

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6057(b) and 6058(a) of the Internal Revenue Code (the Code). <p style="text-align: center;">▶ Complete all entries in accordance with the instructions to the Form 5500.</p>	OMB Nos. 1210-0110 1210-0089 <div style="text-align: center; font-size: 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>12/01/2018</u> and ending <u>11/30/2019</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>RAYTHEON BARGAINING RETIREMENT PLAN</u>	1b Three-digit plan number (PN) ▶	<u>022</u>	
	1c Effective date of plan	<u>12/17/1997</u>	
2a Plan sponsor's name (employer, if for a single-employer plan) Mailing address (include room, apt., suite no. and street, or P.O. Box) City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions) <u>RAYTHEON COMPANY</u> <u>870 WINTER STREET</u> <u>WALTHAM, MA 02451-1449</u>	2b Employer Identification Number (EIN)	<u>95-1778500</u>	
	2c Plan Sponsor's telephone number	<u>781-522-3000</u>	
	2d Business code (see instructions)	<u>335900</u>	

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

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

SIGN HERE	Filed with authorized/valid electronic signature.	09/15/2020	KELLY B. LAPPIN
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

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

Form 5500 (2018)
v. 171027

3a Plan administrator's name and address ☐ Same as Plan Sponsor KELLY B. LAPPIN RAYTHEON COMPANY 870 WINTER STREET WALTHAM, MA 02451-1449		3b Administrator's EIN 95-1778500 3c Administrator's telephone number 781-522-5821
4 If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report: a Sponsor's name c Plan Name		4b EIN 4d PN
5 Total number of participants at the beginning of the plan year		5 8474
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines 6a(1) , 6a(2) , 6b , 6c , and 6d).		
a(1) Total number of active participants at the beginning of the plan year		6a(1) 1406
a(2) Total number of active participants at the end of the plan year		6a(2) 1305
b Retired or separated participants receiving benefits.....		6b 3802
c Other retired or separated participants entitled to future benefits		6c 2362
d Subtotal. Add lines 6a(2) , 6b , and 6c		6d 7469
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.		6e 717
f Total. Add lines 6d and 6e		6f 8186
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)		6g
h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested		6h 0
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)		7
8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions: 1A		
b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:		
9a Plan funding arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor		9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor
10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)		
a Pension Schedules (1) ☒ R (Retirement Plan Information) (2) ☐ MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary (3) ☒ SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary		b General Schedules (1) ☒ H (Financial Information) (2) ☐ I (Financial Information – Small Plan) (3) ☐ <u>0</u> 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 SB (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation</div>	<div>Single-Employer Defined Benefit Plan Actuarial Information</div> <div>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code).</div> <div>▶ File as an attachment to Form 5500 or 5500-SF.</div>	<div>OMB No. 1210-0110</div> <div>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 12/01/2018 and ending 11/30/2019

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

A Name of plan RAYTHEON BARGAINING RETIREMENT PLAN	B Three-digit plan number (PN) ▶ 022
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF RAYTHEON COMPANY	D Employer Identification Number (EIN) 95-1778500

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
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1 Enter the valuation date: Month 12 Day 01 Year 2018			
2 Assets:			
a Market value.....	2a	539276985	
b Actuarial value	2b	547276050	
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	4318	295870793	295870793
b For terminated vested participants	2750	67453181	67453181
c For active participants	1406	130275378	152508667
d Total	8474	493599352	515832641
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	5.41 %	
6 Target normal cost	6	9175547	

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

<div>SIGN HERE</div>				
Signature of actuary		Date		
GRACE BARBIERI, F.S.A.		20-07481		
Type or print name of actuary		Most recent enrollment number		
MERCER		617-747-9500		
Firm name		Telephone number (including area code)		
99 HIGH STREET BOSTON, MA 02110-2320				
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>0.26</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)		1919398
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>5.57</u> %		106910
b(2) Interest on line 38b from prior year Schedule SB, using prior year's actual return		
c Total available at beginning of current plan year to add to prefunding balance		2026308
d Portion of (c) to be added to prefunding balance		
12 Other reductions in balances due to elections or deemed elections		
13 Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	0	0

Part III Funding Percentages

14 Funding target attainment percentage	14	106.09%
15 Adjusted funding target attainment percentage	15	106.09%
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	110.93%
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
12/15/2018	0	26392	06/15/2019	0	23601
01/15/2019	0	26670	07/15/2019	0	11251
02/15/2019	0	35913	08/15/2019	0	44456
03/15/2019	0	24825	09/15/2019	0	22689
04/15/2019	0	23146	10/15/2019	0	22661
05/15/2019	0	22806	11/15/2019	0	22963
Totals ▶			18(b)	0	18(c) 307373

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

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

20 Quarterly contributions and liquidity shortfalls:

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

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

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

21 Discount rate:				
a Segment rates:	1st segment: 3.92%	2nd segment: 5.52%	3rd segment: 6.29%	☐ N/A, full yield curve used
b Applicable month (enter code)				21b 0
22 Weighted average retirement age				22 61
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	9175547
b Excess assets, if applicable, but not greater than line 31a	31b	9175547
32 Amortization installments:	Outstanding Balance	Installment
a Net shortfall amortization installment	0	0
b Waiver amortization installment	0	0
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33	
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)	34	0
	Carryover balance	Prefunding balance
35 Balances elected for use to offset funding requirement		0
36 Additional cash requirement (line 34 minus line 35)	36	0
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	37	0
38 Present value of excess contributions for current year (see instructions)		
a Total (excess, if any, of line 37 over line 36)	38a	0
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b	
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 C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2018
		This Form is Open to Public Inspection.

For calendar plan year 2018 or fiscal plan year beginning 12/01/2018 and ending 11/30/2019		
A Name of plan RAYTHEON BARGAINING RETIREMENT PLAN	B Three-digit plan number (PN) ▶	022
C Plan sponsor's name as shown on line 2a of Form 5500 RAYTHEON COMPANY	D Employer Identification Number (EIN) 95-1778500	

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

1 Information on Persons Receiving Only Eligible Indirect Compensation

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

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

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

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

CONDUENT INC.

81-2983623

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
13 50	NONE	444502	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

PRICEWATERHOUSECOOPERS LLP

13-4008324

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
10 50	NONE	176990	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

THE BANK OF NEW YORK MELLON

13-5160382

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
21 50	NONE	109938	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

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

MERCER

13-2834414

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
11 50	NONE	89218	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

DELOITTE LLP

13-6044173

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
10 16 50	NONE	39622	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
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(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:

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

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

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

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

SCHEDULE H (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110 2018 This Form is Open to Public Inspection
For calendar plan year 2018 or fiscal plan year beginning 12/01/2018 and ending 11/30/2019		
A Name of plan RAYTHEON BARGAINING RETIREMENT PLAN	B Three-digit plan number (PN) ►	022
C Plan sponsor's name as shown on line 2a of Form 5500 RAYTHEON COMPANY	D Employer Identification Number (EIN) 95-1778500	

Part I	Asset and Liability Statement		(a) Beginning of Year	(b) End of Year
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	Total noninterest-bearing cash	1a		
b	Receivables (less allowance for doubtful accounts):			
	(1) Employer contributions	1b(1)		
	(2) Participant contributions	1b(2)		
	(3) Other	1b(3)		
c	General investments:			
	(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)		
	(2) U.S. Government securities	1c(2)		
	(3) Corporate debt instruments (other than employer securities):			
	(A) Preferred	1c(3)(A)		
	(B) All other	1c(3)(B)		
	(4) Corporate stocks (other than employer securities):			
	(A) Preferred	1c(4)(A)		
	(B) Common	1c(4)(B)		
	(5) Partnership/joint venture interests	1c(5)		
	(6) Real estate (other than employer real property)	1c(6)		
	(7) Loans (other than to participants)	1c(7)		
	(8) Participant loans	1c(8)		
	(9) Value of interest in common/collective trusts	1c(9)		
	(10) Value of interest in pooled separate accounts	1c(10)		
	(11) Value of interest in master trust investment accounts	1c(11)	539276984	538420747
	(12) Value of interest in 103-12 investment entities	1c(12)		
	(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)		
	(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		
	(15) Other	1c(15)		

1d Employer-related investments:

		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	539276984	538420747

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	539276984	538420747
---	-----------	-----------	-----------

Part II Income and Expense Statement

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

Income

		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)		
(B) Participants	2a(1)(B)	307373	
(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)		307373
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)		
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		0
(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)		
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		0
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		0
(5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		0

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		72616946
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		
c Other income	2c		
d Total income. Add all income amounts in column (b) and enter total	2d		72924319

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	71867953	
(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)		71867953
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)	1912603	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		1912603
j Total expenses. Add all expense amounts in column (b) and enter total	2j		73780556

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		-856237
l Transfers of assets:			
(1) To this plan	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

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

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

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

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)?

☐ Yes ☒ No

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

(1) Name: PRICEWATERHOUSECOOPERS LLP

(2) EIN: 13-4008324

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

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

Part IV Compliance Questions

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

During the plan year:

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

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

	Yes	No	Amount
4a		X	
4b		X	

		Yes	No	Amount
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)	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		20000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	4f		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?.....	4g		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?.....	4h		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	4i		X	
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)	4j		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?	4k		X	
l Has the plan failed to provide any benefit when due under the plan?.....	4l		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	4m			
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.	4n			

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 4225657. (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 12/01/2018 and ending 11/30/2019

A Name of plan <u>RAYTHEON BARGAINING RETIREMENT PLAN</u>	B Three-digit plan number (PN) ▶ <u>022</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>RAYTHEON COMPANY</u>	D Employer Identification Number (EIN) <u>95-1778500</u>

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

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

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions	1	<u>0</u>
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): <u>13-5160382</u>		
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>21</u>

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

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

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

Part IV	ESOPs (see instructions). If this is not a plan described under section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.
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10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?	☐ Yes	☐ No
11 a Does the ESOP hold any preferred stock?	☐ Yes	☐ No
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.)	☐ Yes	☐ No
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?	☐ Yes	☐ No

For Paperwork Reduction Act Notice, 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: 23.0% Investment-Grade Debt: 29.0% High-Yield Debt: 1.0% Real Estate: 7.0% Other: 40.0%

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

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

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

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

Raytheon Bargaining Retirement Plan

Financial Statements

To Accompany 2018 Form 5500

Annual Report of Employee Benefit Plan

Under ERISA of 1974

November 30, 2019 and 2018

Raytheon Bargaining Retirement Plan
Index
November 30, 2019 and 2018

	Page(s)
Report of Independent Auditors	1-2
Financial Statements	
Statements of Net Assets Available for Benefits as of November 30, 2019 and 2018.....	3
Statements of Changes in Net Assets Available for Benefits for the Years Ended November 30, 2019 and 2018	4
Notes to Financial Statements as of November 30, 2019 and 2018	5–24
<p>The supplemental schedules to the Plan's Form 5500 are not required since the Plan's assets are held in a Master Trust. Accordingly, the Plan Administrator must file detailed financial information for the Master Trust, including the supplemental schedules, separately with the Department of Labor.</p>	



Report of Independent Auditors

To the Administrator of Raytheon Bargaining Retirement Plan

We have audited the accompanying financial statements of Raytheon Bargaining Retirement Plan (the "Plan"), which comprise the statements of net assets available for benefits as of November 30, 2019 and 2018, and the related statements of changes in net assets available for benefits for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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



Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, information regarding the Plan's net assets available for benefits as of November 30, 2019 and changes therein for the year then ended and its financial status as of November 30, 2018, and changes therein for the year then ended in accordance with accounting principles generally accepted in the United States of America.

