Separate Account                          | Ecolab Inc, 4.35%, \$150,000 par, due 12/8/2021                                                         | 162,099       |
| Stable Value Separate Account                          | EdLinc Student Loan Funding Trust 2012-1, 1.58%, \$243,622 par, due 9/25/2030 (b)(d)                    | 238,545       |
| Stable Value Separate Account                          | Edsouth Indenture No 4 LLC, 1.33%, \$232,172 par, due 2/26/2029 (b)(d)                                  | 226,763       |
| Stable Value Separate Account                          | Entergy Gulf States Louisiana LLC, 6%, \$300,000 par, due 5/1/2018                                      | 316,627       |
| Stable Value Separate Account                          | Enterprise Products Operating LLC, 2.85%, \$100,000 par, due 4/15/2021                                  | 100,761       |
| Stable Value Separate Account                          | Ethiopian Leasing 2012 LLC, 2.57%, \$296,169 par, due 8/14/2026                                         | 295,865       |
| Stable Value Separate Account                          | Export Leasing 2009 LLC, 1.86%, \$330,810 par, due 8/28/2021                                            | 330,095       |
| Stable Value Separate Account                          | Exxon Mobil Corp, 1.91%, \$302,000 par, due 3/6/2020                                                    | 301,684       |
| Stable Value Separate Account                          | Exxon Mobil Corp, 2.22%, \$90,000 par, due 3/1/2021                                                     | 90,206        |
| Stable Value Separate Account                          | Fannie Mae Pool, 2%, \$1,108,949 par, due 9/1/2023                                                      | 1,120,485     |
| Stable Value Separate Account                          | Fannie Mae Pool, 2%, \$248,357 par, due 5/1/2023                                                        | 250,924       |
| Stable Value Separate Account                          | Fannie Mae Pool, 2%, \$257,399 par, due 6/1/2023                                                        | 260,072       |
| Stable Value Separate Account                          | Fannie Mae Pool, 2%, \$261,654 par, due 4/1/2023                                                        | 264,377       |
| Stable Value Separate Account                          | Fannie Mae Pool, 2%, \$267,616 par, due 7/1/2023                                                        | 270,398       |
| Stable Value Separate Account                          | Fannie Mae Pool, 2%, \$814,156 par, due 8/1/2023                                                        | 822,628       |
| Stable Value Separate Account                          | Fannie Mae Pool, 2.07%, \$221,657 par, due 9/1/2043 (b)                                                 | 228,305       |
| Stable Value Separate Account                          | Fannie Mae Pool, 2.19%, \$475,000 par, due 7/1/2023                                                     | 469,200       |
| Stable Value Separate Account                          | Fannie Mae Pool, 2.51%, \$512,818 par, due 7/1/2020                                                     | 522,140       |
| Stable Value Separate Account                          | Fannie Mae Pool, 2.57%, \$450,000 par, due 12/1/2020                                                    | 458,063       |
| Stable Value Separate Account                          | Fannie Mae Pool, 2.59%, \$157,075 par, due 3/1/2034 (b)                                                 | 163,678       |
| Stable Value Separate Account                          | Fannie Mae Pool, 2.63%, \$887,136 par, due 8/1/2045 (b)                                                 | 904,323       |
| Stable Value Separate Account                          | Fannie Mae Pool, 2.69%, \$240,974 par, due 10/1/2041 (b)                                                | 254,767       |
