

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6057(b) and 6058(a) of the Internal Revenue Code (the Code). ▶ Complete all entries in accordance with the instructions to the Form 5500.	OMB Nos. 1210-0110 1210-0089 2020 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2020 or fiscal plan year beginning <u>01/01/2020</u> and ending <u>12/31/2020</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>AAR CORP. RETIREMENT SAVINGS PLAN</u>	1b	Three-digit plan number (PN) ▶ <u>001</u>
		1c	Effective date of plan <u>06/01/1965</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>AAR CORP.</u> <u>1100 NORTH WOOD DALE RD</u> <u>WOOD DALE, IL 60191</u>	2b	Employer Identification Number (EIN) <u>36-2334820</u>
		2c	Plan Sponsor's telephone number <u>630-227-2000</u>
		2d	Business code (see instructions) <u>488100</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.	12/21/2021	ERIC PACHAPA
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	12/21/2021	ERIC PACHAPA
	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 (2020)
v. 200204

3a Plan administrator's name and address ☒ Same as Plan Sponsor		3b Administrator's EIN	
		3c Administrator's telephone number	
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	6705
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)	3751
a(2) Total number of active participants at the end of the plan year		6a(2)	2976
b Retired or separated participants receiving benefits.....		6b	94
c Other retired or separated participants entitled to future benefits		6c	3443
d Subtotal. Add lines 6a(2) , 6b , and 6c		6d	6513
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.		6e	27
f Total. Add lines 6d and 6e		6f	6540
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)		6g	6487
h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested		6h	633
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: 2E 2F 2G 2J 2K 2S 2T 3H			
b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:			
9a Plan funding arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor		9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	
10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)			
a Pension Schedules (1) ☒ R (Retirement Plan Information) (2) ☐ MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary (3) ☐ SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary		b General Schedules (1) ☒ H (Financial Information) (2) ☐ I (Financial Information – Small Plan) (3) ☐ A (Insurance Information) (4) ☒ C (Service Provider Information) (5) ☒ D (DFE/Participating Plan Information) (6) ☐ G (Financial Transaction Schedules)	

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

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

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

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

11c Enter the Receipt Confirmation Code for the 2020 Form M-1 annual report. If the plan was not required to file the 2020 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code _____

SCHEDULE 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
		2020
		This Form is Open to Public Inspection.

For calendar plan year 2020 or fiscal plan year beginning 01/01/2020 and ending 12/31/2020		
A Name of plan AAR CORP. RETIREMENT SAVINGS PLAN	B Three-digit plan number (PN) ▶	001
C Plan sponsor's name as shown on line 2a of Form 5500 AAR CORP.	D Employer Identification Number (EIN) 36-2334820	

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
THE VANGUARD GROUP, INC.
23-1945930

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

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

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

THE VANGUARD GROUP, INC.

23-1945930

(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?
15 25 37 52 99	NONE	356656	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☐ No ☐

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

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

(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 ☐

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)

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

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

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

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

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

Part I Service Provider Information (continued)

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

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

Part II Service Providers Who Fail or Refuse to Provide Information

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

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

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

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

SCHEDULE D (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration		DFE/Participating Plan Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.		OMB No. 1210-0110 2020 This Form is Open to Public Inspection.	
For calendar plan year 2020 or fiscal plan year beginning 01/01/2020 and ending 12/31/2020					
A Name of plan AAR CORP. RETIREMENT SAVINGS PLAN				B Three-digit plan number (PN) ▶ 001	
C Plan or DFE sponsor's name as shown on line 2a of Form 5500 AAR CORP.				D Employer Identification Number (EIN) 36-2334820	
Part I Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs) (Complete as many entries as needed to report all interests in DFEs)					
a Name of MTIA, CCT, PSA, or 103-12 IE: VFTC RETIREMENT SAVINGS TRUST III					
b Name of sponsor of entity listed in (a): VANGUARD FIDUCIARY TRUST COMPANY					
c EIN-PN 38-7041744-024		d Entity code C		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 31863391	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
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	

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

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

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

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

SCHEDULE H (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110 2020 This Form is Open to Public Inspection
For calendar plan year 2020 or fiscal plan year beginning <u>01/01/2020</u> and ending <u>12/31/2020</u>		
A Name of plan <u>AAR CORP. RETIREMENT SAVINGS PLAN</u>	B Three-digit plan number (PN) ►	<u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>AAR CORP.</u>	D Employer Identification Number (EIN) <u>36-2334820</u>	

Part I	Asset and Liability Statement		
1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.			
Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash.....	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	1578212	312331
(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)	9058484	8174820
(9) Value of interest in common/collective trusts	1c(9)	25961085	31863391
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts.....	1c(11)		
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)	356529581	388121582
(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	393127362	428472124

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	393127362	428472124
---	-----------	-----------	-----------

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)	6474694	
(B) Participants	2a(1)(B)	19890407	
(C) Others (including rollovers).....	2a(1)(C)	2210888	
(2) Noncash contributions	2a(2)		28575989
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		
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)	488025	
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		488025
(2) Dividends: (A) Preferred stock.....	2b(2)(A)		11994722
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds).....	2b(2)(C)	11994722	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		11994722
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)		0
(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)		
(5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)		0
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts.....	2b(6)		675971
(7) Net investment gain (loss) from pooled separate accounts.....	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		48768372
c Other income	2c		108167
d Total income. Add all income amounts in column (b) and enter total.....	2d		90611246

