



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

MINUTES OF THE MEETING OF THE BOARD MEMBERS

December 17, 2007

Andrew M. Saul, Chairman of the Federal Retirement Thrift Investment Board, by telephone, convened a meeting of the Board members on December 17, 2007, at 10:00 a.m., Eastern Time. The meeting was open to the public at the Board's offices at 1250 H Street, N.W., Washington, D.C. In attendance were, by telephone, Thomas A. Fink of Alaska, member; by telephone, Alejandro M. Sanchez of Florida, member; by telephone, Gordon J. Whiting of New York, member; Gregory T. Long, Executive Director; Thomas K. Emswiler, Secretary and General Counsel; Mark A. Hagerty, Chief Information Officer; Pamela-Jeanne Moran, Director, Participant Services; Anne M. Beemer, Controller; Tracey A. Ray, Chief Investment Officer; and Thomas J. Trabucco, Director, External Affairs.

1. Approval of the minutes of the November 19, 2007 Board member meeting.

Chairman Saul entertained a motion for approval of the minutes of the November 19, 2007 Board member meeting. The following motion was made, seconded, and adopted without objection:

MOTION: That the minutes of the Board member meeting held on November 19, 2007, be approved.

2. Executive Director's Report.

Prior to commencing the regular reports, Mr. Long asked Ms. Moran to apprise the Board members of recent challenges at the Agency's call centers. Ms. Moran noted that normal call volume is approximately 9,000 calls per day. However, in October, the Agency introduced account numbers. Also, in November (which contained two holidays), the Agency mailed notices to the approximately 10,000 participants who will turn 70 ½ next year and who must elect to start receiving distributions and also mailed notices to the approximately 60,000 participants who are receiving monthly payments and who may elect to change the amount they are receiving. As a consequence, call volumes in October and November averaged around 13,000 calls per day. The

call volume began dropping in December and was more normal last week. Participants are still getting used to account numbers and, when they don't have their account numbers with them, have been using the call centers, rather than the web, to ask for their account balances or to make interfund transfers. Chairman Saul asked whether market volatility had contributed to the increased call volume. Ms. Moran replied that only 3-4 percent of the calls related to investments. The number of calls related to withdrawals has, however, increased significantly. She added that she has been working with Mr. Hagerty to develop a customizable user ID and that this will help reduce call volume because the ID will be easier for participants to remember than their account numbers. Mr. Long added that, while this had been a challenging period, we handled it successfully and operations are returning to normal.

Mr. Long then provided the Board members with a sample complaint from a participant regarding the proposed interfund transfer restrictions as well as a sample response. He reminded the Board members that, when they asked him if there was any downside to the proposed restrictions, he had stated that we would have complaints from the small number of TSP participants who are engaged in frequent trading. Mr. Sanchez commented on a newspaper article he had read regarding the proposed restrictions. He noted that the article's author seemed to understand why we are proposing the restrictions. That is, the TSP was intended to be a long-term retirement savings plan and the actions of a few participants are adversely affecting all participants. Mr. Fink asked how many letters had the Agency received and how many were from members of Congress. Mr. Trabucco responded that we have received twelve letters and none were from a member of Congress. Mr. Sanchez asked whether all the letters were complaints and was told that ten of the writers were opposed to the proposed restrictions and two were in favor of the proposed restrictions. Chairman Saul remarked that Agency staff had his total support on this matter. The TSP was meant to be a long-term retirement plan. The Board has a fiduciary duty to keep it as such and to act solely in the interest of all participants and beneficiaries. The proposed restrictions are consistent with these objectives.

a. Participant Activity Report.

Mr. Long reviewed the report on TSP statistics. See "Thrift Savings Fund Statistics" (attached). He noted that the TSP fund balances had decreased from \$235 billion to \$231 billion due to the downturn in the markets. The FERS participa-

tion rate is flat; although the total number of FERS participants is up. The number of CSRS participants continued its steady decline but uniformed service participants continue to increase. The number of outstanding loans increased slightly; this is consistent with the increase in the participant base. The expense ratio for all funds is approximately two basis points. Mr. Fink asked why the International Fund was only one basis point. He thought that that Fund had had the greatest expense. Mr. Long explained that the I Fund expense ratio was one basis point due to rounding. The expense ratio for all Funds is approximately 1.5 basis points, but we always round to whole numbers. Also, this expense ratio reflects administrative expenses. Frequent trading affects transaction costs which aren't reflected in a Fund's expense ratio.

Mr. Long then pointed out that his report includes two versions of plan participation statistics. He noted that the first version is crowded because it reflects participation numbers in March and September of each year (which coincided with open seasons). The next version reflects participation numbers only in September of each year (the end of the fiscal year). He added that future reports will show only the September data because the Agency no longer requires participants to enroll during an open season.

b. Monthly Investment Performance Report.

Ms. Ray reviewed the December 7, 2007 memorandum (attached), on the performance of the G, F, C, S, I, and L Funds during November 2007.

She noted that the International Fund underperformed the index by 49 basis points for the month due to a fair value adjustment, but has outperformed the index by 29 basis points for the year--partly due to fair value adjustments and partly due to the tax treatment of dividends we have received. We traded \$1.9 billion in the I Fund for the month at a cost of over \$2 million (11 basis points). Year-to date, we've traded \$25 billion (versus \$12 billion in all of 2006). It was also a busy month for the S Fund with \$1.9 billion traded and \$13 billion year-to-date (versus \$6 billion in all of 2006).

Chairman Saul asked for confirmation that \$25 billion had been traded in the I Fund year-to-date and was told that it had. He asked what was responsible for this. Ms. Ray explained that it seems to be the focus of the frequent traders. Chairman Saul stated that this was almost unbelievable. Only

\$10 billion had been traded in the much larger C Fund, but more was being traded in the smaller S and I Funds. Mr. Long said that this was exactly what they had been speaking to last month when they proposed restrictions to curb frequent trading. There had been a disproportionate amount of trading in these smaller Funds. Chairman Saul added that turning over a Fund's entire portfolio annually must put pressure on Barclays. Ms. Ray replied that that was correct. By way of comparison, Vanguard only turned over five percent of its international fund last year. This disbalance and the concomitant increase in transaction costs is what the Agency is trying to address with the proposed interfund transfer restrictions.

Ms. Ray then turned to Fund performance. Only the fixed-income funds showed positive returns in November. Year-to-date, the I Fund shows double digit returns and, of the Funds that lost in November, it experienced the smallest loss. The L Funds were also down for the month, but not as much as the equity markets because the L Funds have a fixed-income component. Even the L income-fund was down for the month due to its twenty percent exposure to equity. Year-to-date, the 2020, 2030, and 2040 Funds have outperformed all underlying Funds except the I Fund. You see the same result if you make the comparison from the inception of the L Funds.

c. Legislative Report.