| Stable Value Separate Account                          | Fannie Mae Pool, 2.74%, \$226,788 par, due 1/1/2041 (b)                                                 | 238,235       |
| Stable Value Separate Account                          | Fannie Mae Pool, 2.76%, \$439,137 par, due 4/1/2022 (b)                                                 | 448,400       |
| Stable Value Separate Account                          | Fannie Mae Pool, 2.76%, \$589,638 par, due 4/1/2021                                                     | 595,830       |
| Stable Value Separate Account                          | Fannie Mae Pool, 2.79%, \$567,733 par, due 8/1/2044 (b)                                                 | 582,346       |
| Stable Value Separate Account                          | Fannie Mae Pool, 2.8%, \$308,044 par, due 8/1/2044 (b)                                                  | 316,157       |
| Stable Value Separate Account                          | Fannie Mae Pool, 2.8%, \$340,188 par, due 8/1/2044 (b)                                                  | 349,287       |
| Stable Value Separate Account                          | Fannie Mae Pool, 3%, \$1,687,517 par, due 4/1/2031                                                      | 1,735,135     |
| Stable Value Separate Account                          | Fannie Mae Pool, 3%, \$428,474 par, due 2/1/2031                                                        | 440,434       |
| Stable Value Separate Account                          | Fannie Mae Pool, 3%, \$971,433 par, due 3/1/2027                                                        | 997,736       |
| Stable Value Separate Account                          | Fannie Mae Pool, 5%, \$305,223 par, due 3/1/2034                                                        | 335,219       |
| Stable Value Separate Account                          | Fannie Mae Pool, 5%, \$56,035 par, due 3/1/2034                                                         | 61,540        |
| Stable Value Separate Account                          | Fannie Mae Pool, 5.5%, \$14,368 par, due 11/1/2021                                                      | 14,801        |
| Stable Value Separate Account                          | Fannie Mae Pool, 5.5%, \$21,648 par, due 11/1/2023                                                      | 24,054        |
| Stable Value Separate Account                          | Fannie Mae Pool, 5.5%, \$36,443 par, due 11/1/2034                                                      | 40,871        |
| Stable Value Separate Account                          | Fannie Mae-Aces, 1.23%, \$286,948 par, due 3/26/2018                                                    | 285,579       |
| Stable Value Separate Account                          | Fannie Mae-Aces, 2.26%, \$300,000 par, due 2/25/2023                                                    | 294,457       |
| Stable Value Separate Account                          | FHLMC K710 A2 Multifam, 1.88%, \$500,000 par, due 5/25/2019                                             | 502,471       |
| Stable Value Separate Account                          | FHLMC-GNMA, 6.5%, \$10,379 par, due 8/17/2024                                                           | 11,802        |
| Stable Value Separate Account                          | Fifth Third Bank/Cincinnati OH, 2.25%, \$200,000 par, due 6/14/2021                                     | 197,726       |
| Stable Value Separate Account                          | Ford Credit Auto Owner Trust 2014-C, 1.06%, \$307,829 par, due 5/15/2019                                | 307,648       |
| Stable Value Separate Account                          | Ford Credit Auto Owner Trust 2015-B, 1.16%, \$470,799 par, due 11/15/2019                               | 470,369       |
| Stable Value Separate Account                          | Ford Credit Auto Owner Trust 2016-REV2, 2.03%, \$340,000 par, due 12/15/2027 (d)                        | 334,383       |

