



The Boeing Company VIP Investment Guide

Investing in Your Financial Future

No matter if retirement is years away or around the corner, reaching your financial goals begins with an investment strategy that fits with your financial personality and goals. And it's not as hard as you think. Although the responsibility for choosing your investments is yours, Boeing helps you by providing an array of resources and access to advisors to guide you along the way to grow your savings and plan for a secure financial future.

Get to know The Boeing Company Voluntary Investment Plan (VIP) lineup of investment funds and financial planning tools that will help you make confident decisions.

“You don’t
need to be a
rocket scientist.
Investing is not
a game where
the guy with the
160 IQ beats the
guy with 130 IQ.”

— *Warren Buffett*



Every effort has been made to provide accurate information in this Guide. The information is for informational purposes only; it does not constitute a contract or contractual obligation. In the event of a conflict between this Guide and The Boeing Company Voluntary Investment Plan document, the terms of The Boeing Company Voluntary Investment Plan document will control. Copies of plan-related documents are available by written request through the Contact TotalAccess form on the Boeing TotalAccess website. The Boeing Company reserves the right to change, modify, amend, or terminate any or all of the provisions of the plan at any time and for any reason for employees, former employees, retirees, and their dependents and/or beneficiaries.

Two Approaches to Investing in the VIP

The VIP offers a variety of investment options to suit different retirement needs. This brochure describes your investment options and how you can invest your savings among the funds available in the VIP.

You may select from fund options that span a range of investment categories (often referred to as “asset classes”) and investment approaches, or choose a portfolio that automatically adjusts over time. Here’s an overview of two approaches:

- **Do-It-For-Me approach:** Choose a Lifecycle Fund that aligns with your targeted retirement date to simplify your decisions. Lifecycle Funds offer a simple path to creating a diversified investment portfolio through participation in a single option. In other words, these funds are designed so you can invest your entire account balance in a single fund. Each Lifecycle Fund offers a diversified mix of investments designed for investors expecting to retire around the year indicated in the option’s name (e.g., Lifecycle 2020 Fund). As you get closer to retirement, your Lifecycle Fund gradually adjusts automatically to a more conservative approach.
- **Do-It-Myself approach:** Create your own portfolio by selecting from the individual investment options available in the VIP. A variety of funds are offered so you can easily create an investment portfolio based on your goals and tolerance for risk. If you want to create a portfolio from the VIP’s options but need some help, you can use the tools and financial counseling services offered by Financial Engines® (described on page 6).

Checklist to Help You Decide

Which approach fits your investment personality?

Do you...	Do you...
<ul style="list-style-type: none">✓ Want an investment mix that is predetermined by trained financial experts?✓ Appreciate the importance of investment principles, such as diversification and asset allocation, but don’t have the time or comfort level to manage and continually monitor a portfolio on your own?	<ul style="list-style-type: none">✓ Want more choice and flexibility?✓ Feel comfortable managing your own portfolio?✓ Understand the basics of investing and feel comfortable making informed investment decisions?✓ Appreciate occasional help from a professional advisor, such as Financial Engines?
Then...	Then...
The Do-It-For-Me approach of selecting a Lifecycle Fund , with the ease and convenience of a professionally managed fund, might be right for you.	The Do-It-Myself approach (but maybe with some help) may be right for you since it offers the freedom to create your own combination of investments and actively manage your own portfolio.

Tips for Financial Health

Diversify your investments. With the Lifecycle Funds, your money is invested in a range of different funds for you. If you’re managing your own investments, it is strongly recommended that you have a balanced, diversified investment portfolio that takes into account your time frame to save, retirement goals, and other assets.

Regular retirement and financial assessment. No matter which investment approach you choose, it’s a good idea to review your investment choices regularly, to make sure that they are still aligned to your goals and to make adjustments as needed.


Beginning in early 2018, you’ll be able to get periodic Retirement Checkups under the VIP from Financial Engines at no charge. You can meet with a Financial Engines advisor in person at their office or schedule a telephone visit. As part of your Retirement Checkup, you’ll get a comprehensive financial plan that will help you get and/or stay on track with your retirement savings goals.

Get to Know Your VIP Investment Choices

Your VIP investment options range across four different categories, each with varying levels of risk.


Lifecycle Funds

Each fund is a professionally managed, diversified mix of underlying investments that are appropriate for a selected retirement date. These funds are also commonly referred to as “target date funds.”

