

RAYTHEON CO/
Form 11-K
June 25, 2012
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 11-K
FOR ANNUAL REPORTS OF EMPLOYEE STOCK
REPURCHASE SAVINGS AND SIMILAR PLANS
PURSUANT TO SECTION 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

S ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2011.

TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from _____ to _____
Commission File Number 1-13699

RAYTHEON SAVINGS AND INVESTMENT PLAN
(Full title of the plan)

RAYTHEON COMPANY
(Name of issuer of the securities held pursuant to the plan)
870 WINTER STREET, WALTHAM, MASSACHUSETTS 02451
(Address of issuer's principal executive offices)

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Raytheon Savings and Investment Plan
Financial Statements and Supplemental Schedule
To Accompany 2011 Form 5500
Annual Report of Employee Benefit Plan
Under Employee Retirement Income Security Act of 1974
December 31, 2011 and 2010

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December 31, 2011 and 2010

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

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Report of Independent Registered Public Accounting Firm

To the Participants and Administrator of
The Raytheon Savings and Investment Plan:

In our opinion, the accompanying statements of net assets available for benefits and the related statement of changes in net assets available for benefits present fairly, in all material respects, the net assets available for benefits of Raytheon Savings and Investment Plan (the "Plan") at December 31, 2011 and 2010, and the changes in net assets available for benefits for the year ended December 31, 2011 in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedule of assets (held at end of year) is presented for the purpose of additional analysis and is not a required part of the basic financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. This supplemental schedule is the responsibility of the Plan's management. The supplemental schedule has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

/s/ PricewaterhouseCoopers LLP
Boston, Massachusetts
June 25, 2012

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Statements of Net Assets Available for Benefits
December 31, 2011 and 2010

	2011	2010
Assets		
Investments		
At fair value (Notes 2, 3, and 4)		
Investment contracts	\$2,058,759,571	\$2,051,325,852
Registered investment companies	5,471,584,867	6,668,509,953
Common collective trusts	2,450,655,030	997,865,117
Raytheon Company common stock	1,048,648,885	1,131,572,011
Common stock	—	156,959,828
Convertible securities	—	1,963,545
Investment in the DB/DC Master Trust	—	255,731,760
Total investments	11,029,648,353	11,263,928,066
Receivables		
Receivables for securities sold	31,634,619	272,253,257
Notes receivable from participants	242,084,204	241,046,009
Accrued investment income and other receivables	29,738,745	12,301,119
Total receivables	303,457,568	525,600,385
Total assets	11,333,105,921	11,789,528,451
Liabilities		
Payable for securities purchased	40,411,410	263,597,554
Payable for securities purchased on a delayed delivery basis (Note 7)	—	11,290,469
Accrued investment expenses and other payables	3,855,472	6,272,265
Total liabilities	44,266,882	281,160,288
Net Assets available for benefits at fair value	11,288,839,039	11,508,368,163
Adjustment from fair value to contract value for interest in fully benefit-responsive investment contracts	(64,066,806)	(47,270,213)
Net assets available for benefits	\$11,224,772,233	\$11,461,097,950

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

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Raytheon Savings and Investment Plan
Statement of Changes in Net Assets Available for Benefits
Year Ended December 31, 2011

	2011
Additions to net assets attributable to:	
Interest and dividends	\$222,056,615
Interest income on notes receivable from participants (Note 2)	9,591,696
Contributions and deferrals	
Employee deferrals	619,346,960
Employer contributions	269,890,647
	889,237,607
Total additions	1,120,885,918
Deductions from net assets attributable to:	
Net depreciation of investments (Notes 2 and 3)	320,293,909
Distributions to participants	1,157,113,667
Administrative expenses	1,393,398
Total deductions	1,478,800,974
Decrease in net assets prior to plan mergers	(357,915,056)
Transfers in from affiliate benefit plans (Note 1)	121,589,339
Decrease in net assets available for benefits	(236,325,717)
Net assets, beginning of year	11,461,097,950
Net assets, end of year	\$11,224,772,233

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

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Raytheon Savings and Investment Plan

Notes to Financial Statements

December 31, 2011 and 2010

1. Description of Plan

The following description of the Raytheon Savings and Investment Plan (the “Plan”) provides only general information. Participants should refer to the Plan document for a complete description of the Plan's provisions.

General

The Plan is a defined contribution plan covering the majority of employees of Raytheon Company (the “Company” or the “Plan Sponsor”). Most employees are immediately eligible to enroll in the Plan on the first day of service. The purpose of the Plan is to provide participants with a tax-effective means of meeting both short-term and long-term investment objectives. The portion of the Plan that is invested in Raytheon Company common stock is an employee stock ownership plan (“ESOP”) that is intended to constitute a stock bonus plan as defined in the Internal Revenue Code of 1986 (the “Code”) and that includes a cash or deferred arrangement. The remaining portion of the Plan is a profit-sharing plan that includes a cash or deferred arrangement. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (“ERISA”).

The Plan's investments are principally held in the Raytheon Savings and Investment Plan Trust (the “Trust”).

Raytheon BBN Technologies Corporation is an indirect subsidiary of the Plan Sponsor. The net assets of BBN Technologies Savings Plan, amounting to \$120,554,886, were merged into the Plan on January 5, 2011. Raytheon BBN Technologies Corporation's employees began participating in the Plan on that date.

Raytheon Digital Force Technologies, LLC is a wholly-owned subsidiary of Raytheon BBN Technologies Corporation. The net assets of the Digital Force Technologies 401(K) Savings Plan, amounting to \$1,034,453, were merged into the Plan on January 5, 2011. Raytheon Digital Force Technologies, LLC's employees began participating in the Plan on that date.

Contributions and Deferrals

Eligible employees may contribute to the Plan up to 50% of their compensation, as defined in the Plan document. The Code limits the compensation the Plan may take into account to \$245,000 for the 2011 plan year. Employee contributions, including rollovers, are invested based on participant investment elections. For 2011, the annual employee pretax elective deferral contributions for a participant cannot exceed \$16,500, except for catch-up contributions. Participants also may make after tax contributions, but total employee (pretax and after tax) contributions and employer contributions may not exceed \$49,000 for the 2011 plan year, except for catch-up contributions. A participant who is eligible to make elective pretax contributions and is at least age 50 by the end of 2011 may make pretax catch-up contributions up to \$5,500. Effective September 1, 2011, participants may also make after tax Roth 401(k) contributions, which are aggregated with pretax contributions for purposes of the limits on contributions.

For most employees hired after December 31, 2009, for the first five consecutive years of service, the Company matches 100% of the first 3% of compensation that a participant contributes to the Plan each pay period. After the first five consecutive years of service, the Company matches 100% of the first 4%. For most employees hired before January 1, 2010, the Company matches 100% of the first 4% of compensation that a participant contributes to the Plan each pay period. Matching Company contributions are made in cash and are invested based on the investment allocation elected by each participant.

Effective January 1, 2007, eligible employees hired or rehired on or after January 1, 2007 participate in the Retirement Income Savings Program (“RISP”) (subject to the terms of any applicable collective bargaining agreements), in addition to having the right to participate in the other features of the Plan. Most employees hired after December 31, 2009 have a one-year waiting period for participation in RISP. Under RISP, the Company contributes a percentage of each

RISP-eligible participant's compensation to the participant's RISP account in the Plan. The percentage contribution varies according to a schedule based on the participant's age at the most recent date of hire, years of service since the most recent date of hire and whether the participant was hired after December 31, 2009.

Participants may invest contributions in increments of 1% in any combination of investment options available, subject to percentage limitations applicable to some funds. The investment options range from investments with an emphasis on preservation of capital to equity investments with an emphasis on capital gains. The underlying investments include investment contracts, registered investment companies, common collective trusts, common stock (including stock of Raytheon Company), fixed income securities and other investments.

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Raytheon Savings and Investment Plan
Notes to Financial Statements
December 31, 2011 and 2010

Participant Accounts

Each participant account is credited with the participant's contributions, the Company's contributions and an allocation of Plan earnings (losses). Plan earnings (losses) are allocated based on account balances by investment option. Expenses payable by the Plan are charged to participant accounts or paid from the forfeiture account.

Participants are not permitted to make a direct exchange from the Raytheon Fixed Income Fund (the "Fixed Income Fund"), a stable value fund specifically managed for the Plan, into a "competing" fund (such as a money market fund). Investors who wish to move money from the Fixed Income Fund to a "competing" fund must first make an exchange from the Fixed Income Fund to a non-competing fund for 90 days. After 90 days, participants may exchange from a non-competing fund into a competing fund.

Vesting

With the exception of RISP participants and certain union groups, all employee and most employer contributions including ESOP contributions and earnings (losses) thereon are immediately 100% vested for each participant who performs an hour of service on or after January 1, 1999. Most RISP participants become 100% vested in the employer RISP contributions after three years of service. Forfeitures of the non-vested portions of terminated participants' accounts are available to reduce Company contributions and pay administrative expenses. At December 31, 2011 and 2010, unallocated Plan forfeitures were \$603,608 and \$2,225,040, respectively. During 2011, the total amount of forfeitures created was \$4,393,372. The Company uses the excess forfeitures available to offset Company contributions.

Notes Receivable from Participants

A participant may borrow a portion of the balance in the participant's account, other than the RISP account, subject to certain restrictions. The maximum amount of a loan is the lesser of one-half of the participant's vested account balance or \$50,000, minus the participant's highest outstanding loan balance over the previous 12 months. The minimum loan is \$500. Loans are secured by the balance in the participant's account and bear interest equal to the prime rate published in The Wall Street Journal on the last business day of the calendar quarter preceding the calendar quarter in which the loan is made. Loans must be repaid over a period of up to five years by means of payroll deductions, except that if the loan is used to acquire the participant's principal residence, the repayment period may extend up to 15 years. Loan payments and interest payments are credited to the borrower's account in the investment options according to the participant's current investment election. As of December 31, 2011 and 2010, the interest rates on the outstanding loans ranged from 3.25% to 10% and 3.25% to 10.25%, respectively.

Payment of Benefits

A participant may make certain in-service withdrawals of at least \$250, including all or a portion of participant after tax contributions and related earnings at any time and all or a portion of participant contributions, employer contributions and related earnings upon attainment of age 59 1/2. For reasons of financial hardship, a participant may withdraw all or a portion of participant pretax contributions and related earnings subject to a reduction in the maximum participant pretax contribution rate for the next six months. Participants who have participated in the Plan for five years or more may take withdrawals of their company matching contributions. On termination of employment, a participant will receive a lump-sum distribution unless the vested account is valued in excess of \$1,000, and the participant elects to defer distribution. Otherwise, a terminated participant may defer the distribution until April 1 of the year following the year in which the participant reaches age 70 1/2.

Participants who have investments in the Raytheon Stock Fund which is primarily comprised of Raytheon Company common stock may elect to reinvest dividends within the Plan or, if vested, receive dividends in cash. Any dividends

received in cash by participants will be subject to taxes in the year of receipt. Of the \$46,969,240 in dividends earned by the Plan, \$1,243,791 was received in cash by participants who elected the cash payment option.

2. Summary of Significant Accounting Policies

Basis of Accounting

The accompanying financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Investment contracts held by a defined-contribution plan are required to be reported at fair value. However, contract value is the relevant measurement attribute for that portion of the net assets available for benefits of a defined contribution plan attributable

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Raytheon Savings and Investment Plan
Notes to Financial Statements
December 31, 2011 and 2010

to fully benefit-responsive investment contracts or wrap contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plan. The Plan invests in benefit-responsive investment contracts through the Fixed Income Fund. As required, the statements of net assets available for benefits presents the fair value of the fully benefit-responsive investment contracts in the Fixed Income Fund and the adjustment from fair value to contract value relating to the investment contracts. The statement of changes in net assets available for benefits is prepared on a contract value basis.

Certain reclassifications have been made to the presentation of prior year financial statements to conform to the current year presentation.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of net assets and liabilities and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from the estimates included in the financial statements.

Investment Valuation and Income Recognition

Plan investments are stated at fair value including the Plan's benefit-responsive investment contracts. See Note 4 for discussion of fair value measurements.

Security transactions are recorded on the trade date. Payables and receivables for outstanding purchases and sales represent trades which have occurred but have not yet settled and are recorded on the statements of net assets available for benefits.

Dividend income is recorded on the ex-dividend date. Income from other investments is recorded as earned on an accrual basis.

The Plan presents in the statement of changes in net assets available for benefits the net appreciation (depreciation) in the fair value of its investments, excluding fully benefit-responsive investment contracts, which consists of the realized gains (losses) and the unrealized appreciation (depreciation) on those investments.

Notes Receivable from Participants

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

Payment of Benefits

Benefits are recorded when paid.

Administrative Expenses

Expenses of administering the Plan such as loan processing, legal fees and other administrative fees are charged directly or indirectly to participant accounts. Those expenses of administering the Plan that are not charged to participant accounts are paid by the forfeiture account or by the Company.

Subsequent Events

The Plan has evaluated subsequent events through the time of filing this Form 11-K with the Securities and Exchange Commission.

Raytheon Trusted Computer Solution, Inc is a wholly-owned subsidiary of Raytheon Company. The net assets of the Trusted Computer Solutions, Inc. 401(K) Plan, amounting to approximately \$11,000,000, were merged into the Plan in May 2012 and the employees began participating in the Plan at that time.

Accounting Standards

In January 2010, the Financial Accounting Standard Board (“FASB”) issued ASU No. 2010-6, Fair Value Measurements and Disclosures (Topic 820): Improving Disclosures about Fair Value Measurement. The standard requires entities to disclose

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Raytheon Savings and Investment Plan
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additional information regarding assets and liabilities that are transferred between levels of the fair value hierarchy and to present purchases, sales, issuances and settlements on a gross basis in the reconciliations of fair value measurements using significant unobservable inputs. Additionally, the standard clarified existing guidance regarding the level of disaggregation of fair value measurements and disclosures regarding the valuation techniques and inputs utilized in estimating Level 2 and Level 3 fair value measurements. The Plan's financial statements reflect the adoption of this accounting standard.

In May 2011, FASB issued ASU No. 2011-4, Fair Value Measurement (Topic 820): Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs. The amendments in this update result in common fair value measurements and disclosure requirements in U.S. Generally Accepted Accounting Principles ("GAAP") and International Financial Reporting Standards. Consequently, the amendments change the wording used to describe many of the requirements in U.S. GAAP for measuring fair value and for disclosing information about fair value measurements. Some of the amendments clarify FASB's intent about the application of existing fair value measurements, while other amendments change a particular principle or requirement for measuring fair value or for disclosing information about fair value measurements. The update is effective for annual periods beginning after December 15, 2011. Management is currently evaluating the impact ASU No. 2011-4 will have on the Plan's financial statement disclosures.

3. Investments

The following presents investments that represent 5% or more of the Plan's net assets:

	2011	2010
Hartford Capital Appreciation HLS IA ^(a)	\$1,605,631,538	\$319,117,753
Fidelity Institutional Money Market Fund - Money Market Portfolio ^(a)	1,243,780,114	—
Janus Balanced I Fund ^(a)	1,247,686,825	—
Northern Trust Collective S&P 500 Index Fund - DC - Non-Lending ^(a)	1,169,143,471	—
Raytheon Common Stock	1,048,648,885	1,131,572,011
Pimco Total Return Institutional Fund ^(a)	575,686,571	504,339,830
Fidelity Institutional Money Market Portfolio ^(b)	95,672,668	1,117,037,914
Fidelity Equity Income Fund ^(b)	—	627,594,916
NTGI - QM Collective Daily S&P 500 Equity Index Fund - Non-Lending ^(b)	—	732,937,031

^(a) Investment did not represent more than 5% of the Plan's net assets in 2010.

^(b) Investment did not represent more than 5% of the Plan's net assets in 2011.

During the year ended December 31, 2011 the Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) appreciated (depreciated) in value as follows:

Registered investment companies	\$(339,258,973)
Common collective trusts	(10,267,971)
Other investments	(17,017,072)
Raytheon Company common stock	46,250,107
	\$(320,293,909)

4. Fair Value Measurements

The accounting standard for fair value measurements provides a framework for measuring fair value and requires expanded disclosures regarding fair value measurements. Fair value is defined as the price that would be received for an asset or the exit price that would be paid to transfer a liability in the principal or most advantageous market in an orderly transaction between market participants on the measurement date. The accounting standard established a fair

value hierarchy which requires an entity to maximize the use of observable inputs, where available. The following summarizes the three levels of inputs required as well as the assets and liabilities that we value using those levels of inputs.

