

# Benefits Bulletin

FOR CORNING INVESTMENT PLAN PARTICIPANTS  
December 2008

## New Fund Option Added to Corning Investment Plan

This *Benefits Bulletin* describes an important change to investment options under the Corning Investment Plan.

Effective January 1, 2009, Corning will add the Barclays Global Investors, N.A. (BGI) MSCI ACWI\* ex-US Index Fund to the existing investment fund options.

Read on to learn more about this change.

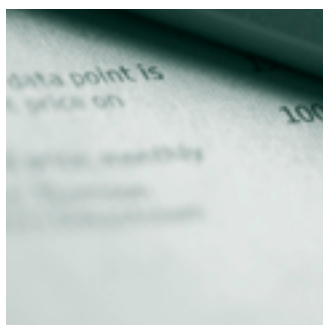
*\*Morgan Stanley Capital International Inc. All Country World Index*

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## New Investment Fund Added

Effective January 1, 2009, Corning will add the BGI MSCI ACWI ex-US Index Fund as another Investment Plan fund option. This new fund is a passively managed index fund that seeks to match the performance of the MSCI ACWI ex-US Index by investing in stocks that make up the index. The new fund is made up of foreign stocks, representing companies in 22 developed markets and 26 emerging markets. The fund is intended for long-term investors seeking to capture earnings and growth potential of foreign companies in both developed and emerging countries throughout the world. Barclays Global Investors, N.A. is the fund manager. You'll find more information about this fund in the enclosed Fund Profile Sheet.

The BGI MSCI ACWI ex-US Index Fund is a new investment option, available in addition to the current investment fund options. Since it is a new fund, there will be no transition process or fund mapping required.

### More Information About the New Fund

For more information about the BGI MSCI ACWI ex-US Index Fund, see the Fund Profile Sheet included with this *Benefits Bulletin*.

### Why the New Fund?

The Corning Investment Plan Investment Committee monitors the Investment Plan's fund options to ensure participants can diversify their investments across a broad range of funds that are expected to provide competitive returns with competitive fees. Among the factors considered by the Investment Committee in making its decisions are historical investment returns, firm ownership, fund manager tenure, investment process, style consistency and competitive investment fund management fees. Keep in mind, however, that past performance does not guarantee future results.

By adding the new fund, the Investment Plan will now offer two international fund options:

- **NEW** An index fund—BGI MSCI ACWI ex-US Index Fund; and
- An actively managed fund—Fidelity Diversified International Fund.

Investing in international markets may offer additional diversification benefits to an investment portfolio. Diversification increases the chances that one investment's strong performance will offset another investment's poor performance.

The Investment Committee will continue to monitor Investment Plan fund options and will notify you if changes are made in the future.

## A Balanced Portfolio Can Help You Weather Financial Storms

With the ongoing turmoil in the global financial markets, it's natural to be concerned about your retirement savings. Market conditions are volatile and may continue to be volatile for some time. In times like these, it's more important than ever for you to have a sound investment strategy and a well-balanced portfolio. It's important for you to consult with the experts and confirm whether you're on the right track or you need to fine-tune your strategy. The investment decisions you make about your Corning Investment Plan account will have a significant impact on whether you meet your long-term financial goals. So be sure to seek the advice of your personal financial advisor.

### You Are Responsible for Your Investment Decisions

Corning intends for the Investment Plan to meet the requirements of Section 404(c) of the Employee Retirement Income Security Act of 1974, as amended (ERISA). The Investment Plan lets you direct the investment of your account balance in a manner that complies with rules outlined by ERISA. Because you supervise and direct how your account is invested among available investment funds, Investment Plan fiduciaries may be relieved of liability for losses, if any, that occur as a direct result of your investment instructions. Section 404(c) requires plan fiduciaries to select appropriate investment funds as alternatives under the Investment Plan and to make available certain information about the Investment Plan.

### How to Change Your Investment Elections

You can update your investment elections whenever it's most convenient for you. To transfer existing account balances:

1. Log on to Corning Advantages On-Line (<https://www.benefitsweb.com/corning.html>).
2. Select the "Savings & Investments" tab at the top of the home page.
3. Click on "Investment Plan."
4. Select "Actions" from the left navigation bar.
5. Select "Transfer Current Funds" to change the way your current account balance is invested.

