



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

May 12, 2008

MEMORANDUM FOR GREG LONG, Executive Director

FROM: TRACEY RAY, 
Chief Investment Officer

SUBJECT: April 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 April 2008: investment manager performance and tracking error, trading costs, TSP fund performance, and L Fund participation.

TRACKING ERROR - BGI Funds

April Tracking Error

<u>Fund</u>	<u>% BGI FUND Performance</u>	<u>% Index Performance</u>	<u>Tracking Error</u>
Fixed Income	-0.23	-0.21	-0.02
Large Cap	4.87	4.87	0.00
Small Mid Cap	5.34	5.45	-0.11
International	5.55	5.43	0.12

Year to Date Tracking Error

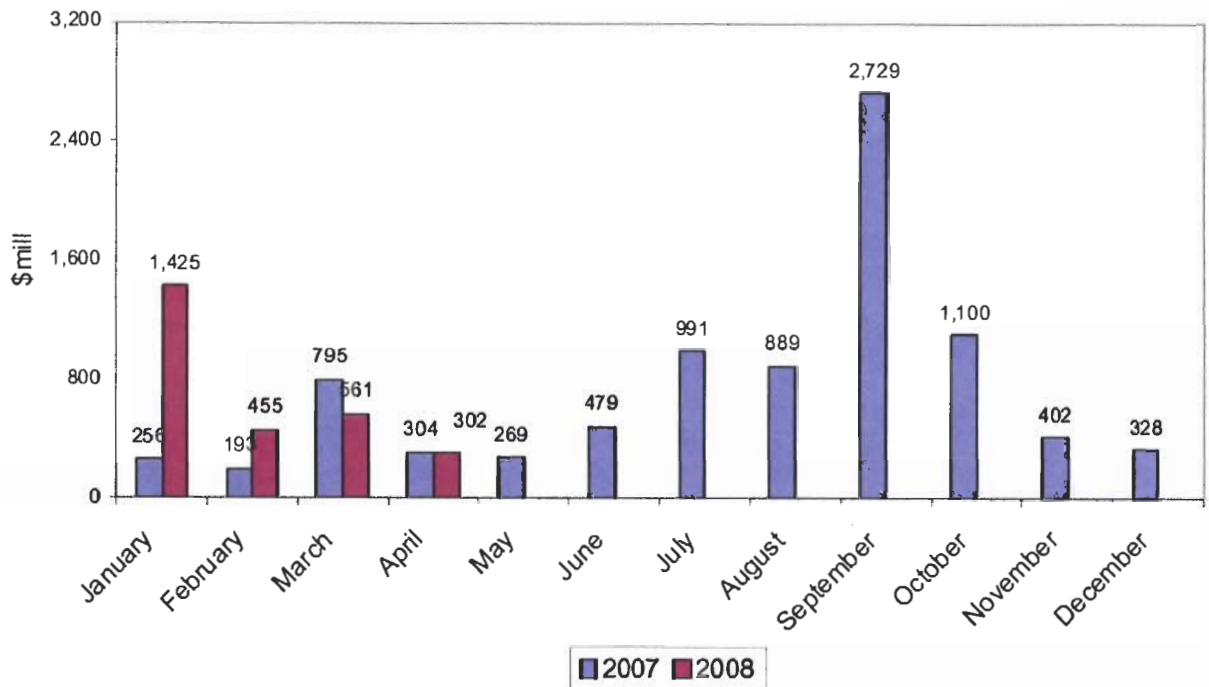
<u>Fund</u>	<u>% BGI FUND Performance</u>	<u>% Index Performance</u>	<u>Tracking Error</u>
Fixed Income	2.05	1.95	0.10
Large Cap	-5.03	-5.03	0.00
Small-Mid Cap	-4.70	-4.91	0.21
International	-3.86	-3.96	0.10

The **Barclays Extended Equity Market Fund E** underperformed by 11 basis points in April and outperformed by 21 basis points year to date. This tracking error is primarily related to the sampling technique used by the Fund. The **Barclay's EAFE Equity Index Fund E** outperformed by 12 basis points in April, primarily because of the tax effect. The **Barclays U.S. Debt Index Fund E** has outperformed by 10 basis points in 2008, primarily as a result of the sampling technique used by the Fund.