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers.....	2e(1)	49858255	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other.....	2e(3)	135199	
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		49993454
f Corrective distributions (see instructions)	2f		2673
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)	342886	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		342886
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		50339013

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		40272233
l Transfers of assets:			
(1) To this plan.....	2l(1)		250897
(2) From this plan	2l(2)		5178368

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) ☐ Unmodified (2) ☐ Qualified (3) ☒ Disclaimer (4) ☐ Adverse

b Check the appropriate box(es) to indicate whether the IQPA performed an ERISA section 103(a)(3)(C) audit. Check both boxes (1) and (2) if the audit was performed pursuant to both 29 CFR 2520.103-8 and 29 CFR 2520.103-12(d). Check box (3) if pursuant to neither.

(1) ☒ DOL Regulation 2520.103-8 (2) ☐ DOL Regulation 2520.103-12(d) (3) ☐ neither DOL Regulation 2520.103-8 nor DOL Regulation 2520.103-12(d).

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

(1) Name: **RSM US LLP**

(2) EIN: **42-0714325**

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.)

	Yes	No	Amount
4a		X	

	Yes	No	Amount
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)			
4b		X	
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?	X		2500000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
4f		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?			
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.)	X		
4i	X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked and see instructions for format requirements.)			
4j		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?			
4k		X	
l Has the plan failed to provide any benefit when due under the plan?			
4l		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)			
4m		X	
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.			
4n			

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

5b If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)	5b(2) EIN(s)	5b(3) PN(s)
AAR AIRCRAFT SERVICES MIAMI RETIREMENT SAVINGS PLAN	90-0168563	001
AE OPCO III LLC DBA AEROMATRIX COMPOSITES PLAN	85-1761522	001

5c Was the plan a defined benefit plan covered under the PBGC insurance program at any time during this plan year? (See ERISA section 4021 and instructions.) ☐ Yes ☐ No ☐ Not determined
If "Yes" is checked, enter the My PAA confirmation number from the PBGC premium filing for this plan year _____.

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 2020 This Form is Open to Public Inspection.
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For calendar plan year 2020 or fiscal plan year beginning 01/01/2020 and ending 12/31/2020

A Name of plan AAR CORP. RETIREMENT SAVINGS PLAN	B Three-digit plan number (PN) ▶ 001
C Plan sponsor's name as shown on line 2a of Form 5500 AAR CORP.	D Employer Identification Number (EIN) 36-2334820

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
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): 23-2186884	
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

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

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

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

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

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

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

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

Schedule R (Form 5500) 2020
v. 200204

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 deferred vested and retired participants (inactive participants), as of the beginning of the plan year, whose contributing employer is no longer making contributions to the plan for:

a The current plan year. Check the box to indicate the counting method used to determine the number of inactive participants: ☐ last contributing employer ☐ alternative ☐ reasonable approximation (see instructions for required attachment).....

b The plan year immediately preceding the current plan year. ☐ Check the box if the number reported is a change from what was previously reported (see instructions for required attachment).....

c The second preceding plan year. ☐ Check the box if the number reported is a change from what was previously reported (see instructions for required attachment).....

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: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%

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): _____

- 20 PBGC missed contribution reporting requirements.** If this is a multiemployer plan or a single-employer plan that is not covered by PBGC, skip line 20.

a Is the amount of unpaid minimum required contributions for all years from Schedule SB (Form 5500) line 40 greater than zero? ☐ Yes ☐ No

b If line 20a is "Yes," has PBGC been notified as required by ERISA sections 4043(c)(5) and/or 303(k)(4)? Check the applicable box:
☐ Yes.
☐ No. Reporting was waived under 29 CFR 4043.25(c)(2) because contributions equal to or exceeding the unpaid minimum required contribution were made by the 30th day after the due date.
☐ No. The 30-day period referenced in 29 CFR 4043.25(c)(2) has not yet ended, and the sponsor intends to make a contribution equal to or exceeding the unpaid minimum required contribution by the 30th day after the due date.
☐ No. Other. Provide explanation _____

Independent Auditor's Report

RSM US LLP

Benefits Committee
AAR CORP. Retirement Savings Plan

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of AAR CORP. Retirement Savings Plan (the Plan), which comprise the statements of net assets available for benefits as of December 31, 2020 and 2019, the related statement of changes in net assets available for benefits for the year ended December 31, 2020, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the Plan Administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 3, which was certified or provided by Vanguard Fiduciary Trust Company, the trustee of the Plan, except for comparing this information with the related information included in the financial statements. We have been informed by the Plan Administrator that the trustee holds the Plan's assets and executes transactions. The Plan Administrator has obtained certifications from the trustee as of December 31, 2020 and 2019, and for the year ended December 31, 2020, that the information provided to the Plan Administrator by the trustee is complete and accurate.