PricewaterhouseCoopers LLP
September 14, 2020

Raytheon Bargaining Retirement Plan
Statements of Net Assets Available for Benefits
As of November 30, 2019 and 2018

	2019	2018
Assets		
Investments at fair value (Notes 2 and 5)		
Raytheon Master Pension Trust	\$ 538,420,747	\$ 539,276,984
Total assets	<u>538,420,747</u>	<u>539,276,984</u>
Net assets available for benefits	<u>\$ 538,420,747</u>	<u>\$ 539,276,984</u>

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

Raytheon Bargaining Retirement Plan
Statements of Changes in Net Assets Available for Benefits
For the Years Ended November 30, 2019 and 2018

	2019	2018
Additions		
Raytheon Master Pension Trust investment income (Notes 2 and 5)	\$ 72,616,946	\$ 1,408,902
Employee contributions	307,373	408,963
Employer contributions	-	2,000,000
Total additions	<u>72,924,319</u>	<u>3,817,865</u>
Deductions		
Benefit payments	71,867,953	87,837,344
Administrative expenses	1,912,603	1,427,130
Total deductions	<u>73,780,556</u>	<u>89,264,474</u>
Net increase (decrease) in net assets available for benefits	(856,237)	(85,446,609)
Net assets available for benefits, beginning of year	539,276,984	624,723,593
Net assets available for benefits, end of year	<u>\$ 538,420,747</u>	<u>\$ 539,276,984</u>

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

Raytheon Bargaining Retirement Plan

Notes to Financial Statements

As of November 30, 2019 and 2018

1. Plan Description

The following description of the Raytheon Bargaining Retirement Plan (the "Plan") is for general purposes only. Participants should refer to the Summary Plan Description or the Plan Document for a complete description of the Plan's provisions.

General

The Plan was established on December 18, 1997, to provide retirement benefits to eligible employees in represented units as part of Raytheon Company's (the "Company") merger with the defense business of Hughes Electronics on December 17, 1997. A proportionate allocation of the liabilities of the preexisting Hughes Electronics Bargaining Retirement Plan (the "Hughes Plan") was transferred to the Plan at that time. Effective December 31, 2002, the Pension and Retirement Plan Local 6-0254 of Paper Allied-Industrial Energy International Union was merged into and became part of the Plan. On April 3, 2020 ("Company Merger Date"), the Company became a wholly-owned subsidiary of Raytheon Technologies Corporation ("RTC").

Investments are held in the Raytheon Master Pension Trust ("Master Trust"). The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA"). During the period covered by the annual report that these financial statements accompany, and until the Company Merger Date, the Plan was administered by the Plan Administrator (for purposes of Section 3(16) of ERISA) who was appointed by the Company's Vice President of Human Resources. From and after the Company Merger Date, the Plan Administrator of the Plan (for purposes of Section 3(16) of ERISA) is RTC and the Plan is administered by the Raytheon Technologies Corporation Plan Administration and Investment Committee, which operates pursuant to a vote of the RTC Board of Directors.

Benefits, Eligibility, and Vesting

The Plan is a defined benefit plan covering certain employees of the Company. The Plan provides specified benefits to be paid from the net assets available for benefits. Each employee who was a participant in the Hughes Plan on December 17, 1997, continued as a participant in the Plan with all prior service maintained. Other represented employees working in a bargaining unit in the defense business formerly operated by Hughes Electronics generally become eligible following completion of a year of service. The level of benefits depends upon the status of each participant as either in the contributory portion or the noncontributory portion of the Plan.

Benefits are based principally upon years of service and compensation. Annual earnings in excess of the limit provided for that year by Section 401(a)(17) of the Internal Revenue Code ("Code"), are not used in determining benefits under the Plan.

Effective January 1, 2007, employees who are either hired or rehired (after the period of eligible recall) subject to any applicable collective bargaining agreement are not eligible to participate in the Plan. In addition, former employees who are rehired on or after March 1, 2007, or as of a negotiated date, if different, and have received or are receiving payment from a Company-sponsored pension plan are not eligible to participate in the Plan, subject to applicable collective bargaining agreements ("CBA").

Effective July 1, 2018, the minimum pension benefit for Local 721 participants increased from \$42 to \$43 per month per year of service. The multiplier will increase to \$44 on July 1, 2019, \$45 on July 1, 2020, and \$46 on July 1, 2021.

Effective January 1, 2019, the minimum pension benefit for IBEW Local 2295 participants increased from \$39 to \$40 per month per year of service. The multiplier will increase to \$41 on January 1, 2020, \$42 on January 1, 2021, and \$43 on January 1, 2022.

Raytheon Bargaining Retirement Plan

Notes to Financial Statements

As of November 30, 2019 and 2018

Effective January 1, 2019, the minimum pension benefit for IAM Local 933 participants increased from \$43 to \$50 per month per year of service.

Non-Contributory Benefit Structure

An employee subject to a CBA hired or rehired by Hughes or Raytheon Company prior to the later of January 1, 2007 and the date specified in the applicable CBA participates in the non-contributory benefit structure.

After completing five years of service under the Plan, participants are entitled to monthly pension benefits defined as a percentage of their final average monthly compensation multiplied by their years of service beginning at their Social Security retirement date. In addition, certain unions are provided a minimum guarantee benefit based upon years of service. The non-contributory portion of the Plan provides for normal retirement, early retirement, deferred vested, and death benefits. The standard form of retirement benefit to unmarried participants is a monthly payment beginning the month following retirement and continuing until death. The standard form of benefit to married participants is a reduced monthly payment for the participant's life and one-half of that payment for the life of the participant's surviving spouse. Other optional forms of benefits are also available including a 10-year certain and continuous benefit, a 10- or 15-year period certain benefit, and 66 2/3%, 75%, or 100% contingent annuity.

Contributory Benefit Structure

An employee subject to a CBA hired or rehired by Hughes before the applicable collective bargaining unit switched to the non-contributing benefit structure is eligible to participate in the contributory benefit structure. All collective bargaining units switched to the non-contributing benefit structure before 1992. Employees, who are eligible to participate and choose to do so, contribute 3% of their pay to the Plan. Participants are always vested in their contributions and interest earned on these contributions.

After completing five years of service as a Hughes or Raytheon Company employee, a participant in the contributory benefit structure is entitled to monthly pension benefits beginning at their normal retirement date based upon the greatest of three formulas (a career average formula, a minimum benefit formula, and a final average compensation formula). The pension under the contributory benefit is adjusted annually to reflect changes in the cost of living (maximum increase or decrease of 4% per year). The contributory portion of the Plan provides for normal retirement, early retirement, deferred vested, and death benefits. The early retirement pension is unreduced for a participant who is at least 55 at termination and whose age plus continuous service (at termination) is at least 75. The standard form of retirement benefit to unmarried participants is a monthly payment beginning the month following retirement and continuing until death. The standard form of benefit to married participants is a reduced monthly payment for the participant's life and one-half of that payment for the life of the participant's surviving spouse. Other optional forms of benefits are also available including a 5-, 10-, or 15-year certain and continuous benefit, a 5-, 10-, or 15-year period certain benefit, 5-, 10-, or 15-year temporary modified cash refund annuity, 66 2/3%, 75%, or 100% contingent annuity and social security leveling options.

Contributions

The Company makes contributions to the Plan to ensure assets are sufficient to pay the benefits of the Plan. Participants in the contributory portion of the Plan, except those on inactive status, are required to contribute to the Plan.

2. Summary of Significant Accounting Policies

Basis of Presentation

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

Raytheon Bargaining Retirement Plan

Notes to Financial Statements

As of November 30, 2019 and 2018

Investment Valuation and Income Recognition

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

Contributions

Employer contributions are funded and recorded as determined by actuarial computation. See Note 4 for additional information. Participants in the contributory portion of the Plan contribute 3% of eligible compensation as defined under the Plan.

Benefit Payments

Benefit payments to participants are recorded when paid.

Administrative Expenses

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

Use of Estimates

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

New Accounting Pronouncements

In August 2018, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2018-13, *Fair Value Measurement: Disclosure Framework-Changes to the Disclosure Requirements for Fair Value Measurement* ("Topic 820"), which eliminates the disclosure requirement of the amount of and reasons for transfers between Level 1 and Level 2 of the fair value hierarchy and modifies certain disclosure requirements related to Level 3 recurring and nonrecurring fair value measurements. The new standard is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2019, with early adoption permitted. The adoption of this standard is not expected to have a significant impact on the Plan's financial statements or disclosures.

In February 2017, FASB issued ASU 2017-06, *Plan Accounting: Defined Benefit Pension Plans (Topic 960), Defined Contribution Pension Plans (Topic 962), and Health and Welfare Benefit Plans (Topic 965) - Employee Benefit Plan Master Trust Reporting*. ASU 2017-06 amends the master trust disclosure to require additional disclosures related to the Plan's interest in the Master Trust. This ASU is effective for fiscal years beginning after December 15, 2018, and is required to be applied retrospectively for all comparative periods presented. The adoption of this standard is reflected in the Plan's financial statements for the current year and retrospectively updated for the comparative period, and as a whole, did not result in a material change to the presentation.

