

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6057(b) and 6058(a) of the Internal Revenue Code (the Code). <p style="text-align: center;">▶ Complete all entries in accordance with the instructions to the Form 5500.</p>	OMB Nos. 1210-0110 1210-0089 <div style="text-align: center; font-size: 1.2em; font-weight: bold;">2020</div> <div style="text-align: center; font-weight: bold;">This Form is Open to Public Inspection</div>
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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>AVIALL, INC. RETIREMENT PLAN</u>	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:15%;">1b Three-digit plan number (PN) ▶</td> <td style="width:85%;"><u>104</u></td> </tr> <tr> <td>1c Effective date of plan</td> <td><u>01/01/1994</u></td> </tr> </table>	1b Three-digit plan number (PN) ▶	<u>104</u>	1c Effective date of plan	<u>01/01/1994</u>		
1b Three-digit plan number (PN) ▶	<u>104</u>							
1c Effective date of plan	<u>01/01/1994</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>THE BOEING CO. AND CONSOLIDATED SUBSIDIARIES</u> <u>C/O ENTERPRISE BENEFITS ACCOUNTING</u> <u>P.O. BOX 3707 M/C 6X7-04</u> <u>100 N. RIVERSIDE PLAZA</u> <u>SEATTLE, WA 98124-2207</u> <u>CHICAGO, IL 60606-1596</u>	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:15%;">2b Employer Identification Number (EIN)</td> <td style="width:85%;"><u>91-0425694</u></td> </tr> <tr> <td>2c Plan Sponsor's telephone number</td> <td><u>866-473-2016</u></td> </tr> <tr> <td>2d Business code (see instructions)</td> <td><u>336410</u></td> </tr> </table>	2b Employer Identification Number (EIN)	<u>91-0425694</u>	2c Plan Sponsor's telephone number	<u>866-473-2016</u>	2d Business code (see instructions)	<u>336410</u>
2b Employer Identification Number (EIN)	<u>91-0425694</u>							
2c Plan Sponsor's telephone number	<u>866-473-2016</u>							
2d Business code (see instructions)	<u>336410</u>							

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

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

SIGN HERE	Filed with authorized/valid electronic signature.	06/03/2022	INGRID WILLIAMS
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

3a Plan administrator's name and address ☐ Same as Plan Sponsor EMPLOYEE BENEFIT PLANS COMMITTEE C/O THE BOEING COMPANY 100 N. RIVERSIDE PLAZA CHICAGO, IL 60606-1596		3b Administrator's EIN 58-2405861
		3c Administrator's telephone number 312-544-2297
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 AVIALL, INC. A WHOLLY OWNED SUB OF THE BOEING CO c Plan Name AVIALL, INC. RETIREMENT PLAN		4b EIN 65-0433083 4d PN 001
5 Total number of participants at the beginning of the plan year		5 2322
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) 703
a(2) Total number of active participants at the end of the plan year		6a(2) 544
b Retired or separated participants receiving benefits.....		6b 845
c Other retired or separated participants entitled to future benefits		6c 585
d Subtotal. Add lines 6a(2) , 6b , and 6c		6d 1974
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.		6e 208
f Total. Add lines 6d and 6e		6f 2182
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)		6g
h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested		6h
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item).....		7
8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions: 1A 3H 1I		
b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:		
9a Plan funding arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor		9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor
10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)		
a Pension Schedules (1) ☒ R (Retirement Plan Information) (2) ☐ MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary (3) ☒ SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary		b General Schedules (1) ☒ H (Financial Information) (2) ☐ I (Financial Information – Small Plan) (3) ☐ <u>0</u> A (Insurance Information) (4) ☒ C (Service Provider Information) (5) ☒ D (DFE/Participating Plan Information) (6) ☒ G (Financial Transaction Schedules)

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

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

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

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

11c Enter the Receipt Confirmation Code for the 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 _____

<div>SCHEDULE SB (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation</div>	<div>Single-Employer Defined Benefit Plan Actuarial Information</div> <div>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code).</div> <div>▶ File as an attachment to Form 5500 or 5500-SF.</div>	<div>OMB No. 1210-0110</div> <div>2020</div> <div>This Form is Open to Public Inspection</div>
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For calendar plan year 2020 or fiscal plan year beginning 01/01/2020 and ending 12/31/2020	
▶ Round off amounts to nearest dollar.	
▶ Caution: A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.	
A Name of plan AVIALL, INC. RETIREMENT PLAN	B Three-digit plan number (PN) ▶ 104
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF THE BOEING CO. AND CONSOLIDATED SUBSIDIARIES	D Employer Identification Number (EIN) 91-0425694
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B	F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500

Part I	Basic Information			
1	Enter the valuation date: Month 01 Day 01 Year 2020			
2	Assets:			
a	Market value	2a	156517444	
b	Actuarial value	2b	149271405	
3	Funding target/participant count breakdown	(1) Number of participants	(2) Vested Funding Target	(3) Total Funding Target
a	For retired participants and beneficiaries receiving payment.....	1069	60453835	60453835
b	For terminated vested participants.....	557	28462408	28462408
c	For active participants	703	38832762	42284252
d	Total.....	2329	127749005	131200495
4	If the plan is in at-risk status, check the box and complete lines (a) and (b)..... ☐			
a	Funding target disregarding prescribed at-risk assumptions		4a	
b	Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor.....		4b	
5	Effective interest rate	5	5.49 %	
6	Target normal cost.....	6	650000	

Statement by Enrolled Actuary

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

<div>SIGN HERE</div>	<div>Signature of actuary</div> <div>BRIAN C KABAT</div> <div>Type or print name of actuary</div> <div>WILLIS TOWERS WATSON US LLC</div> <div>Firm name</div> <div>500 NORTH AKARD STREET SUITE 4300 DALLAS, TX 75201</div> <div>Address of the firm</div>	<div>08/11/2021</div> <div>Date</div> <div>20-08371</div> <div>Most recent enrollment number</div> <div>214-530-4200</div> <div>Telephone number (including area code)</div>
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Part II Beginning of Year Carryover and Prefunding Balances

	(a) Carryover balance	(b) Prefunding balance
7 Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	11062594	0
8 Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	1200000	0
9 Amount remaining (line 7 minus line 8)	9862594	0
10 Interest on line 9 using prior year's actual return of <u>20.43</u> %	2014928	0
11 Prior year's excess contributions to be added to prefunding balance:		
a Present value of excess contributions (line 38a from prior year)		8131973
b(1) Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of <u>5.62</u> %		389577
b(2) Interest on line 38b from prior year Schedule SB, using prior year's actual return		245160
c Total available at beginning of current plan year to add to prefunding balance		8766710
d Portion of (c) to be added to prefunding balance		0
12 Other reductions in balances due to elections or deemed elections	0	0
13 Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	11877522	0

Part III Funding Percentages

14 Funding target attainment percentage	14	104.72 %
15 Adjusted funding target attainment percentage	15	107.22 %
16 Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	106.94 %
17 If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

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

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

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

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

20 Quarterly contributions and liquidity shortfalls:

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

Liquidity shortfall as of end of quarter of this plan year			
(1) 1st	(2) 2nd	(3) 3rd	(4) 4th
0	0	0	0

Part V Assumptions Used to Determine Funding Target and Target Normal Cost**21** Discount rate:**a** Segment rates:1st segment:
3.64 %2nd segment:
5.21 %3rd segment:
5.94 %☐ N/A, full yield curve used**b** Applicable month (enter code)**21b**

4

22 Weighted average retirement age**22**

65

23 Mortality table(s) (see instructions)☐

Prescribed - combined

☒

Prescribed - separate

☐

Substitute

Part VI Miscellaneous Items**24** Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment.....☒

Yes

☐

No

25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment.....☐

Yes

☒

No

26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment.....☒

Yes

☐

No

27 If the plan is subject to alternative funding rules, enter applicable code and see instructions regarding attachment.....**27****Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years****28** Unpaid minimum required contributions for all prior years.....**28**

0

29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a).....**29**

0

30 Remaining amount of unpaid minimum required contributions (line 28 minus line 29).....**30**

0

Part VIII Minimum Required Contribution For Current Year**31** Target normal cost and excess assets (see instructions):**a** Target normal cost (line 6).....**31a**

650000

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

650000

32 Amortization installments:**a** Net shortfall amortization installment

0

0

b Waiver amortization installment

0

0

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

0

35 Balances elected for use to offset funding requirement

0

0

0

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

0

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

0

38 Present value of excess contributions for current year (see instructions)**a** Total (excess, if any, of line 37 over line 36)**38a**

0

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

0

39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)**39**

0

40 Unpaid minimum required contributions for all years**40**

0

Part IX Pension Funding Relief Under Pension Relief Act of 2010 (See Instructions)**41** If an election was made to use PRA 2010 funding relief for this plan:**a** Schedule elected☐ 2 plus 7 years☐ 15 years**b** Eligible plan year(s) for which the election in line 41a was made☐ 2008☐ 2009☐ 2010☐ 2011

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 AVIALL, INC. RETIREMENT PLAN	B Three-digit plan number (PN) ▶	104
C Plan sponsor's name as shown on line 2a of Form 5500 THE BOEING CO. AND CONSOLIDATED SUBSIDIARIES	D Employer Identification Number (EIN) 91-0425694	

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

1 Information on Persons Receiving Only Eligible Indirect Compensation

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

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

WILLIS TOWERS WATSON US LLC

53-0181291

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
11	ACTUARY	269408	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

CONDUENT HR SERVICES, LLC

20-2185976

(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 38 64	RECORDKEEPER	257725	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

THE BOEING CO AND CONSOLIDATED SUBS

91-0425694

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
10 14 28	PLAN SPONSOR	13982	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)

STATE STREET BANK AND TRUST

04-1867445

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
13 15 49 62	SERVICE PROVIDER	8053	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 ☐

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:

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

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

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

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

<div>SCHEDULE G (Form 5500) Department of Treasury Internal Revenue Service</div> <div>Department of Labor Employee Benefits Security Administration</div>	<div>Financial Transaction Schedules</div> <div>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).</div> <div>► File as an attachment to Form 5500.</div>	<div>OMB No. 1210-0110</div> <div>2020</div> <div>This Form is Open to Public Inspection.</div>
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For calendar plan year 2020 or fiscal plan year beginning 01/01/2020 and ending 12/31/2020	
<div>A Name of plan AVIALL, INC. RETIREMENT PLAN</div>	<div>B Three-digit plan number (PN) ► 104</div>
<div>C Plan sponsor's name as shown on line 2a of Form 5500 THE BOEING CO. AND CONSOLIDATED SUBSIDIARIES</div>	<div>D Employer Identification Number (EIN) 91-0425694</div>

Part I	Schedule of Loans or Fixed Income Obligations in Default or Classified as Uncollectible Complete as many entries as needed to report all loans or fixed income obligations in default or classified as uncollectible. Check box (a) if obligor is known to be a party in interest. Attach Overdue Loan Explanation for each loan listed. See Instructions.
--------	--

(a)	(b) Identity and address of obligor	(c) Detailed description of loan including dates of making and maturity, interest rate, the type and value of collateral, any renegotiation of the loan and the terms of the renegotiation, and other material items
☐		

	Amount received during reporting year			Amount overdue	
(d) Original amount of loan	(e) Principal	(f) Interest	(g) Unpaid balance at end of year	(h) Principal	(i) Interest

(a)	(b) Identity and address of obligor	(c) Detailed description of loan including dates of making and maturity, interest rate, the type and value of collateral, any renegotiation of the loan and the terms of the renegotiation, and other material items
☐		

	Amount received during reporting year			Amount overdue	
(d) Original amount of loan	(e) Principal	(f) Interest	(g) Unpaid balance at end of year	(h) Principal	(i) Interest

(a)	(b) Identity and address of obligor	(c) Detailed description of loan including dates of making and maturity, interest rate, the type and value of collateral, any renegotiation of the loan and the terms of the renegotiation, and other material items
☐		

	Amount received during reporting year			Amount overdue	
(d) Original amount of loan	(e) Principal	(f) Interest	(g) Unpaid balance at end of year	(h) Principal	(i) Interest

(a)	(b) Identity and address of obligor	(c) Detailed description of loan including dates of making and maturity, interest rate, the type and value of collateral, any renegotiation of the loan and the terms of the renegotiation, and other material items			
☐					
		Amount received during reporting year		Amount overdue	
(d) Original amount of loan	(e) Principal	(f) Interest	(g) Unpaid balance at end of year	(h) Principal	(i) Interest

(a)	(b) Identity and address of obligor	(c) Detailed description of loan including dates of making and maturity, interest rate, the type and value of collateral, any renegotiation of the loan and the terms of the renegotiation, and other material items			
☐					
		Amount received during reporting year		Amount overdue	
(d) Original amount of loan	(e) Principal	(f) Interest	(g) Unpaid balance at end of year	(h) Principal	(i) Interest

(a)	(b) Identity and address of obligor	(c) Detailed description of loan including dates of making and maturity, interest rate, the type and value of collateral, any renegotiation of the loan and the terms of the renegotiation, and other material items			
☐					
		Amount received during reporting year		Amount overdue	
(d) Original amount of loan	(e) Principal	(f) Interest	(g) Unpaid balance at end of year	(h) Principal	(i) Interest

(a)	(b) Identity and address of obligor	(c) Detailed description of loan including dates of making and maturity, interest rate, the type and value of collateral, any renegotiation of the loan and the terms of the renegotiation, and other material items			
☐					
		Amount received during reporting year		Amount overdue	
(d) Original amount of loan	(e) Principal	(f) Interest	(g) Unpaid balance at end of year	(h) Principal	(i) Interest

(a)	(b) Identity and address of obligor	(c) Detailed description of loan including dates of making and maturity, interest rate, the type and value of collateral, any renegotiation of the loan and the terms of the renegotiation, and other material items			
☐					
		Amount received during reporting year		Amount overdue	
(d) Original amount of loan	(e) Principal	(f) Interest	(g) Unpaid balance at end of year	(h) Principal	(i) Interest

Part II Schedule of Leases in Default or Classified as Uncollectible

Complete as many entries as needed to report all leases in default or classified as uncollectible. Check box (a) if lessor or lessee is known to be a party in interest. Attach Overdue Lease Explanation for each lease listed. (See instructions)

(a)	(b) Identity of lessor/lessee	(c) Relationship to plan, employer, employee organization, or other party-in-interest	(d) Terms and description (type of property, location and date it was purchased, terms regarding rent, taxes, insurance, repairs, expenses, renewal options, date property was leased)			
☐						
(e) Original cost	(f) Current value at time of lease	(g) Gross rental receipts during the plan year	(h) Expenses paid during the plan year	(i) Net receipts	(j) Amount in arrears	

(a)	(b) Identity of lessor/lessee	(c) Relationship to plan, employer, employee organization, or other party-in-interest	(d) Terms and description (type of property, location and date it was purchased, terms regarding rent, taxes, insurance, repairs, expenses, renewal options, date property was leased)			
☐						
(e) Original cost	(f) Current value at time of lease	(g) Gross rental receipts during the plan year	(h) Expenses paid during the plan year	(i) Net receipts	(j) Amount in arrears	

(a)	(b) Identity of lessor/lessee	(c) Relationship to plan, employer, employee organization, or other party-in-interest	(d) Terms and description (type of property, location and date it was purchased, terms regarding rent, taxes, insurance, repairs, expenses, renewal options, date property was leased)			
☐						
(e) Original cost	(f) Current value at time of lease	(g) Gross rental receipts during the plan year	(h) Expenses paid during the plan year	(i) Net receipts	(j) Amount in arrears	

(a)	(b) Identity of lessor/lessee	(c) Relationship to plan, employer, employee organization, or other party-in-interest	(d) Terms and description (type of property, location and date it was purchased, terms regarding rent, taxes, insurance, repairs, expenses, renewal options, date property was leased)			
☐						
(e) Original cost	(f) Current value at time of lease	(g) Gross rental receipts during the plan year	(h) Expenses paid during the plan year	(i) Net receipts	(j) Amount in arrears	

(a)	(b) Identity of lessor/lessee	(c) Relationship to plan, employer, employee organization, or other party-in-interest	(d) Terms and description (type of property, location and date it was purchased, terms regarding rent, taxes, insurance, repairs, expenses, renewal options, date property was leased)			
☐						
(e) Original cost	(f) Current value at time of lease	(g) Gross rental receipts during the plan year	(h) Expenses paid during the plan year	(i) Net receipts	(j) Amount in arrears	

(a)	(b) Identity of lessor/lessee	(c) Relationship to plan, employer, employee organization, or other party-in-interest	(d) Terms and description (type of property, location and date it was purchased, terms regarding rent, taxes, insurance, repairs, expenses, renewal options, date property was leased)			
☐						
(e) Original cost	(f) Current value at time of lease	(g) Gross rental receipts during the plan year	(h) Expenses paid during the plan year	(i) Net receipts	(j) Amount in arrears	

Part III Nonexempt Transactions

Complete as many entries as needed to report all nonexempt transactions. **Caution:** If a nonexempt prohibited transaction occurred with respect to a disqualified person, file Form 5330 with the IRS to pay the excise tax on the transaction.