Disclaimer of Opinion

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

Other Matter

The supplemental schedule, Schedule H, Line 4i – Schedule of Assets (Held at End of Year) as of December 31, 2020 is required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 and is presented for the purposes of additional analysis and is not a required part of the financial statements. The supplemental schedule is the responsibility of the Plan's management. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on the supplemental schedule.

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

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

RSM VS LLP

Schaumburg, Illinois
October 14, 2021

AAR CORP.
Retirement Savings Plan

Financial Report
December 31, 2020

Contents

Independent auditor's report	1-2
Financial statements	
Statements of net assets available for benefits	3
Statement of changes in net assets available for benefits	4
Notes to financial statements	5-13
Supplemental schedule	
Schedule H, line 4i – Schedule of assets (held at end of year)	14

Independent Auditor's Report

RSM US LLP

Benefits Committee
AAR CORP. Retirement Savings Plan

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of AAR CORP. Retirement Savings Plan (the Plan), which comprise the statements of net assets available for benefits as of December 31, 2020 and 2019, the related statement of changes in net assets available for benefits for the year ended December 31, 2020, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the Plan Administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 3, which was certified or provided by Vanguard Fiduciary Trust Company, the trustee of the Plan, except for comparing this information with the related information included in the financial statements. We have been informed by the Plan Administrator that the trustee holds the Plan's assets and executes transactions. The Plan Administrator has obtained certifications from the trustee as of December 31, 2020 and 2019, and for the year ended December 31, 2020, that the information provided to the Plan Administrator by the trustee is complete and accurate.

Disclaimer of Opinion

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

Other Matter

The supplemental schedule, Schedule H, Line 4i – Schedule of Assets (Held at End of Year) as of December 31, 2020 is required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 and is presented for the purposes of additional analysis and is not a required part of the financial statements. The supplemental schedule is the responsibility of the Plan's management. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on the supplemental schedule.

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

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

RSM VS LLP

Schaumburg, Illinois
October 14, 2021

AAR CORP. Retirement Savings Plan

Statements of Net Assets Available for Benefits

	December 31,	
	2020	2019
Assets		
Investments, at fair value:		
Registered investment company securities	\$ 388,121,582	\$ 356,529,581
Common/collective trust	31,863,391	25,961,085
	419,984,973	382,490,666
Receivables:		
Company contributions	312,331	1,578,212
Notes receivable from participants	8,174,820	9,058,484
	8,487,151	10,636,696
Net assets available for benefits	\$ 428,472,124	\$ 393,127,362

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

AAR CORP. Retirement Savings Plan

Statement of Changes in Net Assets Available for Benefits

	Year Ended December 31, 2020
Additions to net assets attributed to:	
Investment income:	
Net appreciation in fair value of investments	\$ 49,444,343
Interest and dividends	11,994,722
	<u>61,439,065</u>
Interest income on notes receivable from participants	<u>488,025</u>
Contributions:	
Participants	19,890,407
Company	6,474,694
Rollovers	2,210,888
	<u>28,575,989</u>
Total additions	<u>90,503,079</u>
Deductions from net assets attributed to:	
Benefits paid to participants	49,887,960
Administrative expense	342,886
	<u>50,230,846</u>
Total deductions	<u>50,230,846</u>
Net increase before transfers	40,272,233
Transfers out, net	<u>(4,927,471)</u>
Net increase	35,344,762
Net assets available for benefits:	
Beginning of year	<u>393,127,362</u>
End of year	<u><u>\$ 428,472,124</u></u>

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

AAR CORP. Retirement Savings Plan

Notes to Financial Statements

Note 1. Plan Description

The following description of AAR CORP. Retirement Savings Plan (the “Plan”) provides only general information. Participants should refer to the Plan document for a more complete description of the Plan’s provisions.

General: The Plan, as amended and restated, provides for employee contributions under the provisions of Section 401(k) of the Internal Revenue Code (“Code”) and covers substantially all employees of AAR CORP. (the “Company”) and subsidiaries, except for employees of AAR Aircraft Services, Inc., Miami location, who are covered by a separate plan. Under the Plan’s provisions, employees are eligible, as determined under the plan document, to participate in the Plan as of the first day of employment. Participation in the Plan is voluntary. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (“ERISA”).

During 2020 and 2019, the Plan was amended to change automatic deferrals, Company matching contributions, performance contributions and retirement contributions with effective dates January 1, 2020, June 1, 2020, and December 1, 2020. Effective March 27, 2020, the Plan was amended to implement certain Coronavirus Aid, Relief, and Economic Security (“CARES”) Act provisions to allow for special coronavirus-related distributions, an increase in Plan loan amounts, deferral of loan payments, and waiver of 2020 required minimum distributions.

Contributions: Each year, participants may contribute a specific percentage of pre-tax or Roth (after-tax) annual compensation, as defined by the Plan, subject to annual limits as permitted under the Code. Participants may also roll over amounts representing distributions from other qualified defined benefit or defined contribution plans (“rollovers”). Participants who have attained age 50 before the end of the plan year are also eligible to make catch-up contributions.