Raytheon Bargaining Retirement Plan

Notes to Financial Statements

As of November 30, 2019 and 2018

3. Actuarial Present Value of Accumulated Pension Plan Benefits

Accumulated plan benefits are those future periodic payments, including lump-sum distributions that are attributable, under the Plan's provisions, to the service employees have rendered. Accumulated plan benefits include benefits expected to be paid to (a) retired or terminated employees or their beneficiaries, (b) beneficiaries of deceased employees, and (c) active employees or their beneficiaries. The level of benefits depends upon the status of each participant as either in the contributory portion or the non-contributory portion of the Plan. Benefits are based principally upon years of service and compensation. Benefits payable under all circumstances (such as retirement, death, disability, and termination of employment) are included to the extent that they are deemed attributable to employee service rendered to the valuation date.

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

The significant actuarial assumptions used in the valuation as of November 30, 2018 and 2017, are as follows:

Assumed rate of return on investments for accumulated benefits (discount rate)	7.5%
Mortality basis	Modified version of the RP-2014 employee/retiree no collar tables, which has the projection scale backed off to 2006 and projected future generational mortality improvement based on a modified version of the MP-2014 scale, which reflects a 10-year downgrade period for given ages, but a 15-year downgrade for birth cohorts, and an ultimate improvement rate of 1.20% at age 64 to 0% at age 115.
Retirement	Several rates, varying by age from 55 to 70
Post-retirement cost-of-living adjustment	2.25% for contributory participants

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

Assumption Changes

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

- The segmented interest rate basis for conversion to a certain only form of payment was changed to reflect the current interest rate environment.
- For conversion to certain only and lump sum forms of payment (as applicable), the mortality basis was changed to the 2019 static 417(e) mortality table prescribed by the IRS.
- The assumption for participants with deferred benefits past normal retirement age changed from assuming 40% to assuming 65% of these participants will be located and will commence benefits.

Raytheon Bargaining Retirement Plan

Notes to Financial Statements

As of November 30, 2019 and 2018

Plan Changes

- Effective July 1, 2018, the minimum pension benefit for Local 721 participants increased from \$42 to \$43 per month per year of service. The multiplier will increase to \$44 on July 1, 2019, \$45 on July 1, 2020, and \$46 on July 1, 2021.

As of November 30, 2018, the most recent valuation date, the actuarial present value of accumulated plan benefits is as follows:

Vested Benefits	
Participants receiving benefits	\$ 268,204,287
Participants with deferred benefits	56,951,745
Active participants	109,714,197
Total vested benefits	434,870,229
Nonvested benefits	20,199,239
Total actuarial present value of accumulated plan benefits	<u>\$ 455,069,468</u>
Employee contributions with interest as of November 30, 2018 (2.54% interest rate)	<u>\$ 28,003,351</u>

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

Actuarial present value of accumulated plan benefits as of November 30, 2017	\$ 488,782,919
Benefits accumulated and non-investment (gains) losses	15,990,766
Increase for interest due to decrease in discount period	33,090,327
Benefits paid	(87,837,344)
Change in actuarial assumptions	3,476,550
Change in plan provisions	1,566,250
Actuarial present value of accumulated plan benefits as of November 30, 2018	<u>\$ 455,069,468</u>

4. Funding Policy

The employer's contributions are actuarially determined to fund the Plan's current normal costs on a current basis and to generally fund the existing unfunded liability on account of qualified service prior to the valuation date in accordance with the amortization schedules prescribed by ERISA minimum funding requirements (as amended by the Pension Protection Act of 2006). At the Company's discretion, and to the extent allowable under maximum tax deductibility regulations, contributions above the ERISA minimum funding requirements may be made to the Plan. Contributions for the years ended November 30, 2019 and 2018, met the minimum funding requirements of ERISA.

Participants who choose to participate in the contributory portion of the Plan contribute 3% of their eligible compensation as defined under the Plan. Employee contributions are placed into a trust fund. If a participant does not earn a benefit under the Plan, any contributions made to the Plan plus interest will be returned to the participant or designated beneficiary.

Raytheon Bargaining Retirement Plan

Notes to Financial Statements

As of November 30, 2019 and 2018

5. Master Trust

Summary Financial Information

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

During the period covered by the annual report that these financial statements accompany, and until the Company Merger Date, the relevant Plan Committee for purposes of the preceding paragraph was the Raytheon Company Investment Committee, which was appointed by the CEO of Raytheon Company. On the Company Merger Date, the Company became a wholly-owned subsidiary of RTC. From and after the Company Merger Date, the relevant Plan Committee for this purpose is the Raytheon Technologies Corporation Plan Administration and Investment Committee, which operates pursuant to a resolution of the RTC Board of Directors.

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

Raytheon Bargaining Retirement Plan

Notes to Financial Statements

As of November 30, 2019 and 2018

As of November 30, 2019 and 2018, the Plan owned approximately 3% of the fair value of the Master Trust net assets. The following table includes the Statements of Net Assets for the Master Trust, along with the Plan's interest in the Master Trust, as of November 30, 2019 and 2018.

	2019		2018	
Assets	Master Trust Balances	Plan's Interest in Master Trust	Master Trust Balances	Plan's Interest in Master Trust
Investments at fair market value				
U.S. government bonds	\$ 2,103,952,247	\$ 55,792,921	\$ 1,837,277,557	\$ 51,452,579
Corporate debt instruments and other fixed income securities	2,227,630,749	59,072,646	2,107,673,977	59,024,975
Corporate stock - preferred	24,474,424	649,016	24,007,256	672,318
Corporate stock - common and other equity securities	3,103,114,290	82,288,850	4,105,628,771	114,977,287
Real assets	166,606,492	4,418,096	44,806,115	1,254,786
Commingled funds	9,146,806,989	242,556,401	7,262,247,935	203,377,758
Registered investment companies	1,056,313,121	28,011,470	1,533,466,871	42,944,424
Unallocated insurance contracts	20,774,325	550,897	19,966,878	559,168
Private equity funds	1,538,279,084	40,792,316	1,438,199,724	40,276,487
Private real estate funds	841,878,876	22,325,070	821,463,446	23,004,914
	<u>20,229,830,597</u>	<u>536,457,683</u>	<u>19,194,738,530</u>	<u>537,544,696</u>
Cash	8,021,822	212,724	312,152	8,742
Collateral held at broker for futures contracts	233,000	6,179	37,020,178	1,036,742
Unrealized appreciation on futures contracts	14,033,415	372,140	1,491,316	41,764
Foreign cash	14,783,607	392,034	9,080,625	254,301
Interest and dividends receivable	43,675,618	1,158,197	49,025,589	1,372,952
Unrealized appreciation on forward foreign currency contracts	41,633	1,104	91,666	2,567
Receivable for securities sold	14,862,517	394,126	46,531,207	1,303,097
Other assets and receivables	2,719,346	72,112	6,011,656	168,355
	<u>20,328,201,555</u>	<u>539,066,299</u>	<u>19,344,302,919</u>	<u>541,733,216</u>
Liabilities				
Unrealized depreciation on futures contracts	502,782	13,333	16,239,719	454,790
Unrealized depreciation on forward foreign currency contracts	7,591	201	29,949	839
Payable for securities purchased	16,464,528	436,609	64,529,116	1,807,125
Other payables	7,368,893	195,409	6,908,741	193,478
	<u>24,343,794</u>	<u>645,552</u>	<u>87,707,525</u>	<u>2,456,232</u>
Total Net Assets	<u>\$ 20,303,857,761</u>	<u>\$ 538,420,747</u>	<u>\$ 19,256,595,394</u>	<u>\$ 539,276,984</u>

Raytheon Bargaining Retirement Plan
Notes to Financial Statements
As of November 30, 2019 and 2018

The following table is a summary of the investment earnings and the net appreciation (depreciation) in the fair market value of the Master Trust ("Summary of Investment Earnings") for the years ended November 30, 2019 and 2018:

	2019	2018
Net appreciation (depreciation) in investments at fair market value	\$ 2,480,729,488	\$ (149,155,663)
Interest	147,104,969	155,408,397
Dividends	145,086,320	149,198,908
Other income	77,149,596	118,242,933
Total investment income	<u>2,850,070,373</u>	<u>273,694,575</u>
 Total expenses	 <u>178,151,842</u>	 <u>220,309,769</u>
 Net investment income	 <u>\$ 2,671,918,531</u>	 <u>\$ 53,384,806</u>
 Portion allocated to the Plan	 <u>\$ 72,616,946</u>	 <u>\$ 1,408,902</u>

Raytheon Bargaining Retirement Plan

Notes to Financial Statements

As of November 30, 2019 and 2018

Fair Value Measurements

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

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

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

Changes in Fair Value Levels

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

For the years ended November 30, 2019 and November 30, 2018, there were no material transfers in or out of Levels 1, 2, or 3.

Raytheon Bargaining Retirement Plan

Notes to Financial Statements

As of November 30, 2019 and 2018

The following tables summarize the fair value of investment assets and liabilities as of November 30, 2019:

Fair Value of Investment Assets as of November 30, 2019					
	Total	Level 1	Level 2	Level 3	Not Subject to Leveling ⁽³⁾
U.S. government bonds	\$ 2,103,952,247	\$ 1,904,991,024	\$ 198,961,223	\$ -	\$ -
Corporate debt instruments and other fixed income securities ⁽¹⁾	2,227,630,749	-	2,227,630,749	-	-
Corporate stock - preferred	24,474,424	24,474,424	-	-	-
Corporate stock - common and other equity securities	3,103,114,290	3,090,948,417	12,165,873	-	-
Real assets ⁽²⁾	166,606,492	-	-	-	166,606,492
Commingled funds	9,146,806,989	-	-	-	9,146,806,989
Registered investment companies	1,056,313,121	1,056,313,121	-	-	-
Unallocated insurance contracts	20,774,325	-	-	20,774,325	-
Private equity funds	1,538,279,084	-	-	-	1,538,279,084
Private real estate funds	841,878,876	-	-	-	841,878,876
Unrealized appreciation on futures contracts	14,033,415	14,033,415	-	-	-
Unrealized appreciation on forward foreign currency contracts	41,633	-	41,633	-	-
Total assets in fair value hierarchy	\$ 20,243,905,645	\$ 6,090,760,401	\$ 2,438,799,478	\$ 20,774,325	\$ 11,693,571,441
Fair Value of Investment Liabilities as of November 30, 2019					
	Total	Level 1	Level 2	Level 3	Not Subject to Leveling
Unrealized depreciation on futures contracts	\$ 502,782	\$ 502,782	\$ -	\$ -	\$ -
Unrealized depreciation on forward foreign currency contracts	7,591	-	7,591	-	-
Total liabilities in fair value hierarchy	\$ 510,373	\$ 502,782	\$ 7,591	\$ -	\$ -

(1) Corporate debt instruments and other fixed income securities includes \$41,571,559 of asset backed securities and \$115,644,868 of term loans.