(a) Identity of party involved	(b) Relationship to plan, employer, or other party-in-interest	(c) Description of transaction including maturity date, rate of interest, collateral, par or maturity value	(d) Purchase price
ERNST & YOUNG	SERVICE PROVIDER	PLAN ASSETS WERE INADVERTENTLY USED TO MAKE AN OVERPAYMENT TO A THIRD-PARTY PROVIDER	
(e) Selling price	(f) Lease rental	(g) Transaction expenses	(h) Cost of asset
			112
			113
			1
(a) Identity of party involved	(b) Relationship to plan, employer, or other party-in-interest	(c) Description of transaction including maturity date, rate of interest, collateral, par or maturity value	(d) Purchase price
(e) Selling price	(f) Lease rental	(g) Transaction expenses	(h) Cost of asset
(i) Current value of asset	(j) Net gain (or loss) on each transaction		
(a) Identity of party involved	(b) Relationship to plan, employer, or other party-in-interest	(c) Description of transaction including maturity date, rate of interest, collateral, par or maturity value	(d) Purchase price
(e) Selling price	(f) Lease rental	(g) Transaction expenses	(h) Cost of asset
(i) Current value of asset	(j) Net gain (or loss) on each transaction		
(a) Identity of party involved	(b) Relationship to plan, employer, or other party-in-interest	(c) Description of transaction including maturity date, rate of interest, collateral, par or maturity value	(d) Purchase price
(e) Selling price	(f) Lease rental	(g) Transaction expenses	(h) Cost of asset
(i) Current value of asset	(j) Net gain (or loss) on each transaction		
(a) Identity of party involved	(b) Relationship to plan, employer, or other party-in-interest	(c) Description of transaction including maturity date, rate of interest, collateral, par or maturity value	(d) Purchase price
(e) Selling price	(f) Lease rental	(g) Transaction expenses	(h) Cost of asset
(i) Current value of asset	(j) Net gain (or loss) on each transaction		
(a) Identity of party involved	(b) Relationship to plan, employer, or other party-in-interest	(c) Description of transaction including maturity date, rate of interest, collateral, par or maturity value	(d) Purchase price
(e) Selling price	(f) Lease rental	(g) Transaction expenses	(h) Cost of asset
(i) Current value of asset	(j) Net gain (or loss) on each transaction		

SCHEDULE H (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110 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>AVIALL, INC. RETIREMENT PLAN</u>	B Three-digit plan number (PN) ►	<u>104</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>THE BOEING CO. AND CONSOLIDATED SUBSIDIARIES</u>	D Employer Identification Number (EIN) <u>91-0425694</u>	

Part I	Asset and Liability Statement		
1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.			
Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash.....		1a	
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions		1b(1)	
(2) Participant contributions.....		1b(2)	
(3) Other		1b(3)	129267306
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)		1c(1)	
(2) U.S. Government securities		1c(2)	
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred		1c(3)(A)	
(B) All other.....		1c(3)(B)	
(4) Corporate stocks (other than employer securities):			
(A) Preferred		1c(4)(A)	
(B) Common		1c(4)(B)	
(5) Partnership/joint venture interests		1c(5)	
(6) Real estate (other than employer real property)		1c(6)	
(7) Loans (other than to participants).....		1c(7)	
(8) Participant loans		1c(8)	
(9) Value of interest in common/collective trusts		1c(9)	
(10) Value of interest in pooled separate accounts		1c(10)	
(11) Value of interest in master trust investment accounts.....		1c(11)	148032503151553456
(12) Value of interest in 103-12 investment entities		1c(12)	
(13) Value of interest in registered investment companies (e.g., mutual funds)		1c(13)	
(14) Value of funds held in insurance company general account (unallocated contracts).....		1c(14)	
(15) Other.....		1c(15)	

1d Employer-related investments:		(a) Beginning of Year	(b) End of Year
(1) Employer securities.....	1d(1)		
(2) Employer real property.....	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	148032632	151820762

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h	104178	33783
i Acquisition indebtedness.....	1i		
j Other liabilities.....	1j		
k Total liabilities (add all amounts in lines 1g through 1j)	1k	104178	33783

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	147928454	151786979
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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)	9000000	
(B) Participants	2a(1)(B)		
(C) Others (including rollovers).....	2a(1)(C)		
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		9000000
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit).....	2b(1)(A)		
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans.....	2b(1)(E)		
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		0
(2) Dividends: (A) Preferred stock.....	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds).....	2b(2)(C)		
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		0
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions).....	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		0
(5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		0

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts.....	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts.....	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		21909231
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		
c Other income	2c		
d Total income. Add all income amounts in column (b) and enter total.....	2d		30909231

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers.....	2e(1)	26305147	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other.....	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		26305147
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions).....	2g		
h Interest expense.....	2h		
i Administrative expenses: (1) Professional fees	2i(1)	272473	
(2) Contract administrator fees	2i(2)	265778	
(3) Investment advisory and management fees	2i(3)	8261	
(4) Other.....	2i(4)	199047	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		745559
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		27050706

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		3858525
l Transfers of assets:			
(1) To this plan.....	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

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

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

(1) ☒ 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: MOSS ADAMS LLP

(2) EIN: 91-0189318

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		113
e Was this plan covered by a fidelity bond?			
4e	X		85000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?			
4f		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?			
4g		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?			
4h		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)			
4i		X	
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked and see instructions for format requirements.)			
4j		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?			
4k		X	
l Has the plan failed to provide any benefit when due under the plan?			
4l		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)			
4m		X	
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.			
4n			
5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?..... ☐ Yes ☒ No If "Yes," enter the amount of any plan assets that reverted to the employer this year _____.			
5b If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)			
5b(1) Name of plan(s)	5b(2) EIN(s)	5b(3) PN(s)	
5c 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 4341560 _____.			

<div>SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation</div>	<div>Retirement Plan Information</div> <div>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).</div> <div>▶ File as an attachment to Form 5500.</div>	<div>OMB No. 1210-0110</div> <div>2020</div> <div>This Form is Open to Public Inspection.</div>
For calendar plan year 2020 or fiscal plan year beginning 01/01/2020 and ending 12/31/2020		
A Name of plan AVIALL, INC. RETIREMENT PLAN		B Three-digit plan number (PN) ▶ 104
C Plan sponsor's name as shown on line 2a of Form 5500 THE BOEING CO. AND CONSOLIDATED SUBSIDIARIES		D Employer Identification Number (EIN) 91-0425694
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 0
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): 04-3581074		
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 0
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).....	14a	
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).....	14b	
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).....	14c	
15 Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:		
a The corresponding number for the plan year immediately preceding the current plan year	15a	
b The corresponding number for the second preceding plan year	15b	
16 Information with respect to any employers who withdrew from the plan during the preceding plan year:		
a Enter the number of employers who withdrew during the preceding plan year	16a	
b If line 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	16b	
17 If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐		

Part VI	Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans
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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: <u>31.0</u> % Investment-Grade Debt: <u>30.0</u> % High-Yield Debt: <u>1.0</u> % Real Estate: <u>3.0</u> % Other: <u>35.0</u> %	
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 _____	



REPORT OF INDEPENDENT AUDITORS
AND FINANCIAL STATEMENTS
WITH SUPPLEMENTAL SCHEDULE

AVIALL, INC. RETIREMENT PLAN

December 31, 2020 and 2019

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Note	
All other schedules required by Section 2520.103-10 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 have been omitted because they are not applicable.	

Report of Independent Auditors

To the Plan Administrator
Aviall, Inc. Retirement Plan

Report on the Financial Statements

We have audited the accompanying financial statements of the Aviall, Inc. Retirement Plan (the Plan), which comprise the statements of net assets available for benefits as of December 31, 2020 and 2019, and the related statements of changes in net assets available for benefits for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of 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 our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, information regarding the net assets available for benefits of the Plan as of December 31, 2020 and 2019 and the changes in net assets available for benefits for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Report on Supplemental Schedule

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

Mess Adams LLP

Albuquerque, New Mexico
July 28, 2021

Aviall, Inc. Retirement Plan
Statements of Net Assets Available for Benefits

	December 31,	
	2020	2019
ASSETS		
Investment at fair value - interest in Master Trust	\$ 151,553,456	\$ 148,032,503
Other receivable	267,306	129
Total assets	151,820,762	148,032,632
LIABILITIES		
Administrative expenses payable	33,783	104,178
NET ASSETS AVAILABLE FOR BENEFITS	<u>\$ 151,786,979</u>	<u>\$ 147,928,454</u>

Aviall, Inc. Retirement Plan
Statements of Changes in Net Assets Available for Benefits

	Year Ended December 31,	
	2020	2019
ADDITIONS		
Net investment income from Master Trust	\$ 21,909,231	\$ 26,197,907
Employer contributions	9,000,000	-
Total additions	30,909,231	26,197,907
DEDUCTIONS		
Benefits paid to participants	26,305,147	11,692,340
Administrative expenses	745,559	1,294,120
Total deductions	27,050,706	12,986,460
NET INCREASE	3,858,525	13,211,447
NET ASSETS AVAILABLE FOR BENEFITS		
Beginning of year	147,928,454	134,717,007
End of year	\$ 151,786,979	\$ 147,928,454

Note 1 – Description of the Plan

The following description of the Aviall, Inc. Retirement 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 is a defined benefit pension plan covering certain employees of Boeing Distribution, Inc. (formerly Aviall, Inc.) (the Company) hired or rehired on or before March 5, 2014. Effective December 31, 2015, pay-based benefit accruals under the Plan were frozen. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA), as amended.

The Company, a subsidiary of The Boeing Company (Boeing), was the Plan sponsor and had delegated the fiduciary oversight of the assets of the Plan to Boeing's Employee Benefit Investment Committee (EBIC). The Aviall Benefits Committee was the administrator of the Plan. Effective January 1, 2020, sponsorship of the Plan was assumed by Boeing. The Employee Benefit Plans Committee has the overall responsibility for the operation and administration of the Plan. The assets of the Plan, along with nine other defined benefit pension plans sponsored by Boeing, are held in The Boeing Company Employee Retirement Plans Master Trust (the Master Trust). JPMorgan Chase (JPM) serves as the trustee (the Trustee) for the Master Trust.

Pension benefits – Pension benefits are generally determined based on years of service, compensation, and the participant's annual benefit accrual as defined in the Plan document and subject to the freezing of the benefit accruals. Participants become fully vested upon completion of five years of credited service and are eligible for normal retirement at age 65. Early retirement and benefit payments are available after reaching age 55 and completing ten years of service, however the participant's benefits are decreased for each month the participant's age at early retirement precedes age 65. Participants may select the form of benefit payment from various annuity options or a lump sum payment as specified in the Plan document. Certain enhanced benefits are available to participants of record as of September 20, 2006 under change in control provisions.

Death and disability benefits – Participants who are 100% vested and totally and permanently disabled are eligible for Plan disability benefits if they are actively employed at the time they suffer the disability, have reached age 45, and have accrued at least 15 years of continuous service.

If a vested participant dies prior to the payment of benefits from the Plan, an eligible spouse is entitled to a qualified pre-retirement survivor annuity. Generally, the qualified pre-retirement survivor annuity is a monthly retirement income payable for the life of the spouse in an amount equal to 50% of the amount the vested participant would have received if the participant had survived to the earliest commencement date and elected to receive a benefit under the 50% joint and survivor annuity option. The amount of the death benefit depends upon whether the participant was a current employee, former employee, or a retiree on the participant's date of death and whether the participant's death occurred before or after the participant was eligible for retirement under the Plan.

Aviall, Inc. Retirement Plan

Notes to Financial Statements

Note 1 – Description of the Plan (continued)

Contributions – Contributions to provide benefits under the Plan are made solely by the Company or Boeing. The funding policy of the Company and Boeing is to contribute an amount at least equal to the minimum required contribution under ERISA. The Plan has met the minimum funding requirements of ERISA, and no contributions were required under ERISA for the years ended December 31, 2020 and 2019. Although no contributions were required under ERISA, the Company or Boeing may make discretionary contributions to the Plan. During 2020, Boeing elected to contribute \$9,000,000 in the form of shares of its common stock to the Plan.

Plan termination – Although it has not expressed any intention to do so, Boeing has the right under the Plan, in certain circumstances, to discontinue its contributions at any time and to terminate the Plan subject to the provisions set forth in ERISA. In the event the Plan is terminated, the net assets of the Plan will be allocated for payment of Plan benefits to the participants in an order of priority determined in accordance with ERISA and the Plan document.

Certain benefits under the Plan are insured by the Pension Benefit Guaranty Corporation (PBGC) if the Plan terminates. Generally, the PBGC guarantees most vested normal age retirement benefits, early retirement benefits and certain disability and survivor's pensions. However, the PBGC does not guarantee all types of benefits under the Plan, and the amount of benefit protection is subject to certain limitations. Vested benefits under the Plan are guaranteed at the level in effect on the date of the Plan's termination, subject to a statutory ceiling on the amount of an individual's monthly benefit.