Mr. Trabucco reported that Congress is trying to wrap up this week. The professional staffs of Congress will continue to work to prepare for next year's activity. He added that we will talk with House staff members today regarding the Agency's automatic enrollment and L Fund default proposals. The cost of the automatic enrollment proposal remains the biggest area of concern. Informal estimates indicate that its enactment would lead to a loss of hundreds of millions of dollars in tax revenue. Our meeting with House staff today will only address the language of the proposals. Chairman Saul commented that we should begin to push for enactment of the legislation next Spring. He added that all it does is allow the TSP to offer the same features that the Pension Protection Act of 2006 allowed private sector plans to offer their participants. Mr. Trabucco replied that next Spring would be the right time-frame. In the meantime, Agency staff will work with Congressional staff to iron-out the technical details. Chairman Saul added that Mr. Trabucco might want to set-up meetings for the Board members to meet with members of Congress; enacting this legislation is the right thing to do for TSP participants. Mr. Fink asked whether

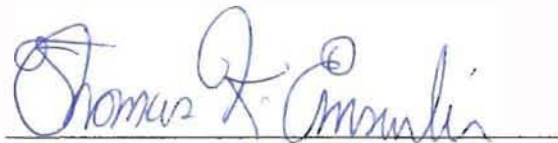
the cost estimate of hundreds of millions of dollars was annual or whether it would be spread over a number of years. Mr. Trabucco replied that the cost estimate was spread over a number of years.

3. Concluding Remarks.

Chairman Saul wished everyone Happy Holidays. He said that it had been a good year for the TSP and added that Mr. Long had done a great job in his first year as Executive Director. He concluded the meeting by saying he looked forward to continuing to serve as the Board's Chairman next year and working for the benefit of our participants.

Whereupon, there being no further business, the following motion was made, seconded, and adopted without objection and Chairman Saul adjourned the meeting at 10:25 a.m.

MOTION: That this meeting be adjourned.

A handwritten signature in blue ink, reading "Thomas K. Emswiler", written over a horizontal line.

Thomas K. Emswiler
Secretary

NOTE: Ace-Federal Reporters, Inc. made a verbatim transcript of this meeting.

Attachments

1. Thrift Savings Fund Statistics
2. November 2007 Performance Review - G, F, C, S, I, and L Funds

THRIFT SAVINGS FUND STATISTICS

November 2007

October 2007

September 2007

Fund Balances (\$ millions)

G Fund	77,847	34%	76,003	32%	76,758	33%
F Fund	11,260	5%	10,726	5%	10,692	5%
C Fund	74,881	32%	78,620	33%	77,418	34%
S Fund	16,616	7%	18,184	8%	17,118	7%
I Fund	26,646	12%	27,375	12%	25,281	11%
L Income Fund	1,265	1%	1,254	1%	1,221	1%
L 2010 Fund	5,428	2%	5,436	2%	5,260	2%
L 2020 Fund	8,972	4%	9,113	4%	8,755	4%
L 2030 Fund	5,051	2%	5,132	2%	4,903	2%
L 2040 Fund	3,590	1%	3,651	1%	3,430	1%
Total	231,556	100%	235,494	100%	230,836	100%

Twelve Month Returns

G Fund	4.80%	4.91%	4.93%
F Fund	6.25%	5.42%	5.27%
C Fund	7.76%	14.62%	16.53%
S Fund	6.03%	16.35%	18.79%
I Fund	17.54%	25.70%	24.96%
L Income Fund	6.15%	7.47%	7.71%
L 2010 Fund	7.50%	10.27%	10.82%
L 2020 Fund	8.70%	13.28%	14.02%
L 2030 Fund	9.09%	14.68%	15.63%
L 2040 Fund	9.66%	16.11%	17.14%

Number of Participants (000s)

FERS Contributing with Agency Contributions	1,641	1,640	1,645
FERS Not contributing with Agency Contributions	275	275	275
FERS Participation Rate	85.6%	85.6%	85.7%
FERS Contributing w/out Agency Contributions	92	80	70
Total FERS with Contributions	2,008	1,995	1,990
CSRS Contributing	339	342	346
Uniformed Services Contributing	572	569	566
Participants with No Current Contributions	906	907	899
Total Plan Participants	3,825	3,813	3,801

Loans Outstanding

Number	755,805	753,987	748,701
Amount (\$ millions)	6,205	6,194	6,112

Net Expense Ratios*	Total	G	F	C	S	I	L Inc.	L 2010	L 2020	L 2030	L 2040
2000	.05%	.05%	.07%	.06%	-	-	-	-	-	-	-
2001	.06%	.06%	.06%	.06%	.05%	.05%	-	-	-	-	-
2002	.06%	.06%	.06%	.07%	.07%	.07%	-	-	-	-	-
2003	.10%	.10%	.10%	.10%	.10%	.10%	-	-	-	-	-
2004	.06%	.06%	.05%	.06%	.06%	.06%	-	-	-	-	-
2005	.05%	.04%	.04%	.05%	.05%	.05%	.01%	.02%	.02%	.02%	.02%
2006	.03%	.03%	.03%	.03%	.03%	.03%	.03%	.03%	.03%	.03%	.03%
2007 YTD	.02%	.02%	.02%	.02%	.02%	.01%	.02%	.02%	.02%	.02%	.02%

*The net expense ratios are the administrative expenses charged to TSP participants per dollar invested in the respective funds after offsetting gross administrative expenses with account forfeitures and loan fees. The S and I Funds were implemented in May 2001. The L Funds were implemented in August 2005.

FEDERAL RETIREMENT THRIFT INVESTMENT BOARD
THRIFT SAVINGS PLAN PARTICIPATION
(in Thousands)

