



CANADIAN COMMERCIAL WORKERS INDUSTRY PENSION PLAN

June 18, 2002

Re: Canadian Commercial Workers Industry Pension Plan

We are in receipt of your letter dated May 10, 2002, and as at June 12, 2002, in receipt of a copy of an email message sent to you by Shauna Holmes.

Ms. Holmes indicates that one of the pension plan advisors was fired and that this individual provided inaccurate information and advice to the Trustees. In actual fact, early in 1998 the Trustees established an in-house actuarial division to perform the day-to-day financial functions required by the CCWIPP. In addition, they appointed an independent actuary for the purpose of filing the required valuations. This change was made because of the deteriorating health of the former actuary. The former actuary served the CCWIPP for over 20 years and was hired by the Board of Trustees.

With the advent of solvency legislation some years ago, the CCWIPP, under Alberta's guidance, calculated the financial burden of having to fund all benefits immediately should the pension plan wind-up. However, the wind-up of the CCWIPP is highly unlikely as all 400+ employers would have to cease their participation at the same time. However, we had to do the calculations as if they had all closed down on the same date. That having been said, and until the solvency legislation is changed to more appropriately reflect multi-employer pension plans, the Trustees have the responsibility of calculating the solvency short-fall. The required reports have been submitted to the pension regulators. There is no funding problem in respect to CCWIPP on a going-concern basis, which is how the pension plan is funded day-to-day.

In order to provide additional monies to cover any potential short-fall, increased contributions are being negotiated. The Master Contribution Agreement, which affects the largest group of members of the pension plan, calls for increases in contributions of \$0.20 per hour over a five year period.

2331 Marpole Avenue, Suite 109,
Port Coquitlam, British Columbia V3C 2A1
(604) 945-7607 • 1-800-663-7977
Fax No. (604) 945-7657

880 Portage Avenue, 3rd Floor
Winnipeg, Manitoba R3G 0P1
(204) 982-6082 • 1-800-665-1223
Fax No. (204) 982-6080

2635-37th Avenue N.E., Suite 101
Calgary, Alberta T1Y 5Z6
(403) 250-3534 • 1-888-811-7227
Fax No. (403) 250-9236

61 International Blvd., Suite 110,
Rexdale, Ontario M9W 6K4
(416) 674-8581 • 1-800-387-3181
Fax No. (416) 674-0992

1405 Ouest Boul. Henri-Bourassa Suite 202
Montréal, Québec H3M 3B2
(514) 335-1585 • 1-800-363-0580
Fax No. (514) 856-1772

716 Water Street, P.O. Box 880
St. John's, Newfoundland A1C 5L7
(709) 754-6633 • 1-800-563-1930
Fax No. (709) 753-9082

Insofar as the investments are concerned, attached is a copy of the CCWIPP financial statement for the year ended December 31, 2000, and as published in the Spring-Summer 2002 edition of the UFCW Magazine. All decisions pertaining to the investments of the pension funds are made by the Board of Trustees after having completed the proper due diligence process. Further, the placement of investments must follow the Statement of Investment Policies and Procedures filed with the pension regulatory authorities. The investments and the pension fund are audited annually by a highly reputable audit firm. As soon as the audit for the year ending December 31, 2001 has been accepted by the Trustees, the results will be published in the UFCW Magazine,

I trust the above answers your questions.

Yours truly,



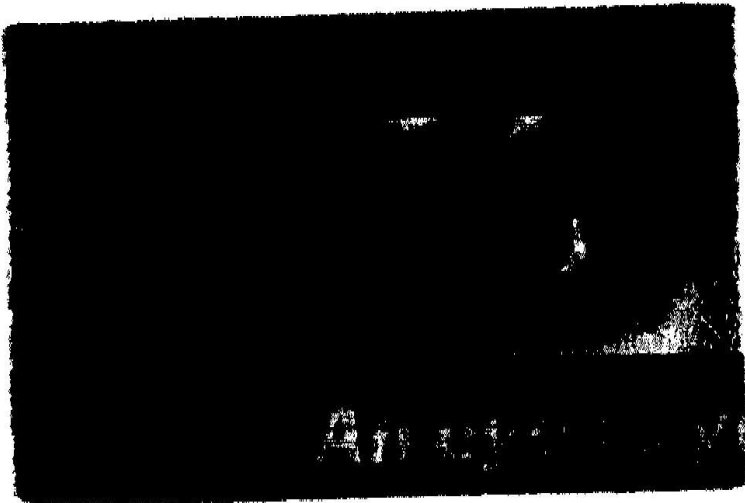
Clifford Evans
Trustee

CE/sb
Att.

cc: L. Martello
FSCO

Fax No.: (416) 226-7777





Your
pension plan
is strong, and
getting
stronger!
OUR future

Most UFCW Canada members belong to CCWIPP, the Canadian Commercial Workers Industry Pension Plan.

This independently-administered plan is paid for by your employer, but *only you* will get the benefits on retirement. Unlike some employer-paid plans, CCWIPP assets are managed by trustees, and no one can touch any surplus – it belongs to the members.

As you can see from the most recent annual statement

below, CCWIPP is thriving and is constantly growing to secure your future.

Founded in 1979 by former UFCW Canada Director Clifford Evans, in just more than 20 years it has grown to current assets of more than a billion dollars. CCWIPP pays out benefits to members of more than \$60-million each year, but with employer contributions of \$80-million and investment returns of \$70-million, the plan's ongoing stability is ensured.

Canadian Commercial Workers Industry Pension Plan
January 1, 2000 to December 31, 2000

Summary of Operations		AT MARKET (\$)
	Net assets as at January 1, 2000	798,654,874
Add:	Contributions received	80,177,342
	Investment income	70,564,108
	Plan transfers (as at 31/05/00)	191,857,776
	TOTAL ADDITIONS	342,599,226
Deduct:	Benefit payments	60,311,853
	Expenses*	4,955,784
	Investment management fees	1,643,215
	TOTAL DEDUCTIONS	66,910,852
	Net amount available for investment	275,688,374
	Change in market value of assets during the year	8,907,860
	Net assets as at December 31, 2000	1,083,251,108

*Includes administration, accounting, consulting, legal, etc.

Allocation of invested assets as at December 31, 2000		\$	%
	Cash	4,928,804	0.46
	Short term notes	30,064,735	2.78
	Bonds & debentures	382,026,498	35.27
	Index-linked mortgages	17,795,000	1.64
	Equities	360,939,913	33.32
	Mortgages and security loans	177,068,000	16.35
	Real estate	94,935,000	8.76
	Advances	2,104,731	0.19
	Accrued income	4,545,748	0.42
	Receivables	8,728,063	0.81
	Other	8,886,957	0.82
	SUB TOTAL	1,092,023,449	100.81
	Less accounts payable	(8,240,259)	
	Less deferred pension transfers	(532,082)	
		(8,772,341)	
	TOTAL	1,083,251,108	100.00

