



FEDERAL RETIREMENT THRIFT INVESTMENT BOARD
1250 H Street, NW Washington, DC 20005

January 8, 2009

MEMORANDUM FOR BOARD MEMBERS SAUL, FINK, WHITING,
SANCHEZ, AND DUFFY

FROM: GREGORY T. LONG
EXECUTIVE DIRECTOR

SUBJECT: December 2008 Performance Review - G, F,
C, S, I, and L Funds

INTRODUCTION

This report reviews key aspects of the investment performance of the G, F, C, S, I, and L Funds through December 2008, investment manager performance and tracking error, trading costs, TSP fund performance, and L Fund participation.

TRACKING ERROR - BGI Funds

December Tracking Error

<u>Fund</u>	<u>% BGI FUND Performance</u>	<u>% Index Performance</u>	<u>Tracking Error</u>
Fixed Income	3.73	3.73	0.00
Large Cap	1.12	1.06	0.06
Small Mid Cap	4.91	4.53	0.38
International	7.64	6.01	1.63

Year to Date Tracking Error

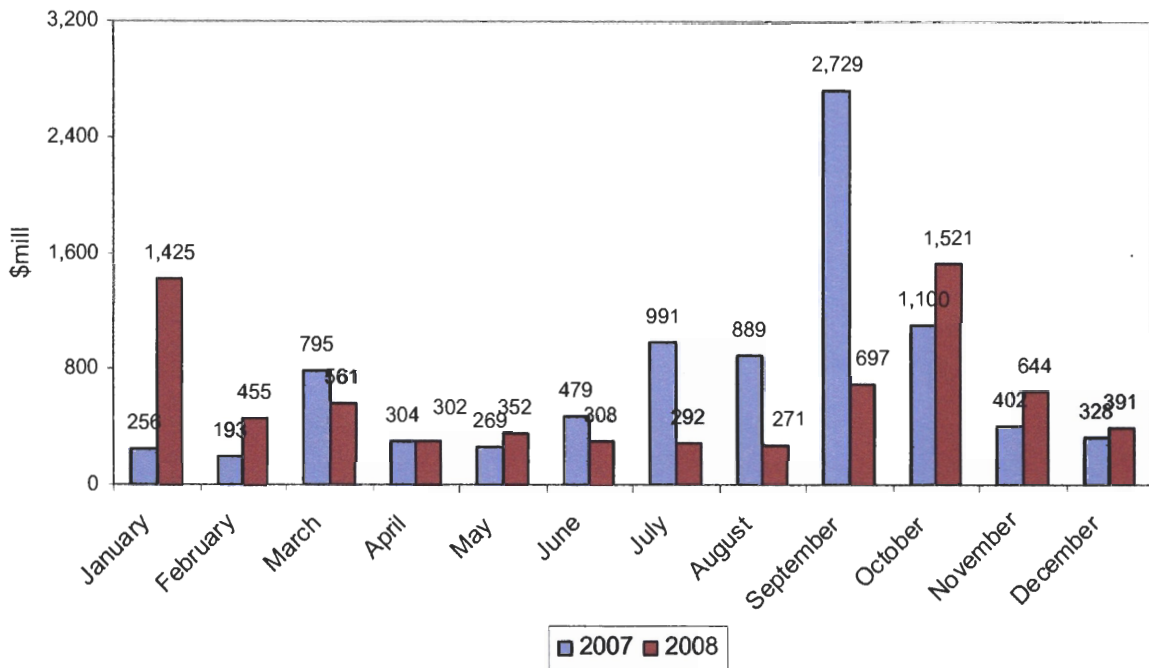
<u>Fund</u>	<u>% BGI FUND Performance</u>	<u>% Index Performance</u>	<u>Tracking Error</u>
Fixed Income	5.41	5.24	0.17
Large Cap	-36.92	-37.00	0.08
Small-Mid Cap	-38.36	-39.03	0.67
International	-42.28	-43.38	1.10

The **Barclays Extended Equity Market Fund E** outperformed by 38 basis points in December and 67 basis points year-to-date. The outperformance is primarily related to the sampling technique used by the Fund. The **Barclay's EAFE Equity Index Fund E** outperformed by 163 basis points in December and 110 basis points year-to-date primarily because of a fair valuation adjustment on December 31. The **Barclays U.S. Debt Index Fund E** outperformed by 17 basis points in 2008, primarily as a result of the sampling technique used by the Fund.

