

COUNCIL OF INSTITUTIONAL INVESTORS

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June 26, 2008

The Honorable Barney Frank
Chairman
Committee on Financial Services
United States House of Representatives
2129 Rayburn House Office Building
Washington, DC 20515

Re: Statement on Institutional Investors and Commodity Investments

Dear Mr. Chairman:

I am writing to share with you a statement that the board of directors of the Council of Institutional Investors issued on June 24, 2008, in response to recent concerns about the relationship between commodity futures trading by institutional investors and rising food and energy prices.

The Council is a nonprofit association of public, union and corporate pension funds with combined assets that exceed \$3 trillion. Member funds are major long-term shareowners with a duty to protect the retirement assets of millions of American workers. The Council strives to educate its members and the public about good corporate governance, shareowner rights and related investment issues, and to advocate on our members' behalf.

The attached statement reflects the views of the Council's board with respect to legislative proposals that would limit the ability of pension funds to make commodity-based investments. We, however, share the concerns that have been raised by many parties about the recent sustained increase in commodity prices and their consequences for individuals and the overall economy and we support efforts by policy makers to address those concerns.

If you have any questions regarding the statement or if we can be of any assistance to you or your staff on this matter, please do not hesitate to contact me at jeff@cii.org or 202.261.7081.

Sincerely,



Jeff Mahoney
General Counsel

cc: The Honorable Spencer Bachus, Ranking Member, Committee on Financial Services
The Honorable Paul Kanjorski, Chairman, Capital Markets, Insurance, and Government Sponsored Enterprises Subcommittee
The Honorable Deborah Pryce, Ranking Member, Capital Markets, Insurance, and Government Sponsored Enterprises Subcommittee

Attachment