

**AC PENSION COMMITTEE REPORT
SEPTEMBER 2008**

The committee met with the company on Sept. 11, 2008. The 2nd quarter unaudited investment results were as follows:

	June 30 2008	June 30 2007
Master pension trust fund		
	\$10.445 billion	\$11.288 billion
Main pension trust fund		
	\$5.739 billion	\$6.179 billion

Investment performance continued to be impacted by increasing oil and basic food and commodity prices, shrinking incomes, low interest rates, the fluctuation of the CDN dollar, and negative returns on foreign equity.

Valuation results as of January 1, 2008 have been released and a reader's digest version is available on the Aeronet portal under pension news. The solvency deficit of the master pension trust fund has increased to \$1.16 billion or 90.1% funded. On a going concern basis, the surplus has increased to \$681 million.

In the second quarter, company contributions to the main plan were current service costs of \$18,746,325 million and special payments of \$47,590,000 million for a total of \$66,247,325 million.

Pension seminars will recommence in October for those that qualify on a seniority basis. The dates, locations and qualifying members will be posted on the portal. Those members who do not see their employee numbers are asked to be patient and NOT call the pension department. There is still a catch up being done based on seniority and age. Those members who are confirmed to attend and for reason cannot are asked to notify the pension department so someone else may attend and the vacant seat is not wasted. It is also suggested that members confirmed a seat notify their manager to ensure time clearance if required is granted, if any problems please notify the shop committee.

Members who are considering a Special leave of absence will have a rate chart for buyback available to consult, in making their decision, available on the portal after October 1st. This is important to check, as the rates have in most cases increased.

Next meeting is tentatively December.

Respectfully submitted
AC IAMAW Pension Committee