



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

May 8, 2009

MEMORANDUM FOR THE EXECUTIVE DIRECTOR

FROM: TRACEY RAY
CHIEF INVESTMENT OFFICER

A handwritten signature in black ink, appearing to be "TR", written over the printed name "TRACEY RAY".

SUBJECT: April 2009 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 2009, 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	0.49	0.48	0.01
Large Cap	9.58	9.57	0.01
Small Mid Cap	15.00	14.99	0.01
International	12.10	12.80	-0.70

Year-To-Date Tracking Error

<u>Fund</u>	<u>% BGI FUND Performance</u>	<u>% Index Performance</u>	<u>Tracking Error</u>
Fixed Income	0.62	0.59	0.03
Large Cap	-2.40	-2.49	0.09
Small-Mid Cap	3.08	4.27	-1.19
International	-4.97	-2.92	-2.05

The **Barclays Extended Equity Market Fund E** underperformed by 119 basis points year to date. The performance difference is primarily related to the sampling technique used by the Fund. The **Barclay's EAFE Equity Index Fund E** underperformed by 70 basis points in April and 205 basis points year to date primarily because of fair valuation adjustments on December 31 and March 31.

TRADING COSTS

	<u>DOLLAR AMOUNT TRADED</u>	<u>TRADING COSTS</u>	
		<u>\$</u>	<u>Basis Points</u>
<u>F Fund</u>			
April 2009	309,402,994	60,920	2.0
Year-to-Date	1,462,256,384	440,057	3.0
<u>C Fund</u>			
April 2009	981,720,850	257,312	2.6
Year-to-Date	4,566,780,857	1,924,704	4.2
<u>S Fund</u>			
April 2009	465,431,854	(405,143)	(8.7)
Year-to-Date	1,828,673,218	556,045	3.0
<u>I Fund</u>			
April 2009	496,239,840	1,148,094	23.1
Year-to-Date	2,188,917,976	875,090	4.0

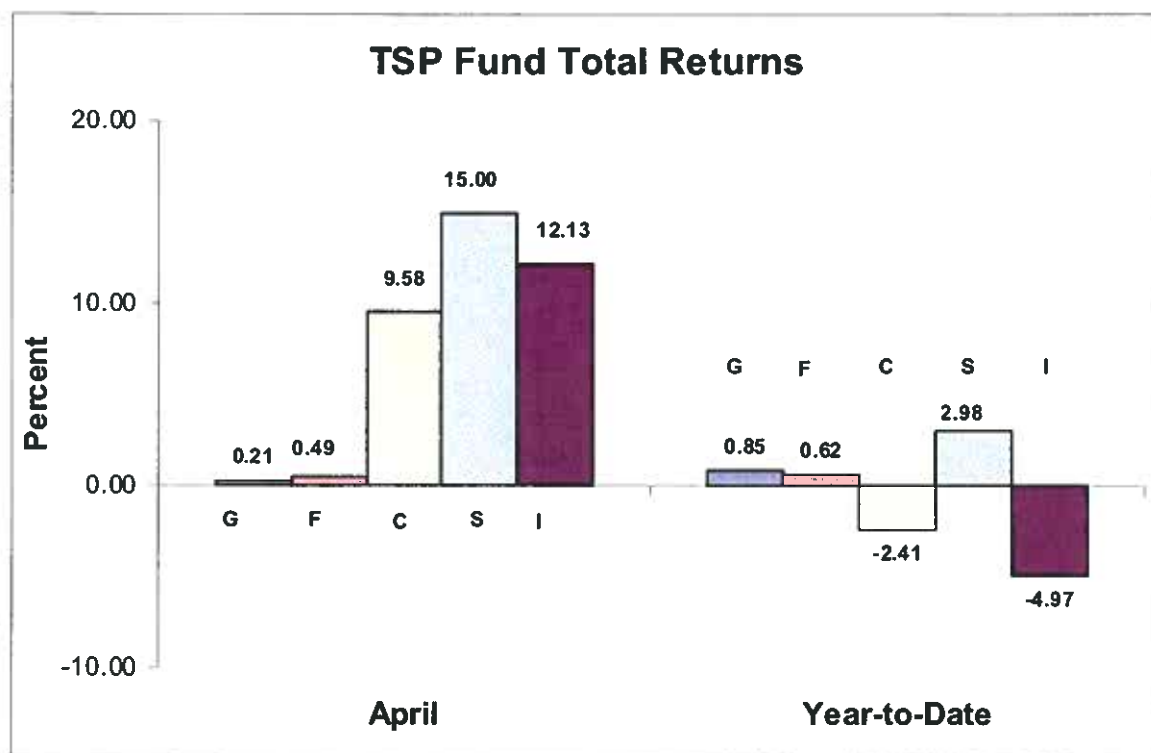
G FUND

The following table compares the G Fund rate to be paid in the month noted to the 3 month Treasury bill, the 10 year Treasury note and the 30 year Treasury bond at the time the rate was set.