(2) Real asset investments include funds which invest in physical and permanent assets, including infrastructure.

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

Raytheon Bargaining Retirement Plan

Notes to Financial Statements

As of November 30, 2019 and 2018

The following tables summarize the fair value of investment assets and liabilities as of November 30, 2018:

Fair Value of Investment Assets as of November 30, 2018					
	Total	Level 1	Level 2	Level 3	Not Subject to Leveling ⁽³⁾
U.S. government bonds	\$ 1,837,277,557	\$ 1,645,266,670	\$ 192,010,887	\$ -	\$ -
Corporate debt instruments and other fixed income securities ⁽¹⁾	2,107,673,977	-	2,107,673,977	-	-
Corporate stock - preferred	24,007,256	24,007,256	-	-	-
Corporate stock - common and other equity securities	4,105,628,771	4,105,540,339	88,432	-	-
Real assets ⁽²⁾	44,806,115	-	-	-	44,806,115
Commingled funds	7,262,247,935	-	-	-	7,262,247,935
Registered investment companies	1,533,466,871	1,533,466,871	-	-	-
Unallocated insurance contracts	19,966,878	-	-	19,966,878	-
Private equity funds	1,438,199,724	-	-	-	1,438,199,724
Private real estate funds	821,463,446	-	-	-	821,463,446
Unrealized appreciation on futures contracts	1,491,316	1,491,316	-	-	-
Unrealized appreciation on forward foreign currency contracts	91,666	-	91,666	-	-
Total assets in fair value hierarchy	\$ 19,196,321,512	\$ 7,309,772,452	\$ 2,299,864,962	\$ 19,966,878	\$ 9,566,717,220

Fair Value of Investment Liabilities as of November 30, 2018					
	Total	Level 1	Level 2	Level 3	Not Subject to Leveling
Unrealized depreciation on futures contracts	\$ 16,239,719	\$ 16,239,719	\$ -	\$ -	\$ -
Unrealized depreciation on forward foreign currency contracts	29,949	-	29,949	-	-
Total liabilities in fair value hierarchy	\$ 16,269,668	\$ 16,239,719	\$ 29,949	\$ -	\$ -

(1) Corporate debt instruments and other fixed income securities includes \$41,282,432 of asset backed securities and \$115,219,239 of term loans.

(2) Real asset investments include funds which invest in physical and permanent assets, including infrastructure.

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

Level 3 Investments

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

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

Raytheon Bargaining Retirement Plan

Notes to Financial Statements

As of November 30, 2019 and 2018

The table below summarizes the fair value measurements of the investments in certain entities that are valued using net asset value as the practical expedient as of November 30, 2019:

Category of Investment	Fair Value	Unfunded Commitments	Remaining Life	Redemption Terms	Redemption Restrictions and Terms
Real assets	\$ 166,606,492	\$ 156,301,471	7-13 years	Not applicable	Not applicable
Commingled funds ¹	9,146,806,989	51,874,819	Not applicable	Not applicable Ranges from daily, 5-60 days notice monthly, 30-90 days notice quarterly, 90 days notice semi-annually, 90 days notice annually, 45-65 days bi-annually, 95 days notice only on specified dates	2% of these funds have a lockup provision greater than one year and up to 10 years.
Private equity funds	1,538,279,084	1,272,479,944	0-11 years	Not applicable	Not applicable
Private real estate funds	841,878,876	531,661,748	0-10 years	Not applicable	Not applicable

¹Approximately 14% of Commingled funds were subject to gating provisions as of November 30, 2019.

The table below summarizes the fair value measurements of the investments in certain entities that are valued using net asset value as the practical expedient as of November 30, 2018:

Category of Investment	Fair Value	Unfunded Commitments	Remaining Life	Redemption Terms	Redemption Restrictions and Terms
Real assets	\$ 44,806,115	\$ 250,132,993	8-14 years	Not applicable	Not applicable
Commingled funds ¹	7,262,247,935	65,225,795	Not applicable	Not applicable Ranges from 1-5 days daily, 5-65 days notice monthly, 30-90 days notice quarterly, 60-90 days notice semi-annually, 0-90 days notice annually, 45-65 days bi-annually, 60-95 days notice only on specified dates	1% of these funds have a lockup provision greater than one year and up to ten years.
Private equity funds	1,438,199,724	1,295,021,277	0-10 years	Not applicable	Not applicable
Private real estate funds	821,463,446	499,814,666	0-11 years	Not applicable	Not applicable

¹Approximately 16% of Commingled funds were subject to gating provisions as of November 30, 2018.

Raytheon Bargaining Retirement Plan

Notes to Financial Statements

As of November 30, 2019 and 2018

Valuation Policy

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

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

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

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

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

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

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

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

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

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

Raytheon Bargaining Retirement Plan

Notes to Financial Statements

As of November 30, 2019 and 2018

Investment Income (Loss)

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

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

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

Derivatives Policy

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

The following tables present the values of derivatives (not accounted for as hedging instruments) carried on the Statement of Net Assets for the Master Trust and the Summary of Investment Earnings as of and for the year ended November 30, 2019:

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

Assets	Credit	Equity	Foreign Exchange	Total
Futures contracts	\$ 1,483,173	\$ 12,550,242	\$ -	\$ 14,033,415
Forward currency contracts	-	-	41,633	41,633
	<u>\$ 1,483,173</u>	<u>\$ 12,550,242</u>	<u>\$ 41,633</u>	<u>\$ 14,075,048</u>
Liabilities				
Futures contracts	\$ 502,782	\$ -	\$ -	\$ 502,782
Forward currency contracts	-	-	7,591	7,591
	<u>\$ 502,782</u>	<u>\$ -</u>	<u>\$ 7,591</u>	<u>\$ 510,373</u>

Raytheon Bargaining Retirement Plan

Notes to Financial Statements

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

	Net Appreciation/ (Depreciation)	Average Number of Contracts*	Average Notional Principal Amount*
Futures contracts	112,997,496	9,540	N/A
Forward currency contracts	(1,581,170)	70	N/A
Swap contracts	(174,056)	N/A	(522,000)
	<u>\$ 111,242,270</u>	<u>9,610</u>	<u>(522,000)</u>

* Number of contracts and notional principal amount represent volume of derivative activity and is based on a quarterly average.

The following tables present the values of derivatives (not accounted for as hedging instruments) carried on the Statement of Net Assets for the Master Trust and the Summary of Investment Earnings as of and for the year ended November 30, 2018:

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

Assets	Credit	Equity	Foreign Exchange	Total
Futures contracts	\$ 1,491,316	\$ -	\$ -	\$ 1,491,316
Forward currency contracts	-	-	91,666	91,666
	<u>\$ 1,491,316</u>	<u>\$ -</u>	<u>\$ 91,666</u>	<u>\$ 1,582,982</u>
Liabilities				
Futures contracts	\$ 1,136,217	\$ 15,103,502	\$ -	\$ 16,239,719
Forward currency contracts	-	-	29,949	29,949
	<u>\$ 1,136,217</u>	<u>\$ 15,103,502</u>	<u>\$ 29,949</u>	<u>\$ 16,269,668</u>

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

	Net Appreciation/ (Depreciation)	Average Number of Contracts*
Options	\$ (863,488)	420
Futures contracts	(9,507,885)	9,150
Forward currency contracts	(1,844,593)	80
	<u>\$ (12,215,966)</u>	<u>9,650</u>

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

Raytheon Bargaining Retirement Plan

Notes to Financial Statements

As of November 30, 2019 and 2018

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

Forward Currency Contracts

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

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

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

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

As of November 30, 2019 and 2018, the total aggregate face value of open forward currency contracts in the Master Trust was (\$9,345,410) and (\$3,559,069) respectively.

Futures Contracts

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

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

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

Futures contracts involve, to varying degrees, credit and market risks. The Master Trust enters into futures contracts on exchanges where the exchange acts as the counterparty to the transaction.

Raytheon Bargaining Retirement Plan

Notes to Financial Statements

As of November 30, 2019 and 2018

Thus, credit risk on such transactions is limited to the failure of the exchange. The daily settlement on the futures contracts serves to greatly reduce credit risk. Losses in value may arise from changes in the value of the underlying instrument or if there is an illiquid secondary market for the contracts. In addition, there is the risk that the change in the value of the futures contract may not correlate exactly with the change in value of the corresponding investments held in the Master Trust.

At November 30, 2019, U.S. Government Bonds with a par value of \$19,809,000 (fair value of \$20,315,990) were pledged as collateral for open futures contracts. These bonds are restricted from trading until the futures contracts for which they are pledged as collateral are settled. A cash balance of \$233,000 was pledged to cover margin requirements for open futures contracts.

At November 30, 2018, U.S. Government Bonds with a par value of \$20,960,000 (fair value of \$20,879,838) were pledged as collateral for open futures contracts. These bonds are restricted from trading until the futures contracts for which they are pledged as collateral are settled. A cash balance of \$37,020,178 was pledged to cover margin requirements for open futures contracts.

