Date: January 2026
To: **The Aerospace Employees' Retirement Plan Participants**
From: Plan Administrator for The Aerospace Employees' Retirement Plan
Subject: **The Aerospace Employees' Retirement Plan Funding Notice**

Sponsors of qualified pension plans, such as **The Aerospace Employees' Retirement Plan**, are required each year to provide plan participants with certain information about the funded status of their plan. The attached ***"Annual Funding Notice for The Aerospace Employees' Retirement Plan"*** meets this annual requirement. This cover memo should help you better understand the Funding Notice.

This Notice is *not* a notice of any intention on the company's part to change in any way the terms of **The Aerospace Employees' Retirement Plan** or to terminate the plan.

No Impact on Your Accrued Benefits

The benefits you have already earned under ***The Aerospace Employees' Retirement Plan*** *have not changed.*

If you are a retiree or beneficiary and are currently receiving benefits from the Plan, your rights to those benefits have not changed.

Understanding the Annual Funding Notice

A pension plan is designed to provide plan participants with a benefit at retirement based on the plan's formula. In order to ensure sufficient funds exist to pay for these future retirement benefits, The Aerospace Corporation makes contributions to a trust fund and that money is set aside for plan benefits and invested based on the plan's investment policy. The timing of contributions is determined by federal guidelines and based on how much is in the trust (assets) and future obligations for benefits (liabilities). The Plan's investment and funding policies are outlined in the attached Notice.

The plan's assets and liabilities (measured on a market basis) for 2022, 2023 and 2024 are summarized in the "*Percentage of Plan Liabilities Funded"* section of the Notice. These values are as of September 30 of the respective year.

As you can see, our Plan was 94% funded as of September 30, 2025. However, since most retirement obligations are for payments that will occur many years from now, we have time to make up this deficit through both contributions and future investment returns.

Our Commitment to Your The Aerospace Employees' Retirement Plan Benefits

These values do not affect the amount of your pension benefit earned under the Plan. We want to assure you that we have every intention of continuing to fund our Plan as required by law.

Annual Funding Notice For
The Aerospace Employees' Retirement Plan

Introduction

This notice provides key details about your pension plan (the "Plan") for the plan year beginning October 1, 2024 and ending September 30, 2025 (the "Plan Year").

This is an informational notice. You do not need to respond or take any action.

This notice includes:

- Information about your Plan's funding status.
- Details on your benefit payments guaranteed by the Pension Benefit Guaranty Corporation (PBGC), a federal insurance agency.

What if I have questions about this notice or my Plan?

Contact your plan administrator at:

- **Employee Benefits**
- **Phone:** (310) 336-5107
- **Address:** 2310 East El Segundo Boulevard, M3/433. El Segundo, CA 90245-4609

To better assist you, provide your plan administrator with the following information when you contact them:

- **Plan Number:** 001
- **Plan Sponsor Name:** The Aerospace Corporation
- **Employer Identification Number:** 95-2102389

What if I have questions about PBGC and the pension insurance program guarantees?

Visit www.pbgc.gov/generalfaqs for more information. For specific information about your pension plan or pension benefits, you should contact your employer or plan administrator as PBGC does not have that information.

Federal law requires all traditional pension plans, also known as defined benefit pension plans, to provide this notice every year regardless of funding status. This notice does not mean your Plan is terminating.

How Well Funded Is Your Plan?

The law requires the plan administrator to explain how well the Plan is funded, using a measure called the "funded percentage." The funded percentage is calculated by dividing Plan assets by Plan liabilities. In general, the higher the funded percentage, the better funded the plan. Plan liabilities are the present value of the benefits promised by the Plan, determined using a market-related interest assumption. The chart below shows the Plan's funded percentage for the Plan Year and the two preceding plan years. It also lists the value of the Plan's assets and liabilities for those years.