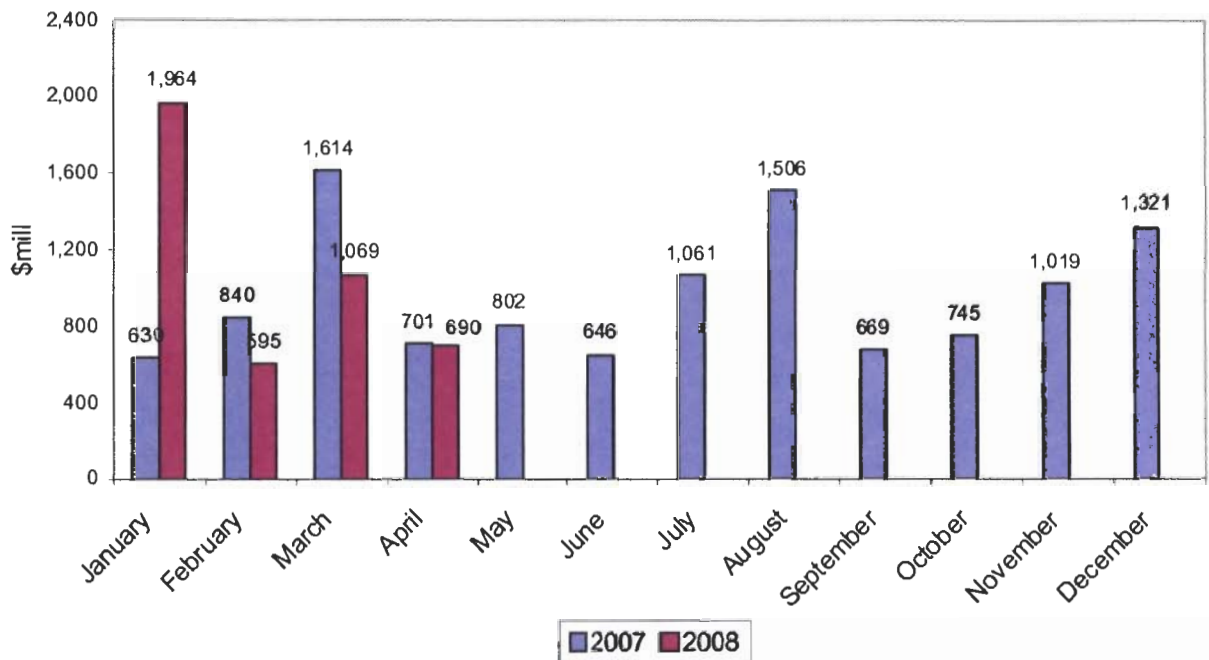
TRADING COSTS

	<u>DOLLAR AMOUNT TRADED</u>	<u>TRADING COSTS</u>	
		<u>\$</u>	<u>Basis Points</u>
<u>F Fund</u>			
April 2008	302,359,345	29,965	1.0
Year-to-Date	2,742,678,260	1,388,032	5.1
<u>C Fund</u>			
April 2008	690,420,049	-421,308	-6.1
Year-to-Date	4,319,084,829	-9,039	0.0
<u>S Fund</u>			
April 2008	298,090,527	182,066	6.1
Year-to-Date	2,404,267,716	1,037,374	4.3
<u>I Fund</u>			
April 2008	512,212,469	-745,320	-14.6
Year-to-Date	4,939,207,467	-1,455,197	-2.9

