

BOEING CO
Form 11-K
June 23, 2009
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SECURITIES AND EXCHANGE COMMISSION

Washington, D. C. 20549

FORM 11-K

ANNUAL REPORT

Pursuant to Section 15 (d) of the

Securities Exchange Act of 1934

For the fiscal year ended **December 31, 2008**

Commission File No. 1-442

THE BOEING COMPANY VOLUNTARY INVESTMENT PLAN

THE BOEING COMPANY

100 N. Riverside Plaza

Chicago, Illinois 60606-1596

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THE BOEING COMPANY VOLUNTARY INVESTMENT PLAN

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Employee Benefit Plans Committee and

Members of The Boeing Company Voluntary Investment Plan

The Boeing Company

Chicago, Illinois

We have audited the accompanying statements of net assets available for benefits of the Boeing Company Voluntary Investment Plan (the Plan) as of December 31, 2008 and 2007, and the related statements of changes in net assets available for benefits for the years then ended. These financial statements are the responsibility of the Plan s management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Plan is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan s internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such financial statements present fairly, in all material respects, the net assets available for benefits of the Plan at and as of December 31, 2008 and 2007, and the changes in net assets available for benefits for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedule listed in the table of contents is presented for the purpose of additional analysis and are not a required part of the basic financial statements, but are supplementary information required by the Department of Labor s Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. These schedules are the responsibility of the Plan s management. Such schedules have been subjected to the auditing procedures applied in our audit of the basic 2008 financial statements and, in our opinion, are fairly stated in all material respects when considered in relation to the basic financial statements taken as a whole.

/s/ DELOITTE & TOUCHE LLP

Seattle, Washington

June 18, 2009

Table of Contents**THE BOEING COMPANY VOLUNTARY INVESTMENT PLAN****STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS****AS OF DECEMBER 31, 2008 AND 2007**

	2008	2007
ASSETS:		
Investments at fair value:		
Interest in Master Trust	\$ 21,747,087,117	\$ 28,550,929,514
Loans to Members	527,471,177	499,081,033
	22,274,558,294	29,050,010,547
Receivable employer contributions	18,020,578	15,557,869
NET ASSETS AVAILABLE FOR BENEFITS, AT FAIR VALUE	22,292,578,872	29,065,568,416
Adjustment from fair value to contract value for fully benefit-responsive investment contracts	322,884,442	(37,619,764)
NET ASSETS AVAILABLE FOR BENEFITS	\$ 22,615,463,314	\$ 29,027,948,652

See notes to financial statements.

Table of Contents**THE BOEING COMPANY VOLUNTARY INVESTMENT PLAN****STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS****FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007**

	2008	2007
ADDITIONS:		
Net Master Trust Activity	\$ (6,929,411,662)	\$ 1,360,559,130
Income from loans	36,681,373	32,576,011
Contributions:		
Employer	552,213,928	531,596,413
Member	1,296,322,450	1,264,249,549
Total contributions	1,848,536,378	1,795,845,962
Total additions	(5,044,193,911)	3,188,981,103
DEDUCTIONS Benefits paid	1,370,404,813	1,798,552,245
NET (DEDUCTIONS) ADDITIONS	(6,414,598,724)	1,390,428,858
ASSETS TRANSFERRED FROM OTHER PLANS	2,113,386	76,192,294
NET ASSETS AVAILABLE FOR BENEFITS:		
Beginning of year	29,027,948,652	27,561,327,500
End of year	\$ 22,615,463,314	\$ 29,027,948,652

See notes to financial statements.

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THE BOEING COMPANY VOLUNTARY INVESTMENT PLAN

NOTES TO FINANCIAL STATEMENTS

AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

1. DESCRIPTION OF PLAN

The following description of The Boeing Company Voluntary Investment Plan (the "VIP" or the "Plan") provides only general information. Eligible employees, as defined by the Plan ("Members"), should refer to the Plan document for a more complete description of the Plan's provisions.

General The Plan is a defined contribution savings plan designed to provide Members with a means of making regular savings to provide additional security for their retirement. An employee becomes eligible to participate on the first day of employment.