	<u>G Fund</u>	<u>3-month T-bill</u>	<u>10 year T-note</u>	<u>30 year T-bond</u>
<u>2008</u>				
January	4.00%	3.31%	4.03%	4.45%
February	3.50	1.98	3.60	4.32
March	3.38	2.08	3.51	4.40
April	3.38	1.35	3.41	4.29
May	3.75	1.25	3.73	4.47
June	4.00	1.86	4.06	4.72
July	3.87	1.84	3.97	4.53
August	3.87	1.68	3.95	4.57
September	3.75	1.70	3.81	4.42
October	3.63	.73	3.82	4.31
November	3.75	.45	3.96	4.37
December	2.75	.02	2.92	3.44
<u>2009</u>				
January	2.13	.02	2.21	2.68
February	2.75	.13	2.84	3.60
March	2.88	.27	3.02	3.71
April	2.50	.20	2.67	3.54
May	2.88	.15	3.16	4.07

PERFORMANCE OF TSP FUNDS

The chart below shows the G, F, C, S, and I Fund net rates of return for April 2009 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 BGI funds.

April 2009

Total Return %

<u>Fund</u>	<u>TSP</u>	<u>Barclays</u>	<u>Difference</u>	<u>Index</u>
Fixed Income - F	0.49	0.49	0.00	0.48
Large Cap - C	9.58	9.58	0.00	9.57
Small Cap - S	15.00	15.00	0.00	14.99
International - I	12.13	12.10	0.03	12.80