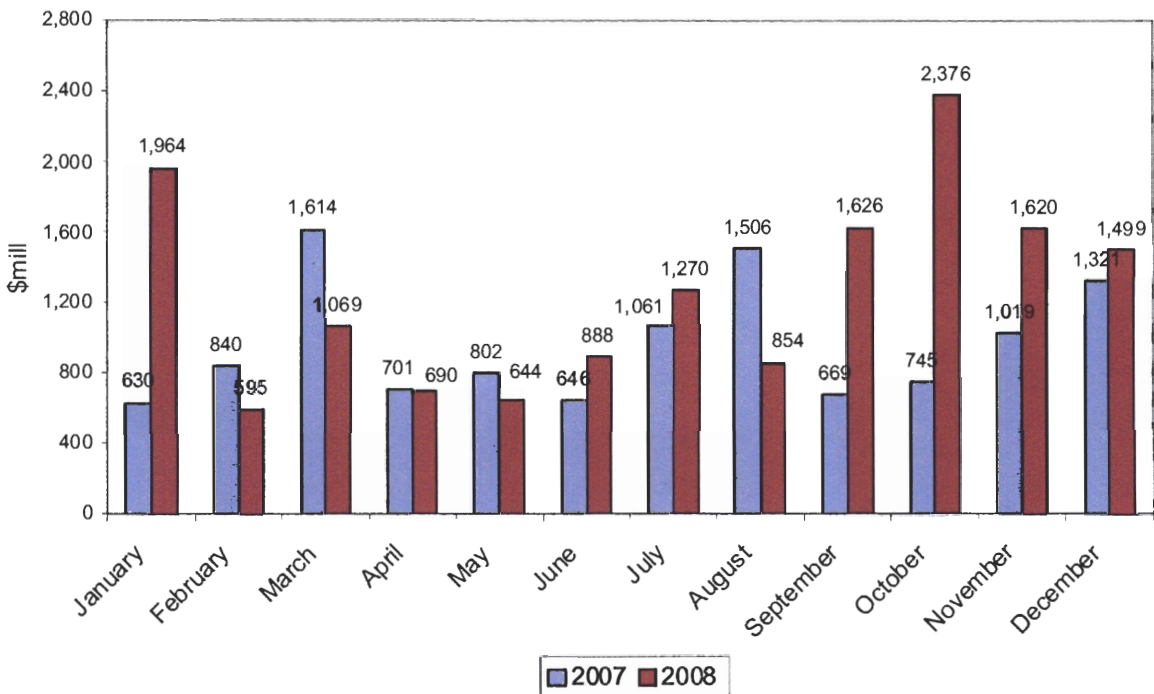
TRADING COSTS

	<u>DOLLAR AMOUNT TRADED</u>	<u>TRADING COSTS</u>	
		<u>\$</u>	<u>Basis Points</u>
<u>F Fund</u>			
December 2008	390,529,558	46,453	1.2
Year-to-Date	7,216,477,037	2,586,047	3.6
<u>C Fund</u>			
December 2008	1,499,269,759	196,373	1.3
Year-to-Date	15,096,521,697	1,919,380	1.3
<u>S Fund</u>			
December 2008	787,830,617	69,729	0.9
Year-to-Date	6,987,455,330	-890,785	-1.3
<u>I Fund</u>			
December 2008	635,166,830	2,138,194	33.7
Year-to-Date	12,303,533,687	5,796,603	4.7