November 2007

Month	FERS Receiving Agency Contributions			FERS Contributing Not Receiving Agency Contributions ^u	Total FERS With Contributions (5)=(1+2+4)	CSRS Contributing (6)	Uniformed Services Contributing ^u (7)	Total Parti- cipants With Contributions (8)=(5+6+7)	Participants With No Current Contributions ^c (9)=(10-8)	Total Plan Participants (10)
	FERS	FERS Not	FERS Parti-							
	Contributing (1)	Contributing (2)	cipation Rate (3)=(1)/(1+2)							
Prior Open Seasons										
Jun 1987	163	400	28.9%		563	297		850	10	860
Sep 1987	219	355	38.2%		574	372		947	42	989
Mar 1988	291	360	44.7%		651	377		1,028	137	1,165
Sep 1988	340	390	46.6%		730	388		1,118	189	1,307
Mar 1989	390	417	48.3%		807	406		1,213	138	1,351
Sep 1989	440	428	50.7%		867	423		1,290	164	1,454
Mar 1990	503	429	53.9%		932	439		1,371	173	1,544
Sep 1990	555	430	56.4%		985	461		1,447	191	1,638
Mar 1991	609	418	59.3%		1,027	484		1,510	195	1,705
Sep 1991	667	411	61.9%		1,078	515		1,593	183	1,776
Mar 1992	738	399	64.9%		1,137	561		1,698	159	1,857
Sep 1992	786	375	67.7%		1,161	588		1,749	167	1,916
Mar 1993	831	357	70.0%		1,188	603		1,791	181	1,972
Sep 1993	868	326	72.7%		1,194	619		1,812	224	2,036
Mar 1994	911	312	74.5%		1,223	634		1,858	224	2,082
Sep 1994	942	300	75.8%		1,242	634		1,876	243	2,119
Mar 1995	976	287	77.3%		1,263	628		1,891	259	2,150
Sep 1995	1,014	280	78.4%		1,294	635		1,930	265	2,195
Mar 1996	1,059	272	79.5%		1,331	641		1,972	246	2,218
Sep 1996	1,085	250	81.3%		1,335	653		1,987	267	2,254
Mar 1997	1,118	231	82.9%		1,348	657		2,005	272	2,277
Sep 1997	1,136	211	84.4%		1,347	664		2,011	292	2,303
Mar 1998	1,166	205	85.0%		1,372	660		2,032	301	2,333
Sep 1998	1,192	193	86.1%		1,385	662		2,046	324	2,370
Mar 1999	1,243	201	86.1%		1,444	643		2,086	322	2,408
Sep 1999	1,271	201	86.3%		1,472	640		2,112	339	2,451
Mar 2000	1,292	206	86.2%		1,497	629		2,127	344	2,471
Sep 2000	1,301	198	86.8%		1,499	619		2,118	357	2,475
Mar 2001	1,322	205	86.6%		1,527	604		2,131	365	2,496
Sep 2001	1,348	209	86.6%	33	1,590	593		2,183	390	2,573
Mar 2002	1,380	212	86.7%	44	1,636	576	222	2,434	413	2,847
Sep 2002	1,404	206	87.2%	49	1,659	559	280	2,498	460	2,958
Mar 2003	1,433	216	86.9%	77	1,725	536	330	2,591	487	3,078
Sep 2003	1,480	229	86.6%	57	1,766	522	359	2,647	555	3,202
Mar 2004	1,501	234	86.5%	64	1,799	496	410	2,705	566	3,271
Sep 2004	1,521	233	86.7%	62	1,816	475	435	2,726	627	3,353
Mar 2005	1,539	243	86.4%	71	1,853	449	476	2,778	661	3,439
Sep 2005	1,562	248	86.3%	69	1,878	431	499	2,808	715	3,523
Mar 2006	1,588	256	86.1%	63	1,908	406	529	2,843	754	3,597
Sep 2006	1,598	264	85.8%	67	1,929	386	536	2,851	811	3,662
Mar 2007	1,632	264	86.1%	70	1,966	366	558	2,890	845	3,735
Previous Six Months										
May 2007	1,631	257	86.4%	85	1,973	362	567	2,902	846	3,748
Jun 2007	1,646	272	85.8%	66	1,984	357	566	2,907	863	3,770
Jul 2007	1,664	277	85.7%	51	1,992	353	558	2,903	882	3,785
Aug 2007	1,651	275	85.7%	61	1,987	349	570	2,906	885	3,791
Sep 2007	1,645	275	85.7%	70	1,990	346	566	2,902	899	3,801
Oct 2007	1,640	275	85.6%	80	1,995	342	569	2,906	907	3,813
Current Month										
Nov 2007	1,641	275	85.6%	92	2,008	339	572	2,919	906	3,825

^a Beginning in July 2001, newly hired FERS employees not yet eligible for agency automatic or matching contributions were permitted to make employee contributions.

^b Beginning in January 2002, members of the uniformed services were permitted to make employee contributions.

^c Participants with no contributions includes dormant FERS accounts, non-separated CSRS and uniformed services participants who have terminated contributions, and separated participants.

Totals may not add due to rounding.

FEDERAL RETIREMENT THRIFT INVESTMENT BOARD
THRIFT SAVINGS PLAN PARTICIPATION
(in Thousands)

November 2007

Month	FERS Receiving Agency Contributions			FERS Contributing Not Receiving Agency Contributions ^u	Total FERS With Contributions (5)=(1+2+4)	CSRS Contributing (6)	Uniformed Services Contributing ^u (7)	Total Parti- cipants With Contributions (8)=(5+6+7)	Participants With No Current Contributions ^c (9)=(10-8)	Total Plan Participants (10)
	FERS Contributing (1)	FERS Not Contributing (2)	FERS Partici- pation Rate (3)=(1)/(1+2)							
<u>Prior Years</u>										
Jun 1987	163	400	28.9%		563	297		850	10	860
Sep 1987	219	355	38.2%		574	372		947	42	989
Sep 1988	340	390	46.6%		730	388		1,118	189	1,307
Sep 1989	440	428	50.7%		867	423		1,290	164	1,454
Sep 1990	555	430	56.4%		985	461		1,447	191	1,638
Sep 1991	667	411	61.9%		1,078	515		1,593	183	1,776
Sep 1992	786	375	67.7%		1,161	588		1,749	167	1,916
Sep 1993	868	326	72.7%		1,194	619		1,812	224	2,036
Sep 1994	942	300	75.8%		1,242	634		1,876	243	2,119
Sep 1995	1,014	280	78.4%		1,294	635		1,930	265	2,195
Sep 1996	1,085	250	81.3%		1,335	653		1,987	267	2,254
Sep 1997	1,136	211	84.4%		1,347	664		2,011	292	2,303
Sep 1998	1,192	193	86.1%		1,385	662		2,046	324	2,370
Sep 1999	1,271	201	86.3%		1,472	640		2,112	339	2,451
Sep 2000	1,301	198	86.8%		1,499	619		2,118	357	2,475
Sep 2001	1,348	209	86.6%	33	1,590	593		2,183	390	2,573
Sep 2002	1,404	206	87.2%	49	1,659	559	280	2,498	460	2,958
Sep 2003	1,480	229	86.6%	57	1,766	522	359	2,647	555	3,202
Sep 2004	1,521	233	86.7%	62	1,816	475	435	2,726	627	3,353
Sep 2005	1,562	248	86.3%	69	1,878	431	499	2,808	715	3,523
Sep 2006	1,598	264	85.8%	67	1,929	386	536	2,851	811	3,662
<u>Previous 12 Months</u>										
Nov 2006	1,590	266	85.7%	86	1,942	378	540	2,860	820	3,680
Dec 2006	1,600	279	85.2%	71	1,950	374	538	2,862	839	3,701
Jan 2007	1,639	271	85.8%	56	1,966	379	539	2,884	835	3,719
Feb 2007	1,633	267	85.9%	63	1,963	368	551	2,882	843	3,725
Mar 2007	1,632	264	86.1%	70	1,966	366	558	2,890	845	3,735
Apr 2007	1,629	261	86.2%	76	1,966	363	554	2,883	855	3,738
May 2007	1,631	257	86.4%	85	1,973	362	567	2,902	846	3,748
Jun 2007	1,646	272	85.8%	66	1,984	357	566	2,907	863	3,770
Jul 2007	1,664	277	85.7%	51	1,992	353	558	2,903	882	3,785
Aug 2007	1,651	275	85.7%	61	1,987	349	570	2,906	885	3,791
Sep 2007	1,645	275	85.7%	70	1,990	346	566	2,902	899	3,801
Oct 2007	1,640	275	85.6%	80	1,995	342	569	2,906	907	3,813
<u>Current Month</u>										
Nov 2007	1,641	275	85.6%	92	2,008	339	572	2,919	906	3,825

^a Beginning in July 2001, newly hired FERS employees not yet eligible for agency automatic or matching contributions were permitted to make employee contributions.

