

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6057(b) and 6058(a) of the Internal Revenue Code (the Code). ▶ Complete all entries in accordance with the instructions to the Form 5500.	OMB Nos. 1210-0110 1210-0089 <div style="text-align: center; font-size: 24pt; font-weight: bold;">2018</div> This Form is Open to Public Inspection
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Part I	Annual Report Identification Information For calendar plan year 2018 or fiscal plan year beginning <u>01/01/2018</u> and ending <u>12/31/2018</u>
A This return/report is for:	☐ a multiemployer plan ☐ a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions.) ☒ a single-employer plan ☐ a DFE (specify) _____
B This return/report is:	☐ the first return/report ☐ the final return/report ☐ an amended return/report ☐ a short plan year return/report (less than 12 months)
C If the plan is a collectively-bargained plan, check here.	☐
D Check box if filing under:	☒ Form 5558 ☐ automatic extension ☐ the DFVC program ☐ special extension (enter description)

Part II	Basic Plan Information—enter all requested information		
1a Name of plan <u>DYNAMICS RESEARCH CORPORATION DEFINED BENEFIT PENSION PLAN</u>	1b Three-digit plan number (PN) ▶	<u>002</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>ENGILITY CORPORATION</u> <u>4803 STONECROFT BOULEVARD</u> <u>CHANTILLY, VA 20151</u>	1c Effective date of plan <u>01/01/1980</u>	2b Employer Identification Number (EIN) <u>04-2393618</u>	2c Plan Sponsor's telephone number <u>703-375-6508</u>
		2d Business code (see instructions) <u>541990</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.	08/21/2019	KELLY SMALLWOOD
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	08/21/2019	PAUL LEHRER
	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 (2018)
v. 171027

3a Plan administrator's name and address ☒ Same as Plan Sponsor	3b Administrator's EIN 3c Administrator's telephone number <div style="background-color: #cccccc; height: 40px; width: 100%;"></div>
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 1183
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 a(2) Total number of active participants at the end of the plan year b Retired or separated participants receiving benefits..... c Other retired or separated participants entitled to future benefits d Subtotal. Add lines 6a(2) , 6b , and 6c e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits. f Total. Add lines 6d and 6e g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested	<div style="background-color: #cccccc; height: 20px; width: 100%;"></div> 6a(1) 23 6a(2) 19 6b 782 6c 249 6d 1050 6e 105 6f 1155 6g 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:

11

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
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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)** ☒ 1 **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 2018 Form M-1 annual report. If the plan was not required to file the 2018 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code _____

<div>SCHEDULE A (Form 5500) <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>	<div>Insurance 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> <div>▶ Insurance companies are required to provide the information pursuant to ERISA section 103(a)(2).</div>	<div>OMB No. 1210-0110</div> <div>2018</div> <div>This Form is Open to Public Inspection</div>
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For calendar plan year 2018 or fiscal plan year beginning 01/01/2018 and ending 12/31/2018		
A Name of plan DYNAMICS RESEARCH CORPORATION DEFINED BENEFIT PENSION PLAN	B Three-digit plan number (PN) ▶	002
C Plan sponsor's name as shown on line 2a of Form 5500 ENGILITY CORPORATION	D Employer Identification Number (EIN) 04-2393618	

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.
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1 Coverage Information:

(a) Name of insurance carrier PRUDENTIAL RETIREMENT INSURANCE AND ANNUITY COMPANY
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(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
06-1050034	93629	IN-17498	1155	01/01/2018	12/31/2018

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.
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(a) Total amount of commissions paid 0	(b) Total amount of fees paid 0
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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
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(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	95109
5 Current value of plan's interest under this contract in separate accounts at year end	5	0

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. Specify nature of costs ▶	6d	

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 ▶ **GUARANTEED GENERAL ACCOUNT CONTRACT**

b Balance at the end of the previous year.....	7b	2577730
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c Additions: (1) Contributions deposited during the year	7c(1)	55597	
	7c(2)		
	7c(3)	26057	
	7c(4)		
	7c(5)	3279438	

▶ **EARNINGS CREDIT TRANSFER FROM OUTSIDE FUNDS**

(6) Total additions.....	7c(6)	3361092
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d Total of balance and additions (add lines 7b and 7c(6))	7d	5938822
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e Deductions:

(1) Disbursed from fund to pay benefits or purchase annuities during year	7e(1)	4947884	
	7e(2)		
	7e(3)		
	7e(4)	895829	

▶ **CONTRACT EXPENSE CHARGE ELECTIVE SERVICE CHARGE
PAYMENT OF PLAN EXPENSES, PBGC FEE**

(5) Total deductions.....	7e(5)	5843713
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f Balance at the end of the current year (subtract line 7e(5) from line 7d)	7f	95109
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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)	
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)	
(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)	
(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 SB (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Single-Employer Defined Benefit Plan Actuarial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500 or 5500-SF.	OMB No. 1210-0110 2018 This Form is Open to Public Inspection
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For calendar plan year 2018 or fiscal plan year beginning 01/01/2018 and ending 12/31/2018

▶ **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 <u>DYNAMICS RESEARCH CORPORATION DEFINED BENEFIT PENSION PLAN</u>	B Three-digit plan number (PN) ▶ <u>002</u>
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF <u>ENGILITY CORPORATION</u>	D Employer Identification Number (EIN) <u>04-2393618</u>

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

1 Enter the valuation date: Month <u>01</u> Day <u>01</u> Year <u>2018</u>			
2 Assets:			
a Market value.....	2a	<u>54408629</u>	
b Actuarial value	2b	<u>52739880</u>	
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	<u>892</u>	<u>47831202</u>	<u>47831202</u>
b For terminated vested participants	<u>268</u>	<u>13136679</u>	<u>13136679</u>
c For active participants	<u>23</u>	<u>564551</u>	<u>567655</u>
d Total	<u>1183</u>	<u>61532432</u>	<u>61535536</u>
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	<u>5.54 %</u>	
6 Target normal cost	6	<u>800000</u>	

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		<u>07/01/2020</u>
Signature of actuary		Date
<u>MICHAEL J. GRENIER, ASA, EA</u>		<u>17-05523</u>
Type or print name of actuary		Most recent enrollment number
<u>PRIAC</u>		<u>860-534-2695</u>
Firm name		Telephone number (including area code)
<u>280 TRUMBULL STREET P.O. BOX 2975 HARTFORD, CT 06103</u>		
Address of the firm		

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

Part II Beginning of Year Carryover and Prefunding Balances

	(a) Carryover balance	(b) Prefunding balance
7 Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	0	0
8 Portion elected for use to offset prior year's funding requirement (line 35 from prior year)		
9 Amount remaining (line 7 minus line 8)	0	0
10 Interest on line 9 using prior year's actual return of <u>11.27</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)		1857213
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>5.75</u> %		106790
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		1964003
d Portion of (c) to be added to prefunding balance		1964003
12 Other reductions in balances due to elections or deemed elections	0	0
13 Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	0	1964003

Part III Funding Percentages

14 Funding target attainment percentage	14	82.51%
15 Adjusted funding target attainment percentage	15	82.51%
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	84.02%
17 If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage.	17	%

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

(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
01/11/2019	544000				
01/29/2019	447111				
Totals ▶			18(b)	991111	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	936030

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
0	0	0	0

Part V Assumptions Used to Determine Funding Target and Target Normal Cost**21** Discount rate:**a** Segment rates:

1st segment:

3.92%

2nd segment:

5.52%

3rd segment:

6.29%

☐ N/A, full yield curve used**b** Applicable month (enter code).....**21b**

4

22 Weighted average retirement age**22**

62

23 Mortality table(s) (see instructions)

Prior regulation:

☐

Prescribed - combined

☒

Prescribed - separate

☐

Substitute

Current regulation:

☐

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**

800000

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

0

32 Amortization installments:

Outstanding Balance

Installment

a Net shortfall amortization installment.....

10759659

2100033

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**

2900033

Carryover balance

Prefunding balance

Total balance

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

0

1964003

1964003

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

936030

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

936030

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

<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
		2018
		This Form is Open to Public Inspection.

For calendar plan year 2018 or fiscal plan year beginning 01/01/2018 and ending 12/31/2018		
A Name of plan DYNAMICS RESEARCH CORPORATION DEFINED BENEFIT PENSION PLAN	B Three-digit plan number (PN) ▶	002
C Plan sponsor's name as shown on line 2a of Form 5500 ENGILITY CORPORATION	D Employer Identification Number (EIN) 04-2393618	

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

1 Information on Persons Receiving Only Eligible Indirect Compensation

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

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

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation
PRUDENTIAL RETIREMENT INS & ANNUITY
06-1050034

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

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

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

PRUDENTIAL RETIREMENT INSURANCE AND

06-1050034

(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?
	NONE	90276	Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

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

LOCKTON INVESTMENT ADVISORS LLC

20-3247391

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
28 51	NONE	75000	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

MOODY FAMIGLIETTI AND ANDRONICO LLP

04-3077056

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
10 50	NONE	15250	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)

TOWERS WATSON DELAWARE INC.

53-0181291

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
11 50	NONE	5030	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 ☐

(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 H (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110
		2018
		This Form is Open to Public Inspection

For calendar plan year 2018 or fiscal plan year beginning 01/01/2018 and ending 12/31/2018		
A Name of plan DYNAMICS RESEARCH CORPORATION DEFINED BENEFIT PENSION PLAN	B Three-digit plan number (PN) ►	002
C Plan sponsor's name as shown on line 2a of Form 5500 ENGILITY CORPORATION	D Employer Identification Number (EIN) 04-2393618	

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	549230	29561
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions.....	1b(1)	0	991111
(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)		
(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)	50732440	45725001
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)	2577730	95109
(15) Other.....	1c(15)	549230	0

		(a) Beginning of Year	(b) End of Year
1d	Employer-related investments:		
(1)	Employer securities	1d(1)	
(2)	Employer real property	1d(2)	
e	Buildings and other property used in plan operation	1e	
f	Total assets (add all amounts in lines 1a through 1e)	1f	54408630 46840782
Liabilities			
g	Benefit claims payable	1g	
h	Operating payables	1h	
i	Acquisition indebtedness	1i	
j	Other liabilities	1j	
k	Total liabilities (add all amounts in lines 1g through 1j)	1k	0 0
Net Assets			
l	Net assets (subtract line 1k from line 1f)	1l	54408630 46840782

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.

		(a) Amount	(b) Total
a	Contributions:		
(1)	Received or receivable in cash from: (A) Employers	2a(1)(A)	991111
	(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)	991111
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)	26057
	(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)	26057
(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)	1335622
	(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)	1335622
(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)		
(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)		-4116372
c Other income.....	2c		39447
d Total income. Add all income amounts in column (b) and enter total	2d		-1724135

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	4947884	
(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)		4947884
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)	895829	
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		895829
j Total expenses. Add all expense amounts in column (b) and enter total	2j		5843713

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		-7567848
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: MOODY FAMIGLIETTI & ANDRONICO LLP

(2) EIN: 04-3077056

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.)	4c		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.).....	4d		X	
e Was this plan covered by a fidelity bond?	4e	X		1000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	4f		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?.....	4g		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?.....	4h		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	4i	X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)	4j	X		
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?	4k		X	
l Has the plan failed to provide any benefit when due under the plan?.....	4l		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	4m		X	
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.	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 4155294. (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 2018 This Form is Open to Public Inspection.
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For calendar plan year 2018 or fiscal plan year beginning 01/01/2018 and ending 12/31/2018

A Name of plan <u>DYNAMICS RESEARCH CORPORATION DEFINED BENEFIT PENSION PLAN</u>	B Three-digit plan number (PN) ▶ <u>002</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>ENGILITY CORPORATION</u>	D Employer Identification Number (EIN) <u>04-2393618</u>

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

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions	1	<u>0</u>
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): <u>22-1211670</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>1</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
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9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box.....	☐ Increase	☐ Decrease	☐ Both	☒ No
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Part IV	ESOPs (see instructions). If this is not a plan described under section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.
----------------	---

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) 2018
v. 171027

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

b The plan year immediately preceding the current plan year

c The second preceding plan year

14a**14b****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

b The corresponding number for the second preceding plan year

15a**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

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

16a**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: 54 % Investment-Grade Debt: 22 % High-Yield Debt: 19 % Real Estate: _____ % Other: 5 %

- 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):

**DYNAMICS RESEARCH CORPORATION
DEFINED BENEFIT PENSION PLAN**

FINANCIAL STATEMENTS

DECEMBER 31, 2018 AND 2017

Engineering Growth for More Than 30 Years

Business Consulting | Financial Advisory | Strategic Intelligence



To the Plan Administrator
Dynamics Research Corporation Defined Benefit Pension Plan
Chantilly, Virginia

INDEPENDENT AUDITORS' REPORT

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of the Dynamics Research Corporation Defined Benefit Pension Plan (the Plan), which comprise the statements of net assets available for plan benefits as of December 31, 2018 and 2017, and the related statement of changes in net assets available for plan benefits for the year ended December 31, 2018, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on conducting the audit in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the Plan Administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 11, which was certified by Prudential Bank & Trust, FSB, the trustee of the Plan, except for comparing such information with the related information included in the financial statements. We have been informed by the Plan Administrator that the trustee holds the Plan's investment assets and executes investment transactions. The Plan Administrator has obtained a certification from the trustee as of and for the years ended December 31, 2018 and 2017, that the information provided to the Plan Administrator by the trustee is complete and accurate.

Disclaimer of Opinion

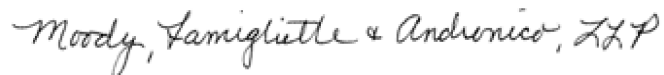
Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on these financial statements.

Other Matter

The supplemental schedules of assets (held at end of year) as of December 31, 2018 and reportable transactions for the year ended December 31, 2018 are required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 and are presented for the purpose of additional analysis and are not required parts of the financial statements. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on these supplemental schedules.

Report on Form and Content in Compliance with the Department of Labor's Rules and Regulations

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

A handwritten signature in cursive script that reads "Moody, Famiglietti & Andronico, LLP".

Moody, Famiglietti & Andronico, LLP
Tewksbury, Massachusetts
August 20, 2019

Statements of Net Assets Available for Plan Benefits**Dynamics Research Corporation
Defined Benefit Pension Plan**

December 31	2018	2017
Assets		
Investments at Fair Value:		
Mutual Funds	\$ 45,725,001	\$ 50,732,440
Hedge Funds	-	549,230
Contract with Insurance Entity, at Contract Value	95,109	2,577,730
Total Investments	45,820,110	53,859,400
Receivables:		
Plan Sponsor Contributions Receivable	991,111	-
Cash - Noninterest Bearing	29,561	549,230
Net Assets Available for Plan Benefits	\$ 46,840,782	\$ 54,408,630

**Statement of Changes in Net Assets Available for
Plan Benefits**

**Dynamics Research Corporation
Defined Benefit Pension Plan**

For the Year Ended December 31

2018

Additions to Net Assets:

Investment Loss:

Net Depreciation in Fair Value of Investments \$ (4,116,372)

Interest and Dividend Income from Investments 1,361,679

Net Investment Loss (2,754,693)

Contributions:

Plan Sponsor Contributions 991,111

Other Income 39,447

Total Contributions 1,030,558

Net Additions (1,724,135)

Deductions from Net Assets:

Benefits Paid to Participants 4,947,884

Administrative Expenses 895,829

Total Deductions 5,843,713

Net Decrease in Net Assets Available for Plan Benefits (7,567,848)

Net Assets Available for Plan Benefits, Beginning of Year 54,408,630

Net Assets Available for Plan Benefits, End of Year \$ 46,840,782

1. Description of the Plan:

The following description of Dynamics Research Corporation Defined Benefit Pension Plan (the Plan) provides only general information. Participants should refer to the Plan agreement for more complete information regarding the terms of the Plan.