Year-to-Date

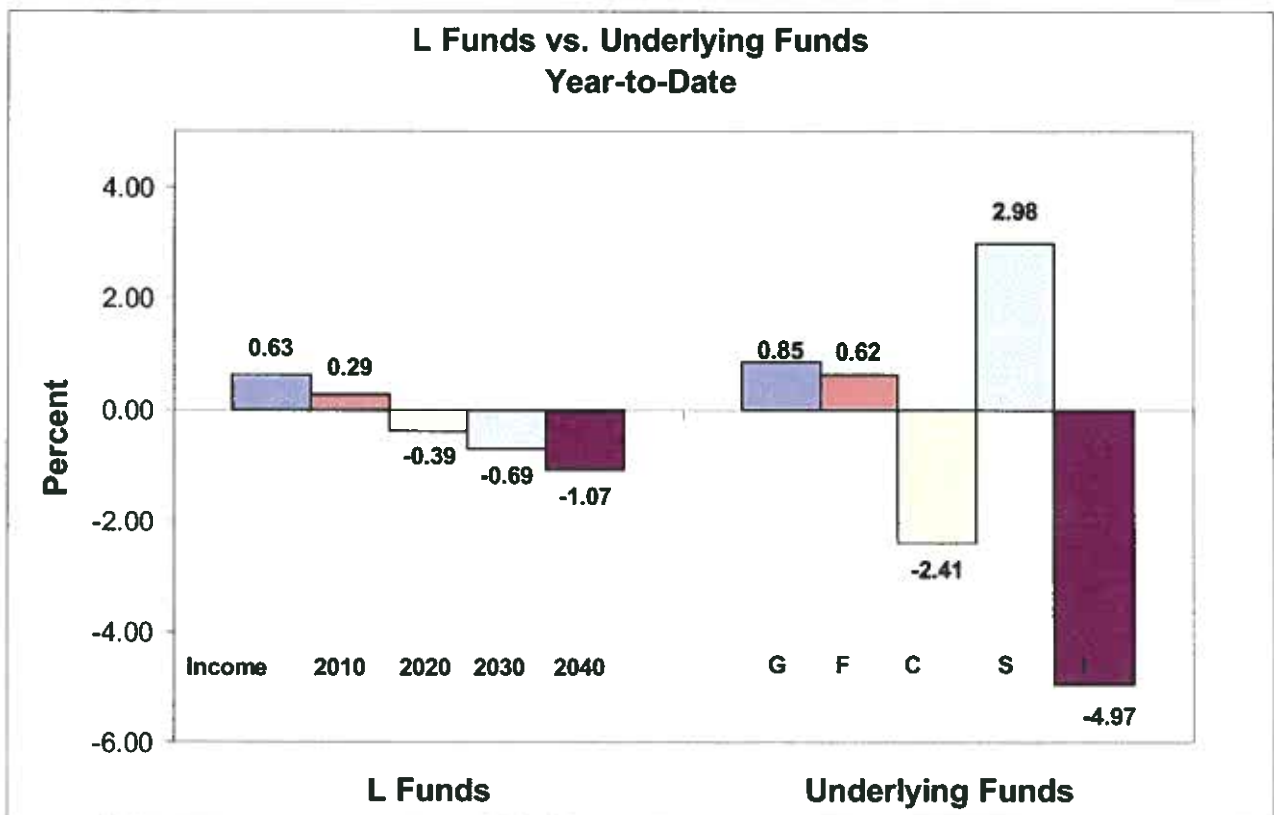
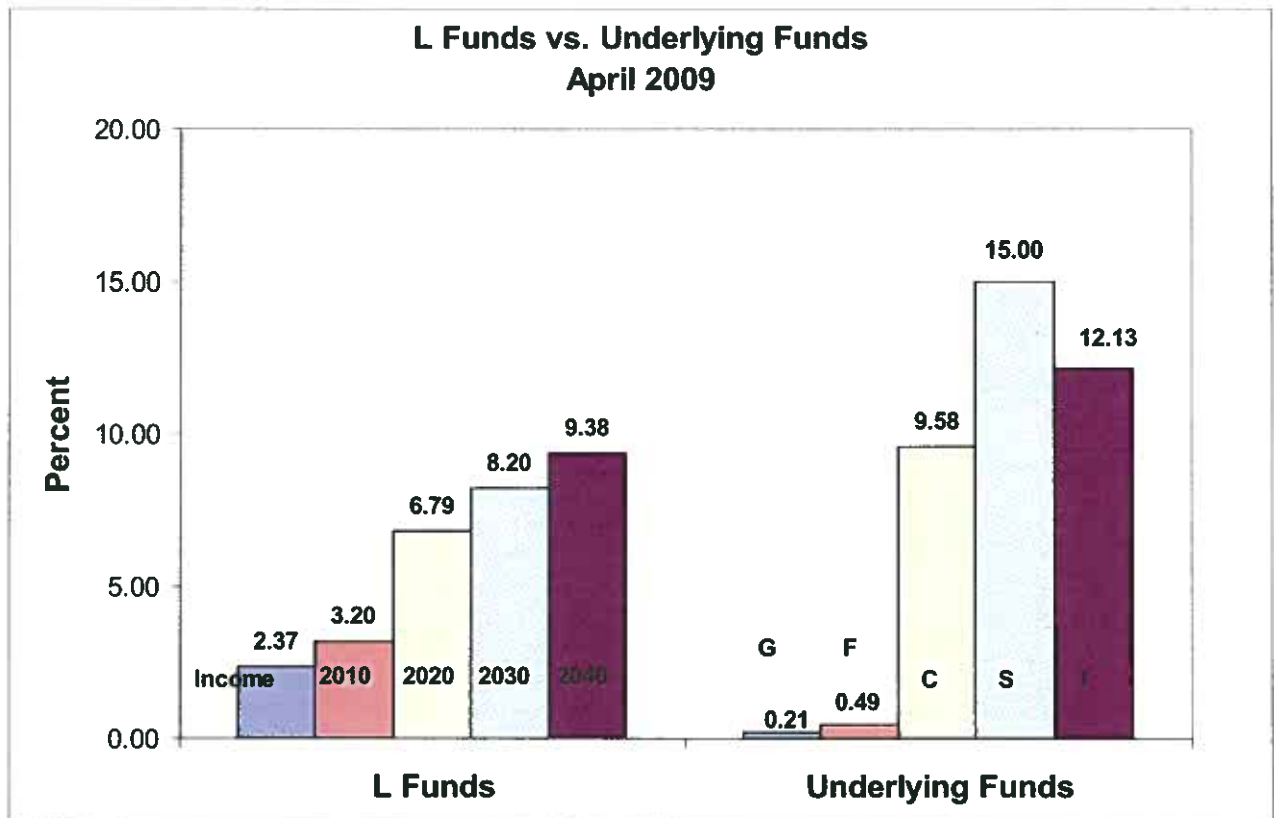
Total Return %