The assets of the Plan, excluding loans and receivables, are held in The Boeing Company Employee Savings Plans Master Trust (the "Master Trust"). State Street Bank and Trust Company (SSBT) serves as trustee for the Master Trust.

Contributions Members may elect to contribute, subject to statutory limitations, between 1% and 20%, depending upon the employee's labor group code, of their base compensation. Certain eligible employees are allowed to make catch-up contributions. This provision is available to Members of age 50 or older during the plan year and who contribute either at least 8% in pretax contributions or have reached a specified limit for the plan year. Members may elect to change contribution percentages to be effective the next pay period after the request is received or as soon as administratively possible. The allocation of both their contributions and employer contributions to the funds may be changed at any time and become effective on the day of the change or the next business day according to the time of the request for a change in relation to the stock market close of business. The Plan allows active employees to contribute to the Plan from pretax compensation, after-tax compensation, or a combination of both. The Plan also accepts certain rollover contributions.

Under the terms of the Plan, The Boeing Company (the "Company" or "Boeing") does make a matching contribution for eligible Members. Members should refer to the Plan document for details.

Eligible employees (non-union or represented by a collective bargaining agent that has negotiated for its members to be eligible for automatic enrollment) who are hired or rehired on or after January 1, 2008, will automatically become Members.

Members' Accounts Individual accounts are maintained for each Plan Member. Each Member's account is credited with the Member's contribution and Company's contribution, allocations of Plan earnings (losses) from the funds in which the account is invested, and charged with an allocation of certain administrative and investment-related expenses, and Member specific charges, if applicable. Allocations are based on Member earnings or account balances, as defined by the Plan document. The benefit to which a Member is entitled is the benefit that can be provided from the Member's account.

Vesting Member contributions, both pretax and after-tax, employer matching contributions, profit-sharing contributions, and earnings on those contributions are immediately vested.

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Withdrawals Members may elect to withdraw all or a portion of their own pretax contribution accounts, after-tax contribution accounts, employer matching accounts, profit-sharing accounts, and rollover accounts at any time on or after the day the Member attains age 59 1/2. If a Member is under age 59 1/2, withdrawals from pretax contribution accounts are subject to certain hardship rules as provided by the Plan. If a Member takes a hardship withdrawal, the Member may continue contributions to the Plan; however, employer matching contributions will be suspended for six months following the withdrawal.

In addition, a Member may elect to withdraw all or part of his or her employer matching account before the Member attains age 59 1/2, but only if the Member has attained his or her fifth anniversary of employment. If such a withdrawal is made, employer matching contributions will be suspended for six months following the withdrawal. Company contributions may be fully withdrawn upon termination of employment. Withdrawals of after-tax contributions and rollover contributions can be made at any time.

Loans Members are permitted to borrow a minimum of \$1,000 up to a maximum of the lesser of \$50,000 or 50% of the total value of their total vested account balance at the time of the loan issuance and may have two loans within the Company's savings plans outstanding at any time. Loans may be additionally limited in accordance with Plan provisions. The interest rate on new loans is set every month and is equal to the prime rate published in the *Wall Street Journal* as of the last business day of the calendar month immediately preceding the date of the loan. Interest rates on outstanding loans ranged from 4.00% to 10.79% at December 31, 2008, with loans maturing at various dates through December 2028.

Loan repayment is made through regular payroll deductions for a period of up to 60 months for general loans and over a longer period for loans used to finance the purchase of a principal residence. If a Member's employment terminates for any reason and the loan balances are not paid in full within 90 days of termination, the loan balances will be canceled and become taxable income to the Member. Certain members may continue to make loan repayments after termination of employment under procedures established by the Plan administrator.

Member loans are valued at cost, which approximates fair value.

Benefit Payments On termination of service, a Member may elect to receive a lump-sum amount equal to the value of the Member's vested interest in his or her account; a partial payment amount; or monthly, quarterly, semiannual, or annual installments of a fixed dollar amount or for a specific number of years, up to 10 years. Generally, a Member may also elect to have all or a portion of his or her Boeing Stock Fund balance paid in shares and/or cash. A Member also has the option to elect an annuity contract.