\$

## BAE SYSTEMS EMPLOYEES' SAVINGS AND INVESTMENT PLAN

EIN 22-3537950

Plan No. 003

Schedule H, Line 4(i) – Schedule of Assets (Held at End of Year)

December 31, 2016

| Identity of issuer, borrower, lessor, or similar party | Description of investment including maturity date, rate of interest, collateral, par, or maturity value | Current value |
|--------------------------------------------------------|---------------------------------------------------------------------------------------------------------|---------------|
| Stable Value Separate Account                          | Ford Credit Auto Owner Trust, 2.44%, \$450,000 par, due 1/15/2027 (d)                                   | 453,954       |
| Stable Value Separate Account                          | Ford Motor Credit Co LLC, 2.02%, \$200,000 par, due 5/3/2019                                            | 198,165       |
| Stable Value Separate Account                          | Freddie Mac Gold Pool, 2%, \$298,556 par, due 9/1/2023                                                  | 301,571       |
| Stable Value Separate Account                          | Freddie Mac Gold Pool, 2.5%, \$122,848 par, due 7/1/2023                                                | 125,055       |
| Stable Value Separate Account                          | Freddie Mac Gold Pool, 2.5%, \$208,152 par, due 4/1/2023                                                | 211,889       |
| Stable Value Separate Account                          | Freddie Mac Gold Pool, 2.5%, \$227,809 par, due 4/1/2023                                                | 230,156       |
| Stable Value Separate Account                          | Freddie Mac Gold Pool, 4%, \$273,050 par, due 2/1/2026                                                  | 289,048       |
| Stable Value Separate Account                          | Freddie Mac Gold Pool, 5%, \$29,237 par, due 12/1/2020                                                  | 30,657        |
| Stable Value Separate Account                          | Freddie Mac Gold Pool, 5%, \$55,465 par, due 5/1/2020                                                   | 57,720        |
| Stable Value Separate Account                          | Freddie Mac Gold Pool, 5.5%, \$16,550 par, due 7/1/2023                                                 | 18,339        |
| Stable Value Separate Account                          | Freddie Mac Gold Pool, 6%, \$50,163 par, due 9/1/2038                                                   | 57,728        |
| Stable Value Separate Account                          | Freddie Mac Multifamily Structured Pass Through Certificates, 2.09%, \$525,000 par, due 3/25/2019       | 529,055       |
| Stable Value Separate Account                          | Freddie Mac Multifamily Structured Pass Through Certificates, 2.35%, \$450,000 par, due 4/25/2021 (b)   | 452,116       |
| Stable Value Separate Account                          | Freddie Mac Multifamily Structured Pass Through Certificates, 2.6%, \$450,000 par, due 9/25/2020        | 458,319       |
| Stable Value Separate Account                          | Freddie Mac Multifamily Structured Pass Through Certificates, 2.72%, \$695,000 par, due 6/25/2022       | 706,807       |
| Stable Value Separate Account                          | Freddie Mac Non Gold Pool, 2.28%, \$301,941 par, due 8/1/2043 (b)                                       | 306,737       |
| Stable Value Separate Account                          | Freddie Mac Non Gold Pool, 2.32%, \$651,405 par, due 10/1/2043 (b)                                      | 662,316       |
| Stable Value Separate Account                          | Freddie Mac Non Gold Pool, 2.42%, \$352,583 par, due 8/1/2045 (b)                                       | 356,767       |
| Stable Value Separate Account                          | Freddie Mac Non Gold Pool, 2.65%, \$411,215 par, due 4/1/2046 (b)                                       | 418,526       |
| Stable Value Separate Account                          | Freddie Mac Non Gold Pool, 2.69%, \$609,013 par, due 8/1/2044 (b)                                       | 623,001       |
| Stable Value Separate Account                          | GAHR Commercial Mortgage Trust 2015-NRF, 3.23%, \$440,000 par, due 12/15/2034 (d)                       | 451,147       |
| Stable Value Separate Account                          | General Electric Co, 2.2%, \$90,000 par, due 1/9/2020                                                   | 90,293        |
| Stable Value Separate Account                          | General Mills Inc, 5.7%, \$350,000 par, due 2/15/2017                                                   | 351,774       |
| Stable Value Separate Account                          | Georgia-Pacific LLC, 3.73%, \$200,000 par, due 7/15/2023 (d)                                            | 206,067       |
| Stable Value Separate Account                          | Gilead Sciences Inc, 1.95%, \$90,000 par, due 3/1/2022                                                  | 87,079        |
| Stable Value Separate Account                          | Gilead Sciences Inc, 2.55%, \$100,000 par, due 9/1/2020                                                 | 101,054       |
| Stable Value Separate Account                          | Ginnie Mae II pool, 5.46%, \$256,106 par, due 7/20/2059 (b)                                             | 258,697       |