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Raytheon Savings and Investment Plan
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- Level 1: Quoted prices in active markets for identical assets or liabilities.
Observable inputs, other than Level 1 prices, such as quoted prices for similar assets or liabilities;
- Level 2: quoted prices in markets that are not active; or other inputs that are observable or that we corroborate with observable market data for substantially the full term of the related assets or liabilities.
- Level 3: Unobservable inputs supported by little or no market activity that are significant to the fair value of the assets or liabilities.

Following is a description of valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2011 and 2010.

A Synthetic Guaranteed Investment Contract (“GIC”) represents individual assets, usually a portfolio of high quality fixed income securities placed in a trust, with ownership by the Plan. Individual assets of the synthetic investment contract are valued at fair value. The Plan purchases a third party issued benefit-responsive wrapper contract that guarantees that participant transactions are executed at contract value subject to certain provisions. The fair value of the wrap contract for the GIC is determined using a discounted cash flow model which considers recent rebids as determined by recognized dealers, discount rate and the duration of the underlying portfolio.

Investments in registered investment companies and common collective trusts are valued at the closing net asset value reported on the last business day of the year. Investments in securities (common stocks) traded on a national securities exchange are valued at the last reported sales price on the last business day of the year. Investments in fixed income securities (U.S. government, domestic and foreign bonds) and convertible securities are valued by a pricing service which determines valuations for normal institutional-size trading units of such securities using methods based upon market transactions for comparable securities and various relationships between securities which are generally recognized by institutional traders. Future contracts are valued at the last settlement price at the end of each day on the exchange upon which they are traded. Repurchase agreements are valued at cost, which approximates fair value. Investments denominated in foreign currencies are translated into U.S. dollars at the prevailing rates of exchange on each valuation date.

The Plan invests in common collective trusts which use net asset values to determine the fair value of all the underlying investments that do not have a readily determinable fair value and either have the attributes of an investment company or prepare their financial statements consistent with the measurement principles of an investment company.

Generally, under ordinary market conditions, all common collective trust positions provide daily market liquidity to Plan participants and the Plan. Were the Plan to initiate a full redemption of the collective trust, the trustee reserves the right to temporarily delay withdrawal from the trust in order to ensure that securities liquidations will be carried out in an orderly business manner.

The Plan's interest in the Raytheon Company Combined DB/DC Master Trust primarily consisted of domestic and international equities at December 31, 2010. The Raytheon Company Combined DB/DC Master Trust was terminated in March 2011.

The following tables set forth the investment assets of the Plan that were measured at fair value on a recurring basis by level within the fair value hierarchy. We classify assets measured at fair value in their entirety based on the lowest level of input that is significant to their fair value measurement.

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Raytheon Savings and Investment Plan
Notes to Financial Statements
December 31, 2011 and 2010

	Fair Value of Investment Assets as of 12/31/2011			Total
	Level 1	Level 2	Level 3	
Investment contracts				
Fixed income				
US government and agencies	\$737,135,933	\$127,736,843	\$—	\$864,872,776
Corporate debt	—	591,163,754	—	591,163,754
Mortgage backed securities	—	462,340,569	—	462,340,569
Asset backed securities	—	100,435,232	—	100,435,232
Common collective trust	—	33,658,069	—	33,658,069
Other fixed income investments	—	2,825,550	—	2,825,550
Futures contracts	88,281	—	—	88,281
Wrap contracts	—	—	3,375,340	3,375,340
Total investment contracts	737,224,214	1,318,160,017	3,375,340	2,058,759,571
Registered investment companies				
Target date mutual funds	4,932,325	—	—	4,932,325
Fixed income based mutual funds	727,739,342	—	—	727,739,342
Equity based mutual funds	3,365,942,578	—	—	3,365,942,578
Money market funds	1,372,970,622	—	—	1,372,970,622
Total registered investment companies	5,471,584,867	—	—	5,471,584,867
Common collective trusts				
Fixed income based funds	—	229,947,688	—	229,947,688
Equity based funds	—	2,220,707,342	—	2,220,707,342
Total common collective trusts	—	2,450,655,030	—	2,450,655,030
Raytheon Company common stock	1,048,648,885	—	—	1,048,648,885
Total Investments	\$7,257,457,966	\$3,768,815,047	\$3,375,340	\$11,029,648,353

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Raytheon Savings and Investment Plan

Notes to Financial Statements

December 31, 2011 and 2010

	Fair Value of Investment Assets as of 12/31/2010			Total
	Level 1	Level 2	Level 3	
Investment contracts				
Interest bearing cash	\$26,237,136	\$—	\$—	\$26,237,136
Fixed income				
US government and agencies	465,708,409	889,948,237	—	1,355,656,646
Corporate debt	—	599,068,950	—	599,068,950
Other fixed income investments	—	109,250	—	109,250
Futures contracts	85,475	—	—	85,475
Repurchase agreements	—	66,500,000	—	66,500,000
Wrap contracts	—	—	3,668,395	3,668,395
Total investment contracts	492,031,020	1,555,626,437	3,668,395	2,051,325,852
Registered investment companies				
Target date mutual funds	505,717,846	—	—	505,717,846
Fixed income based mutual funds	643,877,926	—	—	643,877,926
Equity based mutual funds	4,392,696,734	—	—	4,392,696,734
Money market funds	1,126,217,447	—	—	1,126,217,447
Total registered investment companies	6,668,509,953	—	—	6,668,509,953
Common collective trusts				
Fixed income based funds	—	56,152,128	—	56,152,128
Equity based funds	—	940,410,814	—	940,410,814
Money market funds	—	1,302,175	—	1,302,175
Total common collective trusts	—	997,865,117	—	997,865,117
Raytheon Company common stock	1,131,572,011	—	—	1,131,572,011
Common stock	156,959,828	—	—	156,959,828
Convertible securities	397,560	1,565,985	—	1,963,545
Investment in the DB/DC Mater Trust	255,547,413	25,573	158,774	255,731,760
Total Investments	\$8,705,017,785	\$2,555,083,112	\$3,827,169	\$11,263,928,066

Level 3 Gains and Losses

The tables below summarize changes in the fair value of the Plan's Level 3 investment assets.

	Level 3 investment Assets - 12/31/2011				Purchases	Sales	Transfers in (out) of level 3	Balance, end of year
	Balance, beginning of year	Realized gains (losses)	Unrealized appreciation (depreciation)					
Investment contracts								
Wrap contracts	\$3,668,395	\$—	\$(293,055)) \$—	\$—	\$—	\$—	\$3,375,340
Investment in the DB/DC Master Trust	158,774	(248,991)) 249,035	—	(158,818)) —	—	—

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Total	\$3,827,169	\$(248,991)	\$(44,020)) \$—	\$(158,818)) \$—	\$3,375,340
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Raytheon Savings and Investment Plan
Notes to Financial Statements
December 31, 2011 and 2010

	Level 3 investment Assets - 12/31/2010					
	Balance, beginning of year	Realized gains (losses)	Unrealized appreciation (depreciation)	Purchases, issuances, settlements	Transfers in (out) of level 3	Balance, end of year
Investment contracts						
Fixed income						
Corporate debt	\$549,915	\$(2,406,720)	\$2,433,090	\$(576,285)	\$—	\$—
Wrap contracts	1,869,230	—	1,799,165	—	—	3,668,395
Investment in the DB/DC						
Master	163,186	—	(4,412)	—	—	158,774
Trust						
Total	\$2,582,331	\$(2,406,720)	\$4,227,843	\$(576,285)	\$—	\$3,827,169

Unrealized depreciation of \$293,055 relates to investment assets held by the Plan at December 31, 2011.

5. Investment Contracts

For the plan year ended December 31, 2011 and 2010, the Plan included the Fixed Income Fund, which holds four Synthetic GICs issued by AIG Financial Products, Inc., JP Morgan Chase Bank, Prudential Insurance Company of America and State Street Bank and Trust Company (collectively the “Wrap contract providers”).

A Synthetic GIC, also known as a wrap contract, is an investment contract issued by an insurance company or other financial institution comprised of a portfolio of high quality fixed income securities placed in a trust with ownership by the Plan. Synthetic GICs are designed to decrease volatility by providing the Fixed Income Fund with the ability to execute certain participant transactions at contract value. Under the Synthetic GIC, there is no immediate recognition of gains and losses on the Fixed Income Fund's investments. Instead gains and losses are recognized over time by periodically adjusting the interest rates credited to the Fixed Income Fund. This allows the Fixed Income Fund to credit a fixed interest rate for stated periods of time on investments that are subject to the Synthetic GIC. Individual assets of the Synthetic GICs are valued based on the policy discussed in Notes 2 and 4.

Income from Synthetic GICs is reported net of administrative expenses. Participants may ordinarily direct the withdrawal or transfer of all or a portion of their investment at contract value with limited restrictions related to the transfer of funds into a competing investment option. The Plan considers such factors as the benefit responsiveness of the investment contracts, the ability of the parties to the contracts to perform in accordance with the terms of the contracts and the likelihood of default by an issuer of an investment security in evaluating the Synthetic GICs.

Synthetic GICs accrue interest using a formula called the “crediting rate.” Synthetic GICs use the crediting rate formula to convert market value changes in the covered assets into income distributions in order to minimize the difference between the market and contract value of the covered assets over time. Using the crediting rate formula, an estimated future market value is calculated by compounding the Fixed Income Fund's current market value at the Fixed Income Fund's current yield to maturity for a period equal to the Fixed Income Fund's duration. The crediting rate is the discount rate that equates estimated future market value with the Fixed Income Fund's current contract value. The crediting rate is most impacted by the change in the annual effective yield to maturity of the underlying securities, but is also affected by the differential between the contract value and the market value of the covered investments. The difference is amortized over the duration of the investments. The magnitude of the impact of the contract value and

the market value differential to the crediting rate is affected by the length of time between the reset period and the duration of the investments. Crediting rates are reset monthly. The Synthetic GICs provide a guarantee that the crediting rate will not fall below 0%. Events disqualifying an underlying investment from being wrapped include but are not limited to bankruptcy of the security issuer or the default or restricted liquidity of the security issuer.

The crediting rate, and hence the Fixed Income Fund's return, may be affected by many factors, including purchases and redemptions by participants. The precise impact on the Fixed Income Fund depends on whether the market value of the covered assets is higher or lower than the contract value of those assets. If the market value of the covered assets is higher than their

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contract value, the crediting rate will ordinarily be higher than the yield of the covered assets. Under these circumstances, cash from new investors will tend to lower the crediting rate and the Fixed Income Fund's return, and redemptions by existing participants will tend to increase the crediting rate and the Fixed Income Fund's return.

If the Fixed Income Fund experiences significant redemptions when the market value is below the contract value, the Fixed Income Fund's yield may be reduced significantly, to a level that is not competitive with other investment options. This may result in additional redemptions, which would tend to lower the crediting rate further. If redemptions continued, the Fixed Income Fund's yield could be reduced to zero. If redemptions continued thereafter, the Fixed Income Fund might have insufficient assets to meet redemption requests, at which point the Fixed Income Fund would require payments from the Wrap contract providers to pay further participant redemptions.

The Fixed Income Fund and the Synthetic GICs purchased by the Fixed Income Fund are designed to pay all participant-initiated transactions at contract value. Participant-initiated transactions are those transactions allowed by the Plan (typically this would include withdrawals for benefits, loans, or transfers to non-competing investment options within the Plan). However, the Synthetic GICs limit the ability of the Fixed Income Fund to transact at contract value upon the occurrence of certain events. At this time, management believes the occurrence of any of these events is not probable. These events include:

1. The Plan's failure to qualify under Section 401(a) or Section 401(k) of the Code.
2. The establishment of a defined contribution plan that competes with the Plan for employee contributions.
3. Any substantive modification of the Plan or the administration of the Plan that is not consented to by the Wrap contract provider.
4. Complete or partial termination of the Plan.
5. Any change in law, regulation or administrative ruling applicable to the Plan that could have a material adverse effect on the Fixed Income Fund's cash flow.
6. Merger or consolidation of the Plan with another plan; the transfer of Plan assets to another plan; or the sale, spin-off, or merger of a subsidiary or division of the Plan Sponsor.
7. Any communication given to participants by the Plan Sponsor or any other plan fiduciary that is designed to induce or influence participants not to invest in the Fixed Income Fund or to transfer assets out of the Fixed Income Fund.
8. Exclusion of a group of previously eligible employees from eligibility in the Plan.
9. Any early retirement program, group termination, group layoff, facility closing, or similar program.
10. Any transfer of assets from the Fixed Income Fund directly to a competing option.
11. Bankruptcy of the Plan Sponsor or other Plan Sponsor events which cause a significant withdrawal from the Plan.

A Wrap contract provider may terminate a Synthetic GIC at any time. In the event that the market value of the Fixed Income Fund's covered assets is below their contract value at the time of such termination, Fidelity Management Trust Company ("FMTC"), the Trustee, may elect to keep the Wrap contract in place until such time as the market value of the Fixed Income Fund's covered assets is equal to their contract value. A Wrap contract provider may also terminate a Synthetic GIC if FMTC's investment management authority over the Fixed Income Fund is limited or terminated as well as if all of the terms of the Synthetic GICs fail to be met. In the event that the market value of the Fixed Income Fund's covered assets is below their contract value at the time of such termination, the terminating Wrap contract provider would not be required to make a payment to the Fixed Income Fund.

Synthetic GICs generally impose conditions on both the Plan and the Wrap contract provider. If an event of default occurs and is not cured, the non-defaulting party may terminate the contract. The following may cause the Plan to be in default: a breach of material obligation under the contract; a material misrepresentation; or a material amendment to the Plan agreement. The issuer may be in default if it breaches a material obligation under the investment contract; makes a material misrepresentation; has a decline in its long term credit rating below a threshold set forth in the contract; is acquired or reorganized and the successor issuer does not satisfy the investment or credit guidelines applicable to issuers. The issuing institutions' ability to meet their contractual obligations under the respective contracts may be affected by future economic and regulatory developments in the

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insurance and banking industries. If, in the event of default of an issuer, the Plan was unable to obtain a replacement investment contract, withdrawing plans may experience losses if the value of the Plan's assets no longer covered by the contract is below contract value. The Plan may seek to add additional issuers over time to diversify the Plan's exposure to such risk, but there is no assurance that the Plan will be able to do so. The combination of the default of an issuer and an inability to obtain a replacement agreement could render the Plan unable to achieve its objective of maintaining a stable contract value. The terms of an investment contract generally provide for settlement of payments only upon termination of the contract or total liquidation of the covered investments. Generally, payments will be made pro-rata, based on the percentage of investments covered by each issuer. Contract termination occurs whenever the contract value or market value of the covered investments reaches zero or upon certain events of default. If the contract terminates due to issuer default (other than a default occurring because of a decline in its rating), the issuer will generally be required to pay to the Plan the excess, if any, of contract value over market value on the date of termination. If a Synthetic GIC terminates due to a decline in the ratings of the issuer, the issuer may be required to pay to the Plan the cost of acquiring a replacement contract (i.e. replacement cost) within the meaning of the contract. If the contract terminates when the market value equals zero, the issuer will pay the excess of contract value over market value to the Plan to the extent necessary for the Plan to satisfy participant initiated withdrawal requests. Contract termination also may occur by either party upon election and notice.

The issuer may elect to terminate the contract for no reason by giving certain notice to the Trustee. If, at any time, prior to dates agreed to in each contract for the receipt of such notice, the Trustee objects to such election, the Trustee shall be deemed to have made an immunization election and the immunization provisions of the contract apply. The immunization provision results in the wrapped portion of the Plan being managed according to more conservative immunization investment guidelines provided for in the contract and the contract can terminate in segments over a period of time. In the event a wrap issuer sought to terminate its contract or immunize its portion of the portfolio, the fund can seek to replace that Wrap contract provider with another financial institution.

Plans investing in Wrap contracts and fixed income securities are subject to a number of risks, including credit risk of underlying investments, risk associated with prepayment of collateralized mortgage obligations, risk that third parties will not perform under the Wrap contracts, risk associated with interest rate fluctuations, and risk of losses caused by liquidation of contracts or investments to meet withdrawal demands.