The Plan includes an automatic enrollment feature. Participants may still elect to either defer or not defer compensation by making an election with the Plan Administrator to take effect as of the participant’s date of initial participation in the Plan, provided that the notice has been given and the election is received prior to the date of initial participation. Effective January 1, 2020, if an employee fails to make an election prior to the initial participation date, they will be deemed to have elected to defer 6% of their pre-tax annual compensation into a default fund selected by the Benefits Committee until such election is modified or revoked. Prior to January 1, 2020, if an employee fails to make an election prior to the initial participation date, they will be deemed to have elected to defer 5% of their pre-tax annual compensation into a default fund selected by the Benefits Committee until such election is modified or revoked. The Plan also provides for automatic escalation of 1% each year on June 1st, unless the participant elects a different percentage or not to contribute to the Plan.

Effective January 1, 2020, the Company matches 50% of the employees’ elected deferrals up to 6% of compensation, not to exceed the maximum allowable as a deduction under the provisions of Section 404 of the Code of 1965, as amended. Prior to January 1, 2020, the Company matched 20% of the employees’ elected deferrals up to 5% of compensation, not to exceed the maximum allowable as a deduction under the provisions of Section 404 of the Code of 1956, as amended. In response to the impact from COVID-19, the Company temporarily suspended its matching contributions into the Plan effective for the period from June 1, 2020 through November 30, 2020. The Company may, at its discretion, contribute additional performance contributions to the Plan. The performance contributions into the Plan were eliminated effective June 1, 2020. Retirement contributions (based upon a participant’s age plus service) ranging from ½ % to 4%, are also contributed to a participant’s account. The retirement contributions into the Plan were suspended effective for the period from June 1, 2020 through November 30, 2020. For the year ended December 31, 2020, Company matching, performance and the discretionary retirement contributions amounted to \$3,707,122, \$2,096,892 and \$670,680, respectively.

AAR CORP. Retirement Savings Plan

Notes to Financial Statements

Note 1. Plan Description (Continued)

Investment options: The participants elect to have contributions invested in one or more of the following investment options:

Common/collective trust

Vanguard Retirement Savings Trust III: Seeks stable returns comparable to those of short-term to intermediate-term fixed income securities by investing in a combination of synthetic contracts (backed primarily by Vanguard fixed income funds), traditional investment contracts, and cash (money market fund). The average maturity range of the trust is 2–4 years.

Registered investment company securities

American Century Small Cap Value Fund: Seeks to provide long-term capital growth and income by investing in stocks of small-sized companies that are believed to be undervalued. The fund was added during the year ended December 31, 2020.

Blackrock Total Return Fund: Seeks to provide total return that exceeds that of the Barclays U.S. Aggregate Bond Index by investing in investment grade fixed income securities of any maturity. The fund was added during the year ended December 31, 2020.

Janus Triton Fund: Seeks to provide consistent relative returns with lower volatility by investing in small-cap companies with differentiated business models and sustainable competitive advantages that are positioned to grow market share regardless of economic conditions. The fund was added during the year ended December 31, 2020.

MFS International Diversification Fund: Seeks to provide growth in capital by investing using a strategic risk-based approach to portfolio construction which efficiently diversifies across international equity markets. The fund was added during the year ended December 31, 2020.

Principal Equity Income Fund: Seeks to provide relatively high level of current income along with long-term growth of income and growth of capital by investing primarily in dividend paying stocks of U.S. large-cap companies.

Vanguard Federal Money Market Fund: Seeks to provide current income while maintaining liquidity and a stable share price of \$1 by investing at least 99.5% of its total assets in cash, U.S. government securities, and/or repurchase agreements that are collateralized solely by the U.S. government.

Vanguard Institutional Index Fund: Seeks to track the performance of a benchmark index that measures the investment return of large-capitalization stocks by holding all of the stocks in the unmanaged benchmark Standard & Poor's 500 Index in approximately the same proportions as those stocks are represented in the index.

Vanguard Institutional Target Retirement Funds: Seeks to provide an efficient and well-diversified portfolio that automatically becomes more conservative as retirement date approaches by investing in some or in all of seven Vanguard funds – a domestic stock market index fund, a European stock market index fund, an Asian stock market index fund, an emerging market stock market index fund, a bond market index fund, an inflation-protected securities fund, and a money market fund.

Vanguard International Growth Fund Admiral Shares: Seeks to provide long-term growth of capital through broadly diversified exposure to major equity markets outside the United States by investing in stocks of high-quality companies with above-average growth potential based outside the United States.

AAR CORP. Retirement Savings Plan

Notes to Financial Statements

Note 1. Plan Description (Continued)

Vanguard Long-Term Investment-Grade Fund Admiral Shares: Seeks to provide a high and sustainable level of current income by investing primarily in a diversified group of long-term bonds issued by corporations with strong credit ratings.

Vanguard Mid-Cap Index Fund Institutional Shares: Seeks to track the performance of a benchmark index that measures the investment return of mid-capitalization stocks by holding all of the stocks in the unmanaged benchmark Center for Research in Securities Prices (CRSP) U.S. Mid Cap Index representing medium-size U.S. firms in approximately the same proportions as those stocks are represented in the index.