Whether all participants receive their benefits should the Plan be terminated at some future time will depend on the sufficiency, at that time, of the Plan's net assets to provide for accumulated benefit obligations and may also depend on the financial condition of the Company and the level of benefits guaranteed by the PBGC. Some benefits may be fully or partially provided by the then existing assets and the PBGC guaranty while other benefits may not be provided at all.

Note 2 – Summary of Significant Accounting Policies

Basis of accounting – The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP).

Accumulated plan benefits – The actuarial present value of accumulated plan benefits (PVAB) information in Note 3 is presented as of the beginning of the Plan year, as allowed by Accounting Standards Codification (ASC) 960, *Plan Accounting – Defined Benefit Pension Plans*.

Use of estimates – The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and changes therein, the disclosure of contingent assets and liabilities, and the actuarial PVAB at the date of the financial statements. Actual results could differ from those estimates.

Note 2 – Summary of Significant Accounting Policies (continued)

Risks and uncertainties – The Master Trust utilizes various investment instruments. Investment instruments, in general, are exposed to various risks, such as interest rate risk, credit risk, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term, and such changes could materially affect the values reported in the financial statements.

The COVID-19 outbreak, which was declared a pandemic by the World Health Organization on March 11, 2020, has negatively impacted the world economy and common stock share prices for most companies, including Boeing's common stock share price. The Master Trust's investment in Boeing's common stock is stated at fair value based on the closing price at December 31, 2020. The impact of COVID-19 on companies continues to evolve, and its future effects on the Plan's net assets available for benefits and changes in net assets available for benefits are uncertain.

Plan contributions are made and the actuarial PVAB is reported based on certain assumptions pertaining to interest rates, inflation rates, and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimations and assumptions process, it is at least reasonably possible that changes in these estimates and assumptions in the near term could be material to the financial statements.

Valuation of investments – Investments in the Master Trust are generally stated at fair value. Fair value of a financial instrument is the price that would be received to sell an asset or paid to transfer a liability (exit price) in an orderly transaction between market participants at the measurement date. Investments at contract value are investment contracts valued at cost, plus accumulated earnings thereon, computed in accordance with contract formulas, less expenses. The Master Trust's investments stated at fair value are valued as follows:

- Corporate bonds, government bonds, mortgage-backed and asset-backed securities, and municipal bonds are primarily valued using a market approach using matrix pricing, which considers a security's relationship to other securities for which quoted prices in an active market may be available, or alternatively based on an income approach, which uses valuation techniques to convert future cash flows to a single present value amount. The valuation approach is designed to maximize the use of observable inputs, such as observable trade prices, multiple broker-dealer quotations, related yield curves, and other assumptions about the security (prepayment projections, cash flows, other security characteristics, etc.) and minimize unobservable inputs. The securities are valued as of the last trading day of the year.
- Common and preferred stock and certain other investments, including real-estate investment trusts, American depository receipts, global depository receipts, rights, and warrants traded in active markets on national and international exchanges are primarily valued using a market approach based on the closing market prices of identical instruments on the last trading day of the year.
- Mutual funds, which are registered investment companies, are valued using quoted market prices to represent the net asset value (NAV) at year-end.

Aviall, Inc. Retirement Plan

Notes to Financial Statements

Note 2 – Summary of Significant Accounting Policies (continued)

- Short-term investments include treasury bills, commercial paper, certificates of deposit, and discounted notes with original maturities of up to one year. These investments are primarily valued using a market approach based on matrix pricing as referenced above. In the event that an instrument with an original maturity of less than three months does not have a market price, then those investments are valued at amortized cost, which approximates fair value.
- Other investments include physical commodities and over-the-counter (OTC) derivatives, such as options and swap contracts. Physical commodities are valued on a market approach basis using spot prices for the specific commodity. OTC derivatives are valued based upon the expected amount that the Master Trust would receive or pay to exit the derivative at the reporting date. The valuation methodology uses the income approach and relies on inputs, including, but not limited to, benchmark yields, swap curves, cash flow analysis, ratings updates, and interdealer broker rates. Credit risk of the derivative counterparties is offset by collateralizing the expected amount that the Master Trust would receive or pay to terminate the derivative.
- Investments in funds that do not have a readily determinable fair value and meet the criteria of investment companies are valued using the NAV as the practical expedient. The NAV or its equivalent, such as member units or membership units in partners' capital to which a proportionate share of net assets is attributed, is based on the value of underlying investments. The NAV measurement may be adjusted to estimate net asset value per share for the investment in a manner consistent with measurement principles for investment companies. There were no adjustments in 2020 or 2019.
 - ◆ Investments in commingled funds, which include common/collective trusts/pooled funds (CCTs) are valued based on the year-end unit values. Unit values are determined by the issuer, investment manager or third-party administrator by dividing the fair values of the total net assets at year-end by the outstanding units.
 - ◆ Investments in partnerships are recorded based upon year-end valuations at NAV, which represent the unit of account, and are determined by the general partner and reflected in the audited financial statements of the partnerships. Where necessary, adjustments may be made to general partner valuations to reflect fair value when such valuations are inconsistent with NAV practical expedient criteria.
 - ◆ Investments in hedge funds consist of fund-of-fund structures and direct hedge funds. The fund-of-fund structures are primarily valued using a market approach based on the NAV calculated by the fund and is not publicly available. Direct hedge fund NAV is based on valuation of the underlying holdings including other assets and liabilities of the fund.
- Forward and spot currency contracts are valued using a market value approach based on spot foreign currency rates if the contract tenor is two days or less and interpolated forward rates for any contracts with a tenor greater than two days. Forward and spot currency contracts are included in other receivables and other liabilities on the Master Trust's statements of net assets.
- To-be-announced securities (TBAs) and treasury forwards, which have a delayed future settlement, are valued similarly to securities in active markets. The unrealized market appreciation or depreciation is included in other receivables and other liabilities on the Master Trust's statements of net assets.

Note 2 – Summary of Significant Accounting Policies (continued)

Cash and cash equivalents – Cash and cash equivalents include cash and cash collateral. Cash includes cash collateral received from counterparties on derivatives. Cash collateral is related to the collateral posted on derivatives.

Investment income – Net investment income or loss reflected in the statements of changes in net assets includes the Master Trust's net appreciation/depreciation in fair value of investments, interest income, and dividend income, less administrative expenses. Net appreciation/depreciation in fair value of investments includes both realized and unrealized gains and losses and is calculated as the difference between the fair value of the investments as of the beginning of the year or the purchase date in the current year and either the sales price or the end-of-year fair value. 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.

Valuation oversight – Management of the Plans has implemented processes that are designed to ensure that fair value measurements used by the Master Trust are appropriate and reliable, that they are based on observable inputs wherever possible, and that the valuation approaches are consistently applied and the assumptions used are reasonable. The valuation framework has a set of processes that provides for oversight and validation of the fair value methodologies, as well as valuations.

The Boeing Board of Directors has delegated the fiduciary oversight of plan assets over various retirement plans held within the Master Trust structures to the EBIC. The EBIC has sub-delegated this responsibility to Boeing's Chief Investment Officer (CIO), who manages Trust Investments and chairs the Valuation Committee. Trust Investments is responsible for the oversight of the Master Trust assets including selection and monitoring of investment managers, asset strategies, and risk management. The Valuation Committee is responsible for the oversight of the valuation practices of the Master Trust and is represented by members of Trust Investments, including Risk Management and Trust Operations, Public Markets, and Investment Strategy. The Valuation Committee meets periodically with the purpose of fulfilling the following responsibilities and provides an annual review to the EBIC of its findings and actions:

- Review and approve annually the valuation practices, including those used by third parties
- Review and approve the year-end valuations, including the methods used to develop and substantiate the unobservable inputs used in the fair value measurement
- Review analysis and benchmarks used by the Company and the Master Trust to assess the reasonableness of the year-end valuations and changes in fair value measurements from period to period
- Review and approve annual financial statement disclosures of the investments held in the Master Trust

Aviall, Inc. Retirement Plan

Notes to Financial Statements

Note 2 – Summary of Significant Accounting Policies (continued)

Investments in funds are generally valued using the NAV or its equivalent. This includes partnerships, hedge funds, and other commingled investments. Valuations provided by the funds are reviewed at least quarterly. The asset manager's audited financial statements are used in the Master Trust's annual financial reporting process, where applicable. Assessments of reasonableness include regular asset manager meetings and review of quarterly reports, third-party reviews and reconciliations, which includes escalation to Trust Investments for exceptions, quarterly CIO investment reviews, and reviews of manager valuation policies. Valuation policies are reviewed when a new mandate is entered into with an asset manager, on a rolling three-year basis for existing managers, or as changes to policies are provided by managers.

Corporate bonds, government bonds, mortgage-backed and asset-backed securities, municipal bonds, common and preferred stocks, mutual funds and derivative instruments are generally valued using valuations obtained from pricing vendors. Pricing vendor valuation methodologies and custodian pricing controls and related documentation are assessed for reasonableness on an annual basis. The pricing vendor due diligence process includes reviews of pricing controls and procedures, as well as discussions in order to maintain a current understanding of the valuation processes and related assumptions and inputs that may be used by the vendors to price instruments. The custodian due diligence process includes reviews of pricing controls and procedures that are carried out on the Master Trust's behalf. This includes various levels of tolerance checks on price changes, review of stale or unchanged prices, multiprice source comparisons, and vendor price challenges. Additionally, on a monthly basis, the custodian reconciles its valuations to valuations obtained from each investment manager and any exceptions are reported to Trust Investments for resolution, which may include escalation to the Valuation Committee.

Securities purchased with an agreement to resell – Resale agreements are treated as financing arrangements in receivables and are carried at contract amounts reflective of the amounts at which the securities will be subsequently resold, as specified in the respective agreements. Resale agreements are collateralized by high-quality, fixed-income securities. The Master Trust's policy is to take physical possession or control of the securities purchased under agreements to resell and is permitted by contract to sell or repledge. The Master Trust monitors the market value of the underlying securities as compared to the related receivable, including accrued interest, and requires additional collateral where deemed appropriate. At December 31, 2020, the fair value of the securities received as collateral for resale agreements of \$19,400,000 was \$19,760,044. At December 31, 2019, the fair value of the securities received as collateral for resale agreements of \$128,700,000 was \$130,261,162.

Benefits – Benefits are recorded when paid.

Administrative expenses – Necessary and proper expenses of the Plan are paid from Plan assets, at both the Plan and Master Trust levels, except for those expenses the Company or Boeing is required by law or chooses to pay.

Subsequent events – The Plan has evaluated subsequent events through July 28, 2021, the date the financial statements were available to be issued.

Aviall, Inc. Retirement Plan

Notes to Financial Statements

Note 3 – Accumulated Plan Benefits

Accumulated plan benefits are those future periodic payments and lump-sum distributions attributable under the Plan's provisions to service rendered by employees as of the valuation date. Accumulated plan benefits include benefits expected to be paid to:

1. Retired or terminated participants or their beneficiaries
2. Beneficiaries of deceased participants
3. Disabled participants
4. Active participants or their beneficiaries

The PVAB has been determined by an independent actuary and is the sum of accumulated benefits adjusted to reflect the probability of payment (by means of decrements, such as death, disability, termination, or retirement) and the time value of money (through discounts for interest) between the valuation date and the expected date of payment. Significant actuarial assumptions underlying the actuarial computations in the December 31, 2019 valuation were as follows:

Discount rate	6.75%
Retirement	Average age at retirement is 65 years
Mortality (healthy)	Based on RP-2006 tables without collar or amount adjustments, projected to 2015 with scale MP-2017, but adjusted with a factor of 0.894 for males and 1.003 for females based on a study of annuitant mortality experience during the 2013-2017 plan years

The foregoing actuarial assumptions are based on the presumption that the Plan will continue in operation. If the Plan were to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial PVAB.

The actuarial PVAB as of December 31, 2019, is as follows:

Vested benefits	
Participants and beneficiaries currently receiving payments	\$ 54,065,133
Other participants	63,134,208
	<hr/>
Total vested benefits	117,199,341
Nonvested benefits	3,272,451
	<hr/>
Total actuarial PVAB	<u>\$ 120,471,792</u>

Aviall, Inc. Retirement Plan

Notes to Financial Statements

Note 3 – Accumulated Plan Benefits (continued)

The changes in actuarial PVAB for the year ended December 31, 2019, are as follows:

Total actuarial PVAB at December 31, 2018	<u>\$ 120,796,331</u>
Increase (decrease) during the year attributable to	
Actuarial loss	4,607,954
Decrease in the discount period	7,765,579
Benefits paid	(11,692,340)
Changes in actuarial assumptions	<u>(1,005,732)</u>
Net decrease	<u>(324,539)</u>
Total actuarial PVAB at December 31, 2019	<u><u>\$ 120,471,792</u></u>

The changes in actuarial assumptions represent the effect of a change in the assumed mortality for healthy participants to use the MP-2018 projection scale as specified in the regulations under Internal Revenue Code (IRC) §1.430(h)(3)-1, and the lump sum mortality was changed from 2019 IRC 417(e) to 2020 IRC 417(e) mortality.

Note 4 – Master Trust

The Master Trust facilitates the commingling of employee benefit plan assets for investment and administrative purposes. Assets are invested in accordance with the Master Trust's investment policy. As of December 31, 2020, the Master Trust consisted of the Investment Control Pool (the IC Pool). As of December 31, 2019, the Master Trust consisted of the IC Pool and four plan-specific pools. The Plans can own a beneficial interest in one or more of the various investment pools. The IC Pool contains the majority of the assets of the participating plans and is diversified among various asset classes. These assets are invested in individual investment accounts, separately held assets, and investments held in various types of funds, all of which are managed in accordance with established investment guidelines. The IC Pool is valued at year end based on the fair value of underlying assets.

Effective January 1, 2020, assets of the Continental Graphics Employee Pension Plan were transferred into the Master Trust. The fair value of the assets transferred was \$81,466,059.

In addition to the Plan, as of December 31, 2020, the assets of the following plans (collectively, the Plans) were combined in the Master Trust:

- The Boeing Company Employee Retirement Plan
- Non-Contributory Retirement Plan
- Boeing North American Retirement Plan
- BSS Retirement Plan
- BSS Retirement Plan for Bargained Employees
- Employee Retirement Income Plan – Hourly West
- Employee Retirement Income Plan – Hourly East

Note 4 – Master Trust (continued)

- The Pension Value Plan for Employees of The Boeing Company
- Continental Graphics Employee Pension Plan

As of December 31, 2019, the assets of the above plans except the Continental Graphics Employee Pension Plan were combined in the Master Trust.

On a daily basis, the Plans may have contributions, withdrawals, asset transfers (in combination with a liability transfer), and/or expense charges. The trustee calculates a market value for each plan for each day of the month. At month-end, these “dollar days” are aggregated to determine a daily dollar-weighted-average market value for each participating plan in the IC Pool for the prior month. This average is then used to allocate to each participating plan its share of realized gains/losses, unrealized appreciation/depreciation, income, and share expenses in the IC Pool to arrive at each plan’s ending beneficial interest in the IC Pool. All expenses that are plan specific are recorded on that basis. Similarly, the trustee calculated a participating factor in the investment contract pools, which were associated with specific plan(s). A plan’s total participation in the Master Trust is the sum of the beneficial interests it owns in the various pools. The Plan’s ownership interest percentage in the Master Trust’s IC Pool was 0.2% as of December 31, 2020 and 2019.