| Stable Value Separate Account                          | Ginnie Mae II pool, 5.47%, \$196,834 par, due 8/20/2059 (b)                                             | 198,860       |
| Stable Value Separate Account                          | Goldman Sachs Group Inc/The, 2.6%, \$390,000 par, due 4/23/2020                                         | 390,409       |
| Stable Value Separate Account                          | Goldman Sachs Group Inc/The, 2.63%, \$190,000 par, due 4/25/2021                                        | 188,620       |
| Stable Value Separate Account                          | GS Mortgage Securities Corp II, 2.94%, \$270,000 par, due 2/10/2046                                     | 273,788       |
| Stable Value Separate Account                          | GS Mortgage Securities Trust 2011-GC5, 3.71%, \$525,000 par, due 8/10/2044                              | 554,082       |
| Stable Value Separate Account                          | GS Mortgage Securities Trust 2013-GCJ14, 4.24%, \$425,000 par, due 8/10/2046                            | 460,261       |
| Stable Value Separate Account                          | Guardian Life Global Funding, 2%, \$190,000 par, due 4/26/2021 (d)                                      | 185,304       |
| Stable Value Separate Account                          | Honeywell International Inc, 1.85%, \$320,000 par, due 11/1/2021                                        | 312,714       |
| Stable Value Separate Account                          | HSBC USA Inc, 2.35%, \$310,000 par, due 3/5/2020                                                        | 307,576       |
| Stable Value Separate Account                          | Hyundai Capital America, 2%, \$90,000 par, due 7/1/2019 (d)                                             | 89,304        |
| Stable Value Separate Account                          | Intel Corp, 2.45%, \$140,000 par, due 7/29/2020                                                         | 141,974       |
| Stable Value Separate Account                          | International Business Machines Corp, 5.7%, \$130,000 par, due 9/14/2017                                | 133,896       |
| Stable Value Separate Account                          | John Deere Capital Corp, 2.55%, \$200,000 par, due 1/8/2021                                             | 200,835       |
| Stable Value Separate Account                          | John Deere Owner Trust 2014-A, 0.92%, \$105,869 par, due 4/16/2018                                      | 105,823       |
| Stable Value Separate Account                          | Johnson & Johnson, 1.65%, \$230,000 par, due 3/1/2021                                                   | 226,416       |
| Stable Value Separate Account                          | JP Morgan Chase Commercial Mortgage Securities Trust 2011-C4, 4.39%, \$500,000 par, due 7/15/2046 (d)   | 537,051       |
| Stable Value Separate Account                          | JP Morgan Chase Commercial Mortgage Securities Trust 2012-LC9, 2.44%, \$575,000 par, due 12/15/2047     | 578,405       |
| Stable Value Separate Account                          | JP Morgan Chase Commercial Mortgage Securities Trust 2013-C16, 4.17%, \$500,000 par, due 12/15/2046     | 537,196       |
| Stable Value Separate Account                          | JPMBB Commercial Mortgage Securities Trust 2013-C12, 3.16%, \$550,000 par, due 7/15/2045                | 565,379       |
| Stable Value Separate Account                          | JPMorgan Chase & Co, 2.25%, \$140,000 par, due 1/23/2020                                                | 139,670       |
| Stable Value Separate Account                          | JPMorgan Chase & Co, 2.55%, \$100,000 par, due 10/29/2020                                               | 99,926        |
| Stable Value Separate Account                          | JPMorgan Chase & Co, 2.7%, \$190,000 par, due 5/18/2023                                                 | 185,894       |
| Stable Value Separate Account                          | JPMorgan Chase Bank NA, 6%, \$175,000 par, due 10/1/2017                                                | 180,597       |
| Stable Value Separate Account                          | Kansas City Power & Light Co, 6.38%, \$250,000 par, due 3/1/2018                                        | 262,654       |
| Stable Value Separate Account                          | Kellogg Co, 1.75%, \$360,000 par, due 5/17/2017                                                         | 360,845       |
| Stable Value Separate Account                          | Kentucky Higher Education Student Loan Corp, 1.12%, \$85,000 par, due 6/1/2026 (b)                      | 83,398        |
| Stable Value Separate Account                          | KeyBank NA/Cleveland OH, 5.7%, \$211,000 par, due 11/1/2017                                             | 217,650       |
| Stable Value Separate Account                          | Kimco Realty Corp, 4.3%, \$300,000 par, due 2/1/2018                                                    | 306,059       |
| Stable Value Separate Account                          | Kraft Heinz Foods Co, 2.25%, \$350,000 par, due 6/5/2017                                                | 351,117       |
| Stable Value Separate Account                          | Lockheed Martin Corp, 2.5%, \$160,000 par, due 11/23/2020                                               | 161,352       |
| Stable Value Separate Account                          | Manufacturers & Traders Trust Co, 2.25%, \$250,000 par, due 7/25/2019                                   | 251,991       |