Vanguard PRIMECAP Fund Admiral Shares: Seeks to provide long-term capital growth of capital, using a fundamental approach to invest in growth-oriented companies at attractive valuation levels. The fund tends to focus on out-of-favor companies or industries, seeking to identify companies with long-term growth overlooked by the market.

Vanguard Small-Cap Index Fund Institutional Shares: Seeks to track the performance of a benchmark index that measures the investment return of small-capitalization stocks by holding all of the stocks in the unmanaged benchmark CRSP U.S. Small Cap Index representing small U.S. companies in approximately the same proportions as those stocks represented in the index.

Vanguard Total Bond Market Index Fund Admiral Shares: Seeks to track the performance of a broad, market-weighted bond index, the unmanaged benchmark Bloomberg U.S. Aggregate Float Adjusted Index, by investing in a broad-range of taxable investment-grade corporate, U.S. Treasury, mortgage-backed, and asset-backed securities with short, intermediate, and long maturities in excess of one year.

Vanguard Total International Stock Index Fund Admiral Shares: Seeks to track the performance of a benchmark that measures the investment return of stocks issued by companies located in developed and emerging markets, excluding the United States, by holding substantially all of the common stocks in the Financial Times and Stock Exchange Global All Cap ex U.S. Index in approximately the same proportions as each region's stocks represented in the index. The fund was added during the year ended December 31, 2020.

Vanguard U.S. Growth Fund Admiral Shares: Seeks to provide long-term growth of capital by investing in large, high-quality, seasoned U.S. companies with records of exceptional growth and above-average prospects for future growth.

Vanguard Wellington Fund Admiral Shares: Seeks to provide long-term growth of capital and reasonable current income with moderate risk by investing about 60-70% of its assets in stocks and the remaining 30-40% in bonds.

Notes receivable from participants: Participants may borrow from their fund accounts a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000 reduced by the participant's highest outstanding loan balance in the previous 12 months or 50% of their non-forfeitable account balance, whichever is less. Interest is charged at an annual rate of 1% above the federal prime rate at the time of the loan. The loan period can be a maximum of five years (ten years for purchase of a home). Principal and interest are paid ratably through bi-weekly payroll deductions. During 2020, the Plan adopted certain CARES Act provisions to allow for an increase in Plan loan amounts to a maximum equal to the lesser of \$100,000 or 100% of their non-forfeitable account balance, whichever is less, and deferral of loan payments up to one year.

Participants' accounts: Each participant's account is credited with the participant's contributions and Company matching contribution and allocations of (a) the Company's discretionary contributions if any, (b) Plan earnings, offset by an investment administrative charge and an allocation of administrative expense that are paid by the Plan, and (c) retirement contributions. Allocations are based on participant earnings or account balances or compensation, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

AAR CORP. Retirement Savings Plan

Notes to Financial Statements

Note 1. Plan Description (Continued)

Administration: Day-to-day administration of the Plan is the responsibility of the Benefits Committee comprised of at least three senior officers of the Company. The Benefits Committee members are appointed by the Board of Directors. Investment policy and investment activities are the responsibility of the Retirement Plan Investment Committee consisting of at least three senior officers of the Company appointed by the Board of Directors.

Vanguard Fiduciary Trust Company (“Vanguard”) provides assistance in plan administration. Vanguard, as trustee and investment manager, performs administrative and recordkeeping services for the Plan in addition to coordinating the activities of the mutual funds.

Vesting and benefits: Upon becoming eligible to participate in the Plan, employees have a non-forfeitable right to the portion of their account balance attributable to participant contributions, asset transfers/rollovers plus the related earnings or losses. The portion of the participant’s account balance attributable to Company contributions plus related earnings or losses is subject to the following vesting schedule:

Years of Service	Vested Percentage	Forfeited Percentage
Less than one year	0%	100%
One year	34%	66%
Two years	67%	33%
Three years	100%	0%

In-service distributions, such as loans and hardships, are permitted within certain restrictions. During 2020, the Plan adopted a CARES Act provision to allow for special coronavirus-related distributions that allowed qualified individuals impacted by the coronavirus to take distributions up to \$100,000 with no mandatory tax withholding or ten percent early penalty tax.

At retirement, participants with a vested account balance greater than \$1,000 are paid their entire account balance in a lump-sum or in equal installments over a period of not more than 15 years. Participants with a vested account balance of less than \$1,000 are required to be paid in a lump-sum.

Forfeited accounts: At December 31, 2020 and 2019, forfeited non-vested accounts totaled \$292,370 and \$218,269, respectively. The plan document provides for these accounts to be used to pay plan expenses or reduce future Company contributions. During the year ended December 31, 2020, Company contributions were reduced by forfeited non-vested accounts by \$338,812.

Note 2. Significant Accounting Policies

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

Investment valuation and income recognition: Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Investment Committee determines the Plan’s valuation policies utilizing information provided by its investment advisors and custodian. See Note 4 for discussion of fair value measurements.

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

AAR CORP. Retirement Savings Plan

Notes to Financial Statements

Note 2. Significant Accounting Policies (Continued)

Use of estimates: These financial statements are prepared in accordance with accounting principles generally accepted in the United States of America that require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities. Actual results could be materially different from those estimates.