Aviall, Inc. Retirement Plan

Notes to Financial Statements

Note 4 – Master Trust (continued)

Net assets of the Master Trust and the Plan's ownership in the Master Trust's investments by general type, its other assets and liabilities in dollar amounts as of December 31, 2020 and 2019, are as follows:

	December 31, 2020	
	The Boeing Company Employee Retirement Plans Master Trust	Aviall, Inc. Retirement Plan
ASSETS		
Investments - at fair value		
Corporate bonds	\$ 20,858,850,120	\$ 45,959,814
Government bonds	6,214,924,051	13,693,792
Mortgage-backed and asset-backed securities	796,246,348	1,754,427
Municipal bonds	1,175,945,701	2,591,046
Common and preferred stock	14,858,722,911	32,739,299
Mutual funds	62,577,369	137,881
Partnerships	7,417,528,278	16,343,577
Hedge funds	8,886,152,313	19,579,502
Commingled funds	6,860,365,742	15,115,940
Short-term investments	1,061,403,648	2,338,667
Other investments	90,921,410	200,334
Total investments - at fair value	68,283,637,891	150,454,279
Investments at contract value	-	-
Total Master Trust investments	68,283,637,891	150,454,279
Cash and cash equivalents	332,402,701	732,407
Receivables		
Accrued investment income	283,722,599	625,147
Receivables for securities sold	71,297,145	157,094
Securities purchased with an agreement to resell	19,400,000	42,745
Other receivables	108,985,317	240,135
Total receivables	483,405,061	1,065,121
Total assets	69,099,445,653	152,251,807
LIABILITIES		
Payables for securities purchased	89,408,294	197,000
Investment and administrative expenses payable	28,250,865	62,247
Other liabilities	199,287,387	439,104
Total liabilities	316,946,546	698,351
NET ASSETS	\$ 68,782,499,107	\$ 151,553,456

Aviall, Inc. Retirement Plan

Notes to Financial Statements

Note 4 – Master Trust (continued)

	December 31, 2019	
	The Boeing Company Employee Retirement Plans Master Trust	Aviall, Inc. Retirement Plan
ASSETS		
Investments - at fair value		
Corporate bonds	\$ 19,481,493,396	\$ 47,105,501
Government bonds	6,786,427,223	16,409,320
Mortgage-backed and asset-backed securities	1,084,602,525	2,622,527
Municipal bonds	1,316,828,072	3,184,039
Common and preferred stock	11,108,806,235	26,860,663
Mutual funds	395,937,081	957,360
Partnerships	6,192,508,863	14,973,248
Hedge funds	8,497,038,664	20,545,510
Commingled funds	5,198,979,364	12,570,930
Short-term investments	640,181,874	1,547,933
Other investments	37,111,484	89,735
	<u>60,739,914,781</u>	<u>146,866,766</u>
Total investments - at fair value	60,739,914,781	146,866,766
Investments at contract value	<u>47,847,938</u>	<u>-</u>
Total Master Trust investments	<u>60,787,762,719</u>	<u>146,866,766</u>
Cash and cash equivalents	<u>174,790,884</u>	<u>422,638</u>
Receivables		
Accrued investment income	316,126,266	764,382
Receivables for securities sold	304,007,027	735,077
Securities purchased with an agreement to resell	128,700,000	311,192
Other receivables	29,289,118	70,820
	<u>778,122,411</u>	<u>1,881,471</u>
Total receivables	778,122,411	1,881,471
Total assets	<u>61,740,676,014</u>	<u>149,170,875</u>
LIABILITIES		
Payables for securities purchased	336,706,628	814,144
Investment and administrative expenses	27,246,297	65,880
Other liabilities	106,845,076	258,348
	<u>470,798,001</u>	<u>1,138,372</u>
Total liabilities	470,798,001	1,138,372
NET ASSETS	<u>\$ 61,269,878,013</u>	<u>\$ 148,032,503</u>

Aviall, Inc. Retirement Plan

Notes to Financial Statements

Note 4 – Master Trust (continued)

Changes in net assets for the Master Trust for the years ended December 31, 2020 and 2019, are as follows:

	2020	2019
ADDITIONS		
Investment income	\$ 1,268,201,931	\$ 1,499,410,197
Net appreciation in fair value of investments	8,758,591,670	9,498,478,200
Amounts received from participating plans	2,999,999,934	-
Purchase of annuity contracts - net	9,326,360	-
Total additions	13,036,119,895	10,997,888,397
DEDUCTIONS		
Amounts paid to participating plans	(5,450,363,297)	(4,729,857,734)
Investment and administrative expenses	(114,053,454)	(113,715,249)
Purchase of annuity contracts - net	-	(749,545,230)
Total deductions	(5,564,416,751)	(5,593,118,213)
ASSET TRANSFER OUT TO INSURANCE CARRIERS - NET	(40,548,109)	-
ASSET TRANSFER IN FROM MERGED PLAN	81,466,059	-
NET ADDITIONS	7,512,621,094	5,404,770,184
NET ASSETS		
Beginning of year	61,269,878,013	55,865,107,829
End of year	<u>\$ 68,782,499,107</u>	<u>\$ 61,269,878,013</u>

Note 5 – Fair Value of Financial Assets and Financial Liabilities

ASC 820, *Fair Value Measurement*, establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under ASC 820 for financial assets and financial liabilities are described below:

Level 1 – Values are based on unadjusted quoted prices in active markets that are accessible at the measurement date for identical and unrestricted assets or liabilities. An active market is a market in which transactions for the asset or liability occur with sufficient frequency and volume to provide pricing information on an ongoing basis.

Note 5 – Fair Value of Financial Assets and Financial Liabilities (continued)

Level 2 – Values are based on (a) quoted prices for similar assets or liabilities in active markets; (b) quoted prices for identical or similar assets or liabilities in markets that are not active; or (c) valuation models whose inputs are observable, directly or indirectly, for substantially the full term of the asset or liability.

Level 3 – Values are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement.

Fair value is a market-based measure considered from the perspective of a market participant who owns an asset or owes a liability. Accordingly, when market observable data is not readily available, assumptions are set to reflect those that market participants would be presumed to use in pricing the asset or liability at the measurement date. Prices and inputs are used that are current as of the measurement date, including during periods of market disruption. In periods of market disruption, the ability to observe prices and inputs may be reduced for many instruments. This condition could cause an instrument to be reclassified from Level 1 to Level 2, Level 1 to Level 3, or Level 2 to Level 3.

Aviall, Inc. Retirement Plan

Notes to Financial Statements

Note 5 – Fair Value of Financial Assets and Financial Liabilities (continued)

The following tables set forth by level within the fair value hierarchy a summary of the Master Trust investments by general types of assets and liabilities measured at fair value on a recurring basis as of December 31, 2020 and 2019. As required by ASC 820, assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

	December 31, 2020				
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Not Levelled*	Total
ASSETS					
Investments in the fair value hierarchy					
Corporate bonds	\$ -	\$ 20,818,834,304	\$ 40,015,816	\$ -	\$ 20,858,850,120
Government bonds	-	6,211,044,519	3,879,532	-	6,214,924,051
Mortgage-backed and asset-backed securities	-	674,561,639	121,684,709	-	796,246,348
Municipal bonds	-	1,104,280,746	71,664,955	-	1,175,945,701
Common and preferred stock	14,857,246,698	197	1,476,016	-	14,858,722,911
Mutual funds	62,577,369	-	-	-	62,577,369
Short-term investments	-	1,061,403,648	-	-	1,061,403,648
Other investments	56,413,703	34,507,707	-	-	90,921,410
Total investments in the fair value hierarchy	14,976,237,770	29,904,632,760	238,721,028	-	45,119,591,558
Investments measured at net asset value					
Partnerships	-	-	-	7,417,528,278	7,417,528,278
Hedge funds	-	-	-	8,886,152,313	8,886,152,313
Commingled funds	-	-	-	6,860,365,742	6,860,365,742
Total investments measured at net asset value	-	-	-	23,164,046,333	23,164,046,333
Total investments — at fair value	14,976,237,770	29,904,632,760	238,721,028	23,164,046,333	68,283,637,891
Investments at contract value	-	-	-	-	-
Cash and cash equivalents	-	-	-	332,402,701	332,402,701
Receivables					
Accrued investment income	-	-	-	283,722,599	283,722,599
Receivables for securities sold	-	-	-	71,297,145	71,297,145
Securities purchased with an agreement to resell	-	19,400,000	-	-	19,400,000
Other receivables	33,059,027	9,427,060	-	66,499,230	108,985,317
Total receivables	33,059,027	28,827,060	-	421,518,974	483,405,061
Total assets	15,009,296,797	29,933,459,820	238,721,028	23,917,968,008	69,099,445,653
LIABILITIES					
Payables for securities purchased	-	-	-	89,408,294	89,408,294
Investment and administrative expenses payable	-	-	-	28,250,865	28,250,865
Other liabilities	38,470,540	27,559,427	-	133,257,420	199,287,387
Total liabilities	38,470,540	27,559,427	-	250,916,579	316,946,546
NET ASSETS	\$ 14,970,826,257	\$ 29,905,900,393	\$ 238,721,028	\$ 23,667,051,429	\$ 68,782,499,107

*The amounts not leveled are related to investments using NAV as a practical expedient to estimate fair value, investments measured at contract value, and non-investment assets and liabilities. The amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the Master Trust's statements of net assets.

Aviall, Inc. Retirement Plan

Notes to Financial Statements

Note 5 – Fair Value of Financial Assets and Financial Liabilities (continued)

	December 31, 2019				
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Not Levelled*	Total
ASSETS					
Investments in the fair value hierarchy					
Corporate bonds	\$ -	\$ 19,476,952,630	\$ 4,540,766	\$ -	\$ 19,481,493,396
Government bonds	-	6,786,427,223	-	-	6,786,427,223
Mortgage-backed and asset-backed securities	-	619,145,416	465,457,109	-	1,084,602,525
Municipal bonds	-	1,316,828,072	-	-	1,316,828,072
Common and preferred stock	11,107,114,341	-	1,691,894	-	11,108,806,235
Mutual funds	395,937,081	-	-	-	395,937,081
Short-term investments	-	640,181,874	-	-	640,181,874
Other investments	1,173,200	35,938,284	-	-	37,111,484
Total investments in the fair value hierarchy	11,504,224,622	28,875,473,499	471,689,769	-	40,851,387,890
Investments measured at net asset value					
Partnerships	-	-	-	6,192,508,863	6,192,508,863
Hedge funds	-	-	-	8,497,038,664	8,497,038,664
Commingled funds	-	-	-	5,198,979,364	5,198,979,364
Total investments measured at net asset value	-	-	-	19,888,526,891	19,888,526,891
Total investments — at fair value	11,504,224,622	28,875,473,499	471,689,769	19,888,526,891	60,739,914,781
Investments at contract value	-	-	-	47,847,938	47,847,938
Cash and cash equivalents	-	-	-	174,790,884	174,790,884
Receivables					
Accrued investment income	-	-	-	316,126,266	316,126,266
Receivables for securities sold	-	-	-	304,007,027	304,007,027
Securities purchased with an agreement to resell	-	128,700,000	-	-	128,700,000
Other receivables	9,748,828	6,962,594	-	12,577,696	29,289,118
Total receivables	9,748,828	135,662,594	-	632,710,989	778,122,411
Total assets	11,513,973,450	29,011,136,093	471,689,769	20,743,876,702	61,740,676,014
LIABILITIES					
Payables for securities purchased	-	-	-	336,706,628	336,706,628
Investment and administrative expenses payable	-	-	-	27,246,297	27,246,297
Other liabilities	19,614,246	20,881,829	-	66,349,001	106,845,076
Total liabilities	19,614,246	20,881,829	-	430,301,926	470,798,001
NET ASSETS	\$ 11,494,359,204	\$ 28,990,254,264	\$ 471,689,769	\$ 20,313,574,776	\$ 61,269,878,013

*The amounts not leveled are related to investments using NAV as a practical expedient to estimate fair value, investments measured at contract value, and non-investment assets and liabilities. The amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the Master Trust's statements of net assets.

Master Trust net assets at fair value classified within Level 3 primarily consisted of investments in corporate bonds, mortgage-backed and asset-backed securities and municipal bonds as of December 31, 2020 and 2019. Such amounts were 0.35% and 0.77% of net assets as of December 31, 2020 and 2019, respectively.

Aviall, Inc. Retirement Plan

Notes to Financial Statements

Note 5 – Fair Value of Financial Assets and Financial Liabilities (continued)

Level 3 activity – A summary of purchases, issuances and transfers of the Master Trust’s Level 3 financial assets and liabilities for the years ended December 31, 2020 and 2019, is as follows:

2020

	Purchases of Level 3	Issuances of Level 3	Transfers Into Level 3	Transfers out of Level 3
Financial assets				
Corporate bonds	\$ 39,287,565	\$ -	\$ 15,741,235	\$ -
Government bonds	2,132,379	-	2,506,740	-
Mortgage-backed and asset-backed securities	67,084,317	-	7,949,727	(257,498,480)
Municipal bonds	1,815,000	-	66,584,734	-
Common and preferred stock	1,824,175	-	-	-
Other investments	-	-	-	-
Total assets	<u>\$ 112,143,436</u>	<u>\$ -</u>	<u>\$ 92,782,436</u>	<u>\$ (257,498,480)</u>

2019

	Purchases of Level 3	Issuances of Level 3	Transfers Into Level 3	Transfers out of Level 3
Financial assets				
Corporate bonds	\$ 3,501,483	\$ -	\$ 206,070	\$ -
Government bonds	-	-	-	-
Mortgage-backed and asset-backed securities	287,933,035	-	888,904	-
Municipal bonds	-	-	-	-
Common and preferred stock	1,115,467	-	1,275,637	-
Other investments	-	-	-	7,731
Total assets	<u>\$ 292,549,985</u>	<u>\$ -</u>	<u>\$ 2,370,611</u>	<u>\$ 7,731</u>

Transfers between levels – The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another.

During 2020, \$15,741,235 of corporate bonds, \$2,506,740 of government bonds, \$7,949,727 of mortgage-backed and asset-backed securities, and \$66,584,734 of municipal bonds were reclassified from Level 2 to Level 3, as valuation used significant unobservable inputs. In addition, \$257,498,480 of mortgage-backed and asset-backed securities were reclassified from Level 3 to Level 2, as valuation used significant other observable inputs.

During 2019, \$1,275,637 of common stock was reclassified from Level 1 to Level 3, as trading in the security was suspended. In addition, \$206,070 of corporate bonds and \$888,904 of mortgage-backed and asset-backed securities were reclassified from Level 2 to Level 3, as valuations used significant unobservable inputs.