Risk	VIP Fund Name	Designed for Investors Retiring Between Ages 60-64 and Born:
Lowest  Highest	Lifecycle Retirement Fund	On or before December 31, 1955
	Lifecycle 2020 Fund	January 1, 1956, through December 31, 1960
	Lifecycle 2025 Fund	January 1, 1961, through December 31, 1965
	Lifecycle 2030 Fund	January 1, 1966, through December 31, 1970
	Lifecycle 2035 Fund	January 1, 1971, through December 31, 1975
	Lifecycle 2040 Fund	January 1, 1976, through December 31, 1980
	Lifecycle 2045 Fund	January 1, 1981, through December 31, 1985
	Lifecycle 2050 Fund	January 1, 1986, through December 31, 1990
	Lifecycle 2055 Fund	January 1, 1991, or later


Index Funds

Index funds are passively managed funds designed to match or track the performance of a group of stocks (referred to as an “index”), such as the S&P 500. The fund managers do not actively select stocks and bonds in the funds but instead mirror the types of securities that are in the benchmark index. They aim to match as closely as possible the performance of a benchmark index. Investment management fees for index funds tend to be lower than fees for actively managed funds because actively managed funds employ researchers and portfolio managers whose objective is to create portfolios that aim to beat the benchmark performance.

Risk	VIP Fund Name	Brief Fund Description
Lowest  Highest	Bond Market Index Fund	Seeks to match the return of the Bloomberg Barclays Aggregate Bond Index primarily by investing in high-quality government, corporate, mortgage-backed, and asset-backed securities
	Balanced Index Fund	Seeks to match the performance of a blend of 30% S&P 500 Index (U.S. large cap stocks), 40% Bloomberg Barclays Aggregate Bond Index (U.S. bonds), and 30% Morgan Stanley Capital International (MSCI) All Country World Investable Market Index, excluding U.S. (developed international and emerging markets stocks)
	S&P 500 Index Fund	Seeks to match the performance of the S&P 500 Index (U.S. large cap stocks)
	International Index Fund	Seeks to match the performance of the MSCI All Country World Investable Market Index, excluding U.S. (developed international and emerging markets stocks)
	Russell 2000 Index Fund	Seeks to match the performance of the Russell 2000 Index (U.S. small cap stocks)

Actively Managed Funds

Actively managed funds rely on the expertise of fund managers to select and trade individual stocks, bonds, and commodities within the funds in an effort to beat certain target performance benchmarks. Actively managed funds may outperform or underperform market indexes at any given time.

Risk	VIP Fund Name	Brief Fund Description
Lowest  Highest	Stable Value Fund	Seeks a predictable stable yield by investing in high-quality (investment grade) fixed income securities
	Global Bond Fund	Seeks to provide long-term total return by investing across developed and emerging fixed income markets, incorporating inflation-linked bonds and foreign currencies
	Diversified Real Asset Fund	Seeks to provide long-term growth of capital with strong relative performance in rising-inflation environments by investing in a mix of Treasury Inflation-Protected Securities (TIPS), inflation-sensitive equities, and commodities
	U.S. Large Companies Fund	Seeks to provide long-term growth of capital and exceed the Russell 1000 index over a market cycle by investing in U.S. large cap stocks
	Global Equity Fund	Seeks to provide long-term growth of capital and exceed the MSCI ACWI IMI index over a market cycle by investing in all global equities (large, mid and small cap U.S., developed international and emerging markets stocks)
	International Companies Fund	Seeks to provide long-term growth of capital and exceed the MSCI ACWI IMI ex-US index over a market cycle by investing in large, mid and small cap developed international and emerging markets stocks
	U.S. Small/Mid Companies Fund	Seeks to provide long-term growth of capital and exceed the Russell 2500 by investing in U.S. small and mid cap stocks



What's the difference between a "global" fund and an "international" fund?

Global funds invest in countries around the world, including the U.S. On the other hand, international funds invest in countries outside of the U.S.

