

Summary Annual Report

of the Aerospace Retiree Medical Plan

2016 Plan Year



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This is a summary of the annual report for the Aerospace Retiree Medical Plan, employer identification number (EIN) 95-2102389, Plan No. 503, for the period Oct. 1, 2015 through Sept. 30, 2016. The annual report has been filed with the Pension and Welfare Benefits Administration, U.S. Department of Labor, as required under the Employee Retirement Income Security Act of 1974 (ERISA). This document has been prepared in compliance with Department of Labor (DOL) regulations.

Questions regarding this report may be directed to MaryAnn Bailey, Director of Employee Benefits, at (310) 336-5107.

Basic Financial Statement

The Retiree Medical Plan is a welfare plan. This plan provides a financial supplement to required amounts payable by participants toward total medical premium amounts charged by the several providers of medical coverage available for participants, eligible spouses, and eligible dependents during a participant's retirement. In certain cases, the required amount payable by participants may be zero.

The Retiree Medical Plan is funded through a trust fund, the trustee of which is The Northern Trust Company, 50 S. LaSalle St., Chicago, Ill 60675.

Plan expenses were \$13,845,965 in benefits paid to participants and beneficiaries.

The value of plan assets, after subtracting liabilities of the plan, was \$156,508,325 as of Sept. 30, 2016, compared to \$149,713,373 as of Oct. 1, 2015. During the plan year the plan experienced a change in its net assets of \$6,794,952. This includes unrealized appreciation and depreciation in the value of plan assets; that is, the difference between the value of the plan's assets at the end of the year and the value of the assets at the beginning of the year or the cost of assets acquired during the year. During the plan year, the plan had total income of \$20,640,917 including employer contributions of \$0, participant contributions of \$6,303,768 and earnings from investments of \$14,337,149.

Contributions to the Plan

An actuary's statement shows that enough money was contributed to the plan to keep it funded in accordance with the government reimbursement rules under CAS/FAR.

Your Rights to Additional Information

You have the right to receive a copy of the full annual report, or any part thereof, on request. The items listed are included in that report:

1. an accountant's report;
2. assets held for investment;
3. insurance information, including sales commissions paid by insurance carriers; and
4. actuarial information regarding the funding of the plan.

To obtain a copy of the full annual report, or any part thereof, write to the office of Plan Administrator, Employee Benefits, The Aerospace Corporation, 2310 E. El Segundo Blvd., M3-433, El Segundo, CA 90245-4691. The charge to cover copying costs is \$10 for the full annual report, or 10 cents per page for any part.

You also have the right to receive from the Plan Administrator, on request and at no charge, a statement of the assets and liabilities of the plan and accompanying notes, or a statement of income and expenses of the plan and accompanying notes, or both. If you request a copy of the full annual report from the Plan Administrator, these two statements and accompanying notes will be included as part of that report.

You also have the legally protected right to examine the annual report at the main office of the plan (The Aerospace Corporation, 2310 E. El Segundo Blvd., El Segundo, CA) and at the U.S. Department of Labor in Washington, D.C., or to obtain a copy from the U.S. Department of Labor upon payment of copying costs.

Requests to the Department should be addressed to:
Public Disclosure Room, N-5638
Pension and Welfare Benefits Administration
U.S. Department of Labor
200 Constitution Ave., N.W.
Washington, D.C. 20210