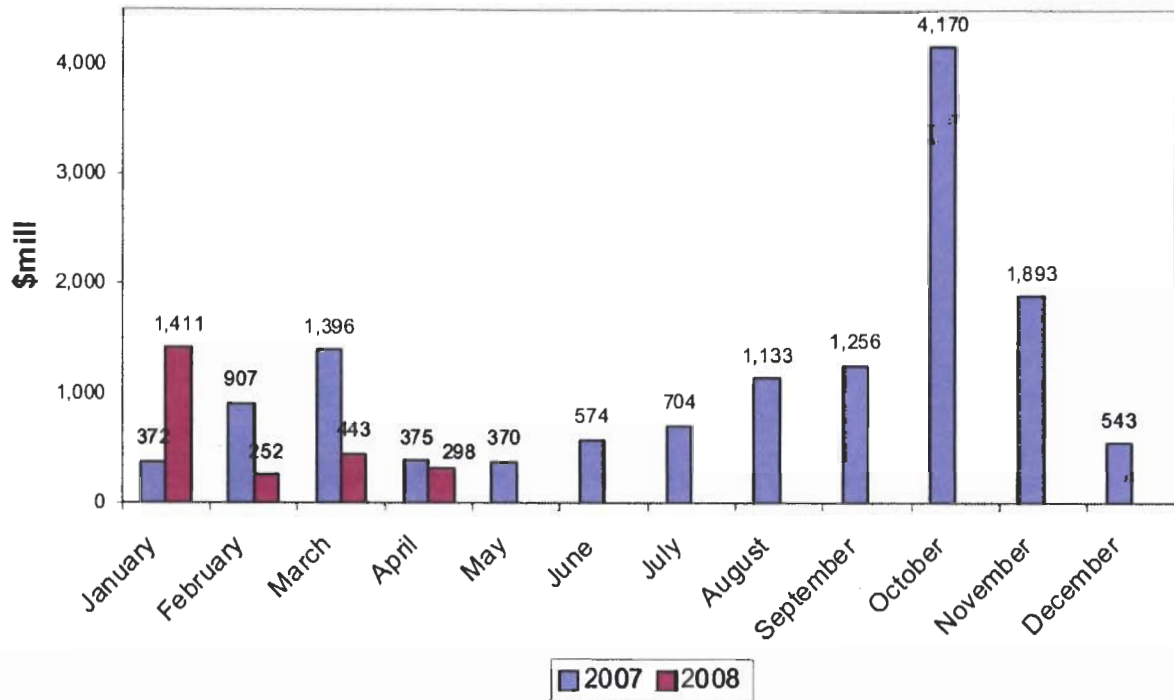
F Fund - \$ Amount Traded



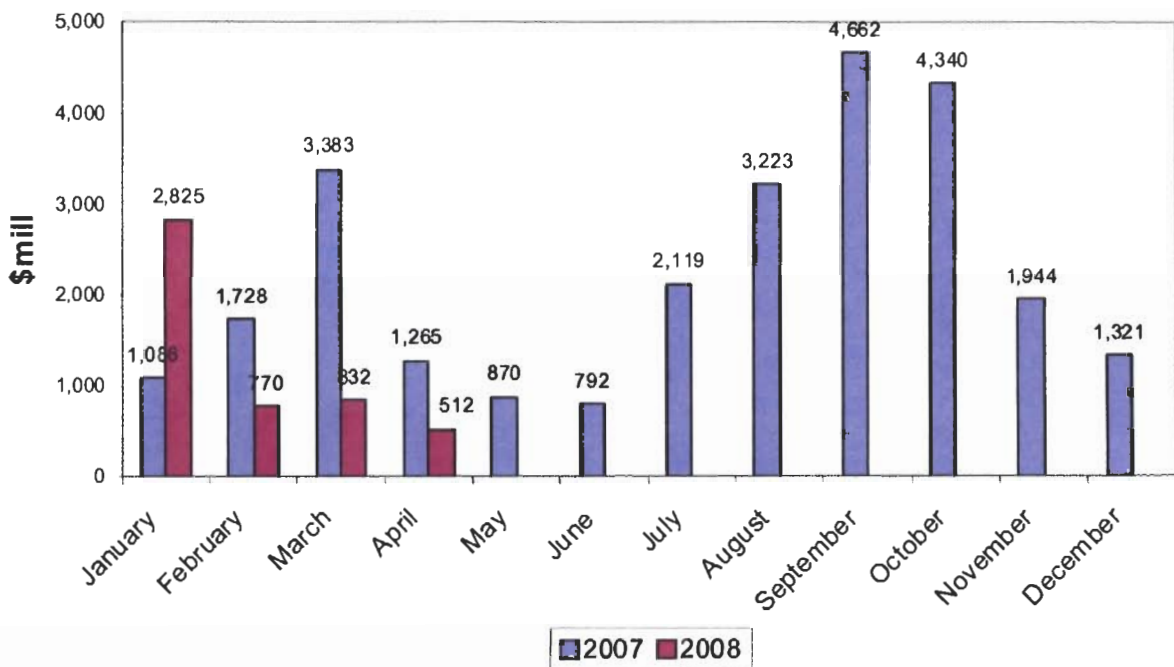
C Fund - \$ Amount Traded



S Fund - \$ Amount Traded



I Fund - \$ Amount Traded



G FUND

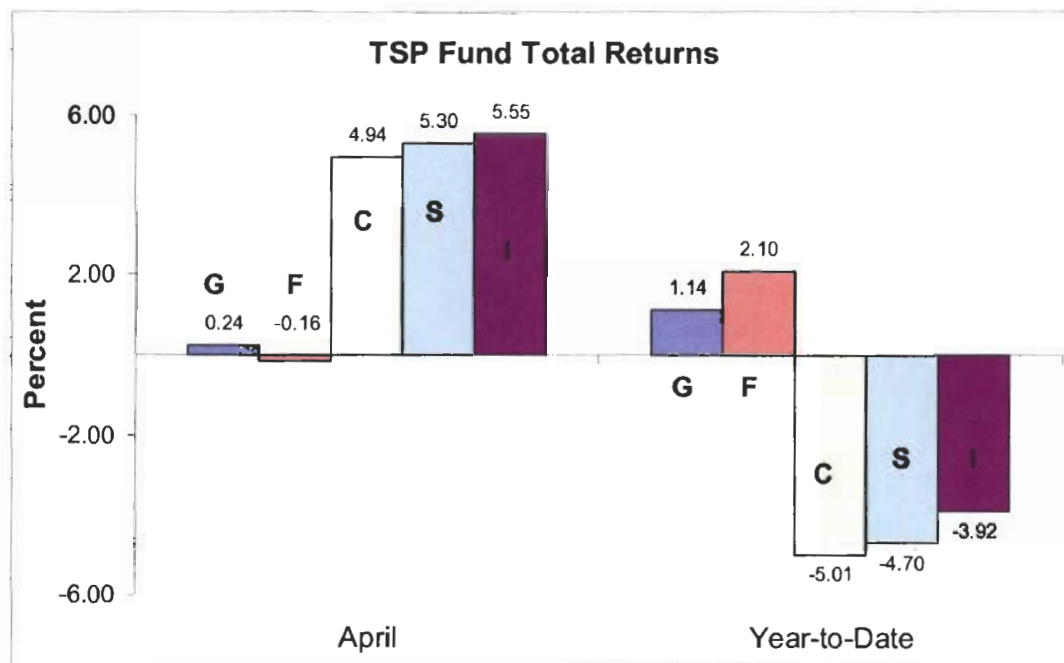
The following table compares the G Fund rate to the 3 month Treasury bill, the 10 year Treasury note and the 30 year Treasury bond.

	<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	1.84	3.51	4.40
April	3.38	1.35	3.41	4.29
May	3.75	1.25	3.73	4.47

PERFORMANCE OF TSP FUNDS

The chart below shows the G, F, C, S, and I Fund net rates of return for April 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 Barclays funds.