Percentage of Plan Liabilities Funded

	2024*	2023	2022
1. Last day of relevant plan year	September 30	September 30	September 30
2. Plan assets	$2,112,164,542	$2,108,801,624	$1,886,820,174
3. Plan liabilities	$2,240,000,000	$2,279,391,439	$2,115,875,232
4. Percentage of plan liabilities funded *(Line 2 ÷ Line 3)*	94%	93%	89%

* Plan liabilities in line 3 is an estimate of the amount of the amount of assets the Plan needs on September 30, 2025 to pay for promised benefits under the Plan based on data as of September 30, 2024.

If the Plan terminates, the Plan's liabilities calculated by PBGC may be greater than the Plan liabilities shown in the above chart. When PBGC takes over a terminated plan as trustee, it guarantees benefits up to a legal limit. See the section of this notice titled "Benefit Payments Guaranteed by PBGC" for additional information.

Participant and Beneficiary Information

The following chart shows the number of participants and beneficiaries covered by the Plan on the last day of the Plan Year and the two preceding years.

Number of participants and beneficiaries on last day of relevant plan year	**2024***	**2023**	**2022**
1. Last day of relevant plan year	September 30	September 30	September 30
2. Participants currently employed	2,108	2,288	2,463
3. Participants and beneficiaries receiving benefits	4,288	4,284	4,248
4. Participants and beneficiaries entitled to future benefits (but not receiving benefits)	1,044	1,069	1,099
5. Total number of covered participants and beneficiaries *(Lines 2 + 3 + 4 = 5)*	7,440	7,641	7,810

* Final participant counts as of September 30, 2025, are not yet available. The counts shown in this column are based on preliminary data as of September 30, 2025. The counts are not expected to change significantly once they are finalized.

Funding & Investment Policies

Funding Policy

Every pension plan must establish a funding policy to meet its objectives. The funding policy relates to how much money is needed to pay promised benefits. The funding policy of the Plan's sponsor is to contribute an amount each year to the Plan equal to the greater of (i) the assignable cost less prepayment credits from the prior year, if any, as determined under Cost Accounting Standard 412 or (ii) the minimum required contribution, as determined under ERISA

Investment Policy

Pension plans also have investment policies that provide guidelines for making investment management decisions. Once money is contributed to the Plan, the money is invested by Plan officials called fiduciaries who invest the Plan's assets in accordance with the Plan's investment policy. Generally speaking, an investment policy is a written statement that provides fiduciaries who are responsible for investing Plan assets, with guidelines as to the types of investments they may invest in. Some degree of investment risk is necessary to meet the expectation that performance will be better than the rate of inflation over the long-term.

As of the end of the Plan Year, the Plan's assets were allocated among the following investment categories as percentages of total assets:

Asset Allocations	Percentage
Public equity	51.1%
Private equity	0.0%
Investment grade debt instruments	41.9%
High-yield debt instruments	1.7%
Cash and cash equivalents	0.8%
Real estate	4.4%
Other	0.1%

The average return on assets for the Plan Year was 8.84%.

Right to Request a Copy of the Annual Report

Pension plans must file an annual report, called the **Form 5500**, with the U.S. Department of Labor. The Form 5500 includes financial and other information about these pension plans.

You can get a copy of your Plan's Form 5500:

- **Online:** Visit www.efast.dol.gov to search for your plan's Form 5500.
- **By Mail:** Submit a written request to your plan administrator.
- **By Phone:** Call (202) 693-8673 to speak with a representative of the U.S. Department of Labor, Employee Benefits Security Administration's Public Disclosure Room.

The Form 5500 does not include personal information, such as your accrued benefits. For details about your accrued benefits, contact your plan administrator.

Termination Rules for Single-Employer Plans

Federal law outlines specific rules for terminating a pension plan. There are three types of terminations:

Standard Termination

An employer can end a plan through a standard termination. However, the plan administrator must prove to PBGC that the plan has enough money to pay all benefits owed to participants.

Under a standard termination, the plan must provide your benefits through one of the following methods:

- **Periodic benefits:** The plan buys an annuity from an insurance company, ensuring you receive regular, generally monthly, retirement payments for life. Before purchasing the annuity, your plan administrator will notify you about the selected insurance company.
- **Lump-sum payment:** If the plan allows, you may elect a lump-sum payment that covers your entire benefit.