A summary of the open futures contracts as of November 30, 2019 are presented below:

	Long Contracts		Short Contracts	
	Number of Contracts	Aggregate Face Value	Number of Contracts	Aggregate Face Value
Fixed income	4,575	780,575,000	1,859	259,540,203
Equity index	1,760	276,645,600	-	-
Interest rate	120	29,427,750	-	-
	<u>6,455</u>	<u>\$ 1,086,648,350</u>	<u>1,859</u>	<u>\$ 259,540,203</u>

A summary of the open futures contracts as of November 30, 2018 are presented below:

	Long Contracts		Short Contracts	
	Number of Contracts	Aggregate Face Value	Number of Contracts	Aggregate Face Value
Fixed income	4,586	654,852,180	3,057	381,655,055
Equity index	2,130	293,758,950	-	-
Interest rate	846	205,361,606	395	95,770,938
	<u>7,562</u>	<u>\$ 1,153,972,736</u>	<u>3,452</u>	<u>\$ 477,425,993</u>

Option Contracts

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

Raytheon Bargaining Retirement Plan

Notes to Financial Statements

As of November 30, 2019 and 2018

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

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

As of November 30, 2019 and 2018, the Master Trust was not invested in any option contracts.

Swaps

The Master Trust may invest in interest rate swap contracts, currency swap contracts, and credit default swap contracts. During the fiscal year ended November 30, 2019, the Master Trust was invested in interest rate swap contracts.

The Master Trust uses interest rate swap contracts to manage its exposure to interest rates. Interest rate swap contracts entered into by the Master Trust typically represent the exchange by the Master Trust with a counterparty of a commitment to make variable rate and fixed rate payments with respect to a notional amount of principal. Such contracts may have a term of one to ten years, but typically require periodic interim settlement in cash, at which time both the value of the index or security and the specified variable interest rate are reset for the next settlement period. During the period that the swap contract is open, the contract is marked-to-market as the net amount due to or from the Master Trust in accordance with the terms of the contract based on the closing level of the relevant index or security and interest accrual through the valuation date. Changes in the value of the swap contract are recorded as unrealized gains or losses, while periodic cash settlements are recorded as realized gains or losses.

Entering into a swap contract involves, to varying degrees, elements of credit, market and interest rate risk in excess of the amounts reported in the statement of net assets available for benefits. Notional principal amounts are used to express the extent of involvement in the transactions, but are not delivered under the contract. Accordingly, credit risk is limited to any amounts receivable from the counterparty. To reduce credit risk from potential counterparty default, the Master Trust enters into swap contracts with counterparties whose creditworthiness has been approved by the Trustee of the Trust. The Master Trust bears the market risk arising from any change in index or security values or interest rates.

As of November 30, 2019 and 2018, the Master Trust was not invested in any swaps.

Raytheon Bargaining Retirement Plan

Notes to Financial Statements

As of November 30, 2019 and 2018

6. Termination Policies

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

- (a) The assets comprising the Plan, including the net income (loss) of the Plan, shall be revalued at market by the Trustee.
- (b) The Plan provides that the net assets of the Plan shall be allocated among the participants and beneficiaries of the Plan in the order provided by ERISA.
- (c) To the extent unfunded vested benefits exist, ERISA provides that such benefits are payable by the PBGC to participants, up to specified limitations, as described in ERISA.

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

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

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

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

The following table is a summary of expenses paid to parties-in-interest for the years ended November 30, 2019 and 2018:

	<u>Year Ended 2019</u>	<u>Year Ended 2018</u>
Expenses specifically related to the Plan	\$ 109,938	\$ 87,749
Plan's allocation of expenses paid directly by the Master Trust	189,571	176,444

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

8. Tax Status

The Internal Revenue Service (the "IRS") has determined and informed the Company by letter dated October 29, 2013, that the design of the Plan meets the requirements for qualification under Code section 401(a), on which the tax exemption of the Trust under Code section 501(a) is based. The Plan has been amended since receiving the determination letter. The Plan Administrator and the Company's benefits counsel believe that the current design and operation of the Plan are consistent with continued qualification of the Plan and exemption of the Trust in the context of

Raytheon Bargaining Retirement Plan

Notes to Financial Statements

As of November 30, 2019 and 2018

applicable IRS procedures. The Company, on behalf of the Plan, applied for a new determination letter on January 29, 2016.

The Plan adopted the provisions of uncertain tax positions that provide criteria for the recognition, measurement, presentation, and disclosure of uncertain tax positions. The Plan may from time to time hold investments that give rise to certain tax liabilities. Based upon management's assessment, the Plan has not recognized any tax liabilities at November 30, 2019 and 2018. The Plan is subject to examinations by taxing jurisdictions; however, there are currently no audits for any tax period in progress. The Plan Administrator believes the Plan is no longer subject to federal tax examination for years prior to 2015.

9. Risks and Uncertainties

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

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

10. Subsequent Events

The Plan has evaluated subsequent events and transactions subsequent to November 30, 2019 through the date the Plan's financial statements were available to be issued, September 14, 2020.

In December 2019, a novel strain of coronavirus ("COVID-19") was reported to have surfaced in Wuhan, China. In January 2020, COVID-19 began to spread to other regions of the world, including, among others, North America, Europe and the Middle East, and in March 2020, was categorized as a pandemic by the World Health Organization. COVID-19 has adversely affected, and may continue to adversely affect, economic activity globally, nationally and locally. Following the COVID-19 outbreak, the values of certain investment securities have become more volatile. These economic and market conditions and other effects of the COVID-19 outbreak may continue to impact the volatility in the investments of the Master Trust. The extent of any impacts of the COVID-19 outbreak on the amounts reported in the 2019 statement of net assets available for benefits cannot be predicted at this time.

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security (CARES) Act was passed by Congress. The CARES Act contains a provision that delays minimum required contributions for single-employer defined pension plans during 2020 to January 1, 2021. The Plan did not have any required contributions in 2020.

Schedule SB, line 26 — Schedule of Active Participant Data

ATTAINED AGE	YEARS OF CREDITED SERVICE										
	UNDER 1	1–4	5–9	10– 14	15– 19	20– 24	25– 29	30– 34	35– 39	40 & UP	TOTAL
Under 25											
25–29											
30–34		3	4	13							20
35–39	7	12	8	40	14						81
				68,858							
40–44	4	18	16	31	26						95
				72,772	71,461						
45–49	8	13	13	44	27	5	1				111
				71,359	69,860						
50–54	6	26	33	56	62	47	37	16	1		284
		122,073	93,108	75,727	75,884	73,625	65,943				
55–59	17	51	29	87	79	60	22	10	3		358
		119,250	92,451	75,073	75,917	75,033	72,144				
60–64	12	35	22	73	78	57	21	13	16	2	329
		118,507	86,457	77,325	76,148	69,481	70,185				
65–69	6	6	2	30	16	28	5	4	3	2	102
				71,019		60,770					
70 & up		1	4	3	7	3	4	1	1	2	26
Total	60	165	131	377	309	200	90	44	24	6	1,406

In each cell, the top number is the count of active participants for each age/service combination and the bottom number is average pay for 2017 limited to \$270,000. Average pay is not shown for plans with less than 1,000 active participants or cells with fewer than 20 participants.

*Schedule SB, Part V — Statement of Actuarial Assumptions/Methods***ACTUARIAL ASSUMPTIONS FOR DECEMBER 1, 2018 FUNDING VALUATION****DISCOUNT RATE
SPONSOR ELECTIONS**

- Segment rates or full yield curve Segment
- Look-back months 0

	<u>Stabilized</u>	<u>Nonstabilized</u>
• First 5 years	3.92%	2.50%
• Next 15 years	5.52%	3.92%
• Over 20 years	6.29%	4.50%

Mortality sponsor elections

- Healthy participants Section 430(h)(3) prescribed separate static annuitant and nonannuitant mortality tables. These tables are based on the IRS-defined 2006 Base Tables with mortality improvement based on the IRS methodology and projection scale MP-2016.
- Disabled participants Same as healthy.

Other economic assumptions

- Pensionable Earnings

Base Pay

The Base Pay portion of total pensionable earnings is assumed to increase at the following rates:

<u>Attained Age</u>	<u>Salary Increases</u>
20	6.68%
25	6.55
30	5.99
35	5.08
40	4.45
45	3.94
50	3.62
55	3.34
60	3.16
65	2.94
70	2.94

Incentive Pay

The Incentive Pay portion of total pensionable earnings is assumed to increase at the same rates as shown above. The new bonus structure effective for bonuses paid in 2019 is expected to be 124.6% of the target bonus under the current structure. Based on the bonus paid in 2018 being 109% of target, in addition to the rates shown above, the 2019 projected bonus in this valuation is adjusted to be 14.3% higher.

Rationale: Based on past experience and current plan membership, and adjusted to reflect management's expectation of future wage increases.

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

• Social Security wage base	3.50% per year Rationale: Reflects long-term view of inflation and the average real wage increases for the U.S. economy as a whole.
• Inflation	2.50% per year Rationale: Based on the inflation assumption periodically published by Mercer Investment Consulting in their <i>Capital Markets Outlook</i> .
• Cost-of-living adjustment (post-retirement)	2.25% per year Rationale: The retiree cost-of-living adjustment is assumed to average 2.25% due to the fact that there is a 4% cap that is applied annually to the cost-of-living adjustment. The 25bp spread represents the expected impact of the 4% annual cap in the context of the 2.5% long-term inflation assumption.
• Interest accumulation on employee contributions	5.00% per year
• Expected investment return	The expected investment return is 7.50% per year but not greater than the third segment rate in effect for each year Rationale: The expected long-term return on assets assumption was developed based on the plan's current target investment allocation and a building block approach, which looked at the weighted average expected return for each asset class based on long-term capital market assumptions. The expected return for each asset class is composed of inflation plus a risk free rate of return, plus an expected risk premium for each asset class. The resulting return was then adjusted for administrative, investment management and trading expenses as well as recognition of alpha for active management.
• Expenses	\$1,400,000 (added to current year normal cost) Rationale: Based on actual administrative expenses incurred in the prior plan year increased with inflation, excluding the prior year PBGC expenses plus the estimated current year PBGC expenses
• Actuarial equivalence for conversion to certain only forms of payment	The basis for valuation is based on whichever of the following bases that yields a greater lump sum value: <ul style="list-style-type: none"> • PBGC interest rates of 1.25% for 2018, 1.75% for plan year 2019, 2.25% for plan year 2020, and 2.75% thereafter and 1971 GAM Table (blended 80% males, 20% females) or • Segmented interest rates of 3.10% for 5 years, 4.15% for the next 15 years and 4.46% thereafter for 2018; 3.75% for 5 years, 4.25% for the next 15 years and 4.50% thereafter for 2019; 4.25% for 5 years, 4.50% for the next 15 years, 4.75% thereafter for 2020; 4.75% for 5 years, 4.75% for the next 15 years and 4.75% thereafter for 2021 and beyond. Mortality is based on the 2018 static 417(e) mortality tables for 2018 and the 2019 static 417(e) mortality table prescribed by the IRS for future years. Rationale (PBGC interest rates): Based on long-term historical trends in the PBGC rate which suggests a range of 40 to 200 basis points below the long government bond. The assumption for long government bond is periodically published by Mercer Investment Consulting's <i>Capital Markets Outlook</i> . Rationale (Segmented interest rates): Based on a long-term view of the three segment rates extrapolated by bootstrapping the forward rates from the current year's PPA full yield curve. Rationale (mortality): Based on the current year table prescribed by the IRS.