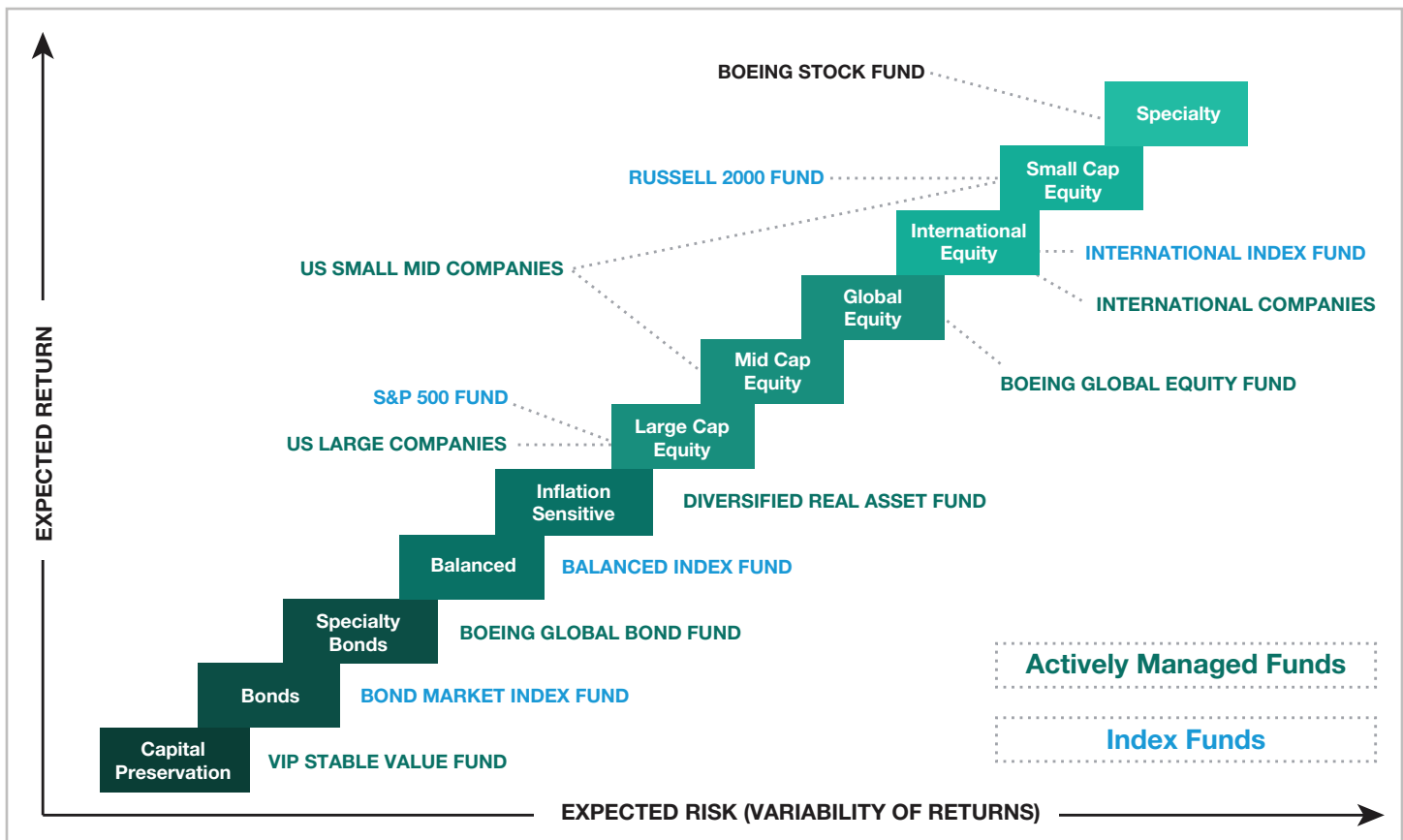
Company Stock Fund

Fund Name	Brief Fund Description
Boeing Stock Fund	Seeks to track the performance of Boeing stock; holds common stock of The Boeing Company and a small amount in cash for distributions paid to participants from the Fund.

If you have more than 20% of your retirement savings invested in any single company stock or industry, you may not be appropriately diversified. In the context of the VIP, if you have more than 20% of your VIP account invested in the Boeing Stock Fund, you may not be appropriately diversified. Diversification does not ensure a profit or guarantee against loss, but it is an effective strategy to help you manage investment risk.

Risk and Return Choice Spectrum

You have a number of different investment options in which to invest your VIP account, based on your retirement goals, tolerance for risk, and overall investment strategy. The Lifecycle Funds are comprised of investments from many of the asset classes in the chart below.



A description of each fund is found in the Fund Fact Sheets on the **My Retirement Income** website on TotalAccess. The Fund Fact Sheets are updated quarterly.

Your Investment Checklist

When making your investment elections among the investment fund options, here are a few things you should consider:

- ✓ How much risk are you comfortable taking? Investment risk is the uncertainty about the gains or losses an investment is likely to experience. Is your asset allocation aligned with your risk tolerance?
- ✓ Do you have enough diversification in your investment options to help protect you from the ups and downs of the financial markets?
- ✓ What are the fees for the different investment options?
- ✓ Do you have savings outside of the VIP? How is that money invested?
- ✓ How long will it be until you retire, and will you be withdrawing money from your account?