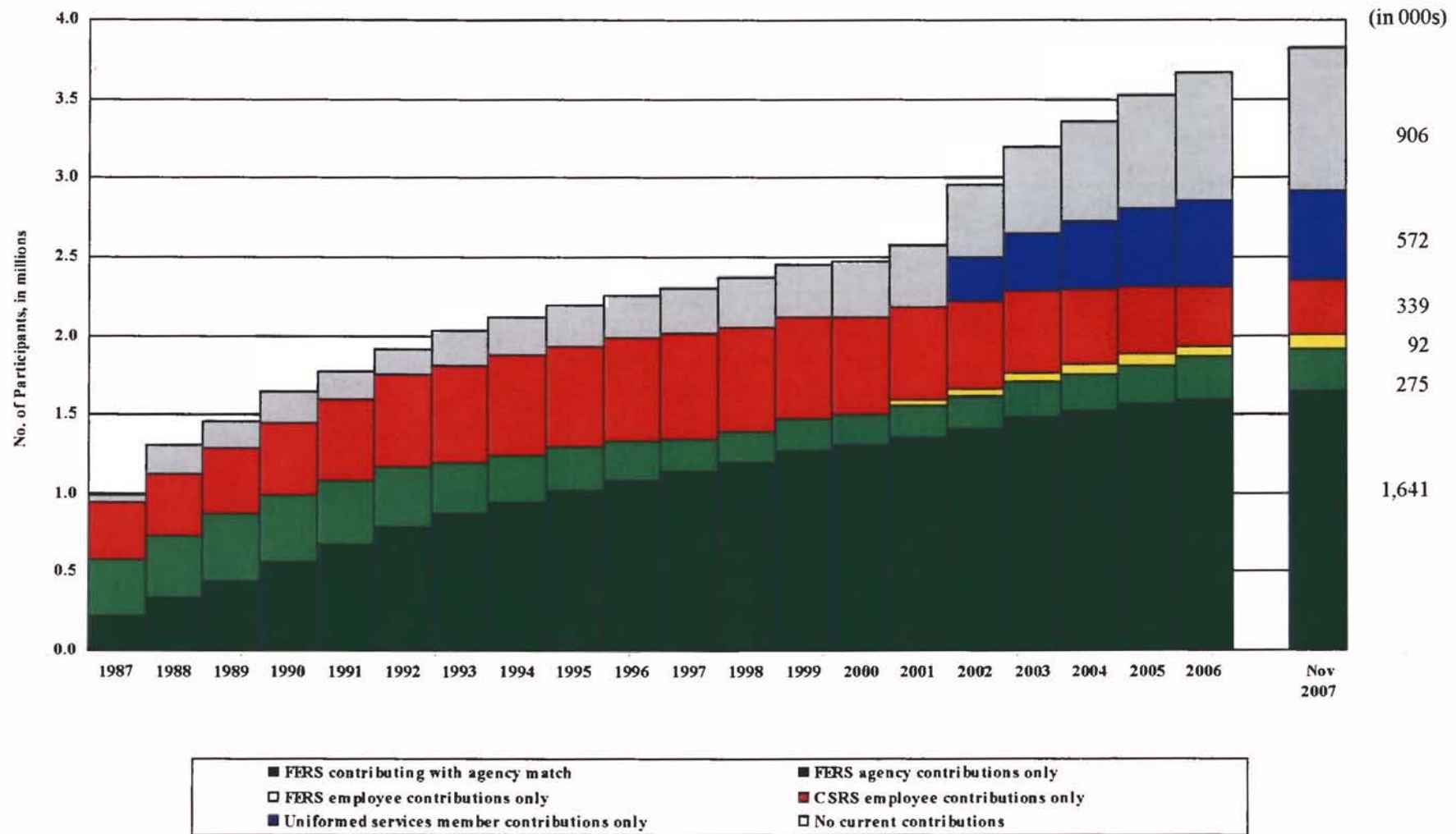
^b Beginning in January 2002, members of the uniformed services were permitted to make employee contributions.

^c Participants with no contributions includes dormant FERS accounts, non-separated CSRS and uniformed services participants who have terminated contributions, and separated participants.
Totals may not add due to rounding.