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

Demographic assumptions																																																												
• Withdrawal		See table of sample rates. Rationale: Based on review of experience undertaken from 2012 to 2015 using data from 2012 – 2016 and the expectation that future withdrawal patterns and circumstances of the employer will not differ significantly from the period studied.																																																										
• Disability incidence																																																												
Former Pension and Retirement Plan for Local 6-0254 of PACE		1985 Pension Disability Table for Class 3 Occupations for males and females (see table of sample rates) Rationale: These assumptions are based on the benefit structure under the plan and the actuary’s experience with similar plans. Annual review of the experience has shown that these assumptions provide similar results to the actual experience under the plan.																																																										
Other participants		None assumed																																																										
• Retirement age		<table><tr><th></th><th colspan="2">Raytheon Bargaining Retirement Plan Prior to Merger</th></tr><tr><th>Attained age</th><th>Basic</th><th>Rule of 75</th></tr><tr><td>Under 55</td><td>0.00%</td><td>0.00%</td></tr><tr><td>55</td><td>7.00%</td><td>40.00%</td></tr><tr><td>56</td><td>7.00%</td><td>20.00%</td></tr><tr><td>57</td><td>8.00%</td><td>20.00%</td></tr><tr><td>58</td><td>9.00%</td><td>20.00%</td></tr><tr><td>59</td><td>10.00%</td><td>20.00%</td></tr><tr><td>60</td><td>10.00%</td><td>20.00%</td></tr><tr><td>61</td><td>10.00%</td><td>20.00%</td></tr><tr><td>62</td><td>10.00%</td><td>20.00%</td></tr><tr><td>63</td><td>15.00%</td><td>20.00%</td></tr><tr><td>64</td><td>15.00%</td><td>35.00%</td></tr><tr><td>65</td><td>30.00%</td><td>35.00%</td></tr><tr><td>66</td><td>25.00%</td><td>35.00%</td></tr><tr><td>67</td><td>25.00%</td><td>35.00%</td></tr><tr><td>68</td><td>25.00%</td><td>35.00%</td></tr><tr><td>69</td><td>25.00%</td><td>35.00%</td></tr><tr><td>70 and above</td><td>100.00%</td><td>100.00%</td></tr></table> Rationale: Based on review of experience undertaken from 2012 to 2015 using data from 2012 – 2016 and the expectation that future withdrawal patterns and circumstances of the employer will not differ significantly from the period studied.			Raytheon Bargaining Retirement Plan Prior to Merger		Attained age	Basic	Rule of 75	Under 55	0.00%	0.00%	55	7.00%	40.00%	56	7.00%	20.00%	57	8.00%	20.00%	58	9.00%	20.00%	59	10.00%	20.00%	60	10.00%	20.00%	61	10.00%	20.00%	62	10.00%	20.00%	63	15.00%	20.00%	64	15.00%	35.00%	65	30.00%	35.00%	66	25.00%	35.00%	67	25.00%	35.00%	68	25.00%	35.00%	69	25.00%	35.00%	70 and above	100.00%	100.00%
	Raytheon Bargaining Retirement Plan Prior to Merger																																																											
Attained age	Basic	Rule of 75																																																										
Under 55	0.00%	0.00%																																																										
55	7.00%	40.00%																																																										
56	7.00%	20.00%																																																										
57	8.00%	20.00%																																																										
58	9.00%	20.00%																																																										
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62	10.00%	20.00%																																																										
63	15.00%	20.00%																																																										
64	15.00%	35.00%																																																										
65	30.00%	35.00%																																																										
66	25.00%	35.00%																																																										
67	25.00%	35.00%																																																										
68	25.00%	35.00%																																																										
69	25.00%	35.00%																																																										
70 and above	100.00%	100.00%																																																										
• Benefit commencement age for																																																												
– Future noncontributory vested deferred	63																																																											
– Future vested deferred	64																																																											
– Current contributory vested deferred, Rule 75 eligible	59																																																											

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

– Current contributory vested deferred, not Rule 75 eligible	64				
– Current vested deferred retirement eligible at termination	62				
– Current non-contributory vested deferred	63				
– Current vested deferred not retirement eligible at termination	64				
• Spouse assumptions		<u>Male participants</u>		<u>Female participants</u>	
– Percentage married		85%		75%	
– Spouse age difference		3 years younger		3 years older	
Form of payment		Single life	5-year Certain Only	10-year Certain Only	50% J&S
<i>Former Pension and Retirement Plan for Local 6-0254 of PACE</i>		100%	0%	0%	0%
• Future deaths		0%	0%	0%	100%
<i>Other participants</i>					
• Active Noncontributing retirements		50%	0%	50%	0%
• Active Contributing retirements in plan year 2017-2020		10%	90%	0%	0%
• Active Contributing retirements thereafter		20%	80%	0%	0%
• Future vested deferred		100%	0%	0%	0%
• Future deaths ¹		0%	0%	0%	100%
• Current Noncontributing vested deferred		100%	0%	0%	0%
• Current Contributing vested deferred		0%	100%	0%	0%
Terminated vested participants over age 65	It is assumed that 65% of participants with deferred benefits over age 65 will be located and will commence benefits.				
Unpredictable contingent event assumptions	Not applicable				

¹ If eligible for early retirement, death benefit valued is 100% joint & survivor annuity.

*Schedule SB, Part V — Statement of Actuarial Assumptions/Methods***Table of Sample Rates**

ATTAINED AGE	DISABILITY INCIDENCE	
	MALES	FEMALES
20	0.151%	0.089%
25	0.219	0.150
30	0.309	0.252
35	0.431	0.388
40	0.597	0.547
45	0.829	0.777
50	1.224	1.201
55	2.118	1.962
60	3.240	2.326
65	4.369	2.718
70	0.000	0.000

ATTAINED AGE	WITHDRAWAL RATES			
	CONTRIBUTORY		NON-CONTRIBUTORY	
	MALES	FEMALES	MALES	FEMALES
20	29.40%	46.90%	29.40%	46.90%
25	23.10	30.80	12.00	12.00
30	17.50	21.40	8.00	8.00
35	12.40	15.50	7.15	7.15
40	7.70	10.50	6.30	6.30
45	3.90	6.30	5.45	5.45
50	1.80	3.50	4.60	4.60
55	0.70	1.80	0.00	0.00
60	0.00	0.00	0.00	0.00

ACTUARIAL METHODS FOR FUNDING**Asset Methods**

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

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

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

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

- **Participants included:** Conduent, Inc. provides us with data on all employees as of the valuation date, but only those employees who have completed the plan's eligibility requirements are included in the valuation of liabilities.
- **Participants excluded:**
 - No actuarial liability is included for nonvested participants who terminated prior to the valuation date.
 - In addition, for retirees who have elected a contingent annuitant form of payment, one-third of future beneficiaries are assumed to decess prior to receiving benefits.
- **Insurance contracts:** The plan does not have any insurance contracts.

Minimum Funding Methods

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

A detailed description of the calculation follows:

- The plan's valuation date is the beginning of the plan year.
- An individual's **funding target** is the present value of future benefits based on credited service and average pay as of the beginning of the plan year, and an individual's **target normal cost** is the present value of the benefit expected to accrue in the plan year. If multiple decrements are used, the funding target and the target normal cost for an individual are the sum of the component funding targets and target normal costs associated with the various anticipated separation dates.
- The plan's **target normal cost** is the sum of the individual target normal costs, and the plan's **funding target** is the sum of the individual funding targets for all participants under the plan.

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

Pension Benefit Guaranty Corporation

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

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

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

OMB No. 1210-0110

2018**This Form is Open to Public
Inspection**For calendar plan year 2018 or fiscal plan year beginning 12/01/2018 and ending 11/30/2019▶ **Round off amounts to nearest dollar.**▶ **Caution:** A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan RAYTHEON BARGAINING RETIREMENT PLAN		B Three-digit plan number (PN) ▶	022
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF RAYTHEON COMPANY		D Employer Identification Number (EIN) 95-1778500	
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>12</u> Day <u>01</u> Year <u>2018</u>			
2 Assets:			
a Market value.....		2a	539,276,985
b Actuarial value.....		2b	547,276,050
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.....	4,318	295,870,793	295,870,793
b For terminated vested participants.....	2,750	67,453,181	67,453,181
c For active participants.....	1,406	130,275,378	152,508,667
d Total.....	8,474	493,599,352	515,832,641
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	5.41%	
6 Target normal cost.....	6	9,175,547	

Statement by Enrolled Actuary

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

**SIGN
HERE**

GRACE BARBIERI (GB)

Signature of actuary

GRACE BARBIERI, F.S.A.