Investment Funds Upon enrollment in the Plan, Members may direct their contributions and any employer matching contributions to 19 of the investment funds in the Master Trust. These 19 investment funds consist of common/collective trusts, separately managed U.S. equity accounts, a separately managed non-U.S. equity account, a stable value fund (comprised of six synthetic guaranteed investment contracts (synthetic GICs)), and Boeing common stock which is the Boeing ESOP Stock Fund, a dividend payout program. Investment funds are valued daily, and Members may elect to change their investment allocations on a daily basis.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America.

Use of Estimates The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make

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estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein and the disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Risks and Uncertainties The Plan utilizes various investment instruments. Investment securities, in general, are exposed to various risks, such as interest rate risk, credit risk, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the financial statements.

Valuation of Investments Investments in the Master Trust are stated at fair value. Fair value of a financial instrument is the price that would be received to sell an asset or paid to transfer a liability (exit price) in an orderly transaction between market participants at the measurement date. The Master Trust's investments are valued as follows:

Common stock and preferred stock traded in active markets on national and international exchanges are valued at or based on closing prices on the last trading day of the year. Currency forwards are valued using quoted spot foreign currency exchange rates on the last trading day of the year. Mutual funds are valued using quoted market prices to represent the net asset value at year-end.

Fixed income securities, the majority of which are not exchange-traded but are traded in active markets, are valued using observable inputs such as observable trade prices, multiple broker/dealer quotations, related yield curves and other assumptions about the security (prepayment projections, cash flows, and other security characteristics, etc.)

Securities traded in markets that are not considered active can be valued using unobservable inputs such as less recent trade prices, single broker/dealer quotations, related yield curves and other assumptions about the security.

To-be-announced securities (TBAs) are derivative financial instruments which provide for the delayed delivery of the underlying mortgage-backed securities. With respect to market valuation, a TBA's unrealized market appreciation (depreciation) is based on a compilation of primary observable market information as of the last trading day of the year. TBAs are included in synthetic GICs and payables for securities purchased on the accompanying financial statements.

Investments in common/collective trust funds are valued based on the year-end unit value; unit values are determined by the issuer or Third Party Administrator by dividing the fair values of the total net assets at year-end by the outstanding units. The fair values of the total net assets are determined by the nature of the underlying investments. Each underlying investment is valued at fair value in accordance with the valuation description associated with its investment type as stated above. Units in common/collective trust funds, which hold benefit-responsive contracts, are priced based upon fair value of the underlying investment. For funds which hold Guaranteed Investment Contracts (GICs) and fixed income securities, these funds are fair valued and then adjusted to contract value. The fair value of traditional GICs is determined using a discounted cash flow methodology where the individual contract cash flows are discounted at the prevailing interpolated swap rate as of year-end. The fair values of the fixed income securities underlying the fund, including those in the synthetic GICs, are valued based on the pricing methodology for fixed income securities stated above.

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Synthetic GICs are stated at fair value and then adjusted to contract value. There are no reserves against contract value for credit risk of the contract issuer. The fixed income securities underlying the contracts are valued using prices provided by SSBT which are based on the pricing methodology stated above.

Boeing common stock is valued at the closing market price as of the last trading day of the year.

Investments in the limited partnerships are recorded based upon the year-end valuations provided by the partnerships. Among the factors considered by the partnerships in determining the fair value are developments since the acquisition of the underlying investments, the financial condition and operating results of the underlying investments, the long-term potential of each of the underlying investment's businesses, market comparable analysis, the foreign exchange rate for each of the underlying foreign investments, and other factors generally pertinent to the valuation of the underlying investments.

In accordance with Financial Accounting Standards Board (FASB) Staff Position AAG INV-1 and SOP 94-4-1, *Reporting of Fully Benefit-Responsive Contracts Held by Certain Investment Companies Subject to the AICPA Investment Company Guide and Defined-Contribution Health and Welfare and Pension Plans*, the stable value fund is included at fair value in participant-directed investments in the statements of net assets available for benefits, and an additional line item is presented representing the adjustment from fair value to contract value. The statement of changes in net assets available for benefits is presented on a contract value basis.