**THRIFT SAVINGS PLAN
UNIFORMED SERVICES PARTICIPATION**

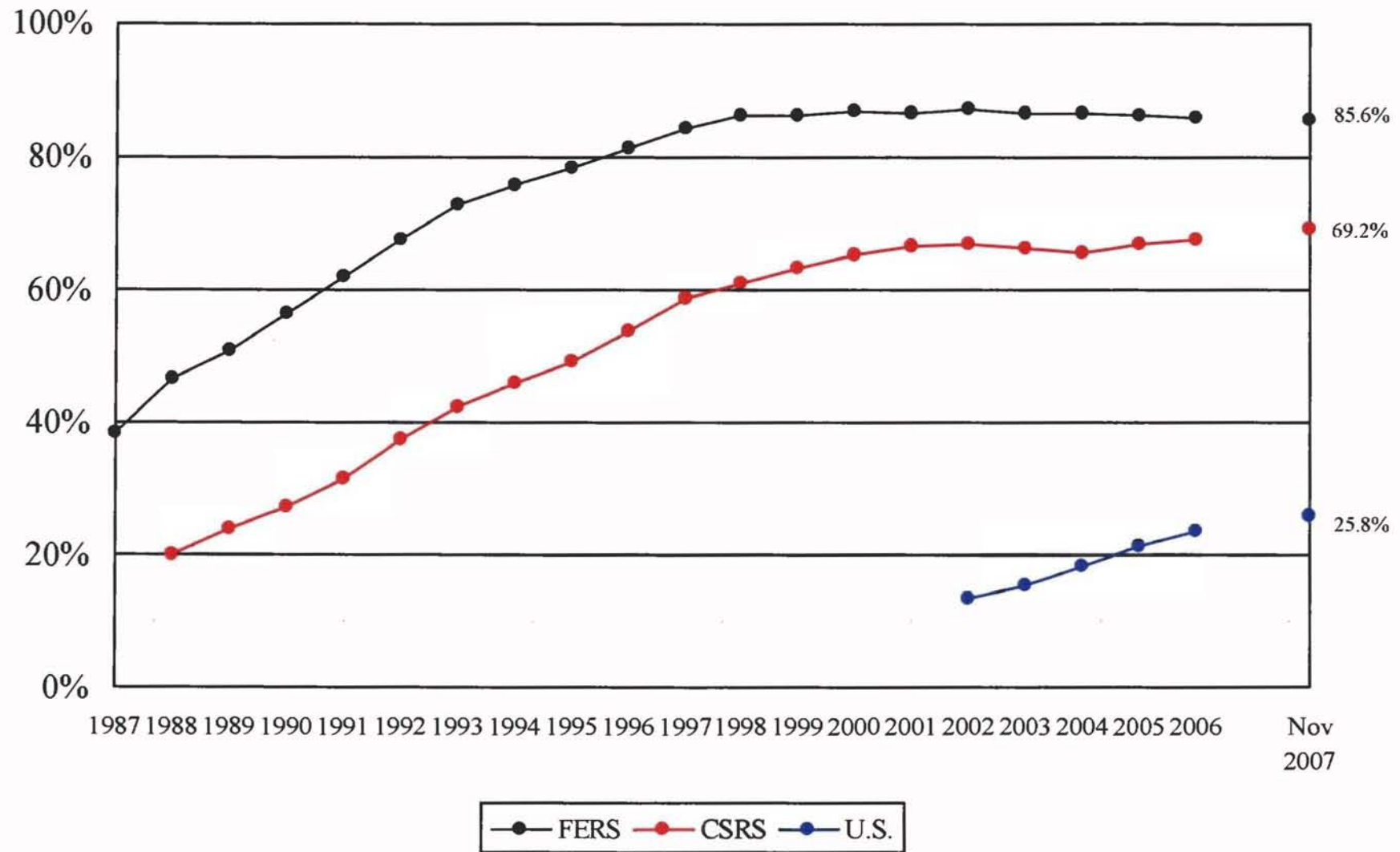
Service/ Component	Number Contributing in October 2007	Participation Rate	Number Contributing in November 2007	Participation Rate
Active Duty	474,809	34.4%	476,482	34.5%
Army	115,445	24.1%	116,226	24.3%
Navy	174,351	50.8%	174,621	50.9%
Marine Corps	58,760	33.8%	59,519	34.3%
Air Force	110,556	32.5%	110,588	32.5%
Coast Guard	11,775	28.9%	11,719	28.8%
Public Health Service	3,732	62.6%	3,624	60.7%
National Oceanic & Atmospheric	190	65.1%	185	63.4%
 Ready Reserve	 94,632	 11.4%	 95,618	 11.5%
Army	49,924	9.4%	50,212	9.5%
Navy	5,377	7.4%	5,311	7.3%
Marine Corps	3,249	8.2%	3,533	8.9%
Air Force	34,932	19.3%	35,636	19.6%
Coast Guard	1,150	14.3%	926	11.5%
 Totals	 569,441	 25.7%	 572,100	 25.8%
Army	165,369	16.4%	166,438	16.5%
Navy	179,728	43.3%	179,932	43.3%
Marine Corps	62,009	29.1%	63,052	29.6%
Air Force	145,488	27.9%	146,224	28.0%
Coast Guard	12,925	26.5%	12,645	25.9%
Public Health Service	3,732	62.6%	3,624	60.7%
National Oceanic & Atmospheric	190	65.1%	185	63.4%

Thrift Savings Plan Participation



Annual data as of September of the respective year.

Thrift Savings Plan Participation Rates



Annual data as of September of the respective year.



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

December 7, 2007

MEMORANDUM FOR THE EXECUTIVE DIRECTOR

FROM: TRACEY RAY *TR*
CHIEF INVESTMENT OFFICER

SUBJECT: November 2007 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 November 2007: investment manager performance and tracking error, trading costs, TSP Fund performance, and L Fund participation.

TRACKING ERROR - BGI Funds

November Tracking Error

<u>Fund</u>	<u>% BGI FUND Performance</u>	<u>% Index Performance</u>	<u>Tracking Error</u>
Fixed Income	1.84	1.80	0.04
Large Cap	-4.18	-4.18	0.00
Small-Mid Cap	-5.68	-5.61	-0.07
International	-3.75	-3.29	-0.46

Year to Date Tracking Error

<u>Fund</u>	<u>% BGI FUND Performance</u>	<u>% Index Performance</u>	<u>Tracking Error</u>
Fixed Income	6.78	6.67	0.11
Large Cap	6.27	6.23	0.04
Small-Mid Cap	5.82	5.90	-0.08
International	14.02	13.73	0.29

The **Barclay's EAFE Equity Index Fund E** underperformed the benchmark index by 46 basis points in November, primarily because of a fair valuation adjustment; year to date the fund has outperformed by 29 basis points.

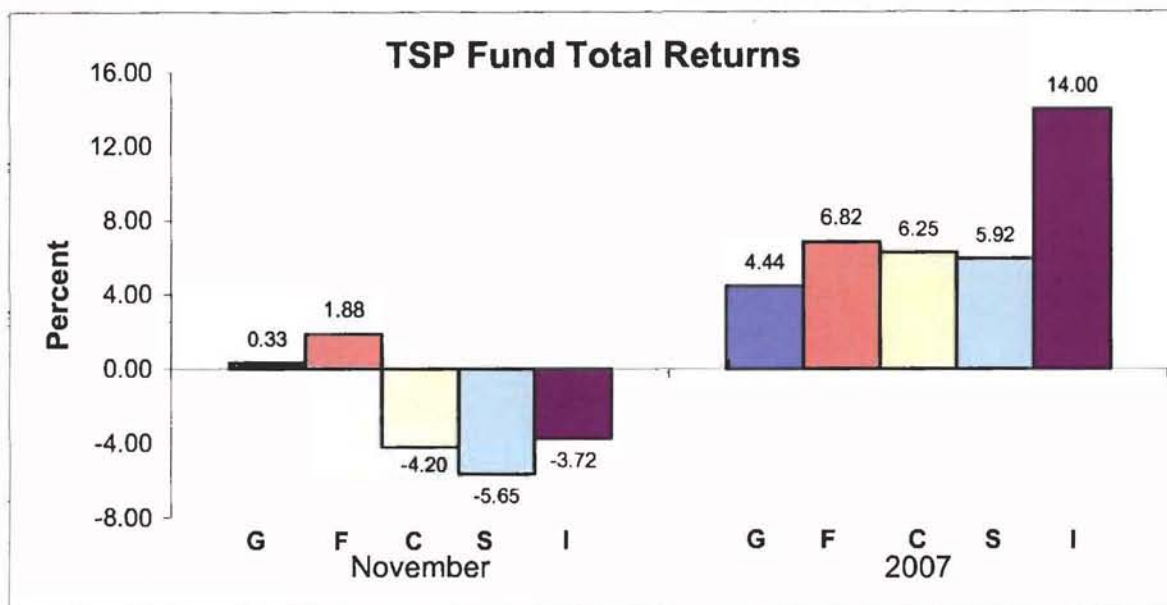
TRADING COSTS

Trading costs in the I Fund remain the highest of all of the funds. Australasian and European markets close before BGI receives the order for the day, and the trades are executed the following morning. In times of greater volatility this execution lag can result in large negative or positive trading costs. Trading costs in the F, C, and S Funds were negative in November.