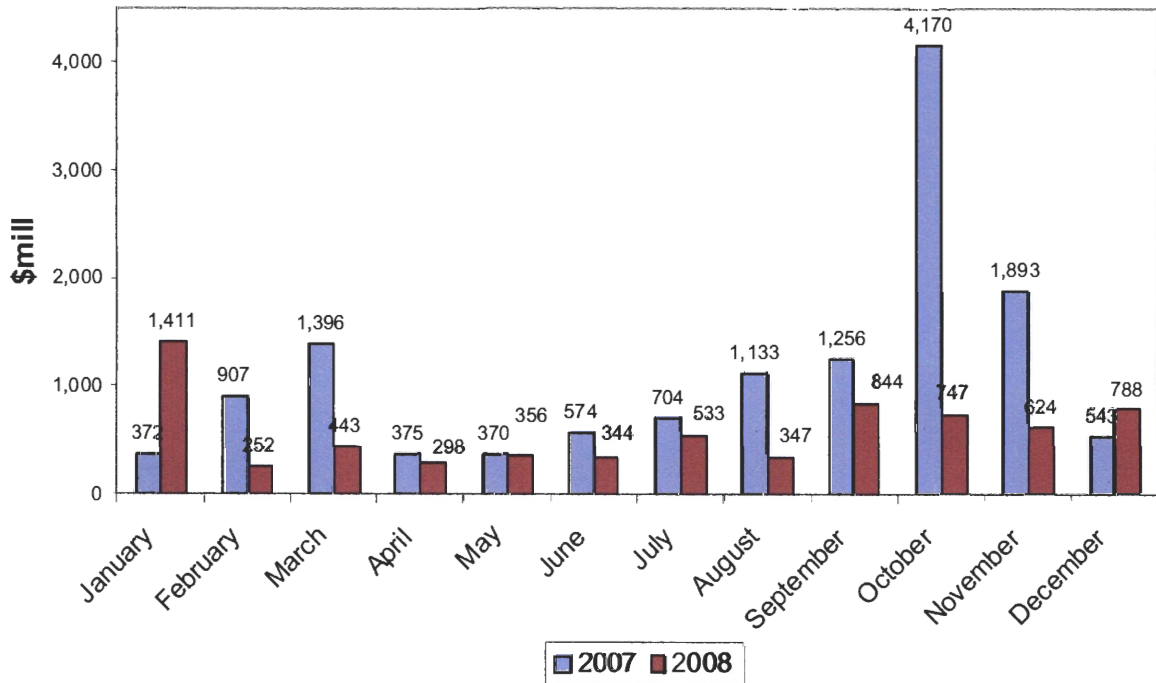
F Fund - \$ Amount Traded



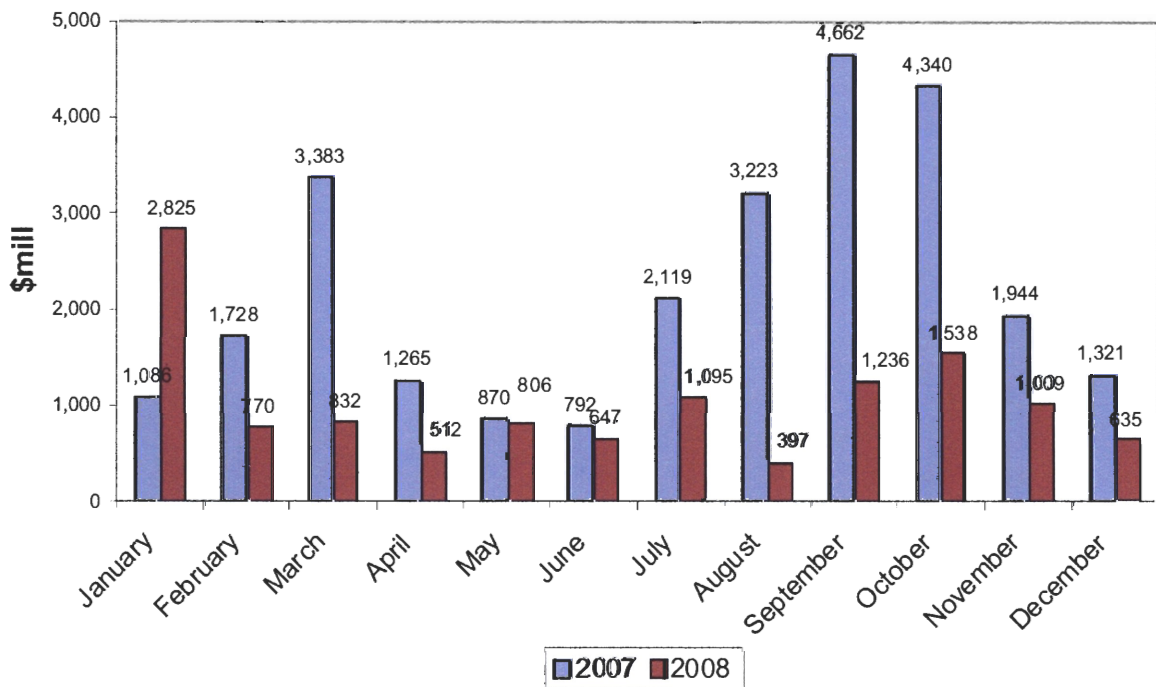
C Fund - \$ Amount Traded



S Fund - \$ Amount Traded



I Fund - \$ Amount Traded



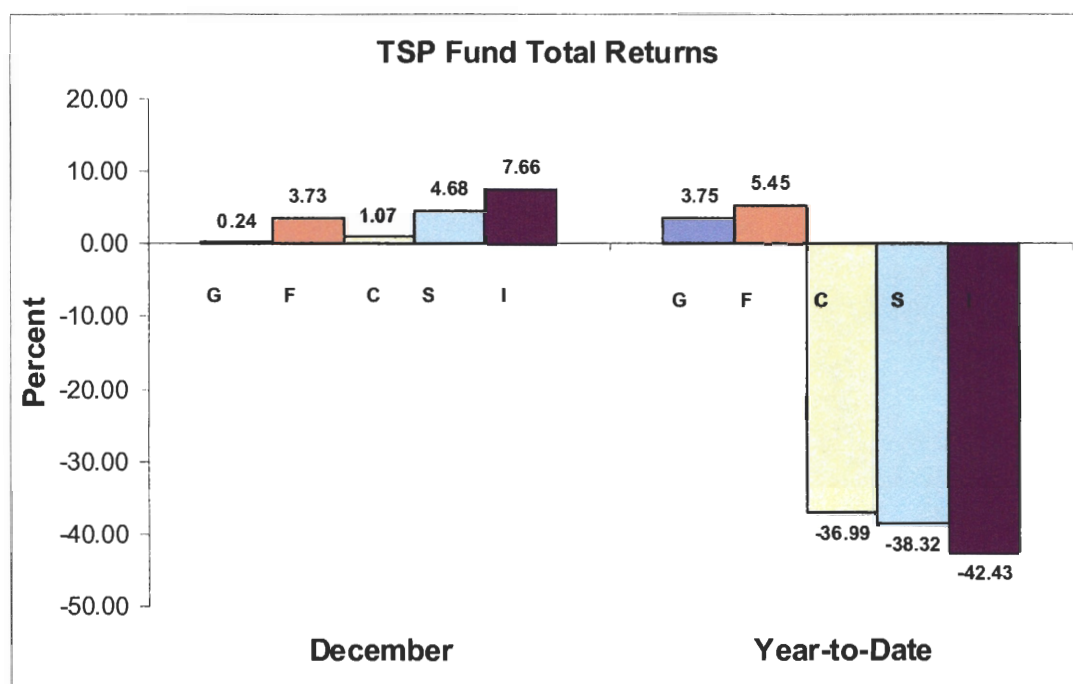
G FUND

The following table compares the G Fund rate to be paid in the month noted to the 3 month Treasury bill, the 10 year Treasury note and the 30 year Treasury bond at the time the rate was set.

	<u>G Fund</u>	<u>3-month T-bill</u>	<u>10 year T-note</u>	<u>30 year T-bond</u>
January	4.00%	3.31%	4.03%	4.45%
February	3.50	1.98	3.60	4.32
March	3.38	2.08	3.51	4.40
April	3.38	1.35	3.41	4.29
May	3.75	1.25	3.73	4.47
June	4.00	1.86	4.06	4.72
July	3.87	1.84	3.97	4.53
August	3.87	1.68	3.95	4.57
September	3.75	1.70	3.81	4.42
October	3.63	.73	3.82	4.31
November	3.75	.45	3.96	4.37
December	2.75	.02	2.92	3.44
January	2.13	.02	2.21	2.68

PERFORMANCE OF TSP FUNDS

The chart below shows the G, F, C, S, and I Fund net rates of return for December 2008 and year-to-date.



The table below compares the net rates of return for the F, C, S, and I Funds to the returns of the corresponding BGI funds.

December

2008

Total Return

%

<u>Fund</u>	<u>TSP</u>	<u>Barclays</u>	<u>Difference</u>	<u>Index</u>
Fixed Income	3.73	3.73	0.00	3.73
Large Cap	1.07	1.12	-0.05	1.06
Small Cap	4.68	4.91	-0.23	4.53
International	7.66	7.64	0.02	6.01