PBGC's guarantee ends once an annuity is purchased, or a lump sum is paid. If the insurance company providing the annuity becomes unable to pay your benefits, the applicable state guaranty association will step in, guaranteeing the annuity to the extent authorized by state law.

Distress Termination

If a plan is not fully funded, the employer may apply for a distress termination. The employer must demonstrate financial distress and prove to either a bankruptcy court or PBGC that the employer's business cannot survive unless the plan is terminated. If approved for a distress termination, PBGC will manage the plan as trustee, allocate the plan's assets based on statutory priority categories, and pay guaranteed benefits up to the legal limits, using the plan's assets and PBGC guarantee funds.

Involuntary Termination

PBGC can terminate a plan on its own in certain situations, such as to protect plan participants or PBGC's insurance program. In these cases, PBGC is appointed trustee and assumes responsibility for the plan.

Learn more about single-employer plan terminations in PBGC's Pension Plan Termination Fact Sheet at https://www.pbgc.gov/about/factsheets/page/termination.

Benefit Payments Guaranteed by the PBGC

When PBGC takes over a single-employer plan, it pays pension benefits through its insurance program. Only vested benefits—those you've earned and cannot forfeit—are guaranteed. Most participants and beneficiaries receive their full pension benefits, but some people may lose some, or all, non-guaranteed benefits.

What PBGC Guarantees

PBGC guarantees the following “basic benefits” up to limits sets by law:

- Pension benefits at normal retirement age;
- Most early retirement benefits;
- Annuity benefits for survivors of plan participants; and
- Disability benefits for a disability that occurred before the date the plan terminated.

What PBGC Does Not Guarantee

PBGC does not guarantee certain types of benefits, including:

- The PBGC does not guarantee benefits for which you do not have a vested right, usually because you have not worked enough years for the company.
- The PBGC does not guarantee benefits for which you have not met all age, service, or other requirements.
- Benefit increases and new benefits that have been in place for less than one year are not guaranteed. Those that have been in place for less than five years are only partly guaranteed.
- Benefits other than pension benefits, such as health insurance, life insurance, death benefits, vacation pay, or severance pay, are not guaranteed.
- The PBGC generally does not pay lump sums exceeding $7,000.

Determining Guarantee Amounts

The amount PBGC guarantees is determined as of the plan’s termination date. If the plan terminates during the plan sponsor’s bankruptcy, the guarantee amount is determined as of the date the sponsor entered bankruptcy.

The maximum benefit PBGC guarantees is set by law and updated annually. Participants and beneficiaries may receive benefits above the PBGC guaranteed amount, but only if the plan has enough funds to pay them.

For a plan with a termination date or sponsor bankruptcy date, as applicable in 2025, the maximum guarantee is $7,431.82 per month, or $89,181.84 per year, for a benefit paid to a 65-year-old retiree with no survivor benefit. If a plan terminates during a plan sponsor’s bankruptcy, the maximum guarantee is fixed as of the calendar year in which the sponsor entered bankruptcy.

If benefits begin:

- Before age 65, the maximum guarantee is lower, reflecting the longer expected payment period for younger retirees.
- After age 65, the maximum guarantee is higher.

The guaranteed amount is reduced if a benefit will be paid to a survivor upon the participant’s death. Maximum guarantee amounts by age can be found on PBGC’s website, https://www.pbgc.gov/wr/benefits/guaranteed-benefits/maximum-guarantee.

In determining whether the plan has enough assets to pay benefits above the guaranteed amount, PBGC uses different assumptions than those used to calculate the funded percentage shown in the “**How Well Funded Is Your Plan?**” section of this notice. As a result, the additional benefits participants receive may not align with the Plan’s reported funded percentage. For example, a plan that reports 80 percent funding based on its own calculations does not mean its participants will receive 80 percent of their vested benefits.