The fair value of the Fixed Income Fund's Synthetic GICs exceeded the contract value by \$64,066,806 and \$47,270,213, at December 31, 2011 and December 31, 2010 respectively. The crediting rates are adjusted monthly to reflect the experience and anticipated yields to be earned on such investments, based on their book value. The average yield and crediting interest rates were as follows:

	December 31, 2011	December 31, 2010
Average annual yield	2.70%	2.37%
Crediting interest rate	2.58%	2.62%

6. Future Contracts

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

As described in Note 5, the Synthetic GICs represent individual assets placed in a trust, with ownership by the Plan. As of December 31, 2011 and 2010, the Synthetic GICs contained future contracts. The Plan uses fixed income future contracts to manage exposure to the market. Buying future contracts tends to increase the Plan's exposure to the underlying instrument. Selling futures tends to decrease the Plan's exposure to the underlying instrument held, or hedge the fair value of other fund investments.

Upon entering into a future contract, the Plan is required to deposit either in cash or securities an amount equal to a certain percentage of the nominal value of the contract (“initial margin”) with the broker. The Plan does not employ leverage in its use of futures, thus cash balances are maintained at a level at least equal to the contract value of the futures. Pursuant to the future contract, the Plan agrees to receive from, or pay to, the broker an amount of cash equal to the daily fluctuation in the value of the future contract. Such receipts or payments are known as “variation margin” which are settled daily and are included in net appreciation (depreciation) of investments. In addition, the Plan pledges collateral, generally U.S. government bonds, for open fixed income future positions.

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Future contracts involve, to varying degrees, credit and market risks. The Fund enters into future contracts on exchanges where the exchange acts as the counterparty to the transaction. Thus, credit risk on such transactions is limited to the failure of the exchange. The daily settlement on the future contracts serves to greatly reduce credit risk. Losses in value may arise from changes in the value of the underlying instrument or if there is an illiquid secondary market for the contracts. In addition, there is the risk that there may not be an exact correlation between a future contract and the underlying index or security.

A summary of open fixed income futures is presented below as of December 31, 2011 and 2010, which is indicative of the average balances throughout the year.

	Long Contracts 2011		Short Contracts 2011	
	Number of Contracts	Aggregate Face Value	Number of Contracts	Aggregate Face Value
US 2 Year Treasury Note	144	\$31,758,750	—	\$—
US 5 Year Treasury Note	548	67,545,281	—	—
US 10 Year Treasury Note	19	2,491,375	—	—
US Ultra Bond (CBT)	—	—	20	3,203,750
US Long Bond (CBT)	—	—	36	5,213,250
	711	\$101,795,406	56	\$8,417,000

	Long Contracts 2010		Short Contracts 2010	
	Number of Contracts	Aggregate Face Value	Number of Contracts	Aggregate Face Value
90-Day Eurodollar Future Exp Sept 2011	206	\$51,128,700	—	\$—
	206	\$51,128,700	—	\$—

7. Securities on a Delayed Delivery

The Plan may purchase securities on a delayed delivery when issued, or forward commitment basis. Payment and delivery may take place one month or more after the date of the transaction. The price of the underlying securities and the date when the securities will be delivered and paid for are fixed at the time the transaction is negotiated. The underlying securities are valued at current market value with daily fluctuations in the market value included in net appreciation (depreciation) of investments. Losses may arise due to changes in the market value of the underlying securities or if the counterparty does not perform under the contract, or if the issuer does not issue the securities due to political, economic, or other factors.

8. Repurchase Agreements

The Plan may lend extra cash through the use of repurchase agreements whereby the Plan agrees to purchase and automatically agrees to sell certain securities at a mutually agreed-upon date and price. At the same time, the counterparty to this agreement agrees to pledge some of its securities. The repurchase agreements are fully collateralized by U.S. Treasuries and mortgage backed securities. The Plan values the underlying collateral securities daily on a mark-to-market basis to determine that the value, including accrued interest, is at least equal to the

repurchase price. If the seller defaults as a result of its bankruptcy or otherwise, and the value of the collateral declines, realization of the collateral by the Plan may be delayed or limited. There were no repurchase agreements at December 31, 2011. At December 31, 2010, the Plan had \$66,500,000 of repurchase agreements.

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9. Related Party Transactions

The Trustee of the Plan is FMTC. Certain Plan investments are shares of registered investment companies managed by affiliates of the Trustee and therefore, these transactions in addition to participant loans qualify as party-in-interest transactions. The Plan also pays fees to the Trustee. These transactions qualify as party-in-interest transactions as well. In addition, The Bank of New York Mellon, successor by operation of law to Mellon Trust of New England, N.A. (the "Custodian") served as custodian for certain assets of the Plan during the year. Certain Plan investments are issued by the Custodian and therefore, these transactions qualify as party-in-interest transactions. In addition, the Plan pays certain fees to the Custodian.

In accordance with the provisions of the Plan, the Trustee acts as the Plan's agent for purchases and sales of shares of Raytheon Company common stock. Purchases amounted to \$31,239,391 and sales amounted to \$160,204,968 for the year ended December 31, 2011. Dividend income from shares of Raytheon Company common stock amounted to \$46,969,240 for the year ended December 31, 2011.

10. Plan Termination

Although it has not expressed any intention to do so, the Company reserves the right under the Plan at any time to discontinue its contributions and to terminate the Plan subject to the provisions of ERISA. Upon termination of the Plan, all participants become fully vested in their accounts. In the event of Plan termination, after payment of all expenses and adjustment of accounts to reflect such expenses, fund losses or profits, and reallocations, each participant shall be entitled to receive all amounts then in his or her account.

11. Federal Income Tax Status

The Internal Revenue Service (the "IRS") has determined and informed the Company by letter dated July 8, 2003, that the design of the Plan meets the requirements for qualification under Code section 401(a), on which the tax exemption of the Trust under Code section 501(a) is based. The Plan has been amended since receiving the determination letter. The Plan administrator and the Company's benefits counsel believe that the current design and operation of the Plan are consistent with preservation of the qualification of the Plan and exemption of the Trust in the context of applicable IRS procedures. The Company, on behalf of the Plan, applied for a new determination letter on January 31, 2011.

The Plan follows the provisions of uncertain tax positions that provide criteria for the recognition, measurement, presentations and disclosure of uncertain tax positions. The Plan may from time to time hold investments that give rise to certain tax liabilities. Based upon management's assessment, the Plan has not recognized any tax liabilities at December 31, 2011 and 2010, respectively. The Plan is subject to examinations by taxing jurisdictions. On March 28, 2011, the IRS began an examination of the Plan for the Plan year ended December 31, 2009.

12. Risks and Uncertainties

The Plan provides for various investment options. These investment options are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk associated with certain investment options of the Plan, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such change could materially affect participants' account balances and the Plan's financial statements.

Counterparty credit risk is the risk that a counterparty to a financial instrument will fail on a commitment that it has entered into with the Plan. The Plan minimizes concentrations of counterparty credit risk by undertaking transactions with multiple counterparties. The Plan's investment fiduciary has a credit policy in place and the exposure to counterparty credit risk, as well as the creditworthiness of these counterparties, is monitored on an ongoing basis.

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Identity of Issue, borrower, lessor, or similar party	Description of investment including maturity date, rate of interest, collateral, par, or maturity value	Shares/Units/ Principal	Current Value
Investment Contracts			
AB InBev	3% MED 10/15/12	\$900,000	\$914,143
Abnamb	3% 01/14 SNR	1,680,000	1,668,063
ACE INA Holding	5.875% 6/15/14	400,000	441,311
Aegon Nv Gbl	4.75% 6/01/13	855,000	874,949
Aetna Inc	4.125% 6/01/21	250,000	260,836
Aetna Inc	6.5% 9/15/18	1,850,000	2,256,679
AIG Intl	4.875% 9/15/16	1,310,000	1,239,920
AIG Intl Mtn	8.25% 8/15/18	830,000	878,332
Air Prods & Chm	4.15% 2/1/13	150,000	155,708
Allegheny Enrgy	8.25% 4/12 144A	1,200,000	1,221,694
Allied Wrld As	7.5% 8/01/16	1,350,000	1,523,859
Allstate Lf Mtn	5.375% 4/30/13	275,000	290,411
Ally	10-4 A3 ABS 0.91% 11/17/14	920,000	919,520
Ally	2010-1 A3 1.45% 5/14	561,068	562,737
Ally	2010-5 A3 1.11% 1/15	530,000	530,781
Ally	2011-1 A3 1.45% 1/15	510,000	512,415
Ally	2011-2 A3 1.18% 4/15	440,000	440,800
Ally	2011-4 A2 0.65% 3/14	170,000	169,832
Ally	2011-5 A3 0.99% 11/15	1,000,000	998,184
Altria Group	4.125% 9/11/15	650,000	705,760
Altria Group Inc	8.5% 11/13	565,000	637,944
Altria Group Inc	9.25% 8/6/19	1,800,000	2,416,258
Altria Group Inc	9.7% 11/10/18	1,350,000	1,815,824
Amcar	2010-1 A3 1.66% 3/14	163,341	163,680
Amer Honda	2.5% 9/21/15 144A	640,000	651,320
Amer Honda Mtn	3.5% 3/16/15 144A	1,450,000	1,521,070
Amer Intl Group	3ML+10 3/20/12	2,000,000	1,982,467
Amer Intl Grp Glb	5.6% 10/18/16	700,000	674,825
American Ex Cc	2.75% 9/15/15	1,330,000	1,337,288
American Exp Mtn	5.875% 5/13	525,000	551,912
American Express Frn	6/12/2012	1,350,000	1,347,560
American Express Mtn	2.8% 9/19/16	139,000	139,711
American Honda	2.375% 3/13 144A	300,000	304,229
American Intl	4.25% 5/15/13	500,000	499,367
American Intl	5.85% 1/16/18	500,000	488,885
American Water	6.085% 10/17	150,000	174,530
Amex Credit Co Frn	2/24/2012	900,000	899,398

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Amex Mtn	8.125% 5/20/19	1,750,000	2,261,866
Amgen Inc	4.1% 6/15/21	2,255,000	2,312,200
Amxca	2009-2 A 1ML+125 3/17	8,475,000	8,717,200
Amxca	2005-4 A 1ML+7 1/15	535,000	535,019
Anadarko Pete	6.95% 6/15/19	995,000	1,187,495
Anglo Ameri	9.375% 4/8/14 144A	1,205,000	1,375,698
Anheuser Bush	2.5% 3/26/13	2,000,000	2,037,168
Anheuser-Busch Mtn	4.375% 2/21	2,525,000	2,813,203
Anz Natl Intl	6.2% 7/19/13 144A	2,500,000	2,652,972
Aon Corp	3.125% 5/27/16	1,800,000	1,820,809
Aquila Inc	11.875% 7/1/12	245,000	257,287
Arcelormittal	9.85% 6/1/19	1,100,000	1,223,110
Archer Dan Mid	4.479% 3/01/21	680,000	770,003
Aristotle Hldg	2.75% 11/14 144	1,885,000	1,908,115
Astrazeneca Plc	5.4% 9/15/12	75,000	77,593
Astrazeneca Plc Glb	5.4% 6/1/14	220,000	243,492
AT&T Broadband	8.375% 3/15/13	1,194,000	1,298,613
AT&T Inc	2.5% 8/15/15	1,320,000	1,367,057
AT&T Inc	2.95% 5/15/16	1,000,000	1,042,351
AT&T Inc	5.8% 2/15/19	300,000	353,903
AT&T Inc	3.875% 8/15/21	2,935,000	3,103,249
Atmos Energy	5.125% 1/15/13	145,000	150,365
Atmos Energy	6.35% 6/15/17	200,000	237,046
Axis Specialty	5.875% 6/1/20	2,150,000	2,209,688
BAAT	2010-2 A3 2.4% 7/14	823,180	825,641
BACCT	2007-A10 A10 1ML+7 12/16	2,000,000	1,994,900
BACCT	2007-A3 A3 1ML+2 11/16	1,300,000	1,295,868
BACCT	2007-A6 A6 1ML+6 9/16	3,710,000	3,700,745
BACCT	2006-A7 A7 1ML+4 12/16	1,885,000	1,879,468
BACM	2003-2 A3 4.873% 3/41	3,036,394	3,089,740
Bank Amer	4.5% 4/1/15	3,795,000	3,662,668
Bank Amer	4.9% 5/01/13	415,000	415,378
Bank Amer Fdg	3.7% 9/1/15	2,745,000	2,554,434
Bank America Med	3.625% 3/17/16	980,000	903,516
Bank Nova Scotia	2.05% 10/07/15	2,070,000	2,078,713
Bank Nova Scotia	2.25% 1/22/13	1,070,000	1,084,711
Bank Nova Scotia	3.4% 1/22/15	2,720,000	2,857,435
Bank Of Amer Crp	7.23% 8/15/12	125,000	125,241
Bank Of America	3.75% 7/12/16	1,395,000	1,291,918
Bank Of America	6% 9/01/17	850,000	830,330

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Bank Of NY	2.3% 7/28/16	1,110,000	1,113,684
Bank Of NY	4.3% 5/15/14	510,000	547,266
Bank Of NY	5.45% 5/15/19	480,000	547,025
Bank Of NY Mtn	2.4% 1/17/17	589,000	587,807
Bank Tokyo	2.6% 1/22/13 144A	870,000	880,540
Bankamer	4.875% 1/15/13	695,000	697,842
Bankamer	5.125% 11/15/14	250,000	248,920
Bankamer Gbl	4.875% 9/15/12	670,000	674,318
Barclays Bank	2.375% 1/13/14	1,500,000	1,468,307
Barclays Bank	5.45% 9/12/12	700,000	715,147
Barclays Bank Mtn	5.2% 7/10/14	2,660,000	2,742,303
Barclays Bk	6.05% 12/4/17 144A	250,000	226,119
Barclays Gbl Mtn	5% 9/22/16	5,500,000	5,697,345
Barrick Gold	2.9% 5/30/16	2,000,000	2,053,110
Baxter Intl	4% 3/1/14	115,000	122,457
Baxter Intl	4.625% 3/15/15	100,000	110,600
BB&T Corporation	6.85% 4/19	50,000	60,994
BB&T Sr Mtn B	3.375% 9/25/13	400,000	413,808
Bear	7.25% 2/01/18	1,350,000	1,582,277
Bear Stearns	6.95% 8/10/12	320,000	331,865
Bear Stearns Co	5.3% 10/30/15	675,000	726,014
Becton Dickinson	1.75% 11/8/16	1,170,000	1,179,069
Bellsouth Corp	5.2% 9/15/14	150,000	165,845
Berkley Wr Corp	5.375% 9/15/20	1,300,000	1,311,302
Berkley Wr Corpmtn	7.375% 9/19	700,000	808,552
Berkshire Hathaway	2.2% 8/15/16	133,000	136,936
Berkshire Hathaway	4.6% 5/15/13	350,000	368,184
Berkshire Hathaway	5% 8/15/13	70,000	74,549
Bk Of Amer	5.625% 10/16 MTN	250,000	239,894
Blackrock Inc	3.5% 12/10/14	1,725,000	1,842,259
Blackrock Inc	4.25% 5/24/21	1,425,000	1,489,173
BMWLT	2010-1 A3 1.18% 4/13	880,000	879,844
BMWLT	2011-1 A3 1.06% 2/14	640,000	640,607
BMWOT	2011-A A3 0.76% 8/15	4,060,000	4,053,572
BNP Paribas	2.125% 12/21/12	380,000	370,203
BNP Paribas Mtn	3.25% 3/11/15	1,500,000	1,418,066
Boit	2003-A8 A8 1ML+25 5/16	400,000	400,978
Boit	2004-A3 A3 1ML+17 2/17	2,500,000	2,501,891
Boit	2003-A4 A4 1ML+25 1/16	1,000,000	1,002,356
BP Cap Markets	3.125% 10/1/15	1,500,000	1,571,414