Year-to-Date

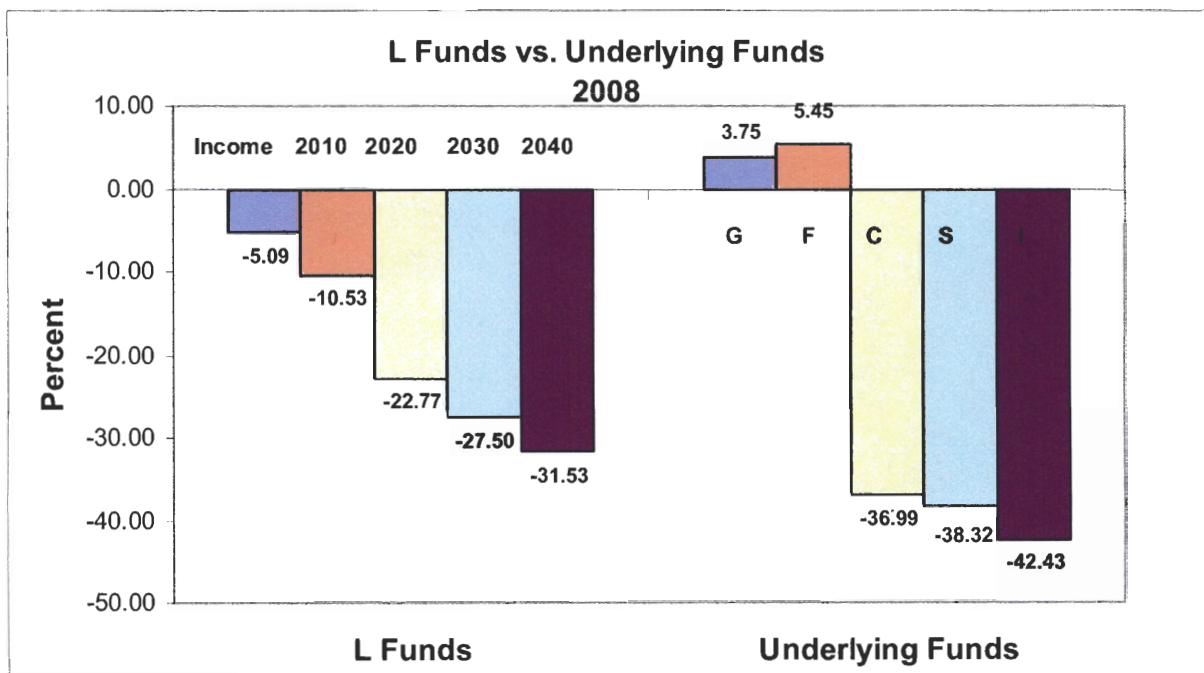
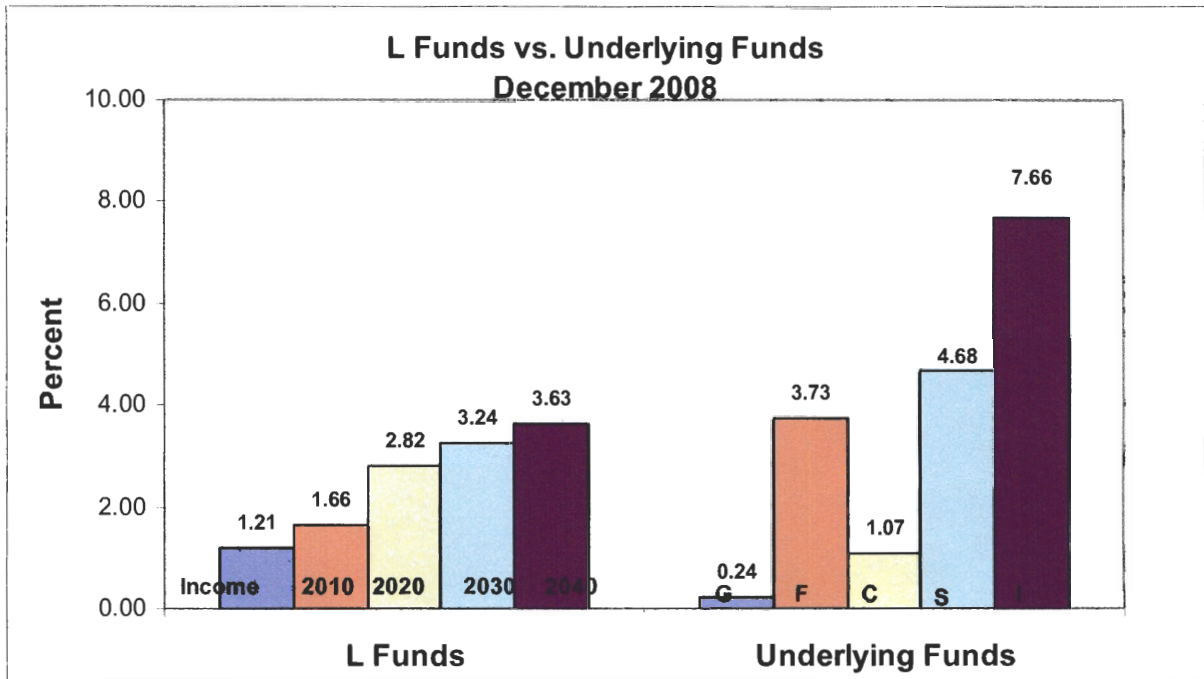
%

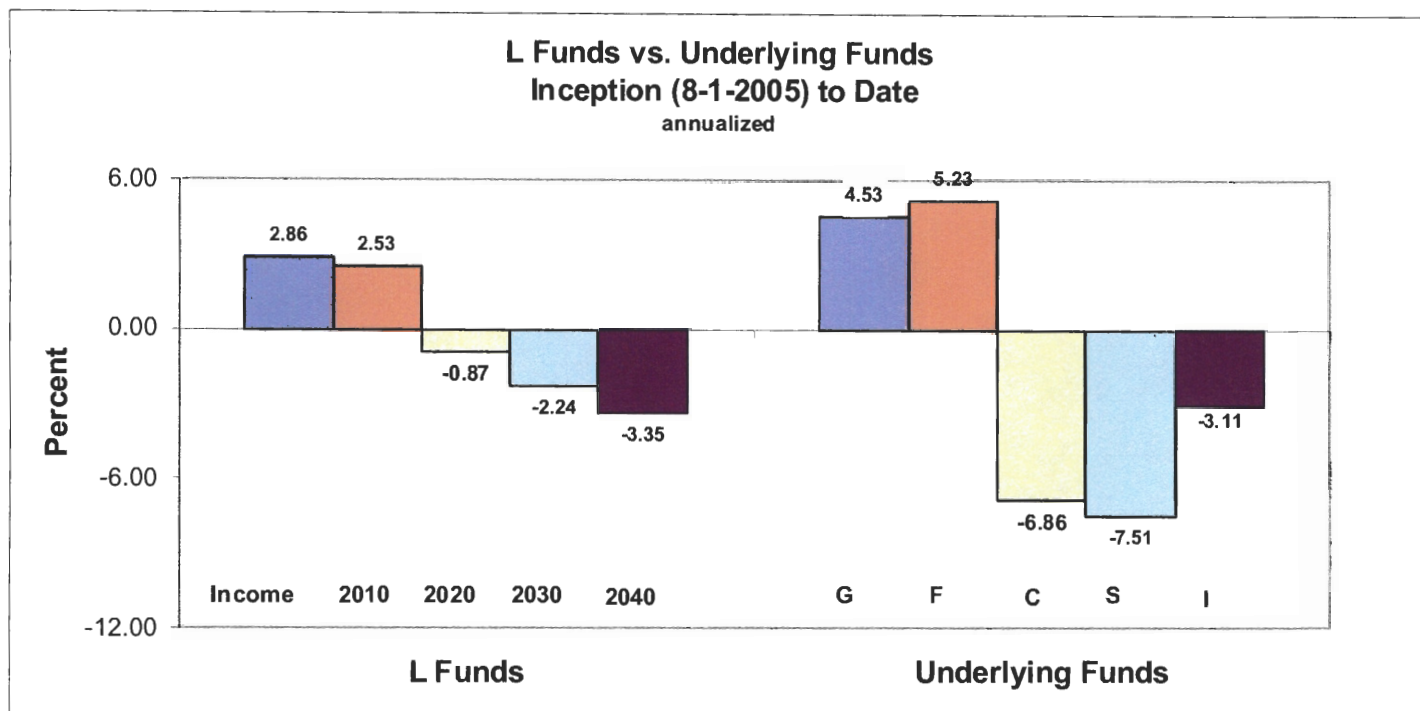
<u>Fund</u>	<u>TSP</u>	<u>Barclays</u>	<u>Difference</u>	<u>Index</u>
Fixed Income	5.45	5.41	0.04	5.24
Large Cap	-36.99	-36.92	-0.07	-37.00
Small Cap	-38.32	-38.36	0.04	-39.03
International	-42.43	-42.28	-0.15	-43.38