General: The Plan is a noncontributory defined benefit plan maintained for the purpose of providing retirement benefits to eligible employees of Engility Corporation (the Plan Sponsor). The Plan Sponsor was formerly Dynamics Research Corporation, which merged with Engility Corporation, effective December 31, 2017. The Plan Sponsor is a wholly-owned subsidiary of Engility Holdings, Inc. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA). The Board of Directors governing the Plan Sponsor is responsible for oversight of the Plan. The Board of Directors of the Plan Sponsor determines the appropriateness of the Plan's investment offerings and monitors investment performance.

Effective June 30, 2002, the Board of Directors of Dynamics Research Corporation voted to freeze participation in the Plan and to amend the Plan's accrual of future benefits.

Eligibility: Through June 30, 2002, generally, all employees of Dynamics Research Corporation who had completed 12 consecutive months of service and at least 1,000 hours and who did not make a special election to the contrary were considered Participants in the Plan (the "Participants").

Funding Policy: The Plan Sponsor makes contributions to the Plan to meet or exceed the annual ERISA minimum funding requirements as determined by the Plan's independent actuary. No voluntary employee contributions are permitted. For the year ended December 31, 2018, the minimum funding requirement was met.

During the year ended December 31, 2018, contributions were made to the Plan in the amount of \$991,111.

Vesting: As of June 30, 2007, all Participants were fully vested.

Pension Benefits: The Plan provides for retirement benefits in the form of a life annuity to be paid to Participants who have reached the age of 65 and who

have retired from active service with the Plan Sponsor. In addition, the Plan provides for benefits upon early retirement, vested termination and pre-retirement death and disability. The annual normal retirement benefit is the greatest of:

- 0.6833% of average annual compensation plus 0.65% of average annual compensation in excess of Social Security Covered Compensation multiplied by years of benefit service up to 30 years;
- the benefit accrued as of December 31, 1987 under the former plans;
- \$60 multiplied by years of benefit service.

Effective October 1, 2007, the Board of Directors of Dynamics Research Corporation approved plan participants age 65 or older to continue working at their current schedule and be eligible to begin receiving their full pension payments. Plan participants who do not choose to commence pension payments will receive an actuarial adjustment when they do decide to start receiving pension benefits, to reflect their delayed retirement beyond age 65.

2. Significant Accounting Policies:

Basis of Accounting: The financial statements of the Plan are prepared under the accrual method of accounting.

Investment Valuation and Income Recognition: Investments are reported at fair value, except for the Plan's contract with insurance entity, which is reported at contract value (see Note 5). Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Pension Committee, serving as the Plan Administrator, determines the Plan's valuation policies utilizing information provided by the investment advisers, trustee, and insurance company. See Note 4 for further discussion of fair value measurements. Contract value represents deposits made to the contract, plus earnings at guaranteed crediting rates, less withdrawals and administrative expenses charged by the contract issuer. Funds under the contract that have been allocated and applied to purchase annuities (that is, the contract issuer is obligated to pay the related pension benefits) are excluded from the Plan's assets.

2. Significant Accounting Policies (Continued):

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation (depreciation) includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Payment of Benefits: Benefits are recorded when paid.

Expenses: Certain expenses of maintaining the Plan are paid directly by the Plan Sponsor and are excluded from these financial statements. Investment-related expenses are included in net appreciation (depreciation) in fair value of investments.

Use of Estimates: The preparation of the financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosures of contingent assets and liabilities. Actual results could differ from those estimates.

Subsequent Events: The Plan Administrator has evaluated subsequent events through August 20, 2019, the date the financial statements were available to be issued.

3. Actuarial Present Value of Accumulated 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 employees who have died, and (c) present employees or their beneficiaries. Benefits under the Plan are accumulated based on employees' compensation during each year of credited service. The accumulated plan benefits for active employees will equal the accumulation, with interest, of the annual benefit accruals as of the benefit information date.

Benefits payable under all circumstances—retirement, death, disability, and termination of employment—are included, to the extent they are deemed attributable to employee service rendered to the valuation date. Benefits to be provided via annuity contracts excluded from plan assets are excluded from accumulated plan benefits. The actuarial present value of accumulated plan benefits is determined by an independent actuary and is that amount that 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 valuations as of December 31, 2018 and 2017 were (a) life expectancy of participants, (b) retirement age assumptions, and (c) investment return. The foregoing actuarial assumptions are based on the presumption that the Plan will continue. Were the Plan to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated Plan benefits.

The computations of the actuarial present value of accumulated plan benefits were made as of January 1, 2019 and 2018. Had the valuations been performed as of December 31, there would be no material differences. Prudential Financial, Inc. is the Plan's current actuarial consultant and performed the January 1, 2019 and 2018 actuarial valuation.

During 2018, the actuarial assumptions were changed to better reflect expected plan experience. The ASC 960 mortality assumption has been changed from the RP-2014 Adjusted to 2006 Total Dataset Mortality Table with projection scale MP-2017 to the RP-2014 Adjusted to 2006 Total Dataset Mortality Table with projection scale MP-2018. In addition, the investment return was changed from 7.50% to 7.00%. The effect of changes in assumptions on the calculation of actuarial present value of accumulated plan benefits during the year ended December 31, 2018, amounted to \$1,993,891.

3. Actuarial Present Value of Accumulated Benefits (Continued):

The significant assumptions used in the actuarial valuation as of December 31, 2018 and 2017 are as follows:

	2018	2017
Investment Return	7.00% compounded annually	7.50% compounded annually
Mortality Table	RP-2014 Mortality Tables with separate rates for males and females with generational projection back to 2006 using scale MP-2014 and then projected forward generationally from 2006 using scale MP-2018.	RP-2014 Mortality Tables with separate rates for males and females with generational projection back to 2006 using scale MP-2014 and then projected forward generationally from 2006 using scale MP-2017.
Normal Retirement Age	It is assumed Participants will retire based on the following rates: 55-59: 5%; 60-61: 10%, 62-64: 15%; and 65: 100%	It is assumed Participants will retire based on the following rates: 55-59: 5%; 60-61: 10%, 62-64: 15%; and 65: 100%

The actuarial present value of accumulated plan benefits at December 31, 2018 and 2017 is as follows:

	2018	2017
Actuarial Present Value of Vested Accumulated Plan Benefits:		
Participants Currently Receiving Benefits	\$ 43,879,378	\$ 42,775,690
Other Participants	11,360,585	11,313,356
	<u>55,239,963</u>	<u>54,089,046</u>
Actuarial Present Value of Nonvested Accumulated Plan Benefits	2,817	3,446
	<u>\$ 55,242,780</u>	<u>\$ 54,092,492</u>

The changes in the actuarial present value of accumulated plan benefits for the year ended December 31, 2018 consist of the following:

Actuarial Present Value of Accumulated Plan Benefits, Beginning of Year	<u>\$ 54,092,492</u>
Increase (Decrease) During the Year Attributable to:	
Increase for Interest	3,855,929
Benefits Paid	(4,947,884)
Change in Actuarial Assumptions	1,993,891
Actuarial Losses (Gains)	<u>248,352</u>
Net Increase	<u>1,150,288</u>
Actuarial Present Value of Accumulated Plan Benefits, End of Year	<u>\$ 55,242,780</u>

4. Fair Value Measurements:

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described as follows:

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

Level 2 - Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability; and
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

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

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

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

Following is a description of the valuation methodologies used for assets measured at fair value as of December 31, 2018 and 2017.

Mutual Funds: Valued at the daily closing price as reported by the fund. Mutual funds held by the Plan are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.

Hedge Funds: Valued based on the NAV per share, without further adjustment. The NAV is used as a practical expedient to estimate fair value. NAV is based upon the fair value of the underlying investments.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

4. Fair Value Measurements (Continued):

The following table sets forth, by level within the fair value hierarchy, the Plan's fair value measurements as of December 31, 2018 and 2017:

		Assets at Fair Value as of December 31, 2018			
		Total	Level 1	Level 2	Level 3
Investments:					
Mutual Funds		\$ 45,725,001	\$ 45,725,001	\$ -	\$ -
Total Investments		\$ 45,725,001	\$ 45,725,001	\$ -	\$ -
		Assets at Fair Value as of December 31, 2017			
		Total	Level 1	Level 2	Level 3
Investments:					
Mutual Funds		\$ 50,732,440	\$ 50,732,440	\$ -	\$ -
Total Assets in the Fair Value Hierarchy		50,732,440	\$ 50,732,440	\$ -	\$ -
Investments Measured at Net Asset Value		549,230			
Investments at Fair Value		\$ 51,281,670			

Investment strategies relating to investments measured at fair value based on NAV used as a practical expedient are as follows:

Hedge Fund:

- The investment objective of the Millennium International, Ltd. Fund is to achieve above-average appreciation by opportunistically trading and investing in a wide variety of securities, instruments, and other investment opportunities and engaging in a broad array of trading and investment strategies.

The following table summarizes investments measured at fair value based on NAV used as a practical expedient as of December 31, 2017:

Financial Asset	Fair Value as of December 31, 2017	Unfunded Commitments	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
Hedge Funds:				
Millennium International, Ltd. Fund	\$ 549,230	None	Quarterly *	90 Days

*Investments in the Millennium International, Ltd. Fund may be redeemed, in whole or in part, upon at least 90 days' prior written notice to Millennium International and to the fund administrator. A holder may not redeem more than 25% of such holder's shares in any one quarter, except that the holder may, upon at least 90 days' prior written notice, elect to redeem a specified amount or percentage of such shares then held over the next succeeding quarterly redemption dates.

5. Contract with Insurance Entity:

During 2017, the Plan entered into a deposit administration contract with Prudential Retirement Insurance and Annuity Company (PRIAC). Amounts contributed to the contract are merged with the general assets of PRIAC and earn a guaranteed crediting rate, as defined, which is established on an annual basis by PRIAC. The guaranteed crediting rate as of December 31, 2018 is 0.0%. At the direction of the Plan, a single premium to buy an annuity for a retiring employee is withdrawn by PRIAC from the unallocated fund. Purchased annuities are contracts under which PRIAC is obligated to pay benefits to named employees or their beneficiaries. Payment obligations and the fulfillment of any guarantees specified in the group annuity contract are insurance claims supported by the assets in the investment. If such assets are not sufficient, payment is supported by the full faith and credit of PRIAC, for which the Plan Sponsor is obligated to make a contribution in the amount of the insufficiency. In the event of termination of the contract, the Plan's trustee may elect to receive (i) a payment of book value of the contract, as defined, which may be payable over a period of up to five years, (ii) a single sum payment, which may be adjusted to reflect the market value of the contract, as defined, or (iii) a payment of book value, as defined, in annual installments over a period of ten years.

6. Party-in-Interest Transactions:

Certain Plan investments are managed by Prudential Bank & Trust, FSB, trustee of the Plan and, therefore, these transactions qualify as party-in-interest transactions. Fees incurred by the Plan for the investment management services are included in net appreciation (depreciation) in fair value of investments, as they are paid through revenue sharing, rather than direct payment, in the accompanying statement of changes in net assets available for plan benefits for the year ended December 31, 2018. During the year ended December 31, 2018, the Plan made direct payments to Prudential Bank & Trust, FSB, Lockton Investment Advisors LLC, and Moody, Famiglietti & Andronico, LLP, the recordkeeper, advisor, and auditor, respectively, in the aggregate

amount of \$895,829 which was not covered by revenue sharing. The Plan Sponsor pays directly any other fees related to the Plan's operations.

7. Tax Status:

The Internal Revenue Service has determined and informed the Plan Sponsor by a letter dated September 24, 2015, that the Plan and related trust are designed in accordance with the applicable provisions of the IRC. The Plan has been amended since receiving the determination letter; however, the Plan Administrator believes that the Plan and the related trust are currently being operated in compliance with the applicable provisions of the IRC. Therefore, the Plan Sponsor is of the opinion that the Plan and the related trust were tax-exempt as of and for the year ended December 31, 2018.

GAAP requires plan management to evaluate tax positions taken by the Plan and to recognize a tax liability (or asset) if the Plan Sponsor has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. The Plan Administrator believes it has no uncertain tax positions as of December 31, 2018 and 2017 and for the year ended December 31, 2018.

8. Plan Termination:

While it is the intention of the Plan Sponsor to continue the Plan indefinitely, the Plan Sponsor reserves the right to terminate or amend the Plan at any time subject to the provisions of ERISA. In the event of termination, the rights of all Participants to benefits will become nonforfeitable to the extent funded or as guaranteed by the Pension Benefit Guaranty Corporation (PBGC), a U.S. government agency. The priorities for determining the allocation of Plan assets would be governed by ERISA and regulations issued by the PBGC. Prudential Bank & Trust, FSB, the trustee, will make distributions to the Participants or their beneficiaries in accordance with the instructions of the Pension Committee, or in the absence of such instructions, as the trustee deems advisable.

9. Frozen Plan:

On December 11, 2001, the Board of Directors of Dynamics Research Corporation voted to freeze membership to the Plan and to amend the Plan's accrual of benefits as of June 30, 2002. Effective June 30, 2002, all Participants eligible for benefits will receive those earned benefits. Such benefits were calculated as of June 30, 2002, based on each Participant's highest five consecutive years of earnings through that date. The calculated benefit was increased annually by 3%, for the plan years ended December 31, 2003 through December 31, 2006. Effective January 1, 2007, the 3% annual increase was discontinued.

From January 1, 2017 to January 1, 2019, the number of active participants declined due to general active participation attrition. The Plan provided notice to the PBGC of the decline in active participants as a reportable event.

10. Risks and Uncertainties:

The Plan invests in various investment securities. Investment securities are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and such changes could materially affect the Plan's assets and the amounts reported in the accompanying statements of net assets available for plan benefits.

11. Information Certified by the Trustee:

The Plan Administrator has elected the method of compliance, commonly referred to as the limited-scope audit exemption, permitted under 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. Accordingly, no auditing procedures with respect to the information certified by Prudential Bank & Trust, FSB, trustee of the Plan, were performed by the independent auditors except for comparing the information to the financial statements and supplemental schedules. The trustee has certified as to the completeness and accuracy of the investments held by the Plan as of December 31, 2018 and 2017, the investment income (loss) and the investment-related transactions of the Plan for the year ended December 31, 2018, and the information contained in the accompanying supplemental schedules of assets (held at end of year) as of December 31, 2018 and reportable transactions for the year ended December 31, 2018. All of the investments were certified at fair value, with the exception of the fully-benefit responsive investment contract, which was certified at contract value.

12. Subsequent Events:

Effective January 14, 2019, Engility Holdings, Inc. was acquired by Science Applications International Corporation (SAIC). SAIC became the Plan Sponsor on the effective date of the acquisition.