Seek Help When You Need It

Consider getting investment help and retirement planning tools from Financial Engines, including:

- **Online Advice program:** This free program consists of interactive tools to build and manage your savings and investing strategy. You must initiate your own transactions and should review your progress periodically.
- **Professional Management program:** For a fee, Financial Engines works with you to design and implement a “hands off” customized investment plan for your VIP account. Financial Engines will continually monitor and periodically adjust your VIP investments to keep you on track.
- **Retirement Checkup:** You can meet with a financial advisor in person or via telephone to review your retirement savings and develop a personalized comprehensive financial plan to make sure you’re on track to reach your retirement savings goals. There is no charge for the checkup.

All advisory services are provided by Financial Engines Advisors L.L.C., a federally registered investment advisor and wholly owned subsidiary of Financial Engines, Inc. Financial Engines does not guarantee future results.



Learn More About VIP Investments from Helpful Videos

Visit <https://boeing.a.guidespark.com> to view videos on these topics:

- Diversifying Investments
- Financial Engines Tools

How to Make Changes

You have two ways to review and change your investment elections, access fund information, and track the performance of your investments:



- Visit **My Retirement Income** by logging on to:
 - **my.boeing.com**. Visit TotalAccess > Total Compensation > My Retirement Benefits > Manage My Retirement Income.
 - **www.boeing.com/express** using your BEMSID and your Boeing TotalAccess password. Visit Total Access > Total Compensation > My Retirement Benefits > Manage My Retirement Income.



- Call a **Retirement Service Center Representative** at TotalAccess at 1-866-473-2016. When prompted, enter your BEMSID and TotalAccess password. Request “Savings.” Deaf or hard-of-hearing callers are encouraged to use the relay service offered by their phone carrier. Representatives are available weekdays from 9 a.m. to 9 p.m. Eastern time (6 a.m. to 6 p.m. Pacific time, 7 a.m. to 7 p.m. Mountain time, 8 a.m. to 8 p.m. Central time). If you need assistance with your BEMSID or TotalAccess password, please contact TotalAccess.

Commonly Asked Questions

Q Would it be better to have more investment options?

A Financial experts believe that too many options in a 401(k) plan, such as the VIP, can make it overwhelming for participants to choose the best investments for their needs. Plus, studies have shown that savers typically invest in three or four funds, regardless of how many fund options are available to them. Research from Alight Solutions shows that the average 401(k) plan has 15 investment funds, in addition to target date funds. This number is in line with the 13 options plus the Lifecycle Funds offered to VIP participants.

Q Why have both actively managed funds and indexed funds?

A Offering both types of funds allows a participant to choose the manner in which they would prefer to invest. With actively managed funds, the manager makes specific investments with the aim of outperforming an investment benchmark. Conversely, passively managed funds or index funds target a return that closely tracks the investment returns of a benchmark index. Actively managed funds have higher fees because they hire researchers and portfolio managers who aim to outperform an index fund. A diversified investment strategy can include a mix of actively managed and passively managed funds.

Q Why don't our funds have ticker symbols?

A The VIP investment options do not have ticker symbols because they are not mutual funds. Boeing offers VIP participants a series of custom funds, and the Company has utilized the VIP's scale of size to negotiate reduced fees versus what would be experienced in a mutual fund. The VIP's funds are not available outside the VIP.

Q Why don't we have brand name funds?

A Boeing offers non-branded or "white-label" investment funds because they are customized specifically for the VIP. For example, rather than offer VIP participants a number of U.S. large cap retail mutual funds, Boeing has created one U.S. Large Companies Fund that is actively managed by multiple investment managers who are each allocated a portion of the Fund's assets. Each investment manager operates independently using its own investment style and analysis. A non-branded fund lineup encourages employees to focus on asset allocation instead of focusing on the marketing of brand name funds. In addition, this approach generally allows large plans like Boeing's VIP to offer fund options at a lower cost to participants.

Q Tell me more about Boeing's Lifecycle Funds?

A Boeing's Lifecycle Funds (also known as target date funds) invest in a broad mix of passive (index) and actively managed underlying investment funds. The asset allocation strategy is designed for investors planning to withdraw their investment at retirement that is on or near the date in the fund name. For example, the Lifecycle 2050 Fund is designed for participants who are likely to retire in or around the year 2050. Over time, as the retirement date nears, the asset allocation is expected to become more conservative (decrease exposure to stocks and increase exposure to bonds). The VIP Lifecycle Funds have been customized specifically for Boeing, including information such as the average Boeing participants' salary profiles, company stock holdings, pension benefits, and mortality assumptions. The Lifecycle Funds are also customized for Boeing because they invest in the VIP's custom fund options. In addition to using the funds offered within the VIP, Boeing's Lifecycle Funds also may invest in REITs (Real Estate Investment Trusts), commodities, and active U.S. bond funds.

