

7 things you should know about your retirement plan.

We can help you get started.

Prepared exclusively for

EXELIS

Call **1-800-601-5957** or go to **www.financialengines.com/forexelis**

Exelis has asked
Financial Engines to
provide you with
retirement help.

Let's get started.

1 Why get help?

We believe everyone deserves a helping hand.



"I don't know if the investments that I have selected are right for me."

"I don't have time to research investments. I can't keep up."

"I don't know where to find help that I can trust."

"I'm not sure I'll have enough to retire."



Financial Engines is independent and objective. We don't sell investments. We don't receive commissions. We simply help people with their total retirement picture by offering personalized retirement plans for savings, investing, and retirement income.

2 What is retirement help?

Answers to your questions.



investments

**Did you pick the right investments?
Are you taking too much risk?**

*We can help protect your account
from the risk of big losses.**



savings

**Are you saving enough?
Are you leaving money on the table?**

*We can point out your savings
opportunities.*



retirement income

**When can you retire?
How much do you need to retire?**

*We can give you a good idea
of what you could expect.*

3 Can it make a difference?

Yes, especially with stuff this complicated.



While no investment advisor can guarantee results, more than **90% of people we studied were projected to improve expected growth or reduce the risk of big losses** when they join our program.*

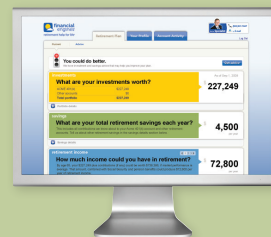
*Financial Engines recently studied more than 585,000 investors to see how professional management could help them. Expected growth refers to a comparison we have made to the investors' portfolios, comparing the projected performance of the portfolios based on how the accounts would be managed in a professional management program for which Financial Engines provides advisory or sub-advisory services, against how the portfolios are projected to perform if they remain unchanged and if they were not managed under such a program. In more than 60% of cases, expected growth was projected to improve after investors enrolled in the professional management program. In more than 53% of cases, the risk of future losses was projected to be reduced. The projected improvement is net of the applicable program advisory fees. Reducing the risk of losses refers to reallocations we may make in order to manage an investor's portfolio in a manner more appropriate for the level of risk intended for the portfolio. An example of a portfolio that could be inappropriate for risk is one with too much company stock. Our analysis included portfolios generated between September 1, 2004 and June 30, 2012, as part of Financial Engines' investment advisory and sub-advisory services. Projections of expected growth and risk of losses are based on Financial Engines' methodology, which projects forward-looking investment outcomes and are not intended to reflect actual results. These projections are not guarantees of future results. Your actual results may vary.

4 What's the right help for you?

One size does not fit all.

You enjoy managing your retirement account.

You are confident of the investment decisions you make.
You actively adjust your plan to stay on track.



Online Advice may be right for you.

Unlimited access to powerful online retirement planning tools.

Turn to the next page to see how it works.

or

You prefer to partner with an investing expert.

You want help getting on track and staying there.
You can be highly involved or just occasionally check in.



Professional Management may be right for you.

A personalized plan and investment advisor representatives to talk to.

Turn to the next page to see how it works.

When it comes to your retirement account, doing nothing is not the best option. If you want to retire with confidence, an expert partner can help keep you on track. And that's exactly why Financial Engines is here.

We watch expenses carefully. Some funds cost more than others and our analysis takes this into account, helping you avoid unnecessary costs that can eat into investment returns.

5

How does it all work?

Here's what's behind our advice and what's in it for you.

You do the work

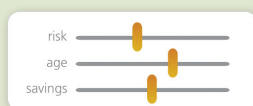
Do it yourself—Online Advice



Log in to Online Advice.

> **You** use our online tools to build your strategy.

You get advice on a mix of funds that can include other accounts you tell us about.



> **You** can log in anytime to see if you're on track.

You request the transactions for your account.

> **You** can get technical support by phone.

You can sign up for e-mail Retirement Updates.

Emerging Markets Fund	17%
Small Cap Growth	58%
Intermediate Bonds	25%

EXAMPLE ONLY

Enjoy

Online Advice is available through your plan for no additional fee. Log in to BenefitsWeb at www.benefitsweb.com/exelis.html, click on the "Savings" tab and then choose the "Plan Your Financial Future" link.

We do the work

Partner with an expert—Professional Management



Add Professional Management to your account.

> **We** send a personalized plan to you.

We put your plan into action working with Xerox.



> **We** routinely monitor your account and rebalance as needed.

We can consider assets outside your account.

> **We** have advisor representatives you can talk to.

We keep you informed with quarterly Retirement Updates.



Relax

Exelis has arranged for a program fee of about \$5 a month for each \$10,000 in your account, with discounts for balances over \$100,000. You can cancel anytime without penalty.

