



Aerospace Employees' Retirement Plan Benefit - Election Period for Portfolio A

Dear Plan Participant,

Every August you have the option of transferring from the Variable Benefit or Alternate Variable Benefit to the Portfolio A Benefit.

Portfolio A is a managed portfolio of short term to intermediate bonds with investment guidelines as follows:

- A majority of Portfolio A will be invested in U.S. Treasury or U.S. Government securities backed by the full faith and credit of the U.S. Government.
- The balance will be invested in U.S. corporate bonds rated AA or better.
- Bonds in Portfolio A will be restricted to those having maturities of no more than ten (10) years, and the average portfolio maturity will be no more than five (5) years.

Please review the attached sample calculation of how Variable units or Alternate Variable units are converted to Portfolio A units. If you have additional questions, please review the attached performance information and comparison of provisions.

You may elect to transfer your Variable units or Alternate Variable units to Portfolio A units. **If you elect to transfer to Portfolio A, the transfer will be effective September 30 of this year, and the first payment from Portfolio A will be effective January 1 two years from now. For example, if it is currently 2021 the transfer will be effective September 2021 and the first payment will be January 1, 2023.**

The election to transfer to Portfolio A is irrevocable. Once you elect Portfolio A, you may never change your election again. If you choose to enroll in Portfolio A, please complete the attached enrollment form. **Aerospace Pension Service Center must receive the enrollment form by close of business on August 31. Late election forms will not be accepted and will be returned.**

If you do not want to transfer to Portfolio A, then do not complete the Portfolio A election form.

If you have any questions about this information, please call the Aerospace Pension Service Center at (800) 458-3892, Monday – Friday, 7am to 4pm PT.

For current information on Unit Payment Values and other topics of interest, please visit the Aerospace retiree website at retirees.aerospace.org.

Sincerely,

Aerospace Pension Service Center

**THE AEROSPACE CORPORATION
ELECTION TO TRANSFER VARIABLE UNITS OR ALTERNATE VARIABLE UNITS
TO PORTFOLIO A UNITS
SEPTEMBER 30 OF THIS YEAR**

I REQUEST that the equivalent dollar value of my accrued Variable Units or Alternate Variable Units be transferred to Portfolio A Units.

I UNDERSTAND that the units will be converted September 30, this year.

I UNDERSTAND that Payment from Portfolio A will begin January 1, following September of next year.

I ACKNOWLEDGE that once this request has been submitted, the transfer will be irrevocable.

I ACKNOWLEDGE that I have read all of the information provided to me by the Corporation in the attached letter of explanation. In making this request, I realize that the Corporation, its Board of Trustees, Officers, and Employees are not guaranteeing the rate of return for the Variable Benefit, the Alternate Variable Benefit or Portfolio A.

_____ Signature	_____ Date
_____ Print First Name & Last Name	_____ Badge Number
_____ Social Security Number	

If you do not want to change to Portfolio A units then DO NOT COMPLETE THIS FORM.

If you do want to change to Portfolio A units, then the Aerospace Pension Service Center must receive this election form NO LATER THAN the close of business on August 31. Late election forms will not be accepted and will be returned. Please mail to:

**The Aerospace Corporation
Aerospace Pension Service Center
DEPT: AERO
P.O. Box 981908
El Paso, TX 79998**

The following chart is a comparison of the three investments funds:

	Portfolio A	Variable	Alternate Variable (Closed)
Investments	A majority of the portfolio will be invested in U.S. Treasury or U.S. Government securities backed by the full faith and credit of the U.S. Government. The balance will be invested in U.S. corporate bonds rated AA or better.	The Variable benefit investment portfolio is diversified and includes U.S. Common stocks, Non-U.S. Common stocks, government bonds, Corporate bonds and real estate.	U.S. Treasury Securities only
Maximum Maturity	Ten Years	Not Applicable	One Year
Maximum Average Maturity	Five Years	Not Applicable	Less than One Year