Notes receivable from participants: Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Defaulted loans are treated as distributions based upon the terms of the plan document.

Payment of benefits: Benefits are recorded when paid.

Administrative expenses: Certain administrative expenses are paid by the Company and, accordingly, are not reflected in the accompanying financial statements. Administrative expenses include fees related to the administration of notes receivable that are charged directly to the participant's account and certain recordkeeping fees paid by the Plan. Investment related expenses are included in net appreciation of fair value of investments.

Subsequent events: Subsequent events have been evaluated through October 14, 2021, the date the financial statements were available to be issued.

Note 3. Information Certified and Provided by Vanguard

The following is a summary of the Plan's asset and income information as of December 31, 2020 and 2019, and for the year ended December 31, 2020, included throughout the Plan's financial statements and supplemental schedule, that was prepared by or derived from information provided by Vanguard, the trustee, and furnished to the Plan Administrator. The Plan Administrator has obtained certifications from Vanguard that information provided to the Plan Administrator by Vanguard related to the following assets and income is complete and accurate. Accordingly, as permitted by 29 CFR 2520.103-8 of the United States Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA, the Plan Administrator instructed the Plan's independent auditors not to perform any auditing procedures with respect to information which appears throughout the financial statements and supplemental schedule related to the following assets and income:

	2020	2019
Registered investment company securities	\$ 388,121,582	\$ 356,529,581
Common/collective trust	\$ 31,863,391	\$ 25,961,085
Notes receivable from participants	\$ 8,174,820	\$ 9,058,484
Net appreciation in fair value of investments	\$ 49,444,343	
Interest and dividends	\$ 11,994,722	
Interest income on notes receivable from participants	\$ 488,025	

AAR CORP. Retirement Savings Plan

Notes to Financial Statements

Note 4. Fair Value Measurements

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy under FASB Accounting Standards Codification (ASC) 820 are described below:

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

Level 2 Inputs to the valuation methodology include:

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

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

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

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

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2020 and 2019.

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

Common/collective trust: Valued at the NAV of units held, as provided by the trustee. The NAV is based upon the fair value of the underlying investments comprising the trust less its liabilities. The common/collective trust is valued daily based on other observable inputs. Participant transactions (purchases and sales) may occur daily.

AAR CORP. Retirement Savings Plan

Notes to Financial Statements

Note 4. Fair Value Measurements (Continued)

The following tables sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2020 and 2019:

	2020			
	Level 1	Level 2	Level 3	Total
Registered investment company securities	\$ 388,121,582	\$ -	\$ -	\$ 388,121,582
Common/collective trust	-	31,863,391	-	31,863,391
Investments, at fair value	\$ 388,121,582	\$ 31,863,391	\$ -	\$ 419,984,973

	2019			
	Level 1	Level 2	Level 3	Total
Registered investment company securities	\$ 356,529,581	\$ -	\$ -	\$ 356,529,581
Common/collective trust	-	25,961,085	-	25,961,085
Investments, at fair value	\$ 356,529,581	\$ 25,961,085	\$ -	\$ 382,490,666

Changes in Fair Value Levels

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

Plan management evaluates the significance of transfers between levels based upon the nature of the investment and size of the transfer relative to total net assets available for benefits. For the year ended December 31, 2020, there were no transfers in or out of Level 3.

Note 5. Related-Party Transactions

Certain Plan investments are held in shares of registered investment companies and units of a common/collective trust managed by an affiliate of Vanguard. Any purchases and sales of these funds are open market transactions at fair market value or NAV. Vanguard is the trustee as defined by the Plan and, therefore, these qualify as party-in-interest transactions. Fees paid by the Plan to Vanguard amounted to \$342,886 for the year ended December 31, 2020. Such transactions, while considered party-in-interest transactions under ERISA regulations, are permitted under the provisions of the Plan and are specifically exempt from the prohibition of party-in-interest transactions under ERISA. In addition, certain administrative functions are performed by employees of the Company for which no compensation is received from the Plan.

AAR CORP. Retirement Savings Plan

Notes to Financial Statements

Note 6. Tax Status of the Plan

The Internal Revenue Service (“IRS”) has determined and informed the Company by a letter dated July 6, 2017, that the Plan and related trust are designed in accordance with applicable sections of the Code. The Plan has been amended since the Plan received the IRS letter and the Plan Administrator believes that the Plan is designed and is currently being operated in compliance with applicable requirements of Section 401(a) of the Code. Therefore, the Plan is exempt from federal income taxes under Section 501(a) of the Code and no provision for income taxes has been included in the Plan’s financial statements.

Accounting principles generally accepted in the United States of America require plan management to evaluate tax positions taken by the Plan and recognize a tax liability if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the U.S. federal, state, or local tax authorities. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

Note 7. Transfers Out, Net

If a participant of the Plan becomes eligible for the AAR Aircraft Services Miami Retirement Savings Plan, a separate plan sponsored by a subsidiary of the Company, they will cease participation in the Plan and become eligible to participate in the AAR Aircraft Services Miami Retirement Savings Plan. When they become eligible to participate in the AAR Aircraft Services Miami Retirement Savings Plan, their account balance in the Plan is automatically transferred into the AAR Aircraft Services Miami Retirement Savings Plan. A similar transfer occurs when a participant of the AAR Aircraft Services Miami Retirement Savings Plan becomes eligible for this Plan. During the year ended December 31, 2020, the gross amount of transfers into and out of the plan were \$250,897 and \$757,376, respectively, resulting in a net transfer out of \$506,479.