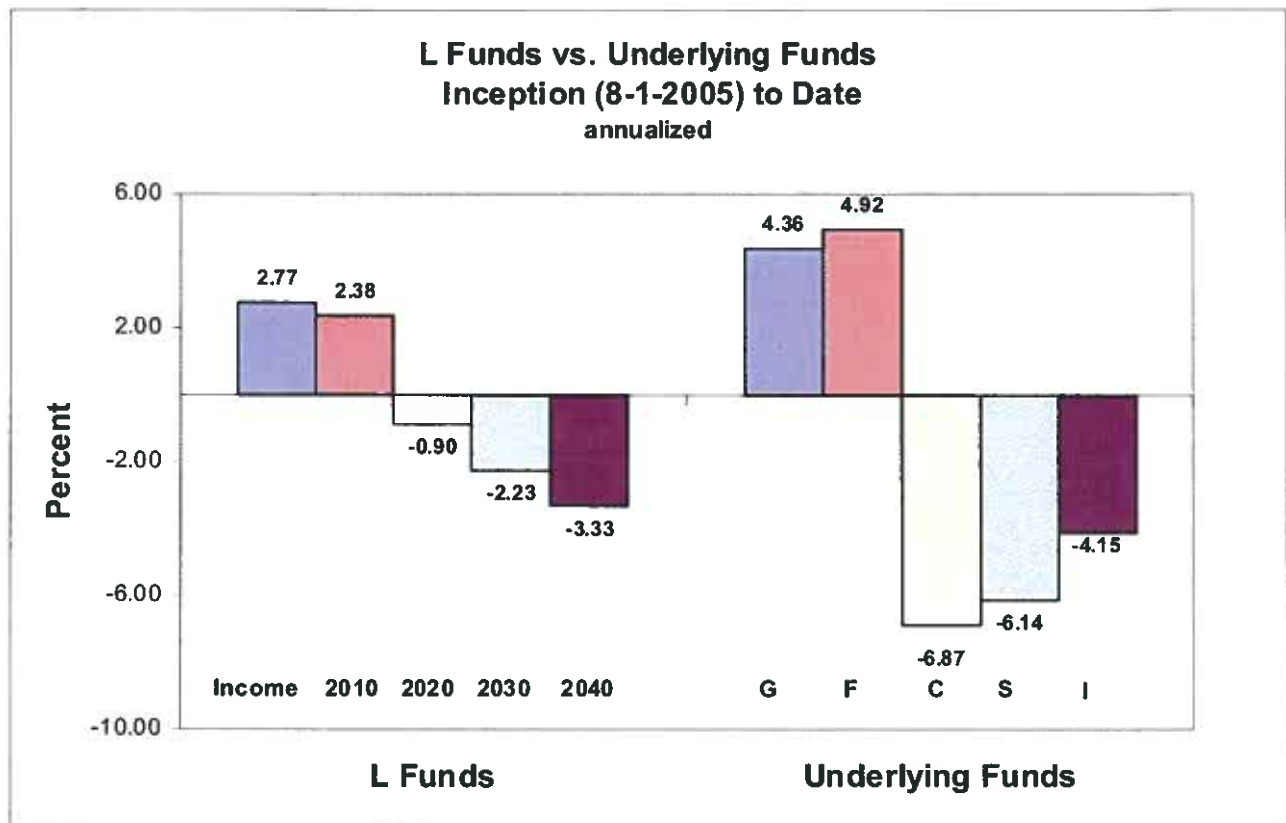
<u>Fund</u>	<u>TSP</u>	<u>Barclays</u>	<u>Difference</u>	<u>Index</u>
Fixed Income - F	0.62	0.62	0.00	0.59
Large Cap - C	-2.41	-2.40	-0.01	-2.49
Small Cap - S	2.98	3.08	-0.10	4.27
International - I	-4.97	-4.97	0.00	-2.92

The TSP Funds closely tracked the BGI 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. **Since inception, all of the L Funds have outperformed the C, S and I Funds.**





THRIFT SAVINGS PLAN MONTHLY INVESTMENT ACTIVITY

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

- Participants still have over 50% of their account balances allocated to the G Fund. (p. 10)
- The number of participants holding L Funds rose 7,000 in April, the largest increase since May 2008. (p. 8)