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BP Cap Markets	5.25% 11/07/13	200,000	214,543
BP Cap Markt Plc Mtn	4.5% 10/20	750,000	825,728
BP Cap Mkts	3.561% 11/01/2021	665,000	692,034
BP Capital Markets	2.248% 11/16	440,000	442,907
BPCE	2.375% 10/4/13 144A	2,695,000	2,610,245
Branch Bank Mtn	4.875% 1/15/13	150,000	152,856
British Telecom	5.15% 1/15/13	935,000	968,088
BSCMS	06-PW11 AAB CSTR 3/39	332,312	349,111
BSCMS	2004-PWR4 A3 CSTR 6/41	250,000	269,003
BSCMS	2007-PW17 A2 5.574% 6/50	107,461	108,398
BSCMS	2007-PW15 AAB 5.315% 2/44	1,100,000	1,154,742
BSCMS	2007-PW16 AAB CSTR 6/40	3,000,000	3,223,755
Bunge Ltd Glb	5.875% 5/15/13	125,000	130,116
Burlington North San	4.1% 6/21	2,000,000	2,157,338
Cameron Intl Crp	4.5% 6/01/21	1,490,000	1,598,882
Can Natural Res	3.45% 11/15/21	645,000	671,962
Canada Natural	1.45% 11/14/14	450,000	452,684
Capital One Fin	3.15% 7/15/16	640,000	642,874
Capital One Fin	6.25% 11/15/13	325,000	346,784
Capital One Fin	6.75% 9/15/17	100,000	112,079
Capital One Fin	7.375% 5/23/14	1,105,000	1,214,210
Capital One Finl	4.8% 2/21/12	930,000	933,245
Capital One USA Mtn	8.8% 7/19	2,050,000	2,344,521
Carolina P & L	5.125% 9/15/13	160,000	171,519
Caterp Fin Serv	5.5% 3/15/16	75,000	86,289
Caterpillar Inc	3.9% 5/27/21	1,485,000	1,629,673
Caterpilr Fi Inc Mtn	1.55% 12/13	650,000	658,919
Caterpilr Fin	2.75% 6/24/15	344,000	357,273
Caterpilr Fin Mtn	4.9% 8/15/13	370,000	394,317
CBS Corp	8.875% 5/15/19	900,000	1,155,624
CCCIT	2008-A5 A5 4.85% 4/15	1,030,000	1,084,470
CCCIT	2009-A5 A5 2.25% 12/14	500,000	507,388
CCCIT	2008-A6 A6 1ML+120 5/17	1,500,000	1,549,584
CCCIT	04-A8 A8 4.9% 12/16	5,700,000	6,341,442
CD	06-CD2 A4 CSTR 1/46	2,000,000	2,162,404
CD	2005-CD1 A4 CSTR 7/44	526,000	581,327
CDP Finl Inc	3% 11/25/14 144A	3,660,000	3,806,619
Centerpoint Ener	6.125% 11/1/17	50,000	57,333
Centerpoint LLC	5.75% 1/15/14	250,000	272,977
CFAST	2009-A A3 2.82% 1/16	185,083	186,243

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CFAST	2010-A A3 0.91% 8/13	670,000	670,183
CHAIT	2007-A17 A 5.12% 10/14	1,310,000	1,355,977
CHAIT	2008-A4 A4 4.65% 3/15	1,430,000	1,497,605
CHAIT	2011-A2 A2 1ML+9 5/15	1,670,000	1,669,289
CHAIT	07-A13 A13 @ LIBUS1+4 7/14	700,000	699,762
CHAIT	2008-A6 A6 1ML+120 5/15	1,350,000	1,370,636
CHAIT	2005-A6 A6 1ML+7 7/14	425,000	424,926
CIBC	1.45% 9/13/13	575,000	575,063
Cigna	4% 2/15/22	1,670,000	1,653,846
Cigna Mtn	5.125% 6/15/20	1,350,000	1,455,119
Cisco Systems	5.5% 2/22/16	80,000	93,116
Citigroup	3.953% 6/15/16	1,635,000	1,629,693
Citigroup	4.75% 5/19/15	1,810,000	1,833,376
Citigroup	5% 9/15/14	2,078,000	2,056,870
Citigroup	5.125% 5/5/14	469,000	480,030
Citigroup	5.25% 2/27/12	800,000	803,665
Citigroup	5.5% 4/11/13	800,000	816,819
Citigroup	5.625% 8/27/12	200,000	203,026
Citigroup	6.375% 8/12/14	35,000	36,738
Citigroup Fdg FDIC	1.875% 11/15/12	1,600,000	1,623,088
Citigroup Frn	3ML+12.5 3/16/12	198,000	197,541
Citigroup Frn	3ML+28 11/05/14	1,000,000	911,800
Citigroup Frn	8/13/2013	1,300,000	1,275,983
Citigroup Inc	4.5% 1/14/22	755,000	726,039
Citigroup Inc	5.5% 8/27/12	1,575,000	1,600,358
Citigroup Inc	6.5% 08/13 SNR	9,865,000	10,270,372
Citigroup Inc Glb	4.7% 5/29/15	100,000	101,671
Citigroup Inc Mtn	8.5% 5/22/19	2,500,000	2,941,888
Cleveland Elec	7.88% 11/01/17	80,000	100,557
Cme Group Inc	5.75% 2/14	75,000	81,759
CNH	2009-C A3 1.85% 12/13	5,443	5,446
Coca-Coal Ent	1.125% 11/12/13	698,000	700,329
Coca-Cola Co	1.8% 9/01/16 WI	1,735,000	1,765,153
COELT	05-B A2 @LIBUS3+10 12/21	1,979,577	1,957,876
Colgate-Palm Mtn	1.375% 11/15	4,300,000	4,346,904
Comcast Corp	5.3% 1/15/14	100,000	107,766
Comcast Corp	5.9% 3/15/16	2,100,000	2,404,097
Comcast Corp Glb	5.875% 2/15/18	1,972,000	2,279,563
Comerica Inc	3% 9/16/15	74,000	75,606
Comet	2008-A3 A3 5.05% 2/16	1,900,000	2,000,433

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Comm	2004-LB2A A4 4.715% 3/39	1,579,319	1,660,522
Comm	2006-C7 A4 CSTR 6/46	2,755,000	3,042,203
Commonwealth Bank	2.125% 3/17/14 144	1,430,000	1,425,946
Commonwealth Bank	3ML+55 3/13 144A	2,000,000	1,995,046
Commonwealth Edi	3.4% 9/01/21	1,615,000	1,671,800
Conocophillips	4.75% 2/1/14	200,000	216,038
Coventry Hlth	5.45% 6/15/21	300,000	333,239
Credit Suisse Fb	4.875% 1/15/15	200,000	208,994
Credit Suisse Fb USA	5.125% 8/15	125,000	131,691
Credit Suisse Ny	5% 5/15/13	2,556,000	2,622,239
Cs Ny Br	6% 2/15/18	300,000	295,795
CSFB	2003-C4 A4 5.137% 8/36	410,000	426,838
CSFB	05-C6 A4 5.23% 12/40	3,000,000	3,296,790
CSFB	05-C5 AM CSTR 8/38	1,200,000	1,256,292
CSMC	2007-C3 A2 CSTR 6/39	206,317	207,435
CSMC	2007-C2 A2 CSTR 1/49	2,922,083	2,950,308
CSMC	2006-C1 A4 CSTR 2/39	1,600,000	1,770,702
Daimler Chrysler	6.5% 11/15/13	880,000	958,630
Daimler Fin	1.875% 9/15/14 144A	2,185,000	2,173,454
Daimlerchrys Glbl	7.3% 1/15/12	1,230,000	1,232,291
DBUBS	2011-LC3A A1 2.238% 8/44	154,213	156,481
DCENT	2008-A4 A4 5.65% 12/15	150,000	160,514
DCENT	2010-A1 A1 1ML+65 9/15	2,000,000	2,013,219
DCENT	2009-A2 A1 ML+130 2/15	4,300,000	4,332,740
DCP Midstream	9.75% 3/15/19 144	1,475,000	1,922,269
Dell Inc	5.65% 4/15/18	40,000	46,327
Deutsche Bk Ag	2.375% 1/11/13	1,290,000	1,280,490
Deutsche Tel Gbl	5.25% 7/22/13	390,000	409,901
Deutsche Tel Mtn	4.875% 7/8/14	350,000	372,689
Diageo Cptl Gbl	5.2% 1/30/13	1,289,000	1,349,954
Directv Hld Globl	4.75% 10/1/14	1,300,000	1,404,397
Directv Hldgs	3.5% 3/01/16	1,700,000	1,752,909
Directv Holdgs LLC	3.125% 2/16	1,400,000	1,418,463
Dominion Resour	2.25% 9/1/15	425,000	435,033
Dominion Resrce	6.25% 6/30/12	1,107,000	1,136,140
Dow Glbl	6% 10/01/12	210,000	218,096
Dr Pepper Snapp	2.9% 1/15/16	685,000	710,564
Duke Cap Corp	5.5% 3/01/14	380,000	405,806
Duke Cap Corp	6.25% 2/15/13	2,600,000	2,725,988
Duke Energy Car	1.75% 12/15/16	705,000	710,578

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Duke Energy Car	5.75% 11/15/13	395,000	429,610
Duke Energy Corp	2.15% 11/15/16	75,000	75,231
Dupont Ei Gbl	4.875% 4/30/14	95,000	103,780
Dupont Mtn	4.125% 3/06/13	100,000	103,831
Ecolab Inc	3% 12/08/16	825,000	853,583
Ecolab Inc	4.35% 12/8/21	770,000	821,942
EDS	6% 8/01/13	230,000	243,847
Encana Hldgs	5.8% 5/1/14	430,000	467,060
Eog Resources In	6.125% 10/1/13	75,000	81,424
Erac USA Fin Mtn	2.25% 1/14 144A	1,750,000	1,742,911
Erp Operat Lp	4.625% 12/15/21	82,000	83,587
European Invt Bk	1.75% 9/14/12	2,000,000	2,012,396
Export Dev Can Gbl	3.5% 5/16/13	1,000,000	1,040,552
Export Dev Canada	1.5% 5/15/14	290,000	296,337
Fed Realty Tr	5.4% 12/01/13	220,000	231,926
Fed Realty Tr	6% 7/15/12	595,000	605,357
FFCB	1.875% 12/07/12	4,150,000	4,211,960
FHLB	1.875% 6/21/13	8,635,000	8,829,244
FHLG	10.00% 10/30 #G20027	800,527	942,269
FHLG	10YR 3.00% 8/21 #J16393	495,689	517,151
FHLG	10YR 3.00% 8/21 #J16442	541,007	564,432
FHLG	15YR 4.00% 6/18 #E96973	322,895	339,666
FHLG	15YR 4.50% 1/19 #G11565	200,379	213,155
FHLG	15YR 4.50% 4/19 #B13051	108,249	115,426
FHLG	15YR 4.50% 6/19 #B14961	267,521	285,737
FHLG	15YR 4.50% 8/18 #E98688	866,977	921,609
FHLG	15YR 4.50% 9/18 #E99205	582,259	618,986
FHLG	15YR 4.50% 10/18 #B12459	119,056	126,565
FHLG	15YR 4.50% 10/18 #E99833	840,281	893,846
FHLG	15YR 4.50% 11/18 #B10931	492,448	524,168
FHLG	15YR 5.0% 4/20 #G11682	1,703,692	1,830,076
FHLG	15YR 5.00% 1/20 #M30030	69,174	73,354
FHLG	15YR 5.00% 3/19 #G13052	1,100,978	1,180,897
FHLG	15YR 5.00% 5/18 #P10034	375,402	393,626
FHLG	15YR 5.00% 6/24 #G13598	1,138,298	1,222,599
FHLG	15YR 5.00% 10/18 #E99955	116,257	124,603
FHLG	15YR 5.00% 11/17 #M30281	175,268	185,860
FHLG	15YR 5.00% 12/17 #E01280	137,099	146,756
FHLG	15YR 5.00% 12/17 #E93561	203,605	217,946
FHLG	15YR 5.00% 12/18 #G13293	341,123	365,617

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FHLG	15YR 5.50% 1/18 #E01279	125,580	135,558
FHLG	15YR 5.50% 2/20 #G11728	4,289,261	4,635,418
FHLG	15YR 5.50% 3/17 #E01136	52,461	56,629
FHLG	15YR 5.50% 11/17 #E01251	176,282	190,288
FHLG	15YR 5.50% 11/18 #B10916	503,702	544,918
FHLG	15YR 5.50% 11/18 #E01497	327,293	354,580
FHLG	15YR 5.50% 12/17 #G11792	196,932	212,579
FHLG	15YR 5.50% 12/24 #G14015	9,880,817	10,693,668
FHLG	15YR 6.00% 1/18 #M50041	102,684	108,455
FHLG	15YR 6.00% 1/24 #G13647	1,613,532	1,741,669
FHLG	15YR 6.00% 1/24 #G13982	1,401,685	1,512,998
FHLG	15YR 6.00% 4/17 #E89007	256,970	276,295
FHLG	15YR 6.00% 4/20 #J02203	239,483	260,718
FHLG	15YR 6.00% 7/17 #E90474	250,425	270,169
FHLG	15YR 6.00% 10/16 #E01054	141,593	152,218
FHLG	15YR 6.00% 11/14 #M50039	28,389	28,696
FHLG	15YR 6.00% 11/23 #G13368	395,795	428,216
FHLG	15YR 6.50% 1/20 #J02204	122,135	134,701
FHLG	15YR 6.50% 4/16 #E83211	12,964	13,955
FHLG	15YR 6.50% 4/18 #G11452	206,441	223,527
FHLG	15YR 6.50% 6/17 #E90325	115,674	126,734
FHLG	15YR 6.50% 7/14 #P60031	447,102	464,267
FHLG	15YR 6.50% 7/21 #G12934	215,043	235,343
FHLG	15YR 6.50% 10/17 #E01254	33,231	36,369
FHLG	15YR 7.00% 3/16 #P60090	9,623	10,249
FHLG	15YR 7.00% 12/14 #P60089	11,672	12,267
FHLG	20YR 5.50% 9/27 #G30345	230,518	250,266
FHLG	20YR 6.00% 7/22 #C90562	250,699	279,065
FHLG	20YR 6.00% 2/22 #C90523	327,820	363,782
FHLG	20YR 6.00% 9/27 #G30357	752,400	829,462
FHLG	4.00% 1/41 #A96478	981,696	1,029,495
FHLG	4.00% 4/39 #A85531	444,163	465,789
FHLG	4.00% 12/40 #C03565	422,527	443,100
FHLG	4.50% 6/23 #A45156	1,556,197	1,652,333
FHLG	5.50% 1/24 #G13432	1,647,942	1,782,996
FHLG	5.50% 5/27 #O20133	158,866	172,227
FHLG	5.50% 7/39 #G05546	1,700,754	1,841,812
FHLG	5.50% 9/33 #A13845	189,234	205,639
FHLG	5.50% 12/37 #G03696	2,025,766	2,193,779
FHLG	5.50% 12/37 #G03865	1,021,774	1,106,518

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FHLG	6.00% 1/38 #G03781	2,724,153	2,986,463
FHLG	6.00% 8/26 #G00587	102,317	113,131
FHLG	6.00% 8/28 #C13910	118,706	131,983
FHLG	6.00% 9/37 #G03282	1,462,462	1,603,283
FHLG	6.00% 11/21 #D94929	205,144	227,268
FHLG	6.50% 4/34 #A21170	324,039	361,316
FHLG	6.50% 5/22 #D95395	124,570	139,669
FHLG	6.50% 5/24 #Z40034	7,838,966	8,727,125
FHLG	6.50% 5/33 #N50075	154,793	173,009
FHLG	6.50% 8/21 #C90473	844,157	940,709
FHLG	6.50% 8/22 #O20119	314,278	352,248
FHLG	6.50% 8/26 #C90985	117,672	131,218
FHLG	6.50% 9/23 #Z40030	6,905,110	7,683,506
FHLG	6.50% 9/37 #H09069	233,429	255,395
FHLG	6.50% 10/26 #C90995	467,164	520,942
FHLG	8.50% 7/28 #G00981	238,961	284,793
FHLM ARM	2.98% 8/41 #1B8533	358,107	373,730
FHLM ARM	2.99% 8/41 #1B8556	159,388	166,174
FHLM ARM	3.07% 9/41 #1B8608	215,996	225,722
FHLM ARM	3.21% 7/41 #1B8477	276,455	289,701
FHLMC	0.625% 12/29/14	7,422,000	7,416,575
FHLMC	0.375% 10/30/13	7,503,000	7,495,017
FHLMC	0.75% 11/25/14	9,441,000	9,458,098
FHLMC	0.75% 3/28/13	531,000	533,991
FHLMC	1% 7/30/14	16,965,000	17,150,546
FHLMC	1% 8/27/14	5,979,000	6,038,270
FHLMC	1.125% 7/27/12	1,410,000	1,417,183
FHLMC	1.375% 2/25/14	14,640,000	14,879,906
FHLMC	2.5% 1/07/14	1,845,000	1,921,200
FHLMC	2.875% 2/09/15	2,770,000	2,954,083
FHLMC	5% 7/15/14	6,900,000	7,664,796
FHR	2068 B 10% 11/22	38,440	44,373
FHR	1577 PK 6.5% 9/23	114,815	128,454
FHR	1584 L 6.5% 9/23	254,925	286,117
FHR	1617 PM 6.5% 11/23	198,256	219,686
FHR	1668 D 6.5% 2/14	62,493	64,858
FHR	1835 D 6% 4/26	163,872	181,448
FHR	1837 Z 6.5% 4/26	157,213	176,188
FHR	192 I 9% 2/22	231,888	271,641
FHR	2075 PH 6.5% 8/28	135,921	155,591

