

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6057(b) and 6058(a) of the Internal Revenue Code (the Code). <p style="text-align: center;">▶ Complete all entries in accordance with the instructions to the Form 5500.</p>	OMB Nos. 1210-0110 1210-0089 <div style="text-align: center; font-size: 1.5em; font-weight: bold;">2017</div> This Form is Open to Public Inspection
---	---	--

Part I	Annual Report Identification Information
For calendar plan year 2017 or fiscal plan year beginning <u>01/01/2017</u> and ending <u>12/31/2017</u>	
A	This return/report is for: <div style="display: flex; justify-content: space-between;"> <div> ☐ a multiemployer plan </div> <div> ☐ a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions.) </div> </div>
	☒ a single-employer plan <div style="margin-left: 150px;">☐ a DFE (specify) _____</div>
B	This return/report is: <div style="display: flex; justify-content: space-between;"> <div> ☐ the first return/report ☐ an amended return/report </div> <div> ☐ the final return/report ☐ a short plan year return/report (less than 12 months) </div> </div>
C	If the plan is a collectively-bargained plan, check here. ▶ ☐
D	Check box if filing under: <div style="display: flex; justify-content: space-between;"> <div> ☒ Form 5558 ☐ special extension (enter description) </div> <div> ☐ automatic extension </div> <div> ☐ the DFVC program </div> </div>

Part II	Basic Plan Information—enter all requested information															
1a	Name of plan <u>RAYTHEON RETIREMENT PLAN FOR ENGINEERS & CONSTRUCTORS, INC. AND AIRCRAFT CREDIT EMPLOYEES</u>															
	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 10%;">1b</td> <td>Three-digit plan number (PN) ▶</td> <td><u>001</u></td> </tr> <tr> <td>1c</td> <td>Effective date of plan</td> <td><u>12/01/1949</u></td> </tr> <tr> <td>2b</td> <td>Employer Identification Number (EIN)</td> <td><u>48-0619846</u></td> </tr> <tr> <td>2c</td> <td>Plan Sponsor's telephone number</td> <td><u>781-522-3000</u></td> </tr> <tr> <td>2d</td> <td>Business code (see instructions)</td> <td><u>541330</u></td> </tr> </table>	1b	Three-digit plan number (PN) ▶	<u>001</u>	1c	Effective date of plan	<u>12/01/1949</u>	2b	Employer Identification Number (EIN)	<u>48-0619846</u>	2c	Plan Sponsor's telephone number	<u>781-522-3000</u>	2d	Business code (see instructions)	<u>541330</u>
1b	Three-digit plan number (PN) ▶	<u>001</u>														
1c	Effective date of plan	<u>12/01/1949</u>														
2b	Employer Identification Number (EIN)	<u>48-0619846</u>														
2c	Plan Sponsor's telephone number	<u>781-522-3000</u>														
2d	Business code (see instructions)	<u>541330</u>														
2a	Plan sponsor's name (employer, if for a single-employer plan) Mailing address (include room, apt., suite no. and street, or P.O. Box) City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions) <u>RAYTHEON AIRCRAFT CREDIT CORP.</u> <u>870 WINTER STREET</u> <u>WALTHAM, MA 02451-1449</u>															

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

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

SIGN HERE	Filed with authorized/valid electronic signature.	09/12/2018	KELLY B. LAPPIN
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

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

Form 5500 (2017)
v. 170203

3a Plan administrator's name and address ☐ Same as Plan Sponsor KELLY B. LAPPIN RAYTHEON COMPANY 870 WINTER STREET WALTHAM, MA 02451-1449	3b Administrator's EIN 95-1778500 3c Administrator's telephone number 781-522-5821
4 If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report: a Sponsor's name c Plan Name	4b EIN 4d PN
5 Total number of participants at the beginning of the plan year	5 12669
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines 6a(1) , 6a(2) , 6b , 6c , and 6d).	
a(1) Total number of active participants at the beginning of the plan year	6a(1) 0
a(2) Total number of active participants at the end of the plan year	6a(2) 0
b Retired or separated participants receiving benefits	6b 6906
c Other retired or separated participants entitled to future benefits	6c 4507
d Subtotal. Add lines 6a(2) , 6b , and 6c	6d 11413
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.	6e 1040
f Total. Add lines 6d and 6e	6f 12453
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	6g
h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested	6h 0
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item).....	7

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

1A

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

9a Plan funding arrangement (check all that apply) (1) ☒ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) ☒ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor
--	--

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

a Pension Schedules

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

b General Schedules

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

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

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

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

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

11c Enter the Receipt Confirmation Code for the 2017 Form M-1 annual report. If the plan was not required to file the 2017 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code _____

SCHEDULE A (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Insurance Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500. ▶ Insurance companies are required to provide the information pursuant to ERISA section 103(a)(2).	OMB No. 1210-0110 2017 This Form is Open to Public Inspection
---	---	---

For calendar plan year 2017 or fiscal plan year beginning 01/01/2017 and ending 12/31/2017		
A Name of plan RAYTHEON RETIREMENT PLAN FOR ENGINEERS & CONSTRUCTORS, INC. AND AIRCRAFT CREDIT EMPLOYEES	B Three-digit plan number (PN) ▶	001
C Plan sponsor's name as shown on line 2a of Form 5500 RAYTHEON AIRCRAFT CREDIT CORP.	D Employer Identification Number (EIN) 48-0619846	

Part I	Information Concerning Insurance Contract Coverage, Fees, and Commissions Provide information for each contract on a separate Schedule A. Individual contracts grouped as a unit in Parts II and III can be reported on a single Schedule A.
---------------	---

1 Coverage Information:

(a) Name of insurance carrier AETNA LIFE INSURANCE COMPANY
--

(b) EIN	(c) NAIC code	(d) Contract or identification number	(e) Approximate number of persons covered at end of policy or contract year	Policy or contract year	
				(f) From	(g) To
06-6033492	60054	000884	157	01/01/2017	12/31/2017

2 Insurance fee and commission information. Enter the total fees and total commissions paid. List in line 3 the agents, brokers, and other persons in descending order of the amount paid.

(a) Total amount of commissions paid	(b) Total amount of fees paid

3 Persons receiving commissions and fees. (Complete as many entries as needed to report all persons).
--

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid
--

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid
--

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

Part II Investment and Annuity Contract Information

Where individual contracts are provided, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

4 Current value of plan's interest under this contract in the general account at year end **4** 3626186**5** Current value of plan's interest under this contract in separate accounts at year end **5****6** Contracts With Allocated Funds:**a** State the basis of premium rates ▶**b** Premiums paid to carrier **6b****c** Premiums due but unpaid at the end of the year **6c****d** If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, enter amount. **6d**
Specify nature of costs ▶**e** Type of contract: (1) ☐ individual policies (2) ☐ group deferred annuity(3) ☐ other (specify) ▶**f** If contract purchased, in whole or in part, to distribute benefits from a terminating plan, check here ▶ ☐**7** Contracts With Unallocated Funds (Do not include portions of these contracts maintained in separate accounts)**a** Type of contract: (1) ☐ deposit administration (2) ☒ immediate participation guarantee(3) ☐ guaranteed investment (4) ☐ other ▶**b** Balance at the end of the previous year **7b** 3527273**c** Additions: (1) Contributions deposited during the year **7c(1)**
(2) Dividends and credits **7c(2)**
(3) Interest credited during the year **7c(3)** 138627
(4) Transferred from separate account **7c(4)**
(5) Other (specify below) **7c(5)** 534

▶ ADJUSTMENT

(6) Total additions **7c(6)** 139161**d** Total of balance and additions (add lines **7b** and **7c(6)**). **7d** 3666434**e** Deductions:(1) Disbursed from fund to pay benefits or purchase annuities during year **7e(1)**
(2) Administration charge made by carrier **7e(2)** 40248
(3) Transferred to separate account **7e(3)**
(4) Other (specify below) **7e(4)**(5) Total deductions **7e(5)** 40248**f** Balance at the end of the current year (subtract line **7e(5)** from line **7d**). **7f** 3626186

Part III Welfare Benefit Contract Information

If more than one contract covers the same group of employees of the same employer(s) or members of the same employee organizations(s), the information may be combined for reporting purposes if such contracts are experience-rated as a unit. Where contracts cover individual employees, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

8 Benefit and contract type (check all applicable boxes)

- a** ☐ Health (other than dental or vision)
b ☐ Dental
c ☐ Vision
d ☐ Life insurance
e ☐ Temporary disability (accident and sickness)
f ☐ Long-term disability
g ☐ Supplemental unemployment
h ☐ Prescription drug
i ☐ Stop loss (large deductible)
j ☐ HMO contract
k ☐ PPO contract
l ☐ Indemnity contract
m ☐ Other (specify) ▶

9 Experience-rated contracts:

a Premiums: (1) Amount received	9a(1)		
(2) Increase (decrease) in amount due but unpaid	9a(2)		
(3) Increase (decrease) in unearned premium reserve	9a(3)		
(4) Earned ((1) + (2) - (3))		9a(4)	0
b Benefit charges (1) Claims paid	9b(1)		
(2) Increase (decrease) in claim reserves	9b(2)		
(3) Incurred claims (add (1) and (2))		9b(3)	0
(4) Claims charged		9b(4)	
c Remainder of premium: (1) Retention charges (on an accrual basis) --			
(A) Commissions	9c(1)(A)		
(B) Administrative service or other fees	9c(1)(B)		
(C) Other specific acquisition costs	9c(1)(C)		
(D) Other expenses	9c(1)(D)		
(E) Taxes	9c(1)(E)		
(F) Charges for risks or other contingencies	9c(1)(F)		
(G) Other retention charges	9c(1)(G)		
(H) Total retention		9c(1)(H)	0
(2) Dividends or retroactive rate refunds. (These amounts were ☐ paid in cash, or ☐ credited.)		9c(2)	
d Status of policyholder reserves at end of year: (1) Amount held to provide benefits after retirement		9d(1)	
(2) Claim reserves		9d(2)	
(3) Other reserves		9d(3)	
e Dividends or retroactive rate refunds due. (Do not include amount entered in line 9c(2).)		9e	
10 Nonexperience-rated contracts:			
a Total premiums or subscription charges paid to carrier		10a	
b If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, other than reported in Part I, line 2 above, report amount.		10b	

Specify nature of costs.