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

Dynamics Research Corporation
Defined Benefit Pension Plan
EIN#04-2393618/ Plan #002

As of December 31, 2018

(a)	(b) Identity of Issue, Borrower, Lessor or Similar Party	(c) Description of Investment, Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	(d) Cost	(e) Current Value
		<u>Mutual Funds:</u>		
*	Neuberger	Neuberger Berman Strategic Income I	\$ 8,726,519	\$ 8,161,207
	Prudential	Prudential Total Return Bond Q	8,218,808	7,860,120
	MFS	MFS International Diversification R4	6,630,802	5,956,243
	Pioneer	Pioneer Fundamental Growth Y	6,131,792	5,680,181
	Invesco	Invesco Diversified Dividends R6	6,530,071	5,677,302
	PIMCO	PIMCO All-Asset Institutional	4,428,173	4,006,589
	American Funds	American Funds New World R6	3,693,809	3,262,506
	Victory	Victory Sycamore Established Value I	3,122,359	2,656,301
	American Beacon	American Beacon Small Cap Value Inst	3,302,494	2,464,552
		<u>Contract with Insurance Entity:</u>		
*	PRIAC	Guaranteed Deposit	95,109	95,109
		Total Investments	<u>\$ 50,879,936</u>	<u>\$ 45,820,110</u>
		Cash - Noninterest Bearing	<u>\$ 29,561</u>	<u>\$ 29,561</u>

(*) Represents a party-in-interest to the Plan.

Reportable transactions for the year ended December 31, 2018 are summarized as follows:

(a) Identity of Party Involved	(b) Description of Asset	(c) Purchase Price	(d) Selling Price	(e) Lease Rental	(f) Expense Incurred with Transaction	(g) Cost of Assets	(h) Current Value of Assets on Transaction Date	(i) Net Gain (Loss)
Invesco	Invesco Diversified Dividends R6							
	Purchases	\$ 2,631,274	\$ -	\$ -	\$ -	\$ -	\$ 2,631,274	\$ -
	Sales	-	372,599	-	-	367,716	372,599	4,883
MFS	MFS International Diversification R4							
	Purchases	143,828	-	-	-	-	143,828	-
	Sales	-	2,677,313	-	-	2,518,986	2,677,313	158,327
*PRIAC	Guaranteed Deposit							
	Purchases	3,352,505	-	-	-	-	3,352,505	-
	Sales	-	5,861,280	-	-	5,861,280	5,861,280	-

(*) Represents a party-in-interest to the Plan.



1 Highwood Drive, Tewksbury, MA 01876

www.themfacompanies.com

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

**Dynamics Research Corporation Defined Benefit Pension Plan
EIN/PN: 04-2393618/002
2018 Plan Year**

(1)	(2)	(3)	(4) = (2) x (3)	(5) = (1) x (4)	(6)
Decrement Age	Participants	Retirement Probability	Retirees	Age-Weighted Retirees	Weighted Avg. Retirement Age
55	1000.0	5.0%	50.0	2750.0	
56	950.0	5.0%	47.5	2660.0	
57	902.5	5.0%	45.1	2572.1	
58	857.4	5.0%	42.9	2486.4	
59	814.5	5.0%	40.7	2402.8	
60	773.8	10.0%	77.4	4642.7	
61	696.4	10.0%	69.6	4248.1	
62	626.8	15.0%	94.0	5828.9	
63	532.7	15.0%	79.9	5034.5	
64	452.8	15.0%	67.9	4347.2	
65	384.9	100.0%	384.9	25019.2	

<div>Sum of Age-Weighted Retirees</div> <hr/> <div>Participants at First Decrement</div>	<div>61991.8</div> <hr/> <div>1000.0</div>	=	62
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SECTION VII**ACTUARIAL METHODS**

Under the Actuarial Methods described below, if all current assumptions remain constant and are realized, funding at least the Minimum Required Contribution each year will eventually accumulate sufficient plan assets to cover the Funding Target. Future widening of the interest rate stabilization corridor may extend the time period for the plan to become fully funded.

Cost Method

Costs have been computed in accordance with the Unit Credit Actuarial Cost Method and reflect the actuarial assumptions described under “Actuarial Assumptions” of this report as provided under the applicable regulations of the Pension Protection Act of 2006.

Target Normal Cost

The Target Normal Cost is the present value of benefits expected to accrue during the plan year plus an estimate of the expenses to be paid from plan assets during the plan year.

Funding Target and Funding Shortfall

The Funding Target is the present value of benefits accrued as of the beginning of the plan year and the Funding Shortfall is the excess of the Funding Target over the Actuarial Value of Assets (reduced by the Credit Balance). The initial Funding Shortfall is amortized over seven years.

In subsequent years, the Funding Shortfall less the present value of prior year amortization installments is amortized over seven years, and added to any prior year amortization installments.

Segment rates are adjusted as necessary to fall within the specified corridor of the corresponding 25-year average of segment rates for the period ending September 30 of the calendar year preceding the first day of the plan year. The specified corridor is:

<u>Plan Year</u>	<u>Corridor</u>
Through 2020	90% - 110%
2021	85% - 115%
2022	80% - 120%
2023	75% - 125%
2024 and later	70% - 130%

The adjustments to fall within the specified corridor of the 25-year average of segment rates apply for determining the minimum required contribution and related funded percentages. They do not apply for determining the maximum tax deductible contribution or certain other situations.

Sponsor Elections

Discount Rate: Segment rates, with a 4-month lookback

Mortality Table: Prescribed IRS Static Mortality Table – Separate

SECTION VII**ACTUARIAL METHODS****At-Risk Determination**

The At-Risk Funding Target is determined by assuming that participants eligible to retire in the current plan year and next 10 plan years retire at the earliest possible date, but not before the end of the plan year. All participants are assumed to elect the optional form resulting in the highest possible present value.

A load is added to the At-Risk Funding Target and At-Risk Target Normal Cost when a plan is At-Risk in at least two years during the preceding four years. The load increases the At-Risk Funding Target by 4% of the Not At-Risk Funding Target plus \$700 per participant, and increases the At-Risk Target Normal Cost by 4% of the Not At-Risk Target Normal Cost.

The Funding Target and Target Normal Cost are calculated by multiplying the Not At-Risk values by 100% minus the Phase-In Percentage, plus the At-Risk values multiplied by the Phase-In Percentage.

Credit Balance

The Credit Balance consists of the Carryover Balance from excess contributions prior to the Pension Protection Act (PPA) of 2006, plus the Prefunding Balance from elected excess contributions after the PPA. Balances accumulate with interest and are reduced for amounts applied towards the Minimum Required Contribution, voluntary waivers by the plan sponsor, and compelled waivers to avoid benefit restrictions. The Actuarial Value of Assets is reduced by the Credit Balance to determine certain funded percentages and to determine the Funding Shortfall.

Asset Valuation Method

The Actuarial Value of Assets is determined using an annual average of the adjusted Fair Market Value of Assets with the earliest determination 24 months prior to the valuation date. The Fair Market Value of Assets in prior years is adjusted for contributions, benefit payments, expenses and expected earnings (not to exceed the third segment rate).

This is equivalent to the Fair Market Value of Assets, plus two-thirds of the (gain)/loss from the prior year, plus one-third of the (gain)/loss from the second preceding year. The (gain)/loss in each year is the difference between the expected and actual returns on the Fair Market Value of Assets.

The Actuarial Value of Assets is adjusted to be no less than 90% or no more than 110% of the Fair Market Value of Assets, as required by IRC Section 430(g)(3)(B)(iii).

Since the expected earnings assumption cannot exceed the third segment rate, over time, the method may produce an Actuarial Value of Assets slightly below the Fair Market Value of Assets.

The Actuarial Value of Assets for determining the Maximum Tax Deductible Contribution reflects interest rate stabilization rates for discounting contributions and limiting expected earnings.

The Fair Market Value of Assets used for funds invested in the General Account of an Insurance Company is the stated contract value. This value is an estimate only and not the precise calculation which would be done at contract discontinuance or to measure the impact of excess withdrawals in any calendar year. It does not constitute a final offer by Prudential or a final experience adjustment.

SECTION VII**ACTUARIAL ASSUMPTIONS**

Below are the actuarial assumptions as of January 1, 2018:

Discount Rate:	<u>With HATFA</u>	<u>Without HATFA</u>	<u>ASC 960</u>
Effective Rate	5.54%	3.84%	7.50%
First Segment – First 5 Years	3.92%	1.75%	N/A
Second Segment – Next 15 Years	5.52%	3.76%	N/A
Third Segment – After 20 Years	6.29%	4.66%	N/A

Mortality:

Funding: IRS 2018 Static Mortality Table (Old Basis).

ASC #960: RP-2014 Adjusted to 2006 Total Dataset Mortality Table with projection scale MP-2017.

Termination

The probabilities that Participants at the ages indicated will terminate within the following year are:

<u>Age</u>	<u>Rate</u>
20	30.0%
25	30.0%
30	20.0%
35	15.0%
40	12.5%
45	10.0%
50	7.5%
55+	0.0%

Retirement*Active Participants*

It is assumed that participants will retire based on the following set of retirement age rates.

<u>Age</u>	<u>Rate</u>
55-59	5.0%
60-61	10.0%
62-64	15.0%
65	100.0%

Long Term Investment Return: 7.50%

SECTION VII

ACTUARIAL ASSUMPTIONS

Estimated Expenses:	An Estimate of administrative expenses expected to be paid from plan assets. For 2018, \$800,000 was used.
Form of Payment	Life annuity.
Survivor's Benefit	It is assumed that husbands are three years older than wives and that 80% of the male Participants and 80% of the female Participants who are or will become eligible for coverage under the Spouse's Benefit will be survived by an eligible Spouse.

SECTION VII**PLAN PROVISIONS**

EIN/PN	04-2393618/002
Participation Eligibility	<p>Employees classified as staff and service employees will become participants on the first day of the month following the completion of one year of service and at least 1,000 hours.</p> <p>Plan participation is frozen to new hires after June 30, 2002.</p>
Normal Form of Annuity	Life Annuity.
Normal Retirement Date	The first day of the month coinciding with or next following the Participant's 65 th birthday
Vesting Schedule	Five years of Service.
Vested Benefit	Retirement benefit accrued to date of termination and payable at Normal Retirement Date.
Social Security Covered Compensation	The annual average of the Social Security taxable wage bases in effect for each calendar year during the 35 year period ending with the last day of the calendar year in which the participant attains Social Security Retirement Age.
Benefit	<p>The normal monthly retirement benefit of a participant payable in the normal form is the greatest of one-twelfth of (a), (b) and (c):</p> <p>(a) .6833 percent of average annual compensation plus .650 percent of average annual compensation in excess of Social Security Covered Compensation multiplied by years of benefit service up to 30 years;</p> <p>(b) the benefit accrued as of December 31, 1987 under the former plans, and</p> <p>(c) \$60 multiplied by years of benefit service</p>
Early Eligibility	Attainment of age 55 and 10 years of Service.
Early Benefit Amount	An annual benefit payable prior to Normal Retirement, but on or after the Early Retirement Eligibility Date. If the benefits commence prior to age 65, the accrued benefit shall be reduced by 5/9ths of 1.0% for each of the first 60 months and by 5/18ths of 1.0% for each month in excess of 60 that the benefit commencement date precedes Normal Retirement Date.

SECTION VII

PLAN PROVISIONS

Preretirement Death Benefit

Eligibility

An active or terminated vested participant who has completed five or more years of vesting service and was married at death.

Benefit Formula

The amount of benefit payable to the surviving spouse is the actuarial equivalent of the benefit that the participant would have received if the participant had:

- (a) survived to the earliest retirement date,
- (b) retired and elected to be paid in the form of a joint annuity with 100 percent to the surviving spouse, and
- (c) died immediately thereafter.

Plan Freeze

As of June 30, 2002, accrued benefits calculated under the benefit formula were frozen.

Beginning December 31, 2003, the accrued benefits were indexed 3.0% per year until December 31, 2006.

SECTION I

CHANGES SINCE LAST YEAR'S VALUATION

Changes in Pension Plan Provisions

No changes in the pension plan provisions were recognized with this actuarial valuation.

Legislated Changes

There were no legislative changes recognized with this actuarial valuation.

Changes in Actuarial Assumptions

The ASC960 mortality table was changed from the RP-2014 Adjusted to 2006 Total Dataset Mortality Table with projection scale MP-2015 to the RP-2014 Adjusted to 2006 Total Dataset Mortality Table with projection scale MP-2017.

The investment return was changed from 7.86% to 7.50%

The plan sponsor elected to defer the IRS 2018 Mortality (New Basis) until the 2019 Plan Year.

Changes in Actuarial Methods

No changes in actuarial methods were recognized with this actuarial valuation.

Other Changes

January 1, 2017 valuation information was prepared by Willis Towers Watson. There is no impact on the January 1, 2018 valuation as a result of the transition.

SECTION VII**DISTRIBUTION OF ACTIVE PARTICIPANTS BY AGE AND SERVICE****Number of Active Participants as of January 1, 2018 – Distribution by Age and Service**

Active participant counts are shown below.

Attained Age	Years of Credited Service										
	<u>Under 1</u>	<u>1-4</u>	<u>5-9</u>	<u>10-14</u>	<u>15-19</u>	<u>20-24</u>	<u>25-29</u>	<u>30-34</u>	<u>35-39</u>	<u>40 +</u>	<u>Total</u>
Under 25											
25-29											
30-34											
35-39											
40-44		1									1
45-49		3									3
50-54		4		1	1						6
55-59		3	1		2						6
60-64		4	1		1						6
65-69		1									1
70 +											
Total		16	2	1	4						23

SECTION IV**SHORTFALL AMORTIZATION**

The prior year amortization values and the development of the amortization for the current plan year are shown below.