April 2008 Total Return %

<u>Fund</u>	<u>TSP</u>	<u>Barclays</u>	<u>Difference</u>	<u>Index</u>
Fixed Income	-0.16	-0.23	.07	-0.21
Large Cap	4.94	4.87	.07	4.87
Small Cap	5.30	5.34	-.04	5.45
International	5.55	5.55	.00	5.43

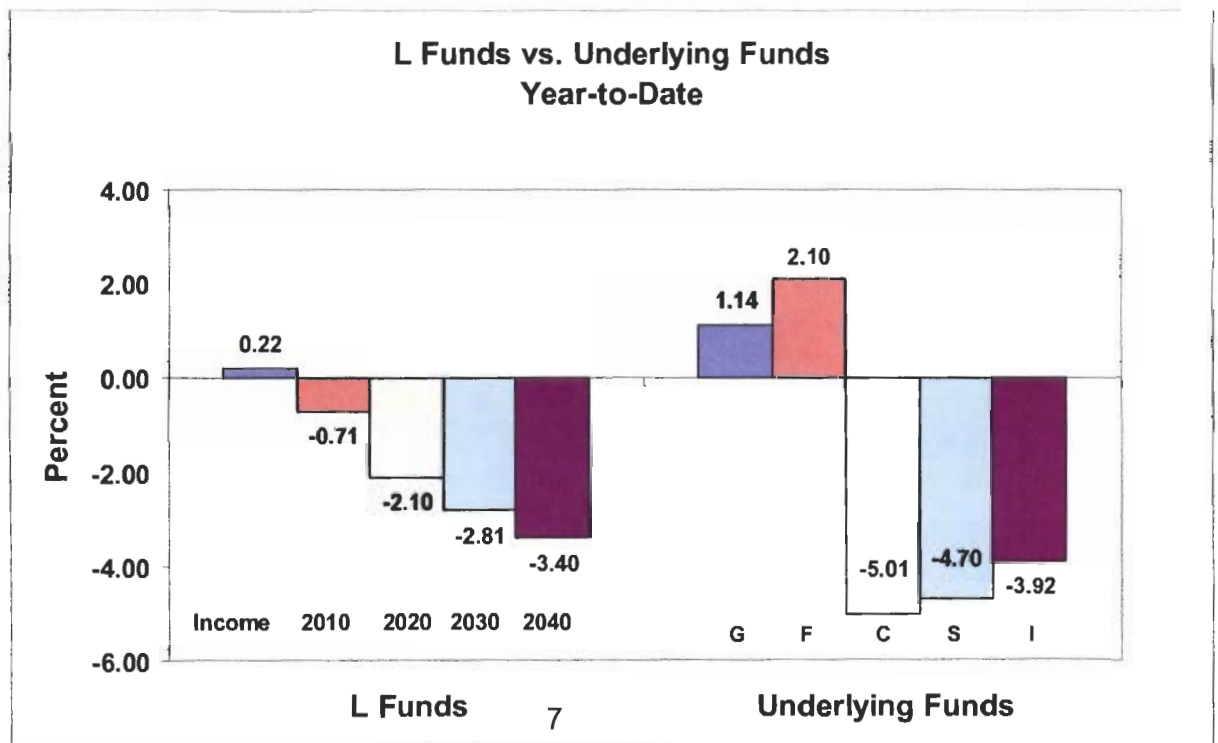
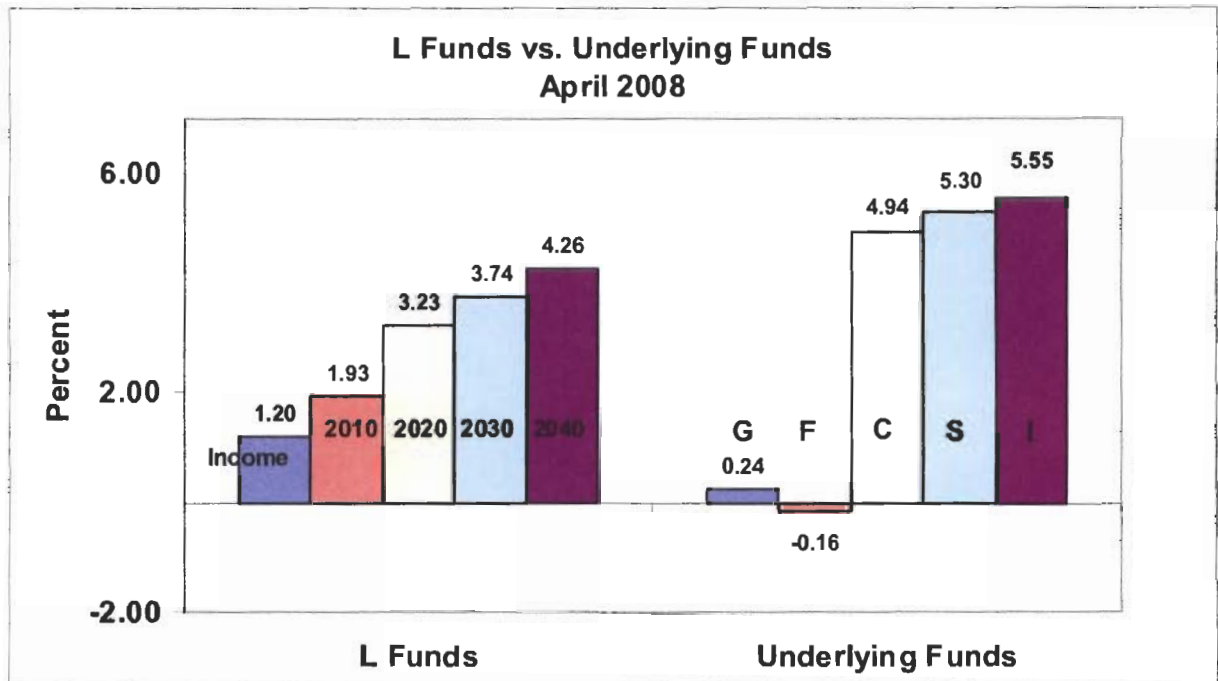
Year-to-Date %