Part IV Provision of Information

11 Did the insurance company fail to provide any information necessary to complete Schedule A? ☐ Yes ☒ No

12 If the answer to line 11 is "Yes," specify the information not provided. ▶

SCHEDULE A (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Insurance Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500. ▶ Insurance companies are required to provide the information pursuant to ERISA section 103(a)(2).	OMB No. 1210-0110 2017 This Form is Open to Public Inspection
---	---	---

For calendar plan year 2017 or fiscal plan year beginning 01/01/2017 and ending 12/31/2017	
A Name of plan RAYTHEON RETIREMENT PLAN FOR ENGINEERS & CONSTRUCTORS, INC. AND AIRCRAFT CREDIT EMPLOYEES	B Three-digit plan number (PN) ▶ 001
C Plan sponsor's name as shown on line 2a of Form 5500 RAYTHEON AIRCRAFT CREDIT CORP.	D Employer Identification Number (EIN) 48-0619846

Part I	Information Concerning Insurance Contract Coverage, Fees, and Commissions Provide information for each contract on a separate Schedule A. Individual contracts grouped as a unit in Parts II and III can be reported on a single Schedule A.
---------------	---

1 Coverage Information:

(a) Name of insurance carrier VOYA RETIREMENT INSURANCE AND ANNUITY CO					
(b) EIN	(c) NAIC code	(d) Contract or identification number	(e) Approximate number of persons covered at end of policy or contract year	Policy or contract year	
				(f) From	(g) To
71-0294708	86509	PH1239	1	01/01/2017	12/31/2017

2 Insurance fee and commission information. Enter the total fees and total commissions paid. List in line 3 the agents, brokers, and other persons in descending order of the amount paid.	
(a) Total amount of commissions paid 1485	(b) Total amount of fees paid 0

3 Persons receiving commissions and fees. (Complete as many entries as needed to report all persons).	
(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid THE SUMMIT GROUP INC. 2002 RENAISSANCE BLVD #220 KING OF PRUSSIA, PA 19406	

(b) Amount of sales and base commissions paid 1485	Fees and other commissions paid		(e) Organization code 3
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

Part II Investment and Annuity Contract Information

Where individual contracts are provided, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

4 Current value of plan's interest under this contract in the general account at year end **4** 754231**5** Current value of plan's interest under this contract in separate accounts at year end **5****6** Contracts With Allocated Funds:**a** State the basis of premium rates ▶**b** Premiums paid to carrier **6b****c** Premiums due but unpaid at the end of the year **6c****d** If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, enter amount. **6d**
Specify nature of costs ▶**e** Type of contract: (1) ☐ individual policies (2) ☐ group deferred annuity(3) ☐ other (specify) ▶**f** If contract purchased, in whole or in part, to distribute benefits from a terminating plan, check here ▶ ☐**7** Contracts With Unallocated Funds (Do not include portions of these contracts maintained in separate accounts)**a** Type of contract: (1) ☐ deposit administration (2) ☐ immediate participation guarantee
(3) ☐ guaranteed investment (4) ☒ other ▶ GROUP PENSION FUNDING**b** Balance at the end of the previous year **7b** 732323**c** Additions: (1) Contributions deposited during the year **7c(1)**
(2) Dividends and credits **7c(2)**
(3) Interest credited during the year **7c(3)** 21908
(4) Transferred from separate account **7c(4)**
(5) Other (specify below) **7c(5)**
▶(6) Total additions **7c(6)** 21908**d** Total of balance and additions (add lines **7b** and **7c(6)**). **7d** 754231**e** Deductions:
(1) Disbursed from fund to pay benefits or purchase annuities during year **7e(1)**
(2) Administration charge made by carrier **7e(2)**
(3) Transferred to separate account **7e(3)**
(4) Other (specify below) **7e(4)**
▶(5) Total deductions **7e(5)** 0**f** Balance at the end of the current year (subtract line **7e(5)** from line **7d**). **7f** 754231

Part III Welfare Benefit Contract Information

If more than one contract covers the same group of employees of the same employer(s) or members of the same employee organizations(s), the information may be combined for reporting purposes if such contracts are experience-rated as a unit. Where contracts cover individual employees, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

8 Benefit and contract type (check all applicable boxes)

- a** ☐ Health (other than dental or vision)
b ☐ Dental
c ☐ Vision
d ☐ Life insurance
e ☐ Temporary disability (accident and sickness)
f ☐ Long-term disability
g ☐ Supplemental unemployment
h ☐ Prescription drug
i ☐ Stop loss (large deductible)
j ☐ HMO contract
k ☐ PPO contract
l ☐ Indemnity contract
m ☐ Other (specify) ▶

9 Experience-rated contracts:

a Premiums: (1) Amount received	9a(1)		
(2) Increase (decrease) in amount due but unpaid	9a(2)		
(3) Increase (decrease) in unearned premium reserve	9a(3)		
(4) Earned ((1) + (2) - (3))		9a(4)	0
b Benefit charges (1) Claims paid	9b(1)		
(2) Increase (decrease) in claim reserves	9b(2)		
(3) Incurred claims (add (1) and (2))		9b(3)	0
(4) Claims charged		9b(4)	
c Remainder of premium: (1) Retention charges (on an accrual basis) --			
(A) Commissions	9c(1)(A)		
(B) Administrative service or other fees	9c(1)(B)		
(C) Other specific acquisition costs	9c(1)(C)		
(D) Other expenses	9c(1)(D)		
(E) Taxes	9c(1)(E)		
(F) Charges for risks or other contingencies	9c(1)(F)		
(G) Other retention charges	9c(1)(G)		
(H) Total retention		9c(1)(H)	0
(2) Dividends or retroactive rate refunds. (These amounts were ☐ paid in cash, or ☐ credited.)		9c(2)	
d Status of policyholder reserves at end of year: (1) Amount held to provide benefits after retirement		9d(1)	
(2) Claim reserves		9d(2)	
(3) Other reserves		9d(3)	
e Dividends or retroactive rate refunds due. (Do not include amount entered in line 9c(2).)		9e	

10 Nonexperience-rated contracts:

a Total premiums or subscription charges paid to carrier	10a	
b If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, other than reported in Part I, line 2 above, report amount.	10b	

Specify nature of costs.

Part IV Provision of Information

11 Did the insurance company fail to provide any information necessary to complete Schedule A? ☐ Yes ☒ No

12 If the answer to line 11 is "Yes," specify the information not provided. ▶

SCHEDULE A (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Insurance Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500. ▶ Insurance companies are required to provide the information pursuant to ERISA section 103(a)(2).	OMB No. 1210-0110 2017 This Form is Open to Public Inspection
---	---	---

For calendar plan year 2017 or fiscal plan year beginning 01/01/2017 and ending 12/31/2017	
A Name of plan RAYTHEON RETIREMENT PLAN FOR ENGINEERS & CONSTRUCTORS, INC. AND AIRCRAFT CREDIT EMPLOYEES	B Three-digit plan number (PN) ▶ 001
C Plan sponsor's name as shown on line 2a of Form 5500 RAYTHEON AIRCRAFT CREDIT CORP.	D Employer Identification Number (EIN) 48-0619846

Part I	Information Concerning Insurance Contract Coverage, Fees, and Commissions Provide information for each contract on a separate Schedule A. Individual contracts grouped as a unit in Parts II and III can be reported on a single Schedule A.
---------------	---

1 Coverage Information:

(a) Name of insurance carrier JOHN HANCOCK LIFE INSURANCE COMPANY

(b) EIN	(c) NAIC code	(d) Contract or identification number	(e) Approximate number of persons covered at end of policy or contract year	Policy or contract year	
				(f) From	(g) To
01-0233346	65838	GAC 436 ASSN 0	15	01/01/2017	12/31/2017

2 Insurance fee and commission information. Enter the total fees and total commissions paid. List in line 3 the agents, brokers, and other persons in descending order of the amount paid.

(a) Total amount of commissions paid	(b) Total amount of fees paid

3 Persons receiving commissions and fees. (Complete as many entries as needed to report all persons).
--

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

Part II Investment and Annuity Contract Information

Where individual contracts are provided, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

4 Current value of plan's interest under this contract in the general account at year end **4** 6988621**5** Current value of plan's interest under this contract in separate accounts at year end **5****6** Contracts With Allocated Funds:**a** State the basis of premium rates ▶**b** Premiums paid to carrier **6b****c** Premiums due but unpaid at the end of the year **6c****d** If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, enter amount. **6d**
Specify nature of costs ▶**e** Type of contract: (1) ☐ individual policies (2) ☐ group deferred annuity(3) ☐ other (specify) ▶**f** If contract purchased, in whole or in part, to distribute benefits from a terminating plan, check here ▶ ☐**7** Contracts With Unallocated Funds (Do not include portions of these contracts maintained in separate accounts)**a** Type of contract: (1) ☐ deposit administration (2) ☒ immediate participation guarantee(3) ☐ guaranteed investment (4) ☐ other ▶**b** Balance at the end of the previous year **7b** 6748996**c** Additions: (1) Contributions deposited during the year **7c(1)**
(2) Dividends and credits **7c(2)**
(3) Interest credited during the year **7c(3)** 256739
(4) Transferred from separate account **7c(4)**
(5) Other (specify below) **7c(5)** 13668

▶ REALIZED CAPITAL GAINS OR LOSSES AND OTHER ADJUSTMENTS

(6) Total additions **7c(6)** 270407**d** Total of balance and additions (add lines **7b** and **7c(6)**). **7d** 7019403**e** Deductions:
(1) Disbursed from fund to pay benefits or purchase annuities during year **7e(1)** 12226
(2) Administration charge made by carrier **7e(2)** 18556
(3) Transferred to separate account **7e(3)**
(4) Other (specify below) **7e(4)**(5) Total deductions **7e(5)** 30782**f** Balance at the end of the current year (subtract line **7e(5)** from line **7d**). **7f** 6988621

Part III Welfare Benefit Contract Information

If more than one contract covers the same group of employees of the same employer(s) or members of the same employee organizations(s), the information may be combined for reporting purposes if such contracts are experience-rated as a unit. Where contracts cover individual employees, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

8 Benefit and contract type (check all applicable boxes)

- a** ☐ Health (other than dental or vision)
b ☐ Dental
c ☐ Vision
d ☐ Life insurance
e ☐ Temporary disability (accident and sickness)
f ☐ Long-term disability
g ☐ Supplemental unemployment
h ☐ Prescription drug
i ☐ Stop loss (large deductible)
j ☐ HMO contract
k ☐ PPO contract
l ☐ Indemnity contract
m ☐ Other (specify) ▶

9 Experience-rated contracts:

a Premiums: (1) Amount received	9a(1)		
(2) Increase (decrease) in amount due but unpaid	9a(2)		
(3) Increase (decrease) in unearned premium reserve	9a(3)		
(4) Earned ((1) + (2) - (3))		9a(4)	0
b Benefit charges (1) Claims paid	9b(1)		
(2) Increase (decrease) in claim reserves	9b(2)		
(3) Incurred claims (add (1) and (2))		9b(3)	0
(4) Claims charged		9b(4)	
c Remainder of premium: (1) Retention charges (on an accrual basis) --			
(A) Commissions	9c(1)(A)		
(B) Administrative service or other fees	9c(1)(B)		
(C) Other specific acquisition costs	9c(1)(C)		
(D) Other expenses	9c(1)(D)		
(E) Taxes	9c(1)(E)		
(F) Charges for risks or other contingencies	9c(1)(F)		
(G) Other retention charges	9c(1)(G)		
(H) Total retention		9c(1)(H)	0
(2) Dividends or retroactive rate refunds. (These amounts were ☐ paid in cash, or ☐ credited.)		9c(2)	
d Status of policyholder reserves at end of year: (1) Amount held to provide benefits after retirement		9d(1)	
(2) Claim reserves		9d(2)	
(3) Other reserves		9d(3)	
e Dividends or retroactive rate refunds due. (Do not include amount entered in line 9c(2).)		9e	

10 Nonexperience-rated contracts:

a Total premiums or subscription charges paid to carrier	10a	
b If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, other than reported in Part I, line 2 above, report amount.	10b	

Specify nature of costs.