You may also make fund transfers through the Corning Benefits Network at 800-858-3875. Benefit Services Representatives are available from 9:00 AM to 7:00 PM, Eastern Time, Monday through Friday, excluding holidays.

If you make a change before 4:00 PM, Eastern Time, on any business day, your change will become effective at the end of the day. If you make a change after 4:00 PM, Eastern Time, your election will become effective at the end of the next business day.

### Read Your Prospectus or Fund Profile

It is important to review the prospectus or fund profile sheet for any fund in which you invest. A prospectus is a document that provides detailed information about a fund, including its investment objective, performance history, fees and what it may invest in. A fund profile sheet is an easy-to-read summary of important investment information about a fund.

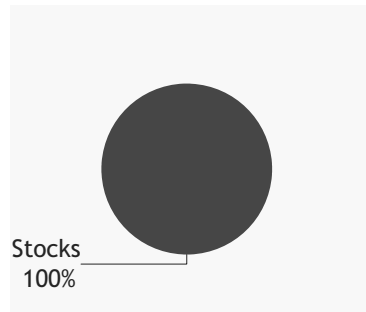
The first time you invest in most Investment Plan funds, you will automatically receive a prospectus. In the case of the Stable Value Fund and the new BGI MSCI ACWI ex-US Index Fund, you will receive a fund profile sheet instead. (The new BGI MSCI ACWI ex-US Index Fund is a collective investment fund and is privately offered. As such, it is not required that a prospectus be available.)

To download a prospectus or fund profile sheet on Corning Advantages On-Line, select "Documents & Forms" at the top of any screen, then select "Fund Information." Choose the prospectus or fund profile sheet that interests you. You may also request a prospectus or fund profile sheet by calling the Corning Benefits Network at 800-858-3875.

## MSCI ACWI ex-US Index Fund

### What the fund invests in:

This is an index fund that seeks to match the performance of the MSCI ACWI ex-US Index by investing in stocks that make up the index. The Morgan Stanley Capital International (MSCI) ACWI ex-US Index is comprised of foreign stocks representing companies in 22 developed markets and 26 emerging markets. The Index represents approximately 60% of the world's total market capitalization outside the US.



### Performance Returns (%)

	FUND	BENCHMARK <sup>1</sup>
Third Quarter	-20.09	-21.91
Year to Date	-27.57	-29.85
One Year	-28.23	-30.32
Three Year*	3.62	2.64
Since Inception*	9.88	9.11

\*Average annualized return  
<sup>1</sup>Source - MSCI ACWI ex-US Index

### Why invest in international stocks?

Investing in foreign markets may offer additional diversification benefits to an investment portfolio. Diversification increases the chances that one investment's strong performance will offset another investment's poor performance.

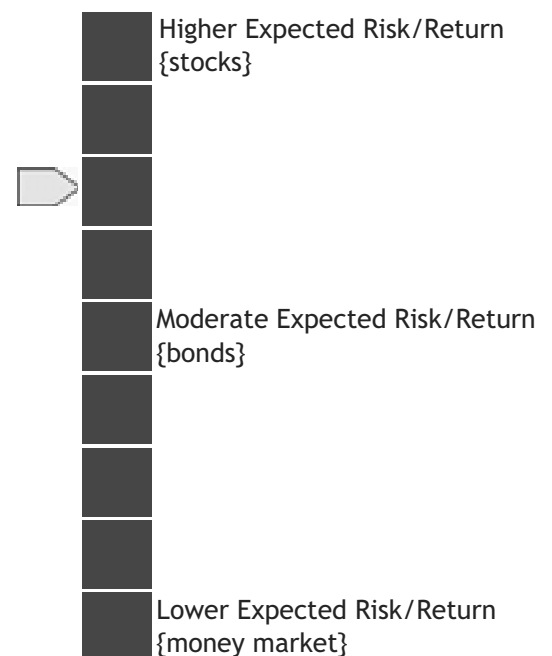
### Who should consider investing in this fund?

This fund is intended for long-term investors seeking to capture the earnings and growth potential of foreign companies in both developed and emerging countries throughout the world.