| Stable Value Separate Account                          | Marathon Oil Corp, 2.7%, \$90,000 par, due 6/1/2020                                                     | 90,120        |
| Stable Value Separate Account                          | Marathon Oil Corp, 6%, \$352,000 par, due 10/1/2017                                                     | \$ 362,516    |
| Stable Value Separate Account                          | Marsh & McLennan Cos Inc, 3.3%, \$250,000 par, due 3/14/2023                                            | 254,069       |
| Stable Value Separate Account                          | MassMutual Global Funding II, 2%, \$200,000 par, due 4/15/2021 (d)                                      | 194,962       |
| Stable Value Separate Account                          | McCormick & Co Inc/MD, 5.75%, \$150,000 par, due 12/15/2017                                             | 156,057       |
| Stable Value Separate Account                          | McDonald's Corp, 2.75%, \$70,000 par, due 12/9/2020                                                     | 70,780        |
| Stable Value Separate Account                          | Medtronic Inc, 2.5%, \$100,000 par, due 3/15/2020                                                       | 101,119       |
| Stable Value Separate Account                          | Microsoft Corp, 1.55%, \$190,000 par, due 8/8/2021                                                      | 184,283       |
| Stable Value Separate Account                          | Missouri Higher Education Loan Authority, 1.09%, \$488,853 par, due 8/27/2029 (b)                       | 482,263       |
| Stable Value Separate Account                          | MMAF Equipment Finance LLC 2016-A, 1.76%, \$480,000 par, due 1/17/2023 (d)                              | 472,711       |
| Stable Value Separate Account                          | Mondelez International Holdings Netherlands BV, 1.63%, \$200,000 par, due 10/28/2019 (d)                | 196,058       |
| Stable Value Separate Account                          | Morgan Stanley Bank of America Merrill Lynch Trust 2013-C9, 3.1%, \$500,000 par, due 5/15/2046          | 505,236       |
| Stable Value Separate Account                          | Morgan Stanley Capital I Trust 2007-IQ13, 5.31%, \$184,473 par, due 3/15/2044                           | 184,699       |
| Stable Value Separate Account                          | Morgan Stanley Capital I Trust 2007-TOP27, 5.64%, \$365,833 par, due 6/11/2042 (b)                      | 370,075       |
| Stable Value Separate Account                          | Morgan Stanley, 1.88%, \$80,000 par, due 1/5/2018                                                       | 80,119        |
| Stable Value Separate Account                          | Morgan Stanley, 2.63%, \$140,000 par, due 11/17/2021                                                    | 138,315       |
| Stable Value Separate Account                          | Morgan Stanley, 2.8%, \$175,000 par, due 6/16/2020                                                      | 176,432       |
| Stable Value Separate Account                          | Morgan Stanley, 5.5%, \$170,000 par, due 1/26/2020                                                      | 184,302       |
| Stable Value Separate Account                          | Morgan Stanley, 5.95%, \$75,000 par, due 12/28/2017                                                     | 78,062        |
| Stable Value Separate Account                          | National Australia Bank Ltd, 2%, \$450,000 par, due 2/22/2019 (d)                                       | 451,827       |
| Stable Value Separate Account                          | Navient Student Loan Trust 2016-6, 1.51%, \$270,000 par, due 3/25/2066 (b)(d)                           | 270,536       |
| Stable Value Separate Account                          | New Hampshire Higher Education Loan Corp, 0.94%, \$222,312 par, due 10/25/2028 (b)                      | 221,910       |
| Stable Value Separate Account                          | New York Life Global Funding, 1.65%, \$340,000 par, due 5/15/2017 (d)                                   | 340,816       |
| Stable Value Separate Account                          | New York State Urban Development Corp, 6.5%, \$135,000 par, due 12/15/2018                              | 144,060       |
| Stable Value Separate Account                          | Norfolk Southern Corp, 5.75%, \$104,000 par, due 4/1/2018                                               | 109,197       |
| Stable Value Separate Account                          | Northern States Power Co/MN, 2.6%, \$185,000 par, due 5/15/2023                                         | 183,027       |
| Stable Value Separate Account                          | Northern States Power Co/MN, 5.25%, \$150,000 par, due 3/1/2018                                         | 156,723       |
| Stable Value Separate Account                          | Northstar Education Finance Inc, 1.46%, \$242,158 par, due 12/26/2031 (b)(d)                            | 236,737       |
| Stable Value Separate Account                          | Occidental Petroleum Corp, 2.6%, \$210,000 par, due 4/15/2022                                           | 209,459       |
| Stable Value Separate Account                          | Oracle Corp, 1.9%, \$320,000 par, due 9/15/2021                                                         | 312,702       |

