Science and Technology Fund

Investment Information

Investment Objective & Strategy
The Fund seeks to provide long-term growth of capital and exceed its custom weighted benchmark (80% S&P North American Tech Sector Index/20% MSCI World Healthcare Index), over a market cycle of 3-5 yrs, while seeking to control risk. The Fund invests primarily in equity securities of technology, technology-related, healthcare and healthcare-related companies worldwide. The Fund may invest in large, mid and small cap companies, IPO's and in foreign securities, including emerging markets. It is actively managed by multiple investment managers, who are allocated a portion of the Fund’s assets. Each manager operates independently utilizing its own investment style and stock analysis, however each must operate within the constraints of the Fund’s objectives and guidelines. To facilitate daily liquidity, the Fund holds equity index futures contracts.

Fees and Expenses
Total Annual Operating Expense 0.65%
  Investment Management Fee 0.61%
  Other 0.04%
  Total Expense per $1000 $6.50

Operations and Management
Date Fund Offered 11-03-97
Management Company Wellington Management Company, LLP
Issuer The Boeing Company

Volatility Analysis

In the past, this investment has shown a wide range of price fluctuations relative to other investments. This investment may experience significant price increases in favorable markets or undergo large price declines in adverse markets. Some of this risk may be offset by owning other investments that follow different investment strategies.

Best 3 Month Return 69.45% (Dec ’99 - Feb ’00)
Worst 3 Month Return -41.35% (Jul ’01 - Sep ’01)

Performance

Portfolio Analysis

In the past, this investment has shown a wide range of price fluctuations relative to other investments. This investment may experience significant price increases in favorable markets or undergo large price declines in adverse markets. Some of this risk may be offset by owning other investments that follow different investment strategies.

Portfolio Management(s)

Portfolio Analysis

Composition as of 09-30-14 % Assets

U.S. Stocks 82.2
Non-U.S. Stocks 14.0
Bonds 0.0
Cash 2.9
Other 1.0

Top 10 Holdings as of 09-30-14 % Assets

Apple Inc 7.65
Microsoft Corp 6.65
E-mini NASDAQ 100 Index Future Dec14 12-19-14 3.62
Facebook Inc Class A 3.61
Google Inc Class C 2.70
Tesla Motors Inc 2.06
Hewlett-Packard Co 1.75
Western Digital Corp 1.74
Intel Corp 1.74
Visa Inc Class A 1.67

Total Number of Stock Holdings 181
Total Number of Bond Holdings 0
Total Fund Assets ($mil) 1,830.49
Annual Turnover Ratio % 154

Principal Risks

For description of the risks associated with this fund, please refer to the attached disclosure pages.

Notes

For an extended strategy description, go to the Boeing Savings Plan Information Website.
Effective January 1, 2014 The Clifton Group Investment Management became Parametric Clifton.
Effective September 1, 2014 ING’s name changed to Voya.

Morningstar Sectors as of 09-30-14 % Fund

Cyclical 8.56
Basic Materials 0.04
Consumer Cyclical 5.84
Financial Services 2.43
Real Estate 0.25
Sensitive 70.78
Communication Services 1.01
Energy 0.11
Industrials 4.62
Technology 85.04
Defensive 20.65
Consumer Defensive 0.52
Healthcare 20.10
Utilities 0.03

Release Date: 09-30-2014
The attached Fund Fact Sheet provides investment fund information with respect to the various investment fund options available under the savings plans. The performance data given represent past performance (see Performance section below for details) and should not be considered indicative of future results. Principal value and investment return will fluctuate, so that an investor’s shares when redeemed may be worth more or less than the original investment. Fund portfolio statistics change over time. The fund is not FDIC-insured, may lose value and is not guaranteed by a bank or other financial institution or The Boeing Company.

Performance
Total return reflects performance without adjusting for the effects of taxation, but is adjusted to reflect all actual ongoing fund expenses and assumes reinvestment of dividends and capital gains. The fund’s performance is compared with that of a benchmark index. The index is an unmanaged portfolio of specified securities and the index does not reflect any initial or ongoing expenses. A fund’s portfolio may differ significantly from the securities in the index.