The TSP Funds closely tracked the BGI Funds for the month and year-to-date.

L FUNDS

The net rates of return for the L Funds are shown below along with comparable returns for the G, F, C, S, and I Funds. The bulk of our participants' funds are held in the G and C Funds. **In 2008 all of the L Funds outperformed the C, S and I Funds.**





THRIFT SAVINGS PLAN MONTHLY INVESTMENT ACTIVITY

Attachment 1 provides a summary of TSP investment activity and participation rates.

- Calmer markets led to lower participant activity as interfund transfers fell to 76,194 from 112,126 in November. (p. 10)
- L Fund balances and the number of participants investing in the lifecycle funds increased for the first time since September. (p. 11)

PROXY VOTING

An audit of BGI's proxy votes voting conducted by RiskMetrics Group found no exceptions to BGI's established guidelines during the third quarter of 2008. A copy of the audit report is provided as Attachment 2. RiskMetrics' audit report for the fourth quarter of 2008 is not yet available. There were no changes to BGI's proxy voting policy in the third quarter.

RECOMMENDATION

The G Fund investments produce long-term yields while incurring no market risk. **I recommend reaffirmation of the current G Fund policy of investing solely in short-term maturities.**

The Barclays U.S. Debt Index Fund E, Equity Index Fund E, Extended Market Index Fund E, and EAFE Equity Index Fund E have tracked their respective indices and have incurred low trading costs. Based on the performance of these funds, and the F, C, S, and I Funds' performance discussed above, **I recommend reaffirmation of the current F, C, S, and I Fund investment policies.**

WHEREAS the Federal Employees' Retirement System Act of 1986, as amended (5 U.S.C. § 8401 -- et seq.) provides that the Board members shall establish policies for the investment and management of the Thrift Savings Fund (5 U.S.C. § 8472(f) (1) and (2)); and

WHEREAS the Board members at this meeting have reviewed the investment performance and investment policies of the Government Securities Investment Fund, the Fixed Income Index Investment Fund, the Common Stock Index Investment Fund, the Small Capitalization Stock Index Investment Fund, and the International Stock Index Investment Fund; and

WHEREAS the Board members are satisfied with the investment performance and investment policies of these Funds;

NOW THEREFORE BE IT RESOLVED that the current investment policies for the Government Securities Investment Fund, the Common Stock Index Investment Fund, the Fixed Income Index Investment Fund, the Small Capitalization Stock Index Investment Fund, and the International Stock Index Investment Fund are affirmed without change.

Attachments

THRIFT SAVINGS PLAN MONTHLY INVESTMENT ACTIVITY
Contributions and Interfund Transfers

Month end	Monthly TSP Contributions							Interfund Transfer Activity						
	G Fund (%)	F Fund (%)	C Fund (%)	S Fund (%)	I Fund (%)	L Funds (%)	Total (\$Mil)	G Fund (\$Mil)	F Fund (\$Mil)	C Fund (\$Mil)	S Fund (\$Mil)	I Fund (\$Mil)	L Funds (\$Mil)	# of IFTs
12/31/2004	40%	7%	39%	8%	6%	N/A	1,560	(397)	(156)	(326)	357	522	N/A	141,159
12/31/2005	36%	6%	35%	9%	8%	6%	1,560	(366)	(109)	(703)	27	359	792	140,242
12/31/2006	33%	5%	30%	9%	11%	11%	1,569	(448)	29	(593)	(143)	715	440	148,123
1/31/2007	32%	4%	30%	10%	12%	12%	1,909	(566)	(219)	(525)	(50)	771	589	175,918
2/28/2007	32%	4%	30%	10%	12%	12%	1,619	947	98	(818)	(107)	(391)	271	194,549
3/31/2007	33%	4%	29%	9%	12%	13%	1,636	1,079	113	(843)	(302)	(354)	307	268,213
4/30/2007	32%	4%	29%	9%	12%	13%	1,602	(887)	(63)	(516)	(91)	1,075	482	188,180
5/31/2007	32%	4%	29%	9%	12%	13%	1,931	(144)	(106)	(207)	(29)	104	382	177,196
6/30/2007	32%	4%	28%	9%	13%	13%	1,674	(194)	(146)	(327)	245	162	260	169,638
7/31/2007	31%	4%	29%	10%	13%	13%	1,957	217	8	(454)	(290)	304	215	209,575
8/31/2007	32%	4%	28%	9%	13%	14%	1,617	2,497	421	(1,115)	(697)	(1,081)	(25)	271,447
9/30/2007	32%	4%	28%	9%	12%	14%	1,601	142	(213)	(391)	39	23	400	201,192
10/31/2007	33%	4%	28%	9%	13%	14%	1,751	(1,229)	(94)	(286)	458	764	387	201,126
11/30/2007	32%	4%	28%	9%	13%	14%	1,870	1,194	258	(861)	(681)	71	19	188,623
12/31/2007	33%	4%	27%	9%	13%	14%	1,619	17	(24)	(309)	0	72	244	133,550
1/31/2008	33%	4%	27%	9%	13%	14%	1,889	4,405	1,332	(1,839)	(1,204)	(2,295)	(399)	260,044
2/29/2008	34%	5%	26%	8%	12%	14%	1,684	810	242	(639)	(202)	(370)	159	137,320
3/31/2008	35%	5%	26%	8%	12%	14%	1,685	1,876	512	(999)	(417)	(720)	(252)	147,306
4/30/2008	36%	5%	25%	8%	12%	14%	1,835	152	67	(388)	(45)	69	145	108,103
5/31/2008	35%	5%	25%	8%	12%	15%	1,980	(465)	(403)	(36)	187	436	281	84,209
6/30/2008	35%	5%	25%	8%	12%	15%	1,748	1,127	(156)	(345)	(39)	(452)	(135)	93,523
7/31/2008	36%	5%	25%	8%	11%	15%	1,940	2,401	28	(826)	(359)	(831)	(413)	117,084
8/31/2008	37%	5%	24%	8%	11%	15%	1,689	383	(71)	(49)	119	(423)	41	67,910
9/30/2008	38%	5%	24%	8%	11%	14%	1,672	3,466	(7)	(1,073)	(483)	(1,158)	(745)	166,033
10/31/2008	42%	5%	23%	7%	9%	14%	2,123	4,291	(962)	(977)	(444)	(865)	(1,043)	267,859
11/30/2008	42%	5%	23%	7%	9%	14%	1,591	937	(289)	(222)	(51)	(120)	(255)	112,126
12/31/2008	43%	4%	23%	7%	9%	13%	1,936	308	56	(180)	(14)	(62)	(108)	76,194