Prior Year Amortization Amounts

<u>Plan Year</u>	<u>Installment</u>	<u>Years Remaining</u>	<u>Present Value</u>
2017	\$646,832	6	\$3,493,642
2016	1,098,634	5	5,094,091
2015	0	n/a	0
2014	0	n/a	0
2013	0	n/a	0
2012	0	n/a	0
 Total	 \$1,745,466		 \$8,587,733

Current Year Amortization

1. Exemption from Current Year Amortization	No
2. Funding Shortfall to be Amortized	\$10,759,659
3. Present Value of Prior Year Amortization Installments	8,587,733
4. Current Year Amortization Base [2 – 3]	2,171,926
5. Current Year Amortization Installment	\$354,567

Net Shortfall Amortization Installment

6. Current Year Amortization Installment	\$354,567
7. Sum of Prior Year Amortization Installments	1,745,466
8. Net Shortfall Amortization Installment [6 + 7, not less than \$0]	\$2,100,033

SCHEDULE SB (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	Single-Employer Defined Benefit Plan Actuarial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code). File as an attachment to Form 5500 or 5500-SF.	OMB No. 1210-0110 2018 This Form is Open to Public Inspection
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For calendar plan year 2018 or fiscal plan year beginning <u>01/01/2018</u> and ending <u>12/31/2018</u>	
▶ Round off amounts to nearest dollar.	
▶ Caution: A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.	
A Name of plan DYNAMICS RESEARCH CORPORATION DEFINED BENEFIT PENSION PLAN	B Three-digit plan number (PN) ▶ <u>002</u>
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF ENGILITY CORPORATION	D Employer Identification Number (EIN) <u>04-2393618</u>
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>1</u> Day <u>1</u> Year <u>2018</u>			
2 Assets:			
a Market value.....	2a	54,408,629	
b Actuarial value.....	2b	52,739,880	
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.....	892	47,831,202	47,831,202
b For terminated vested participants.....	268	13,136,679	13,136,679
c For active participants.....	23	564,551	567,655
d Total.....	1,183	61,532,432	61,535,536
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	5.54 %	
6 Target normal cost.....	6	800,000	

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	Michael J. Grenier Signature of actuary Michael J. Grenier, ASA, EA Type or print name of actuary PRIAC Firm name 280 Trumbull Street P.O. Box 2975 Hartford CT 06103 Address of the firm	<div style="text-align: right; font-size: 1.5em; margin-bottom: 10px;">7/1/2019</div> Date 17-05523 Most recent enrollment number (860) 534-2695 Telephone number (including area code)
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If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions ☐

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)		
9 Amount remaining (line 7 minus line 8).....	0	0
10 Interest on line 9 using prior year's actual return of <u>11.27</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).....		1857213
b(1) Interest on the excess, if any, of line 38a over line 38b from <u>prior year</u> Schedule SB, using prior year's effective interest rate of <u>5.75</u> %.....		106790
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.....		1964003
d Portion of (c) to be added to prefunding balance.....		1964003
12 Other reductions in balances due to elections or deemed elections.....	0	0
13 Balance at beginning of current year (line 9 + line 10 + line 11d – line 12).....	0	1964003

Part III Funding Percentages

14 Funding target attainment percentage	14	82.51%
15 Adjusted funding target attainment percentage.....	15	82.51%
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	84.02%
17 If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage.	17	%

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

(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
01/11/2019	544,000				
01/29/2019	447,111				
Totals ▶			18(b)	991,111	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	936,030

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
0	0	0	0

Part V Assumptions Used to Determine Funding Target and Target Normal Cost**21** Discount rate:**a** Segment rates:1st segment:
3.92 %2nd segment:
5.52 %3rd segment:
6.29 %☐ N/A, full yield curve used**b** Applicable month (enter code).....**21b**

4

22 Weighted average retirement age**22**

62

23 Mortality table(s) (see instructions)

Prior regulation:

☐

Prescribed - combined

☒

Prescribed - separate

☐

Substitute

Current regulation:

☐

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**

800,000

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

0

32 Amortization installments:

Outstanding Balance

Installment

a Net shortfall amortization installment.....

10,759,659

2,100,033

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**

2,900,033

Carryover balance

Prefunding balance

Total balance

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

0

1,964,003

1,964,003

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

936,030

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

936,030

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

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

**Dynamics Research Corporation Defined Benefit Pension Plan
EIN/PN: 04-2393618/002
2018 Plan Year**

(1)	(2)	(3)	(4) = (2) x (3)	(5) = (1) x (4)	(6)
Decrement Age	Participants	Retirement Probability	Retirees	Age-Weighted Retirees	Weighted Avg. Retirement Age
55	1000.0	5.0%	50.0	2750.0	
56	950.0	5.0%	47.5	2660.0	
57	902.5	5.0%	45.1	2572.1	
58	857.4	5.0%	42.9	2486.4	
59	814.5	5.0%	40.7	2402.8	
60	773.8	10.0%	77.4	4642.7	
61	696.4	10.0%	69.6	4248.1	
62	626.8	15.0%	94.0	5828.9	
63	532.7	15.0%	79.9	5034.5	
64	452.8	15.0%	67.9	4347.2	
65	384.9	100.0%	384.9	25019.2	

<div>Sum of Age-Weighted Retirees</div> <hr/> <div>Participants at First Decrement</div>	<div>61991.8</div> <hr/> <div>1000.0</div>	=	62
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SECTION VII**ACTUARIAL METHODS**

Under the Actuarial Methods described below, if all current assumptions remain constant and are realized, funding at least the Minimum Required Contribution each year will eventually accumulate sufficient plan assets to cover the Funding Target. Future widening of the interest rate stabilization corridor may extend the time period for the plan to become fully funded.

Cost Method

Costs have been computed in accordance with the Unit Credit Actuarial Cost Method and reflect the actuarial assumptions described under “Actuarial Assumptions” of this report as provided under the applicable regulations of the Pension Protection Act of 2006.

Target Normal Cost

The Target Normal Cost is the present value of benefits expected to accrue during the plan year plus an estimate of the expenses to be paid from plan assets during the plan year.

Funding Target and Funding Shortfall

The Funding Target is the present value of benefits accrued as of the beginning of the plan year and the Funding Shortfall is the excess of the Funding Target over the Actuarial Value of Assets (reduced by the Credit Balance). The initial Funding Shortfall is amortized over seven years.

In subsequent years, the Funding Shortfall less the present value of prior year amortization installments is amortized over seven years, and added to any prior year amortization installments.

Segment rates are adjusted as necessary to fall within the specified corridor of the corresponding 25-year average of segment rates for the period ending September 30 of the calendar year preceding the first day of the plan year. The specified corridor is:

<u>Plan Year</u>	<u>Corridor</u>
Through 2020	90% - 110%
2021	85% - 115%
2022	80% - 120%
2023	75% - 125%
2024 and later	70% - 130%

The adjustments to fall within the specified corridor of the 25-year average of segment rates apply for determining the minimum required contribution and related funded percentages. They do not apply for determining the maximum tax deductible contribution or certain other situations.

Sponsor Elections

Discount Rate: Segment rates, with a 4-month lookback

Mortality Table: Prescribed IRS Static Mortality Table – Separate

SECTION VII**ACTUARIAL METHODS****At-Risk Determination**

The At-Risk Funding Target is determined by assuming that participants eligible to retire in the current plan year and next 10 plan years retire at the earliest possible date, but not before the end of the plan year. All participants are assumed to elect the optional form resulting in the highest possible present value.

A load is added to the At-Risk Funding Target and At-Risk Target Normal Cost when a plan is At-Risk in at least two years during the preceding four years. The load increases the At-Risk Funding Target by 4% of the Not At-Risk Funding Target plus \$700 per participant, and increases the At-Risk Target Normal Cost by 4% of the Not At-Risk Target Normal Cost.

The Funding Target and Target Normal Cost are calculated by multiplying the Not At-Risk values by 100% minus the Phase-In Percentage, plus the At-Risk values multiplied by the Phase-In Percentage.

Credit Balance

The Credit Balance consists of the Carryover Balance from excess contributions prior to the Pension Protection Act (PPA) of 2006, plus the Prefunding Balance from elected excess contributions after the PPA. Balances accumulate with interest and are reduced for amounts applied towards the Minimum Required Contribution, voluntary waivers by the plan sponsor, and compelled waivers to avoid benefit restrictions. The Actuarial Value of Assets is reduced by the Credit Balance to determine certain funded percentages and to determine the Funding Shortfall.

Asset Valuation Method

The Actuarial Value of Assets is determined using an annual average of the adjusted Fair Market Value of Assets with the earliest determination 24 months prior to the valuation date. The Fair Market Value of Assets in prior years is adjusted for contributions, benefit payments, expenses and expected earnings (not to exceed the third segment rate).

This is equivalent to the Fair Market Value of Assets, plus two-thirds of the (gain)/loss from the prior year, plus one-third of the (gain)/loss from the second preceding year. The (gain)/loss in each year is the difference between the expected and actual returns on the Fair Market Value of Assets.

The Actuarial Value of Assets is adjusted to be no less than 90% or no more than 110% of the Fair Market Value of Assets, as required by IRC Section 430(g)(3)(B)(iii).

Since the expected earnings assumption cannot exceed the third segment rate, over time, the method may produce an Actuarial Value of Assets slightly below the Fair Market Value of Assets.

The Actuarial Value of Assets for determining the Maximum Tax Deductible Contribution reflects interest rate stabilization rates for discounting contributions and limiting expected earnings.

The Fair Market Value of Assets used for funds invested in the General Account of an Insurance Company is the stated contract value. This value is an estimate only and not the precise calculation which would be done at contract discontinuance or to measure the impact of excess withdrawals in any calendar year. It does not constitute a final offer by Prudential or a final experience adjustment.

SECTION VII**ACTUARIAL ASSUMPTIONS**

Below are the actuarial assumptions as of January 1, 2018:

Discount Rate:	<u>With HATFA</u>	<u>Without HATFA</u>	<u>ASC 960</u>
Effective Rate	5.54%	3.84%	7.50%
First Segment – First 5 Years	3.92%	1.75%	N/A
Second Segment – Next 15 Years	5.52%	3.76%	N/A
Third Segment – After 20 Years	6.29%	4.66%	N/A

Mortality:

Funding: IRS 2018 Static Mortality Table (Old Basis).

ASC #960: RP-2014 Adjusted to 2006 Total Dataset Mortality Table with projection scale MP-2017.

Termination

The probabilities that Participants at the ages indicated will terminate within the following year are:

<u>Age</u>	<u>Rate</u>
20	30.0%
25	30.0%
30	20.0%
35	15.0%
40	12.5%
45	10.0%
50	7.5%
55+	0.0%

Retirement*Active Participants*

It is assumed that participants will retire based on the following set of retirement age rates.

<u>Age</u>	<u>Rate</u>
55-59	5.0%
60-61	10.0%
62-64	15.0%
65	100.0%

Long Term Investment Return: 7.50%

SECTION VII

ACTUARIAL ASSUMPTIONS

Estimated Expenses:	An Estimate of administrative expenses expected to be paid from plan assets. For 2018, \$800,000 was used.
Form of Payment	Life annuity.
Survivor's Benefit	It is assumed that husbands are three years older than wives and that 80% of the male Participants and 80% of the female Participants who are or will become eligible for coverage under the Spouse's Benefit will be survived by an eligible Spouse.

SECTION VII**PLAN PROVISIONS**

EIN/PN	04-2393618/002
Participation Eligibility	<p>Employees classified as staff and service employees will become participants on the first day of the month following the completion of one year of service and at least 1,000 hours.</p> <p>Plan participation is frozen to new hires after June 30, 2002.</p>
Normal Form of Annuity	Life Annuity.
Normal Retirement Date	The first day of the month coinciding with or next following the Participant's 65 th birthday
Vesting Schedule	Five years of Service.
Vested Benefit	Retirement benefit accrued to date of termination and payable at Normal Retirement Date.
Social Security Covered Compensation	The annual average of the Social Security taxable wage bases in effect for each calendar year during the 35 year period ending with the last day of the calendar year in which the participant attains Social Security Retirement Age.
Benefit	<p>The normal monthly retirement benefit of a participant payable in the normal form is the greatest of one-twelfth of (a), (b) and (c):</p> <p>(a) .6833 percent of average annual compensation plus .650 percent of average annual compensation in excess of Social Security Covered Compensation multiplied by years of benefit service up to 30 years;</p> <p>(b) the benefit accrued as of December 31, 1987 under the former plans, and</p> <p>(c) \$60 multiplied by years of benefit service</p>
Early Eligibility	Attainment of age 55 and 10 years of Service.
Early Benefit Amount	An annual benefit payable prior to Normal Retirement, but on or after the Early Retirement Eligibility Date. If the benefits commence prior to age 65, the accrued benefit shall be reduced by 5/9ths of 1.0% for each of the first 60 months and by 5/18ths of 1.0% for each month in excess of 60 that the benefit commencement date precedes Normal Retirement Date.

SECTION VII

PLAN PROVISIONS

Preretirement Death Benefit

Eligibility

An active or terminated vested participant who has completed five or more years of vesting service and was married at death.

Benefit Formula

The amount of benefit payable to the surviving spouse is the actuarial equivalent of the benefit that the participant would have received if the participant had:

- (a) survived to the earliest retirement date,
- (b) retired and elected to be paid in the form of a joint annuity with 100 percent to the surviving spouse, and
- (c) died immediately thereafter.

Plan Freeze

As of June 30, 2002, accrued benefits calculated under the benefit formula were frozen.

Beginning December 31, 2003, the accrued benefits were indexed 3.0% per year until December 31, 2006.

SECTION I

CHANGES SINCE LAST YEAR'S VALUATION

Changes in Pension Plan Provisions

No changes in the pension plan provisions were recognized with this actuarial valuation.

Legislated Changes

There were no legislative changes recognized with this actuarial valuation.

Changes in Actuarial Assumptions

The ASC960 mortality table was changed from the RP-2014 Adjusted to 2006 Total Dataset Mortality Table with projection scale MP-2015 to the RP-2014 Adjusted to 2006 Total Dataset Mortality Table with projection scale MP-2017.

The investment return was changed from 7.86% to 7.50%

The plan sponsor elected to defer the IRS 2018 Mortality (New Basis) until the 2019 Plan Year.

Changes in Actuarial Methods

No changes in actuarial methods were recognized with this actuarial valuation.

Other Changes

January 1, 2017 valuation information was prepared by Willis Towers Watson. There is no impact on the January 1, 2018 valuation as a result of the transition.

SECTION VII**DISTRIBUTION OF ACTIVE PARTICIPANTS BY AGE AND SERVICE****Number of Active Participants as of January 1, 2018 – Distribution by Age and Service**

Active participant counts are shown below.

Attained Age	Years of Credited Service										
	<u>Under 1</u>	<u>1-4</u>	<u>5-9</u>	<u>10-14</u>	<u>15-19</u>	<u>20-24</u>	<u>25-29</u>	<u>30-34</u>	<u>35-39</u>	<u>40 +</u>	<u>Total</u>
Under 25											
25-29											
30-34											
35-39											
40-44		1									1
45-49		3									3
50-54		4		1	1						6
55-59		3	1		2						6
60-64		4	1		1						6
65-69		1									1
70 +											
Total		16	2	1	4						23

SECTION IV**SHORTFALL AMORTIZATION**

The prior year amortization values and the development of the amortization for the current plan year are shown below.

Prior Year Amortization Amounts

<u>Plan Year</u>	<u>Installment</u>	<u>Years Remaining</u>	<u>Present Value</u>
2017	\$646,832	6	\$3,493,642
2016	1,098,634	5	5,094,091
2015	0	n/a	0
2014	0	n/a	0
2013	0	n/a	0
2012	0	n/a	0
 Total	 \$1,745,466		 \$8,587,733

Current Year Amortization

1. Exemption from Current Year Amortization	No
2. Funding Shortfall to be Amortized	\$10,759,659
3. Present Value of Prior Year Amortization Installments	8,587,733
4. Current Year Amortization Base [2 – 3]	2,171,926
5. Current Year Amortization Installment	\$354,567

Net Shortfall Amortization Installment

6. Current Year Amortization Installment	\$354,567
7. Sum of Prior Year Amortization Installments	1,745,466
8. Net Shortfall Amortization Installment [6 + 7, not less than \$0]	\$2,100,033

**DYNAMICS RESEARCH CORPORATION
DEFINED BENEFIT PENSION PLAN**

FINANCIAL STATEMENTS

DECEMBER 31, 2018 AND 2017

Engineering Growth for More Than 30 Years

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To the Plan Administrator
Dynamics Research Corporation Defined Benefit Pension Plan
Chantilly, Virginia

INDEPENDENT AUDITORS' REPORT

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of the Dynamics Research Corporation Defined Benefit Pension Plan (the Plan), which comprise the statements of net assets available for plan benefits as of December 31, 2018 and 2017, and the related statement of changes in net assets available for plan benefits for the year ended December 31, 2018, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on conducting the audit in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the Plan Administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 11, which was certified by Prudential Bank & Trust, FSB, the trustee of the Plan, except for comparing such information with the related information included in the financial statements. We have been informed by the Plan Administrator that the trustee holds the Plan's investment assets and executes investment transactions. The Plan Administrator has obtained a certification from the trustee as of and for the years ended December 31, 2018 and 2017, that the information provided to the Plan Administrator by the trustee is complete and accurate.