Part IV Provision of Information

11 Did the insurance company fail to provide any information necessary to complete Schedule A? ☐ Yes ☒ No

12 If the answer to line 11 is "Yes," specify the information not provided. ▶

<div>SCHEDULE SB (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation</div>	<div>Single-Employer Defined Benefit Plan Actuarial Information</div> <div>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code).</div> <div>File as an attachment to Form 5500 or 5500-SF.</div>	<div>OMB No. 1210-0110</div> <div>2017</div> <div>This Form is Open to Public Inspection</div>
--	---	--

For calendar plan year 2017 or fiscal plan year beginning 01/01/2017 and ending 12/31/2017

Round off amounts to nearest dollar.
Caution: A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

<div>A Name of plan RAYTHEON RETIREMENT PLAN FOR ENGINEERS & CONSTRUCTORS, INC. AND AIRCRAFT CREDIT EMPLOYEES</div>	<div>B Three-digit plan number (PN) 001</div>
<div>C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF RAYTHEON AIRCRAFT CREDIT CORP.</div>	<div>D Employer Identification Number (EIN) 48-0619846</div>

E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B	F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500
--	--

Part I Basic Information

1 Enter the valuation date: Month 01 Day 01 Year 2017			
2 Assets:			
a Market value	2a	677518159	
b Actuarial value	2b	693508607	
3 Funding target/participant count breakdown	(1) Number of participants	(2) Vested Funding Target	(3) Total Funding Target
a For retired participants and beneficiaries receiving payment	7613	418680438	418680438
b For terminated vested participants	5056	148402775	148402775
c For active participants	0	0	0
d Total	12669	567083213	567083213
4 If the plan is in at-risk status, check the box and complete lines (a) and (b): ☐			
a Funding target disregarding prescribed at-risk assumptions	4a		
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor	4b		
5 Effective interest rate	5	5.76%	
6 Target normal cost	6	2200000	

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

<div>SIGN HERE</div>	<div>Signature of actuary GRACE BARBIERI, F.S.A.</div> <div>Type or print name of actuary MERCER</div> <div>Firm name 99 HIGH STREET BOSTON, MA 02110-2320</div> <div>Address of the firm</div>	<div>Date 17-07481</div> <div>Most recent enrollment number 617-747-9500</div> <div>Telephone number (including area code)</div>
----------------------	---	--

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

Part II Beginning of Year Carryover and Prefunding Balances

	(a) Carryover balance	(b) Prefunding balance
7 Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	0	0
8 Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	0
9 Amount remaining (line 7 minus line 8)	0	0
10 Interest on line 9 using prior year's actual return of <u>6.53</u> %	0	0
11 Prior year's excess contributions to be added to prefunding balance:		
a Present value of excess contributions (line 38a from prior year)		0
b(1) Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of <u>5.95</u> %		0
b(2) Interest on line 38b from prior year Schedule SB, using prior year's actual return		0
c Total available at beginning of current plan year to add to prefunding balance		0
d Portion of (c) to be added to prefunding balance		0
12 Other reductions in balances due to elections or deemed elections	0	
13 Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	0	0

Part III Funding Percentages

14 Funding target attainment percentage	14	122.29%
15 Adjusted funding target attainment percentage	15	122.29%
16 Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	125.59%
17 If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage.	17	%

Part IV Contributions and Liquidity Shortfalls**18** Contributions made to the plan for the plan year by employer(s) and employees:

(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
Totals ▶			18(b)	0	18(c) 0

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

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

20 Quarterly contributions and liquidity shortfalls:

- a** Did the plan have a "funding shortfall" for the prior year? ☐ Yes ☒ No
- b** If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner? ☐ Yes ☐ No
- c** If line 20a is "Yes," see instructions and complete the following table as applicable:

Liquidity shortfall as of end of quarter of this plan year			
(1) 1st	(2) 2nd	(3) 3rd	(4) 4th

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

21 Discount rate:				
a Segment rates:	1st segment: 4.16 %	2nd segment: 5.72 %	3rd segment: 6.48 %	☐ N/A, full yield curve used
b Applicable month (enter code)				21b 0
22 Weighted average retirement age				22
23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute				

Part VI Miscellaneous Items

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

Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years

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

Part VIII Minimum Required Contribution For Current Year

31 Target normal cost and excess assets (see instructions):			
a Target normal cost (line 6)	31a	2200000	
b Excess assets, if applicable, but not greater than line 31a	31b	2200000	
32 Amortization installments:	Outstanding Balance	Installment	
a Net shortfall amortization installment	0	0	
b Waiver amortization installment	0	0	
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33		
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)	34	0	
	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement	0	0	0
36 Additional cash requirement (line 34 minus line 35)	36	0	
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	37	0	
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)	38a	0	
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b	0	
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	39	0	
40 Unpaid minimum required contributions for all years	40	0	

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

41 If an election was made to use PRA 2010 funding relief for this plan:			
a Schedule elected	☐ 2 plus 7 years ☐ 15 years		
b Eligible plan year(s) for which the election in line 41a was made	☐ 2008 ☐ 2009 ☐ 2010 ☐ 2011		
42 Amount of acceleration adjustment	42		
43 Excess installment acceleration amount to be carried over to future plan years	43		

<div>SCHEDULE C</div> <div>(Form 5500)</div> <div>Department of the Treasury Internal Revenue Service</div> <div>Department of Labor Employee Benefits Security Administration</div> <div>Pension Benefit Guaranty Corporation</div>	<div>Service Provider Information</div> <div>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).</div> <div>▶ File as an attachment to Form 5500.</div>	OMB No. 1210-0110
		2017
		This Form is Open to Public Inspection.

For calendar plan year 2017 or fiscal plan year beginning 01/01/2017 and ending 12/31/2017		
A Name of plan RAYTHEON RETIREMENT PLAN FOR ENGINEERS & CONSTRUCTORS, INC. AND AIRCRAFT CREDIT EMPLOYEES	B Three-digit plan number (PN) ▶	001
C Plan sponsor's name as shown on line 2a of Form 5500 RAYTHEON AIRCRAFT CREDIT CORP.	D Employer Identification Number (EIN) 48-0619846	

Part I	Service Provider Information (see instructions)
--------	---

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

1 Information on Persons Receiving Only Eligible Indirect Compensation

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

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

(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)

CONDUENT INC.

81-2983623

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
13	NONE	689682	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

THE BANK OF NEW YORK MELLON

13-5160382

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
21	NONE	162934	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

PRICEWATERHOUSECOOPERS LLP

13-4008324

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
10	NONE	106621	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

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

MERCER

13-2834414

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
11	NONE	53412	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

DELOITTE LLP

13-6044173

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
10 16	NONE	51666	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

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

Part I Service Provider Information (continued)

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

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

Part II Service Providers Who Fail or Refuse to Provide Information

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

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

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

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

SCHEDULE D (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small>	DFE/Participating Plan Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ► File as an attachment to Form 5500.	OMB No. 1210-0110 2017 This Form is Open to Public Inspection.
---	--	--

For calendar plan year 2017 or fiscal plan year beginning 01/01/2017 and ending 12/31/2017

A Name of plan <u>RAYTHEON RETIREMENT PLAN FOR ENGINEERS & CONSTRUCTORS, INC. AND AIRCRAFT CREDIT EMPLOYEES</u>	B Three-digit plan number (PN) ►	<u>001</u>
C Plan or DFE sponsor's name as shown on line 2a of Form 5500 <u>RAYTHEON AIRCRAFT CREDIT CORP.</u>	D Employer Identification Number (EIN) <u>48-0619846</u>	

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

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

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

c EIN-PN <u>04-3172773-001</u>	d Entity code <u>M</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>719453255</u>
---------------------------------------	-------------------------------	--

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):

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

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

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

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

SCHEDULE H (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	<small>OMB No. 1210-0110</small> 2017 This Form is Open to Public Inspection
--	--	--

For calendar plan year 2017 or fiscal plan year beginning <u>01/01/2017</u> and ending <u>12/31/2017</u>		
A Name of plan <u>RAYTHEON RETIREMENT PLAN FOR ENGINEERS & CONSTRUCTORS, INC. AND AIRCRAFT CREDIT EMPLOYEES</u>	B Three-digit plan number (PN) ►	<u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>RAYTHEON AIRCRAFT CREDIT CORP.</u>	D Employer Identification Number (EIN) <u>48-0619846</u>	

Part I Asset and Liability Statement			
1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.			
Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)		
(2) Participant contributions	1b(2)		
(3) Other.....	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)		
(2) U.S. Government securities.....	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other.....	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)		
(9) Value of interest in common/collective trusts.....	1c(9)		
(10) Value of interest in pooled separate accounts.....	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)	667268510	719453255
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)		
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)	11008592	11369039
(15) Other	1c(15)		

1d Employer-related investments:		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	678277102	730822294

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h	52576	88876
i Acquisition indebtedness	1i		
j Other liabilities	1j	1740121	2283929
k Total liabilities (add all amounts in lines 1g through 1j)	1k	1792697	2372805

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	676484405	728449489
---	-----------	-----------	-----------

Part II Income and Expense Statement

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

Income

		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)		
(B) Participants	2a(1)(B)		
(C) Others (including rollovers)	2a(1)(C)		
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		0
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)		
(F) Other	2b(1)(F)	431477	
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		431477
(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)		
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		0
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		0
(5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		0

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		99756697
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		
c Other income.....	2c		
d Total income. Add all income amounts in column (b) and enter total.....	2d		100188174

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers.....	2e(1)	46129154	
(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)		46129154
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions).....	2g		
h Interest expense.....	2h		
i Administrative expenses: (1) Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)	2093936	
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		2093936
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		48223090

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		51965084
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: PRICEWATERHOUSECOOPERS LLP

(2) EIN: 13-4008324

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

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

Part IV Compliance Questions

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

During the plan year:

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
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)		X	
4c		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)		X	
4d		X	
e Was this plan covered by a fidelity bond?	X		20000000
4e	X		20000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
4f		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
4g		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
4h		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	X		
4i	X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)		X	
4j		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?		X	
4k		X	
l Has the plan failed to provide any benefit when due under the plan?		X	
4l		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)			
4m			
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.			
4n			

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year? ☐ Yes ☒ No
If "Yes," enter the amount of any plan assets that reverted to the employer this year _____.

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 4103647. (See instructions.)

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110 2017 This Form is Open to Public Inspection.
---	---	--

For calendar plan year 2017 or fiscal plan year beginning 01/01/2017 and ending 12/31/2017

A Name of plan <u>RAYTHEON RETIREMENT PLAN FOR ENGINEERS & CONSTRUCTORS, INC. AND AIRCRAFT CREDIT EMPLOYEES</u>	B Three-digit plan number (PN) ▶ <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>RAYTHEON AIRCRAFT CREDIT CORP.</u>	D Employer Identification Number (EIN) <u>48-0619846</u>

Part I	Distributions
---------------	----------------------

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

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions	1	<u>0</u>
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): <u>13-5160382</u> <u>01-0233346</u>		
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year	3	<u>23</u>

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

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

Part III	Amendments
-----------------	-------------------

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

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

10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?	☐ Yes	☐ No
11 a Does the ESOP hold any preferred stock?	☐ Yes	☐ No
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.)	☐ Yes	☐ No
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?	☐ Yes	☐ No

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

Schedule R (Form 5500) 2017
v. 170203

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

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

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

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

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

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

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

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

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

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

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

- a** Enter the percentage of plan assets held as:

Stock: 24.0% Investment-Grade Debt: 28.0% High-Yield Debt: 2.0% Real Estate: 7.0% Other: 39.0%

- b** Provide the average duration of the combined investment-grade and high-yield debt:

☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☒ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

- c** What duration measure was used to calculate line 19(b)?

☐ Effective duration ☒ Macaulay duration ☐ Modified duration ☐ Other (specify):

Raytheon Retirement Plan for Engineers & Constructors and Aircraft Credit Employees

**Financial Statements and Supplemental Schedule
To Accompany 2017 Form 5500**

**Annual Report of Employee Benefit Plan
Under ERISA of 1974**

December 31, 2017 and 2016

Raytheon Retirement Plan for Engineers & Constructors and Aircraft Credit Employees

Index

December 31, 2017 and 2016

	Page(s)
Report of Independent Auditors	1-2
Financial Statements	
Statements of Net Assets Available for Benefits as of December 31, 2017 and 2016.....	3
Statements of Changes in Net Assets Available for Benefits for the Years Ended December 31, 2017 and 2016	4
Notes to Financial Statements as of December 31, 2017 and 2016	5-21
Supplemental Schedule	
Schedule of Assets (Held at End of Year) as of December 31, 2017.....	22
The supplemental schedules to the Plan's Form 5500 are not required for the Plan's assets that are held in a Master Trust. Accordingly, the Plan Administrator must file detailed financial information for the Master Trust, including the supplemental schedules, separately with the Department of Labor.	
Certain supplemental schedules related to Plan assets that are held outside of the Master Trust that are required by the Employee Retirement Income Security Act of 1974 (ERISA) have been omitted because they are not applicable.	