Morningstar Style Box™
The Morningstar Style Box reveals a fund’s investment strategy as of the date noted on this report as determined by Morningstar. This investment strategy may differ slightly from the fund’s actual (or overall) investment strategy as described earlier on page 1.

For equity funds the vertical axis shows the market capitalization of the long stocks owned and the horizontal axis shows investment style (value, blend, or growth).

Investment Risk Related to Strategy
The investor should note that funds are subject to investment risks which will vary depending on a particular fund’s investment strategy.

Fee and Expense Ratios
These ratios disclose the percentage of a fund’s assets paid for investment management fees and other expenses, which total the Total Annual Operating Expenses for the fund. Other expenses typically include fees for recordkeeping, trust and custody, audit and other plan administration expenses. Fees and Expenses shown are for the 2013 fiscal year, calculated as of 12-31-13. If fees are updated during a calendar year, the update will be reflected in the Fees and Expense section on page one of subsequent quarterly Fund Fact Sheets.


Additional Information
Contact the Boeing Service Center through Boeing TotalAccess at 1-888-473-2016. TTY/TTD services are available at 1-866-828-5803. Service center representatives are available weekdays between 8 a.m. and 8 p.m. Central time. To access your account from any Boeing location, log onto Boeing Savings Plans Online at http://my.boeing.com, select TotalAccess, and the My Savings & Pension tab. If you are not at a Boeing location, log onto your account at www.boeing.com/express. You will need your BEMSID and your TotalAccess password to access your account. Subsidiary participants log on to https://my-ext.boeing.com.

Morningstar Category Information—Technology
Specialty-technology funds buy high tech businesses. Most concentrate on computer, semiconductor, software, networking, and Internet stocks. A few also buy medical-device and biotechnology stocks and some concentrate on a single technology industry. The Category Average % shown in the Performance Section on page one demonstrates average returns in this sector in the retail mutual fund market. The Category Average % represents the average returns of a wide universe of retail mutual fund share classes that are in the specific Morningstar Category sector indicated above, similar to the sector of your employer plan fund. This Category Average % does not include returns of non-registered employer plan funds.

Custom Benchmark
The Science & Technology Custom Benchmark is a custom blend comprised of the S&P North American Technology Sector Index (80%) and MSCI World Healthcare Index (20%). For more details about this Index see the Benchmark Glossary on the Boeing Savings Plan website: http://www.boeing.com/boeing/companyoffices/empinfo/benefits/savings_plans.page.

Broad-Based Benchmark
This S&P North American Technology Sector Index measures the performance of technology-related stocks.

Principal Risks
Active Management: The Fund is actively managed and subject to the risk that the investment manager’s usage of investment techniques and risk analyses to make investment decisions fails to perform as expected, which may cause the Fund to lose value or underperform investments with similar objectives and strategies or the market in general.

Allocation: The Fund’s ability to achieve its investment objective depends upon the Fund’s strategic asset class allocation and mix of investment managers. There is a risk that the evaluations and assumptions regarding asset classes or investment managers may be incorrect in view of actual market conditions.

Capitalization: Concentrating assets in stocks of one or more capitalizations (small, mid or large) may be subject to both the specific risks of those capitalizations as well as increased volatility because stocks of specific capitalizations tend to go through cycles of beating or lagging the market as a whole.

Cash Drag: The Fund may fail to meet its investment objective because of positions in cash and equivalents.

China Region: Investing in the China region, including Hong Kong, the People’s Republic of China, and Taiwan, may be subject to greater volatility because of the social, regulatory, and political risks of that region, as well as the Chinese government’s significant level of control over China’s economy and currency. A disruption of relations between China and its neighbors or trading partners could severely impact China’s export-based economy.

Currency: Investments in securities traded in foreign currencies or more directly in foreign currencies are subject to the risk that the foreign currency will decline in value relative to the U.S. dollar, which may reduce the value of the Fund. Investments in currency hedging positions are subject to the risk that the value of the U.S. dollar will decline relative to the currency being hedged, which may result in a loss of money on the investment as well as the position designed to act as a hedge. Cross-currency hedging strategies and active currency positions may increase currency risk because actual currency exposure may be substantially different from that suggested by the Fund’s holdings.