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FHR	2102 TC 6% 12/13	111,131	114,758
FHR	2208 PG 7% 1/30	234,873	269,626
FHR	2262 Z 7.5% 10/30	95,836	113,348
FHR	2344 ZJ 6.5% 8/31	20,586	23,362
FHR	2355 BP 6% 9/16	86,064	92,626
FHR	2356 GD 6% 9/16	63,096	67,671
FHR	2363 PF 6% 9/16	81,462	87,350
FHR	2399 OH 6.5% 1/32	165,973	187,646
FHR	2425 OB 6% 3/17	98,447	106,654
FHR	2475 FB 1ML+100 2/32	1,061,536	1,080,302
FHR	2481 FB 1ML+100 2/32	1,068,307	1,084,865
FHR	2513 TG 6% 2/32	505	505
FHR	2527 TB 6% 11/32	59,021	66,200
FHR	2533 PE 5.5% 12/21	33,086	33,178
FHR	2558 BD 5% 1/18	4,000,000	4,301,525
FHR	2590 BY 5% 3/18	4,000,000	4,335,358
FHR	2619 HR 3.5% 11/31	65,219	66,528
FHR	2628 QM 4.5% 11/31	6,484,339	6,715,283
FHR	2650 QN 4.5% 1/33	233,686	250,057
FHR	2672 NH 0% 9/18	750,000	783,771
FHR	2695 DE 4% 1/17	194,363	196,454
FHR	2708 DG 5.5% 7/32	36,966	38,089
FHR	2770 UD 4.5% 5/17	934,247	947,095
FHR	2780 JG 4.5% 4/19	66,190	68,674
FHR	2810 PD 6% 6/33	268,040	280,151
FHR	2836 PX 4% 5/18	1,000,000	1,030,013
FHR	2866 XE 4% 12/18	1,886,307	1,958,879
FHR	2872 JG 4.5% 10/19	1,100,000	1,196,713
FHR	2931 GA 5% 11/28	41,839	41,975
FHR	2941 AJ 4.5% 3/35	298,300	307,169
FHR	2971 KT 5.5% 5/33	1,600,000	1,726,209
FHR	3013 VJ 5% 1/14	327,792	340,032
FHR	3033 UD 5.5% 10/30	51,389	51,868
FHR	3047 OB 5.5% 12/33	101,830	106,639
FHR	3331 PB 6% 1/31	482,000	495,041
FHR	3397 FC 0.8613% 12/37	8,430,967	8,449,328
FHR	3540 CD 2% 6/14	931,065	934,643
FHR	3560 LA 2% 8/14	304,811	306,529
FHR	3564 JA 4% 1/18	667,925	697,958
FHR	3573 LC 1.85% 8/14	554,047	558,078

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FHR	3728 EA 3.5% 9/20	5,246,217	5,393,059
FHR	3943 EF 1ML+25 2/26	580,068	578,490
FHR	2474 NR 6.5% 7/32	123,661	139,749
FHR	2484 LZ 6.5% 7/32	241,952	274,451
FHR	2543 QT 5.5% 4/22	57,420	59,002
Fifth Third Ban	3.625% 1/25/16	1,150,000	1,167,000
Fiserv Inc Mtn	3.125% 10/01/15	1,700,000	1,741,789
FNBR	2007-B1 VA 5.5% 4/17	294,990	319,637
FNMA	0.625% 10/30/14	5,080,000	5,086,248
FNMA	0.75% 12/18/13	4,884,000	4,903,599
FNMA	0.75% 12/19/14	1,605,000	1,609,976
FNMA	0.875% 8/28/14	6,523,000	6,576,332
FNMA	1% 9/23/13	6,025,000	6,088,365
FNMA	1.375% 11/15/16	3,430,000	3,461,920
FNMA	10YR 3% 9/21 #AL0576	1,156,188	1,209,859
FNMA	10YR 3% 9/21 #AL0579	1,357,799	1,420,828
FNMA	10YR 3.00% #MA0833	994,889	1,041,072
FNMA	10YR 3.00% #MA0865	1,477,055	1,541,818
FNMA	10YR 3.00% #MA3892	1,051,727	1,100,548
FNMA	10YR 3.00% 7/21 #MA0803	652,458	682,745
FNMA	10YR 3.00% 10/21 #MA0909	809,739	845,243
FNMA	10YR 4.50% 11/14 #735023	88,769	90,447
FNMA	10YR 6.50% 12/37 #AD0070	866,114	951,812
FNMA	15YR 3.50% 4/19 #698023	141,551	148,808
FNMA	15YR 4.00% 3/19 #773886	317,092	334,516
FNMA	15YR 4.00% 6/18 #708802	183,479	193,523
FNMA	15YR 4.00% 6/19 #773153	248,289	262,520
FNMA	15YR 4.00% 7/18 #682424	89,154	94,035
FNMA	15YR 4.00% 7/18 #726128	109,823	115,835
FNMA	15YR 4.00% 7/19 #773445	569,633	602,241
FNMA	15YR 4.00% 7/19 #AE0968	2,327,868	2,455,301
FNMA	15YR 4.00% 8/18 #728852	26,219	27,654
FNMA	15YR 4.00% 9/18 #254919	234,851	247,707
FNMA	15YR 4.00% 9/18 #682450	46,622	49,175
FNMA	15YR 4.00% 12/18 #735522	808,918	853,200
FNMA	15YR 4.50% 1/19 #735057	116,767	124,550
FNMA	15YR 4.50% 1/21 #852735	6,099	6,520
FNMA	15YR 4.50% 2/20 #809744	16,862	17,994
FNMA	15YR 4.50% 3/19 #742078	318,155	339,407
FNMA	15YR 4.50% 3/19 #758528	268,705	286,614

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Identity of Issue, borrower, lessor, or similar party	Description of investment including maturity date, rate of interest, collateral, par, or maturity value	Shares/Units/ Principal	Current Value
FNMA	15YR 4.50% 3/19 #773086	436,366	465,449
FNMA	15YR 4.50% 3/21 #890081	1,376,470	1,468,210
FNMA	15YR 4.50% 4/19 #725352	766,516	817,603
FNMA	15YR 4.50% 4/19 #774267	111,692	119,219
FNMA	15YR 4.50% 4/19 #775768	194,870	207,949
FNMA	15YR 4.50% 5/18 #697602	210,697	224,740
FNMA	15YR 4.50% 5/18 #707297	576,422	614,840
FNMA	15YR 4.50% 5/18 #710701	185,571	197,939
FNMA	15YR 4.50% 5/19 #725445	98,877	105,485
FNMA	15YR 4.50% 5/19 #780233	782,741	834,909
FNMA	15YR 4.50% 6/18 #710238	145,382	155,072
FNMA	15YR 4.50% 6/18 #711665	460,348	491,030
FNMA	15YR 4.50% 6/18 #720668	108,607	115,846
FNMA	15YR 4.50% 6/18 #720710	123,980	132,243
FNMA	15YR 4.50% 6/18 #720711	167,601	178,771
FNMA	15YR 4.50% 6/19 #745278	388,453	414,343
FNMA	15YR 4.50% 7/18 #720393	222,040	236,839
FNMA	15YR 4.50% 7/18 #722347	84,768	90,418
FNMA	15YR 4.50% 7/18 #729585	208,908	222,832
FNMA	15YR 4.50% 7/19 #788390	23,377	24,967
FNMA	15YR 4.50% 7/20 #888653	183,802	196,191
FNMA	15YR 4.50% 7/21 #845515	20,566	21,985
FNMA	15YR 4.50% 7/21 #932885	1,183,449	1,263,619
FNMA	15YR 4.50% 8/18 #727466	177,256	189,070
FNMA	15YR 4.50% 8/18 #730721	196,653	209,760
FNMA	15YR 4.50% 8/18 #731222	42,863	45,719
FNMA	15YR 4.50% 8/18 #731638	124,469	132,764
FNMA	15YR 4.50% 8/18 #733772	415,615	443,315
FNMA	15YR 4.50% 9/18 #727384	113,532	121,099
FNMA	15YR 4.50% 10/18 #713830	60,432	64,459
FNMA	15YR 4.50% 10/18 #740508	50,830	54,218
FNMA	15YR 4.50% 10/18 #746279	27,952	29,815
FNMA	15YR 4.50% 10/18 #746347	52,958	56,488
FNMA	15YR 4.50% 10/18 #746360	58,411	62,304
FNMA	15YR 4.50% 10/18 #746556	90,456	96,485
FNMA	15YR 4.50% 10/19 #796680	641,142	684,175
FNMA	15YR 4.50% 10/20 #735926	35,570	37,979
FNMA	15YR 4.50% 10/20 #836381	82,401	88,086
FNMA	15YR 4.50% 11/18 #254952	2,561,279	2,731,985
FNMA	15YR 4.50% 11/18 #725857	152,499	162,663

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Identity of Issue, borrower, lessor, or similar party	Description of investment including maturity date, rate of interest, collateral, par, or maturity value	Shares/Units/ Principal	Current Value
FNMA	15YR 4.50% 11/18 #740568	662,366	706,513
FNMA	15YR 4.50% 11/19 #889395	12,647	13,492
FNMA	15YR 4.50% 11/20 #813915	33,668	35,991
FNMA	15YR 4.50% 12/18 #255031	2,589,435	2,762,018
FNMA	15YR 4.50% 12/18 #888889	1,183,458	1,262,335
FNMA	15YR 4.50% 12/19 #735290	142,613	152,231
FNMA	15YR 4.50% 12/20 #995320	3,543,531	3,781,365
FNMA	15YR 4.50% 12/20 #995465	573,554	612,408
FNMA	15YR 5.00% 1/18 #681270	384,845	413,800
FNMA	15YR 5.00% 3/18 #667792	164,708	177,100
FNMA	15YR 5.00% 4/19 #761326	245,684	264,595
FNMA	15YR 5.00% 5/18 #707298	1,126,143	1,186,682
FNMA	15YR 5.00% 6/18 #709848	215,048	231,227
FNMA	15YR 5.00% 6/18 #709877	151,803	163,225
FNMA	15YR 5.00% 11/18 #740462	107,005	115,055
FNMA	15YR 5.00% 11/18 #749596	324,416	348,975
FNMA	15YR 5.00% 12/18 #888681	982,551	1,056,475
FNMA	15YR 5.00% 12/19 #803919	389,696	420,476
FNMA	15YR 5.00% 12/20 #995324	2,152,280	2,322,281
FNMA	15YR 5.00% 12/21 #888436	1,306,469	1,409,663
FNMA	15YR 5.50% 1/18 #680143	29,295	31,817
FNMA	15YR 5.50% 2/17 #634197	411,656	441,220
FNMA	15YR 5.50% 2/18 #681383	283,462	307,866
FNMA	15YR 5.50% 3/17 #638411	32,773	35,178
FNMA	15YR 5.50% 3/20 #735521	83,275	90,444
FNMA	15YR 5.50% 4/18 #254686	349,284	379,355
FNMA	15YR 5.50% 4/19 #725528	215,045	233,559
FNMA	15YR 5.50% 5/21 #AL0230	1,711,485	1,858,833
FNMA	15YR 5.50% 9/17 #665775	60,378	64,991
FNMA	15YR 5.50% 9/19 #725793	43,228	46,950
FNMA	15YR 5.50% 9/19 #725796	55,209	60,031
FNMA	15YR 5.50% 9/23 #AL0229	1,574,830	1,714,350
FNMA	15YR 5.50% 10/16 #612660	113,258	123,009
FNMA	15YR 5.50% 10/19 #795064	55,696	60,560
FNMA	15YR 5.50% 11/17 #670452	223,770	243,035
FNMA	15YR 5.50% 12/16 #611007	31,023	33,694
FNMA	15YR 5.50% 3/24 #AE0467	432,342	470,645
FNMA	15YR 6.00% 1/13 #416704	98,756	106,525
FNMA	15YR 6.00% 1/24 #995425	997,079	1,079,260
FNMA	15YR 6.00% 2/23 #889634	1,788,334	1,936,849

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Identity of Issue, borrower, lessor, or similar party	Description of investment including maturity date, rate of interest, collateral, par, or maturity value	Shares/Units/ Principal	Current Value
FNMA	15YR 6.00% 3/18 #555390	70,281	75,810
FNMA	15YR 6.00% 3/24 #AE0745	732,952	793,822
FNMA	15YR 6.00% 5/17 #644987	91,228	98,405
FNMA	15YR 6.00% 6/16 #583745	22,084	23,821
FNMA	15YR 6.00% 11/13 #252165	91,032	98,193
FNMA	15YR 6.00% 11/13 #445344	149,498	161,259
FNMA	15YR 6.00% 11/13 #449782	129,427	139,609
FNMA	15YR 6.00% 11/17 #668811	30,295	32,679
FNMA	15YR 6.50% 1/14 #100283	49,400	51,120
FNMA	15YR 6.50% 1/23 #889111	686,674	758,713
FNMA	15YR 6.50% 3/17 #627139	35,911	38,973
FNMA	15YR 6.50% 5/13 #420033	24,734	25,451
FNMA	15YR 6.50% 6/14 #323794	50,444	52,414
FNMA	15YR 6.50% 6/15 #555720	16,808	17,396
FNMA	15YR 6.50% 8/14 #506702	362,320	378,702
FNMA	15YR 6.50% 12/14 #535063	135,883	142,360
FNMA	15YR 7.00% 3/17 #636917	51,003	55,974
FNMA	15YR 7.00% 5/17 #254353	27,207	29,830
FNMA	15YR 7.00% 5/17 #638774	109,462	120,396
FNMA	15YR 7.00% 7/17 #667070	159,383	175,578
FNMA	15YR 7.00% 9/19 #842257	355,140	409,930
FNMA	15YR 8.00% 9/15 #535460	47,596	51,120
FNMA	15YR 8.50% 11/12 #756138	2,078	2,109
FNMA	2.625% 11/20/14	2,895,000	3,063,165
FNMA	20YR 5.00% 1/25 #995884	5,456,323	5,913,358
FNMA	20YR 5.50% 1/24 #925847	1,135,371	1,242,659
FNMA	20YR 5.00% 8/26 #AD0787	16,801,385	18,208,709
FNMA	20YR 4.50% 5/26 #AH0473	419,186	447,853
FNMA	20YR 6.00% 9/21 #253999	99,874	110,509
FNMA	20YR 6.00% 11/22 #254544	132,153	147,445
FNMA	20YR 6.00% 12/18 #456110	354,280	389,847
FNMA	20YR 6.50% 3/19 #252348	109,551	119,912
FNMA	20YR 6.50% 7/18 #251825	146,675	159,610
FNMA	20YR 5.00% 5/23 #254762	6,672,196	7,235,246
FNMA	20YR 5.50% 4/29 #AD0912	1,029,341	1,122,106
FNMA	20YR 5.50% 7/27 #986156	1,039,155	1,134,753
FNMA	20YR 5.50% 9/23 #254916	6,555,728	7,158,828
FNMA	20YR 5.50% 1/23 #254589	499,037	545,882
FNMA	20YR 5.50% 6/23 #254764	504,778	552,162
FNMA	20YR 6.00% 4/24 #745407	274,439	306,318