Purchases and sales of securities are recorded on a trade-date basis. Dividends are recorded on the ex-dividend date. The net appreciation/depreciation in fair value of investments includes both realized and unrealized gains or losses and is calculated as the difference between the fair value of the assets as of the beginning of the plan year or the purchase date in the current year and either the sales price or the end-of-year fair value.

Benefits Benefits are recorded when paid.

Adoption of New Accounting Guidance The financial statements reflect the prospective adoption of FASB Statement No. 157, *Fair Value Measurements*, as of the beginning of the year ended December 31, 2008 (see Note 6). FASB Statement No. 157 is effective for financial statements issued for fiscal years beginning after November 15, 2007 and establishes a single authoritative definition of fair value, sets a framework for measuring fair value, and requires additional disclosures about fair value measurements. The effect of the adoption of FASB Statement No. 157 had no material impact on the statements of net assets available for benefits and statement of changes in net assets available for benefits.

In March 2008, the FASB issued Statement No. 161 *Disclosures about Derivative Instruments and Hedging Activities- an amendment of FASB Statement No. 133, Accounting for Derivative Instruments and Hedging Activities*. Statement No. 161 requires enhanced disclosures about a fund's derivative and hedging activities. SFAS No. 161 is effective for financial statements issued for fiscal years beginning after November 15, 2008. Master Trust management is currently evaluating the impact the adoption of Statement No. 161 will have on the financial statements.

In September 2008, FASB Staff Position FAS 133-1 and FIN 45-4, *Disclosures about Credit Derivatives and Certain Guarantees: An Amendment of FASB Statement No. 133 and FASB Interpretation No. 45 (FSP)*, was issued which expanded disclosures for certain derivatives

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subject to FASB Statement No. 133 and FIN 45. The FSP was adopted by the Plan on a prospective basis for the year ended December 31, 2008. The effect of the adoption of the FSP had no impact on the statements of net assets available for benefits and statement of changes in net assets available for benefits.

Expenses Necessary and proper expenses of the Plan are paid from the Plan assets at the Master Trust level, except for those expenses the Company is required by law or chooses to pay.

3. SYNTHETIC GUARANTEED INVESTMENT CONTRACTS

For the plan years ended December 31, 2008 and 2007, the Master Trust included the VIP Stable Value Fund (the VIP SVF), which is managed by Dwight Asset Management Company LLP (Dwight), and held six synthetic GICs on behalf of the VIP and, beginning October 2008, the BAO. AIG Financial Products, Inc. (AIG), Bank of America (BofA), ING Life Insurance and Annuity Company (ILIAC), NATIXIS Financial Products (NATIXIS), Pacific Life Insurance Company (PacLife), and Royal Bank of Canada (RBC) are synthetic GIC issuers in the VIP SVF.

A synthetic GIC, also known as a wrap contract, is an investment contract issued by an insurance company or other financial institution, backed by diversified bond portfolios that are owned by the VIP SVF. These contracts provide that realized and unrealized gains and losses on the underlying assets are not reflected immediately in the net assets of the VIP SVF, but rather are amortized, at a maximum over the duration of the underlying assets, through adjustments to the future interest crediting rate. Primary variables impacting the future crediting rate of the wrap contracts include current yield of the underlying assets within the wrap contract, duration of the underlying assets covered by the wrap contract, and the existing difference between market value and contract value of the underlying assets within the wrap contract. The issuer guarantees that all qualified participant withdrawals will occur at contract value (or book value) which represents contributions made under the contract, plus earnings, less withdrawals made under the contract and administrative expenses.

The synthetic GICs are included in the Master Trust financial statements at fair value in participant-directed investments in the statements of net assets available for benefits, and an additional line item is presented representing the adjustment from fair value to contract value. There are no reserves against contract value for credit risk of the contract issuer. The fixed income securities underlying the contracts are valued using prices provided by SSBT which are based on the valuation methodology stated in Note 2.