Report of Independent Auditors

To the Administrator of Raytheon Retirement Plan for Engineers & Constructors and Aircraft Credit Employees

We have audited the accompanying financial statements of Raytheon Retirement Plan for Engineers & Constructors and Aircraft Credit Employees (the "Plan"), which comprise the statements of net assets available for benefits as of December 31, 2017 and December 31, 2016, and the related statements of changes in net assets available for benefits for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, information regarding the Plan's net assets available for benefits as of December 31, 2017 and changes therein for the year then ended and its financial status as of December 31, 2016, and changes therein for the year then ended in accordance with accounting principles generally accepted in the United States of America.



Other Matter

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

Princeton House LLP

Boston, Massachusetts
September 10, 2018

**Raytheon Retirement Plan for Engineers & Constructors and Aircraft
Credit Employees**
Statements of Net Assets Available for Benefits
December 31, 2017 and 2016

	2017	2016
Assets		
Investments at fair value (Notes 2 and 5)		
Raytheon Master Pension Trust	\$ 719,453,255	\$ 667,268,510
Insurance contracts (Note 10)	11,369,039	11,008,592
Total assets	<u>730,822,294</u>	<u>678,277,102</u>
Liabilities		
Accrued administrative expenses	88,876	52,576
Other liabilities	2,283,929	1,740,121
Total liabilities	<u>2,372,805</u>	<u>1,792,697</u>
Net assets available for benefits	<u>\$ 728,449,489</u>	<u>\$ 676,484,405</u>

The accompanying notes are an integral part of these financial statements

Raytheon Retirement Plan for Engineers & Constructors and Aircraft Credit Employees

Statements of Changes in Net Assets Available for Benefits

Years Ended December 31, 2017 and 2016

	2017	2016
Additions		
Raytheon Master Pension Trust investment income (Notes 2 and 5)	\$ 99,756,697	\$ 42,795,724
Interest income	431,477	396,150
Total additions	<u>100,188,174</u>	<u>43,191,874</u>
Deductions		
Benefit payments	46,129,154	50,714,435
Administrative expenses	2,093,936	2,027,321
Plan transfer out (Note 1)	-	231,454
Total deductions	<u>48,223,090</u>	<u>52,973,210</u>
Net increase/(decrease) in net assets available for benefits	51,965,084	(9,781,336)
Net assets available for benefits, beginning of year	<u>676,484,405</u>	<u>686,265,741</u>
Net assets available for benefits, end of year	<u>\$ 728,449,489</u>	<u>\$ 676,484,405</u>

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

Raytheon Retirement Plan for Engineers & Constructors and Aircraft Credit Employees

Notes to Financial Statements

December 31, 2017

1. Plan Description

The following description of the Raytheon Retirement Plan for Engineers & Constructors and Aircraft Credit Employees (the "Plan") is for general information purposes only. Participants should refer to the Summary Plan Description or the Plan Document for a complete description of the Plan's provisions.

General

The Plan is a noncontributory defined benefit plan covering salaried employees of Raytheon Aircraft Credit Corporation and former salaried employees of Raytheon Engineers & Constructors, Inc ("RE&C"). On July 7, 2000 (the "Closing Date"), the stock of Raytheon Engineers & Constructors, Inc. and its subsidiaries was sold to Morrison Knudsen Corporation. In addition, on the Closing Date, the following occurred: (1) the name of the Plan was changed to the Raytheon Retirement Plan for Engineers & Constructors and Aircraft Credit Employees, (2) the sponsorship of the Plan was assumed by Raytheon Aircraft Credit Corporation, a subsidiary of Raytheon Company (the "Company"), (3) the Plan was frozen with respect to the employees of Raytheon Engineers & Constructors, Inc., and (4) the portion of the Raytheon Aircraft Company Retirement Income Plan for Salaried Employees that covered the active employees of Raytheon Aircraft Credit Corporation on the Closing Date, was spun off and merged into the Plan.

A majority of the investments are held in the Raytheon Master Pension Trust ("Master Trust"). The remaining funds are invested in insurance contracts with John Hancock Life Insurance Company, Aetna Life Insurance Company, and Voya Retirement Insurance and Annuity Company (the "Insurance Companies"). The Plan is administered by the Plan Administrator appointed by the Company's Vice President of Human Resources and is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA").

Benefits Eligibility and Vesting

Salaried employees of the Raytheon Aircraft Credit Corporation were eligible to participate in the Plan if they had completed one year of eligibility service, as defined in the Plan, and have attained age 21. A participant will be fully vested in his or her accrued benefit upon the first to occur of the following events; a) attainment of age 65 and completion of 5 years; (b) completion of 5 years of vesting service; c) total and permanent disability as a result of a non-work related injury or illness; or d) complete or partial termination of the Plan. Former employees of RE&C are vested if they have completed five years of vesting service or were eligible employees as of the Closing Date.

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

Effective January 1, 2014, no further benefits shall accrue under the Plan.

The Plan Document details the benefit owed upon attaining normal retirement and the factors used in determining the benefit amount. It also details benefit calculations and alternative benefits.

Contributions

The Company makes contributions to the Plan to ensure assets are sufficient to pay the benefits of the Plan. The Plan does not permit contributions by participants.

Raytheon Retirement Plan for Engineers & Constructors and Aircraft Credit Employees

Notes to Financial Statements

December 31, 2017

2. Summary of Significant Accounting Policies

Basis of Presentation

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

Investment Valuation and Income Recognition

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

The Plan also invests in insurance contracts with the Insurance Companies. The contracts consist of both general account and separate account components. The general accounts are valued at contract value (which represents contributions made under the contract, plus earnings, less withdrawals and administrative expenses) which approximates fair value. The separate account is valued at the fair value of the net assets of the accounts as reported by Voya Retirement Insurance and Annuity Company.

Insurance contracts distribute to the Plan the income earned by the investment accounts referred to above based on the ratio of the Plan's monies invested to total monies invested in the account.

Contributions

Employer contributions are funded and recorded as determined by actuarial computation. See Note 4 for additional information.

Benefit Payments

Benefit payments to participants are recorded when paid.

Administrative Expenses

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

Use of Estimates

The Plan's financial statements have been prepared in conformity with U.S. Generally Accepted Accounting Principles ("GAAP"). This requires the Plan Administrator to make significant estimates and assumptions that affect the reported amounts of net assets available for benefits at the date of the financial statements, the actuarial present value of accumulated plan benefits as of the benefit information date, the changes in net assets available for benefits during the reporting period, and, when applicable, the disclosures of contingent assets and liabilities at the date of the financial statements. Actual results could differ from the estimates included in the financial statements.

New Accounting Pronouncements

In February 2017, the Financial Accounting Standards Board issued Accounting Standards Update ("ASU") 2017-06, *Plan Accounting: Defined Benefit Pension Plans (Topic 960), Defined Contribution Pension Plans (Topic 962), and Health and Welfare Benefit Plans (Topic 965) - Employee Benefit Plan Master Trust Reporting*. ASU 2017-06 amends the master trust disclosure to require additional disclosures related to the Plan's interest in the master trust.

Raytheon Retirement Plan for Engineers & Constructors and Aircraft Credit Employees

Notes to Financial Statements

December 31, 2017

This ASU is effective for fiscal years beginning after December 15, 2018, and is required to be applied retrospectively for all comparative periods presented. Management does not expect the adoption of this ASU to have a significant impact on the Plan's financial statements.

3. Actuarial Present Value of Accumulated Plan Benefits

Accumulated plan benefits are those future periodic payments, including lump sum distributions that are attributable, under the Plan's provisions, to the service employees have rendered. Accumulated plan benefits include benefits expected to be paid to (a) retired or terminated employees or their beneficiaries, (b) beneficiaries of deceased employees, and (c) active employees or their beneficiaries. Benefits under the Plan are based on employees' credited service and the benefit rate in effect at the time of retirement unless subsequently amended. Benefits payable under all circumstances - such as retirement, death, disability, and termination of employment - are included to the extent they are deemed attributable to employee service rendered to the valuation date.

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

The significant actuarial assumptions used in the valuation as of December 31, 2016 and 2015, are as follows:

Assumed rate of return on investments for accumulated benefits (discount rate)	7.5% as of December 31, 2016 8.0% as of December 31, 2015
Mortality basis	Modified version of the RP-2014 employee/retiree no collar tables, which has the projection scale backed off to 2007 and projected future generational mortality improvement based on a modified version of the MP-2014 scale, which reflects a 10-year downgrade period and an ultimate improvement rate of 0.75%
Retirement	Several rates, varying by age from 55 to 70

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

Assumption Changes

The changes in actuarial assumptions since the prior valuation of the Plan are as follows:

- The discount rate decreased from 8.00% to 7.50%.
- Vested deferred commencement ages were updated to reflect expected future experience.

Raytheon Retirement Plan for Engineers & Constructors and Aircraft Credit Employees

Notes to Financial Statements

December 31, 2017

As of December 31, 2016, the most recent valuation date, the actuarial present value of accumulated plan benefits is as follows:

Vested benefits	
Participants receiving benefits	\$ 382,470,312
Participants with deferred benefits	127,020,467
Total actuarial present value of accumulated plan benefits	<u>\$ 509,490,779</u>

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

Actuarial present value of accumulated plan benefits as of December 31, 2015	\$ 500,818,584
Benefits accumulated and non-investment (gains)/losses	6,426,639
Increase for interest due to decrease in discount period	37,867,861
Benefits paid	(50,714,435)
Change in actuarial assumptions	15,092,130
Total actuarial present value of accumulated plan benefits as of December 31, 2016	<u>\$ 509,490,779</u>

The Plan includes assets of \$754,231 and \$732,322 at December 31, 2017 and 2016, respectively, which are funds that were voluntarily contributed by employees of the Badger division, a former division of the Company, to provide for a supplemental pension benefit. These funds were contributed prior to the merger of the Badger Plan into the Plan. Participants are always vested in their contributions. Benefits for these employees are paid from these contributed funds, and are not included in the total actuarial value of accumulated plan benefits above. There were no benefit payments during 2017 and 2016 from the voluntary contributions of the participants.

4. Funding Policy

The employer's contributions are actuarially determined to generally fund any existing unfunded liability on account of qualified service prior to the valuation date in accordance with the amortization schedules prescribed by ERISA minimum funding requirements (as amended by the Pension Protection Act of 2006). At the Company's discretion, and to the extent allowable under maximum tax deductibility regulations, contributions above the ERISA minimum funding requirements may be made to the Plan. Based on the minimum funding requirements of ERISA, the Company was not required to and did not make contributions for the years ended December 31, 2017 and 2016.

5. Master Trust

Summary Financial Information

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

Raytheon Retirement Plan for Engineers & Constructors and Aircraft Credit Employees

Notes to Financial Statements

December 31, 2017

Investment securities are exposed to various risks, such as interest rate, market, currency, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the value of investment securities will occur and such changes could materially affect the amounts reported in the statements of net assets available for benefits.