Aviall, Inc. Retirement Plan Notes to Financial Statements

Note 5 – Fair Value of Financial Assets and Financial Liabilities (continued)

Level 3 quantitative disclosure – A summary of quantitative data of the Master Trust's Level 3 investment assets for the years ended December 31, 2020 and 2019, is as follows:

		2020				
	Level 3 Total	Valuation Technique	Assumptions*	Minimum	Maximum	Weighted Average
Mortgage-backed and asset-backed securities						
Asset-backed securities	\$ 11,593,656	Matrix Pricing	Yield (%)	0.66	5.23	2.21
			Prepayment Speed (CPR, %)	-	25.00	11.97
			Default Rate (%)	-	2.20	-
			Loss Severity Rate (%)	-	85.00	0.06
Collateralized loan obligations	7,621,293	Matrix Pricing	Discount Margin (BPS)	106.00	121.00	113.52
			Prepayment Speed (CPR, %)	20.00	20.00	20.00
			Default Rate (%)	2.00	2.00	2.00
			Loss Severity Rate (%)	50.00	50.00	50.00
Commercial mortgage-backed securities	37,718,597	Matrix Pricing	Yield (%)	1.56	10.79	2.91
			Prepayment Speed (CPY, %)	-	100.00	0.29
Commercial mortgage-backed securities	514,691	Matrix Pricing	Yield (%)	3.13	3.13	3.13
			Prepayment Speed (PPC, %)	100.00	100.00	100.00
Commercial mortgage-backed securities	93,262	Matrix Pricing	Yield (%)	0.61	0.61	0.61
			Prepayment Speed (CPR, %)	80.00	80.00	80.00
Residential mortgage-backed securities	42,898,626	Matrix Pricing	Yield (%)	0.74	5.43	2.22
			Prepayment Speed (CPR, %)	-	24.00	9.68
			Default Rate (%)	-	7.05	1.26
			Loss Severity Rate (%)	-	100.00	39.86
Residential mortgage-backed securities	8,221,932	Matrix Pricing	Discount Margin (BPS)	200.00	545.00	425.32
			Prepayment Speed (CPR, %)	10.00	10.00	10.00
Residential mortgage-backed securities	1,681,640	Matrix Pricing	Yield (%)	1.24	2.71	1.63
			Prepayment Speed (CPR, %)	4.00	17.71	5.33
			Default Rate (%)	0.72	4.34	3.78
			Loss Severity Rate (%)	35.00	60.00	56.16
Total	<u>\$ 110,343,697</u>					

* Valuation techniques for which no unobservable inputs are disclosed generally reflect the use of third-party pricing services or dealers, and the range of unobservable inputs applied by these sources is not readily available or cannot be reasonably estimated.
BPS: Basis Points; CPR: Constant Prepayment Rate; CPY: Constant Prepayment Yield; PPC: Prospectus Prepayment Curve.

Aviall, Inc. Retirement Plan

Notes to Financial Statements

Note 5 – Fair Value of Financial Assets and Financial Liabilities (continued)

	2019					Weighted Average
	Level 3 Total	Valuation Technique	Assumptions*	Minimum	Maximum	
Mortgage-backed and asset-backed securities						
Asset-backed securities	\$ 34,791,236	Matrix Pricing	Yield (%)	2.11	7.31	3.09
			Prepayment Speed (CPR, %)	-	35.00	8.30
Asset-backed securities	1,727,002	Matrix Pricing	Yield (%)	1.97	2.11	2.02
			Prepayment Speed (PPM%)	100.00	100.00	100.00
Asset-backed securities	114,131	Matrix Pricing	Yield (%)	2.72	2.72	2.72
			Prepayment Speed (CPR, %)	8.50	8.50	8.50
			Default Rate (%)	2.00	2.00	2.00
			Loss Severity Rate (%)	80.00	80.00	80.00
Commercial mortgage-backed securities	231,907,983	Matrix Pricing	Yield (%)	1.66	4.35	2.85
			Prepayment Speed (CPY, %)	-	100.00	1.08
Commercial mortgage-backed securities	2,509,896	Matrix Pricing	Yield (%)	1.93	4.15	3.56
			Prepayment Speed (CPR, %)	7.00	99.00	32.41
			Default Rate (%)	-	3.50	2.08
			Loss Severity Rate (%)	-	80.00	47.61
Residential mortgage-backed securities	151,911,888	Matrix Pricing	Yield (%)	0.82	5.42	2.86
			Prepayment Speed (CPR, %)	-	30.00	9.63
			Default Rate (%)	-	12.20	1.64
			Loss Severity Rate (%)	-	100.00	35.33
Residential mortgage-backed securities	1,203,682	Matrix Pricing	Yield (%)	1.86	2.88	2.76
			Prepayment Speed (PPM, %)	100.00	100.00	100.00
Residential mortgage-backed securities (Agency)	313,377	Matrix Pricing	Yield (%)	2.35	2.80	2.46
			Prepayment Speed (CPR, %)	10.00	10.00	10.00
Residential mortgage-backed securities	115,214	Matrix Pricing	Yield (%)	2.72	2.72	2.72
			Prepayment Speed (PSA, %)	300.00	300.00	300.00
Residential mortgage-backed securities	4,171,445	Matrix Pricing	Yield (%)	1.68	3.69	2.32
			Prepayment Speed (CPR, %)	2.00	27.86	7.98
			Default Rate (%)	-	5.60	2.37
			Loss Severity Rate (%)	-	78.90	38.90
Other mortgage-backed and asset- backed securities	9,961,975	Matrix Pricing	Yield (%)	2.18	3.70	2.93
Total	<u>\$ 438,727,829</u>					

* Valuation techniques for which no unobservable inputs are disclosed generally reflect the use of third-party pricing services or dealers, and the range of unobservable inputs applied by these sources is not readily available or cannot be reasonably estimated.

CPR: Constant Prepayment Rate; CPY: Constant Prepayment Yield; PPM: Prepayment Penalty Model; PSA: Public Securities Association Model

Other financial instruments – The investment contracts held by plan-specific pools discussed in Note 4 are valued at contract value in the Master Trust's statements of net assets. During 2020, these plan-specific pools were discontinued and fully liquidated. The fair value of the investment contracts within these pools was \$0 and \$53,941,270 as of December 31, 2020 and 2019, respectively. Fair value for each investment contract is calculated by applying a factor determined by the corresponding insurance company to the contract value. Generally, the factor is an adjustment between contract value and market value, based upon predetermined parameters specific to each contract, including, but not limited to, current market yields, period to maturity, expenses, discounted cash flows, benefit payments, and any other applicable payments.

Aviall, Inc. Retirement Plan Notes to Financial Statements

Note 5 – Fair Value of Financial Assets and Financial Liabilities (continued)

The Master Trust and the Plans also hold other assets and liabilities not measured at fair value on a recurring basis, including cash and cash equivalents, receivables and liabilities. The fair value of these assets and liabilities approximates the carrying amounts in the Master Trust's and the Plans' financial statements due to the short maturity of the instruments.

Note 6 – Investments Measured at Net Asset Value

In accordance with ASC 820, the following is a summary of the Master Trust investments in which the NAV per share of the investment is used to estimate its fair value. The summaries below are categorized by general types of assets as disclosed in the Master Trust's statements of net assets. For each general type of assets utilizing the NAV, the fair value, redemption frequency, and redemption notice period as of December 31, 2020 and 2019, are disclosed.

Commingled funds – This category includes investments in U.S. and non-U.S. securities held by a CCT, real estate and real asset investments via commingled funds and insurance company pooled separate accounts. Generally, redemptions may occur daily, weekly, monthly or quarterly depending upon the fund. For a majority of the funds, redemption notices may be given daily or up to five business days in advance, with redemption notices of up to 120 days in advance for certain funds. If the fund determines that it would be detrimental to the interests of remaining fund investors to pay wholly or in part with cash based on availability of cash for distributions, distributions may also include securities in kind. Additionally, for large withdrawals, the portfolio manager of the fund may require additional time (up to several weeks) to liquidate assets to satisfy the withdrawal requests. Under extraordinary circumstances, some of the funds may temporarily delay distributions or make distributions of securities in kind. For the CCTs with a quarterly redemption frequency, the notice period ranges from 30 to 90 days in advance of quarter-end. These funds are restricted to a redemption queue. A redemption queue is a restriction on withdrawals from a fund due to liquidity restrictions. The fund manager restricts the percentage of the fund that is available for redemption during each redemption period. All investors in the queue will receive an equal portion of the available liquidity. The queue continues until all investor redemption requests are satisfied or the queue is lifted in its entirety.

Redemption Frequency	Redemption Notice Period	As of December 31, 2020		As of December 31, 2019	
		Fair Value	Unfunded Commitments	Fair Value	Unfunded Commitments
Daily	From daily up to five business days	\$ 3,566,616,637	\$ -	\$ 2,156,971,461	\$ -
Weekly	From 60 up to 120 days	360,391,245	-	307,539,503	-
Monthly	From three up to 30 days	1,988,878,359	-	1,778,366,506	-
Quarterly	From 30 up to 90 days	944,479,501	-	956,101,894	-
		<u>\$ 6,860,365,742</u>	<u>\$ -</u>	<u>\$ 5,198,979,364</u>	<u>\$ -</u>

Aviall, Inc. Retirement Plan

Notes to Financial Statements

Note 6 – Investments Measured at Net Asset Value (continued)

Partnerships – This category includes investments in private equities held by limited partnerships that may include buyout, venture, special situations, distressed debt, or fund-of-fund strategies. This category also includes investments in private real estate (such as office, retail, apartment, and industrial properties) and real assets (such as infrastructure, energy, farmland, and timber) made through limited partnerships. Generally, limited partnerships require investors to commit to contribute additional capital during an investment period and do not provide redemption rights. As such, the Master Trust may receive distributions from the proceeds as the underlying assets are sold or income is distributed. The Master Trust maintains an active portfolio of private equity and real estate/real asset limited partnership investments that are in various stages of investment. The current portfolio of investments is expected to liquidate over a period of up to ten years.

Redemption Frequency	Redemption Notice Period	As of December 31, 2020		As of December 31, 2019	
		Fair Value	Unfunded Commitments	Fair Value	Unfunded Commitments
Quarterly	From 45 up to 90 days	\$ 711,503,678	\$ 55,681,488	\$ 695,067,821	\$ -
Not applicable	See narrative	6,706,024,600	3,026,574,979	5,497,441,042	2,632,358,292
		<u>\$ 7,417,528,278</u>	<u>\$ 3,082,256,467</u>	<u>\$ 6,192,508,863</u>	<u>\$ 2,632,358,292</u>

Hedge funds – This category includes investments in hedge funds. Common hedge fund strategies include event-driven, relative value, long-short, and market neutral. Types of hedge fund investments may include direct investments in various hedge funds and investments through fund-of-fund vehicles. The fund-of-fund vehicles are used for the purpose of making investments in a diverse portfolio of hedge funds, while the direct investments allow for larger targeted investments without the additional fund-of-fund fee structure.

Each hedge fund has its own redemption rights and distribution process specified in the fund prospectus. Redemption is generally allowed subject to liquidity and certain restrictions. These restrictions generally include fund-level gates and lockup periods. A “gate” provision allows a hedge fund manager to limit the amount of withdrawals on any withdrawal date to not more than a stated percentage of a fund’s net assets—often 10% to 25%, depending on how frequently investors have a right to withdraw capital. A “lock-up” provision restricts an investor’s ability to withdraw capital from a hedge fund for some stated period of time. It is common for hedge funds to lock-up an investor’s investments for one or two years. As of December 31, 2020, the lock-up restrictions had expired based on each individual fund’s contractual terms. For the funds in liquidation, the timing of liquidation has not been communicated by the funds.

Redemption Frequency	Redemption Notice Period	As of December 31, 2020		As of December 31, 2019	
		Fair Value	Unfunded Commitments	Fair Value	Unfunded Commitments
Monthly	Up to 60 days	\$ 3,429,817,511	\$ -	\$ 3,341,759,413	\$ -
Quarterly	From 30 up to 180 days	3,532,958,403	-	3,567,655,615	-
Semiannually	From 45 up to 90 days	1,332,332,145	-	1,156,248,405	-
Annually	From 45 up to 90 days	577,906,995	-	294,088,381	-
Three years	45 days	-	-	118,959,870	-
In liquidation	Not applicable	13,137,259	-	18,326,980	-
		<u>\$ 8,886,152,313</u>	<u>\$ -</u>	<u>\$ 8,497,038,664</u>	<u>\$ -</u>

Note 7 – Derivative Financial Instruments

ASC 815, *Derivatives and Hedging*, requires disclosures on how and why derivatives are used, accounted for, and affect the results of operations and financial position. Derivative instruments held by the Master Trust are not designated as hedging instruments under ASC 815. The Master Trust investments are exposed to the following financial instruments risks:

Interest rate risk – Interest rate risk is the risk of change in the market value of the assets due to a change in interest rates. Bond futures, interest rate swaps, and interest rate swaptions are generally used to manage interest rate risk or adjust portfolio duration. A futures contract is an agreement between two parties to buy and sell a financial instrument at a set price on a future date. Interest rate swap agreements involve the exchange by the Master Trust, with a counterparty, of respective commitments to pay or receive interest, e.g., an exchange of floating rate payments for fixed rate payments, with respect to the notional amount of principal. Interest rate swaptions are options to enter into an interest rate swap based on predetermined conditions.

Credit risk – Credit risk is the risk of change in the market value of assets due to the change in creditworthiness of the underlying issuer. Credit default swaps are used to manage the credit exposure of a security or basket of securities. Credit default swap agreements involve one party (referred to as the buyer of protection) making a stream of payments to another party (the seller of protection) in exchange for the right to receive a specified return in the event of a default or other credit event for the referenced entity, obligation, or index. Credit default options (also known as credit default swaptions) are options on credit default swaps. A credit default option gives its holder the right, but not the obligation, to buy (call) or sell (put) protection on a specified reference entity for a specified future time period for a certain spread.

Foreign currency risk – Currency risk is the risk of a change in market value due to the change in foreign currency exchange rates. Generally, currency futures and forward contracts are used to achieve the desired currency exposure, or generate value-added performance. Foreign currency futures and forwards are agreements between two parties to buy and sell a set of currencies at a set exchange rate on a specified future date. A currency option gives the buyer the right, but not the obligation, to buy one currency or sell another currency at a set exchange rate on or before a given date.

Equity risk – Equity risk is the risk of a change in market value of assets due to the change in equity or equity index prices. Equity futures, contracts for difference, and equity swaps are generally used to manage the market exposure of a security or index, or rebalance the total portfolio to the target asset allocation. An equity futures contract is an agreement between two parties to buy and sell a financial instrument at a set price on a future date. A contract for difference is an agreement between two parties in which the seller will pay to the buyer the difference between the current value of an asset and its value at contract time (if the difference is negative, then the buyer will pay the seller). Equity swaps generally exchange the return on a stock or stock index for the return of another financial instrument such as a different stock or equity index or LIBOR.

Commodity risk – Commodity risk is the risk of change in the market value of the underlying commodity due to a change in the price of the commodity. Commodity futures, swaps, and options are generally used to achieve the desired market exposure to commodities. A futures contract is an agreement between two parties to buy and sell a commodity at a set price on a future date. Commodity swaps are agreements involving the exchange by the Master Trust, with a counterparty, of respective commitments to pay or receive cash flows, e.g., an exchange of payments based on the price movement for the commodity, with respect to the notional amount of principal. Commodity options give the buyer the right, but not the obligation, to buy one commodity or sell another commodity at a set price on or before a given date.