### Top 10 Equity Holdings (%)

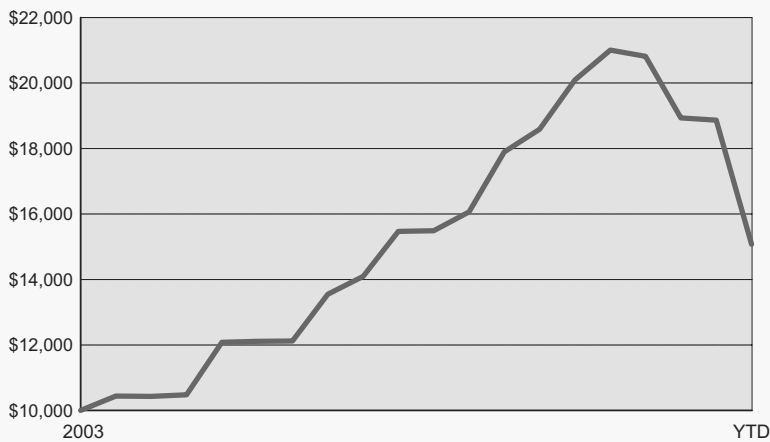
HSBC HOLDINGS PLC	1.43
NESTLE SA-REG	1.26
BP PLC	1.15
TOTAL SA	0.96
NOVARTIS AG-REG	0.93
GLAXOSMITHKLINE PLC	0.88
VODAFONE GROUP PLC	0.86
TOYOTA MOTOR CORP	0.84
ROCHE HOLDING AG-GENUSSCHEN	0.81
ROYAL DUTCH SHELL PLC-A SHS	0.76

### Risk/Return Potential



*This chart is for illustrative purposes only and does not predict future risk or performance.*

**Growth of \$10,000**



*This graph represents the growth of a hypothetical investment of \$10,000. It assumes reinvestment of all income, and does not take into consideration any management fees. Past performance is no guarantee of future results.*

**Performance Notes**

All values are unaudited and subject to revision. All income is reinvested in the fund. The fund's inception is 12/15/03. Performance since inception is reported gross of management fees and certain transaction costs and expenses charged to the fund. No representation is being made that the fund will or is likely to achieve profits or losses similar to those shown. The MSCI ACWI ex-US Index returns do not reflect any management fees, transaction costs or expenses. The index is published by Morgan Stanley Capital International and is a market-value weighted index of stocks from 22 developed and 26 emerging markets worldwide. Returns are calculated in US dollars. Past performance does not guarantee future results. Any returns shown as less than one year are cumulative returns.

**Trademarks**

MSCI ACWI ex-US is a trade or service mark of Morgan Stanley Capital International, Inc. ("MSCI") and its affiliates and has been licensed for use for certain purposes by the fund based on the MSCI ACWI ex-US index, has not been passed on by MSCI as to its legality or suitability, and is not issued, sponsored, endorsed, sold or promoted by MSCI. MSCI makes no warranties and bears no liability with respect to the fund. MSCI has no responsibility for and does not participate in the management of the fund assets or sale of the fund shares.

**Additional Information**

Yield	3.26%
P/E	12.32
P/B	1.93

**Country Weightings (%)**

Japan	16.60
United Kingdom	16.26
France	8.24
Germany	6.77
Switzerland	5.91
Australia	4.74
Spain	3.20
Italy	2.78
Netherlands	1.92
Sweden	1.61

**Expense Ratio**

0.10%

**Fund Manager**

Barclays Global Investors, N.A. is the Fund's manager and trustee. Barclays Global Investors is headquartered in San Francisco, CA, and is owned by Barclays Bank PLC, one of the UK's largest companies. Barclays Global Investors employs more than 2,000 people around the world, and manages assets for many of the world's leading institutional investors. Barclays Global Investors uses a team approach in managing investment portfolios. For more information about BGI, please go to [www.barclaysglobal.com](http://www.barclaysglobal.com).

**Disclaimers**

The fund is NOT FDIC insured, is NOT an obligation or deposit of, or guaranteed by, Barclays Global Investors or its affiliates and involves investment risk, including possible loss of principal.

The fund is a collective investment fund and is privately offered. Prospectuses are not required and prices are not available in local publications.