At December 31, 2017 and 2016, the Plan owned approximately 4% of the fair value of the Master Trust net assets. The following table includes the Statements of Net Assets for the Master Trust as of December 31, 2017 and 2016:

Assets	2017	2016
Investments at fair market value		
Interest-bearing cash	\$ 800,901	\$ 7,506,132
U.S. government bonds	1,935,480,527	1,042,546,503
Corporate debt instruments and other fixed income securities	2,114,322,204	2,550,311,398
Corporate stock - preferred	21,640,432	14,187,376
Corporate stock - common and other equity securities	4,476,969,530	3,764,598,143
Real assets	110,937,221	103,946,317
Purchased options	106,386	1,287,000
Commingled funds	7,604,527,406	6,404,899,640
Registered investment companies	1,638,357,445	1,788,700,522
Unallocated insurance contracts	19,338,453	18,768,380
Private equity funds	1,439,076,172	1,287,654,315
Private real estate funds	777,927,792	749,809,519
	<u>20,139,484,469</u>	<u>17,734,215,245</u>
Cash	23,583,443	4,503,965
Cash held at broker due to variation margin	7,785,949	6,177,770
Foreign cash	13,072,106	18,797,021
Interest and dividends receivable	48,557,334	44,084,223
Receivable for forward foreign currency contracts	138,249	1,145,880
Receivable for securities sold	62,255,876	280,321,262
Other assets and receivables	55,280,922	964,018
	<u>20,350,158,348</u>	<u>18,090,209,384</u>
Liabilities		
Interest and dividend payable	341,814	286,597
Payable for forward foreign currency contracts	186,987	23,162
Payable for securities purchased	79,042,815	92,131,233
Other payables	9,703,110	7,908,341
	<u>89,274,726</u>	<u>100,349,333</u>
Master Trust net assets	<u>\$ 20,260,883,622</u>	<u>\$ 17,989,860,051</u>
Plan's interest in Master Trust	<u>\$ 719,453,255</u>	<u>\$ 667,268,509</u>

Raytheon Retirement Plan for Engineers & Constructors and Aircraft Credit Employees

Notes to Financial Statements

December 31, 2017

The following table is a summary of the investment earnings and the net appreciation (depreciation) in the fair market value of the Master Trust ("Summary of Investment Earnings") for the years ended December 31, 2017 and 2016:

	2017	2016
Net appreciation (depreciation) in investments at fair market value	\$ 2,487,111,045	\$ 958,044,243
Interest	137,727,456	134,729,456
Dividends	139,312,179	147,694,124
Other income	132,277,963	70,422,166
Total investment income	<u>2,896,428,643</u>	<u>1,310,889,989</u>
Total expenses	<u>192,805,810</u>	<u>169,786,211</u>
Net investment income	<u>\$ 2,703,622,833</u>	<u>\$ 1,141,103,778</u>
Portion allocated to the Plan	<u>\$ 99,756,697</u>	<u>\$ 42,795,724</u>

Fair Value Measurements

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

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

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

Changes in Fair Value Levels

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

Raytheon Retirement Plan for Engineers & Constructors and Aircraft Credit Employees

Notes to Financial Statements

December 31, 2017

For the years ended December 31, 2017 and December 31, 2016, there were no material transfers in or out of Levels 1, 2, or 3.

The following tables summarize the fair value of investment assets and liabilities as of December 31, 2017:

Fair Value of Investment Assets as of 12/31/2017					
	Total	Level 1	Level 2	Level 3	Not Subject to Leveling ⁽⁴⁾
Interest-bearing cash	\$ 800,901	\$ -	\$ 800,901	\$ -	\$ -
U.S. government bonds	1,935,480,527	1,829,081,445	106,399,082	-	-
Corporate debt instruments and other fixed income securities ⁽¹⁾	2,114,322,204	-	2,114,322,204	-	-
Corporate stock - preferred	21,640,432	21,640,432	-	-	-
Corporate stock - common and other equity securities	4,476,969,530	4,475,957,213	1,012,317	-	-
Real assets ⁽²⁾	110,937,221	89,707,350	-	-	21,229,871
Purchased options	106,386	106,386	-	-	-
Commingled funds	7,604,527,406	-	-	-	7,604,527,406
Registered investment companies	1,638,357,445	1,638,357,445	-	-	-
Unallocated insurance contracts	19,338,453	-	-	19,338,453	-
Private equity funds	1,439,076,172	-	-	-	1,439,076,172
Private real estate funds	777,927,792	-	-	-	777,927,792
Unrealized gain on futures contracts ⁽³⁾	3,810,129	3,810,129	-	-	-
Receivable for forward foreign currency contracts	138,249	-	138,249	-	-
Total assets in fair value hierarchy	\$ 20,143,432,847	\$ 8,058,660,400	\$ 2,222,672,753	\$ 19,338,453	\$ 9,842,761,241

Fair Value of Investment Liabilities as of 12/31/2017					
	Total	Level 1	Level 2	Level 3	Not Subject to Leveling
Unrealized loss on futures contracts ⁽³⁾	\$ 1,259,307	\$ 1,259,307	\$ -	\$ -	\$ -
Payable for forward foreign currency contracts	186,987	-	186,987	-	-
Total liabilities in fair value hierarchy	\$ 1,446,294	\$ 1,259,307	\$ 186,987	\$ -	\$ -

(1) Corporate debt instruments and other fixed income securities includes \$30,701,828 of asset backed securities and \$104,437,599 of term loans.

(2) Real asset investments include funds and \$89,707,350 of publicly traded master limited partnership securities, all of which invest in physical and permanent assets, including infrastructure.

(3) Unrealized gain/loss on futures contracts are recorded within Cash held at broker due to variation margin on the Statement of Net Assets for the Master Trust.

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

Raytheon Retirement Plan for Engineers & Constructors and Aircraft Credit Employees

Notes to Financial Statements

December 31, 2017

The following tables summarize the fair value of investment assets and liabilities as of December 31, 2016:

Fair Value of Investment Assets as of 12/31/2016					
	Total	Level 1	Level 2	Level 3	Not Subject to Leveling ⁽⁵⁾
Interest-bearing cash	\$ 7,506,132	\$ -	\$ 7,506,132	\$ -	\$ -
U.S. government bonds	1,042,546,503	927,271,256	115,275,247	-	-
Corporate debt instruments and other fixed income securities ⁽¹⁾	2,550,311,398	-	2,550,311,398	-	-
Corporate stock - preferred	14,187,376	14,187,376	-	-	-
Corporate stock - common and other equity securities ⁽²⁾	3,764,598,143	3,763,841,560	756,583	-	-
Real assets ⁽³⁾	103,946,317	103,946,317	-	-	-
Purchased options	1,287,000	1,287,000	-	-	-
Commingled funds	6,404,899,640	-	-	-	6,404,899,640
Registered investment companies	1,788,700,522	1,788,700,522	-	-	-
Unallocated insurance contracts	18,768,380	-	-	18,768,380	-
Private equity funds	1,287,654,315	-	-	-	1,287,654,315
Private real estate funds	749,809,519	-	-	-	749,809,519
Unrealized gain on futures contracts ⁽⁴⁾	712,699	712,699	-	-	-
Receivable for forward foreign currency contracts	1,145,880	-	1,145,880	-	-
Total assets in fair value hierarchy	\$ 17,736,073,824	\$ 6,599,946,730	\$ 2,674,995,240	\$ 18,768,380	\$ 8,442,363,474

Fair Value of Investment Liabilities as of 12/31/2016					
	Total	Level 1	Level 2	Level 3	Not Subject to Leveling
Unrealized loss on futures contracts ⁽⁴⁾	\$ 1,959,643	\$ 1,959,643	\$ -	\$ -	\$ -
Payable for forward foreign currency contracts	23,162	-	23,162	-	-
Total liabilities in fair value hierarchy	\$ 1,982,805	\$ 1,959,643	\$ 23,162	\$ -	\$ -

(1) Corporate debt instruments and other fixed income securities includes \$38,090,958 of asset backed securities and \$112,792,668 of term loans.

(2) Certain investment assets previously presented herein have been reclassified to Real Assets for comparative purposes. Presentation on the Statement of Net Assets for the Master Trust was revised for comparative purposes as well.

(3) Real asset investments includes publicly traded master limited partnership securities, which invest in physical and permanent assets, including infrastructure.

(4) Unrealized gain/loss on futures contracts are recorded within Cash held at broker due to variation margin on the Statement of Net Assets for the Master Trust.

(5) In accordance with Subtopic 820-10, certain investments that are measured at fair value using the net asset value per share (or its equivalent) as a practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the Statement of Net Assets for the Master Trust.

Level 3 Investments

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

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

The table below summarizes the fair value measurements of the investments in certain entities that calculate net asset value per share as of December 31, 2017.

Category of Investment	Fair Value	Unfunded Commitments	Remaining Life	Redemption Terms	Redemption Restrictions and Terms
Commingled funds ¹	\$ 7,604,527,406	\$ 147,943,424	Not applicable	Ranges from one day daily, 5-65 days notice monthly, 30-90 days notice quarterly, 90 days notice semi-annually, 90 days notice annually, 45 days bi-annually, 60-95 days notice only on specified dates	7% of these funds have a lockup provision greater than one year and up to ten years.
Real assets	21,229,871	105,266,899	12 - 15 years	Not applicable	Not applicable
Private equity funds	1,439,076,172	1,192,117,506	0 - 11 years	Not applicable	Not applicable
Private real estate funds	777,927,792	424,064,830	0 - 10 years	Not applicable	Not applicable

¹ Approximately 19% of Commingled funds were subject to gating provisions as of December 31, 2017.

Raytheon Retirement Plan for Engineers & Constructors and Aircraft Credit Employees

Notes to Financial Statements

December 31, 2017

The table below summarizes the fair value measurements of the investments in certain entities that calculate net asset value per share as of December 31, 2016.

Category of Investment	Fair Value	Unfunded Commitments	Remaining Life	Redemption Terms	Redemption Restrictions and Terms
Commingled funds ¹	\$ 6,404,899,640	\$ 32,989,615	Not applicable	Ranges from one day daily, 5-65 days notice monthly, 30-90 days notice quarterly, 90 days notice semi-annually, 90 days notice annually, 60 days notice only on specified dates	5% of these funds have a lockup provision greater than one year and up to ten years.
Private equity funds	1,287,654,315	953,123,365	0 - 10 years	Not applicable	Not applicable
Private real estate funds	749,809,519	521,133,034	0 - 10 years	Not applicable	Not applicable

¹Approximately 22% of Commingled funds were subject to gating provisions as of December 31, 2016.

Valuation Policy

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

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

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

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

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

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

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

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

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

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

Raytheon Retirement Plan for Engineers & Constructors and Aircraft Credit Employees

Notes to Financial Statements

December 31, 2017

Investment Income (Loss)

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

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

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

Derivatives Policy

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

The following tables present the values of derivatives (not accounted for as hedging instruments) carried on the Statement of Net Assets for the Master Trust and Summary of Investment Earnings as of and for the year ended December 31, 2017:

Effect of Derivative Instruments on the Statement of Net Assets for the Master Trust:

Assets	Credit		Equity		Foreign Exchange		Total
Options	\$	-	\$	106,386	\$	-	\$ 106,386
Futures contracts		1,430,467		2,379,662		-	3,810,129
Forward currency contracts		-		-		138,249	138,249
	\$	1,430,467	\$	2,486,048	\$	138,249	\$ 4,054,764
Liabilities							
Futures contracts	\$	1,259,307	\$	-	\$	-	\$ 1,259,307
Forward currency contracts		-		-		186,987	186,987
	\$	1,259,307	\$	-	\$	186,987	\$ 1,446,294

Raytheon Retirement Plan for Engineers & Constructors and Aircraft Credit Employees

Notes to Financial Statements

December 31, 2017

Effect of Derivative Investments on the Summary of Investment Earnings:

	Net Appreciation/ (Depreciation)	Average Number of Contracts*
Options	\$ (3,788,750)	170
Futures contracts	44,887,913	5,980
Forward currency contracts	(2,345,240)	130
	<u>\$ 38,753,923</u>	<u>6,280</u>

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

The following tables present the values of derivatives (not accounted for as hedging instruments) carried on the Statement of Net Assets for the Master Trust and Summary of Investment Earnings as of and for the year ended December 31, 2016:

Effect of Derivative Instruments on the Statement of Net Assets for the Master Trust:

Assets	Credit	Equity	Foreign Exchange	Total
Options	\$ -	\$ 1,287,000	\$ -	\$ 1,287,000
Futures contracts	712,699	-	-	712,699
Forward currency contracts	-	-	1,145,880	1,145,880
	<u>\$ 712,699</u>	<u>\$ 1,287,000</u>	<u>\$ 1,145,880</u>	<u>\$ 3,145,579</u>
Liabilities				
Futures contracts	\$ 1,598,121	\$ 361,522	\$ -	\$ 1,959,643
Forward currency contracts	-	-	23,162	23,162
	<u>\$ 1,598,121</u>	<u>\$ 361,522</u>	<u>\$ 23,162</u>	<u>\$ 1,982,805</u>

Effect of Derivative Investments on the Summary of Investment Earnings:

	Net Appreciation/ (Depreciation)	Average Number of Contracts*
Options	\$ 454,638	270
Futures contracts	28,134,406	6,540
Forward currency contracts	(220,741)	80
	<u>\$ 28,368,303</u>	<u>6,890</u>

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

Raytheon Retirement Plan for Engineers & Constructors and Aircraft Credit Employees

Notes to Financial Statements

December 31, 2017

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

Forward Currency Contracts

A forward currency contract is a commitment to purchase or sell a foreign currency at a future settlement date and at a negotiated rate.

