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**NATIONAL ASSOCIATION OF SECURITIES PROFESSIONALS (NASP) APPLAUDS
SUBCOMMITTEE EFFORTS TO EXAMINE DIVERSITY IN NATION'S LARGEST
THRIFT SAVINGS PLAN**

-- NASP Seeks to Advance Role of Minority and Women Owned Firms in the
Financial Services Industry and Management of the Federal Retirement Thrift --

Washington, D.C. — July 14, 2008 — In an on-going effort to review and improve diversity practices in the financial services industry, the Subcommittee on Federal Workforce, Postal Service and the District of Columbia, chaired by Congressman Danny Davis (D-IL), held a hearing this past Thursday entitled “Investing in the Future: Minority Opportunities and the Thrift Savings Plan (TSP).” Mark Willis, Board Chairman of NASP stated, “One of NASP’s founding objectives and principles is achieving equal opportunity and participation for minorities and women in the securities industry. We are understandably pleased and encouraged by the Subcommittees’ efforts to have a dialogue on the practices of the TSP, as the hearing represents an important step if there is to be change and improvement.”

The hearings examined the Federal Retirement Thrift Savings Plan (TSP) and sought to improve minority access in its management. As the largest retirement savings and investment plan for federal employees, TSP is also the largest defined contribution plan in the world with over 3.9 million participants and more than \$226 billion in assets as of June 30, 2008.

The TSP has only one manager for all of its assets, Barclays Global Investors, a U.S. subsidiary of a foreign bank that has managed the assets of the thrift exclusively for over 20 years. The demographic makeup of the TSP plan participants, however, is decidedly diverse, with nearly 50 percent of the annuitants being minorities and/or women. No minority or women owned firms have managed the assets or executed brokerage services for the TSP in its history.

During the hearing, Thurman White, President and CEO of Progress Investment Management Company, LLC stated that the unilateral management of the TSP is unprecedented in the plan sponsor community of the United States and cause for concern. “Having such a large pool of assets managed by a single manager is very risky. Such single manager concentration runs contrary to prudent investment policy that typically looks to asset class as well as manager diversification as an efficient means to diversify risk and enhance returns in today’s volatile market.” He further provided some examples of U.S. pension plans that have utilized targeted emerging manager investment strategies to enhance overall investment returns, diversify their portfolios and reduce manager concentration risk. These examples included CalPERS, CalSTRS, Boeing, GE Asset Management, Illinois Municipal Retirement Fund, LACERS, LACERA, New York State Common Retirement Fund, Shell Oil, Teacher Retirement System of Texas and Verizon Communications. “That the Federal Retirement Thrift Savings Plan is not listed among these plans is shameful, and frankly puzzling, he said.”

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Jarvis Hollingsworth, Former Chairman of The Teacher Retirement System of Texas discussed the evolution of his plan from one that was mostly passively and internally managed to its present configuration that includes active management utilizing several asset classes including alternatives. “This reallocation moved the fund away from the traditional model of being highly weighted in publicly traded stocks and bonds and allowed the fund to guard against downturns in certain markets and better capitalize on the strong returns of less traditional asset classes.” He further stated, “Diversity of investment professionals is also important and is very complimentary to the risk/return goals of TRS. TRS is committed to increasing the number and size of its relationships with minority and women-owned firms having the qualifications to assist in fulfilling the TRS mission, in accordance with TRS’ fiduciary responsibilities to plan participants.”

“Historic in its importance, Thursday’s hearing is the latest in a series of hearings concerning the lack of diversity in the financial services industry and the first to evaluate the Thrift Savings Plan diversity practices,” said Donna Sims Wilson, NASP Legislative Committee Chair. NASP’s members testified before the Subcommittee on Oversight and Investigation of the House Financial Services Committee in 2006 and again in 2008 discussing both ways to improve workforce diversity as well as challenging the federal government as “über-client” of our industry to lead by example by being diverse with its own resources.

Melody Hobson, President of Ariel Investments, LLC said, “I applaud Congressman Davis’ leadership on this vital issue. Government employees deserve greater choice when it comes to their retirement security. This hearing is an important first step in improving the Thrift’s model.”

Industry experts who testified at the Subcommittee hearing included:

Greg Long, Executive Director, Federal Retirement Thrift Investment Board; Michael Sobel, Managing Director and Head of U.S. Equity Trading, Barclays Global Investors; Edward Swan, Jr., Former President, Fiduciary Investment Solutions Group; Jarvis Hollingsworth, Partner, Bracewell & Giuliani, LLP and Former Chairman of the Teacher Retirement System of Texas; Thurman White, Chief Executive Officer, Progress Investment Management Company, LLC; Melody Hobson, President, Ariel Investments, LLC.; and Jesse Brown, President, Krystal Investments.

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About NASP

The National Association of Securities Professionals (NASP) is a non-profit trade association consisting of professionals in the securities industry. NASP brings together the nation’s minorities and women who have achieved recognition in the industry as brokers, asset managers, public finance consultants, investment bankers, bond counsel commercial bank underwriters, investors, plan sponsors and other finance professionals. Founded in 1985, NASP is based in Washington, D.C. with 10 chapters in major financial centers throughout the United States.

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