Type or print name of actuary

MERCER

Firm name

99 HIGH STREET

BOSTON MA 02110-2320

Address of the firm

9-14-2020

Date

2007481

Most recent enrollment number

617-747-9500

Telephone number (including area code)

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

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

Schedule SB (Form 5500) 2018
v. 171027

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>0.26%</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).....		1,919,398
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>5.57%</u>		106,910
b(2) Interest on line 38b from prior year Schedule SB, using prior year's actual return.....		
c Total available at beginning of current plan year to add to prefunding balance.....		2,026,308
d Portion of (c) to be added to prefunding balance.....		
12 Other reductions in balances due to elections or deemed elections.....		
13 Balance at beginning of current year (line 9 + line 10 + line 11d – line 12).....	0	0

Part III Funding Percentages

14 Funding target attainment percentage	14	106.09%
15 Adjusted funding target attainment percentage.....	15	106.09%
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	110.93%
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
12/15/2018	0	26,392			
01/15/2019	0	26,670			
02/15/2019	0	35,913			
03/15/2019	0	24,825			
04/15/2019	0	23,146			
05/15/2019	0	22,806			
06/15/2019	0	23,601			
07/15/2019	0	11,251			
08/15/2019	0	44,456			
09/15/2019	0	22,689			
10/15/2019	0	22,661			
11/15/2019	0	22,963			
Totals ▶			18(b)	0	18(c)
					307,373

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

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

20 Quarterly contributions and liquidity shortfalls:

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

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

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

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

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

21 Discount rate:				
a Segment rates:	1st segment: 3.92 %	2nd segment: 5.52 %	3rd segment: 6.29 %	☐ N/A, full yield curve used
b Applicable month (enter code).....				21b 0
22 Weighted average retirement age				22 61
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	9,175,547	
b Excess assets, if applicable, but not greater than line 31a	31b	9,175,547	
32 Amortization installments:	Outstanding Balance		Installment
a Net shortfall amortization installment.....	0		0
b Waiver amortization installment	0		0
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33		
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33).....	34	0	
	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement.....			0
36 Additional cash requirement (line 34 minus line 35).....	36	0	
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c).....	37	0	
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)	38a	0	
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b		
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

Each employee is assumed to retire in accordance with the table of retirement rates. The percentage of employees expected to retire at each potential age is shown below. 86% of Raytheon actives are assumed to be subject to the Basic Rates and 14% are assumed to be subject to the Rule of 75 rates, resulting in an average retirement age for Raytheon actives of 61.45 ($86\% * 62.04 + 14\% * 57.77$).

Basic Rates

(A)	(B)	(C)	(D)	(E)
RETIREMENT AGE	RETIREMENT PERCENT	LX	NUMBER OF EMPLOYEES EXPECTED TO RETIRE (B) X (C)	(A) X (D)
55	7.00%	10,000	700	38,500
56	7.00%	9,300	651	36,456
57	8.00%	8,649	692	39,439
58	9.00%	7,957	716	41,536
59	10.00%	7,241	724	42,722
60	10.00%	6,517	652	39,101
61	10.00%	5,865	587	35,777
62	10.00%	5,279	528	32,728
63	15.00%	4,751	713	44,895
64	15.00%	4,038	606	38,766
65	30.00%	3,432	1030	66,933
66	25.00%	2,403	601	39,645
67	25.00%	1,802	451	30,184
68	25.00%	1,352	338	22,976
69	25.00%	1,014	253	17,485
70	100%	760	760	53,216
Total				620,359
Average				62.04

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

Rule of 75

(A)	(B)	(C)	(D)	(E)
RETIREMENT AGE	RETIREMENT PERCENT	LX	NUMBER OF EMPLOYEES EXPECTED TO RETIRE (B) X (C)	(A) X (D)
55	40.00%	10,000	4000	220,000
56	20.00%	6,000	1200	67,200
57	20.00%	4,800	960	54,720
58	20.00%	3,840	768	44,544
59	20.00%	3,072	614	36,250
60	20.00%	2,458	492	29,491
61	20.00%	1,966	393	23,986
62	20.00%	1,573	315	19,504
63	20.00%	1,258	252	15,854
64	35.00%	1,007	352	22,549
65	35.00%	654	229	14,886
66	35.00%	425	149	9,824
67	35.00%	276	97	6,483
68	35.00%	180	63	4,277
69	35.00%	117	41	2,821
70	100.00%	76	76	5,314
Total				577,702
Average				57.77

*Schedule SB, Part V — Summary of Plan Provisions***SUMMARY OF MAJOR PLAN PROVISIONS**

Effective date and plan year	Original plan: The Raytheon Bargaining Retirement Plan was established December 17, 1997 when Raytheon Company acquired the Defense Business of Hughes Electronics Corporation
	Restated plan: Effective December 31, 2002, the Pension and Retirement Plan for Local 6-0254 of PACE merged into the Raytheon Bargaining Retirement Plan.
	Plan Year: December 1 through November 30

RAYTHEON BARGAINING RETIREMENT PLAN PROVISIONS

Status of the plan	The plan has ongoing benefit accruals but is closed to new entrants.
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Significant events that occurred during the year	None
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DEFINITIONS

• Participation	Completion of twelve months of Vesting Service.
• Vesting service	Continuous service from the employee's date of hire
• Credited service	Total service accrued monthly from first of the month eligibility commenced.
• Compensation	Basic compensation subsequent to the effective date of the plan and prior to retirement date, including regular pay, bonuses, results-sharing, overtime pay, shift differential, sick leave pay, workers' compensation, vacation and holiday pay, and bereavement or personal leave pay, but excluding any other extraordinary compensation.
• Final average compensation	The aggregate Compensation prior to separation from service attributed to the five highest twelve-month periods in the last ten years, or all twelve-month periods if less than five, in which a Participant had at least one hour of Benefit Accrual Service each month, divided by the applicable number of twelve-month periods.
• Employee contributions	3.0% of pay if covered under the formula for contributing participants.
• Primary Social Security benefit	Estimated social security benefit, calculated using actual earnings when available, and estimating prior historical earnings using a 6% salary scale.
• Social Security normal retirement age	For a participant born prior to 1938, the first day of the calendar month coincident with or next following his/her sixty-fifth (65th) birthday, For a participant born after 1937 and before 1955, the first day of the calendar month coincident with or next following his/her sixty-sixth (66th) birthday, For a participant born after 1954, the first day of the calendar month coincident with or next following his/her sixty-seventh (67th) birthday.
• Actuarial equivalence	Contributing and noncontributing participants: Based on the following subject to "applicable interest rate" and "applicable mortality table" pursuant to Section 417(e)(3)(A)(ii) of the Internal Revenue Code for benefits that are not payable in the form of a nondecreasing annuity: interest rate used by the PBGC for valuing immediate annuities on the October 1st (or December 1st, if less) preceding the plan year including the annuity start date and the 1971 Group Annuity Mortality Table blended 80% males, 20% females.

Schedule SB, Part V — Summary of Plan Provisions

General Dynamics employees: Based on the following subject to “applicable interest rate” and “applicable mortality table” pursuant to Section 417(e)(3)(A)(ii) of the Internal Revenue Code for benefits that are not payable in the form of a nondecreasing annuity:

- for nondecreasing annuities: 7% and the 1984 Uninsured Pension Mortality Table (including specified setbacks) and
- for other forms of payment: interest rate used by the PBGC for valuing immediate annuities on the January 1st of the calendar year in which distributions commence and the 1984 Uninsured Pension Mortality Table (including specified setbacks).

NORMAL RETIREMENT

• **Eligibility** First of the month coinciding with or next following the attainment of age 65.

• **Benefit**

Contributing participants: The benefit is the greatest of (i), (ii) or (iii) below:

A. Accrued benefit through December 31, 1975 plus 1% of the first \$3,600 of compensation and 2% of compensation in excess of \$3,600, for all compensation received after December 31, 1975

B. The product of (1) and (2):

(1) Benefit Accrual Service

(2) \$156 plus 0.5% of Final Average Compensation

(iii) The result of (1) less (2):

(1) The product of Benefit Accrual Service and 1.75% of Final Average Compensation

(2) The product of Benefit Accrual Service projected to age 65 (maximum 33-1/3 years) and 1.5% of the reduced Primary Insurance Amount, multiplied by the ratio of Benefit Accrual Service to Benefit Accrual Service projected to age 65.

Noncontributing participants: The greater of Benefit A offset by Benefit B, and Benefit C, where:

(i) Benefit A equals the sum of:

(1) 1.5% of Final Average Compensation multiplied by years of Benefit Accrual Service (not in excess of 35 years)

(2) 0.5% of Final Average Compensation multiplied by years of Benefit Accrual Service in excess of 35 years

(ii) Benefit B equals 0.6% of Final Average Compensation (not in excess of Covered Compensation) multiplied by years of Benefit Accrual Service (not in excess of 35 years)

(iii) Benefit C equals the product of Benefit Accrual Service and the following, based upon the participant's group:

IAM 933 (Missile Systems, Tucson): \$600 beginning on January 1, 2019 (previously \$516)

IAM Lodge 933 (Firefighters): \$432 beginning February 19, 2011 (previously \$384)

EAST Local 1553: \$516 beginning July 1, 2018, \$528 beginning July 1, 2019, \$540 beginning July 1, 2020, \$552 beginning July 1, 2021 and after (previously \$504).

IBEW 2295: \$480 beginning January 1, 2019, \$492 beginning January 1, 2020, \$504 beginning January 1, 2021, \$516 beginning January 1, 2022 (previously \$468).

General Dynamics employees: The benefit is equal to product of Benefit Accrual Service and \$348

*Schedule SB, Part V — Summary of Plan Provisions***EARLY RETIREMENT**

- Eligibility Age 55 and 5 years of Vesting service.
- Benefit

Contributing participants: Actuarial equivalent of Normal Retirement benefit unless eligible for unreduced benefit under Rule of 75 (the sum of attained age and continuous service is at least 75.). Actuarial equivalence for this purpose is based on the interest rate used by the PBGC for valuing immediate annuities on the October 1st preceding the plan year (or on the first day of the plan year, if less) including the annuity start date and the 1971 Group Annuity Mortality Table blended 80% males, 20% females.

Noncontributing participants: Accrued Benefit determined as of Normal Retirement, reduced by the greater of actuarial equivalence or 6% per year prior to Social Security Normal Retirement Age. Unreduced early retirement available for a participant who at the time of separation from service is within three years of their Social Security Normal Retirement Age or older and has at least ten years of continuous service.

General Dynamics employees: If eligible, unreduced benefit (later of age 62 and 10 years of continuous service or satisfaction of required 85 points based on sum of attained age and continuous service). If not eligible for unreduced benefit, accrued benefit reduced by the lesser of 3% times excess of required over actual points and 3% per year prior to Normal Retirement.

POSTPONED RETIREMENT

- Benefit Normal Retirement Benefit determined as of actual retirement date.