THRIFT SAVINGS PLAN MONTHLY INVESTMENT ACTIVITY
L Fund Investment Balances and Number of Participants

Month end	L Fund Investment Balances						Number of Participant Accounts with L Fund Balances					
	Income (\$Mil)	2010 (\$Mil)	2020 (\$Mil)	2030 (\$Mil)	2040 (\$Mil)	Total (\$Mil)	Income	2010	2020	2030	2040	Any L Fund
12/31/2005	542	2,235	3,092	1,362	664	7,895	16,915	46,517	67,777	55,164	50,848	214,779
12/31/2006	917	4,081	6,418	3,335	2,126	16,877	34,698	87,845	137,155	124,086	132,325	433,025
1/31/2007	945	4,253	6,770	3,569	2,325	17,862	35,884	90,846	142,944	130,446	141,504	452,990
2/28/2007	969	4,288	6,876	3,661	2,431	18,225	36,805	92,347	146,563	134,733	147,822	466,011
3/31/2007	1,024	4,425	7,107	3,815	2,532	18,903	38,162	94,330	150,187	138,790	153,296	479,199
4/30/2007	1,056	4,613	7,500	4,068	2,766	20,003	39,040	96,641	154,557	143,464	160,361	492,781
5/31/2007	1,106	4,781	7,852	4,298	2,981	21,018	40,005	98,731	158,403	147,738	167,023	505,790
6/30/2007	1,100	4,826	7,962	4,385	3,066	21,339	40,711	100,161	161,585	151,245	172,169	515,928
7/31/2007	1,105	4,839	7,977	4,399	3,072	21,392	41,428	101,406	164,251	154,401	176,988	525,602
8/31/2007	1,126	4,890	8,080	4,494	3,107	21,697	42,143	102,132	165,732	156,845	180,103	532,836
9/30/2007	1,183	5,097	8,485	4,751	3,324	22,840	43,015	104,039	168,956	160,405	185,224	543,213
10/31/2007	1,216	5,270	8,835	4,976	3,540	23,837	43,842	105,893	172,179	163,699	190,501	553,212
11/30/2007	1,225	5,258	8,690	4,892	3,477	23,542	44,564	106,853	173,626	165,725	193,441	559,051
12/31/2007	1,237	5,326	8,801	4,970	3,547	23,881	45,093	108,073	175,838	168,215	196,888	566,232
1/31/2008	1,248	5,137	8,379	4,730	3,303	22,797	45,776	107,113	174,501	168,348	196,366	567,020
2/29/2008	1,250	5,146	8,403	4,766	3,308	22,873	46,564	108,280	176,978	171,237	199,758	575,405
3/31/2008	1,237	5,084	8,368	4,800	3,305	22,794	47,165	108,208	177,624	173,291	201,998	580,062
4/30/2008	1,265	5,209	8,759	5,082	3,528	23,843	47,921	109,199	179,963	176,181	205,487	586,284
5/31/2008	1,285	5,322	9,045	5,294	3,715	24,661	48,740	110,531	182,790	179,242	209,726	594,265
6/30/2008	1,253	5,144	8,603	5,038	3,506	23,544	49,196	110,471	182,826	180,282	210,864	595,863
7/31/2008	1,213	5,025	8,462	5,020	3,465	23,185	49,233	109,347	182,062	180,885	211,567	596,002
8/31/2008	1,207	5,039	8,574	5,113	3,535	23,468	49,630	109,774	183,625	182,679	213,977	600,227
9/30/2008	1,153	4,698	7,821	4,687	3,205	21,564	49,411	106,961	179,661	180,726	211,784	591,817
10/31/2008	1,010	4,093	6,672	4,017	2,690	18,482	47,848	102,385	173,631	177,783	208,447	582,738
11/30/2008	966	3,951	6,376	3,848	2,570	17,711	47,850	102,551	173,631	178,231	209,233	582,213
12/31/2008	968	4,001	6,593	4,031	2,725	18,318	48,139	103,507	174,922	179,855	211,196	584,468

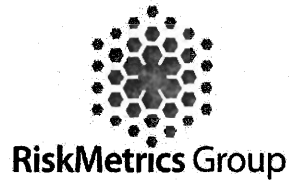
THRIFT SAVINGS PLAN MONTHLY INVESTMENT ACTIVITY