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

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

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

As of December 31, 2017 and 2016, the total aggregate face value of open forward currency contracts in the Master Trust was \$2,802,732 and (\$9,296,528), respectively.

Futures Contracts

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

The Master Trust may use equity index, fixed income, interest rate, and commodities futures contracts to manage exposure to the market. Buying futures contracts increases the Master Trust's exposure to the underlying instrument. Selling futures contracts decreases the Master Trust's exposure to the underlying instrument held or hedges the fair value of other investments held in the Master Trust.

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

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

Raytheon Retirement Plan for Engineers & Constructors and Aircraft Credit Employees

Notes to Financial Statements

December 31, 2017

on the futures contracts serves to greatly reduce credit risk. Losses in value may arise from changes in the value of the underlying instrument or if there is an illiquid secondary market for the contracts. In addition, there is the risk that the change in the value of the futures contract may not correlate exactly with the change in value of the securities hedged.

At December 31, 2017, U.S. Government Bonds with a par value of \$9,925,000 (\$9,928,222 fair value) were pledged as collateral for open futures contracts. These bonds are restricted from trading until the futures contracts for which they are pledged as collateral are settled. A cash balance of \$5,235,127 was pledged to cover margin requirements for open futures contracts.

At December 31, 2016, U.S. Government Bonds with a par value of \$16,159,000 (\$15,959,093 fair value) were pledged as collateral for open futures contracts. These bonds are restricted from trading until the futures contracts for which they are pledged as collateral are settled. A cash balance of \$7,424,714 was pledged to cover margin requirements for open futures contracts.

A summary of the open futures contracts as of December 31, 2017 are presented below:

	Long Contracts		Short Contracts	
	Number of Contracts	Aggregate Face Value	Number of Contracts	Aggregate Face Value
Fixed income	3,130	\$ 467,364,617	2,531	\$ 334,260,391
Equity index	1,398	187,052,400	-	-
Interest rate	204	50,018,250	-	-
Grand Total	4,732	\$ 704,435,267	2,531	\$ 334,260,391

A summary of the open futures contracts as of December 31, 2016 are presented below:

	Long Contracts		Short Contracts	
	Number of Contracts	Aggregate Face Value	Number of Contracts	Aggregate Face Value
Fixed income	2,446	\$ 344,904,977	1,216	\$ 173,473,805
Equity index	2,748	307,253,880	-	-
Interest rate	15	3,693,000	5	1,237,000
Grand Total	5,209	\$ 655,851,857	1,221	\$ 174,710,805

Options

The Master Trust may invest in option contracts. An option contract is a contract in which the writer of the option grants the buyer of the option the right to purchase from ("call option"), or sell to ("put option"), the writer a designated instrument at a specified price within a specified period of time. Certain option contracts, including option contracts on indices, will require cash settlement by the Master Trust if the option contract is exercised. The Master Trust may enter into put or call option contracts in order to hedge against potential adverse price movements in the value of the portfolio assets, as a temporary substitute for selling selected investments, to lock in the purchase price of a security or currency that it expects to purchase in the near future, as a temporary substitute for the purchase of selected investments, and/or to enhance potential gain.

Raytheon Retirement Plan for Engineers & Constructors and Aircraft Credit Employees

Notes to Financial Statements

December 31, 2017

When the Master Trust purchases or writes an option contract, an amount equal to the premium paid or received by the Master Trust is recorded as an asset or liability and is subsequently adjusted to the current market value of the option contract purchased or written. Option contracts purchased or written are valued at the last sale price or, in the absence of a sale, the mean between the closing bid and ask prices or at the most recent ask price (bid for purchased option contracts) if no bid and ask price are available. OTC purchased or written option contracts are valued using dealer supplied quotations. Gain and loss is recognized when the option contract expires or is settled.

If the Master Trust writes a covered call option contract, the Master Trust foregoes, in exchange for the premium, the opportunity to profit during the option contract period from an increase in the value of the underlying security above the exercise price. If the Master Trust writes a put option contract, it accepts the risk of a decline in the value of the underlying security below the exercise price. OTC option contracts have a risk of the potential inability of counterparties to meet the terms of their contracts. The Master Trust's maximum exposure to purchased option contracts is limited to the premium initially paid. In addition, certain risks may arise upon entering into option contracts and a change in value of the option contract may not correlate exactly with changes in the value of the underlying security.

As of December 31, 2017, the Master Trust had open purchased equity index option contracts with total market value of \$106,386 (390 contracts). The premiums paid on open contracts as of December 31, 2017 were \$1,198,096.

As of December 31, 2016, the Master Trust had open purchased equity index option contracts with total market value of \$1,287,000 (450 contracts). The premiums paid on open contracts as of December 31, 2016 were \$1,337,418.

6. Fair Value Measurements

The following tables summarize the insurance contracts:

Fair Value of Investment Assets as of 12/31/2017				
	Level 1	Level 2	Level 3	Total
Insurance contracts	\$ -	\$ -	\$ 11,369,039	\$11,369,039
Total assets, excluding plan interest in Raytheon Master Pension Trust	\$ -	\$ -	\$ 11,369,039	\$11,369,039
Fair Value of Investment Assets as of 12/31/2016				
	Level 1	Level 2	Level 3	Total
Insurance contracts	\$ -	\$ -	\$ 11,008,592	\$11,008,592
Total assets, excluding plan interest in Raytheon Master Pension Trust	\$ -	\$ -	\$ 11,008,592	\$11,008,592

Raytheon Retirement Plan for Engineers & Constructors and Aircraft Credit Employees

Notes to Financial Statements

December 31, 2017

Level 3 Investments

The table below summarizes changes in the fair value of the Plan's level 3 investment assets for the years ended December 31, 2017 and 2016:

	Level 3 Investment Assets 12/31/2017
	Insurance contracts
Balance, beginning of year	11,008,592
Realized gains (losses)	14,202
Unrealized gains (losses)	-
Purchases	417,275
Sales	(71,030)
Transfers in (out) of level 3	-
Balance, end of year	11,369,039

	Level 3 Investment Assets 12/31/2016
	Insurance contracts
Balance, beginning of year	\$ 10,696,350
Realized gains (losses)	(4,676)
Unrealized gains (losses)	-
Purchases	400,826
Sales	(83,908)
Transfers in (out) of level 3	-
Balance, end of year	\$ 11,008,592

For the years ended December 31, 2017 and 2016, there were no transfers in to or out of Levels 1, 2, and 3.

Unallocated insurance contracts consist of both general account and separate account components. The general accounts are valued at contract value (which represents contributions made under the contract, plus earnings, less withdrawals and administrative expenses) which approximates fair value. The separate account is valued at the fair value of the net assets of the accounts as reported by Voya Retirement Insurance and Annuity Company. Annually, Company management reviews the reported contract values for reasonability.

7. Termination Policies

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

- The assets comprising the Plan, including the net income/ (loss) of the Plan, shall be revalued at market by the Trustee.
- The Plan provides that the net assets of the Plan shall be allocated among the participants and beneficiaries of the Plan in the order provided by ERISA.

Raytheon Retirement Plan for Engineers & Constructors and Aircraft Credit Employees

Notes to Financial Statements

December 31, 2017

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

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

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

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

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

The following table is a summary of the expenses paid to parties-in-interest for years ended December 31, 2017 and 2016:

	<u>Year Ended 2017</u>	<u>Year Ended 2016</u>
Expenses specifically related to the Plan	\$ 204,832	\$ 153,428
Plan's allocation of expenses paid directly by the Master Trust	238,112	186,047
	<u>As of December 31, 2017</u>	<u>As of December 31, 2016</u>
Accrued expenses (included in "Accrued administrative expenses" and "Other liabilities")	\$ 129,010	\$ 70,775

For the years ended December 31, 2017 and 2016, \$58,803 and \$68,747, respectively, of insurance contract expenses specifically related to the Plan were incurred in addition to the expenses summarized in the table above. There were no insurance contract expenses accrued as of December 31, 2017 and 2016.

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

9. Tax Status

The Internal Revenue Service (the "IRS") has determined and informed the Company by letter dated May 1, 2012, that the design of the Plan meets the requirements for qualification under Internal Revenue Code ("Code") section 401(a) on which the tax exemption of the Trust under Code section 501(a) is based. The Plan has been amended since receiving the determination letter. The Plan Administrator and the Company's benefits counsel believe that the current design and operation of the Plan are consistent with continued qualification of the Plan and exemption of the Trust in the context of applicable IRS procedures. The Company, on behalf of the Plan, applied for a new determination letter on January 29, 2016.

Raytheon Retirement Plan for Engineers & Constructors and Aircraft Credit Employees

Notes to Financial Statements

December 31, 2017

The Plan adopted the provisions of uncertain tax positions that provide criteria for the recognition, measurement, presentation, and disclosure of uncertain tax positions. The Plan may from time to time hold investments that give rise to certain tax liabilities. Based upon management's assessment, the Plan has not recognized any tax liabilities at December 31, 2017 and 2016. The Plan is subject to examinations by taxing jurisdictions; however, there are currently no audits for any tax period in progress. The Plan Administrator believes the Plan is no longer subject to federal tax examination for years prior to 2014.

10. Contracts with Insurance Companies

The Plan has entered into contracts with the Insurance Companies primarily for the purpose of distributing monthly pension payments on behalf of certain participants. Under the contracts, the Plan maintains a minimum balance in an unallocated account with each insurance company. The Insurance Companies pay annual interest which ranged from 3.00% to 3.97% and 3.00% to 4.18% in 2017 and 2016, respectively.

11. Risks and Uncertainties

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

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

12. Subsequent Events

On July 10, 2018, the Plan entered into a definitive agreement with an insurance company to purchase a group annuity contract to transfer outstanding pension benefit obligations related to approximately 7,300 retirees and beneficiaries. The transaction closed on July 17, 2018 and was funded with approximately \$436,000,000 of the Plan's assets.

The Plan has evaluated subsequent events and transactions subsequent to December 31, 2017 through the date the Plan's financial statements were available to be issued, September 10, 2018.