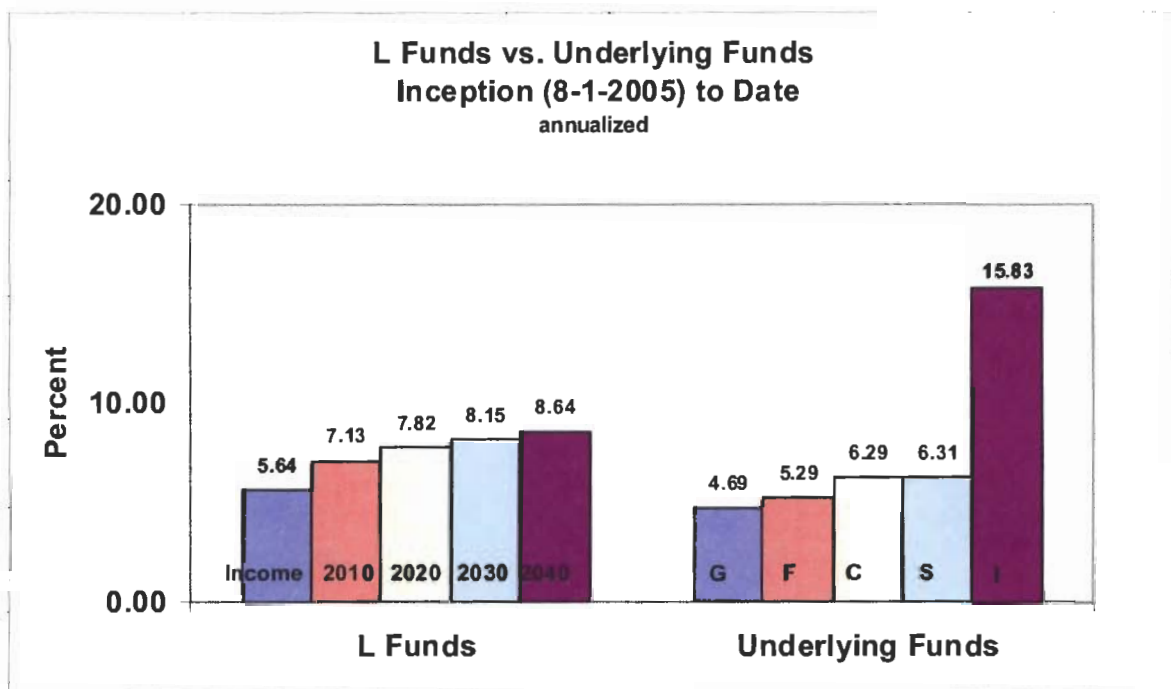
<u>Fund</u>	<u>TSP</u>	<u>Barclays</u>	<u>Difference</u>	<u>Index</u>
Fixed Income	2.10	2.05	.05	1.95
Large Cap	-5.01	-5.03	.02	-5.03
Small Cap	-4.70	-4.70	.00	-4.91
International	-3.92	-3.86	-.06	-3.96