		TRADING COSTS	
	<u>DOLLAR AMOUNT TRADED</u>	<u>\$</u>	<u>Basis Points</u>
<u>F Fund</u>			
November 2007	\$401,522,125	-\$32,997	-.8
Year-to-Date	8,407,790,669	1,050,599	1.3
<u>C Fund</u>			
November 2007	\$1,018,796,985	-\$278,186	-2.7
Year-to-Date	10,233,614,513	507,589	0.5
<u>S Fund</u>			
November 2007	\$1,892,757,769	-\$150,698	-.8
Year-to-Date	13,150,328,694	-4,301,097	-3.3
<u>I Fund</u>			
November 2007	\$1,944,309,620	\$2,196,263	11.3
Year-to-Date	25,411,723,027	15,753,468	6.2

PERFORMANCE OF TSP FUNDS

The chart below shows the G, F, C, S, and I Fund net rates of return for November 2007 and the 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 and the benchmark indices.

November 2007

Total Return

%

<u>Fund</u>	<u>TSP</u>	<u>Barclays</u>	<u>Difference</u>	<u>Index</u>
Fixed Income	1.88	1.84	.04	1.80
Large Cap	-4.20	-4.18	-.02	-4.18
Small Cap	-5.65	-5.68	.03	-5.61
International	-3.72	-3.75	.03	-3.29

Year-to-Date

%

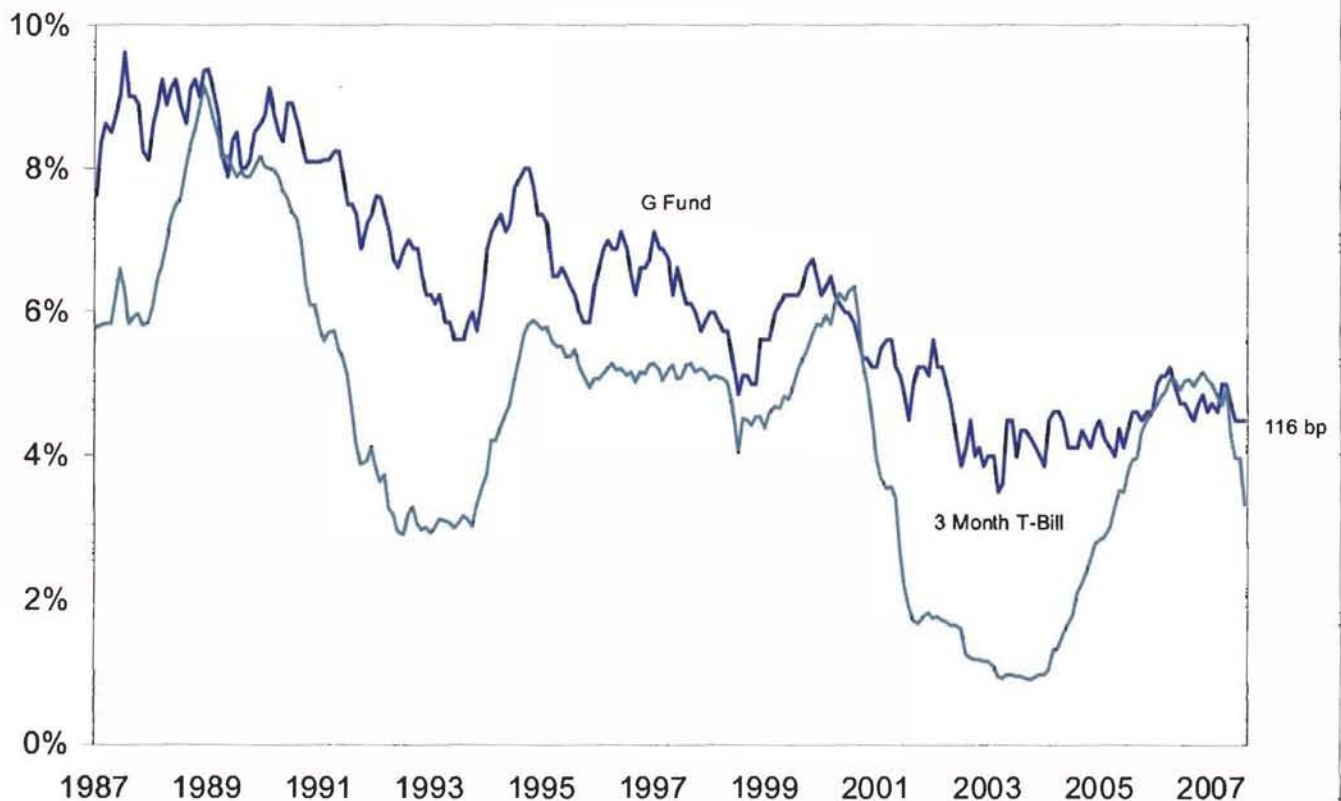
<u>Fund</u>	<u>TSP</u>	<u>Barclays</u>	<u>Difference</u>	<u>Index</u>
Fixed Income	6.82	6.78	.04	6.67
Large Cap	6.25	6.27	-.02	6.23
Small Cap	5.92	5.82	.10	5.90
International	14.00	14.02	-.02	13.73