Disclaimer of Opinion

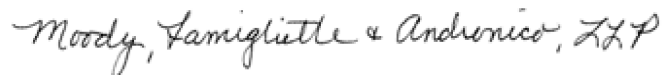
Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on these financial statements.

Other Matter

The supplemental schedules of assets (held at end of year) as of December 31, 2018 and reportable transactions for the year ended December 31, 2018 are required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 and are presented for the purpose of additional analysis and are not required parts of the financial statements. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on these supplemental schedules.

Report on Form and Content in Compliance with the Department of Labor's Rules and Regulations

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

A handwritten signature in cursive script that reads "Moody, Famiglietti & Andronico, LLP".

Moody, Famiglietti & Andronico, LLP
Tewksbury, Massachusetts
August 20, 2019

Statements of Net Assets Available for Plan Benefits**Dynamics Research Corporation
Defined Benefit Pension Plan**

December 31	2018	2017
Assets		
Investments at Fair Value:		
Mutual Funds	\$ 45,725,001	\$ 50,732,440
Hedge Funds	-	549,230
Contract with Insurance Entity, at Contract Value	95,109	2,577,730
Total Investments	45,820,110	53,859,400
Receivables:		
Plan Sponsor Contributions Receivable	991,111	-
Cash - Noninterest Bearing	29,561	549,230
Net Assets Available for Plan Benefits	\$ 46,840,782	\$ 54,408,630

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

**Statement of Changes in Net Assets Available for
Plan Benefits**

**Dynamics Research Corporation
Defined Benefit Pension Plan**

For the Year Ended December 31

2018

Additions to Net Assets:

Investment Loss:

Net Depreciation in Fair Value of Investments \$ (4,116,372)

Interest and Dividend Income from Investments 1,361,679

Net Investment Loss (2,754,693)

Contributions:

Plan Sponsor Contributions 991,111

Other Income 39,447

Total Contributions 1,030,558

Net Additions (1,724,135)

Deductions from Net Assets:

Benefits Paid to Participants 4,947,884

Administrative Expenses 895,829

Total Deductions 5,843,713

Net Decrease in Net Assets Available for Plan Benefits (7,567,848)

Net Assets Available for Plan Benefits, Beginning of Year 54,408,630

Net Assets Available for Plan Benefits, End of Year \$ 46,840,782

1. Description of the Plan:

The following description of Dynamics Research Corporation Defined Benefit Pension Plan (the Plan) provides only general information. Participants should refer to the Plan agreement for more complete information regarding the terms of the Plan.

General: The Plan is a noncontributory defined benefit plan maintained for the purpose of providing retirement benefits to eligible employees of Engility Corporation (the Plan Sponsor). The Plan Sponsor was formerly Dynamics Research Corporation, which merged with Engility Corporation, effective December 31, 2017. The Plan Sponsor is a wholly-owned subsidiary of Engility Holdings, Inc. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA). The Board of Directors governing the Plan Sponsor is responsible for oversight of the Plan. The Board of Directors of the Plan Sponsor determines the appropriateness of the Plan's investment offerings and monitors investment performance.

Effective June 30, 2002, the Board of Directors of Dynamics Research Corporation voted to freeze participation in the Plan and to amend the Plan's accrual of future benefits.

Eligibility: Through June 30, 2002, generally, all employees of Dynamics Research Corporation who had completed 12 consecutive months of service and at least 1,000 hours and who did not make a special election to the contrary were considered Participants in the Plan (the "Participants").

Funding Policy: The Plan Sponsor makes contributions to the Plan to meet or exceed the annual ERISA minimum funding requirements as determined by the Plan's independent actuary. No voluntary employee contributions are permitted. For the year ended December 31, 2018, the minimum funding requirement was met.

During the year ended December 31, 2018, contributions were made to the Plan in the amount of \$991,111.

Vesting: As of June 30, 2007, all Participants were fully vested.

Pension Benefits: The Plan provides for retirement benefits in the form of a life annuity to be paid to Participants who have reached the age of 65 and who

have retired from active service with the Plan Sponsor. In addition, the Plan provides for benefits upon early retirement, vested termination and pre-retirement death and disability. The annual normal retirement benefit is the greatest of:

- 0.6833% of average annual compensation plus 0.65% of average annual compensation in excess of Social Security Covered Compensation multiplied by years of benefit service up to 30 years;
- the benefit accrued as of December 31, 1987 under the former plans;
- \$60 multiplied by years of benefit service.

Effective October 1, 2007, the Board of Directors of Dynamics Research Corporation approved plan participants age 65 or older to continue working at their current schedule and be eligible to begin receiving their full pension payments. Plan participants who do not choose to commence pension payments will receive an actuarial adjustment when they do decide to start receiving pension benefits, to reflect their delayed retirement beyond age 65.

2. Significant Accounting Policies:

Basis of Accounting: The financial statements of the Plan are prepared under the accrual method of accounting.

Investment Valuation and Income Recognition: Investments are reported at fair value, except for the Plan's contract with insurance entity, which is reported at contract value (see Note 5). Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Pension Committee, serving as the Plan Administrator, determines the Plan's valuation policies utilizing information provided by the investment advisers, trustee, and insurance company. See Note 4 for further discussion of fair value measurements. Contract value represents deposits made to the contract, plus earnings at guaranteed crediting rates, less withdrawals and administrative expenses charged by the contract issuer. Funds under the contract that have been allocated and applied to purchase annuities (that is, the contract issuer is obligated to pay the related pension benefits) are excluded from the Plan's assets.

2. Significant Accounting Policies (Continued):

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation (depreciation) includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Payment of Benefits: Benefits are recorded when paid.

Expenses: Certain expenses of maintaining the Plan are paid directly by the Plan Sponsor and are excluded from these financial statements. Investment-related expenses are included in net appreciation (depreciation) in fair value of investments.

Use of Estimates: The preparation of the financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosures of contingent assets and liabilities. Actual results could differ from those estimates.

Subsequent Events: The Plan Administrator has evaluated subsequent events through August 20, 2019, the date the financial statements were available to be issued.

3. Actuarial Present Value of Accumulated 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 employees who have died, and (c) present employees or their beneficiaries. Benefits under the Plan are accumulated based on employees' compensation during each year of credited service. The accumulated plan benefits for active employees will equal the accumulation, with interest, of the annual benefit accruals as of the benefit information date.

Benefits payable under all circumstances—retirement, death, disability, and termination of employment—are included, to the extent they are deemed attributable to employee service rendered to the valuation date. Benefits to be provided via annuity contracts excluded from plan assets are excluded from accumulated plan benefits. The actuarial present value of accumulated plan benefits is determined by an independent actuary and is that amount that 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 valuations as of December 31, 2018 and 2017 were (a) life expectancy of participants, (b) retirement age assumptions, and (c) investment return. The foregoing actuarial assumptions are based on the presumption that the Plan will continue. Were the Plan to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated Plan benefits.

The computations of the actuarial present value of accumulated plan benefits were made as of January 1, 2019 and 2018. Had the valuations been performed as of December 31, there would be no material differences. Prudential Financial, Inc. is the Plan's current actuarial consultant and performed the January 1, 2019 and 2018 actuarial valuation.

During 2018, the actuarial assumptions were changed to better reflect expected plan experience. The ASC 960 mortality assumption has been changed from the RP-2014 Adjusted to 2006 Total Dataset Mortality Table with projection scale MP-2017 to the RP-2014 Adjusted to 2006 Total Dataset Mortality Table with projection scale MP-2018. In addition, the investment return was changed from 7.50% to 7.00%. The effect of changes in assumptions on the calculation of actuarial present value of accumulated plan benefits during the year ended December 31, 2018, amounted to \$1,993,891.

3. Actuarial Present Value of Accumulated Benefits (Continued):

The significant assumptions used in the actuarial valuation as of December 31, 2018 and 2017 are as follows:

	2018	2017
Investment Return	7.00% compounded annually	7.50% compounded annually
Mortality Table	RP-2014 Mortality Tables with separate rates for males and females with generational projection back to 2006 using scale MP-2014 and then projected forward generationally from 2006 using scale MP-2018.	RP-2014 Mortality Tables with separate rates for males and females with generational projection back to 2006 using scale MP-2014 and then projected forward generationally from 2006 using scale MP-2017.
Normal Retirement Age	It is assumed Participants will retire based on the following rates: 55-59: 5%; 60-61: 10%, 62-64: 15%; and 65: 100%	It is assumed Participants will retire based on the following rates: 55-59: 5%; 60-61: 10%, 62-64: 15%; and 65: 100%

The actuarial present value of accumulated plan benefits at December 31, 2018 and 2017 is as follows:

	2018	2017
Actuarial Present Value of Vested Accumulated Plan Benefits:		
Participants Currently Receiving Benefits	\$ 43,879,378	\$ 42,775,690
Other Participants	11,360,585	11,313,356
	<u>55,239,963</u>	<u>54,089,046</u>
Actuarial Present Value of Nonvested Accumulated Plan Benefits	2,817	3,446
	<u>\$ 55,242,780</u>	<u>\$ 54,092,492</u>

The changes in the actuarial present value of accumulated plan benefits for the year ended December 31, 2018 consist of the following:

Actuarial Present Value of Accumulated Plan Benefits, Beginning of Year	<u>\$ 54,092,492</u>
Increase (Decrease) During the Year Attributable to:	
Increase for Interest	3,855,929
Benefits Paid	(4,947,884)
Change in Actuarial Assumptions	1,993,891
Actuarial Losses (Gains)	<u>248,352</u>
Net Increase	<u>1,150,288</u>
Actuarial Present Value of Accumulated Plan Benefits, End of Year	<u>\$ 55,242,780</u>

4. Fair Value Measurements:

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described as follows:

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

Level 2 - Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability; and
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

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

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

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

Following is a description of the valuation methodologies used for assets measured at fair value as of December 31, 2018 and 2017.

Mutual Funds: Valued at the daily closing price as reported by the fund. Mutual funds held by the Plan are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.

Hedge Funds: Valued based on the NAV per share, without further adjustment. The NAV is used as a practical expedient to estimate fair value. NAV is based upon the fair value of the underlying investments.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

4. Fair Value Measurements (Continued):

The following table sets forth, by level within the fair value hierarchy, the Plan's fair value measurements as of December 31, 2018 and 2017:

		Assets at Fair Value as of December 31, 2018			
		Total	Level 1	Level 2	Level 3
Investments:					
Mutual Funds		\$ 45,725,001	\$ 45,725,001	\$ -	\$ -
Total Investments		\$ 45,725,001	\$ 45,725,001	\$ -	\$ -
		Assets at Fair Value as of December 31, 2017			
		Total	Level 1	Level 2	Level 3
Investments:					
Mutual Funds		\$ 50,732,440	\$ 50,732,440	\$ -	\$ -
Total Assets in the Fair Value Hierarchy		50,732,440	\$ 50,732,440	\$ -	\$ -
Investments Measured at Net Asset Value		549,230			
Investments at Fair Value		\$ 51,281,670			

Investment strategies relating to investments measured at fair value based on NAV used as a practical expedient are as follows:

Hedge Fund:

- The investment objective of the Millennium International, Ltd. Fund is to achieve above-average appreciation by opportunistically trading and investing in a wide variety of securities, instruments, and other investment opportunities and engaging in a broad array of trading and investment strategies.

The following table summarizes investments measured at fair value based on NAV used as a practical expedient as of December 31, 2017:

Financial Asset	Fair Value as of December 31, 2017	Unfunded Commitments	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
Hedge Funds:				
Millennium International, Ltd. Fund	\$ 549,230	None	Quarterly *	90 Days

*Investments in the Millennium International, Ltd. Fund may be redeemed, in whole or in part, upon at least 90 days' prior written notice to Millennium International and to the fund administrator. A holder may not redeem more than 25% of such holder's shares in any one quarter, except that the holder may, upon at least 90 days' prior written notice, elect to redeem a specified amount or percentage of such shares then held over the next succeeding quarterly redemption dates.

5. Contract with Insurance Entity:

During 2017, the Plan entered into a deposit administration contract with Prudential Retirement Insurance and Annuity Company (PRIAC). Amounts contributed to the contract are merged with the general assets of PRIAC and earn a guaranteed crediting rate, as defined, which is established on an annual basis by PRIAC. The guaranteed crediting rate as of December 31, 2018 is 0.0%. At the direction of the Plan, a single premium to buy an annuity for a retiring employee is withdrawn by PRIAC from the unallocated fund. Purchased annuities are contracts under which PRIAC is obligated to pay benefits to named employees or their beneficiaries. Payment obligations and the fulfillment of any guarantees specified in the group annuity contract are insurance claims supported by the assets in the investment. If such assets are not sufficient, payment is supported by the full faith and credit of PRIAC, for which the Plan Sponsor is obligated to make a contribution in the amount of the insufficiency. In the event of termination of the contract, the Plan's trustee may elect to receive (i) a payment of book value of the contract, as defined, which may be payable over a period of up to five years, (ii) a single sum payment, which may be adjusted to reflect the market value of the contract, as defined, or (iii) a payment of book value, as defined, in annual installments over a period of ten years.

6. Party-in-Interest Transactions:

Certain Plan investments are managed by Prudential Bank & Trust, FSB, trustee of the Plan and, therefore, these transactions qualify as party-in-interest transactions. Fees incurred by the Plan for the investment management services are included in net appreciation (depreciation) in fair value of investments, as they are paid through revenue sharing, rather than direct payment, in the accompanying statement of changes in net assets available for plan benefits for the year ended December 31, 2018. During the year ended December 31, 2018, the Plan made direct payments to Prudential Bank & Trust, FSB, Lockton Investment Advisors LLC, and Moody, Famiglietti & Andronico, LLP, the recordkeeper, advisor, and auditor, respectively, in the aggregate

amount of \$895,829 which was not covered by revenue sharing. The Plan Sponsor pays directly any other fees related to the Plan's operations.

7. Tax Status:

The Internal Revenue Service has determined and informed the Plan Sponsor by a letter dated September 24, 2015, that the Plan and related trust are designed in accordance with the applicable provisions of the IRC. The Plan has been amended since receiving the determination letter; however, the Plan Administrator believes that the Plan and the related trust are currently being operated in compliance with the applicable provisions of the IRC. Therefore, the Plan Sponsor is of the opinion that the Plan and the related trust were tax-exempt as of and for the year ended December 31, 2018.

GAAP requires plan management to evaluate tax positions taken by the Plan and to recognize a tax liability (or asset) if the Plan Sponsor has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. The Plan Administrator believes it has no uncertain tax positions as of December 31, 2018 and 2017 and for the year ended December 31, 2018.

8. Plan Termination:

While it is the intention of the Plan Sponsor to continue the Plan indefinitely, the Plan Sponsor reserves the right to terminate or amend the Plan at any time subject to the provisions of ERISA. In the event of termination, the rights of all Participants to benefits will become nonforfeitable to the extent funded or as guaranteed by the Pension Benefit Guaranty Corporation (PBGC), a U.S. government agency. The priorities for determining the allocation of Plan assets would be governed by ERISA and regulations issued by the PBGC. Prudential Bank & Trust, FSB, the trustee, will make distributions to the Participants or their beneficiaries in accordance with the instructions of the Pension Committee, or in the absence of such instructions, as the trustee deems advisable.