Aviall, Inc. Retirement Plan

Notes to Financial Statements

Note 7 – Derivative Financial Instruments (continued)

Future settlement risk – Future settlement risk is the risk of counterparty nonperformance resulting in not receiving the asset or associated gains specified in the contract. Gains are derived from the change in market value of the contract due to a change in price of the underlying security. Mortgage TBAs are used to manage the market exposure of a security or asset class. A TBA is a contract for the purchase or sale of agency mortgage-backed securities to be delivered at a future agreed-upon date.

As of December 31, 2020 and 2019, the Master Trust has invested in derivative contracts, which are reflected in the Master Trust's statements of net assets as follows:

	Interest Rate	Credit	Foreign Currency	Equity	Commodity	Future Settlement	Total
2020							
Assets							
Other investments							
Contracts for difference	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Options	219	-	-	-	-	-	219
Swaps	4,544,815	23,889,641	-	446,679	5,626,353	-	34,507,488
Other receivables							
Forward contracts	-	-	9,052,372	-	-	-	9,052,372
Futures	15,524,503	-	533,261	15,388,011	1,613,252	-	33,059,027
Treasury forwards and TBAs	-	-	-	-	-	374,688	374,688
Total assets	\$ 20,069,537	\$ 23,889,641	\$ 9,585,633	\$ 15,834,690	\$ 7,239,605	\$ 374,688	\$ 76,993,794
Liabilities							
Other liabilities							
Contracts for difference	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Forward contracts	-	-	12,053,471	-	-	-	12,053,471
Futures	1,189,347	-	2,122,890	33,996,033	725,734	-	38,034,004
Options	234,703	688,842	-	-	348,378	-	1,271,923
Swaps	3,519,044	9,423,203	-	-	1,425,806	-	14,368,053
Treasury forwards and TBAs	-	-	-	-	-	302,516	302,516
Total liabilities	\$ 4,943,094	\$ 10,112,045	\$ 14,176,361	\$ 33,996,033	\$ 2,499,918	\$ 302,516	\$ 66,029,967
2019							
Assets							
Other investments							
Contracts for difference	\$ -	\$ -	\$ -	\$ 400,894	\$ -	\$ -	\$ 400,894
Options	320,526	-	-	-	772,306	-	1,092,832
Swaps	3,608,325	28,362,916	-	236,135	3,410,382	-	35,617,758
Other receivables							
Forward contracts	-	-	5,801,291	-	-	-	5,801,291
Futures	1,410,075	-	1,812,366	5,443,793	1,082,594	-	9,748,828
Treasury forwards and TBAs	-	-	-	-	-	1,161,303	1,161,303
Total assets	\$ 5,338,926	\$ 28,362,916	\$ 7,613,657	\$ 6,080,822	\$ 5,265,282	\$ 1,161,303	\$ 53,822,906
Liabilities							
Other liabilities							
Contracts for difference	\$ -	\$ -	\$ -	\$ 958,699	\$ -	\$ -	\$ 958,699
Forward contracts	-	-	6,756,953	-	-	-	6,756,953
Futures	13,936,313	-	391,568	1,662,543	2,213,284	-	18,203,708
Options	547,934	138,534	-	-	375,169	-	1,061,637
Swaps	1,634,177	10,165,541	-	230,567	787,451	-	12,817,736
Treasury forwards and TBAs	-	-	-	-	-	697,342	697,342
Total liabilities	\$ 16,118,424	\$ 10,304,075	\$ 7,148,521	\$ 2,851,809	\$ 3,375,904	\$ 697,342	\$ 40,496,075

Aviall, Inc. Retirement Plan

Notes to Financial Statements

Note 7 – Derivative Financial Instruments (continued)

Realized gains and losses and the change in unrealized gains and losses are reflected in the Master Trust's statements of changes in net assets as net appreciation or depreciation in the fair value of investments. The effects of derivative contracts realized gains and losses and the change in unrealized gains and losses for the years ended December 31, 2020 and 2019, are reflected in the following tables:

	Interest Rate	Credit	Foreign Currency	Equity	Commodity	Future Settlement	Total
2020							
Net gains (losses)							
Contracts for difference	\$ -	\$ -	\$ -	\$ (9,089,314)	\$ -	\$ -	\$ (9,089,314)
Forward contracts	-	-	(16,898,068)	-	-	-	(16,898,068)
Futures	250,596,375	-	53,647,063	276,735,611	(10,852,258)	-	570,126,791
Options	7,368,934	1,922,656	-	1,661,164	432,473	-	11,385,227
Swaps	(18,739,028)	(24,250,777)	-	79,733	(39,884,775)	-	(82,794,847)
Treasury forwards and TBAs	-	-	-	-	-	7,011,097	7,011,097
Total net gains (losses)	<u>\$ 239,226,281</u>	<u>\$ (22,328,121)</u>	<u>\$ 36,748,995</u>	<u>\$ 269,387,194</u>	<u>\$ (50,304,560)</u>	<u>\$ 7,011,097</u>	<u>\$ 479,740,886</u>
2019							
Net gains (losses)							
Contracts for difference	\$ -	\$ -	\$ -	\$ 5,966,753	\$ -	\$ -	\$ 5,966,753
Forward contracts	-	-	11,484,610	-	-	-	11,484,610
Futures	261,122,749	-	(11,613,462)	494,924,678	18,535,968	-	762,969,933
Options	3,212,833	1,784,868	-	-	733,405	-	5,731,106
Swaps	(18,281,735)	36,648,147	-	1,767,534	(23,997,066)	-	(3,863,120)
Treasury forwards and TBAs	-	-	-	-	-	1,349,575	1,349,575
Total net gains (losses)	<u>\$ 246,053,847</u>	<u>\$ 38,433,015</u>	<u>\$ (128,852)</u>	<u>\$ 502,658,965</u>	<u>\$ (4,727,693)</u>	<u>\$ 1,349,575</u>	<u>\$ 783,638,857</u>

The following tables summarize the gross notional value of derivative contracts outstanding as of December 31, 2020 and 2019. The gross notional amounts give an indication of the volume of the Master Trust's derivative activities and significantly exceed the fair value of the derivative investments, which is more representative of the theoretical economic exposure associated with derivatives in the Master Trust.

	Interest Rate	Credit	Foreign Currency	Equity	Commodity	Future Settlement	Total
2020							
Forward contracts	\$ -	\$ -	\$ 1,126,676,000	\$ -	\$ -	\$ -	\$ 1,126,676,000
Futures	6,910,277,711	-	908,210,184	8,263,136,727	308,258,491	-	16,389,883,113
Options	339,556,168	802,519,823	-	-	13,470,086	-	1,155,546,077
Swaps	316,639,199	1,064,860,315	-	13,899,544	183,441,470	-	1,578,840,528
Treasury forwards and TBAs	-	-	-	-	-	112,859,098	112,859,098
	<u>\$ 7,566,473,078</u>	<u>\$ 1,867,380,138</u>	<u>\$ 2,034,886,184</u>	<u>\$ 8,277,036,271</u>	<u>\$ 505,170,047</u>	<u>\$ 112,859,098</u>	<u>\$ 20,363,804,816</u>
2019							
Contracts for difference	\$ -	\$ -	\$ -	\$ 43,851,065	\$ -	\$ -	\$ 43,851,065
Forward contracts	-	-	667,454,000	-	-	-	667,454,000
Futures	4,873,409,485	-	445,479,950	2,662,527,295	349,815,596	-	8,331,232,326
Options	412,252,939	255,390,225	-	-	951,264	-	668,594,428
Swaps	244,509,058	1,145,796,491	-	31,340,734	376,217,615	-	1,797,863,898
Treasury forwards and TBAs	-	-	-	-	-	686,155,270	686,155,270
	<u>\$ 5,530,171,482</u>	<u>\$ 1,401,186,716</u>	<u>\$ 1,112,933,950</u>	<u>\$ 2,737,719,094</u>	<u>\$ 726,984,475</u>	<u>\$ 686,155,270</u>	<u>\$ 12,195,150,987</u>

Derivatives are generally used to manage the market exposure of a security, index or currency, or adjust the portfolio duration. Derivative contracts are instruments that derive their value from underlying assets, indices, reference interest rates, or a combination of these factors. Refer to Note 2 for further description of how derivative instruments are valued. Certain cash instruments, such as mortgage-backed TBAs, meet the definition of a derivative instrument under GAAP.

Aviall, Inc. Retirement Plan

Notes to Financial Statements

Note 7 – Derivative Financial Instruments (continued)

The nature of the counterparty and the settlement mechanism of the derivative affect the credit risk to which the Master Trust is exposed. For OTC derivatives such as swaps, forwards, options and TBAs, the Master Trust is exposed to the credit risk of the derivative counterparty.

For exchange-traded derivatives, such as futures and options, and “cleared” OTC swaps, the Master Trust is generally exposed to the credit risk of the relevant exchange or clearinghouse. Where possible, the Master Trust seeks to mitigate its credit risk exposures arising on derivatives transactions through the use of legally enforceable master netting arrangements and collateral agreements.

The Master Trust is also exposed to liquidity risk in the following situations:

1. When the derivative contracts require the Master Trust to post additional cash or securities collateral with counterparties as the fair value of the contracts moves in the counterparties' favor and the Master Trust's receivables under related contracts are unavailable for offset or insufficient in value to offset the payment obligation to the counterparty.
2. When certain derivative contracts have credit-related contingent features under the International Swaps and Derivatives Association Master Agreement (generally swaps) with counterparties for contracts in a net liability position.

The Master Trust has liquidity risk if its assets decline by various, pre-specified rates over predetermined time periods. If this occurs, the Master Trust is required to post more collateral or may be required to pay off the open liability contracts given the counterparty's right to terminate the contract. At December 31, 2020 and 2019, the Master Trust had a fair value of \$7,667,523 and \$1,607,806, respectively, in contracts in a net liability position with contingent features; \$4,292,977 and \$27,938,030, respectively, were posted in collateral against derivative contracts. There was no additional collateral required to be posted in the event that a contingent event had occurred at December 31, 2020 and December 31, 2019. Certain derivatives contracts also provide for the right to terminate the contract if a contingent event occurs. At December 31, 2020 and 2019, these terminations would have required the Master Trust to settle trades with a fair value of \$2,615,430 and \$3,660,833, respectively.

The Master Trust holds credit derivatives which are included in other investments and other liabilities on the statements of net assets. The fair value of credit derivatives where the Master Trust is the seller of the credit derivatives is \$8,761,950 and \$4,833,017 as of December 31, 2020 and 2019, respectively. The total gross notional value of credit derivatives where the Master Trust is the seller is \$481,201,091 and \$302,930,000 (0.70% and 0.49% of net assets) as of December 31, 2020 and 2019, respectively.

Note 8 – Related-Party and Party-in-Interest Transactions

Certain Master Trust investments are managed by J.P. Morgan Asset Management. J.P. Morgan Asset Management is an affiliate of JPM, the Trustee for the Master Trust and the Plan; therefore, these transactions qualify as related party and party-in-interest transactions. The investment management fees to J.P. Morgan Asset Management are paid at the Master Trust level.

Aviall, Inc. Retirement Plan

Notes to Financial Statements

Note 8 – Related-Party and Party-in-Interest Transactions (continued)

At December 31, 2020 and 2019, the Master Trust held 15,405,726 and 0 shares, respectively, of common stock of Boeing, with fair value of \$3,297,749,708 and \$0, and a cost basis of \$2,763,171,015 and \$0, respectively. The common stock of Boeing is included in common and preferred stock on the Master Trust's statement of net assets as of December 31, 2020. During the years ended December 31, 2020 and 2019, the Master Trust had dividend income of \$0 from common stock of Boeing.

The EBIC has delegated exclusive authority for management and disposition of the common stock of Boeing held within the Master Trust to Newport Trust Company (Newport), an independent fiduciary and investment manager. When Newport disposes of shares, the proceeds are used for liquidity needs or reinvested into other asset classes.

Note 9 – Tax Status

The Plan received a determination letter dated February 6, 2015, in which the Internal Revenue Service stated that the Plan, as then designed, was in compliance with the applicable sections of the IRC. The Plan has been amended since receiving the determination letter. The Plan administrator believes that the Plan is designed and currently being operated in compliance with the applicable requirements of the IRC.

Therefore, the Plan administrator believes the Plan's tax-exempt status has not been affected, and no provision for income taxes has been included in the Plan's financial statements.

Note 10 – Nonexempt Party-in-Interest Transactions

Certain reportable nonexempt party-in-interest transaction occurred. The Plan was corrected according to the guiding principles of the Department of Labor's Voluntary Fiduciary Correction Program, which involved remitting the total principal and associated lost earnings to the Plan. The table below details the principal amounts of the prohibited transaction (PT) for the Plan.

Date PT Occurred	Date PT Corrected	Description of PT	PT Amount
December 12, 2019	March 6, 2020 May 15, 2020	Plan assets were inadvertently used to make an overpayment to a third-party vendor	\$112

Supplemental Schedule

Aviall, Inc. Retirement Plan
EIN: 91-0425694, Plan #: 104
Schedule G, Part III – Schedule of Nonexempt Transactions
Year Ended December 31, 2020

<u>Party Involved</u>	<u>Relationship to Plan</u>	<u>Description of Transaction</u>	<u>Cost of Asset</u>	<u>Current Value of Asset</u>	<u>Net Gain on Each Transaction</u>
Ernst & Young	Service Provider	Plan assets were inadvertently used to make an overpayment to a third-party provider	\$ 112	\$ 113	\$ 1

SCHEDULE SB ATTACHMENTS

Schedule SB, Line 26 Schedule of Active Participant Data for Frozen Plans as of January 1, 2020

Attained Age	Attained Years of Credited Service										Total
	Under 1	1-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40 & Over	
Under 25	0	0	0	0	0	0	0	0	0	0	0
25-29	0	4	2	0	0	0	0	0	0	0	6
30-34	0	17	14	1	0	0	0	0	0	0	32
35-39	0	32	37	15	2	0	0	0	0	0	86
40-44	0	32	39	28	10	0	0	0	0	0	109
45-49	0	20	42	26	10	3	1	0	0	0	102
50-54	0	22	33	26	20	9	5	1	0	0	116
55-59	0	11	42	24	24	1	12	4	1	0	119
60-64	0	20	28	18	13	4	5	9	5	0	102
65-69	0	5	11	4	3	1	3	1	0	0	28
70 & over	0	0	1	2	0	0	0	0	0	0	3
Total	0	163	249	144	82	18	26	15	6	0	703

Plan Name: Aviall, Inc. Retirement Plan
 EIN / PN: 91-0425694/104
 Plan Sponsor: The Boeing Company and Consolidated Subsidiaries
 Valuation Date: January 1, 2020

SCHEDULE SB ATTACHMENTS

Schedule SB, Part V Statement of Actuarial Assumptions/Methods

Economic Assumptions

Interest rate basis:

- Applicable month September 2019
- Interest rate basis 3-Segment Rates

Interest rates:

	Reflecting Corridors	Not Reflecting Corridors
■ First segment rate	3.64%	2.79%
■ Second segment rate	5.21%	3.92%
■ Third segment rate	5.94%	4.38%
■ Effective interest rate	5.49%	4.13%
■ Lump sum conversion interest rate	Valuation segment rates	Valuation segment rates

Annual rates of increase

- Assumed earnings rate on investments 6.11%¹

Rates not reflecting stabilization are used to determine PBGC variable rate premiums if the alternative method is used, and are used to determine the deductible limit, PBGC FTAP and the PBGC 4010 FS.