**BAE SYSTEMS EMPLOYEES' SAVINGS AND INVESTMENT PLAN**

EIN 22-3537950

Plan No. 003

Schedule H, Line 4(i) – Schedule of Assets (Held at End of Year)

December 31, 2016

| Identity of issuer, borrower,<br>lessor, or similar party | Description of investment including maturity<br>date, rate of interest, collateral, par, or<br>maturity value | Current<br>value |
|-----------------------------------------------------------|---------------------------------------------------------------------------------------------------------------|------------------|
| Stable Value Separate Account                             | Orange SA, 1.63%, \$180,000 par, due 11/3/2019                                                                | 177,138          |
| Stable Value Separate Account                             | Overseas Private Investment Corp, 2.52%, \$425,000 par, due 9/15/2022                                         | 420,057          |
| Stable Value Separate Account                             | PacifiCorp, 2.95%, \$195,000 par, due 6/1/2023                                                                | 196,053          |
| Stable Value Separate Account                             | Pennsylvania Higher Ed Assistance, 1.31%, \$173,875 par, due 4/25/2030 (b)(d)                                 | 172,767          |
| Stable Value Separate Account                             | PepsiCo Inc, 1.5%, \$170,000 par, due 2/22/2019                                                               | 169,406          |
| Stable Value Separate Account                             | PepsiCo Inc, 1.7%, \$100,000 par, due 10/6/2021                                                               | 97,148           |
| Stable Value Separate Account                             | Pfizer Inc, 1.7%, \$200,000 par, due 12/15/2019                                                               | 199,811          |
| Stable Value Separate Account                             | Phillips 66, 2.95%, \$315,000 par, due 5/1/2017                                                               | 316,757          |
| Stable Value Separate Account                             | PNC Bank NA, 2.15%, \$250,000 par, due 4/29/2021                                                              | 246,696          |
| Stable Value Separate Account                             | PPL Electric Utilities Corp, 3%, \$250,000 par, due 9/15/2021                                                 | 253,744          |
| Stable Value Separate Account                             | Praxair Inc, 2.25%, \$130,000 par, due 9/24/2020                                                              | 129,704          |
| Stable Value Separate Account                             | Precision Castparts Corp, 2.25%, \$270,000 par, due 6/15/2020                                                 | 270,997          |
| Stable Value Separate Account                             | Procter & Gamble Co/The, 1.7%, \$230,000 par, due 11/3/2021                                                   | 226,064          |
| Stable Value Separate Account                             | Public Service Co of New Hampshire, 6%, \$100,000 par, due 5/1/2018                                           | 105,566          |
| Stable Value Separate Account                             | Public Service Electric & Gas Co, 1.9%, \$190,000 par, due 3/15/2021                                          | 186,612          |
| Stable Value Separate Account                             | Reliance Industries Ltd, 2.06%, \$437,000 par, due 1/15/2026                                                  | 430,569          |
| Stable Value Separate Account                             | Roche Holdings Inc, 1.75%, \$270,000 par, due 1/28/2022 (d)                                                   | 259,480          |
| Stable Value Separate Account                             | Roper Technologies Inc, 1.85%, \$350,000 par, due 11/15/2017                                                  | 351,083          |
| Stable Value Separate Account                             | Royal Bank of Canada, 2.1%, \$300,000 par, due 10/14/2020                                                     | 298,467          |
| Stable Value Separate Account                             | Royal Bank of Canada, 2.3%, \$175,000 par, due 3/22/2021                                                      | 173,775          |
| Stable Value Separate Account                             | SBA Small Business Investment Cos, 2.51%, \$1,398,102 par, due 3/10/2026                                      | 1,394,049        |
| Stable Value Separate Account                             | SBA Small Business Investment Cos, 2.52%, \$431,093 par, due 3/10/2025                                        | 434,967          |
| Stable Value Separate Account                             | SBA Small Business Investment Cos, 2.83%, \$1,212,169 par, due 9/10/2025                                      | 1,233,280        |
| Stable Value Separate Account                             | Schlumberger Norge AS, 1.25%, \$200,000 par, due 8/1/2017 (d)                                                 | 199,757          |
| Stable Value Separate Account                             | Shell International Finance BV, 1.88%, \$180,000 par, due 5/10/2021                                           | 175,989          |
| Stable Value Separate Account                             | Shell International Finance BV, 2.13%, \$200,000 par, due 5/11/2020                                           | 199,761          |
| Stable Value Separate Account                             | Shell International Finance BV, 2.25%, \$100,000 par, due 11/10/2020                                          | 99,861           |