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Identity of Issue, borrower, lessor, or similar party	Description of investment including maturity date, rate of interest, collateral, par, or maturity value	Shares/Units/ Principal	Current Value
FNMA	20YR 6.00% 10/27 #256928	823,978	910,817
FNMA	20YR 6.50% 5/22 #254305	133,038	148,925
FNMA	20YR 6.50% 11/18 #252104	167,904	183,263
FNMA	20YR 6.50% 12/21 #545419	5,702	6,363
FNMA	20YR 6.00% 4/27 #888281	6,273,660	6,934,845
FNMA	4.50% 6/37 #888485	882,062	938,344
FNMA	4.50% 7/39 #935300	8,295,479	8,911,636
FNMA	4.50% 8/20 #923799	397,219	415,363
FNMA	4.625% 10/15/13	4,740,000	5,098,254
FNMA	5.00% 8/25 #255810	2,554,101	2,763,250
FNMA	5.50% 2/37 #904918	765,513	827,090
FNMA	5.50% 6/33 #254767	3,728,031	4,061,109
FNMA	6.00% 2/28 #257076	553,202	611,504
FNMA	6.00% 3/33 #695584	31,108	34,680
FNMA	6.00% 4/25 #660719	204,009	222,339
FNMA	6.00% 7/27 #256803	1,059,519	1,171,182
FNMA	6.00% 9/19 #660716	200,207	213,237
FNMA	6.00% 9/33 #752786	40,219	45,083
FNMA	6.00% 9/37 #256890	591,473	646,093
FNMA	6.00% 12/32 #AL0045	776,180	862,468
FNMA	6.50% 2/20 #535834	197,505	216,949
FNMA	6.50% 5/36 #884018	414,182	462,412
FNMA	6.50% 9/28 #AD0329	515,830	577,750
FNMA	6.50% 10/21 #254044	15,199	16,969
FNMA	6.50% 11/22 #735137	399,198	439,376
FNMA	7.00% 4/37 #888366	442,512	495,268
FNMA	7.00% 11/32 #725502	74,727	84,358
FNMA	7.00% 12/36 #907742	89,358	98,113
FNMA	7.50% 11/37 #888892	775,012	906,644
FNMA	7.50% 11/38 #995504	566,542	662,905
FNMA	8.00% 6/27 #695533	19,456	23,034
FNMA	8.00% 11/37 #995783	182,212	204,986
FNMA ARM	2.69% 9/41 #AH5260	471,341	489,894
FNMA ARM	3.01% 8/41 #AI4358	172,073	179,624
FNMA ARM	3.37% 9/41 #AI8935	170,029	178,815
FNR	2003-32 UN 4% 1/33	6,897,170	7,176,734
FNR	2004-2 QL 4% 2/19	2,255,000	2,410,411
FNR	2004-23 VB 4.5% 5/27	10,738,048	11,203,676
FNR	2004-82 HJ 5.5% 9/32	2,360,388	2,509,024
FNR	2004-89 DF 1ML+25 4/23	1,654,312	1,653,952

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Identity of Issue, borrower, lessor, or similar party	Description of investment including maturity date, rate of interest, collateral, par, or maturity value	Shares/Units/ Principal	Current Value
FNR	2004-97 GJ 4.5% 10/30	842,164	850,012
FNR	2005-21 BK 4.75% 7/23	1,849,392	1,894,554
FNR	2006-109 HA 4.5% 5/24	2,540,795	2,589,786
FNR	2006-78 BC 6.5% 1/34	18,808	18,849
FNR	2007-114 A6 1ML+20 10/37	1,200,000	1,192,725
FNR	2008-29 CA 4.5% 9/35	8,128,269	8,596,949
FNR	2009-10 AB 3/24	313,019	337,290
FNR	2011-40 DK 4% 11/25/37	7,761,467	8,067,314
FNR	02-58 HC 5.5% 9/17	183,060	194,546
FNR	04-33 MW 4.5% 1/30	171,003	180,509
FNR	1992-205 Z 7% 11/22	240,069	267,493
FNR	1993-250 Z 7% 12/23	352,119	369,702
FNR	1994-40 Z 6.5% 3/24	523,891	582,792
FNR	1997-46 PL 6% 7/27	642,414	718,179
FNR	1998-46 E 6% 8/28	178,465	184,321
FNR	2001-44 PD 7% 9/31	37,413	42,907
FNR	2001-7 PF 7% 3/31	14,214	16,287
FNR	2001-71 MB 6% 12/16	190,200	205,431
FNR	2002-56 MC 5.5% 9/17	61,567	66,099
FNR	2003-35 MD 5% 11/16	19,837	19,786
FNR	2003-57 NK 5% 6/18	71,046	76,008
FNR	2003-68 QP 3% 7/22	39,352	39,886
FNR	2003-80 VC 5% 4/16	302,583	312,987
FNR	2004-70 JA 4.5% 10/19	89,577	91,626
FNR	2004-95 AN 5.5% 1/25	277,505	294,587
FNR	2005-110 GJ 5.5% 11/30	378,670	394,136
FNR	2006-113 NC 5.5% 3/33	1,000,000	1,058,314
FNR	2006-41 MC 5.5% 7/35	500,000	550,216
FNR	2006-46 PE 5.5% 11/32	1,500,000	1,546,248
FNR	2006-75 CM 6.5% 12/33	8,592	8,587
FNR	2006-90 BE 6% 4/35	1,000,000	1,114,037
FNR	2007-109 VA 5% 11/18	688,481	755,668
FNR	2007-68 PA 5.5% 6/36	82,894	84,733
FNR	2007-77 MH 6% 12/36	1,201,636	1,291,027
FNR	2007-79 PB 5% 4/29	147,380	147,733
FNR	2010-123 DL 3.5% 11/25	448,969	466,477
FNR	2010-135 DE 2.25% 4/24	624,648	632,816
FNR	2010-143 B 3.5% 12/25	698,340	729,151
FNR	2011-5 PA 4% 10/25	402,140	409,259
FNR	99-8 QD 6% 3/14	92,850	96,246

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FNR	G93-3 K 7% 2/23	84,625	96,000
FNW	2003-W4 2A 6.5% 10/42	29,983	33,360
FNW	2004-W1 1A6 5.04% 11/43	953,902	1,005,697
Ford	2011-B ABS 1.05% 10/15/14	700,000	700,630
Fordo	2009-B A3 2.79% 8/13TALF	401,173	403,159
Fordo	2009-D A3 2.17% 10/13	146,805	147,555
Fordo	2009-E A3 1.51% 1/14	350,972	352,208
Fordo	2010-B A3 0.98% 10/14	557,769	558,719
Fordo	2011-A A3 1% 7/14	790,000	789,701
Fordo	2011-B A3 0.84% 6/15	2,060,000	2,058,842
Fpl Group	7.875% 12/15	80,000	95,457
Fpl Group Captl	5.35% 6/15/13	100,000	105,501
France Telecom	2.125% 9/16/15	214,000	212,052
FSPC	T-5 A5 CSTR 6/28	742,214	756,831
FSPC	T-54 2A 6% 2/43	140,770	156,699
FSPC	T-54 3A 7% 2/43	64,625	76,378
FSPC	T-9 A5 7.05% 3/29	344,577	382,447
GCCFC	03-C2 A4 4.915% 01/36	2,500,000	2,615,170
GCCFC	04-GG1 A7 CSTR 6/36	2,650,000	2,824,079
GCCFC	2005-GG3 A2 CSTR 8/42	991,418	990,789
GCCFC	2005-GG3 A3 4.569% 8/42	2,000,000	2,022,094
GCCFC	2005-GG3 A4 CSTR 8/42	2,995,000	3,216,762
GE Cap	3ML+0 9/20/13	5,500,000	5,333,740
GE Cap	5.25% 10/19/12	720,000	745,204
GE Cap	5.3% 2/11/21	1,640,000	1,752,447
GE Cap Corp	2.25% 11/9/15	5,340,000	5,364,858
GE Cap Fdic Gmtn	2% 9/28/12	900,000	912,271
GE Cap Mtn	2.8% 1/08/13	485,000	494,235
GE Cap Mtn	3.5% 6/29/15	1,183,000	1,240,632
GE Elec Cap Corp	2.1% 1/07/14	849,000	861,794
Gecap Corp	5.625% 5/01/18	1,000,000	1,119,701
Gecap Med	4.75% 9/15/14	520,000	560,812
Gecap Mtn	5.65% 6/09/14	650,000	704,480
GEPMC	2002-1A A3 6.269% 12/35	1,264,232	1,269,266
GEPMC	2002-3A A2 4.996% 12/37	1,751,917	1,786,983
GEPMC	2006-C1 A4 CSTR 3/44	3,000,000	3,293,745
Gen Elec Cap Crp	5.5% 6/4/14	4,900,000	5,327,152
Gen Elec Cap Mtn	5.4% 9/20/13	1,808,000	1,928,766
General Elec	2.95% 5/09/16	902,000	927,880
General Elec Cap	4.625% 1/7/21	390,000	404,458

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General Elec Cap	4.65% 10/17/21	1,290,000	1,345,802
General Elec Mtn	3.35% 10/17/16	859,000	894,760
General Elec Mtn	1.875% 9/13	1,302,000	1,318,213
General Electric Glb	5% 2/1/13	1,795,000	1,870,718
General Mills	6% 2/15/12 GLBL	211,000	212,224
General Mills In Glb	5.65% 9/12	53,000	54,627
Gilead Sciences	2.4% 12/01/14	1,040,000	1,058,877
Gilead Sciences	3.05% 12/01/16	1,000,000	1,023,717
GMAC	2002-C3 A2 4.93% 7/39	872,918	888,237
GMAC	2003-C1 A2 4.079% 5/36	2,750,000	2,809,414
GMAC	2003-C2 A2 CSTR 5/40	2,495,000	2,630,433
GMACC	2004-C2 A4 5.301% 8/38	420,000	447,191
GNII II	5.50% 7/38 #004187	563,227	613,351
GNII II	6.00% 11/38 #004285	482,244	528,209
GNII II	6.50% 9/29 #002808	487,935	553,868
GNMA	15YR 4.50% 12/18 #781681	719,533	775,432
GNMA	15YR 6.50% 5/17 #569432	176,835	190,615
GNMA	15YR 6.50% 6/20 #641437	128,722	141,607
GNMA	15YR 7.00% 2/15 #515099	26,094	27,661
GNMA	15YR 8.00% 1/16 #781570	14,902	15,970
GNMA	20YR 6.50% 4/23 #593677	24,853	28,411
GNMA	4.50% 3/41 #738108	4,906,382	5,381,203
GNMA	6.50% 1/23 #530795	293,618	335,653
GNMA	7.00% 2/28 #462548	5,362	6,137
GNMA	7.00% 5/32 #552576	28,844	33,088
GNMA	7.00% 7/28 #462643	167,232	191,732
GNMA	7.00% 8/28 #416611	33,139	37,953
GNMA	7.00% 8/28 #458917	8,202	9,389
GNMA	7.00% 10/28 #481353	125,252	143,684
GNMA	8.00% 11/29 #186997	8,823	10,380
GNR	2000-14 PD 7% 2/30	110,944	128,129
GNR	2000-27 Z 7.5% 9/30	38,374	44,142
GNR	2000-6 Z 7.5% 2/30	40,143	47,442
GNR	2000-9 ZJ 8.5% 2/30	175,570	210,917
GNR	2002-40 UK 6.5% 6/32	216,910	245,307
GNR	2002-54 GB 6.5% 8/32	107,702	121,949
GNR	2004-109 WE 5% 5/33	802,000	854,245
GNR	2009-127 PL 4.25% 10/38	2,387,728	2,552,632
GNR	2009-45 PB 4.5% 7/33	500,000	533,605
GNR	2009-93 PB 3% 12/38	800,688	824,849

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GNR	2010-47 CN 4.5% 8/38	2,045,382	2,198,998
Gold West Finl	4.75% 10/01/12	550,000	564,837
Goldman Sac Grp	3.625% 2/07/16	2,500,000	2,416,010
Goldman Sach Glb	5.25% 10/15/13	2,427,000	2,476,686
Goldman Sachs	3.7% 8/1/15	1,926,000	1,887,222
Goldman Sachs	4.75% 7/15/13	559,000	566,460
Goldman Sachs	5.35% 1/15/16	1,320,000	1,353,437
Goldman Sachs	5.5% GLB 11/15/14	700,000	721,284
Goldman Sachs	5.625% 1/15/17	1,200,000	1,176,965
Goldman Sachs	5.75% 10/01/16	1,665,000	1,726,730
Goldman Sachs	7.5% 2/15/19	200,000	220,820
Goldman Sachs Glb	5.15% 1/15/14	400,000	407,653
GSINC	5.25% 7/27/21	2,420,000	2,359,933
GSMS	04-GG2 A6 CSTR 8/38	770,000	824,493
GSMS	2003-C1 A3 4.608% 1/40	1,640,000	1,678,424
GSMS	2006-GG6 A2 5.506% 4/38	430,062	432,905
GSMS	2006-GG8 A2 5.479% 11/39	267,630	268,342
GSMS	2011-GC5 A1 CSTR 8/44	386,749	385,262
Halliburton Co	3.25% 11/15/21	1,950,000	2,013,859
Harot	2009-3A3 2.31% 5/13	202,215	203,012
Harot	2010-1 A4 1.98% 5/23/16	260,000	263,234
Harot	2010-2 A3 1.34% 3/14	557,165	559,443
Harot	2010-3 A3 0.7% 4/14	1,350,000	1,349,787
Harot	2011-1 A4 1.8% 4/17	230,000	233,707
Harot	2011-2 A3 0.94% 3/15	570,000	570,785
Harot	2011-3 A3 0.88% 9/15	3,950,000	3,950,469
Hart	09-A A4 3.15% 3/16	80,000	82,262
Hart	2009-A A3 2.03% 8/13	143,836	144,403
Hart	2011-A A3 1.44% 4/15	300,000	300,961
Hart	2011-C A3 0.83% 12/15	3,320,000	3,310,926
Hcp Inc Mtn	2.7% 2/1/14	1,460,000	1,458,023
Hess Corp	8.125% 2/15/19	900,000	1,154,970
Hewlett Packard	2.625% 12/9/14	440,000	443,939
Hewlett Packard	4.75% 6/02/14	100,000	105,625
Hewlett Packard	6.125% 3/01/14	325,000	350,468
Hewlett-Packard Co	3% 9/16	2,730,000	2,749,855
Home Depot Inc	5.25% 12/16/13	350,000	380,124
Home Depot Inc	5.4% 3/01/16	350,000	404,315
Household	6.375% 11/27/12	1,985,000	2,041,724
Household	7% 5/15/12	500,000	509,323

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Household Glbl	4.75% 7/15/13	400,000	408,505
Hrpt Pppty	6.65% 1/15/18	225,000	240,524
Hrpt Properties	5.75% 11/1/15	105,000	109,621
HSBC Bank	3.1% 5/24/16 144A	3,580,000	3,580,941
HSBC Finance Corp	5% 6/30/15	400,000	406,221
HSBC Finance Corp FRN	4/24/2012	1,900,000	1,877,761
HSBC Finance Corp FRN	1/15/2014	4,900,000	4,513,851
HSBC Finance Corp Glb	5.25% 1/15/14	350,000	357,439
HSBC Holdings Plc	4.875% 1/22	675,000	713,119
HSBC Holdings Plc	5.1% 4/05/21	360,000	382,392
Hyundai	2 11-C ABS 0.57% 7/15/1	530,000	529,218
Illtool	3.375% 9/15/21 144A	145,000	151,534
Ing Bank Mtn	2.65% 1/13 144A	1,290,000	1,286,189
Ing Bank Nv	2% 10/18/13 144A	1,970,000	1,924,387
Ing Bank Nv	4% 3/15/16 144A	2,135,000	2,063,322
Inter Amern Dev Mtn	1.75% 10/12	2,005,000	2,022,784
Intl Paper Co	4.75% 2/15/22	2,250,000	2,390,697
JDOT	2009-AA3 2.59% 10/13	19,516	19,539
JDOT	2009-BA-3 1.57% 10/3	245,569	245,905
John Deere Ca Co	5.25% 10/01/12	100,000	103,484
John Deere Cap	2.25% 6/07/16	2,850,000	2,928,449
John Deere Cap	3.9% 7/12/21	500,000	544,033
John Deere Cap Mtn	3.15% 10/21	850,000	865,921
John Deere Cap Mtn	4.5% 4/3/13	80,000	83,826
JPMC Co	4.25% 10/15/20	2,050,000	2,063,645
JPMC Co	4.625% 5/10/21	1,400,000	1,447,958
JPMC Co Mtn	3.7% 1/20/15	750,000	777,716
JPMC Co Mtn	4.65% 6/14	2,395,000	2,529,141
JPMCC	03-CB7 A4 CSTR 1/38	172,418	180,833
JPMCC	03-PM1A A4 CSTR 8/40	250,000	261,362
JPMCC	05-LDP5 A4 5.1792% 12/44	3,500,000	3,871,700
JPMCC	06-CB14 A4 CSTR 12/44	3,000,000	3,262,446
JPMCC	2003-C1 A2 4.985% 1/37	350,000	359,337
JPMCC	2003-CB6 A2 5.255% 7/37	1,500,000	1,569,432
JPMCC	2005-LDP4 ASB CSTR 10/42	1,992,328	2,076,486
JPMCC	2005-LDP5 A2 5.198% 12/44	400,000	402,525
JPMCC	2007-LD11 A2 CSTR 6/49	398,220	402,643
JPMCC	2007-LDPX A2S 5.305% 1/49	154,884	153,526
JPMorgan Chase	3.15% 7/05/16	575,000	577,811
JPMorgan Chase	4.95% 3/25/20	650,000	690,631