The assets underlying the synthetic GICs are owned by the VIP SVF, which is part of the Master Trust; SSBT is the custodian for the Master Trust assets. The underlying assets of the synthetic GICs are invested in diversified bond portfolios managed by BlackRock Financial Management Inc. (BlackRock), ING Investment Management Co. (ING), Pacific Investment Management Company (PIMCO), and Western Asset Management Co. (WAMCO). In addition to the diversified bond portfolios, Dwight oversees an allocation to a cash component which is invested in SSBT's Short Term Investment Fund.

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AIG, BofA, ILIAC, NATIXIS, PacLife, and RBC (collectively, the wrap providers) are each contractually obligated to pay the principal and specified interest rate that is guaranteed to the VIP SVF, respectively. The respective crediting interest rates are each based on a formula agreed upon with each issuer; each one may not be less than 0%. Such interest rates are reviewed and reset on a quarterly basis. Synthetic GICs provide prospective crediting interest rates which are adjusted quarterly based on the interest earnings, fair value, and duration of the underlying diversified bond portfolios. The crediting rate of each contract in any given quarter will reflect market experience from the previous quarter. The wrap providers may not terminate the contracts at any amount less than contract value.

Certain events, such as a plan termination or a plan merger initiated by the Company, could limit the ability of the Plan to transact at contract value or may allow for the termination of the wrapper contract at less than contract value. The Company does not believe that any events that could limit the ability of the Plan to transact at contract value are probable.

The average yields of the VIP SVF for the years ended December 31, 2008 and 2007 are as follows:

	2008	2007
Average yields:		
Based on annualized earnings (1)	5.63%	5.24%
Based on interest rate credited to participants (2)	4.82%	5.20%

- (1) Computed by dividing the annualized one-day actual earnings of the VIP SVF on the last day of the plan year by the fair value of the investments of the VIP SVF on the same date.
- (2) Computed by dividing the annualized one-day earnings credited to participants in the VIP SVF on the last day of the plan year by the fair value of the investments of the VIP SVF on the same date.

4. MASTER TRUST

The Master Trust is composed of 23 investment funds, some of which are specific to individual Plans. The assets are invested and records are maintained by each investment fund option. Funds are allocated to the five participating Plans in accordance with plan provisions and participant allocation elections. The allocation of net assets available for benefits is based on the respective number of units held by the Plans Members as of the plan year-end. The allocation of the changes in net assets available for benefits is calculated daily based on the units held by the Plans Members as of that day's end.

At December 31, 2008 and 2007, the assets of the following plans were combined in the Master Trust:

The Boeing Company Voluntary Investment Plan

The Boeing Company Employee Financial Security Plan

BAO Voluntary Savings Plan

Employee Retirement Income Plan of McDonnell Douglas Corporation Defined Contribution Plan

Employee Retirement Income Plan of McDonnell Douglas Corporation Hourly Defined Contribution Plan

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Effective October 8, 2007, the Employee Payroll Stock Ownership Plan of McDonnell Douglas Corporation (PAYSOP) was merged into The Boeing Company Voluntary Investment Plan.

The Plan's interest in the Master Trust was \$21,747,087,117 and \$28,550,929,514 representing 96% of the Master Trust's net assets at December 31, 2008 and 2007, respectively.

The fair values of investments for the Master Trust at December 31, 2008 and 2007, are as follows:

	2008	2007
Investments at fair value:		
Common/collective trusts	\$ 8,612,116,282	\$ 12,321,965,768
Common and preferred stock	2,279,177,233	4,638,292,833
Mutual funds	45,226,761	76,947,793
Boeing common stock	2,644,993,995	4,721,070,160
Synthetic GICs	9,066,560,544	8,050,020,108
Partnerships	3,140,903	5,249,543
Total Master Trust investments	\$ 22,651,215,718	\$ 29,813,546,205

Adjustments from fair value to contract value for fully benefit-responsive investment contracts in the Master Trust were \$324,617,486 and (\$28,764,441) for 2008 and 2007, respectively.