| Stable Value Separate Account                             | Sherwin-Williams Co/The, 1.35%, \$350,000 par, due 12/15/2017                                                 | 349,393          |
| Stable Value Separate Account                             | Siemens Financieringsmaatschappij NV, 2.15%, \$220,000 par, due 5/27/2020 (d)                                 | 218,665          |
| Stable Value Separate Account                             | Simon Property Group LP, 2.35%, \$80,000 par, due 1/30/2022                                                   | 78,925           |
| Stable Value Separate Account                             | SLM Student Loan Trust 2003-1, 1.07%, \$102,513 par, due 12/15/2032 (b)(d)                                    | 95,286           |
| Stable Value Separate Account                             | SLM Student Loan Trust 2013-3, 1.06%, \$204,042 par, due 5/26/2020 (b)                                        | 203,730          |
| Stable Value Separate Account                             | State of CA Dept of Water Resources Power Supply Revenue, 2%, \$300,000 par, due 5/1/2022                     | 291,537          |
| Stable Value Separate Account                             | State of Hawaii, 2.27%, \$210,000 par, due 10/1/2021                                                          | 209,874          |
| Stable Value Separate Account                             | State of Utah, 3.29%, \$210,000 par, due 7/1/2020                                                             | 218,394          |
| Stable Value Separate Account                             | State of Wisconsin, 1.9%, \$100,000 par, due 5/1/2022                                                         | 96,291           |
| Stable Value Separate Account                             | State Street Corp, 1.95%, \$130,000 par, due 5/19/2021                                                        | 127,390          |
| Stable Value Separate Account                             | Student Loan Corp, 1.46%, \$91,919 par, due 7/25/2036 (b)                                                     | 91,093           |
| Stable Value Separate Account                             | SunTrust Banks Inc, 2.7%, \$100,000 par, due 1/27/2022                                                        | 100,043          |
| Stable Value Separate Account                             | Tesco PLC, 2.7%, \$300,000 par, due 1/5/2017 (d)                                                              | 300,005          |
| Stable Value Separate Account                             | Teva Pharmaceutical Finance Netherlands III BV, 1.7%, \$110,000 par, due 7/19/2019                            | 108,078          |
| Stable Value Separate Account                             | Texas A&M University, 2.42%, \$270,000 par, due 5/15/2021                                                     | 273,326          |
| Stable Value Separate Account                             | Texas Transportation Commission State Highway Fund, 5.03%, \$200,000 par, due 4/1/2026                        | 230,498          |
| Stable Value Separate Account                             | Thermo Fisher Scientific Inc, 3%, \$90,000 par, due 4/15/2023                                                 | 88,458           |
| Stable Value Separate Account                             | Toronto-Dominion Bank/The, 1.8%, \$170,000 par, due 7/13/2021                                                 | 164,623          |
| Stable Value Separate Account                             | Toronto-Dominion Bank/The, 2.25%, \$450,000 par, due 3/15/2021 (d)                                            | 447,317          |
| Stable Value Separate Account                             | Towd Point Mortgage Trust 2015-6, 3.5%, \$296,589 par, due 4/25/2055 (b)(d)                                   | 302,688          |
| Stable Value Separate Account                             | Towd Point Mortgage Trust 2016-1, 2.75%, \$291,399 par, due 2/25/2055 (d)                                     | 292,085          |
| Stable Value Separate Account                             | Towd Point Mortgage Trust 2016-3, 2.25%, \$211,841 par, due 8/25/2055 (d)                                     | 210,137          |
| Stable Value Separate Account                             | Toyota Auto Receivables 2015-A Owner Trust, 1.12%, \$368,932 par, due 2/15/2019                               | 368,735          |
| Stable Value Separate Account                             | Toyota Auto Receivables 2015-C Owner Trust, 1.34%, \$450,000 par, due 6/17/2019                               | 450,023          |
| Stable Value Separate Account                             | Toyota Motor Credit Corp, 1.55%, \$100,000 par, due 7/13/2018                                                 | 99,975           |
| Stable Value Separate Account                             | UBS AG/Stamford CT, 1.38%, \$250,000 par, due 8/14/2017                                                       | 249,918          |
| Stable Value Separate Account                             | UBS-Barclays Commercial Mortgage Trust 2012-C4, 2.46%, \$450,000 par, due 12/10/2045                          | 452,408          |
| Stable Value Separate Account                             | Ulani MSN 35940 LLC, 2.23%, \$371,875 par, due 5/16/2025                                                      | 369,870          |
| Stable Value Separate Account                             | Union Pacific Corp, 5.75%, \$210,000 par, due 11/15/2017                                                      | 218,052          |
| Stable Value Separate Account                             | United States Small Business Administration, 3.37%, \$350,908 par, due 10/1/2033                              | 362,211          |