[www.barclaysglobal.com](http://www.barclaysglobal.com)



# Review Your Investment Plan Elections: Five Questions to Ask Yourself

With the change to the Investment Plan fund lineup, now is a good time for you to review your investment choices—even if you don't choose to invest in the new fund. Just as the Corning Investment Plan Investment Committee regularly reviews the funds available to Investment Plan participants, you too should regularly review the funds in which you invest.

As you review your investment choices, here are five questions to ask yourself and/or your personal financial advisor.

## 1 Am I too heavily invested in any one fund or type of investment?

To reduce the risk of losing money, it's a good idea to spread your money over a number of different investment types. This way, if one investment performs poorly during a particular economic environment, other higher-performing investments might help balance the loss.

## 2 Am I investing too heavily in lower-risk, lower-return funds?

If you invest too heavily in lower-risk funds, inflation can erode your earnings over the long term. For example, let's say a fund earned 5.1%, but inflation rose 4.9% during that same period. When you factor in inflation, that fund's investments increased by only 0.2% during this period.

## 3 Am I too heavily invested in the Corning Common Stock Fund?

Consider whether investing in the Corning Common Stock Fund makes sense for you, given your investment objectives and your overall mix of investments in the Investment Plan and other retirement sources. Experts generally recommend that 401(k) plan participants not invest more than 10% to 20% of their account balances in company stock funds.

Since the money in the Corning Common Stock Fund is invested in a single security, Corning Incorporated, the fund is not diversified. As a result, it carries more investment risk than other funds. Because of this, the Corning Common Stock Fund should be viewed as a longer-term investment. This fund does not represent a balanced approach to retirement investing. Its performance may be highly volatile and may be subject to loss of principal. Do not invest in this fund unless you are willing to accept the higher risk of a non-diversified investment.

## 4 Do my investment choices match the time I have to invest?

The shorter the time you have to invest, the more risky variable investments, such as equity (stock) funds, become. Over short periods, variable investment values rise and fall unpredictably and have a fairly high chance of underperforming other types of investments. Over longer periods, however, equity funds have tended to perform better than less variable investments. By choosing more variable investments for long-term savings and less variable investments for short-term savings, you increase your return potential without unduly increasing your risk of loss.

## 5 Do I need to rebalance my portfolio?

Some of your funds are likely to grow faster than others. Over time, these fast-growing funds may make up a larger and larger portion of your total investments, moving you further away from your initial investment mix and increasing or decreasing your exposure to risk. To restore your original investment mix, consider transferring money out of your fastest-growing funds and into your slower-growing funds. This is called rebalancing your portfolio.

## Your Investment Plan Resources

While it's up to you to decide how to save and how much to invest in your Investment Plan account, Corning provides a number of resources to assist you:

Resource	How to Access
<b><i>Your Investment Decision Guide</i></b>	Log on to Corning Advantages On-Line at <a href="https://www.benefitsweb.com/corning.html">https://www.benefitsweb.com/corning.html</a> or call the Corning Benefits Network at 800-858-3875
<b>Investment Fund Profiles</b> (summary information about each fund)	
<b>Investment Fund Prospectuses</b> (detailed information about each fund)	
<b>Corning Advantages On-Line</b> <ul style="list-style-type: none"> <li>• <i>Investment Plan Benefits Handbook/Summary Plan Description</i></li> <li>• Investment Plan fund performance history</li> <li>• Modeling tools (including an Investment Plan account balance projection tool, pension benefit projection tool and a combined Pension and Investment projection tool)</li> <li>• General investment information</li> <li>• Links to other investment sites</li> </ul>	Log on to Corning Advantages On-Line at <a href="https://www.benefitsweb.com/corning.html">https://www.benefitsweb.com/corning.html</a>

*This Benefits Bulletin summarizes certain highlights of the Corning Advantages benefit plans. If any statement in this Bulletin, or any other communication, conflicts with applicable plan documents, the plan documents will govern. Corning Incorporated retains the right to amend or terminate benefit plans for active or former employees at any time, for any reason, subject to the terms and conditions of any collective bargaining agreement, if applicable.*

*This Bulletin serves as a “summary of material modifications” to your Summary Plan Description, as required by the Employee Retirement Income Security Act of 1974 (ERISA), as amended. Please consider this Benefits Bulletin to be part of your Summary Plan Description and keep it with your important benefit papers.*

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