See fee details in the Q&A section of this guide.

6 Who else is getting help?

People just like you.



More than a **million people** have turned to us for Online Advice or use Professional Management for their retirement accounts.

138 of the Fortune 500* count on us to help their employees, including companies such as Ameren, CenterPoint Energy, Delta Air Lines, Kinder Morgan, Lear, PG&E Corp, Texas Instruments, and Unum.**

*As of June 30, 2012, and includes sub-advisory relationships.

**This is a partial listing of Financial Engines' customers. These organizations, each with more than 1,000 plan participants, have consented to disclosure of their relationships with Financial Engines. This does not constitute an endorsement or an approval of the advisory services provided. All marks are the property of their respective owners.

7 Who is Financial Engines?

Your successful retirement is our top priority.



We are a team of retirement experts with a passion for delivering personalized, independent retirement help for everyone, regardless of their wealth.

Financial Engines is **one of America's largest** independent registered investment advisors.*

We offer unbiased and objective investment advice. **We don't sell investments. We don't receive commissions.**

We **provide you with the expertise and experience** previously available only to the wealthiest institutional investors.

*Financial Engines, Inc. ranked #1 in assets among top independent registered investment advisors (RIA) according to America's Top 100 Financial Planner RIAs list published in Registered Rep. magazine on July 1, 2010. The list was based on independent RIAs that primarily do retail fee based-only financial planning as ranked by assets under management as of June 1, 2010. For more information, see www.registeredrep.com.

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Got a question?

Other things you might want to know.

Q: Do I have to give up control of my account?

A: With **Professional Management**, all of your money stays in your Exelis Salaried Investment and Savings Plan account, and we manage it for you. You'll continue to receive statements, check your balance, and adjust your savings rate just as you do today. You delegate the responsibility to us to take care of the investment and rebalancing transactions. If you change your mind and want to make transactions directly with Xerox, **you can cancel anytime without penalty.**

With **Online Advice**, it's up to you to decide whether to take our recommendations.

Q: Is my personal information kept private?

A: **Yes**, it is. Financial Engines won't sell, reveal or share your personal information except as permitted by law or with your prior consent.

Q: How do you get paid?

A: We are independent and don't sell investment products or earn commissions. We are paid for providing Retirement Evaluations and making Online Advice and Professional Management available. We also earn fees from the accounts that we manage.

Q: Is there a minimum balance?

A: **No.** There needs to be some money in the account, but we have seen account balances that range from \$5 to \$5 million, and everywhere in between.

Q: How much does Professional Management cost?

A: **Exelis has negotiated for a program fee that is about 30% lower than what you might pay on your own.***

PORTION OF ACCOUNT	ANNUAL RATE	MONTHLY AMOUNT**
Up to \$100,000	0.60%	\$5.00 per \$10,000
Between \$100,000 & \$250,000	0.45%	\$3.75 per \$10,000
Over \$250,000	0.30%	\$2.50 per \$10,000

The program fee is paid from your account, so there is no bill to pay and no reduction in your take-home pay. It's easy to add to your account and you can cancel anytime without penalty.

*The industry average is based on the annual AdvisorBenchmarking Study. The Study found that on average, Registered Investment Advisors (RIA) charge 0.92% or \$7.67/mo per \$10,000 and require a minimum balance of \$250,000. Financial Engines has no minimum balance requirement (except for nominal amounts, as needed operationally to manage the account). 30% fee comparison assumes management of a \$100,000 account. Industry average fees shown are subject to change. The AdvisorBenchmarking Study is based upon online surveys of 427 self-selected RIA firms from February to May, 2011. Investment Advisor services vary. Some advisors in the Study may provide different services than Financial Engines Advisors L.L.C.

**Professional Management fees are charged in the frequency and manner detailed in the Terms and Conditions; monthly fee examples are for illustrative purposes only.

Our customer promise.

We promise to give everyone the personalized, independent retirement help they deserve.

We help you regardless of your wealth.

We do not sell investments and we do not receive commissions.

We tailor our advice based on what matters to you.

We do what we say we are going to do.

We keep it simple and easy.



Financial Engines, Inc. was cofounded in 1996 by Nobel Prize winner Dr. William F. Sharpe. We've been on the cutting edge ever since, with an investing approach that is transforming how people get retirement help.

It's easy to get started.

Online Advice is available on the Xerox Web site. Log in to BenefitsWeb at www.benefitsweb.com/exelis.html, click on the "Savings" tab and then choose the "Plan Your Financial Future" link.

To add Professional Management to your account, sign and return the enclosed reply card, visit www.financialengines.com/forexelis, or call 1-800-601-5957.

Financial Engines

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Follow us



Investment Advisor Representatives

Call 1-800-601-5957
Monday-Friday 9 a.m. to 9 p.m. ET

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