Custody: Foreign custodial and other foreign financial services are generally more expensive than they are in the United States and may have limited regulatory oversight. The Fund may have trouble clearing and settling trades in less-developed markets, and the laws of some countries may limit the Fund’s ability to recover its assets in the event the bank, depository, or agent holding those assets goes into bankruptcy.

Depositary Receipts: Investments in depositary receipts generally reflect the risks of the securities they represent, although they may be subject to increased liquidity risk and higher expenses and may not pass through voting and other shareholder rights. Depositary receipts cannot be directly exchanged for the securities they represent and may trade at either a discount or premium to those securities.

Emerging Markets: Investments in emerging- and frontier-markets securities may be subject to greater market, credit, currency, liquidity, legal, political, and other risks compared with assets invested in developed foreign countries.

Equity Securities: The value of equity securities, which include common, preferred, and convertible preferred stocks, will fluctuate based on changes in their issuers’ financial conditions, as well as overall market and economic conditions, and can decline in the event of deteriorating issuer, market, or economic conditions.

Foreign Securities: Investments in foreign securities may be subject to increased volatility as the value of these securities can change more rapidly and extremely than can the value of U.S. securities. Foreign securities are subject to increased risks which will vary depending on a particular fund’s investment style. Equity securities: The value of equity securities, which include common, preferred, and convertible preferred stocks, will fluctuate, so that an investor’s shares when redeemed may be worth more or less than the original investment. Fund portfolio statistics change over time. The fund is not FDIC-insured, may lose value and is not guaranteed by a bank or other financial institution or The Boeing Company.

Performance
Total return reflects performance without adjusting for the effects of taxation, but is adjusted to reflect all actual ongoing fund expenses and assumes reinvestment of dividends and capital gains. The fund’s performance is compared with that of a benchmark index. The index is an unmanaged portfolio of specified securities and the index does not reflect any initial or ongoing expenses. A fund’s portfolio may differ significantly from the securities in the index.

For equity funds the vertical axis shows the market capitalization of the long stocks owned and the horizontal axis shows investment style (value, blend, or growth).

Investment Risk Related to Strategy
The investor should note that funds are subject to investment risks which will vary depending on a particular fund’s investment strategy.

Fee and Expense Ratios
These ratios disclose the percentage of a fund’s assets paid for investment management fees and other expenses, which total the Total Annual Operating Expenses for the fund. Other expenses typically include fees for recordkeeping, trust and custody, audit and other plan administration expenses. Fees and Expenses shown are for the 2013 fiscal year, calculated as of 12-31-13. If fees are updated during a calendar year, the update will be reflected in the Fees and Expense section on page one of subsequent quarterly Fund Fact Sheets.


Short Term Redemption Fees
There is a short-term redemption fee of 1.5 percent that is applied to the proceeds of the value of the units sold on all sale transactions that occur 15 or fewer calendar days from the date the units are purchased (excluding contributions, loan repayments, or rollover contributions). These fees do not benefit Boeing or Voya - they are paid directly to each respective fund, benefiting all investors in the fund.

Cash Drag: The Fund may fail to meet its investment objective because of positions in cash and equivalents.
issuer risk because foreign issuers may not experience the same degree of regulation as U.S. issuers do and are held to different reporting, accounting, and auditing standards. In addition, foreign securities are subject to increased costs because there are generally higher commission rates on transactions, transfer taxes, higher custodial costs, and the potential for foreign tax changes on dividend and interest payments. Many foreign markets are relatively small, and securities issued in less-developed countries face the risks of nationalization, expropriation or confiscatory taxation, and adverse changes in investment or exchange control regulations, including suspension of the ability to transfer currency from a country. Economic, political, social, or diplomatic developments can also negatively impact performance.

Futures: Investments in futures contracts and options on futures contracts may increase volatility and be subject to additional market, active management, interest, currency and other risks if the contract cannot be closed when desired.