9. Frozen Plan:

On December 11, 2001, the Board of Directors of Dynamics Research Corporation voted to freeze membership to the Plan and to amend the Plan's accrual of benefits as of June 30, 2002. Effective June 30, 2002, all Participants eligible for benefits will receive those earned benefits. Such benefits were calculated as of June 30, 2002, based on each Participant's highest five consecutive years of earnings through that date. The calculated benefit was increased annually by 3%, for the plan years ended December 31, 2003 through December 31, 2006. Effective January 1, 2007, the 3% annual increase was discontinued.

From January 1, 2017 to January 1, 2019, the number of active participants declined due to general active participation attrition. The Plan provided notice to the PBGC of the decline in active participants as a reportable event.

10. Risks and Uncertainties:

The Plan invests in various investment securities. Investment securities are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and such changes could materially affect the Plan's assets and the amounts reported in the accompanying statements of net assets available for plan benefits.

11. Information Certified by the Trustee:

The Plan Administrator has elected the method of compliance, commonly referred to as the limited-scope audit exemption, permitted under 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. Accordingly, no auditing procedures with respect to the information certified by Prudential Bank & Trust, FSB, trustee of the Plan, were performed by the independent auditors except for comparing the information to the financial statements and supplemental schedules. The trustee has certified as to the completeness and accuracy of the investments held by the Plan as of December 31, 2018 and 2017, the investment income (loss) and the investment-related transactions of the Plan for the year ended December 31, 2018, and the information contained in the accompanying supplemental schedules of assets (held at end of year) as of December 31, 2018 and reportable transactions for the year ended December 31, 2018. All of the investments were certified at fair value, with the exception of the fully-benefit responsive investment contract, which was certified at contract value.

12. Subsequent Events:

Effective January 14, 2019, Engility Holdings, Inc. was acquired by Science Applications International Corporation (SAIC). SAIC became the Plan Sponsor on the effective date of the acquisition.

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

Dynamics Research Corporation
Defined Benefit Pension Plan
EIN#04-2393618/ Plan #002

As of December 31, 2018

(a)	(b) Identity of Issue, Borrower, Lessor or Similar Party	(c) Description of Investment, Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	(d) Cost	(e) Current Value
		<u>Mutual Funds:</u>		
*	Neuberger	Neuberger Berman Strategic Income I	\$ 8,726,519	\$ 8,161,207
	Prudential	Prudential Total Return Bond Q	8,218,808	7,860,120
	MFS	MFS International Diversification R4	6,630,802	5,956,243
	Pioneer	Pioneer Fundamental Growth Y	6,131,792	5,680,181
	Invesco	Invesco Diversified Dividends R6	6,530,071	5,677,302
	PIMCO	PIMCO All-Asset Institutional	4,428,173	4,006,589
	American Funds	American Funds New World R6	3,693,809	3,262,506
	Victory	Victory Sycamore Established Value I	3,122,359	2,656,301
	American Beacon	American Beacon Small Cap Value Inst	3,302,494	2,464,552
		<u>Contract with Insurance Entity:</u>		
*	PRIAC	Guaranteed Deposit	95,109	95,109
		Total Investments	<u>\$ 50,879,936</u>	<u>\$ 45,820,110</u>
		Cash - Noninterest Bearing	<u>\$ 29,561</u>	<u>\$ 29,561</u>

(*) Represents a party-in-interest to the Plan.

Schedule H, Line 4j Schedule of Reportable Transactions

Dynamics Research Corporation
Defined Benefit Pension Plan
EIN#04-2393618/ Plan #002

Reportable transactions for the year ended December 31, 2018 are summarized as follows:

(a) Identity of Party Involved	(b) Description of Asset	(c) Purchase Price	(d) Selling Price	(e) Lease Rental	(f) Expense Incurred with Transaction	(g) Cost of Assets	(h) Current Value of Assets on Transaction Date	(i) Net Gain (Loss)
Invesco	Invesco Diversified Dividends R6							
	Purchases	\$ 2,631,274	\$ -	\$ -	\$ -	\$ -	\$ 2,631,274	\$ -
	Sales	-	372,599	-	-	367,716	372,599	4,883
MFS	MFS International Diversification R4							
	Purchases	143,828	-	-	-	-	143,828	-
	Sales	-	2,677,313	-	-	2,518,986	2,677,313	158,327
*PRIAC	Guaranteed Deposit							
	Purchases	3,352,505	-	-	-	-	3,352,505	-
	Sales	-	5,861,280	-	-	5,861,280	5,861,280	-

(*) Represents a party-in-interest to the Plan.



1 Highwood Drive, Tewksbury, MA 01876

www.themfacompanies.com

**DYNAMICS RESEARCH CORPORATION
DEFINED BENEFIT PENSION PLAN**

FINANCIAL STATEMENTS

DECEMBER 31, 2018 AND 2017

Engineering Growth for More Than 30 Years

Business Consulting | Financial Advisory | Strategic Intelligence



To the Plan Administrator
Dynamics Research Corporation Defined Benefit Pension Plan
Chantilly, Virginia

INDEPENDENT AUDITORS' REPORT

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of the Dynamics Research Corporation Defined Benefit Pension Plan (the Plan), which comprise the statements of net assets available for plan benefits as of December 31, 2018 and 2017, and the related statement of changes in net assets available for plan benefits for the year ended December 31, 2018, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on conducting the audit in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the Plan Administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 11, which was certified by Prudential Bank & Trust, FSB, the trustee of the Plan, except for comparing such information with the related information included in the financial statements. We have been informed by the Plan Administrator that the trustee holds the Plan's investment assets and executes investment transactions. The Plan Administrator has obtained a certification from the trustee as of and for the years ended December 31, 2018 and 2017, that the information provided to the Plan Administrator by the trustee is complete and accurate.

Disclaimer of Opinion

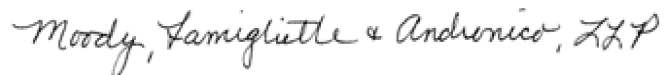
Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on these financial statements.

Other Matter

The supplemental schedules of assets (held at end of year) as of December 31, 2018 and reportable transactions for the year ended December 31, 2018 are required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 and are presented for the purpose of additional analysis and are not required parts of the financial statements. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on these supplemental schedules.

Report on Form and Content in Compliance with the Department of Labor's Rules and Regulations

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

A handwritten signature in cursive script that reads "Moody, Famiglietti & Andronico, LLP".

Moody, Famiglietti & Andronico, LLP
Tewksbury, Massachusetts
August 20, 2019

Statements of Net Assets Available for Plan Benefits
**Dynamics Research Corporation
Defined Benefit Pension Plan**

December 31	2018	2017
Assets		
Investments at Fair Value:		
Mutual Funds	\$ 45,725,001	\$ 50,732,440
Hedge Funds	-	549,230
Contract with Insurance Entity, at Contract Value	95,109	2,577,730
Total Investments	45,820,110	53,859,400
Receivables:		
Plan Sponsor Contributions Receivable	991,111	-
Cash - Noninterest Bearing	29,561	549,230
Net Assets Available for Plan Benefits	\$ 46,840,782	\$ 54,408,630

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

**Statement of Changes in Net Assets Available for
Plan Benefits**

**Dynamics Research Corporation
Defined Benefit Pension Plan**

For the Year Ended December 31

2018

Additions to Net Assets:

Investment Loss:

Net Depreciation in Fair Value of Investments \$ (4,116,372)

Interest and Dividend Income from Investments 1,361,679

Net Investment Loss (2,754,693)

Contributions:

Plan Sponsor Contributions 991,111

Other Income 39,447

Total Contributions 1,030,558

Net Additions (1,724,135)

Deductions from Net Assets:

Benefits Paid to Participants 4,947,884

Administrative Expenses 895,829

Total Deductions 5,843,713

Net Decrease in Net Assets Available for Plan Benefits (7,567,848)

Net Assets Available for Plan Benefits, Beginning of Year 54,408,630

Net Assets Available for Plan Benefits, End of Year \$ 46,840,782

1. Description of the Plan:

The following description of Dynamics Research Corporation Defined Benefit Pension Plan (the Plan) provides only general information. Participants should refer to the Plan agreement for more complete information regarding the terms of the Plan.

General: The Plan is a noncontributory defined benefit plan maintained for the purpose of providing retirement benefits to eligible employees of Engility Corporation (the Plan Sponsor). The Plan Sponsor was formerly Dynamics Research Corporation, which merged with Engility Corporation, effective December 31, 2017. The Plan Sponsor is a wholly-owned subsidiary of Engility Holdings, Inc. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA). The Board of Directors governing the Plan Sponsor is responsible for oversight of the Plan. The Board of Directors of the Plan Sponsor determines the appropriateness of the Plan's investment offerings and monitors investment performance.

Effective June 30, 2002, the Board of Directors of Dynamics Research Corporation voted to freeze participation in the Plan and to amend the Plan's accrual of future benefits.

Eligibility: Through June 30, 2002, generally, all employees of Dynamics Research Corporation who had completed 12 consecutive months of service and at least 1,000 hours and who did not make a special election to the contrary were considered Participants in the Plan (the "Participants").

Funding Policy: The Plan Sponsor makes contributions to the Plan to meet or exceed the annual ERISA minimum funding requirements as determined by the Plan's independent actuary. No voluntary employee contributions are permitted. For the year ended December 31, 2018, the minimum funding requirement was met.

During the year ended December 31, 2018, contributions were made to the Plan in the amount of \$991,111.

Vesting: As of June 30, 2007, all Participants were fully vested.

Pension Benefits: The Plan provides for retirement benefits in the form of a life annuity to be paid to Participants who have reached the age of 65 and who

have retired from active service with the Plan Sponsor. In addition, the Plan provides for benefits upon early retirement, vested termination and pre-retirement death and disability. The annual normal retirement benefit is the greatest of:

- 0.6833% of average annual compensation plus 0.65% of average annual compensation in excess of Social Security Covered Compensation multiplied by years of benefit service up to 30 years;
- the benefit accrued as of December 31, 1987 under the former plans;
- \$60 multiplied by years of benefit service.

Effective October 1, 2007, the Board of Directors of Dynamics Research Corporation approved plan participants age 65 or older to continue working at their current schedule and be eligible to begin receiving their full pension payments. Plan participants who do not choose to commence pension payments will receive an actuarial adjustment when they do decide to start receiving pension benefits, to reflect their delayed retirement beyond age 65.

2. Significant Accounting Policies:

Basis of Accounting: The financial statements of the Plan are prepared under the accrual method of accounting.

Investment Valuation and Income Recognition: Investments are reported at fair value, except for the Plan's contract with insurance entity, which is reported at contract value (see Note 5). Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Pension Committee, serving as the Plan Administrator, determines the Plan's valuation policies utilizing information provided by the investment advisers, trustee, and insurance company. See Note 4 for further discussion of fair value measurements. Contract value represents deposits made to the contract, plus earnings at guaranteed crediting rates, less withdrawals and administrative expenses charged by the contract issuer. Funds under the contract that have been allocated and applied to purchase annuities (that is, the contract issuer is obligated to pay the related pension benefits) are excluded from the Plan's assets.

2. Significant Accounting Policies (Continued):

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation (depreciation) includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Payment of Benefits: Benefits are recorded when paid.

Expenses: Certain expenses of maintaining the Plan are paid directly by the Plan Sponsor and are excluded from these financial statements. Investment-related expenses are included in net appreciation (depreciation) in fair value of investments.

Use of Estimates: The preparation of the financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosures of contingent assets and liabilities. Actual results could differ from those estimates.

Subsequent Events: The Plan Administrator has evaluated subsequent events through August 20, 2019, the date the financial statements were available to be issued.

3. Actuarial Present Value of Accumulated 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 employees who have died, and (c) present employees or their beneficiaries. Benefits under the Plan are accumulated based on employees' compensation during each year of credited service. The accumulated plan benefits for active employees will equal the accumulation, with interest, of the annual benefit accruals as of the benefit information date.

Benefits payable under all circumstances—retirement, death, disability, and termination of employment—are included, to the extent they are deemed attributable to employee service rendered to the valuation date. Benefits to be provided via annuity contracts excluded from plan assets are excluded from accumulated plan benefits. The actuarial present value of accumulated plan benefits is determined by an independent actuary and is that amount that 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 valuations as of December 31, 2018 and 2017 were (a) life expectancy of participants, (b) retirement age assumptions, and (c) investment return. The foregoing actuarial assumptions are based on the presumption that the Plan will continue. Were the Plan to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated Plan benefits.

The computations of the actuarial present value of accumulated plan benefits were made as of January 1, 2019 and 2018. Had the valuations been performed as of December 31, there would be no material differences. Prudential Financial, Inc. is the Plan's current actuarial consultant and performed the January 1, 2019 and 2018 actuarial valuation.

During 2018, the actuarial assumptions were changed to better reflect expected plan experience. The ASC 960 mortality assumption has been changed from the RP-2014 Adjusted to 2006 Total Dataset Mortality Table with projection scale MP-2017 to the RP-2014 Adjusted to 2006 Total Dataset Mortality Table with projection scale MP-2018. In addition, the investment return was changed from 7.50% to 7.00%. The effect of changes in assumptions on the calculation of actuarial present value of accumulated plan benefits during the year ended December 31, 2018, amounted to \$1,993,891.

3. Actuarial Present Value of Accumulated Benefits (Continued):

The significant assumptions used in the actuarial valuation as of December 31, 2018 and 2017 are as follows:

	2018	2017
Investment Return	7.00% compounded annually	7.50% compounded annually
Mortality Table	RP-2014 Mortality Tables with separate rates for males and females with generational projection back to 2006 using scale MP-2014 and then projected forward generationally from 2006 using scale MP-2018.	RP-2014 Mortality Tables with separate rates for males and females with generational projection back to 2006 using scale MP-2014 and then projected forward generationally from 2006 using scale MP-2017.
Normal Retirement Age	It is assumed Participants will retire based on the following rates: 55-59: 5%; 60-61: 10%, 62-64: 15%; and 65: 100%	It is assumed Participants will retire based on the following rates: 55-59: 5%; 60-61: 10%, 62-64: 15%; and 65: 100%

The actuarial present value of accumulated plan benefits at December 31, 2018 and 2017 is as follows:

	2018	2017
Actuarial Present Value of Vested Accumulated Plan Benefits:		
Participants Currently Receiving Benefits	\$ 43,879,378	\$ 42,775,690
Other Participants	11,360,585	11,313,356
	<u>55,239,963</u>	<u>54,089,046</u>
Actuarial Present Value of Nonvested Accumulated Plan Benefits	2,817	3,446
	<u>\$ 55,242,780</u>	<u>\$ 54,092,492</u>

The changes in the actuarial present value of accumulated plan benefits for the year ended December 31, 2018 consist of the following:

Actuarial Present Value of Accumulated Plan Benefits, Beginning of Year	<u>\$ 54,092,492</u>
Increase (Decrease) During the Year Attributable to:	
Increase for Interest	3,855,929
Benefits Paid	(4,947,884)
Change in Actuarial Assumptions	1,993,891
Actuarial Losses (Gains)	<u>248,352</u>
Net Increase	<u>1,150,288</u>
Actuarial Present Value of Accumulated Plan Benefits, End of Year	<u>\$ 55,242,780</u>

4. Fair Value Measurements:

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described as follows:

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

Level 2 - Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability; and
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

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

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

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

Following is a description of the valuation methodologies used for assets measured at fair value as of December 31, 2018 and 2017.