PLAN YEAR ENDING IN:	PERCENTAGE INCREASE/DECREASE IN UNIT VALUES			INFLATION: (CPI, Urban Consumers All Cities)
	VARIABLE	ALTERNATE VARIABLE	PORTFOLIO A (Hypothetical from 1989-1999)	
1990	-9.3%	4.1%	4.5%	6.1%
1991	16.0%	2.8%	6.5%	3.4%
1992	5.1%	1.0%	5.6%	2.9%
1993	12.2%	-0.9%	2.0%	2.7%
1994	-3.3%	-0.8%	-3.9%	3.0%
1995	13.9%	1.6%	4.3%	2.5%
1996	6.3%	1.4%	1.2%	3.0%
1997	19.2%	1.4%	2.7%	2.1%
1998	2.7%	1.6%	3.2%	1.5%
1999	11.0%	0.2%	-1.1%	2.6%
2000	9.6%	1.6%	1.9%	2.6%
2001	-10.6%	1.9%	5.5%	2.6%
2002	-8.7%	-1.7%	2.5%	1.5%
2003	14.6%	-2.9%	-2.0%	2.3%
2004	8.0%	-3.2%	-2.9%	2.5%
2005	8.5%	-1.7%	-2.9%	4.7%
2006	4.5%	0.1%	-0.2%	2.1%
2007	9.1%	0.8%	1.3%	2.8%
2008	-14.8%	-1.5%	1.1%	4.9%
2009	-2.6%	-3.7%	0.4%	-1.3%
2010	5.3%	-3.6%	-1.9%	1.1%
2011	-2.9%	-3.6%	-3.1%	3.9%
2012	10.5%	-3.7%	-2.6%	2.0%
2013	8.5%	-3.7%	-3.6%	1.2%
2014	4.5%	-3.8%	-3.2%	1.7%
2015	-6.4%	-3.8%	-3.0%	0.0%
2016	6.5%	-3.7%	-2.9%	1.5%
2017	7.7%	-3.0%	-3.1%	2.2%
2018	0.5%	-2.3%	-3.8%	2.3%
2019	0.1%	-1.5%	0.3%	1.7%
2020	6.4%	-2.8%	-0.5%	1.4%

THE AEROSPACE EMPLOYEES' RETIREMENT PLAN
VARIABLE/ALTERNATE VARIABLE/PORTFOLIO A
UNIT VALUE HISTORY

RETIREE EFFECTIVE PAYMENT DATE	PLAN YEAR END	VARIABLE		ALTERNATE VARIABLE		PORTFOLIO A	
		PAYMENT VALUE	PURCHASE VALUE	PAYMENT VALUE	PURCHASE VALUE	PAYMENT VALUE	PURCHASE VALUE
1/1/1990	9/30/1989	3.5769	3.3041	2.8601	2.8070		
1/1/1991	9/30/1990	3.2459	3.4314	2.9768	2.9113		
1/1/1992	9/30/1991	3.7665	3.4757	3.0606	3.0138		
1/1/1993	9/30/1992	3.9575	3.8481	3.0927	3.0749		
1/1/1994	9/30/1993	4.4416	4.4416	3.0635	3.0635		
1/1/1995	9/30/1994	4.2951	4.2951	3.0405	3.0405		
1/1/1996	9/30/1995	4.8911	4.8911	3.0882	3.0882		
1/1/1997	9/30/1996	5.1998	5.1998	3.1300	3.1300		
1/1/1998	9/30/1997	6.1963	6.1963	3.1739	3.1739		
1/1/1999	9/30/1998	6.3646	6.3646	3.2253	3.2253		
1/1/2000	9/30/1999	7.0667	7.0667	3.2326	3.2326		
1/1/2001	9/30/2000	7.7436	7.7436	3.2856	3.2856	3.2941	3.2941
1/1/2002	9/30/2001	6.9240	6.9240	3.3478	3.3478	3.4760	3.4760
1/1/2003	9/30/2002	6.3192	6.3192	3.2912	3.2912	3.5633	3.5633
1/1/2004	9/30/2003	7.2388	6.8953	3.1960	3.1960	3.4931	3.4931
1/1/2005	9/30/2004	7.8147	7.3980	3.0946	3.0946	3.3922	3.3922
1/1/2006	9/30/2005	8.4808	8.0624	3.0409	3.0409	3.2925	3.2925
1/1/2007	9/30/2006	8.8633	8.6333	3.0431	3.0431	3.2862	3.2862
1/1/2008	9/30/2007	9.6680	9.1307	3.0672	3.0672	3.3294	3.3294
1/1/2009	9/30/2008	8.2369	9.0429	3.0223	3.0223	3.3672	3.3672
1/1/2010	9/30/2009	8.0257	8.1257	2.9118	2.9118	3.3802	3.3802
1/1/2011	9/30/2010	8.4531	8.2663	2.8079	2.8079	3.3160	3.3160
1/1/2012	9/30/2011	8.2058	8.3405	2.7075	2.7075	3.2117	3.2117
1/1/2013	9/30/2012	9.0690	8.6206	2.6062	2.6062	3.1280	3.1280
1/1/2014	9/30/2013	9.8364	9.4419	2.5085	2.5085	3.0146	3.0146
1/1/2015	9/30/2014	10.2814	10.0625	2.4138	2.4138	2.9187	2.9187
1/1/2016	9/30/2015	9.6261	9.9498	2.3223	2.3223	2.8322	2.8322
1/1/2017	9/30/2016	10.2513	9.9668	2.2358	2.2358	2.7512	2.7512
1/1/2018	9/30/2017	11.0445	10.6584	2.1680	2.1680	2.6647	2.6647
1/1/2019	9/30/2018	11.0941	11.0744	2.1175	2.1175	2.5637	2.5637
1/1/2020	9/30/2019	11.1021	11.0982	2.0849	2.0849	2.5722	2.5722
1/1/2021	9/30/2020	11.8120	11.4286	2.0268	2.0268	2.5594	2.5594