**BAE SYSTEMS EMPLOYEES' SAVINGS AND INVESTMENT PLAN**

EIN 22-3537950

Plan No. 003

Schedule H, Line 4(i) – Schedule of Assets (Held at End of Year)

December 31, 2016

| Identity of issuer, borrower,<br>lessor, or similar party | Description of investment including maturity<br>date, rate of interest, collateral, par, or<br>maturity value | Current<br>value               |
|-----------------------------------------------------------|---------------------------------------------------------------------------------------------------------------|--------------------------------|
| Stable Value Separate Account                             | United States Small Business Administration, 4.86%, \$82,424 par, due 1/1/2025                                | \$ 86,693                      |
| Stable Value Separate Account                             | United States Small Business Administration, 5.21%, \$193,575 par, due 1/1/2026                               | 206,343                        |
| Stable Value Separate Account                             | United States Small Business Administration, 5.31%, \$215,206 par, due 5/1/2027                               | 232,398                        |
| Stable Value Separate Account                             | United States Small Business Administration, 5.37%, \$270,183 par, due 4/1/2028                               | 293,795                        |
| Stable Value Separate Account                             | United States Small Business Administration, 5.57%, \$225,861 par, due 10/1/2027                              | 247,930                        |
| Stable Value Separate Account                             | United States Small Business Administration, 5.72%, \$783,514 par, due 1/1/2029                               | 860,532                        |
| Stable Value Separate Account                             | United States Small Business Administration, 6.22%, \$132,366 par, due 12/1/2028                              | 147,136                        |
| Stable Value Separate Account                             | United States Small Business Administration, 6.77%, \$271,236 par, due 11/1/2028                              | 305,160                        |
| Stable Value Separate Account                             | United States Treasury Inflation Indexed Bonds, 0.38%, \$2,775,000 par, due 7/15/2025 (g)                     | 2,813,303                      |
| Stable Value Separate Account                             | United States Treasury Note/Bond, 1%, \$1,950,000 par, due 11/30/2018                                         | 1,943,754                      |
| Stable Value Separate Account                             | United States Treasury Note/Bond, 1%, \$175,000 par, due 10/15/2019                                           | 173,127                        |
| Stable Value Separate Account                             | United States Treasury Note/Bond, 1.38%, \$1,000,000 par, due 12/15/2019                                      | 997,617                        |
| Stable Value Separate Account                             | United States Treasury Note/Bond, 1.5%, \$475,000 par, due 2/28/2023                                          | 456,854                        |
| Stable Value Separate Account                             | United States Treasury Note/Bond, 1.63%, \$125,000 par, due 2/15/2026                                         | 116,797                        |
| Stable Value Separate Account                             | United States Treasury Note/Bond, 1.75%, \$100,000 par, due 1/31/2023                                         | 97,695                         |
| Stable Value Separate Account                             | United States Treasury Note/Bond, 2%, \$3,150,000 par, due 2/15/2025                                          | 3,065,834                      |
| Stable Value Separate Account                             | United Technologies Corp, 1.8%, \$350,000 par, due 6/1/2017                                                   | 350,915                        |
| Stable Value Separate Account                             | United Technologies Corp, 1.95%, \$90,000 par, due 11/1/2021                                                  | 88,224                         |
| Stable Value Separate Account                             | UnitedHealth Group Inc, 2.13%, \$90,000 par, due 3/15/2021                                                    | 88,947                         |
| Stable Value Separate Account                             | UnitedHealth Group Inc, 2.7%, \$160,000 par, due 7/15/2020                                                    | 162,407                        |
| Stable Value Separate Account                             | US Bank NA/Cincinnati OH, 1.45%, \$300,000 par, due 1/29/2018                                                 | 299,803                        |
| Stable Value Separate Account                             | USAA Capital Corp, 2.45%, \$190,000 par, due 8/1/2020 (d)                                                     | 190,582                        |
| Stable Value Separate Account                             | Ventas Realty LP / Ventas Capital Corp, 2%, \$350,000 par, due 2/15/2018                                      | 350,720                        |
| Stable Value Separate Account                             | Verizon Communications Inc, 1.75%, \$140,000 par, due 8/15/2021                                               | 134,302                        |
| Stable Value Separate Account                             | Verizon Communications Inc, 4.5%, \$90,000 par, due 9/15/2020                                                 | 96,310                         |
| Stable Value Separate Account                             | Vermont Student Assistance Corp 2012-1, 0.87%, \$62,726 par, due 7/28/2034 (b)                                | 61,086                         |
| Stable Value Separate Account                             | Virginia College Building Authority, 5.45%, \$155,000 par, due 2/1/2018                                       | 158,939                        |
| Stable Value Separate Account                             | Volkswagen Group of America Finance LLC, 2.4%, \$210,000 par, due 5/22/2020 (d)                               | 207,817                        |
| Stable Value Separate Account                             | Volvo Financial Equipment LLC Series 2014-1, 0.82%, \$114,836 par, due 4/16/2018 (d)                          | 114,762                        |
| Stable Value Separate Account                             | Weld County School District No 6 Greeley, 2.55%, \$275,000 par, due 12/1/2021                                 | 277,527                        |
| Stable Value Separate Account                             | Westpac Banking Corp, 2.25%, \$375,000 par, due 11/9/2020 (d)                                                 | 375,157                        |
| Stable Value Separate Account                             | World Omni Auto Receivables Trust 2015-A, 1.34%, \$443,838 par, due 5/15/2020                                 | 444,184                        |
| Stable Value Separate Account                             | Wells Fargo/BlackRock Short-Term Investment Fund S, 0.83%, \$1,885,611 par (b)(c)                             | 1,885,611                      |
| Wrapper contract total                                    |                                                                                                               | <u>96,236,265</u>              |
| Total security-backed contracts                           |                                                                                                               | <u>791,780,553</u>             |
| Total Stable Value Separate Account                       |                                                                                                               | <u>839,807,592</u>             |
| Total investments (held at end of year)                   |                                                                                                               | \$ <u><u>6,082,302,119</u></u> |

\* Party-in-interest.

^ Certified by trustee.

Note: Cost information omitted for participant directed investments.

See accompanying independent auditors' report.