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

G FUND

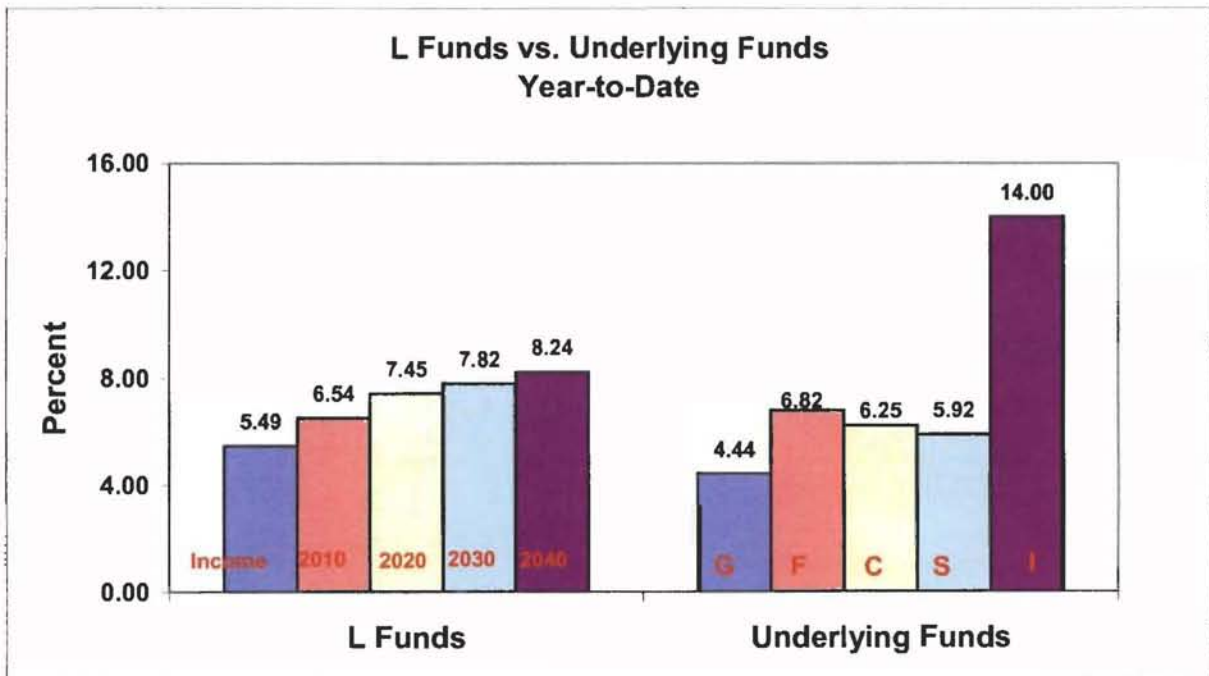
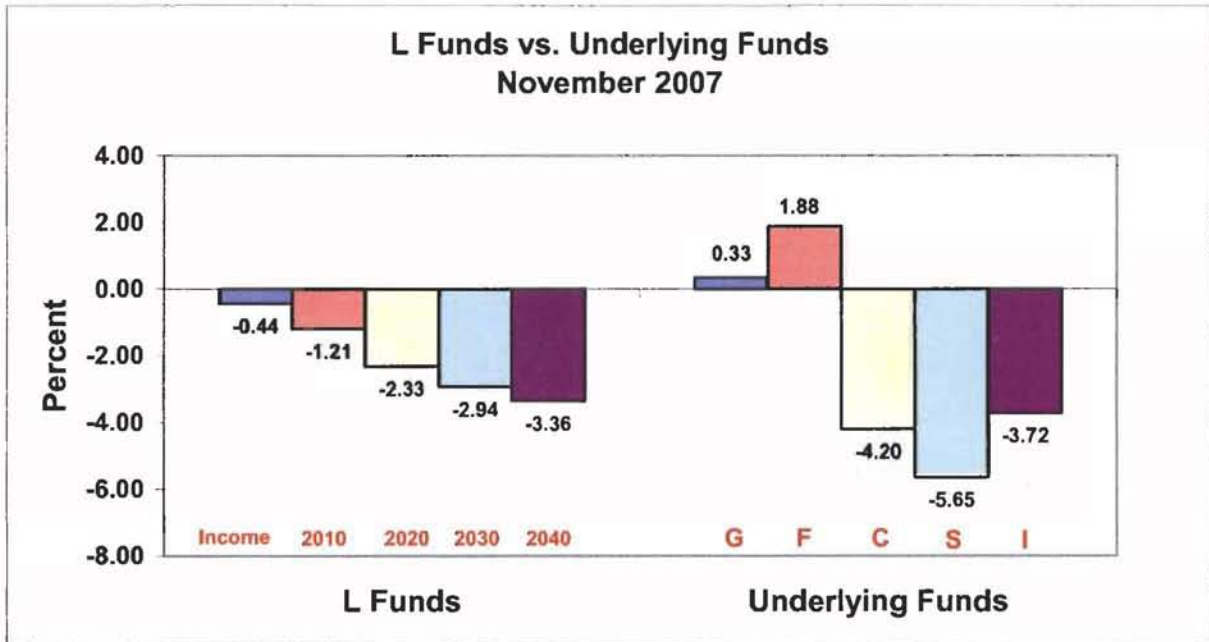
The gross G Fund return was .33% in November. The November 2007 nominal statutory G Fund interest rate (expressed on a per-annum basis) was 4.50%. The spread between the yields on 3 month Treasury Bills and the G Fund increased slightly to 116 basis points in November. The G Fund rate for December is 4.00%.

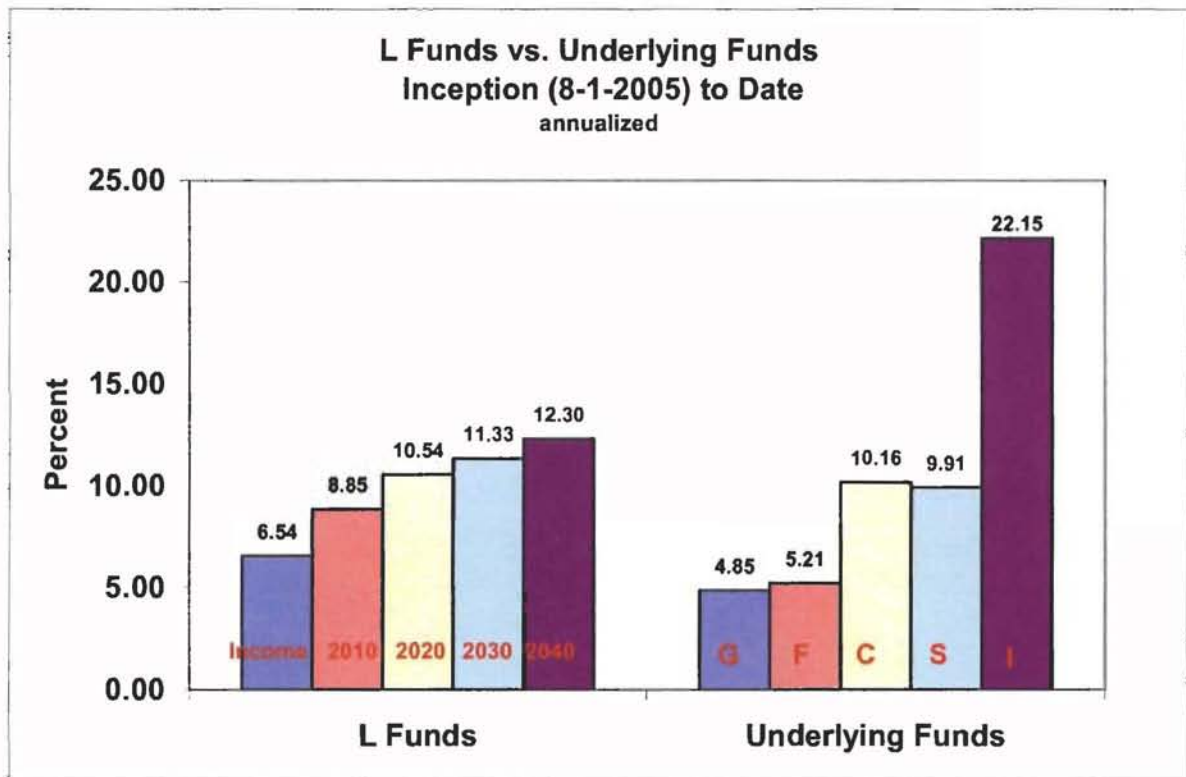
G Fund Rate vs. 3 Month T-Bill



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. Annualized, since inception, all of the L Funds have outperformed the G and F Funds. The Income Fund has outperformed the G Fund by 169 basis points on an annual basis.