During 2020, the Company completed the sale of their Composites Business. The account balances of participants associated with the Composites Business were transferred out of the Plan and into the Ae Opco III LLC dba Aeromatrix Composites Plan during the year ended December 31, 2020. The total assets transferred were \$4,420,991 related to investment account balances.

Note 8. Plan Termination

Although the Company has not expressed any intent to terminate the Plan, it may do so at any time. Termination must have the approval of the Company's Board of Directors. In the event of termination of the Plan, the trust fund assets are appraised and each participant would become 100% vested in their Company contribution portion of their account as of the termination date.

Note 9. Risks and Uncertainties

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

AAR CORP. Retirement Savings Plan

Notes to Financial Statements

Note 10. Reconciliation of Financial Statements to Form 5500

The following is a reconciliation of the net assets available for benefits per the financial statements to the Form 5500 at December 31, 2020 and 2019:

	2020	2019
Net assets available for benefits per the financial statements	\$ 428,472,124	\$ 393,127,362
Company contributions receivable	(312,331)	-
Net assets available for benefits per the Form 5500	<u>\$ 428,159,793</u>	<u>\$ 393,127,362</u>

The following is a reconciliation of the net increase in assets available for benefits per the financial statements to the Form 5500 at December 31, 2020:

Net increase in assets available for benefits per the financial statements	
before transfers out, net	\$ 40,272,233
Differences in:	
Company contributions	(312,331)
Other income	108,167
Benefits paid to participants	(105,494)
Corrective distributions	(2,673)
Net increase in assets available for benefits per the Form 5500, before transfer out, net	<u>\$ 39,959,902</u>

AAR CORP. Retirement Savings Plan

EIN: 36-2334820

Plan Number: 001

**Schedule H, Line 4i - Schedule of Assets (Held at End of Year)
As of December 31, 2020**

(a)	(b) Identity of issue, borrower, lessor, or similar party	(c) Description of investment, including maturity date, rate of interest, collateral, par or maturity value	(d) Cost	(e) Current value
		Registered investment company securities:		
	American Century Investments	American Century Small Cap Value Fund; R6 Class	**	\$ 23,754
	BlackRock Bond Fund, Inc.	BlackRock Total Return Fund; Class K	**	218,040
	Janus Investment Fund	Janus Triton Fund; Class N	**	219,368
	MSF Investment Management	MFS International Diversification Fund; Class R6	**	102,049
	Principal Funds, Inc.	Principal Equity Income Fund; Institutional Class	**	23,287,989
*	Vanguard Fiduciary Trust Company	Vanguard Federal Money Market Fund	**	774,806
*	Vanguard Fiduciary Trust Company	Vanguard Institutional Index Fund Inst'l Shares	**	25,813,254
*	Vanguard Fiduciary Trust Company	Vanguard Institutional Target Retirement 2015 Fund	**	8,287,066
*	Vanguard Fiduciary Trust Company	Vanguard Institutional Target Retirement 2020 Fund	**	16,585,368
*	Vanguard Fiduciary Trust Company	Vanguard Institutional Target Retirement 2025 Fund	**	32,060,201
*	Vanguard Fiduciary Trust Company	Vanguard Institutional Target Retirement 2030 Fund	**	31,354,945
*	Vanguard Fiduciary Trust Company	Vanguard Institutional Target Retirement 2035 Fund	**	22,075,351
*	Vanguard Fiduciary Trust Company	Vanguard Institutional Target Retirement 2040 Fund	**	16,266,770
*	Vanguard Fiduciary Trust Company	Vanguard Institutional Target Retirement 2045 Fund	**	18,334,302
*	Vanguard Fiduciary Trust Company	Vanguard Institutional Target Retirement 2050 Fund	**	14,288,845
*	Vanguard Fiduciary Trust Company	Vanguard Institutional Target Retirement 2055 Fund	**	6,806,598
*	Vanguard Fiduciary Trust Company	Vanguard Institutional Target Retirement 2060 Fund	**	2,385,014
*	Vanguard Fiduciary Trust Company	Vanguard Institutional Target Retirement 2065 Fund	**	392,034
*	Vanguard Fiduciary Trust Company	Vanguard Institutional Target Retirement Income Fund	**	4,669,941
*	Vanguard Fiduciary Trust Company	Vanguard International Growth Fund Admiral Shares	**	24,824,328
*	Vanguard Fiduciary Trust Company	Vanguard Long-Term Investment-Grade Fund: Adm Shr	**	11,066,635
*	Vanguard Fiduciary Trust Company	Vanguard Mid-Cap Index Fund Institutional Shares	**	19,198,797
*	Vanguard Fiduciary Trust Company	Vanguard PRIMECAP Fund Admiral Shares	**	15,864,609
*	Vanguard Fiduciary Trust Company	Vanguard Small-Cap Index Fund Institutional Shares	**	14,417,989
*	Vanguard Fiduciary Trust Company	Vanguard Total Bond Market Index Fund Admiral Shares	**	11,968,834
*	Vanguard Fiduciary Trust Company	Vanguard Total International Stock Index Fund Admiral Shr	**	918,167
*	Vanguard Fiduciary Trust Company	Vanguard U.S. Growth Fund Admiral Shares	**	34,299,946
*	Vanguard Fiduciary Trust Company	Vanguard Wellington Fund Admiral Shares	**	31,616,582
				<u>388,121,582</u>
		Common/collective trust:		
*	Vanguard Fiduciary Trust Company	Vanguard Retirement Savings Trust III	**	<u>31,863,391</u>
		Loans to participants		
*	Participants	(maturing 2021 to 2030 at interest rates of 4.25% to 6.50%)	**	<u>8,174,820</u>
				<u><u>\$ 428,159,793</u></u>