Mutual Funds: Valued at the daily closing price as reported by the fund. Mutual funds held by the Plan are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.

Hedge Funds: Valued based on the NAV per share, without further adjustment. The NAV is used as a practical expedient to estimate fair value. NAV is based upon the fair value of the underlying investments.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

4. Fair Value Measurements (Continued):

The following table sets forth, by level within the fair value hierarchy, the Plan's fair value measurements as of December 31, 2018 and 2017:

		Assets at Fair Value as of December 31, 2018			
		Total	Level 1	Level 2	Level 3
Investments:					
Mutual Funds		\$ 45,725,001	\$ 45,725,001	\$ -	\$ -
Total Investments		\$ 45,725,001	\$ 45,725,001	\$ -	\$ -
		Assets at Fair Value as of December 31, 2017			
		Total	Level 1	Level 2	Level 3
Investments:					
Mutual Funds		\$ 50,732,440	\$ 50,732,440	\$ -	\$ -
Total Assets in the Fair Value Hierarchy		50,732,440	\$ 50,732,440	\$ -	\$ -
Investments Measured at Net Asset Value		549,230			
Investments at Fair Value		\$ 51,281,670			

Investment strategies relating to investments measured at fair value based on NAV used as a practical expedient are as follows:

Hedge Fund:

- The investment objective of the Millennium International, Ltd. Fund is to achieve above-average appreciation by opportunistically trading and investing in a wide variety of securities, instruments, and other investment opportunities and engaging in a broad array of trading and investment strategies.

The following table summarizes investments measured at fair value based on NAV used as a practical expedient as of December 31, 2017:

Financial Asset	Fair Value as of December 31, 2017	Unfunded Commitments	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
Hedge Funds:				
Millennium International, Ltd. Fund	\$ 549,230	None	Quarterly *	90 Days

*Investments in the Millennium International, Ltd. Fund may be redeemed, in whole or in part, upon at least 90 days' prior written notice to Millennium International and to the fund administrator. A holder may not redeem more than 25% of such holder's shares in any one quarter, except that the holder may, upon at least 90 days' prior written notice, elect to redeem a specified amount or percentage of such shares then held over the next succeeding quarterly redemption dates.

5. Contract with Insurance Entity:

During 2017, the Plan entered into a deposit administration contract with Prudential Retirement Insurance and Annuity Company (PRIAC). Amounts contributed to the contract are merged with the general assets of PRIAC and earn a guaranteed crediting rate, as defined, which is established on an annual basis by PRIAC. The guaranteed crediting rate as of December 31, 2018 is 0.0%. At the direction of the Plan, a single premium to buy an annuity for a retiring employee is withdrawn by PRIAC from the unallocated fund. Purchased annuities are contracts under which PRIAC is obligated to pay benefits to named employees or their beneficiaries. Payment obligations and the fulfillment of any guarantees specified in the group annuity contract are insurance claims supported by the assets in the investment. If such assets are not sufficient, payment is supported by the full faith and credit of PRIAC, for which the Plan Sponsor is obligated to make a contribution in the amount of the insufficiency. In the event of termination of the contract, the Plan's trustee may elect to receive (i) a payment of book value of the contract, as defined, which may be payable over a period of up to five years, (ii) a single sum payment, which may be adjusted to reflect the market value of the contract, as defined, or (iii) a payment of book value, as defined, in annual installments over a period of ten years.

6. Party-in-Interest Transactions:

Certain Plan investments are managed by Prudential Bank & Trust, FSB, trustee of the Plan and, therefore, these transactions qualify as party-in-interest transactions. Fees incurred by the Plan for the investment management services are included in net appreciation (depreciation) in fair value of investments, as they are paid through revenue sharing, rather than direct payment, in the accompanying statement of changes in net assets available for plan benefits for the year ended December 31, 2018. During the year ended December 31, 2018, the Plan made direct payments to Prudential Bank & Trust, FSB, Lockton Investment Advisors LLC, and Moody, Famiglietti & Andronico, LLP, the recordkeeper, advisor, and auditor, respectively, in the aggregate

amount of \$895,829 which was not covered by revenue sharing. The Plan Sponsor pays directly any other fees related to the Plan's operations.

7. Tax Status:

The Internal Revenue Service has determined and informed the Plan Sponsor by a letter dated September 24, 2015, that the Plan and related trust are designed in accordance with the applicable provisions of the IRC. The Plan has been amended since receiving the determination letter; however, the Plan Administrator believes that the Plan and the related trust are currently being operated in compliance with the applicable provisions of the IRC. Therefore, the Plan Sponsor is of the opinion that the Plan and the related trust were tax-exempt as of and for the year ended December 31, 2018.

GAAP requires plan management to evaluate tax positions taken by the Plan and to recognize a tax liability (or asset) if the Plan Sponsor has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. The Plan Administrator believes it has no uncertain tax positions as of December 31, 2018 and 2017 and for the year ended December 31, 2018.

8. Plan Termination:

While it is the intention of the Plan Sponsor to continue the Plan indefinitely, the Plan Sponsor reserves the right to terminate or amend the Plan at any time subject to the provisions of ERISA. In the event of termination, the rights of all Participants to benefits will become nonforfeitable to the extent funded or as guaranteed by the Pension Benefit Guaranty Corporation (PBGC), a U.S. government agency. The priorities for determining the allocation of Plan assets would be governed by ERISA and regulations issued by the PBGC. Prudential Bank & Trust, FSB, the trustee, will make distributions to the Participants or their beneficiaries in accordance with the instructions of the Pension Committee, or in the absence of such instructions, as the trustee deems advisable.

9. Frozen Plan:

On December 11, 2001, the Board of Directors of Dynamics Research Corporation voted to freeze membership to the Plan and to amend the Plan's accrual of benefits as of June 30, 2002. Effective June 30, 2002, all Participants eligible for benefits will receive those earned benefits. Such benefits were calculated as of June 30, 2002, based on each Participant's highest five consecutive years of earnings through that date. The calculated benefit was increased annually by 3%, for the plan years ended December 31, 2003 through December 31, 2006. Effective January 1, 2007, the 3% annual increase was discontinued.

From January 1, 2017 to January 1, 2019, the number of active participants declined due to general active participation attrition. The Plan provided notice to the PBGC of the decline in active participants as a reportable event.

10. Risks and Uncertainties:

The Plan invests in various investment securities. Investment securities are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and such changes could materially affect the Plan's assets and the amounts reported in the accompanying statements of net assets available for plan benefits.

11. Information Certified by the Trustee:

The Plan Administrator has elected the method of compliance, commonly referred to as the limited-scope audit exemption, permitted under 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. Accordingly, no auditing procedures with respect to the information certified by Prudential Bank & Trust, FSB, trustee of the Plan, were performed by the independent auditors except for comparing the information to the financial statements and supplemental schedules. The trustee has certified as to the completeness and accuracy of the investments held by the Plan as of December 31, 2018 and 2017, the investment income (loss) and the investment-related transactions of the Plan for the year ended December 31, 2018, and the information contained in the accompanying supplemental schedules of assets (held at end of year) as of December 31, 2018 and reportable transactions for the year ended December 31, 2018. All of the investments were certified at fair value, with the exception of the fully-benefit responsive investment contract, which was certified at contract value.

12. Subsequent Events:

Effective January 14, 2019, Engility Holdings, Inc. was acquired by Science Applications International Corporation (SAIC). SAIC became the Plan Sponsor on the effective date of the acquisition.

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

Dynamics Research Corporation
Defined Benefit Pension Plan
EIN#04-2393618/ Plan #002

As of December 31, 2018

(a)	(b) Identity of Issue, Borrower, Lessor or Similar Party	(c) Description of Investment, Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	(d) Cost	(e) Current Value
		<u>Mutual Funds:</u>		
*	Neuberger	Neuberger Berman Strategic Income I	\$ 8,726,519	\$ 8,161,207
	Prudential	Prudential Total Return Bond Q	8,218,808	7,860,120
	MFS	MFS International Diversification R4	6,630,802	5,956,243
	Pioneer	Pioneer Fundamental Growth Y	6,131,792	5,680,181
	Invesco	Invesco Diversified Dividends R6	6,530,071	5,677,302
	PIMCO	PIMCO All-Asset Institutional	4,428,173	4,006,589
	American Funds	American Funds New World R6	3,693,809	3,262,506
	Victory	Victory Sycamore Established Value I	3,122,359	2,656,301
	American Beacon	American Beacon Small Cap Value Inst	3,302,494	2,464,552
		<u>Contract with Insurance Entity:</u>		
*	PRIAC	Guaranteed Deposit	95,109	95,109
		Total Investments	<u>\$ 50,879,936</u>	<u>\$ 45,820,110</u>
		Cash - Noninterest Bearing	<u>\$ 29,561</u>	<u>\$ 29,561</u>

(*) Represents a party-in-interest to the Plan.

Reportable transactions for the year ended December 31, 2018 are summarized as follows:

(a) Identity of Party Involved	(b) Description of Asset	(c) Purchase Price	(d) Selling Price	(e) Lease Rental	(f) Expense Incurred with Transaction	(g) Cost of Assets	(h) Current Value of Assets on Transaction Date	(i) Net Gain (Loss)
Invesco	Invesco Diversified Dividends R6							
	Purchases	\$ 2,631,274	\$ -	\$ -	\$ -	\$ -	\$ 2,631,274	\$ -
	Sales	-	372,599	-	-	367,716	372,599	4,883
MFS	MFS International Diversification R4							
	Purchases	143,828	-	-	-	-	143,828	-
	Sales	-	2,677,313	-	-	2,518,986	2,677,313	158,327
*PRIAC	Guaranteed Deposit							
	Purchases	3,352,505	-	-	-	-	3,352,505	-
	Sales	-	5,861,280	-	-	5,861,280	5,861,280	-

(*) Represents a party-in-interest to the Plan.



1 Highwood Drive, Tewksbury, MA 01876

www.themfacompanies.com

**DYNAMICS RESEARCH CORPORATION
DEFINED BENEFIT PENSION PLAN**

FINANCIAL STATEMENTS

DECEMBER 31, 2018 AND 2017

Engineering Growth for More Than 30 Years

Business Consulting | Financial Advisory | Strategic Intelligence



To the Plan Administrator
Dynamics Research Corporation Defined Benefit Pension Plan
Chantilly, Virginia

INDEPENDENT AUDITORS' REPORT

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of the Dynamics Research Corporation Defined Benefit Pension Plan (the Plan), which comprise the statements of net assets available for plan benefits as of December 31, 2018 and 2017, and the related statement of changes in net assets available for plan benefits for the year ended December 31, 2018, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on conducting the audit in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the Plan Administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 11, which was certified by Prudential Bank & Trust, FSB, the trustee of the Plan, except for comparing such information with the related information included in the financial statements. We have been informed by the Plan Administrator that the trustee holds the Plan's investment assets and executes investment transactions. The Plan Administrator has obtained a certification from the trustee as of and for the years ended December 31, 2018 and 2017, that the information provided to the Plan Administrator by the trustee is complete and accurate.

Disclaimer of Opinion

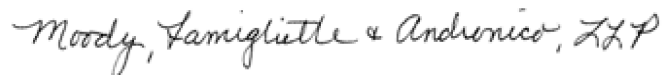
Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on these financial statements.

Other Matter

The supplemental schedules of assets (held at end of year) as of December 31, 2018 and reportable transactions for the year ended December 31, 2018 are required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 and are presented for the purpose of additional analysis and are not required parts of the financial statements. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on these supplemental schedules.

Report on Form and Content in Compliance with the Department of Labor's Rules and Regulations

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

A handwritten signature in cursive script that reads "Moody, Famiglietti & Andronico, LLP".

Moody, Famiglietti & Andronico, LLP
Tewksbury, Massachusetts
August 20, 2019

Statements of Net Assets Available for Plan Benefits**Dynamics Research Corporation
Defined Benefit Pension Plan**

December 31	2018	2017
Assets		
Investments at Fair Value:		
Mutual Funds	\$ 45,725,001	\$ 50,732,440
Hedge Funds	-	549,230
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Total Investments	45,820,110	53,859,400
Receivables:		
Plan Sponsor Contributions Receivable	991,111	-
Cash - Noninterest Bearing	29,561	549,230
Net Assets Available for Plan Benefits	\$ 46,840,782	\$ 54,408,630

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

**Statement of Changes in Net Assets Available for
Plan Benefits**

**Dynamics Research Corporation
Defined Benefit Pension Plan**

For the Year Ended December 31

2018

Additions to Net Assets:

Investment Loss:

Net Depreciation in Fair Value of Investments \$ (4,116,372)

Interest and Dividend Income from Investments 1,361,679

Net Investment Loss (2,754,693)

Contributions:

Plan Sponsor Contributions 991,111

Other Income 39,447

Total Contributions 1,030,558

Net Additions (1,724,135)

Deductions from Net Assets:

Benefits Paid to Participants 4,947,884

Administrative Expenses 895,829

Total Deductions 5,843,713

Net Decrease in Net Assets Available for Plan Benefits (7,567,848)

Net Assets Available for Plan Benefits, Beginning of Year 54,408,630

Net Assets Available for Plan Benefits, End of Year \$ 46,840,782

1. Description of the Plan:

The following description of Dynamics Research Corporation Defined Benefit Pension Plan (the Plan) provides only general information. Participants should refer to the Plan agreement for more complete information regarding the terms of the Plan.

General: The Plan is a noncontributory defined benefit plan maintained for the purpose of providing retirement benefits to eligible employees of Engility Corporation (the Plan Sponsor). The Plan Sponsor was formerly Dynamics Research Corporation, which merged with Engility Corporation, effective December 31, 2017. The Plan Sponsor is a wholly-owned subsidiary of Engility Holdings, Inc. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA). The Board of Directors governing the Plan Sponsor is responsible for oversight of the Plan. The Board of Directors of the Plan Sponsor determines the appropriateness of the Plan's investment offerings and monitors investment performance.

Effective June 30, 2002, the Board of Directors of Dynamics Research Corporation voted to freeze participation in the Plan and to amend the Plan's accrual of future benefits.

Eligibility: Through June 30, 2002, generally, all employees of Dynamics Research Corporation who had completed 12 consecutive months of service and at least 1,000 hours and who did not make a special election to the contrary were considered Participants in the Plan (the "Participants").

Funding Policy: The Plan Sponsor makes contributions to the Plan to meet or exceed the annual ERISA minimum funding requirements as determined by the Plan's independent actuary. No voluntary employee contributions are permitted. For the year ended December 31, 2018, the minimum funding requirement was met.

During the year ended December 31, 2018, contributions were made to the Plan in the amount of \$991,111.

Vesting: As of June 30, 2007, all Participants were fully vested.

Pension Benefits: The Plan provides for retirement benefits in the form of a life annuity to be paid to Participants who have reached the age of 65 and who

have retired from active service with the Plan Sponsor. In addition, the Plan provides for benefits upon early retirement, vested termination and pre-retirement death and disability. The annual normal retirement benefit is the greatest of:

- 0.6833% of average annual compensation plus 0.65% of average annual compensation in excess of Social Security Covered Compensation multiplied by years of benefit service up to 30 years;
- the benefit accrued as of December 31, 1987 under the former plans;
- \$60 multiplied by years of benefit service.