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JPMorgan Chase Co	3.4% 6/24/15	862,000	878,839
JPMorgan FDIC	2.125% 12/12	1,450,000	1,477,193
Kellogg	5.125% 12/03/12	60,000	62,362
Kellogg Mtn	4.25% 3/06/13	200,000	207,690
Key Bank Oh Mtn	5.5% 9/17/12	250,000	256,721
Keycorp Mtn	5.1% 3/24/21	435,000	451,564
Keycorp Mtn	6.5% 5/14/13	245,000	259,236
KFW	2.375% 8/25/21	565,000	564,040
KFW Glb	4.75% 5/15/12	2,305,000	2,339,234
Kraft Foods Inc	2.625% 5/8/13	1,158,000	1,183,169
Kraft Foods Inc	5.375% 2/10/20	1,000,000	1,153,466
Kraft Foods Inc	6.75% 2/19/14	95,000	105,588
La Ca Usd Taxm	5.75% 7/01/34	1,300,000	1,435,122
LBUBS	03-C5 A4 4.685% 7/32	2,205,000	2,291,189
LBUBS	03-C8 A4 CSTR 11/33	1,800,000	1,892,162
LBUBS	04-C2A4 4.367% 3/36	213,000	222,538
LBUBS	2003-C3 A4 4.166% 5/32	140,000	143,968
LBUBS	2004-C8 4.799% 12/29	3,145,000	3,337,779
LBUBS	2005-C5 A4 4.954% 9/30	3,000,000	3,274,929
LBUBS	2005-C7 A4 5.197% 11/30	2,000,000	2,196,448
LBUBS	2007-C6 A2 5.845% 7/40	249,424	252,404
Liberty Mutual	5% 6/1/21 144A	390,000	382,022
Liberty Mutual	5.75% 3/15/14 144A	750,000	782,227
Liberty Prop Lp	5.65% 8/15/14	1,000,000	1,065,927
Lincoln National	6.25% 2/15/20	1,350,000	1,454,061
Lloyds Tsb	6.375% 1/21/21	1,800,000	1,803,229
Lloyds Tsb Global	4.875% 1/16	2,090,000	2,036,881
Lockheed Martin	2.125% 9/15/16	485,000	485,900
Lorillard Tobc Co	3.5% 8/04/16	355,000	359,152
Mack-Cali Realty	4.6% 6/15/13	1,000,000	1,021,866
Macquarie Group	7.3% 8/14 144A	1,205,000	1,254,675
Manuf & Traders	6.625% 12/4/17	130,000	149,789
Markel Corp	7.125% 9/30/19	1,300,000	1,509,011
Massmutual Glb	3.125% 4/16 144A	1,090,000	1,127,179
MBART	2011-1 A3 0.85% 3/15	2,575,000	2,577,006
Mcdonnell Dougl	9.75% 4/1/12	245,000	250,405
Mckesson Corp	4.75% 3/1/21	425,000	481,320
Merrill Lynch	5% 1/15/15	295,000	284,224
Merrill Lynch	5% 2/3/14	500,000	497,477
Merrill Lynch	5.45% 2/05/13	1,760,000	1,772,943

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Merrill Lynch	5.45% 7/15/14	960,000	952,020
Merrill Lynch	6.05% 8/15/12	140,000	142,025
Merrill Lynch	6.15% 4/25/13	605,000	610,729
Merrill Lynch	6.4% 8/28/17	267,000	258,597
Merrill Lynch	6.875% 4/25/18	6,300,000	6,209,853
Met Life Fndg	5.2% 9/18/13 144A	1,700,000	1,802,729
Met Life Glb Fn	7.717% 2/15/19	2,500,000	3,133,975
Met Life Glbl	2.5% 9/29/15 144A	1,500,000	1,508,886
Metlife Inc	6.75% 6/1/16	260,000	299,588
Metropolitan Mtn	2.5% 1/13 144A	3,550,000	3,593,153
Mexico Gov Glb	6.375% 1/16/13	100,000	104,500
Midamerican Enr	5.875% 10/1/12	860,000	890,302
Miller Brewing	5.5% 8/13 144A	610,000	650,341
MLCFC	2006-2 A4 CSTR 6/46	3,000,000	3,348,507
MLCFC	2007-7 ASB 5.745% 6/50	1,775,000	1,827,597
MLMT	05-CIP1 A4 5.047% 7/38	3,100,000	3,396,199
MLMT	05-LC1 AM CSTR 1/44	1,000,000	1,053,232
MLMT	2005-CKI1 A6 CSTR 11/37	2,490,000	2,757,284
Morgan Stanley	2.875% 1/25/14	870,000	833,360
Morgan Stanley	3.8% 4/29/16	1,000,000	921,493
Morgan Stanley	4.1% 1/26/15	1,761,000	1,671,786
Morgan Stanley	5.3% 3/01/13	1,050,000	1,062,947
Morgan Stanley	5.375% 10/15/15	300,000	293,188
Morgan Stanley	5.5% 7/28/21	965,000	891,950
Morgan Stanley	5.75% 1/25/21	3,070,000	2,862,729
Morgan Stanley	6% 5/13/14	6,060,000	6,119,940
Morgan Stanley Frn	5/14/2013	1,500,000	1,440,333
Morgan Stanley Glb	6% 4/28/15	2,100,000	2,103,967
Morgan Stly Mtn	5.625% 1/09/12	200,000	200,031
MSC	03-IQ4 A2 4.07% 5/40	149,564	153,057
MSC	03-T11 A4 5.15% 6/41	180,000	187,509
MSC	2005-HQ7 A4 CSTR 11/42	3,000,000	3,298,473
MSC	2006-HQ8 A4 CSTR 3/44	1,290,000	1,412,814
MSC	2006-HQ9 A2 5.618% 7/44	1,940,180	1,939,462
MSC	2006-IQ12 A4 12/43	1,520,000	1,698,982
MSC	2007-HQ11 A31 CSTR 2/44	2,250,000	2,344,271
MSC	2011-C3 A3 4.054% 7/49	107,000	114,026
MSTDW	6.6% 4/01/12	160,000	161,331
MSTDW Mtn	5.75% 8/31/12	100,000	101,286
Nalt	2 11-A ABS 1.04% 8/15/14	400,000	400,128

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Nalt	2010-B A3 1% 12/15/13	830,000	831,950
Nalt	2010-B A4 1.27% 10/16	200,000	200,916
Nalt	2011-B A3 0.92% 2/15	330,000	328,145
Napa Valley	6.507% 8/1/43	1,200,000	1,390,428
Narot	2011-A A3 1.18% 2/15	370,000	371,622
Narot	2011-B A3 0.87% 2/16	2,120,000	2,116,955
Nationwide Mtn	4.65% 2/15 144A	2,745,000	2,722,488
Natl Aust Bk	2.5% 1/08/13 144A	400,000	402,059
Natl Aust Bk	3.75% 3/02/15 144A	2,595,000	2,678,313
Natl Rural	4.75% 3/1/14	300,000	323,710
NBCUniversal Med	3.65% 4/30/15	2,870,000	3,029,670
NCUA Gtd Nts Ma	1.4% 6/12/15	620,000	628,054
News Amer Inc	6.9% 3/1/19	925,000	1,086,834
Noble Enrgy Inc	4.15% 12/15/21	580,000	599,767
Nordea Bk Ag	1.75% 10/4/13 144A	7,230,000	7,065,706
Nordstrom	4% 10/15/21	200,000	208,404
Norfolks South	3.25% 12/01/21	110,000	111,569
Novartis Cap Co	2.9% 4/24/15	3,170,000	3,355,442
NSLC	04-2A A4 @LIBUS3+14 8/19	2,544,721	2,521,979
NSLT	2005-3 A3 3ML+5 6/17	7,092	7,091
NY Life	5.375% 9/15/3 144A	250,000	266,722
NY Life Gbl	2.45% 7/14/16 144A	2,000,000	2,049,866
NY Life Gbl	4.65% 5/9/13 144A	1,800,000	1,887,356
Oncor Elec Dlv	6.375% 5/01/12	700,000	711,480
Oneok Partners Lp	3.25% 2/1/16	1,610,000	1,657,558
Ontario Mtn	2.95% 2/5/15	450,000	473,968
Ontario Prov	1.875% 9/15/15	2,600,000	2,649,330
Oracle Corp	5.25% 1/15/16	250,000	288,728
Pacific Gas & Elec	6.25% 12/13	460,000	502,838
PNC Bk Na	6.875% 4/01/18	250,000	283,458
PNC Fund Corp	4.375% 8/11/20	1,200,000	1,297,018
PNC Fund Corp Mtn	3% 5/19/14	940,000	977,402
PNC Fund Mtn	3.625% 2/8/15	728,000	764,817
PNC Funding Corp	5.25% 11/15/15	110,000	119,662
PNC Funding Corp	5.625% 2/1/17	110,000	119,803
PPG Industries	5.75% 3/15/13	260,000	274,069
Praxair Inc Mtn	4.375% 3/31/14	290,000	311,110
Pricoa Glb 1 Mtn	5.45% 6/14 144A	2,185,000	2,361,957
Pricoa Global	5.3% 9/27/13 144A	1,000,000	1,057,705
Principal Life	6.25% 2/15/12	100,000	100,634

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Principal Life Mtn	5.3% 12/14/12	150,000	156,125
Principal Life Mtn	5.3% 4/24/13	520,000	545,628
Procter & Gamble	1.8% 11/15/15	670,000	691,992
Progress Energy	6.05% 3/15/14	2,550,000	2,813,999
Prudential Fin	3.625% 9/17/12	1,015,000	1,030,763
Prudential Fin	3.875% 1/14/15	1,360,000	1,408,840
PSEG Pwr LLC	2.75% 9/15/16	315,000	316,612
Pt Holdings Co Inc	Pt Holdings Co Inc	525	—
Pub Svc El & Gas	6.33% 11/1/13	380,000	415,491
Pub Svc Oklahoma	5.15% 12/1/19	150,000	167,206
Public Svc Elec	2.7% 5/01/15	525,000	547,388
Rabobank NI Utrec Mtn	1.85% 1/14	3,102,000	3,086,335
Rabobnk Nedrld Mtn	2.125% 10/15	3,930,000	3,851,698
RBS	4.875% 3/16/15	3,610,000	3,452,319
RBS Snr	3.4% 08/13 SNR	300,000	291,895
RCI Banque Sa	3.4% 4/14 144A	745,000	726,735
Rentenbank	1.875% 9/24/12	1,000,000	1,008,345
Rentenbank Glb	3.25% 3/15/13	2,000,000	2,055,654
Reynolds Amern	6.75% 6/15/17	1,000,000	1,136,890
Rio Tinto Fin	2.25% 9/20/16	870,000	886,292
Rio Tinto Fin USA Ltd	2.5% 5/16	2,115,000	2,157,930
Royal Bk Canada	1.45% 10/30/14	7,120,000	7,157,949
Royal Bk Canada	2.3% 7/20/16	100,000	101,676
Royal Bk Cda Gmtn	2.625% 12/15	1,000,000	1,028,093
Royal Bk Emtn	2.65% 4/23/12	3,400,000	3,416,962
Royal Bk Of Sctld	3ML+90 4/12	800,000	801,165
Royal Bk Sct	1.5% 3/30/12 144A	1,610,000	1,612,869
Sanofi	1.2% 9/30/14	890,000	897,029
SBM	2002-KEY2 A3 4.865% 3/36	1,100,000	1,110,104
Schlumberger	1.95% 9/16 144A	1,050,000	1,052,023
Sempra Energy	8.9% 11/15/13	400,000	451,076
Shell Intl Fin	3.1% 6/28/15	4,135,000	4,434,035
Shell Intl Fin	4% 3/21/14	465,000	499,854
Shell Intl Mtn	1.875% 3/25/13	1,300,000	1,324,323
Siemens Fin	5.75% 10/17/16 144	200,000	231,000
Simon Property	2.8% 1/30/17	416,000	425,016
Simon Property	5.625% 8/15/14	100,000	109,113
Simon Property	6.1% 5/01/16	50,000	56,843
Simon Property	6.75% 5/15/14	1,725,000	1,899,853
SLCLT	08-2 A2 @LIBUS3+45 6/17	889,835	888,529

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SLM Corp	6.25% 1/25/16	980,000	950,600
SLMA	04-6 A5 0.4731% 4/20	153,283	151,768
SLMA	08-1 A2 @LIBUS3+35 10/16	481,952	480,044
SLMA	08-6 A2 @LIBUS3+55 10/17	985,049	983,084
SLMA	2005-7 A2 3ML+9 4/22	20,521	20,512
SLMA	2006-5 A3 @LIBUS3+3 10/19	216,541	216,306
SLMA	2006-8 A3 @LIBUS3+2 1/18	472,111	471,656
SLMA	2007-6 A1 3ML+17 4/15	135,986	135,962
SLMA	2007-6 A2 3ML+25 1/19	1,500,000	1,494,704
Smucker (J.M.)	3.5% 10/15/21	375,000	383,485
Southern Cal Ed	4.15% 9/15/14	135,000	146,073
Southern Co	2.375% 9/15/15	510,000	522,593
Southern Co	4.15% 5/14	105,000	112,179
Southwstrn Bell	7% 7/01/15	255,000	297,953
SSBK Stif Fund	SSBK Stif Fund	33,658,069	33,658,069
Stadshypotek	1.45% 9/30/13 144A	250,000	249,595
Stryker Corp	2% 9/30/16	1,085,000	1,110,566
Suncor Enrgy Inc	6.1% 6/1/18	1,000,000	1,183,444
Suntrust Bank	5.25% 11/5/12	325,000	333,094
Suntrust Bk	7.25% 3/15/18	100,000	113,978
Svenska Ha Ab P	3.125% 7/12/16	1,080,000	1,086,438
Svenska Mtn	2.875% 9/14/12 144A	3,000,000	3,028,452
Svenska Mtn	4.875% 6/10/14 144A	3,260,000	3,392,454
Taot	2010-A A3 1.27% 12/13	222,496	223,064
Taot	2010-B A3 1.04% 2/14	347,121	347,752
Taot	2011-B A3 0.68% 6/15/15	5,275,000	5,250,637
Telecom Italia	4.95% 9/30/14	1,903,000	1,766,593
Telecom Italia	5.25% 11/15/13	1,410,000	1,354,611
Telecom Italia Mtn	6.175% 6/14	800,000	769,578
Thomson Corp	5.95% 7/15/13	270,000	287,716
Time Warner Cab	5.85% 5/1/17W/I	300,000	341,728
Time Warner Cab	6.2% 7/01/13	2,000,000	2,146,378
Time Warner Cab	8.75% 2/14/19	1,600,000	2,042,520
Time Warner Ent	10.15% 5/01/12	291,000	299,429
Time Warner Inc	3.15% 7/15/15	1,448,000	1,506,345
Time Warner Inc	4.75% 3/29/21	490,000	531,193
Time Warner Inc	4% 1/15/22	715,000	737,198
Toronto Dom Bk	2.5% 7/14/16	3,055,000	3,116,406
Toronto Domini	2.375% 10/19/16	895,000	910,949
Total Cap	2.3% 3/15/16	100,000	102,653