TERMINATION WITH DEFERRED VESTED BENEFIT

- Eligibility Termination for reasons other than death or retirement after completing five years of Vesting service.
- Benefit Benefit accrued to date of termination payable at age 65 or the actuarial equivalent as described in the “Early Retirement” section above, reduced for commencement after age 55 and prior to age 65 (prior to SSNRA for Noncontributing participants).

DEATH BENEFITS

- Eligibility 5 years of Vesting service.
- Benefit Benefit accrued to date of death, calculated as if the participant had retired at the earliest retirement age and elected the 50% contingent annuitant option or, if already eligible for early retirement, elected to retire and had elected the 100% contingent annuitant option on the day before death. The benefit is actuarially reduced with benefit payments to the spouse commencing on the date when the participant would have become eligible for retirement benefits.

FORM OF BENEFITS

- Automatic form for unmarried participants Single Life Annuity
- Automatic form for married participants 50% contingent annuitant option

Schedule SB, Part V — Summary of Plan Provisions

• Optional forms	The participant may elect another actuarially equivalent optional form offered by the plan if the spouse consents, or if the participant has no spouse as of the date payment begins. Optional forms are a 50%, 66-2/3%, 75%, or 100% contingent annuity, a 5-, 10-, or 15-year period and continuous, 5-, 10-, or 15- year period certain only, temporary modified cash refund options, Social Security leveling options or (for married Participants) a life annuity.																						
COST OF LIVING	Automatic cost-of-living adjustments of up to 4.0% are payable on retirement benefits after age 55 for contributing participants.																						
UNPREDICTABLE CONTINGENT EVENT BENEFITS	Not applicable																						
MISCELLANEOUS																							
• Maximum compensation	Compensation for any 12-month period used to determine accrued benefits may not exceed the limits in IRC Section 401(a)(17) for the calendar year in which the 12-month period begins. This limit is indexed annually. For 2018, the limit is \$275,000.																						
• Maximum benefits	Annual benefits may not exceed the limits in IRC Section 415. This limit is indexed annually. For 2018, the limit is \$220,000.																						
FORMER PENSION AND RETIREMENT PLAN FOR LOCAL 6-0254 OF PACE PROVISIONS																							
ELIGIBILITY	Every member of the Magnavox Plan who became an employee of the Company on October 22, 1993, is eligible to participate. Other employees are eligible as of the date of entry into Local 6-0254 of PACE.																						
DEFINITIONS																							
• Years of Service	Completion of 1,000 hours of service within a plan year.																						
• Credited Service	<p>Prior to September 1, 1967, elapsed time from date of hire according to the following table:</p> <table> <tr> <th>Months of Employment in Calendar Year</th><th>Credited Service</th></tr> <tr><td>1</td><td>0.1 year</td></tr> <tr><td>2</td><td>0.2 year</td></tr> <tr><td>3</td><td>0.3 year</td></tr> <tr><td>4</td><td>0.4 year</td></tr> <tr><td>5-6</td><td>0.5 year</td></tr> <tr><td>7-8</td><td>0.6 year</td></tr> <tr><td>9</td><td>0.7 year</td></tr> <tr><td>10</td><td>0.8 year</td></tr> <tr><td>11</td><td>0.9 year</td></tr> <tr><td>12</td><td>1.0 year</td></tr> </table> <p>Subsequent to September 1, 1967, for plan years ending prior to January 1, 1982, 1 full year of credited service for each plan year of 1,680 or more hours; and a fractional year for each plan year of less than 1,680 hours on the basis of 1/10 of a year for each unit of 168 hours. For plan years beginning on or after January 1, 1982, 1 full year of credited service for each plan year of 1,640 or more hours; and a fractional year for each plan year of less than 1,640 hours on the basis of 1/10 of a year for each unit of 164 hours. Hours worked include overtime hours. Credited service is frozen effective April 14, 1997.</p>	Months of Employment in Calendar Year	Credited Service	1	0.1 year	2	0.2 year	3	0.3 year	4	0.4 year	5-6	0.5 year	7-8	0.6 year	9	0.7 year	10	0.8 year	11	0.9 year	12	1.0 year
Months of Employment in Calendar Year	Credited Service																						
1	0.1 year																						
2	0.2 year																						
3	0.3 year																						
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9	0.7 year																						
10	0.8 year																						
11	0.9 year																						
12	1.0 year																						

Schedule SB, Part V — Summary of Plan Provisions

MAGNAVOX PLAN	The Magnavox Company and the Magnavox Government and Industrial Electronics Company Hourly Pension and Retirement Plan covering Local 254A of the Allied Industrial Workers of America.
ACTUARIAL EQUIVALENCE	Based on the 1984 Unisex Pension Mortality Table and the PBGC interest rates in effect on January 1 of the plan year.
NORMAL RETIREMENT	
• Eligibility	Age 65 and 5 years of service.
• Benefit	A monthly benefit of \$22 for each year of credited service less the Actuarial Equivalent of the normal retirement benefit accrued under the Magnavox Plan through October 21, 1993. Effective April 14, 1997, credited service is frozen. The Actuarial Equivalent amount of offset benefit is calculated as if payments under the Magnavox Plan commenced on the earlier of the date of actual commencement under the Magnavox Plan or the date payments commenced under this plan.
EARLY RETIREMENT	
• Eligibility	Age 55 and 5 years of service.
• Benefit	The accrued retirement benefit reduced by 3/10 of 1% for each month that retirement precedes age 65. This benefit is unreduced if the sum of age and years of credited service is at least 85.
DEFERRED VESTED RETIREMENT	
• Eligibility	5 years of service.
• Benefit	Computed in the same manner as the early retirement benefit, payable at age 65 or reduced and payable after age 55 as an early retirement benefit.
DISABILITY	
• Eligibility	Total and permanent disability and 10 years of service.
• Benefit	A monthly benefit equal to the normal retirement benefit, payable immediately with no reduction for early commencement.
PRE-RETIREMENT DEATH BENEFIT	
• Eligibility	Vested participant who dies prior to annuity start date.
• Benefit	A monthly benefit payable to the surviving spouse equal to the amount the spouse would have received if the participant had retired on the date of death and elected a 50% joint and survivor annuity. Benefit payments commence when the participant would have attained age 55.
POST-RETIREMENT DEATH BENEFIT	
• Eligibility	Death while receiving normal, early, or disability retirement benefits.
• Benefit	\$4,000

*Schedule SB, Part V — Summary of Plan Provisions***FORM OF BENEFITS**

• Automatic form for unmarried participants	Single Life Annuity
• Automatic form for married participants	50% Joint and Survivor annuity equivalent to the Single Life Annuity.
• Optional forms	Participants may also take their benefit as a 10-year Certain and Continuous Annuity determined based on the actuarial equivalence stated above.

Benefits Included or Excluded

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

- **Most recent plan amendments included:** November 16, 2015.
- **Plan amendments excluded:** None.
- **Late retirement increases:**
 - *Active participants:* Current active participants are assumed to receive a suspension of benefits notice at their normal retirement date. After age 71, they are valued with both continuing accruals and the late retirement actuarial increase.
 - *Deferred vested participants:* Current deferred vested participants over normal retirement age are valued with retroactive payments from age 65.
- **Internal Revenue Code limitations:** The limitations of Internal Revenue Code Section 415(b) and 401(a)(17) have been incorporated into our calculations.
- **IRC Section 416 rules for top-heavy plans:** We did not test whether this plan is top-heavy (when the present value of benefits for key employees equals or exceeds 60% of the present value for all participants). However, we expect that the plan is not top-heavy due to the large number of rank-and-file participants; therefore, the funding target and target normal cost do not reflect any liability for top-heavy benefit accruals.

PLAN PROVISIONS SPECIFIC TO FUNDING**Additional Benefits Included or Excluded**

- **IRC Section 436 benefit restrictions:**
 - *Unpredictable contingent event benefits:* This valuation excludes restricted contingent event benefits that occurred before the valuation date but includes contingent event benefits which are expected to occur on or after the valuation date regardless of anticipated funding-based limitations.
 - *Plan amendments:* See above.

Schedule SB, Part V — Summary of Plan Provisions

- *Prohibited payments:* Limitations on prohibited benefits (if any) are reflected for annuity starting dates before the valuation date but are ignored for annuity starting dates on or after the valuation date.
- *Benefit accruals:* The plan's funding target does not reflect any limitation on benefit accruals. The target normal cost does not reflect any limitation on benefit accruals.
- **Unpredictable contingent event benefits:** The plan does not have any unpredictable contingent event benefits.

PLAN PROVISION CHANGES SINCE PRIOR VALUATION

Maximum compensation and maximum benefits were updated from 2017 to 2018.

Benefit multipliers were updated for the Noncontributory groups IAM 933 (Missile Systems, Tucson), EAST Local 1553, and IBEW 2295.

*Schedule SB, line 24 — Change in Actuarial Assumptions***ACTUARIAL ASSUMPTION CHANGES SINCE PRIOR VALUATION****Funding**

- Mortality and interest rates were updated from 2017 to 2018 in accordance with PPA.
- Expense load on the normal cost decreased from \$2,700,000 to \$1,400,000 to reflect our estimate of the current plan year's expenses.
- For conversion to certain only forms of payment, the segmented interest rate basis was changed from 2.50% for 5 years, 3.75% for the next 15 years and 4.50% thereafter for 2018; 3.25% for 5 years, 4.00% for the next 15 years and 4.50% thereafter for 2019; 3.75% for 5 years, 4.25% for the next 15 years, 4.50% thereafter for 2020; 4.50% for 5 years, 4.50% for the next 15 years and 4.50% thereafter for 2021 and beyond to 3.10% for 5 years, 4.15% for the next 15 years and 4.46% thereafter for 2018; 3.75% for 5 years, 4.25% for the next 15 years and 4.50% thereafter for 2019; 4.25% for 5 years, 4.50% for the next 15 years, 4.75% thereafter for 2020; 4.75% for 5 years, 4.75% for the next 15 years and 4.75% thereafter for 2021 and beyond.
- For conversion to certain only forms of payment, the lump sum mortality for 2019 and future years was changed from 2018 417(e) unisex mortality projected generationally based on the MP-2017 projection scale to the 2019 static 417(e) mortality table prescribed by the IRS
- The bonus smoothing percentage was updated from 13.5% to 14.3%.
- For terminated vested participants over age 65, the assumption that the participants will be located and will commence benefits was updated from 40% to 65%.