Effective October 1, 2007, the Board of Directors of Dynamics Research Corporation approved plan participants age 65 or older to continue working at their current schedule and be eligible to begin receiving their full pension payments. Plan participants who do not choose to commence pension payments will receive an actuarial adjustment when they do decide to start receiving pension benefits, to reflect their delayed retirement beyond age 65.

2. Significant Accounting Policies:

Basis of Accounting: The financial statements of the Plan are prepared under the accrual method of accounting.

Investment Valuation and Income Recognition: Investments are reported at fair value, except for the Plan's contract with insurance entity, which is reported at contract value (see Note 5). Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Pension Committee, serving as the Plan Administrator, determines the Plan's valuation policies utilizing information provided by the investment advisers, trustee, and insurance company. See Note 4 for further discussion of fair value measurements. Contract value represents deposits made to the contract, plus earnings at guaranteed crediting rates, less withdrawals and administrative expenses charged by the contract issuer. Funds under the contract that have been allocated and applied to purchase annuities (that is, the contract issuer is obligated to pay the related pension benefits) are excluded from the Plan's assets.

2. Significant Accounting Policies (Continued):

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation (depreciation) includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Payment of Benefits: Benefits are recorded when paid.

Expenses: Certain expenses of maintaining the Plan are paid directly by the Plan Sponsor and are excluded from these financial statements. Investment-related expenses are included in net appreciation (depreciation) in fair value of investments.

Use of Estimates: The preparation of the financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosures of contingent assets and liabilities. Actual results could differ from those estimates.

Subsequent Events: The Plan Administrator has evaluated subsequent events through August 20, 2019, the date the financial statements were available to be issued.

3. Actuarial Present Value of Accumulated 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 employees who have died, and (c) present employees or their beneficiaries. Benefits under the Plan are accumulated based on employees' compensation during each year of credited service. The accumulated plan benefits for active employees will equal the accumulation, with interest, of the annual benefit accruals as of the benefit information date.

Benefits payable under all circumstances—retirement, death, disability, and termination of employment—are included, to the extent they are deemed attributable to employee service rendered to the valuation date. Benefits to be provided via annuity contracts excluded from plan assets are excluded from accumulated plan benefits. The actuarial present value of accumulated plan benefits is determined by an independent actuary and is that amount that 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 valuations as of December 31, 2018 and 2017 were (a) life expectancy of participants, (b) retirement age assumptions, and (c) investment return. The foregoing actuarial assumptions are based on the presumption that the Plan will continue. Were the Plan to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated Plan benefits.

The computations of the actuarial present value of accumulated plan benefits were made as of January 1, 2019 and 2018. Had the valuations been performed as of December 31, there would be no material differences. Prudential Financial, Inc. is the Plan's current actuarial consultant and performed the January 1, 2019 and 2018 actuarial valuation.

During 2018, the actuarial assumptions were changed to better reflect expected plan experience. The ASC 960 mortality assumption has been changed from the RP-2014 Adjusted to 2006 Total Dataset Mortality Table with projection scale MP-2017 to the RP-2014 Adjusted to 2006 Total Dataset Mortality Table with projection scale MP-2018. In addition, the investment return was changed from 7.50% to 7.00%. The effect of changes in assumptions on the calculation of actuarial present value of accumulated plan benefits during the year ended December 31, 2018, amounted to \$1,993,891.

3. Actuarial Present Value of Accumulated Benefits (Continued):

The significant assumptions used in the actuarial valuation as of December 31, 2018 and 2017 are as follows:

	2018	2017
Investment Return	7.00% compounded annually	7.50% compounded annually
Mortality Table	RP-2014 Mortality Tables with separate rates for males and females with generational projection back to 2006 using scale MP-2014 and then projected forward generationally from 2006 using scale MP-2018.	RP-2014 Mortality Tables with separate rates for males and females with generational projection back to 2006 using scale MP-2014 and then projected forward generationally from 2006 using scale MP-2017.
Normal Retirement Age	It is assumed Participants will retire based on the following rates: 55-59: 5%; 60-61: 10%, 62-64: 15%; and 65: 100%	It is assumed Participants will retire based on the following rates: 55-59: 5%; 60-61: 10%, 62-64: 15%; and 65: 100%

The actuarial present value of accumulated plan benefits at December 31, 2018 and 2017 is as follows:

	2018	2017
Actuarial Present Value of Vested Accumulated Plan Benefits:		
Participants Currently Receiving Benefits	\$ 43,879,378	\$ 42,775,690
Other Participants	11,360,585	11,313,356
	<u>55,239,963</u>	<u>54,089,046</u>
Actuarial Present Value of Nonvested Accumulated Plan Benefits	2,817	3,446
	<u>\$ 55,242,780</u>	<u>\$ 54,092,492</u>

The changes in the actuarial present value of accumulated plan benefits for the year ended December 31, 2018 consist of the following:

Actuarial Present Value of Accumulated Plan Benefits, Beginning of Year	<u>\$ 54,092,492</u>
Increase (Decrease) During the Year Attributable to:	
Increase for Interest	3,855,929
Benefits Paid	(4,947,884)
Change in Actuarial Assumptions	1,993,891
Actuarial Losses (Gains)	<u>248,352</u>
Net Increase	<u>1,150,288</u>
Actuarial Present Value of Accumulated Plan Benefits, End of Year	<u>\$ 55,242,780</u>

4. Fair Value Measurements:

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described as follows:

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

Level 2 - Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability; and
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

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

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

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

Following is a description of the valuation methodologies used for assets measured at fair value as of December 31, 2018 and 2017.

Mutual Funds: Valued at the daily closing price as reported by the fund. Mutual funds held by the Plan are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.

Hedge Funds: Valued based on the NAV per share, without further adjustment. The NAV is used as a practical expedient to estimate fair value. NAV is based upon the fair value of the underlying investments.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

4. Fair Value Measurements (Continued):

The following table sets forth, by level within the fair value hierarchy, the Plan's fair value measurements as of December 31, 2018 and 2017:

		Assets at Fair Value as of December 31, 2018			
		Total	Level 1	Level 2	Level 3
Investments:					
Mutual Funds		\$ 45,725,001	\$ 45,725,001	\$ -	\$ -
Total Investments		\$ 45,725,001	\$ 45,725,001	\$ -	\$ -
		Assets at Fair Value as of December 31, 2017			
		Total	Level 1	Level 2	Level 3
Investments:					
Mutual Funds		\$ 50,732,440	\$ 50,732,440	\$ -	\$ -
Total Assets in the Fair Value Hierarchy		50,732,440	\$ 50,732,440	\$ -	\$ -
Investments Measured at Net Asset Value		549,230			
Investments at Fair Value		\$ 51,281,670			

Investment strategies relating to investments measured at fair value based on NAV used as a practical expedient are as follows:

Hedge Fund:

- The investment objective of the Millennium International, Ltd. Fund is to achieve above-average appreciation by opportunistically trading and investing in a wide variety of securities, instruments, and other investment opportunities and engaging in a broad array of trading and investment strategies.

The following table summarizes investments measured at fair value based on NAV used as a practical expedient as of December 31, 2017:

Financial Asset	Fair Value as of December 31, 2017	Unfunded Commitments	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
Hedge Funds:				
Millennium International, Ltd. Fund	\$ 549,230	None	Quarterly *	90 Days

*Investments in the Millennium International, Ltd. Fund may be redeemed, in whole or in part, upon at least 90 days' prior written notice to Millennium International and to the fund administrator. A holder may not redeem more than 25% of such holder's shares in any one quarter, except that the holder may, upon at least 90 days' prior written notice, elect to redeem a specified amount or percentage of such shares then held over the next succeeding quarterly redemption dates.

5. Contract with Insurance Entity:

During 2017, the Plan entered into a deposit administration contract with Prudential Retirement Insurance and Annuity Company (PRIAC). Amounts contributed to the contract are merged with the general assets of PRIAC and earn a guaranteed crediting rate, as defined, which is established on an annual basis by PRIAC. The guaranteed crediting rate as of December 31, 2018 is 0.0%. At the direction of the Plan, a single premium to buy an annuity for a retiring employee is withdrawn by PRIAC from the unallocated fund. Purchased annuities are contracts under which PRIAC is obligated to pay benefits to named employees or their beneficiaries. Payment obligations and the fulfillment of any guarantees specified in the group annuity contract are insurance claims supported by the assets in the investment. If such assets are not sufficient, payment is supported by the full faith and credit of PRIAC, for which the Plan Sponsor is obligated to make a contribution in the amount of the insufficiency. In the event of termination of the contract, the Plan's trustee may elect to receive (i) a payment of book value of the contract, as defined, which may be payable over a period of up to five years, (ii) a single sum payment, which may be adjusted to reflect the market value of the contract, as defined, or (iii) a payment of book value, as defined, in annual installments over a period of ten years.

6. Party-in-Interest Transactions:

Certain Plan investments are managed by Prudential Bank & Trust, FSB, trustee of the Plan and, therefore, these transactions qualify as party-in-interest transactions. Fees incurred by the Plan for the investment management services are included in net appreciation (depreciation) in fair value of investments, as they are paid through revenue sharing, rather than direct payment, in the accompanying statement of changes in net assets available for plan benefits for the year ended December 31, 2018. During the year ended December 31, 2018, the Plan made direct payments to Prudential Bank & Trust, FSB, Lockton Investment Advisors LLC, and Moody, Famiglietti & Andronico, LLP, the recordkeeper, advisor, and auditor, respectively, in the aggregate

amount of \$895,829 which was not covered by revenue sharing. The Plan Sponsor pays directly any other fees related to the Plan's operations.

7. Tax Status:

The Internal Revenue Service has determined and informed the Plan Sponsor by a letter dated September 24, 2015, that the Plan and related trust are designed in accordance with the applicable provisions of the IRC. The Plan has been amended since receiving the determination letter; however, the Plan Administrator believes that the Plan and the related trust are currently being operated in compliance with the applicable provisions of the IRC. Therefore, the Plan Sponsor is of the opinion that the Plan and the related trust were tax-exempt as of and for the year ended December 31, 2018.

GAAP requires plan management to evaluate tax positions taken by the Plan and to recognize a tax liability (or asset) if the Plan Sponsor has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. The Plan Administrator believes it has no uncertain tax positions as of December 31, 2018 and 2017 and for the year ended December 31, 2018.

8. Plan Termination:

While it is the intention of the Plan Sponsor to continue the Plan indefinitely, the Plan Sponsor reserves the right to terminate or amend the Plan at any time subject to the provisions of ERISA. In the event of termination, the rights of all Participants to benefits will become nonforfeitable to the extent funded or as guaranteed by the Pension Benefit Guaranty Corporation (PBGC), a U.S. government agency. The priorities for determining the allocation of Plan assets would be governed by ERISA and regulations issued by the PBGC. Prudential Bank & Trust, FSB, the trustee, will make distributions to the Participants or their beneficiaries in accordance with the instructions of the Pension Committee, or in the absence of such instructions, as the trustee deems advisable.

9. Frozen Plan:

On December 11, 2001, the Board of Directors of Dynamics Research Corporation voted to freeze membership to the Plan and to amend the Plan's accrual of benefits as of June 30, 2002. Effective June 30, 2002, all Participants eligible for benefits will receive those earned benefits. Such benefits were calculated as of June 30, 2002, based on each Participant's highest five consecutive years of earnings through that date. The calculated benefit was increased annually by 3%, for the plan years ended December 31, 2003 through December 31, 2006. Effective January 1, 2007, the 3% annual increase was discontinued.

From January 1, 2017 to January 1, 2019, the number of active participants declined due to general active participation attrition. The Plan provided notice to the PBGC of the decline in active participants as a reportable event.

10. Risks and Uncertainties:

The Plan invests in various investment securities. Investment securities are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and such changes could materially affect the Plan's assets and the amounts reported in the accompanying statements of net assets available for plan benefits.

11. Information Certified by the Trustee:

The Plan Administrator has elected the method of compliance, commonly referred to as the limited-scope audit exemption, permitted under 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. Accordingly, no auditing procedures with respect to the information certified by Prudential Bank & Trust, FSB, trustee of the Plan, were performed by the independent auditors except for comparing the information to the financial statements and supplemental schedules. The trustee has certified as to the completeness and accuracy of the investments held by the Plan as of December 31, 2018 and 2017, the investment income (loss) and the investment-related transactions of the Plan for the year ended December 31, 2018, and the information contained in the accompanying supplemental schedules of assets (held at end of year) as of December 31, 2018 and reportable transactions for the year ended December 31, 2018. All of the investments were certified at fair value, with the exception of the fully-benefit responsive investment contract, which was certified at contract value.

12. Subsequent Events:

Effective January 14, 2019, Engility Holdings, Inc. was acquired by Science Applications International Corporation (SAIC). SAIC became the Plan Sponsor on the effective date of the acquisition.

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

Dynamics Research Corporation
Defined Benefit Pension Plan
EIN#04-2393618/ Plan #002

As of December 31, 2018

(a)	(b) Identity of Issue, Borrower, Lessor or Similar Party	(c) Description of Investment, Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	(d) Cost	(e) Current Value
		<u>Mutual Funds:</u>		
*	Neuberger	Neuberger Berman Strategic Income I	\$ 8,726,519	\$ 8,161,207
	Prudential	Prudential Total Return Bond Q	8,218,808	7,860,120
	MFS	MFS International Diversification R4	6,630,802	5,956,243
	Pioneer	Pioneer Fundamental Growth Y	6,131,792	5,680,181
	Invesco	Invesco Diversified Dividends R6	6,530,071	5,677,302
	PIMCO	PIMCO All-Asset Institutional	4,428,173	4,006,589
	American Funds	American Funds New World R6	3,693,809	3,262,506
	Victory	Victory Sycamore Established Value I	3,122,359	2,656,301
	American Beacon	American Beacon Small Cap Value Inst	3,302,494	2,464,552
		<u>Contract with Insurance Entity:</u>		
*	PRIAC	Guaranteed Deposit	95,109	95,109
		Total Investments	<u>\$ 50,879,936</u>	<u>\$ 45,820,110</u>
		Cash - Noninterest Bearing	<u>\$ 29,561</u>	<u>\$ 29,561</u>

(*) Represents a party-in-interest to the Plan.

Schedule H, Line 4j Schedule of Reportable Transactions

Dynamics Research Corporation
Defined Benefit Pension Plan
EIN#04-2393618/ Plan #002

Reportable transactions for the year ended December 31, 2018 are summarized as follows:

(a) Identity of Party Involved	(b) Description of Asset	(c) Purchase Price	(d) Selling Price	(e) Lease Rental	(f) Expense Incurred with Transaction	(g) Cost of Assets	(h) Current Value of Assets on Transaction Date	(i) Net Gain (Loss)
Invesco	Invesco Diversified Dividends R6							
	Purchases	\$ 2,631,274	\$ -	\$ -	\$ -	\$ -	\$ 2,631,274	\$ -
	Sales	-	372,599	-	-	367,716	372,599	4,883
MFS	MFS International Diversification R4							
	Purchases	143,828	-	-	-	-	143,828	-
	Sales	-	2,677,313	-	-	2,518,986	2,677,313	158,327
*PRIAC	Guaranteed Deposit							
	Purchases	3,352,505	-	-	-	-	3,352,505	-
	Sales	-	5,861,280	-	-	5,861,280	5,861,280	-

(*) Represents a party-in-interest to the Plan.



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