Demographic Assumptions

Inclusion date The valuation date coincident with or next following the date on which the employee becomes a participant.

New or rehired employees It was assumed there will be no new or rehired employees.

¹ Used to develop the expected return in 2019 for the development of the actuarial value of assets. Represents the lesser of the long-term expected asset return and third segment rate used for the 2019 valuation.

Plan Name: Aviall, Inc. Retirement Plan
EIN / PN: 91-0425694/104
Plan Sponsor: The Boeing Company and Consolidated Subsidiaries
Valuation Date: January 1, 2020

SCHEDULE SB ATTACHMENTS

Mortality

- **Healthy** For all participants: The prescribed mortality assumption under Section 430(h)(3)(A) of the Internal Revenue Code using static tables with separate mortality rates for annuitants (based on RP-2006 "Healthy Annuitants" table without collar or amount adjustments, projected forward with a static projection using Scale MP-2018) and non-annuitants (based on RP-2006 "Employees" table without collar or amount adjustments, projected forward with a static projection using Scale MP-2018).
- **Disabled** Alternative disabled life mortality table after 1994, as defined under IRS Revenue Ruling 96-7.
- **Lump Sum Conversion** The applicable 417(e) mortality table.

Termination

The rates at which participants are assumed to leave the Company by age are shown below.

Representative Termination Rates

Percentage leaving during the year	
Attained Age	Rates
<35	10.0%
35-50	7.5%
51+	5.0%

Disability

Representative rates at which participants become disabled by age are shown below:

Percentage becoming disabled during the year	
Age	Rates
20	0.14%
25	0.15%
30	0.16%
35	0.19%
40	0.30%
45	0.45%
50	0.69%
55	1.19%
60	1.80%

Plan Name: Aviall, Inc. Retirement Plan
EIN / PN: 91-0425694/104
Plan Sponsor: The Boeing Company and Consolidated Subsidiaries
Valuation Date: January 1, 2020

SCHEDULE SB ATTACHMENTS

Retirement

For purposes of determining the Funding Target and Target Normal Cost (both disregarding at-risk assumptions), the rates at which participants retire by age are shown below.

Percentage retiring during the year	
Age	Rates
55	5.0%
56	4.0%
57-60	3.0%
61	4.0%
62	5.0%
63-64	10.0%
65-69	15.0%
70	100.0%

Form of payment

15% of active participants are assumed to elect a single life annuity and 70% are assumed to elect an immediate voluntary lump sum, and 15% are assumed to elect 100% joint and survivor annuity.

50% of terminated vested participants are assumed to elect a single life annuity and 50% are assumed to elect 100% joint and survivor annuity.

Calculation of Lump Sum: Lump sums were valued using the substitution of annuity form under IRS Regulation §1.430(d)-1(f)(4) without application of generational mortality.

Benefit Commencement Date

- Preretirement death benefit The later of the death of the active participant or the date the participant would have attained age 55 with 10 years of service or age 65.
- Deferred vested benefit Age 65
- Disability benefit Age 55 with 10 years of service or age 65.
- Retirement benefit Upon termination of employment.

Benefit commencement for terminated vested participants

Terminated vested participants are assumed to commence benefits at age 65. Terminated vested participants over age 65 are assumed to commence benefits immediately and collect an actuarially increased benefit.

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Missing participants	Terminated vested participants who have been identified by the Plan Administrator as Missing Participants are deemed to have forfeited their benefits. It is assumed that no claim for these benefits will be made. Those identified by the Plan Administrator are excluded from the liabilities and included in participant counts and demographic information.
Percent married	80% of males; 80% of females. Used to value pre-retirement surviving spouse benefits.
Spouse age	Spouse three years younger than male participant and three years older than female participant.
Administrative expenses	<p>\$650,000 for 2020.</p> <p>Plan-related expenses are assumed to be the actual prior year administrative expenses, adjusted for the expected change in the PBGC premium, rounded up to two significant digits.</p>
Timing of benefit payments	Annuity payments are payable monthly at the beginning of the month and lump sum payments are payable on date of decrement.

Methods

Valuation date	First day of plan year
Funding target	Present value of accrued benefits as required by regulations under IRC §430.
Target normal cost	Present value of benefits expected to accrue during the plan year plus plan-related expenses expected to be paid from plan assets during the plan year as required by regulations under IRC §430.

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Decrement timing	The approach used is called rounded middle of year (rounded MOY) decrement timing. Most events are assumed to occur at the middle of year during which the eligibility condition will be met or the start/end date will occur. For death and disability decrements, the rate applied is based on the participant's rounded age (nearest integer age) at the beginning of the year, to align with the methodology generally used to create those rate tables. For retirement and withdrawal decrements: the age is generally the participant's rounded age at the middle of the year.
Actuarial value of assets	Average of the fair market value of assets on the valuation date and the preceding two valuation dates, adjusted for contributions, benefits, administrative expenses and expected return (with such expected earnings limited as described in IRS Notice 2009-22). The average asset value must be within 10% of the market value on the valuation date, including contributions receivable (discounted using the effective interest rate for the prior plan year).
Benefits not valued	All benefits described in the Plan Provisions section of this report were valued based on discussions with Boeing regarding the likelihood that these benefits will be paid. Willis Towers Watson has reviewed the plan provisions with Boeing and, based on that review, is not aware of any significant benefits required to be valued that were not.

Sources of Data and Other Information

Willis Towers Watson used asset data supplied by Boeing. Boeing furnished the dates and amounts of the plan contributions. Boeing, through its third-party administrator, furnished participant data as of January 1, 2020. Data and other information were reviewed for reasonableness and consistency, but no audit was performed. Based on discussions with the plan sponsor, assumptions or estimates were made when data were not available. Data estimates and assumptions are documented in a data assumptions memo sent to Boeing on July 24, 2020.

Assumptions Rationale - Significant Economic Assumptions

Discount rate	The basis chosen was selected by the plan sponsor from among choices prescribed by law, all of which are based on observed market data over certain periods of time.
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Pension Plan Administrative Expenses Administrative expenses are based on the prior year's actual administrative expenses and expected changes in PBGC premiums rounded up to two significant figures.

Assumed Earnings Rate on Investments for Asset Smoothing The assumed return of 6.11% used for asset smoothing is the third segment rate. Although we have not explicitly determined an expected return on assets, the expected return on assets assumption chosen by Boeing with the help of their investment advisers under U.S. GAAP for 2019 is 6.75%. Although determining the expected rate of return on plan assets was not within the scope of our work, it is the client's best estimate and we determined that it does not significantly conflict with what would be reasonable based on their asset allocation.

Lump sum conversion rate As required by IRC §430, lump sum benefits are valued using "annuity substitution", so that the interest rates assumed are effectively the same as described above for the discount rate.

Assumptions Rationale - Significant Demographic Assumptions

Healthy Mortality Assumptions used for funding purposes are among the choices prescribed by IRC §430(h).

Disabled Mortality IRC §430(h)(3)(D) provides for the use of separate mortality tables with respect to certain individuals who are entitled to benefits on account of disability. Disabled mortality tables from IRS Revenue Ruling 96-7 have been selected. These separate mortality tables are permitted to be used with respect to disabled individuals in lieu of the generally applicable mortality tables provided pursuant to IRC §430(h)(3)(A) or the substitute mortality tables under IRC §430(h)(3)(C). Disabled mortality improvement is not assumed beyond the valuation date because the degree of improvement, if any, is unknown and the assumption is considered to be immaterial.

Termination Termination rates were based on an experience study conducted in 2018, with annual consideration of whether any conditions have changed that would be expected to produce different results in the future. The analysis of historical termination rates was presented in the experience study delivered to Boeing on October 31, 2019.

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Disability	Disability rates were based on a Social Security experience study conducted in 1968, with annual consideration of whether any conditions have changed that would be expected to produce different results in the future.
Retirement	Retirement rates were based on an experience study conducted in 2018, with annual consideration of whether any conditions have changed that would be expected to produce different results in the future. The analysis of historical rates of retirement from active employment was presented in the experience study delivered to Boeing on October 31, 2019.
Lump Sum Election Rate From Active Status	The ongoing lump sum option is assumed to be elected by 70% of participants terminating from active status and the other 30% are assumed to elect annuities. The 70% lump sum election assumption is based on the plan's recent lump sum experience for this population and reflects expected future experience.
Benefit commencement date for deferred benefits:	
Preretirement death benefit	Surviving spouses are assumed to begin benefits at the earliest permitted commencement date because ERISA requires benefits to start then unless the spouse elects to defer. If the spouse elects to defer, actuarial increases from the earliest commencement date must be given, so that a later commencement date is expected to be of approximately equal value, and experience indicates that most spouses do take the benefit as soon as it is available.
Deferred vested benefit	Deferred vested participants' assumed commencement age is a single age intended to capture the average age at commencement, based on plan experience. Commencement date is the normal retirement date at age 65. The analysis of historical ages of benefit commencement for deferred vested participants was presented in the experience study delivered to Boeing on October 31, 2019.

Marital Assumptions:

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Percent married	The assumed percentage married is based on general population statistics on the marital status of individuals of retirement age.
Spouse age	The assumed age difference for spouses is based on general population statistics of the age difference for married individuals of retirement age.

Prescribed Methods

Funding methods	The methods used for funding purposes as described in Appendix A, including the method of determining plan assets, are "prescribed methods set by law", as defined in the actuarial standards of practice (ASOPs). These methods are required by IRC §430, or were selected by the plan sponsor from a range of methods permitted by IRC §430.
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Changes in methods and assumptions

Change in assumptions since prior valuation	<ul style="list-style-type: none">■ The segment interest rates used to calculate the funding target and target normal cost were updated from an applicable month of September 2018 to September 2019 before application of interest rate stabilization corridors. In addition, the segment interest rates were updated from reflecting interest rate corridors applicable for a January 1, 2019 valuation to those applicable for a January 1, 2020 valuation.■ The assumed mortality for healthy participants has been updated to use the MP-2018 projection scale as specified in the regulations under §1.430(h)(3)-1.■ The lump sum mortality was changed from 2019 IRC 417(e) mortality to 2020 IRC 417(e) mortality.■ The form of payment assumption for active participants has been updated to better reflect plan experience.■ The commencement age for terminated vested participants has been updated to better reflect plan experience.
Change in methods since prior valuation	None

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Model Descriptions and Disclosures in accordance with ASOP No. 56

Quantify

Quantify is the Willis Towers Watson centrally developed, tested and maintained Global actuarial valuation system. It is used to perform valuations of clients' benefit plans.

Quantify provides the ability to process data, calculate benefits and value benefit liabilities, develop results using applicable standards, and generate client reports.

Quantify parameters provide significant flexibility to model populations and plan designs. Various demographic, economic and benefit related assumptions exist for users to model multiple demographic and economic situations.

Plan liabilities are calculated based on standard actuarial techniques, developing actuarially reasonable results using the population and parameters entered. The calculation and presentation of liabilities in Quantify relies on the assumptions used and the reasonability of the assumptions selected.

Quantify incorporates standard liability methodologies that are intended to reasonably reflect a variety of economic or demographic conditions. The model itself does not evaluate any assumptions entered for reasonableness, consistency or probability of occurrence.

Quantify is designed specifically for these purposes, and we know of no material limitations that would prevent the system from being suitable for these intended purposes. The actuaries signing this report have relied on the actuaries who develop, test and maintain this system, and have also performed a limited review of results to ensure that system parameters have been set appropriately and plan provisions coded correctly.

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Quantify FR

Quantify Financial Reporting (FR) is intended to calculate funding results, accounting results and produce the associated client reports under selected accounting standards. The calculations and reports are based on various user specified inputs including liability results and asset values.

Quantify FR develops valuation results for various accounting and funding purposes using standard actuarial techniques.

Calculation of disclosure liabilities and results are based on roll forward liabilities.

Liability roll-forwards are used in accounting scenarios where the date as of which liabilities are valued does not coincide with the fiscal year measurement date. The roll-forwards consist of adjusting liabilities for the passage of time.

The estimate of the following year's expense is calculated based on the obligations and assets used for disclosure and incorporates service cost that may be based on a projection in the associated Quantify liability run, depending on the relationship of the liability valuation date to the fiscal year.

The Roll Forward accounting calculations assume that applicable rules will not change during the roll-forward period. Actuaries make adjustments to the data, plan provisions and assumptions reflected in the calculation of the liabilities that are rolled forward so that the results reflect conditions at the measurement date, and/or make similar adjustments to the results of the roll forward, including reflecting any changes in applicable accounting standards.

Mortality Credibility Tool

The Mortality Credibility Tool (MCT) is intended to compare actual mortality experience of a given population to a standard mortality table. The result is an adjustment factor to be applied to the standard mortality table that reflects a combination of the population's experience and the standard table depending on the credibility of the provided data.

The parameters of the tool provide flexibility around the statistical significance used to calculate the credibility applied to the mortality experience. Additionally, any standard mortality table can be used to compare against the provided population, providing flexibility around different cuts of the data (male vs female, blue collar vs white collar, etc.).

The specific table developed is a multiple of a standard table. Selection of the standard mortality tables appropriate for the population provided is important.

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Published Demographic Tables

Certain demographic tables described above are standard published tables or are based on standard published tables from models developed by organizations with the requisite expertise. The Society of Actuary's Excel file "RPEC 2014_v2020 tool used to construct a mortality improvement scale" was used to adjust the MP-2020 tables. This model is intended to produce future mortality improvement rates by age, year and gender based on historical mortality experience data, certain model inputs and a graduation algorithm to create a smooth transition from historical rates to projected rates. The Retirement Plans Experience Committee of the Society of Actuaries (RPEC) collects the data, defines the input parameters, develops and maintains the model. The RPEC annually publishes an update to this model for use by actuaries, and we have relied on the 2020 version of this model. The input parameters can be used as published or modified by the user including the long-term improvement rate, horizontal (by age) convergence period, diagonal (by year of birth) convergence period, convergence blending percentages and initial slope constraint.