Allocation of Account Balances

Month end	Number of TSP Participants with Entire Account Balance Invested in One Lifecycle Fund						Allocation of Account Balances (G/F/C/S/I/L Fund)		
	FERS		CSRS		Uniformed Services		FERS (%)	CSRS (%)	Uniformed Services (%)
	#	%	#	%	#	%	(G/F/C/S/I/L)	(G/F/C/S/I/L)	(G/F/C/S/I/L)
12/31/2004	-	-	-	-	-	-	37/7/44/7/5/-	43/6/42/5/4/-	49/6/23/14/8/-
12/31/2005	55,386	2%	17,220	2%	14,404	2%	35/6/39/8/7/5	40/6/38/6/6/4	44/5/21/15/10/5
12/31/2006	94,323	4%	25,860	4%	30,921	4%	32/5/36/8/10/9	38/5/35/6/8/8	38/4/20/14/13/11
1/31/2007	97,967	4%	26,489	4%	32,517	4%	31/5/36/8/11/9	37/5/35/6/9/8	36/4/20/15/14/11
2/28/2007	100,232	4%	26,835	4%	33,344	4%	32/5/35/8/11/9	38/5/34/6/9/8	37/4/19/14/14/12
3/31/2007	102,312	4%	27,023	4%	34,289	4%	33/5/35/8/10/9	38/5/34/6/9/8	37/4/19/14/14/12
4/30/2007	104,911	4%	27,522	4%	35,285	5%	31/5/35/8/11/10	37/5/35/6/9/8	36/4/20/14/14/12
5/31/2007	106,136	5%	27,642	4%	35,954	5%	31/5/35/8/11/10	37/4/35/6/9/9	35/4/19/15/14/13
6/30/2007	107,580	5%	27,842	4%	36,560	5%	31/5/35/8/11/10	36/4/34/7/10/9	36/3/19/14/15/13
7/31/2007	109,163	5%	28,093	4%	37,316	5%	31/5/34/8/12/10	38/4/33/6/10/9	35/4/19/14/15/13
8/31/2007	110,279	5%	27,942	4%	37,874	5%	33/5/34/7/11/10	38/5/33/6/9/9	36/4/19/14/14/13
9/30/2007	112,277	5%	28,444	5%	38,763	5%	32/5/35/7/11/10	38/5/33/6/9/9	34/4/19/14/15/14
10/31/2007	113,906	5%	28,773	5%	39,277	5%	31/5/33/8/12/11	37/4/34/6/10/9	35/3/19/14/15/14
11/30/2007	114,782	5%	28,578	5%	39,547	5%	32/5/33/7/12/11	38/5/32/6/10/9	36/4/18/13/15/14
12/31/2007	116,157	5%	28,753	5%	40,046	5%	32/5/33/7/12/11	39/5/32/6/9/9	36/4/18/13/15/14
1/31/2008	115,790	5%	28,066	5%	40,607	5%	35/6/31/7/10/11	42/6/30/5/8/9	37/4/18/13/14/14
2/29/2008	117,125	5%	27,878	5%	41,026	5%	37/6/30/6/10/11	43/6/29/5/8/9	38/4/17/13/14/14
3/31/2008	117,022	5%	27,303	4%	41,626	5%	37/6/30/6/10/11	43/6/29/5/8/9	39/4/17/12/14/14
4/30/2008	117,927	5%	27,144	4%	41,983	5%	37/6/30/6/10/11	43/6/29/5/8/9	38/4/17/12/14/15
5/31/2008	118,977	5%	27,189	4%	42,324	5%	36/6/30/7/10/11	43/6/29/5/8/9	37/4/17/13/14/15
6/30/2008	118,990	5%	26,849	4%	42,649	5%	38/6/29/6/10/11	45/6/28/5/7/9	39/4/16/12/14/15
7/31/2008	117,900	5%	26,107	4%	42,727	5%	40/6/28/6/9/11	46/6/27/5/7/9	40/4/16/12/13/15
8/31/2008	118,650	5%	25,952	4%	42,892	5%	40/6/29/6/8/11	47/6/27/5/6/9	39/4/16/13/13/15
9/30/2008	116,373	5%	24,973	4%	42,910	5%	43/6/27/6/8/10	51/6/25/4/5/9	42/4/16/12/11/15
10/31/2008	110,471	4%	22,635	4%	42,455	5%	49/6/24/5/6/10	57/6/22/3/4/8	47/5/14/10/10/14
11/30/2008	109,188	4%	21,955	4%	42,311	5%	52/6/23/4/5/10	58/6/21/3/4/8	49/5/14/9/9/14
12/31/2008	108,130	4%	21,470	4%	42,267	5%	50/7/22/5/6/10	58/6/21/3/4/8	48/5/14/9/10/14

THRIFT SAVINGS PLAN MONTHLY INVESTMENT ACTIVITY
L Fund Participation Rates and Balance Distribution