Investment (loss) income for the Master Trust for the years ended December 31, 2008 and 2007, is as follows:

	2008	2007
(Depreciation) appreciation of investments:		
Common/collective trusts	\$ (3,348,095,296)	\$ 624,143,884
Common and preferred stock	(1,898,748,051)	331,743,973
Mutual funds	(24,722,428)	9,602,365
Partnerships	(2,055,061)	1,506,417
Boeing common stock	(2,520,185,442)	(32,774,336)
Net (depreciation) appreciation of investments	(7,793,806,278)	934,222,303
Interest income	488,522,906	433,956,999
Dividend income	146,920,268	134,468,261
Total Master Trust investment (loss) income	\$ (7,158,363,104)	\$ 1,502,647,563

5. FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

As of January 1, 2008, the Master Trust has adopted the provisions of FASB Statement No. 157. FASB Statement No. 157 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1

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measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under FASB Statement No. 157 for financial assets and financial liabilities are described below:

Basis of Fair Value Measurement

- Level 1 Values are based on unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities. An active market is a market in which transactions for the asset or liability occur with sufficient frequency and volume to provide pricing information on an ongoing basis.
- Level 2 Values are based on (a) quoted prices for similar assets or liabilities in active markets; (b) quoted prices for identical or similar assets or liabilities in non-active markets; or (c) valuation models whose inputs are observable, directly or indirectly, for substantially the full term of the asset or liability.
- Level 3 Values are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement.

The following table sets forth by level within the fair value hierarchy a summary of Master Trusts investments measured at fair value on a recurring basis at December 31, 2008. As required by FASB Statement No. 157, assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

	Quoted Prices in Active Market for Identical Asset (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance as of December 31, 2008
Investment assets:				
Common/collective trusts	\$	\$ 8,612,116,282	\$	\$ 8,612,116,282
Common and preferred stocks	2,202,408,930	76,658,150	110,153	2,279,177,233
Mutual funds	45,226,761			45,226,761
Boeing common stock	2,644,993,995			2,644,993,995
Synthetic GIC		9,037,654,806	28,905,738	9,066,560,544
Partnerships			3,140,903	3,140,903
Total investment assets	\$ 4,892,629,686	\$ 17,726,429,238	\$ 32,156,794	\$ 22,651,215,718
Investment liabilities:				
TBAs	\$	\$ 17,768,640	\$	\$ 17,768,640
Total investment liabilities		\$ 17,768,640		\$ 17,768,640

Total Master Trust investment assets at fair value classified within Level 3 were \$32,156,794 as of December 31, 2008, which primarily consists of fixed income securities underlying the synthetic GIC and an investment in a partnership. Such amounts were 0.14% of Total investment assets on the Master Trust's statements of net assets as of December 31, 2008.

Level 3 Gains and Losses The table below sets forth a summary of changes in the fair value of the Master Trust's Level 3 investment assets for the year ended December 31, 2008. As reflected in the tables below, the net unrealized loss on Level 3 investment assets and investment liabilities was \$825,365. This was comprised of a net unrealized gain on synthetic GICs of \$322,575 and a net unrealized loss on partnerships of \$1,147,940 for the year ended December 31, 2008.

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	Synthetic guaranteed investment contracts	Partnerships	Common and preferred stocks	Total
Beginning balance	\$ 20,077,850	\$ 5,249,543	\$	\$ 25,327,393
Net realized and unrealized gains or (losses)	\$ 322,575	\$ (1,147,940)		\$ (825,365)
Net purchases, issuances, and settlements	\$ 8,505,313	\$ (960,700)		\$ 7,544,613
Net transfer in or (out) of Level 3	\$	\$	\$ 110,153	\$ 110,153
Ending balance	\$ 28,905,738	\$ 3,140,903	\$ 110,153	\$ 32,156,794
The amount of total gains or losses for the period included in changes in net assets attributable to the change in unrealized gains or (losses) still held at the reporting date				
	\$ 322,575	\$ (1,147,940)	\$	\$ (825,365)