**Raytheon Retirement Plan for Engineers & Constructors and Aircraft
Credit Employees**
Schedule H, line 4i – Schedule of Assets (Held at End of Year)
December 31, 2017

Identity of issue, borrower, lessor or similar party	Description of investment including maturity date, rate of interest, collateral, par, or maturity value	Account type	Cost	Current Value
*John Hancock Life Insurance Company- Contract # 436 GAC	General Account—Unallocated, 3.76%, no stated maturity	General Account	\$ 6,988,621	\$ 6,988,621
*Aetna Life Insurance Company- Contract #000884	Investment Service Account, 3.97%, no stated maturity	General Account	3,626,186	3,626,186
*Voya Retirement Insurance and Annuity Company- Contract #PH1239	Guaranteed Investment Account, 3.00%, no stated maturity	Separate Account	<u>754,231</u>	<u>754,231</u>
Total unallocated insurance contracts			<u>\$ 11,369,039</u>	<u>\$ 11,369,039</u>

* Party-in-interest

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

Actuarial Assumptions for January 1, 2017 Funding Valuation

Discount rate sponsor elections

• Segment rates or full yield curve	Segment		
• Look-back months	0		
		<u>Stabilized</u>	<u>Nonstabilized</u>
• First 5 years		4.16%	1.57%
• Next 15 years		5.72%	3.77%
• Over 20 years		6.48%	4.73%

Mortality sponsor elections

• Healthy participants	Section 430(h)(3) prescribed separate static annuitant and nonannuitant mortality tables. These tables are based on the RP-2000 mortality tables projected with mortality improvement to the valuation year plus 7 and 15 years based on Scale AA.
• Disabled participants	Same as healthy

Other economic assumptions

• Salary increases	N/A
• Flat-dollar benefit increases	N/A
• Social Security wage base	N/A
• Inflation	3.00% per year Rationale: Based on the inflation assumption periodically published by Mercer Investment Consulting in their <i>Capital Markets Outlook</i> .
• Expected investment return	The expected investment return is 7.50% per year but not greater than the 3 rd segment rate in effect for each year Rationale: The expected long-term return on assets assumption was developed based on the plan's current target investment allocation and a building block approach, which looked at the weighted average expected return for each asset class based on long-term capital market assumptions. The expected return for each asset class is composed of inflation plus a risk free rate of return, plus an expected risk premium for each asset class. The resulting return was then adjusted for administrative, investment management and trading expenses as well as recognition of alpha for active management
• Expenses	\$2,200,000 (added to current year target normal cost) Rationale: Based on an estimate of administrative expenses expected to be incurred in the current plan year

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

Demographic assumptions		
Withdrawal	N/A	
Disability incidence	N/A	
Retirement age	N/A	
Benefit commencement age for		
• Future vested deferred	N/A	
• Current vested deferred not retirement eligible at termination	Age 65	
• Current vested deferred retirement eligible at termination	Age 62	
Spouse assumptions	<u>Male participants</u>	<u>Female participants</u>
• Percentage married	85%	75%
• Spouse age difference	3 years younger	3 years older
Form of payment	<u>Single life</u>	<u>50% J&S</u>
• Future death	N/A	100%
• Current vested deferred	100%	N/A
Unpredictable contingent event assumptions	N/A	

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

Actuarial Methods for Funding

Asset Methods

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

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

Participant Methods

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

- **Participants included:** Conduent, Inc. provides us with data on all employees as of the valuation date, but only those employees who have completed the plan's eligibility requirements are included in the valuation of liabilities.
- **Participants excluded:** No actuarial liability is included for nonvested participants who terminated prior to the valuation date.
- **Insurance contracts:** The plan does have insurance contracts. Participating annuity contracts in the plan's IPG contract with John Hancock and Aetna are included in the valuation data.

Minimum Funding Methods

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

A detailed description of the calculation follows:

- The plan's valuation date is the beginning of the plan year.
- An individual's **funding target** is the present value of future benefits based on credited service and average pay as of the beginning of the plan year, and an individual's **target normal cost** is the present value of the benefit expected to accrue in the plan year. If multiple

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

decrements are used, the funding target and the target normal cost for an individual is the sum of the component funding targets and target normal costs associated with the various anticipated separation dates.

- The plan's **target normal cost** is the sum of the individual target normal costs, and the plan's **funding target** is the sum of the individual funding targets for all participants under the plan.

**SCHEDULE SB
(Form 5500)**Department of the Treasury
Internal Revenue ServiceDepartment of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

**Single-Employer Defined Benefit Plan
Actuarial Information**

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

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

OMB No. 1210-0110

2017**This Form is Open to Public
Inspection**

For calendar plan year 2017 or fiscal plan year beginning 01/01/2017 and ending 12/31/2017

▶ **Round off amounts to nearest dollar.**▶ **Caution:** A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan RAYTHEON RETIREMENT PLAN FOR ENGINEERS & CONSTRUCTORS, INC. AND AIRCRAFT CREDIT EMPLOYEES		B Three-digit plan number (PN) ▶	001
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF RAYTHEON AIRCRAFT CREDIT CORP.		D Employer Identification Number (EIN) 48-0619846	
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B		F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500	

Part I Basic Information

1 Enter the valuation date: Month <u>01</u> Day <u>01</u> Year <u>2017</u>			
2 Assets:			
a Market value.....		2a	677,518,159
b Actuarial value.....		2b	693,508,607
3 Funding target/participant count breakdown	(1) Number of participants	(2) Vested Funding Target	(3) Total Funding Target
a For retired participants and beneficiaries receiving payment.....	7,613	418,680,438	418,680,438
b For terminated vested participants.....	5,056	148,402,775	148,402,775
c For active participants.....	0	0	0
d Total.....	12,669	567,083,213	567,083,213
4 If the plan is in at-risk status, check the box and complete lines (a) and (b)..... ☐			
a Funding target disregarding prescribed at-risk assumptions.....		4a	
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor.....		4b	
5 Effective interest rate.....	5	5.76%	
6 Target normal cost.....	6	2,200,000	

Statement by Enrolled Actuary

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

**SIGN
HERE***Grace Barbieri* 

Signature of actuary

GRACE BARBIERI, F.S.A.

Type or print name of actuary

MERCER

Firm name

99 HIGH STREET

BOSTON MA 02110-2320

Address of the firm

August 20, 2018

Date

1707481

Most recent enrollment number

617-747-9500

Telephone number (including area code)

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

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

Schedule SB (Form 5500) 2017

Part II Beginning of Year Carryover and Prefunding Balances

	(a) Carryover balance	(b) Prefunding balance
7 Balance at beginning of prior year after applicable adjustments (line 13 from prior year).....	0	0
8 Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	0
9 Amount remaining (line 7 minus line 8).....	0	0
10 Interest on line 9 using prior year's actual return of <u>6.53%</u>	0	0
11 Prior year's excess contributions to be added to prefunding balance:		
a Present value of excess contributions (line 38a from prior year).....		0
b(1) Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of <u>5.95%</u>		0
b(2) Interest on line 38b from prior year Schedule SB, using prior year's actual return.....		0
c Total available at beginning of current plan year to add to prefunding balance.....		0
d Portion of (c) to be added to prefunding balance.....		0
12 Other reductions in balances due to elections or deemed elections.....	0	
13 Balance at beginning of current year (line 9 + line 10 + line 11d – line 12).....	0	0

Part III Funding Percentages

14	Funding target attainment percentage	14	122.29%
15	Adjusted funding target attainment percentage.....	15	122.29%
16	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	125.59%
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage.	17	%

Part IV Contributions and Liquidity Shortfalls

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

(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
			Totals ►	18(b)	0 18(c)

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

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

20 Quarterly contributions and liquidity shortfalls:

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

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

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

Liquidity shortfall as of end of quarter of this plan year			
(1) 1st	(2) 2nd	(3) 3rd	(4) 4th

Part V Assumptions Used to Determine Funding Target and Target Normal Cost**21** Discount rate:**a** Segment rates:1st segment:
4.16 %2nd segment:
5.72 %3rd segment:
6.48 %☐ N/A, full yield curve used**b** Applicable month (enter code).....**21b**

0

22 Weighted average retirement age**22****23** Mortality table(s) (see instructions) ☐ Prescribed - combined☒ Prescribed - separate☐ Substitute**Part VI Miscellaneous Items****24** Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment..... ☒ Yes ☐ No**25** Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment..... ☐ Yes ☒ No**26** Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment..... ☐ Yes ☒ No**27** If the plan is subject to alternative funding rules, enter applicable code and see instructions regarding attachment.....**27****Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years****28** Unpaid minimum required contributions for all prior years **28** 0**29** Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a)..... **29** 0**30** Remaining amount of unpaid minimum required contributions (line 28 minus line 29) **30** 0**Part VIII Minimum Required Contribution For Current Year****31** Target normal cost and excess assets (see instructions):**a** Target normal cost (line 6).....**31a**

2,200,000

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

2,200,000

32 Amortization installments:

Outstanding Balance

Installment

a Net shortfall amortization installment.....

0

0

b Waiver amortization installment

0

0

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

Carryover balance

Prefunding balance

Total balance

35 Balances elected for use to offset funding requirement.....

0

0

0

36 Additional cash requirement (line 34 minus line 35)..... **36** 0**37** Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)..... **37** 0**38** Present value of excess contributions for current year (see instructions)**a** Total (excess, if any, of line 37 over line 36)**38a**

0

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

0

39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)..... **39** 0**40** Unpaid minimum required contributions for all years **40** 0**Part IX Pension Funding Relief Under Pension Relief Act of 2010 (See Instructions)****41** If an election was made to use PRA 2010 funding relief for this plan:**a** Schedule elected ☐ 2 plus 7 years ☐ 15 years**b** Eligible plan year(s) for which the election in line 41a was made ☐ 2008 ☐ 2009 ☐ 2010 ☐ 2011**42** Amount of acceleration adjustment **42****43** Excess installment acceleration amount to be carried over to future plan years **43**

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

Effective date and plan year	Original plan: January 1, 1956 Restated plan: December 28, 2009 Plan year: January 1
Status of the plan	This plan has no active participants. It is closed to new entrants.
Significant events that occurred during the year	None
Eligibility	(a) Eligible employees under the plan as it existed prior to January 17, 1976 continue to participate. (b) All other salaried employees, excluding "Co-op" students and non-United States citizens hired and working outside of the United States, become eligible to participate according to the following provisions: (i) Employees hired on or after January 1, 1985: the first January 1 or July 1 following January 1, 1985 after they have completed an annual eligibility test period during which at least 1,000 hours are worked and they have attained age 21.

Schedule SB, Part V — Summary of Plan Provisions

(ii) Employees hired prior to January 1, 1985: the first January 1 or July 1 following January 1, 1976 after they have completed an annual eligibility test period during which at least 1,000 hours are worked and they have attained age 25.

(c) Stearns Catalytic employees as of November 25, 1986 receive service for eligibility and vesting purposes while with Stearns Catalytic and service for benefit purposes for employment on and after November 25, 1986.

(d) Badger employees as of May 1, 1993 receive service for eligibility and vesting purposes while with Badger. Service for benefit purposes is for employment on and after January 1, 1994 in addition to a frozen accrued benefit from the former Badger Plan calculated on May 1, 1993.

(e) Ebasco employees as of December 23, 1993 receive service for eligibility and vesting purposes while with Ebasco and service for benefit purposes for employment on and after January 1, 1994.

(f) Litwin employees as of July 23, 1995 receive service for eligibility and vesting purposes while with Litwin and service for benefit purposes for employment on and after January 1, 1996.

(g) Rust employees as of June 12, 1996 receive service for eligibility and vesting purposes while with Rust and service for benefit purposes for employment on and after June 12, 1996.

(h) Harbert-Yeargin employees as of December 31, 1996 receive service for eligibility and vesting purposes while with Harbert-Yeargin. Service for benefit purposes is for employment on and after January 1, 1997 in addition to a frozen accrued benefit from the former Harbert-Yeargin Plan calculated on December 31, 1996.

Definitions

• Annual eligibility Test Period	12-month period commencing on the employee's original employment date and extending to his annual anniversary date and each successive 12-month period thereafter.
• Credited service	Years and months of employment with the Company.