Month end	Participants with Balances in the L Funds						Allocation of L Fund Balances		
	FERS		CSRS		Uniformed Services		FERS (%)	CSRS (%)	Uniformed Services (%)
	(000s)	%	(000s)	%	(000s)	%	Inc/2010/2020/2030/2040	Inc/2010/2020/2030/2040	Inc/2010/2020/2030/2040
12/31/2005	138	6%	33	5%	44	7%	6 / 24 / 41 / 20 / 9	13 / 50 / 30 / 4 / 3	2 / 8 / 23 / 36 / 31
12/31/2006	273	12%	57	9%	103	14%	4 / 21 / 40 / 22 / 13	11 / 45 / 32 / 6 / 6	2 / 7 / 22 / 35 / 34
1/31/2007	286	12%	59	9%	107	14%	4 / 20 / 41 / 22 / 13	10 / 45 / 33 / 6 / 6	2 / 7 / 22 / 35 / 34
2/28/2007	294	13%	60	9%	112	15%	4 / 20 / 40 / 22 / 14	10 / 45 / 33 / 6 / 6	2 / 7 / 22 / 35 / 34
3/31/2007	303	13%	61	9%	116	15%	5 / 20 / 39 / 22 / 14	10 / 45 / 33 / 6 / 6	2 / 7 / 22 / 35 / 34
4/30/2007	311	13%	62	10%	119	15%	5 / 20 / 39 / 22 / 14	10 / 44 / 33 / 6 / 7	2 / 7 / 22 / 34 / 35
5/31/2007	319	14%	64	10%	123	16%	4 / 19 / 39 / 23 / 15	10 / 43 / 33 / 7 / 7	2 / 6 / 21 / 35 / 36
6/30/2007	326	14%	65	10%	126	16%	4 / 19 / 39 / 23 / 15	10 / 43 / 33 / 7 / 7	2 / 6 / 21 / 35 / 36
7/31/2007	332	14%	65	10%	128	16%	4 / 19 / 39 / 23 / 15	10 / 43 / 33 / 7 / 7	2 / 6 / 21 / 35 / 36
8/31/2007	337	14%	65	10%	131	16%	4 / 19 / 39 / 23 / 15	10 / 43 / 33 / 7 / 7	2 / 6 / 21 / 35 / 36
9/30/2007	344	14%	66	10%	133	17%	4 / 19 / 39 / 23 / 15	10 / 42 / 34 / 7 / 7	2 / 6 / 21 / 35 / 36
10/31/2007	350	15%	67	11%	136	17%	4 / 19 / 39 / 23 / 15	10 / 42 / 34 / 7 / 7	2 / 6 / 21 / 34 / 37
11/30/2007	354	15%	67	11%	137	17%	4 / 19 / 39 / 23 / 15	10 / 42 / 34 / 7 / 7	2 / 6 / 21 / 34 / 37
12/31/2007	359	15%	68	11%	139	17%	4 / 19 / 39 / 23 / 15	10 / 42 / 34 / 7 / 7	2 / 6 / 21 / 34 / 37
1/31/2008	360	15%	66	11%	140	17%	5 / 19 / 38 / 23 / 15	11 / 43 / 33 / 7 / 6	2 / 6 / 21 / 34 / 37
2/29/2008	366	15%	66	11%	143	17%	5 / 19 / 38 / 23 / 15	11 / 43 / 33 / 7 / 6	2 / 6 / 21 / 34 / 37
3/31/2008	369	15%	66	11%	145	17%	5 / 19 / 38 / 23 / 15	11 / 43 / 33 / 7 / 6	2 / 6 / 20 / 35 / 37
4/30/2008	373	15%	66	11%	147	17%	5 / 19 / 38 / 23 / 15	11 / 42 / 34 / 7 / 6	2 / 6 / 20 / 34 / 38
5/31/2008	379	16%	66	11%	149	17%	4 / 19 / 39 / 23 / 15	10 / 43 / 34 / 7 / 6	2 / 6 / 20 / 34 / 38
6/30/2008	380	15%	66	11%	150	17%	5 / 19 / 38 / 23 / 15	11 / 42 / 34 / 7 / 6	2 / 6 / 20 / 34 / 38
7/31/2008	380	15%	64	11%	151	17%	4 / 19 / 38 / 24 / 15	11 / 42 / 34 / 7 / 6	2 / 6 / 20 / 34 / 38
8/31/2008	383	15%	64	11%	153	17%	4 / 18 / 39 / 24 / 15	11 / 43 / 33 / 7 / 6	2 / 6 / 20 / 34 / 38
9/30/2008	377	15%	62	10%	153	17%	5 / 19 / 37 / 24 / 15	11 / 43 / 33 / 7 / 6	2 / 6 / 20 / 34 / 38
10/31/2008	372	15%	58	10%	152	17%	5 / 19 / 37 / 24 / 15	11 / 44 / 33 / 7 / 5	2 / 7 / 20 / 34 / 37
11/30/2008	372	15%	57	10%	153	17%	5 / 19 / 37 / 24 / 15	11 / 45 / 33 / 6 / 5	2 / 7 / 20 / 34 / 37
12/31/2008	373	15%	57	10%	154	17%	5 / 19 / 37 / 24 / 15	11 / 44 / 33 / 7 / 5	2 / 7 / 20 / 34 / 37



2099 Gaither Road
Rockville, MD 20850

October 8, 2008

Mr. Chad Spittler
Associate Director
Corporate Governance & Proxy Voting
Barclays Global Investors
400 Howard Street
San Francisco, CA 94105

Dear Chad,

Enclosed are the results of our review of proxy votes by Barclays Global Investors for the 3rd quarter of 2008. Our review found that there were no exceptions to policy over this period.

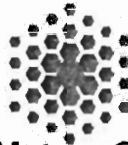
Best regards,



Steven Friedman
Chief Legal Officer

sef/awk/encl.

cc: Stephanie Bounds, Meghan Orifici, Adrian Kosinda



RiskMetrics Group

2099 Gaither Road
Rockville, MD 20850

MEMORANDUM

The results of our review of BGI's 3rd quarter proxy voting are as follows:

- Votes at 49 meetings were examined.
- Votes at 17 of the 49 meetings were for directors and/or auditor only (compliance votes).
- At the remaining 32 meetings, there were 51 non-routine proposals. The following table illustrates the votes involved by proposal type:

Proposal	Votes
Executive stock option plan	17
Employee share purchase plan	3
Section 162(m)	1
Classify board	1
Increase in common stock	1
Reverse stock split	1
Private placement	2
Issue shares in connection with acquisition	2
Merger and/or reorganization	7
Adjourn meeting	7
Conversion of securities	1
Amend articles	1
Name change	2
Other business	3
Shareholder proposal	2
Total:	51

- There were 17 votes cast on executive stock option plans:
 - a) 12 votes were cast in favor of the plans (70.6 percent)
 - b) 5 votes were cast against the plans (29.4 percent)
 - i) 3 executive stock option plans were opposed as plans permit repricing without shareholder approval (60 percent)
 - ii) 1 executive stock option plan was opposed due to the presence of an evergreen provision (20 percent)
 - iii) 1 executive stock option plan was opposed due to the unfavorable terms of the underlying proposal to approve company acquisition (20 percent)

- There was 1 vote cast on proposal to increase authorized common stock; the vote was cast in favor of the increase.

- There were 7 votes cast on mergers or major corporate transactions; the votes were cast in favor of the merger:
 - a) 6 votes were cast in favor of the plans (85.7 percent)
 - b) 1 vote was cast against the plans (14.3 percent)

- There were 2 votes cast on shareholder proposals which included:
 - a) 1 shareholder proposal to declassify the board of directors; the vote was cast in favor of the proposal.
 - b) 1 shareholder proposal to adopt a policy that a significant portion of future stock option grants to senior executives shall be performance-based; the vote was cast against the proposal.

There were no exceptions to policy this period.