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

▶ **Round off amounts to nearest dollar.**

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

A Name of plan AVIALL, INC. RETIREMENT PLAN	B Three-digit plan number (PN) ▶ 104
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF The Boeing Company and Consolidated Subsidiaries	D Employer Identification Number (EIN) 91-0425694
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B	F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500

Part I	Basic Information
1 Enter the valuation date: Month 01 Day 01 Year 2020	
2 Assets:	
a Market value.....	2a 156,517,444
b Actuarial value.....	2b 149,271,405
3 Funding target/participant count breakdown	
a For retired participants and beneficiaries receiving payment.....	(1) Number of participants 1,069 (2) Vested Funding Target 60,453,835 (3) Total Funding Target 60,453,835
b For terminated vested participants	557 28,462,408 28,462,408
c For active participants.....	703 38,832,762 42,284,252
d Total.....	2,329 127,749,005 131,200,495
4 If the plan is in at-risk status, check the box and complete lines (a) and (b)..... ☐	
a Funding target disregarding prescribed at-risk assumptions	4a
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor.....	4b
5 Effective interest rate.....	5 5.49%
6 Target normal cost.....	6 650,000

Statement by Enrolled Actuary

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

SIGN HERE	Brian C Kabat 	August 11, 2021
Signature of actuary		Date
Brian C Kabat		2008371
Type or print name of actuary		Most recent enrollment number
Willis Towers Watson US LLC		214-530-4200
Firm name		Telephone number (including area code)
500 North Akard Street Suite 4300 Dallas TX 75201		
Address of the firm		

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

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

Schedule SB (Form 5500) 2020
v. 200204

Part II Beginning of Year Carryover and Prefunding Balances

	(a) Carryover balance	(b) Prefunding balance
7 Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	11,062,594	0
8 Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	1,200,000	0
9 Amount remaining (line 7 minus line 8)	9,862,594	0
10 Interest on line 9 using prior year's actual return of <u>20.43%</u>	2,014,928	0
11 Prior year's excess contributions to be added to prefunding balance:		
a Present value of excess contributions (line 38a from prior year)		8,131,973
b(1) Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of <u>5.62%</u>		389,577
b(2) Interest on line 38b from prior year Schedule SB, using prior year's actual return		245,160
c Total available at beginning of current plan year to add to prefunding balance		8,766,710
d Portion of (c) to be added to prefunding balance		0
12 Other reductions in balances due to elections or deemed elections	0	0
13 Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	11,877,522	0

Part III Funding Percentages

14 Funding target attainment percentage	14	104.72%
15 Adjusted funding target attainment percentage	15	107.22%
16 Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	106.94%
17 If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

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

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

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

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

20 Quarterly contributions and liquidity shortfalls:

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

Liquidity shortfall as of end of quarter of this plan year			
(1) 1st	(2) 2nd	(3) 3rd	(4) 4th
0	0	0	0

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

21 Discount rate:				
a Segment rates:	1st segment: 3.64 %	2nd segment: 5.21 %	3rd segment: 5.94 %	☐ N/A, full yield curve used
b Applicable month (enter code).....				21b 4
22 Weighted average retirement age				22 65
23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute				

Part VI Miscellaneous Items

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

Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years

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

Part VIII Minimum Required Contribution For Current Year

31 Target normal cost and excess assets (see instructions):			
a Target normal cost (line 6)	31a	650,000	
b Excess assets, if applicable, but not greater than line 31a	31b	650,000	
32 Amortization installments:	Outstanding Balance	Installment	
a Net shortfall amortization installment	0	0	
b Waiver amortization installment	0	0	
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33		
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33).....	34	0	
	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement	0	0	0
36 Additional cash requirement (line 34 minus line 35).....	36	0	
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c).....	37	0	
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)	38a	0	
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b	0	
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37).....	39	0	
40 Unpaid minimum required contributions for all years	40	0	

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

41 If an election was made to use PRA 2010 funding relief for this plan:			
a Schedule elected	☐ 2 plus 7 years ☐ 15 years		
b Eligible plan year(s) for which the election in line 41a was made	☐ 2008 ☐ 2009 ☐ 2010 ☐ 2011		

SCHEDULE SB ATTACHMENTS

Schedule SB, Line 15
Reconciliation of differences between valuation results and amounts used to
calculate AFTAP
as of January 1, 2020

The AFTAP reported on line 15 was certified on September 30, 2020 and only reflects discounted contributions for the prior plan year deposited as of the certification date.

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Plan Sponsor:	The Boeing Company and Consolidated Subsidiaries
Valuation Date	January 1, 2020

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Schedule SB, Line 22 Description of Weighted Average Retirement Age as of January 1, 2020

See Schedule SB, Part V - Statement of Actuarial Assumptions/Methods for retirement rates. The average retirement age for Line 22 was calculated by determining the average age at retirement for those current active participants expected to reach retirement, based on all current decrements assumed.

x	$q_x \cdot r$	l_x	$x \cdot 55p55 = l_x / l_{55}$	$q_x \cdot r * l_x / l_{55}$	$x * q_x * l_x / l_{55}$
55	0.050	1,000,000	1.000000	0.050000	2.750000
56	0.040	950,000	0.950000	0.047500	2.128000
57	0.030	912,000	0.912000	0.036480	1.559520
58	0.030	884,640	0.884640	0.026539	1.539274
59	0.030	858,101	0.858101	0.025743	1.518838
60	0.030	832,358	0.832358	0.024971	1.498244
61	0.040	807,387	0.807387	0.024222	1.970024
62	0.050	775,092	0.775092	0.031004	2.402784
63	0.100	736,337	0.736337	0.036817	4.638923
64	0.100	662,703	0.662703	0.066270	4.241301
65	0.150	596,433	0.596433	0.059643	5.815221
66	0.150	506,968	0.506968	0.076045	5.018983
67	0.150	430,923	0.430923	0.064638	4.330774
68	0.150	366,284	0.366284	0.054943	3.736101
69	0.150	311,342	0.311342	0.046701	3.222387
70	1.000	264,640	0.264640	0.039696	18.524833

Average age at retirement 64.895208

Rounded for Schedule SB 65

Plan Name: Aviall, Inc. Retirement Plan
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 Plan Sponsor: The Boeing Company and Consolidated Subsidiaries
 Valuation Date: January 1, 2020

SCHEDULE SB ATTACHMENTS

Schedule SB – Statement by Enrolled Actuary

Plan Sponsor	The Boeing Company and Consolidated Subsidiaries
EIN/PN	91-0425694/104
Plan Name	Aviall, Inc. Retirement Plan
Valuation Date	January 1, 2020
Enrolled Actuary	Brian Kabat
Enrollment Number	20-08371

The actuarial assumptions that are not mandated by IRC § 430 and regulations, represent the enrolled actuary's best estimate of anticipated experience under the plan, subject to the following conditions:

The actuarial valuation, on which the information in this Schedule SB is based, has been prepared in reliance upon the employee and financial data furnished by the plan administrator and the trustee. The enrolled actuary has not made a rigorous check of the accuracy of this information but has accepted it after reviewing it and concluding it is reasonable in relation to similar information furnished in previous years. The amounts of contributions and dates paid shown in Item 18 of Schedule SB were listed in reliance on information provided by the plan administrator and/or trustee.

SCHEDULE SB ATTACHMENTS

Schedule SB, Part V Summary of Plan Provisions

Plan Provisions

Plan Sponsor	The Boeing Company
Plan	Aviall, Inc. Retirement Plan
Effective Date and Most Recent Amendment	The plan was originally effective January 1, 1994. The last amendment reflected herein is Amendment Number 30.
Plan Year	The twelve-month period ending December 31.
Covered and Participation	<p>The Aviall, Inc. Retirement Plan closed to new entrants as of March 6, 2014.</p> <p>All employees are eligible to participate under the plan on the first January 1 or July 1 coincident with or next following the attainment of age 21 and the completion of one year of service. Employee means any person on the payroll whose wages are subject to withholding for the purposes of federal income tax, except that the following are excluded:</p> <ul style="list-style-type: none">■ Union employees, unless they have negotiated for coverage in this plan■ Nonresident aliens with no income from U.S. sources■ Leased employees <p><u>Note:</u> If an employee meets the age requirement but fails to complete 1,000 hours of service during the first year of employment, participation will begin on the January 1 following the plan year in which 1,000 hours of service are completed.</p>
Missing participants	Terminated vested participants past normal retirement age who have not been located after reasonable attempts are deemed to have forfeited their benefits. Such benefits will be reinstated after verification of a claim for the benefit.

Plan Name:	Aviall, Inc. Retirement Plan
EIN / PN:	91-0425694/104
Plan Sponsor:	The Boeing Company and Consolidated Subsidiaries
Valuation Date	January 1, 2020

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Definitions

Continuous service	Total elapsed time from date of hire to date of termination.
Vesting service	<p>One year of vesting service is credited for each plan year with 1,000 or more hours of service.</p> <p>Due to the provisions of Section 9.2 of the plan, all plan participants as of September 20, 2006, became 100% vested as a results of the Change of Control.</p>
Basic Compensation	<p>A participant's basic compensation for a particular year (through December 31, 2015) is the portion of total wages subject to withholding for purposes of federal income taxes, including regular pay, overtime pay, vacation pay, cost-of-living allowances, bonuses, commissions, and certain severance pay. Compensation is limited to \$200,000 (indexed beginning in 2002) as required and does not include the value of restricted stock.</p> <p>Due to the provisions of Section 9.2 of the plan, all plan participants as of September 20, 2006, shall include total cash severance payments in Basic Compensation.</p>
Normal Retirement Benefit	<p>The Aviall, Inc. Retirement Plan is frozen to future benefit accruals effective December 31, 2015.</p> <p><u>Normal Retirement Date:</u> The first of the month coincident with or next following attainment of age 65.</p> <p><u>Benefit Amount:</u> The plan has a career average formula with the annual benefit accrual determined as follows:</p> <p style="padding-left: 40px;">1.45% times Basic Compensation up to \$15,600</p> <p style="padding-left: 40px;">plus</p> <p style="padding-left: 40px;">1.85% times Basic Compensation in excess of \$15,600.</p> <p><u>Minimum Benefit:</u> The minimum annual benefit is \$2,250.</p> <p><u>Additional Benefits:</u> Amendment Thirteen to the plan specifies a schedule of additional benefits payable to certain participants.</p> <p><u>Normal Form of Retirement Income:</u> Life only annuity payable monthly.</p>

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Late Retirement

If retirement occurs after the normal retirement date, the late retirement income will be the benefit calculated using the above formula with accruals through the late retirement date.

Accrued Benefit

The participant's accrued benefit at any given date is determined under the formula shown above.

Early Retirement Benefit

Eligibility: Age 55 with 10 years of continuous service.

Benefit Amount: Accrued benefit as of early retirement date multiplied by the early retirement factor shown below:

Age	Rates
65	100.0%
64	100.0%
63	100.0%
62	100.0%
61	91.7%
60	83.3%
59	79.2%
58	75.0%
57	70.8%
56	66.7%
55	62.5%

Immediate Disability Benefit

Eligibility: Total and permanent disability of participant prior to normal retirement date and age 45 with 15 years of continuous service.

Benefit Amount: Accrued benefit as of disability retirement date. The benefit is not reduced for early commencement. In lieu of this benefit, a participant may elect the deferred disability benefit described below.

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Deferred Disability Benefit

Eligibility: 10 years of continuous service. (However, participants may not receive both an immediate and a deferred disability benefit. If eligible for both, one or the other must be elected.)

Benefit Commencement: Normal retirement date.

Benefit Amount: The benefit shall be calculated assuming that the participant's service and monthly rate of basic compensation as of the date of disability continued to normal retirement date.

Death of Disabled Participant Prior to Normal Retirement Date:

Prior to normal retirement date, disabled participants are entitled to a death benefit identical to the one for active employees. This benefit is determined as if the disabled participant had remained in service until the date of death and the monthly rate of basic compensation as of the date of disability continued unchanged.

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Vested Benefits Upon Termination of Service

Vesting: A participant is 100% vested upon completion of 5 years of vesting service. However, all participants become 100% vested upon reaching age 65.

Termination Benefit: The termination benefit is equal to the vested accrued benefit, payable in the normal form, commencing at normal retirement date. Optionally, participants with 10 years of continuous service may elect to receive a reduced benefit commencing prior to normal retirement date.

Change of Control Factor: Due to the Change of Control provisions of Section 9.2 of the plan, all participants who have attained age 45 or accrued 10 years of Continuous Service as of September 20, 2006, shall be entitled to receive enhanced early retirement factors at any time after termination and after reaching age 55. The reduction factors for early commencement are as follows:

Age	Factor for Participants Who Terminate Prior to Early Retirement Eligibility	Factor for Early Retirement or Applicable Change of Control Group
65	100.0%	100.0%
64	93.3%	100.0%
63	86.7%	100.0%
62	80.0%	100.0%
61	73.3%	91.7%
60	66.7%	83.3%
59	63.3%	79.2%
58	60.0%	75.0%
57	56.7%	70.8%
56	53.3%	66.7%
55	50.0%	62.5%

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Death of Terminated Vested Participant Prior to Commencement: The participant's spouse will receive a monthly retirement income payable for life in an amount equal to 50% of the amount the participant would have received if the participant had survived to the earliest commencement date and elected to receive a benefit under the qualified joint and 50% contingent option commencing at that date.

Due to the Change of Control provisions of Section 9.2 of the plan, all participants who have attained age 45 or has accrued 10 years of Continuous Service as of September 20, 2006, shall be considered to have met the service requirement for early retirement for the purpose of pre-retirement death benefits.

Death Benefits for Participants in Active Service

Eligibility: Married with 5 years of vesting service.

Benefit Amount: The participant's spouse will receive a monthly retirement income payable for life in an amount equal to 50% of the amount the participant would have received if the participant had survived to the earliest commencement date and elected to receive a benefit under the qualified joint and 50% contingent option commencing at that date.

Due to the Change of Control provisions of Section 9.2 of the plan, all participants who have attained age 45 or has accrued 10 years of Continuous Service as of September 20, 2006, shall be considered to have met the service requirement for early retirement for the purpose of pre-retirement death benefits.

Optional Forms of Retirement Income in Lieu of Normal Forms

The plan provides optional payment forms, including the qualified joint and contingent benefit for married employees, on an actuarially equivalent basis. Actuarial equivalence for this purpose is based on a 4.75% interest rate and the 1951 Group Annuity Mortality Table projected by Scale C to 1965 with a weighting of male and female factors by 75% and 25%, respectively. Participants that terminate, retire, or are laid off after February 1, 2015, may also elect to receive a single lump sum payment that is actuarially equivalent to their monthly benefit determined under IRC 417(e).

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**Coordination with Ryder
System, Inc. (RSI)
Retirement Plan**

The benefits under this plan include the benefits earned under the RSI Retirement Plan prior to December 8, 1993, and benefits under this plan are also offset by any benefits payable under that plan, assuming that the participant elects to begin his RSI benefits at the later of (i) the date the Aviall benefits commence, and (ii) the earliest date the RSI benefits can commence. Ryder determines eligibility for early retirement and for early commencement of termination benefits based on the participant's age and service as of December 7, 1993.

**Plan Participants'
Contribution**

They are not required or permitted.

**Special Provisions for Top-
Heavy Plans**

Not applicable; the plan is not top-heavy.

Future Plan Changes

Willis Towers Watson is not aware of any future plan changes that are required to be reflected.

Changes in Benefits Valued Since Prior Year

Willis Towers Watson is not aware of any changes in benefits since the prior year that are required to be reflected.

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Schedule SB, Line 24 Change in Actuarial Assumptions

- The form of payment assumption for active participants has been updated to better reflect plan experience.
- The commencement age for terminated vested participants has been updated to better reflect plan experience.

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