Schedule SB, Part V — Summary of Plan Provisions

• Compensation	(i) For years prior to January 1, 1969: Base earnings plus overtime excluding bonus, and other special compensation. (ii) For years after December 1, 1968: Base earnings excluding overtime, bonus, and other special compensation. (iii) For years after December 31, 1988: Compensation may not exceed the current amount.
----------------	---

• Average Past Earnings	The average of the 5 calendar years earnings from 1980 to 1984
-------------------------	--

Schedule SB, Part V — Summary of Plan Provisions

Normal retirement

- | | |
|---------------|---|
| • Eligibility | Age 65 |
| • Benefit | <p>(a) Past service benefit: 0.8% of base rate of earnings on December 31, 1955 in excess of \$4,200 multiplied by years of Credited Service on January 1, 1956 in excess of 5.</p> <p>b) Future service benefit: For service prior to January 1, 1964: 1.25% of annual earnings in excess of \$4,200 for each year of participation in the plan subsequent to the later of December 31, 1955 or completion of 60 months of Credited Service and prior to January 1, 1964.</p> <p>For service January 1, 1964 to December 31, 1971: 1.25% of annual earnings for each year of participation in the plan subsequent to the later of December 31, 1963 or completion of 60 months of Credited Service prior to January 1, 1972.</p> <p>For service January 1, 1972 to December 31, 1975: 1.25% of annual earnings up to \$9,000 plus 1.50% of the excess over \$9,000 for each year of participation in the plan subsequent to the later of December 31, 1971 or completion of 60 months of Credited Service prior to January 1, 1976.</p> <p>For service January 1, 1976 to December 31, 1980: 1.25% of annual earnings up to \$9,000 plus 1.50% of the excess over \$9,000 for each year of participation in the plan subsequent to the later of December 31, 1975 or date employee becomes eligible for participation.</p> <p>For service on and after January 1, 1981: 1.5% of annual earnings up to \$15,000 plus 1.75% of the excess over \$15,000 for each year of participation in the plan subsequent to the later of December 31, 1980 or date employee becomes eligible for participation.</p> |

Schedule SB, Part V — Summary of Plan Provisions

(c) Minimum for service to December 31, 1979: Retirees on and after January 1, 1980 shall not receive less than 1% of annual earnings as of December 31, 1979 for each year of service prior to January 1, 1980 after attainment of age 25 and completion of one year of service.

(d) Minimum for service to December 31 1984: Retirees on and after October 1, 1985 shall not receive less than the following: 1% of Average Past Earnings up to a maximum of \$15,000 plus 1.25% of Average Past Earnings in excess of \$15,000 times Credited Service prior to January 1, 1985.

e) As a result of the July 7, 2000 sale, all benefit accruals have been frozen.

Early retirement	
• Eligibility	Age 55 and 5 years of vesting service
• Benefit	As described under Normal Retirement reduced 6% for each year that the participant's early retirement date precedes his/her 64th birthday. There is no reduction in annual benefit payable prior to age 64 for employees with 40 or more years of Vesting Service.
Late retirement	
• Benefit	Benefits described under Normal Retirement based on Compensation and Credited Service at actual retirement date.
Vesting	
• Eligibility	All employees who terminate after completing 60 months of Vesting Service and completing 5 Annual Eligibility Test Periods during which 1,000 or more hours are worked.
• Exception	Employees whose employment was terminated by a transfer to Yeargin Inc. shall be fully vested in their benefit accrued to date of transfer.
• Annual Benefit	Upon attaining age 65, the vested terminated employee will receive the benefit credited under Normal Retirement prior to his/her date of termination. Participants are eligible for benefits as early as age 55, reduced as described under Early Retirement.

Schedule SB, Part V — Summary of Plan Provisions

Disability	
• Eligibility	Participants who are permanently disabled shall retire on an early retirement date requested by the participant and fixed by the Company.
• Benefit	Benefit credit as described under Normal Retirement continued through the disability and actuarially reduced for early payments of benefits.
Death Benefits	
• Pre-retirement	A benefit payable for the spouse's life beginning when the participant would have been age 55 or his/her age at death, if later. This benefit is calculated as if the participant had separated from service on the date of death, survived until eligible for early retirement, and retired with a 50% contingent annuity. This coverage is provided free of charge to all participants.
• Post-Retirement	None except as provided by the normal or an optional form of benefit.
Unpredictable contingent event benefits	N/A
Form of benefits	
• Automatic form for unmarried participants	Single life annuity
• Automatic form for married participants	Actuarially equivalent 50% Joint & Survivor Annuity
• Optional forms	50% Joint & Survivor Annuity 66 2/3% Joint & Survivor Annuity 75% Joint & Survivor Annuity 100% Joint & Survivor Annuity Life Annuity with 10-Year Certain
• Optional form conversion factors	Optional forms of annuity are converted based upon Actuarial Equivalence using 1971 TPF&C Forecast Mortality Table and an interest rate of 7%
Miscellaneous	
• Maximum benefits	Annual benefits may not exceed the limits in IRC Section 415. This limit is indexed annually. For 2017, the limit is \$215,000.

Schedule SB, Part V — Summary of Plan Provisions

Special provisions for employees of the Raytheon Aircraft Credit Corporation

Eligibility	Age 21 and one year of service. The plan is closed to new entrants.
Final Average Earnings	Annualized average of earnings during highest 60 consecutive months out of last 120 months. "Earnings" include base pay, cost of living adjustments, bonus, commissions, discretionary and productivity awards, unbankable sick leave, area pay and shift differentials, but may not exceed the compensation limit as specified in Section 401(a)(17) of the Internal Revenue Code.
Normal retirement	
• Eligibility	Age 65 and five years of service
• Benefit	<p>The greatest of:</p> <ul style="list-style-type: none"> 1.8 percent for the first 20 years of Membership plus 1.2 percent for the next 29 years multiplied by the excess of Final Average Earnings over the primary Social Security benefit, with a maximum adjustment for Social Security of 60%. For Raytheon employees who became participants prior to January 1, 1989, 1.2% of Final Average Earnings multiplied by service, but not to exceed 60% of Final Average Earnings less 50% of the Primary Social Security benefit. The dollar credit in effect for bargaining unit employees under the Raytheon Aircraft Company Retirement Income Plan for Hourly-Paid Employees (\$492) multiplied by service. <p>Benefits may not exceed the maximum benefit limit as specified in Section 415 of the Internal Revenue Code.</p> <p>As of January 1, 2014, no further benefits shall accrue under the Plan.</p>
Early retirement	
• Eligibility	Age 55 and five years of service
• Benefit	Accrued benefit reduced 5/12 percent for each month that the first payment date precedes age 62.

Schedule SB, Part V — Summary of Plan Provisions

Late retirement	
• Benefit	Benefit will continue to accrue until retirement
Vesting	
• Eligibility	5 years of service
• Benefit	Accrued benefit payable at age 65, or as early as age 55 reduced 5/9% for each of the first 60 months and 5/18% for each additional month that the first payment date precedes Normal Retirement Date.
Disability	
• Eligibility	Termination due to total and permanent disability.
• Benefit	<p>1.2% of Final Average Earnings times service, but not to exceed 60% of Final Average Earnings less 50% of the Primary Social Security benefit, commencing:</p> <ul style="list-style-type: none"> • if disability is work connected, after absence of 2 months. • if disability is not work connected and participant has at least 10 years of Vesting Service, after absence of 6 months.
Death Benefit	
• Eligibility for Pre-Retirement	5 years of vesting service
• Pre-Retirement	<p>Surviving Spouse Benefit equal to the amount payable to the member's spouse as if the member had survived to early retirement age, retired early, elected a 50 percent Joint and Survivor Annuity and then died. Benefit commences on first of month following the date the member would have been eligible to retire early and is payable for the lifetime of the spouse.</p> <p>For active participants eligible for early retirement or with at least 20 years of Vesting Service, the actuarial equivalent value of this benefit shall not be less than the Basic or Alternate Death Benefits.</p> <p>Basic Death Benefit: (if eligible for early retirement) 90 times accrued benefit less base group life insurance.</p>

Schedule SB, Part V — Summary of Plan Provisions

	Alternate Death Benefit: (if 20 years of service but not eligible for early retirement) accrued benefit times age plus service (not to exceed 90).
Form of benefits	
• Automatic form for unmarried participants	Single life annuity
• Automatic form for married participants	Actuarially equivalent 50% Joint & Survivor Annuity
• Optional forms	66 2/3% Joint & Survivor Annuity 5-Year or 10-Year Certain and Life
• Optional form conversion factors	Optional forms are converted based upon Actuarial Equivalence Actuarial Equivalence is based on a discount rate of 7.00% per annum and mortality rates as per the 1971 TPF&C tables Accelerated payments are subject to 417(e) of the code
Special Provisions	
• Eligibility	For salaried employees of Hangar One, Inc. on December 31, 1987
• Annual Benefit	For periods of service to December 31, 1987, a benefit based on the prior plan formula
Miscellaneous	
• Maximum benefits	Annual benefits may not exceed the limits in IRC Section 415. This limit is indexed annually. For 2017, the limit is \$215,000

Benefits Included or Excluded

Unless noted below, all benefits provided by the plan, as restated effective January 16, 2015, are included in this valuation:

- **Most recent plan amendments included:** Not applicable.
- **Plan amendments excluded:** None
- **Late retirement increases:**
 - *Deferred vested participants:* Current deferred vested participants over normal retirement age are valued with retroactive payments from age 65.
- **IRC Section 415(b) benefit limitations:** The limitation of Internal Revenue Code Section 415(b) have been incorporated into our calculations.
- **IRC Section 416 rules for top-heavy plans:** We did not test whether this plan is top-heavy (when the present value of benefits for key employees equals or exceeds 60% of the present value for all participants). However, we expect that the plan is not top-heavy due to the large number of rank-and-file participants; therefore, the funding target and target normal cost do not reflect any liability for top-heavy benefit accruals.

Schedule SB, Part V — Summary of Plan Provisions

Plan Provisions Specific to Funding

Additional Benefits Included or Excluded

- **IRC Section 436 benefit restrictions:**
 - Unpredictable contingent event benefits: N/A
 - Plan amendments: See above.
 - Prohibited payments: Limitations on prohibited benefits (if any) are reflected for annuity starting dates before the valuation date but are ignored for annuity starting dates on or after the valuation date.
 - Benefit accruals: N/A
 - Scheduled benefit increases: None.
- **Unpredictable contingent event benefits:** The plan does not have any unpredictable contingent event benefits

Plan Provision Changes Since Prior Valuation

- Maximum benefits were updated from 2016 to 2017.

**Raytheon Retirement Plan for Engineers & Constructors and Aircraft
Credit Employees**
Schedule H, line 4i – Schedule of Assets (Held at End of Year)
December 31, 2017

Identity of issue, borrower, lessor or similar party	Description of investment including maturity date, rate of interest, collateral, par, or maturity value	Account type	Cost	Current Value
*John Hancock Life Insurance Company- Contract # 436 GAC	General Account—Unallocated, 3.76%, no stated maturity	General Account	\$ 6,988,621	\$ 6,988,621
*Aetna Life Insurance Company- Contract #000884	Investment Service Account, 3.97%, no stated maturity	General Account	3,626,186	3,626,186
*Voya Retirement Insurance and Annuity Company- Contract #PH1239	Guaranteed Investment Account, 3.00%, no stated maturity	Separate Account	<u>754,231</u>	<u>754,231</u>
Total unallocated insurance contracts			<u>\$ 11,369,039</u>	<u>\$ 11,369,039</u>

* Party-in-interest

Schedule SB, line 24 — Change in Actuarial Assumption

- Mortality and interest rates were updated from 2016 to 2017 in accordance with PPA.
- The expense component of normal cost increased from \$2,100,000 to \$2,200,000 to reflect our best estimate of the current plan year's expenses.
- The expected return on assets decreased from 8.00% to 7.50% to better reflect expected returns.
- Current vested deferred commencement ages were updated to reflect expected future plan experience.