Growth Investing: Growth securities may be subject to increased volatility as the value of these securities is highly sensitive to market fluctuations and future earnings expectations. These securities typically trade at higher multiples of current earnings than do other securities and may lose value if it appears their earnings expectations may not be met.

Healthcare Sector: Concentrating assets in the healthcare sector may disproportionately subject the Fund to risks of that industry, including loss of value because of legislative or regulatory changes, competitive forces, litigation, research and development costs, patent protection and rapid product obsolescence.

High Portfolio Turnover: Active trading may create high portfolio turnover, or a turnover of 100% or more, resulting in increased transaction costs. These higher costs may have an adverse impact on performance and generate short-term capital gains, creating potential tax liability even if an investor does not sell any shares during the year.

Industry and Sector Investing: Concentrating assets in a particular industry, sector of the economy, or markets may increase volatility because the Fund will be more susceptible to the impact of market, economic, regulatory, and other factors affecting that industry or sector compared with a more broadly diversified asset allocation.

IPO: Investing in initial public offerings may increase volatility and have a magnified impact on performance. IPO shares may be sold shortly after purchase, which can increase portfolio turnover and expenses, including commissions and transaction costs. Additionally, IPO shares are subject to increased market, liquidity, and issuer risks.

Issuer: A stake in any individual security is subject to the risk that the issuer of that security performs poorly, resulting in a decline in a security's value. Issuer-related declines may be caused by poor management decisions, competitive pressures, technological breakthrough, reliance on suppliers, labor problems or shortages, corporate restructurings, fraudulent disclosures, or other factors. Additionally, certain issuers may be more sensitive to adverse issuer, political, regulatory, market, or economic developments.

Large Cap: Concentrating assets in large-capitalization stocks may subject the Fund to the risk that those stocks underperform other capitalizations or the market as a whole. Large-cap companies may be unable to respond as quickly as small- and mid-cap companies can to new competitive pressures and may lack the growth potential of those securities. Historically, large-cap companies do not recover as quickly as smaller companies do from market declines.

Long Term Outlook and Projections: The Fund is intended to be held for a substantial period of time, and investors should tolerate fluctuations in the Fund’s value.

Loss of Money: Because the Fund’s market value may fluctuate up and down, an investor may lose money, including part of the principal, when he or she buys or sells the Fund.

Management: Performance is subject to the risk that the investment managers’ asset allocation and investment strategies do not perform as expected, which may cause the Fund to underperform its benchmark, other investments with similar objectives, or the market in general. The Fund is subject to the risk of loss of income and capital invested, and the Fund does not guarantee its value, performance or particular rate of return.

Market/Market Volatility: The market value of the Fund’s securities may fall rapidly or unpredictably because of changing economic, political or market conditions, which may reduce the value of the Fund.

Mid-Cap: Concentrating assets in mid-capitalization stocks may subject the Fund to the risk that those stocks underperform other capitalizations or the market as a whole. Mid-cap companies may be subject to increased liquidity risk compared with large-cap companies and may experience greater price volatility than do those securities because of more-limited product lines or financial resources, among other factors.

Multimanager: Managers’ individual investing styles may not complement each other. This can result in both higher portfolio turnover and enhanced or reduced concentration in a particular region, country, industry, or investing style compared with a fund with a single manager.

Regulation/Government Intervention: The business of the issuer of an underlying security may be adversely impacted by new regulation or government intervention, impacting the price of the security. Direct government ownership of distressed assets in times of economic instability may subject the Fund’s holdings to increased price volatility and liquidity risk.

Small Cap: Concentrating assets in small-capitalization stocks may subject the Fund to the risk that those stocks underperform other capitalizations or the market as a whole. Smaller, less-seasoned companies may be subject to increased liquidity risk compared with mid- and large-cap companies and may experience greater price volatility than do those securities because of limited product lines, management experience, market share, or financial resources, among other factors.

Technology Sector: Concentrating assets in the technology sector may disproportionately subject the Fund to the risks of