Q What is the difference between a Lifecycle Fund and a Managed Account through Financial Engines (called "Professional Management")? Which one is right for me?

A A Lifecycle Fund is a professionally managed, diversified mix of underlying investments that are appropriate for a selected retirement date. These funds are designed to fit the "average" investor who plans on retiring at the indicated date. A Managed Account through Professional Management is a service where investment professionals create an investment strategy tailored to the individual based on factors such as age, risk tolerance, contribution rates, and outside assets. To determine if either is right for you, consider factors such as your investment knowledge, the time you want to spend on investing, the associated fees, and whether your needs or financial situation might be different from the "average" Boeing employee who plans to retire around the same year as you.

Q What does "asset class" mean?

A An asset class is a group of securities that are similar from an expected return and risk perspective and are subject to the same laws and regulations. The three main asset classes are stocks (equities), bonds (fixed income), and cash or cash equivalents. Similarly, large cap, mid cap, and small cap funds (described next) represent different asset classes.

Q What do “large cap,” “mid cap,” and “small cap” mean? Which one is right for me?

A “Cap” is short for “market capitalization,” which refers to the value of outstanding shares of a corporation. Large cap companies tend to have slower growth rates than mid cap and small cap companies. Conversely, large cap companies tend to be less volatile than mid cap and small cap companies. Various financial services firms use their own numbers for defining small cap, mid cap and large cap. But as a general rule, large cap stocks have a market capitalization of at least \$7 billion. Small cap stocks are those with a market capitalization below \$3 billion. Mid cap stocks occupy the middle ground between the two. It’s important to keep in mind that past performance doesn’t guarantee future results. You have access to fund information through **My Retirement Income** to help decide what is appropriate for you.

Q What is diversification and why is it important?

A Diversification means spreading your assets among different types of investments. It is the percentage of your portfolio that is invested within each of the major investment categories (large cap, mid cap, small cap, international equities, global bonds, U.S. corporate bonds, growth or value, etc.). Diversifying your portfolio may help achieve a favorable rate of return, while minimizing overall risk of losing money. When market or other economic conditions cause one category of investment, or even one particular security, to perform very well, those same conditions often cause another investment category, or another particular security, to perform poorly. If you invest more than 20% of your retirement savings in any one company stock or industry, your savings may not be appropriately diversified. An adequate diversification strategy should have representation in each of the major investment categories.

Q What is the difference between “asset allocation” and “diversification”?

A Asset allocation and diversification are two different types of investment concepts that are sometimes interpreted to mean the same thing. It’s important to use both to help manage your portfolio’s investment risk. Asset allocation refers to how your portfolio is invested in the three main asset classes (stocks, bonds, and cash) and is the primary determinant of how much risk your investment portfolio is exposed to. It is considered the most basic component of investing, and studies show that asset allocation—and not market timing or security selection—will explain approximately 92% of your investment return. A proper asset allocation will help ensure that your investment portfolio is effectively positioned on the risk-return continuum.

Proper diversification is an additional step that spreads your investments across various investment classes to help ensure that your entire portfolio isn’t exposed to losses all at once. Incorporating both strategies will lessen the volatility in your portfolio and increase your chances of reaching your investment goals.

Q Who pays the fund expenses?

A Each VIP fund has a total annual operating expense that is paid by VIP participants who are invested in that fund. Total annual operating expenses are fees that reduce the rate of return of the investment option, such as investment management, recordkeeping, trust and custody, audit, and other third-party and internal administrative fees directly related to the operation of the VIP and its trust. Because of the size of the VIP, Boeing is able to negotiate reduced fees versus what would typically be experienced in a retail mutual fund.

Q What is the Employee Benefit Investment Committee’s (EBIC) role with respect to the VIP’s investment options?

A The EBIC is responsible for ongoing review of the VIP’s investment options, which includes monitoring the options offered. It is required to act in the best interest of all participants when designing the VIP investment options. As part of that responsibility, the EBIC determines which funds to offer and selects the investment managers of those funds. Periodically, the EBIC reviews the overall fund lineup and makes changes to better meet the needs of participants and keep the VIP current with changing market conditions.

In addition, the EBIC has retained Newport Trust Company as an independent fiduciary and investment manager for the Boeing Stock Fund. Newport Trust is responsible for deciding, among other things, whether the Boeing Stock Fund should continue to be offered as an investment fund under the VIP.

The VIP is intended to constitute a participant-directed individual account plan under the Employee Retirement Income Security Act (ERISA). What this means is that while the EBIC selects the investment options available under the VIP, they are not liable for losses resulting from your investment elections as long as certain requirements are satisfied. This means that you are responsible for your own investment decisions.