EXAMPLES: Variable and Alternate Variable Conversions to Portfolio A

<p>August 2018 September 2018</p>	<p>Participant had 300.00 Variable units. Participant elects to switch to Portfolio A units. Variable units held were converted to dollars (using Variable Unit Payment Value as of 9/30/2018): 300.00 Variable units multiplied by \$11.0941=\$3,328.23 (Variable dollars)</p> <p>Variable dollars were converted to Portfolio A units (using Portfolio A Unit Payment Value as of 9/30/2018): \$3,328.23 divided by \$2.5637=1,298.21 Portfolio A units</p>
<p>January 2020</p>	<p>Participant is paid out of Portfolio A instead of Variable (using Portfolio A Unit Payment Value as of 9/30/2019): 1,298.21, Portfolio A units multiplied by \$2.5722=\$3,339.26 (Portfolio A dollars)</p>

<p>August 2018 September 2018</p>	<p>Participant had 100.00 Alternate Variable units. Participant elects to switch to Portfolio A units. Alternate Variable units held were converted to dollars (using Alternate Unit Payment Value as of 9/30/2018): 100.00 Alternate Variable units multiplied by \$2.1175=\$211.75 (Alternate Variable dollars)</p> <p>Alternate Variable dollars were converted to Portfolio A units (using Portfolio A Unit Payment Value as of 9/30/2018): \$211.75 divided by \$2.5637=82.60 Portfolio A units</p>
<p>January 2020</p>	<p>Participant is paid out of Portfolio A instead of Alternate (using Portfolio A Unit Payment Value as of 9/30/2019): 82.60 Portfolio A units multiplied by \$2.5722=\$212.46 (Portfolio A dollars)</p>

Sample Worksheet for Portfolio A Election (for participants holding Variable Units):

August Current Year

Number of Variable Units you have: _____

Convert your Variable units to dollars using new variable rate:

(#of units)	x	\$9/30/Current Year Variable Unit Payment Value*	=	\$New Variable Dollars

September Current Year

Convert new Variable dollars to Portfolio A units:

\$New Variable Dollars	÷	\$9/30/ Current Year Portfolio A Unit Payment Value*	=	#Portfolio A Units

January Current Year +2

Participant will be paid out of Portfolio A instead of Variable:

#Portfolio A Units	x	\$Portfolio A Unit Payment Value for 9/30/Of Next year**	=	\$Portfolio A Dollars for 1/1/2022

**We will not know the new Variable or Portfolio A Unit Payment Values until the end of plan year (PY).*

***We will not know the (effective payment date) Portfolio A unit payment value until the end of plan year (PY) .*