The TSP Funds closely tracked the Barclays 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. **Year-to-date, all of the L Funds have outperformed the C, S, and I Funds.** Annualized, since inception, all of the L Funds have outperformed all of the underlying funds except the I fund. The Income Fund has outperformed the G Fund by 95 basis points on an annual basis.





THRIFT SAVINGS PLAN MONTHLY INVESTMENT ACTIVITY

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

- The number of interfund transfers fell to 108,103 in April, the lowest since October of 2004. (p. 9)
- The number of participants with balances in the L funds has risen every month even in times of market turmoil. (p. 10)
- Uniformed services members who have invested in the L funds favor the 2040 fund which holds 38% of their L fund allocation, versus 6% for CSRS and 15% for FERS. (p. 12)

THRIFT SAVINGS PLAN MONTHLY INVESTMENT ACTIVITY
Contributions and Interfund Transfers

	Monthly TSP Contributions							Interfund Transfer Activity						
Month end	G Fund (\$Mil)	F Fund (\$Mil)	C Fund (\$Mil)	S Fund (\$Mil)	I Fund (\$Mil)	L Funds (\$Mil)	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	618	107	616	130	90	N/A	1,560	(397)	(156)	(326)	357	522	N/A	141,159
12/31/2005	562	88	541	147	125	97	1,560	(366)	(109)	(703)	27	359	792	140,242
12/31/2006	524	71	473	148	173	180	1,569	(448)	29	(593)	(143)	715	440	148,123
1/31/2007	611	85	580	183	223	227	1,909	(566)	(219)	(525)	(50)	771	589	175,918
2/28/2007	518	71	479	156	194	201	1,619	947	98	(818)	(107)	(391)	271	194,549
3/31/2007	536	72	475	154	193	206	1,636	1,079	113	(843)	(302)	(354)	307	268,213
4/30/2007	518	70	465	150	195	204	1,602	(887)	(63)	(516)	(91)	1,075	482	188,180
5/31/2007	621	84	558	179	239	250	1,931	(144)	(106)	(207)	(29)	104	382	177,196
6/30/2007	537	71	476	158	211	221	1,674	(194)	(146)	(327)	245	162	260	169,638
7/31/2007	603	82	568	188	252	264	1,957	217	8	(454)	(290)	304	215	209,575
8/31/2007	523	68	451	150	204	221	1,617	2,497	421	(1,115)	(697)	(1,081)	(25)	271,447
9/30/2007	517	68	448	147	200	221	1,601	142	(213)	(391)	39	23	400	201,192
10/31/2007	572	74	485	159	221	240	1,751	(1,229)	(94)	(286)	458	764	387	201,126
11/30/2007	601	80	517	169	238	265	1,870	1,194	258	(861)	(681)	71	19	188,623
12/31/2007	529	67	440	145	210	228	1,619	17	(24)	(309)	0	72	244	133,550
1/31/2008	621	83	512	165	240	268	1,889	4,405	1,332	(1,839)	(1,204)	(2,295)	(399)	260,044
2/29/2008	580	80	439	141	203	241	1,684	810	242	(639)	(202)	(370)	159	137,320
3/31/2008	591	82	435	138	199	240	1,685	1,876	512	(999)	(417)	(720)	(252)	147,306
4/30/2008	659	94	467	146	212	257	1,835	152	67	(388)	(45)	69	145	108,103

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

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%	32 / 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	35 / 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	34 / 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	44 / 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

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