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Identity of Issue, borrower, lessor, or similar party	Description of investment including maturity date, rate of interest, collateral, par, or maturity value	Shares/Units/ Principal	Current Value
Total Cap	3% 6/24/15	6,755,000	7,140,548
Total Cap Cda	1.625% 1/28/14	450,000	457,620
Total Capital	4.125% 1/28/21	1,150,000	1,268,535
Transcanada Pip	4% 6/15/13	175,000	182,140
Transocean Inc	6.375% 12/15/21	1,355,000	1,439,674
Travelers Cos Inc	5.8% 5/15/18	55,000	64,632
Tyco Intl Grp	6% 11/15/13	600,000	650,092
UAL Pass Thru Etc	9.75% 1/17	533,605	587,606
UDR Inc Mtn	5.5% 4/1/14	460,000	485,826
Union Bk Na	2.125% 12/16/13	660,000	667,603
Union Pac Corp	5.65% 5/1/17	100,000	116,734
Union Pacific	4.875% 1/15/15	185,000	202,893
Unitedhealth Grp	1.875% 11/16	339,000	339,028
Unitedhealth Inc Mtn	4.7% 2/21	2,150,000	2,416,151
US Bancorp	3.15% 3/4/15	312,000	326,151
US Bancorp Mtn	4.2% 5/15/14	990,000	1,060,038
US Bank Na Frn	10/26/2012	1,300,000	1,302,348
US Cntrl Fed Cu	1.9% 10/19/12	5,000,000	5,069,915
US Trsy Strip	5/15/2018	15,505,000	14,283,470
USAA Capital	1.05% 9/14 144A	507,000	505,539
USAOT	2009-1 A4 4.77% 9/14	450,000	459,093
USAOT	2009-2 A3 1.54% 02/14	270,695	271,380
USAOT	2009-2 A4 0% 6/13	585,000	595,488
UST Futures	10YR FUT MAR12 TYH2	19	5,344
UST Futures	2YR FUT MAR12 TUH2	144	11,250
UST Futures	5YR FUT MAR12 FVH2	548	94,188
UST Futures	US LONG BOND(CBT) FUT MAR2 USH2	(36)	(11,250)
UST Futures	US ULTRA BOND(CBT) MAR12 WNH2	(20)	(11,250)
USTB	11.25% 2/15/15	3,000,000	4,004,064
USTB	3.75% 8/15/41	75,000	87,996
USTB	7.625% 2/15/25	2,745,000	4,436,178
USTB	8.875% 2/15/19	4,600,000	6,976,185
USTB	8.875% 8/15/17	1,095,000	1,567,647
USTCOUP	11/15/2012	5,245,000	5,240,537
USTCOUP	11/15/2013	200,000	198,942
USTCOUP	11/15/2014	550,000	543,792
USTCOUP	11/15/2017	150,000	140,065
USTCOUP	11/15/2020	1,200,000	1,016,579
USTCOUP	2/15/2012	5,000,000	4,999,885
USTCOUP	2/15/2014	14,800,000	14,712,029

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USTCOUP	2/15/2017	14,200,000	13,504,398
USTCOUP	2/15/2022	8,811,000	7,117,790
USTCOUP	5/15/2014	9,550,000	9,481,737
USTCOUP	5/15/2015	16,378,000	16,082,819
USTCOUP	5/15/2016	5,105,000	4,937,066
USTCOUP	5/15/2019	7,190,000	6,425,861
USTCOUP	5/15/2020	4,000,000	3,480,540
USTCOUP	8/15/2012	3,600,000	3,597,836
USTCOUP	8/15/2013	3,520,000	3,505,561
USTCOUP	8/15/2014	300,000	297,296
USTCOUP	8/15/2016	27,900,000	26,828,583
USTCOUP	8/15/2020	4,140,000	3,540,222
USTN	0.25% 11/30/13	4,139,000	4,139,969
USTN	0.25% 9/15/14	2,401,000	2,395,559
USTN	0.375% 11/15/14	25,461,000	25,480,885
USTN	0.375% 6/30/13	1,676,000	1,680,190
USTN	0.5% 10/15/13	2,700,000	2,712,023
USTN	0.5% 5/31/13	40,805,000	40,981,930
USTN	0.5% 8/15/14	7,310,000	7,344,269
USTN	0.625% 7/15/14	22,331,000	22,505,450
USTN	0.75% 3/31/13	14,300,000	14,401,659
USTN	0.875% 11/30/16	47,497,000	47,649,133
USTN	0.875% 12/31/16	7,830,000	7,845,903
USTN	0.25% 12/15/14	32,455,000	32,353,578
USTN	1% 8/31/16	16,680,000	16,865,048
USTN	1% 9/30/16	48,279,000	48,791,964
USTN	1.25% 3/15/14	21,070,000	21,519,381
USTN	1.25% 4/15/14	18,625,000	19,032,422
USTN	1.25% 8/31/15	19,010,000	19,516,445
USTN	1.25% 9/30/15	25,350,000	26,015,438
USTN	1.5% 7/31/16	1,375,000	1,421,835
USTN	1.75% 1/31/14	4,000,000	4,122,500
USTN	1.75% 7/31/15	13,161,000	13,739,873
USTN	1.875% 6/30/15	38,831,000	40,699,742
USTN	1.875% 9/30/17	5,170,000	5,406,285
USTN	2% 11/15/21	3,385,000	3,422,025
USTN	2.125% 12/31/15	1,300,000	1,379,117
USTN	2.125% 5/31/15	2,662,000	2,810,907
USTN	2.375% 10/31/14	7,979,000	8,430,308
USTN	2.375% 3/31/16	11,000,000	11,781,176

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Identity of Issue, borrower, lessor, or similar party	Description of investment including maturity date, rate of interest, collateral, par, or maturity value	Shares/Units/ Principal	Current Value
USTN	2.375% 9/30/14	5,038,000	5,316,269
USTN	2.5% 3/31/13	31,900,000	32,810,905
USTN	2.5% 3/31/15	3,181,000	3,392,486
USTN	2.75% 2/15/19	1,540,000	1,686,660
USTN	3% 9/30/16	5,015,000	5,529,429
USTN	3.125% 10/31/16	27,550,000	30,554,658
USTN	3.25% 3/31/17	6,855,000	7,677,600
USTN	3.5% 2/15/18	2,635,000	3,004,722
USTN	4.125% 5/15/15	7,000,000	7,853,671
USTN	4.25% 11/15/17	2,350,000	2,775,938
USTN	4.25% 8/15/15	8,360,000	9,475,542
USTN	4.625% 11/15/16	8,705,000	10,282,781
USTN	4.75% 1/31/12	3,000,000	3,010,782
USTN	4.75% 8/15/17	1,920,000	2,312,400
USTN TII	2% 4/15/12	1,000,000	1,121,211
USTN TII	3% 7/15/12	100,100	128,852
Valet	2011-1 A3 1.22% 6/15	950,000	954,594
Vende	1994-1 2ZB 6.5% 2/24	584,879	655,732
Vende	1998-1 2E 7% 3/28	162,676	189,788
Verizon Com	2% 11/1/16	2,920,000	2,928,941
Verizon Com	3.5% 11/01/21	4,425,000	4,605,053
Verizon Com Inc	5.25% 4/15/13	2,000,000	2,110,678
Verizon New Eng	4.75% 10/1/13	100,000	105,046
VF Corp	3.5% 9/01/21	240,000	249,212
Viacom Inc New	2.5% 12/15/16	1,970,000	1,969,708
Viacom Inc New	3.875% 12/15/21	84,000	85,718
Vodafone Glbl	5% 12/16/13	1,465,000	1,572,176
Vodafone Grp Plc	4.15% 6/10/14	3,600,000	3,817,577
VWALT	2010-A A3 0.99% 11/13	1,340,000	1,341,926
VWALT	2010-A A4 1.18% 10/15	100,000	100,244
VWALT	2011-A A2 1% 2/14	320,000	320,003
VWIF	1.625% 8/12/13 144A	534,000	535,534
Wachovia Bank Na	5.6% 3/15/16	100,000	107,105
Wachovia Bank Na	BN 6% 11/15/17	300,000	331,349
Wachovia Corp	4.875% 2/15/14	235,000	245,146
Wachovia Corp Mtn	5.75% 2/1/18	2,000,000	2,271,456
Walmart	0.75% 10/25/13	5,000,000	5,024,000
Walmart	2.8% 4/15/16	2,920,000	3,121,535
Walmart	2.875% 4/01/15	4,367,000	4,629,365
Walmart Stores Mtn	3.2% 5/14	834,000	880,884

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Walt Disney Co	0.875% 12/01/14	145,000	145,700
WBCMT	03-C8 A4 4.964% 11/35	2,000,000	2,105,844
WBCMT	05-C21 A4 5.274% 10/44	2,430,000	2,663,501
WBCMT	06-C24 A3 CSTR 3/45	3,000,000	3,309,441
WBCMT	2002-C2 A4 4.98% 11/34	1,639,454	1,672,104
WBCMT	2003-C7 A2 CSTR 10/35	2,500,000	2,631,400
WBCMT	2003-C9 A4 5.012% 12/35	530,000	558,379
WBCMT	2004-C11 A5 5.215% 1/41	233,000	249,547
WBCMT	2007-C31A A2 5.421% 4/47	450,646	462,159
WBCMT	2007-C33 A3 CSTR 2/51	1,820,000	1,929,098
WBCMT	2007-C33 APB CSTR 2/51	1,341,000	1,424,004
Weatherford Int Mtn	5.125% 9/20	2,300,000	2,389,272
Wellpoint Inc	6% 2/15/14	245,000	267,083
Wells Fargo	3.676% 6/15/16	5,315,000	5,555,302
Wells Fargo	5.25% 10/23/12	2,370,000	2,453,211
Wells Fargo Bk Glb	4.75% 2/9/15	315,000	328,683
Wells Fargo Mtn	3.625% 4/15/15	1,016,000	1,063,759
Westfield	5.125% 11/15/14 144A	1,600,000	1,676,563
Westpac Bank Corp	2.1% 8/2/13	643,000	649,363
Westpac Banking	4.2% 2/27/15	4,660,000	4,857,523
Westpac Bk Corp	1.85% 12/09/13	1,530,000	1,531,640
WFRBS	2011-C5 A1 1.456% 11/44	147,556	147,105
Williams Partnr	5.25% 3/15/20	1,450,000	1,604,563
WOART	2010-A A3 1.34% 12/13	262,273	262,690
WOART	2011-A A3 1.49% 10/14	370,000	372,141
Woolworths Ltd Mtn	2.55% 9/15	1,290,000	1,318,130
Wrap Contracts	Wrap Contracts	—	3,375,340
Wyeth	5.5% 2/01/14	350,000	383,729
Xerox Corp	3ML+82 5/16/14	775,000	763,619
Xstrata Can Crp	2.85% 11/14 144	965,000	970,060
Xstrata Can Fin	3.6% 1/17 144A	2,000,000	2,016,942
Xylem Inc	4.875% 10/21 144A	1,000,000	1,072,280
Total Investment Contracts			2,058,759,571
Registered Investment Companies			
Aberdeen Asia Pacific Income Fd	Equity Based Mutual Fund	3,565	26,133
Aberdeen Internatl Equity Fund Instl Cl	Equity Based Mutual Fund	6,094	78,551
Abn Amro River Road Dynamic Equity Cl N	Equity Based Mutual Fund	1,496	16,277
Abn Amro Talon Mid Cap Cl N	Equity Based Mutual Fund	1,966	58,163
Acadian Emerging Markets Port Instl	Equity Based Mutual Fund	204	3,241

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Identity of Issue, borrower, lessor, or similar party	Description of investment including maturity date, rate of interest, collateral, par, or maturity value	Shares/Units/ Principal	Current Value
Advent Claymore Conv Secs & Income	Equity Based Mutual Fund	310	4,566
Advisorshares Tr Active Bear Etf	Equity Based Mutual Fund	473	11,834
Advisorshares Tr Cambria Global	Equity Based Mutual Fund	849	19,943
Advisorshares Tr Wcm Bny Mellon Focused	Equity Based Mutual Fund	70	1,981
Aim Diversified Dividend Investor Cl	Equity Based Mutual Fund	18,480	219,539
Akre Focus Fund Retail	Equity Based Mutual Fund	5,639	75,847
Alliancebernstein Income Fd Inc	Equity Based Mutual Fund	2,483	20,038
Allianz Global Invt Solution 2015 Cl D	Target Date Mutual Fund	587	10,458
Allianz Global Invt Solutions 2020 Cl D	Target Date Mutual Fund	875	15,256
Allianz Nacm Income & Growth Cl D	Equity Based Mutual Fund	395	4,538
Allianz Rcm Global Water Fund Cl D	Equity Based Mutual Fund	4,303	37,263
Alpha Hedged Strategies Fund	Equity Based Mutual Fund	3,883	40,694
Alpine Global Dynamic Divid Fd	Equity Based Mutual Fund	413	2,136
Alpine Total Dynamic Divid Fd Com Sh Ben	Equity Based Mutual Fund	1,012	4,435
Alps Etf Tr Alerian Mlp Etf	Equity Based Mutual Fund	7,018	116,637
Amana Mutual Fund Trust Growth	Equity Based Mutual Fund	2,008	48,669
Amana Mutual Fund Trust Income	Equity Based Mutual Fund	3,673	116,611
Amer Century Target Maturities Tr 2015	Target Date Mutual Fund	1,805	203,175
Amer Century Target Maturities Tr 2020	Target Date Mutual Fund	302	28,467
Amer Century Target Maturities Tr 2025	Target Date Mutual Fund	314	26,548
American Century Equity Growth	Equity Based Mutual Fund	5,095	109,230
American Century Equity Income	Equity Based Mutual Fund	21,425	155,763
American Century Fundamental Eq Inv	Equity Based Mutual Fund	1,148	14,920
American Century Global Gold	Equity Based Mutual Fund	690	13,607
American Century Heritage	Equity Based Mutual Fund	199	3,906
American Century Inflation Adj Treas	Fixed Income Based Mutual Fund	7,568	96,413
American Century Int L Opp. Fund Inv Cl	Equity Based Mutual Fund	3,182	18,551
American Century Internatl Value Inv	Equity Based Mutual Fund	2,328	15,411
American Century Livestrong 2025 Inv	Target Date Mutual Fund	2,550	29,580
American Century Livestrong 2035 Inv	Target Date Mutual Fund	602	7,142
American Century Mid Cap Value Inv Shs	Equity Based Mutual Fund	21,246	248,363
American Century Real Estate	Equity Based Mutual Fund	1,457	29,442
American Century Sml Cap Val-Instit Cl	Equity Based Mutual Fund	1,074,421	8,358,997
American Century Utilities	Equity Based Mutual Fund	163	2,574
Aqr Diversified Arbitrage Class I	Equity Based Mutual Fund	3,017	32,860
Arrow Managed Futures Trend Cl C	Equity Based Mutual Fund	1,135	10,862
Artisan Global Value Fd Invt Shares	Equity Based Mutual Fund	214	2,170
Artisan Internat'L	Equity Based Mutual Fund	610	12,098
Artisan Opportunistic Value	Equity Based Mutual Fund	9,816	98,062
Artisan Small Cap Growth	Equity Based Mutual Fund	11,774	207,217

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Ave Maria Growth	Equity Based Mutual Fund	594	12,269
Ave Maria Rising Dividend Fund	Equity Based Mutual Fund	446	5,655
B2B Internet Holdrs Exchanged	Equity Based Mutual Fund	8,700	8,265
B2B Internet Holdrs Tr	Equity Based Mutual Fund	2,000	1,900
Barclays Bk Plc Ipath Barclays Cap	Equity Based Mutual Fund	100	5,833
Barclays Bk Plc Ipath Dow Jones	Equity Based Mutual Fund	30	1,321
Barclays Bk Plc Ipath Dow Jones Aig	Equity Based Mutual Fund	200	9,006
Barclays Bk Plc Ipath Index Lkd Secs	Equity Based Mutual Fund	400	10,048
Baron Emerginig Markets Fund Retail	Equity Based Mutual Fund		