THRIFT SAVINGS PLAN MONTHLY INVESTMENT ACTIVITY

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

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 (%)
	(000s)	%	(000s)	%	(000s)	%	(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
1/31/2006	62,518	3%	19,068	3%	16,695	2%	35/6/38/8/8/5	40/5/37/7/6/5	43/5/21/15/11/5
2/28/2006	66,268	3%	20,114	3%	20,030	3%	34/6/38/8/8/6	39/5/37/7/7/5	43/4/20/15/11/7
3/31/2006	69,629	3%	20,823	3%	21,597	3%	35/5/38/8/8/6	39/5/36/7/7/6	42/4/20/16/11/7
4/30/2006	71,672	3%	21,166	3%	22,732	3%	34/5/37/9/9/6	39/5/36/7/8/6	41/4/20/15/12/8
5/31/2006	73,641	3%	21,402	3%	23,775	3%	35/5/37/8/9/6	40/5/35/7/7/6	41/4/20/15/12/8
6/30/2006	75,029	3%	21,527	3%	24,463	3%	36/5/36/8/8/7	41/5/35/6/7/6	42/4/19/15/12/8
7/31/2006	78,148	3%	22,263	3%	25,701	4%	37/5/36/7/8/7	41/5/35/6/7/6	42/4/19/14/12/9
8/31/2006	81,850	4%	23,134	3%	26,805	4%	36/5/36/7/9/7	41/5/35/6/7/6	41/4/20/14/12/9
9/30/2006	85,235	4%	23,951	4%	27,673	4%	35/5/36/7/9/8	40/5/35/6/7/7	40/4/20/14/12/10
10/31/2006	89,502	4%	24,871	4%	29,234	4%	34/5/36/8/9/8	39/5/35/6/8/7	39/4/20/14/13/10
11/30/2006	91,978	4%	25,779	4%	30,115	4%	33/5/36/8/10/8	39/5/35/6/8/7	38/4/20/15/13/10
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

THRIFT SAVINGS PLAN MONTHLY INVESTMENT ACTIVITY
Contributions and Interfund Transfers

Month end	Monthly TSP Contributions (\$ Millions)							Interfund Transfer Activity (\$ Millions)						
	G Fund	F Fund	C Fund	S Fund	I Fund	L Funds	Total	G Fund (\$Mil)	F Fund (\$Mil)	C Fund (\$Mil)	S Fund (\$Mil)	I Fund (\$Mil)	L Funds (\$Mil)	# of ITs
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
1/31/2006	599	94	599	167	150	125	1,734	(368)	(158)	(1,223)	(15)	753	1,011	205,166
2/28/2006	524	80	510	149	138	117	1,518	(448)	(174)	(707)	300	467	562	149,164
3/31/2006	533	80	512	156	146	131	1,558	(111)	(113)	(684)	103	375	430	156,071
4/30/2006	515	77	497	155	148	133	1,525	(296)	(87)	(815)	244	676	278	158,329
5/31/2006	571	83	531	167	168	143	1,663	1,096	(108)	(839)	(462)	60	253	247,508
6/30/2006	610	88	561	177	178	162	1,776	1,662	(66)	(653)	(484)	(593)	134	214,778
7/31/2006	549	77	496	156	159	147	1,584	779	(12)	(727)	(290)	(139)	389	177,747
8/31/2006	602	84	551	171	181	173	1,762	(424)	8	(464)	(333)	593	620	166,682
9/30/2006	529	73	470	145	159	156	1,532	(689)	(42)	(152)	14	289	580	151,254
10/31/2006	520	71	468	144	161	162	1,526	(863)	(179)	110	59	191	682	179,818
11/30/2006	607	83	545	165	189	195	1,784	(590)	(34)	(402)	233	317	476	158,028
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

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

	Participants with Balances in the L Funds						Allocation of L Fund Balances		
Month end	FERS (000s) %		CSRS (000s) %		Uniformed Services (000s) %		FERS (%) Inc/2010/2020/2030/2040	CSRS (%) Inc/2010/2020/2030/2040	Uniformed Services (%) 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
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1/31/2006	159	7%	37	5%	49	7%	5 / 23 / 42 / 20 / 10	13 / 48 / 30 / 5 / 4	2 / 8 / 24 / 35 / 31
2/28/2006	172	8%	40	6%	58	9%	5 / 23 / 41 / 21 / 10	12 / 49 / 30 / 5 / 4	2 / 8 / 24 / 35 / 31
3/31/2006	183	8%	42	6%	66	10%	5 / 22 / 42 / 21 / 10	12 / 48 / 31 / 5 / 4	2 / 8 / 24 / 35 / 31
4/30/2006	191	8%	43	6%	71	10%	5 / 22 / 42 / 21 / 10	11 / 49 / 31 / 5 / 4	2 / 7 / 24 / 36 / 31
5/31/2006	199	9%	44	7%	75	11%	5 / 22 / 41 / 21 / 11	11 / 48 / 31 / 5 / 5	2 / 8 / 24 / 35 / 31
6/30/2006	205	9%	45	7%	79	11%	5 / 22 / 41 / 21 / 11	12 / 48 / 31 / 5 / 4	2 / 8 / 24 / 35 / 31
7/31/2006	215	9%	46	7%	83	12%	5 / 22 / 41 / 21 / 11	11 / 48 / 32 / 5 / 4	2 / 8 / 24 / 35 / 31
8/31/2006	228	10%	49	7%	87	12%	5 / 22 / 41 / 21 / 11	11 / 48 / 31 / 5 / 5	2 / 8 / 23 / 35 / 32
9/30/2006	239	10%	51	8%	92	13%	5 / 22 / 40 / 22 / 11	11 / 47 / 31 / 6 / 5	2 / 8 / 23 / 35 / 32
10/31/2006	252	11%	53	8%	96	13%	5 / 21 / 40 / 22 / 12	11 / 46 / 32 / 6 / 5	2 / 7 / 23 / 35 / 33
11/30/2006	263	11%	55	8%	100	14%	5 / 20 / 40 / 22 / 13	11 / 45 / 32 / 6 / 6	2 / 7 / 23 / 35 / 33
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

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 (\$M)	2010 (\$M)	2020 (\$M)	2030 (\$M)	2040 (\$M)	Total (\$M)	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
1/31/2006	601	2,540	3,624	1,637	840	9,242	19,010	52,724	77,896	64,357	59,992	245,922
2/28/2006	625	2,681	3,883	1,797	932	9,918	20,732	57,305	86,042	72,500	68,296	270,553
3/31/2006	645	2,835	4,150	1,954	1,034	10,618	22,342	61,132	92,466	79,150	75,516	290,311
4/30/2006	661	2,937	4,368	2,081	1,117	11,164	23,466	63,779	97,479	84,242	81,169	304,888
5/31/2006	673	2,964	4,403	2,122	1,147	11,309	24,545	66,088	101,427	88,672	86,226	317,704
6/30/2006	686	3,026	4,520	2,206	1,184	11,622	25,781	68,121	105,069	92,496	90,453	329,072
7/31/2006	725	3,159	4,728	2,315	1,244	12,171	27,502	71,614	110,129	97,018	95,163	344,396
8/31/2006	770	3,386	5,089	2,518	1,395	13,158	29,354	75,840	116,410	103,073	102,558	364,701
9/30/2006	806	3,563	5,402	2,698	1,555	14,024	30,831	79,178	121,920	108,511	109,608	381,719
10/31/2006	856	3,782	5,809	2,942	1,795	15,184	32,257	82,488	127,583	114,120	117,849	400,816
11/30/2006	890	3,944	6,150	3,144	1,966	16,094	33,594	85,297	132,849	119,354	125,483	417,982
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