* Party-in-interest

** Cost information is not required for participant-directed investments.

AAR CORP. Retirement Savings Plan

EIN: 36-2334820

Plan Number: 001

**Schedule H, Line 4i - Schedule of Assets (Held at End of Year)
As of December 31, 2020**

(a)	(b) Identity of issue, borrower, lessor, or similar party	(c) Description of investment, including maturity date, rate of interest, collateral, par or maturity value	(d) Cost	(e) Current value
		Registered investment company securities:		
	American Century Investments	American Century Small Cap Value Fund; R6 Class	** \$	23,754
	BlackRock Bond Fund, Inc.	BlackRock Total Return Fund; Class K	**	218,040
	Janus Investment Fund	Janus Triton Fund; Class N	**	219,368
	MSF Investment Management	MFS International Diversification Fund; Class R6	**	102,049
	Principal Funds, Inc.	Principal Equity Income Fund; Institutional Class	**	23,287,989
*	Vanguard Fiduciary Trust Company	Vanguard Federal Money Market Fund	**	774,806
*	Vanguard Fiduciary Trust Company	Vanguard Institutional Index Fund Inst'l Shares	**	25,813,254
*	Vanguard Fiduciary Trust Company	Vanguard Institutional Target Retirement 2015 Fund	**	8,287,066
*	Vanguard Fiduciary Trust Company	Vanguard Institutional Target Retirement 2020 Fund	**	16,585,368
*	Vanguard Fiduciary Trust Company	Vanguard Institutional Target Retirement 2025 Fund	**	32,060,201
*	Vanguard Fiduciary Trust Company	Vanguard Institutional Target Retirement 2030 Fund	**	31,354,945
*	Vanguard Fiduciary Trust Company	Vanguard Institutional Target Retirement 2035 Fund	**	22,075,351
*	Vanguard Fiduciary Trust Company	Vanguard Institutional Target Retirement 2040 Fund	**	16,266,770
*	Vanguard Fiduciary Trust Company	Vanguard Institutional Target Retirement 2045 Fund	**	18,334,302
*	Vanguard Fiduciary Trust Company	Vanguard Institutional Target Retirement 2050 Fund	**	14,288,845
*	Vanguard Fiduciary Trust Company	Vanguard Institutional Target Retirement 2055 Fund	**	6,806,598
*	Vanguard Fiduciary Trust Company	Vanguard Institutional Target Retirement 2060 Fund	**	2,385,014
*	Vanguard Fiduciary Trust Company	Vanguard Institutional Target Retirement 2065 Fund	**	392,034
*	Vanguard Fiduciary Trust Company	Vanguard Institutional Target Retirement Income Fund	**	4,669,941
*	Vanguard Fiduciary Trust Company	Vanguard International Growth Fund Admiral Shares	**	24,824,328
*	Vanguard Fiduciary Trust Company	Vanguard Long-Term Investment-Grade Fund: Adm Shr	**	11,066,635
*	Vanguard Fiduciary Trust Company	Vanguard Mid-Cap Index Fund Institutional Shares	**	19,198,797
*	Vanguard Fiduciary Trust Company	Vanguard PRIMECAP Fund Admiral Shares	**	15,864,609
*	Vanguard Fiduciary Trust Company	Vanguard Small-Cap Index Fund Institutional Shares	**	14,417,989
*	Vanguard Fiduciary Trust Company	Vanguard Total Bond Market Index Fund Admiral Shares	**	11,968,834
*	Vanguard Fiduciary Trust Company	Vanguard Total International Stock Index Fund Admiral Shr	**	918,167
*	Vanguard Fiduciary Trust Company	Vanguard U.S. Growth Fund Admiral Shares	**	34,299,946
*	Vanguard Fiduciary Trust Company	Vanguard Wellington Fund Admiral Shares	**	31,616,582
				<u>388,121,582</u>
		Common/collective trust:		
*	Vanguard Fiduciary Trust Company	Vanguard Retirement Savings Trust III	**	<u>31,863,391</u>
		Loans to participants		
*	Participants	(maturing 2021 to 2030 at interest rates of 4.25% to 6.50%)	**	<u>8,174,820</u>
				<u><u>\$ 428,159,793</u></u>

* Party-in-interest

** Cost information is not required for participant-directed investments.