Attachments

THRIFT SAVINGS PLAN MONTHLY INVESTMENT ACTIVITY
Contributions and Interfund Transfers

	Monthly TSP Contributions							Interfund Transfer Activity						
Month end	G Fund (%)	F Fund (%)	C Fund (%)	S Fund (%)	I Fund (%)	L Funds (%)	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	40%	7%	39%	8%	6%	N/A	1,560	(397)	(156)	(326)	357	522	N/A	141,159
12/31/2005	36%	6%	35%	9%	8%	6%	1,560	(366)	(109)	(703)	27	359	792	140,242
12/31/2006	33%	5%	30%	9%	11%	11%	1,569	(448)	29	(593)	(143)	715	440	148,123
12/31/2007	33%	4%	27%	9%	13%	14%	1,619	17	(24)	(309)	0	72	244	133,550
1/31/2008	33%	4%	27%	9%	13%	14%	1,889	4,405	1,332	(1,839)	(1,204)	(2,295)	(399)	260,044
2/29/2008	34%	5%	26%	8%	12%	14%	1,684	810	242	(639)	(202)	(370)	159	137,320
3/31/2008	35%	5%	26%	8%	12%	14%	1,685	1,876	512	(999)	(417)	(720)	(252)	147,306
4/30/2008	36%	5%	25%	8%	12%	14%	1,835	152	67	(388)	(45)	69	145	108,103
5/31/2008	35%	5%	25%	8%	12%	15%	1,980	(465)	(403)	(36)	187	436	281	84,209
6/30/2008	35%	5%	25%	8%	12%	15%	1,748	1,127	(156)	(345)	(39)	(452)	(135)	93,523
7/31/2008	36%	5%	25%	8%	11%	15%	1,940	2,401	28	(826)	(359)	(831)	(413)	117,084
8/31/2008	37%	5%	24%	8%	11%	15%	1,689	383	(71)	(49)	119	(423)	41	67,910
9/30/2008	38%	5%	24%	8%	11%	14%	1,672	3,466	(7)	(1,073)	(483)	(1,158)	(745)	166,033
10/31/2008	42%	5%	23%	7%	9%	14%	2,123	4,291	(962)	(977)	(444)	(865)	(1,043)	267,859
11/30/2008	42%	5%	23%	7%	9%	14%	1,591	937	(289)	(222)	(51)	(120)	(255)	112,126
12/31/2008	43%	4%	23%	7%	9%	13%	1,936	308	56	(180)	(14)	(62)	(108)	76,194
1/31/2009	43%	5%	22%	7%	9%	13%	1,706	(155)	200	(71)	58	50	(82)	95,683
2/28/2009	44%	5%	22%	7%	9%	13%	1,749	2,011	(104)	(819)	(204)	(366)	(518)	121,203
3/31/2009	47%	5%	21%	6%	8%	13%	1,757	1,449	(238)	(565)	(110)	(218)	(318)	160,299
4/30/2009	47%	5%	21%	6%	8%	13%	2,091	(602)	(62)	143	185	148	188	92,651

THRIFT SAVINGS PLAN MONTHLY INVESTMENT ACTIVITY
L Fund Investment Balances and Number of Participants

	L Fund Investment Balances						Number of Participant Accounts with L Fund Balances					
Month end	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
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
5/31/2008	1,285	5,322	9,045	5,294	3,715	24,661	48,740	110,531	182,790	179,242	209,726	594,265
6/30/2008	1,253	5,144	8,603	5,038	3,506	23,544	49,196	110,471	182,826	180,282	210,864	595,863
7/31/2008	1,213	5,025	8,462	5,020	3,465	23,185	49,233	109,347	182,062	180,885	211,567	596,002
8/31/2008	1,207	5,039	8,574	5,113	3,535	23,468	49,630	109,774	183,625	182,679	213,977	600,227
9/30/2008	1,153	4,698	7,821	4,687	3,205	21,564	49,411	106,961	179,661	180,726	211,784	591,817
10/31/2008	1,010	4,093	6,672	4,017	2,690	18,482	47,848	102,385	173,631	177,783	208,447	582,738
11/30/2008	966	3,951	6,376	3,848	2,570	17,711	47,850	102,551	173,631	178,231	209,233	582,213
12/31/2008	968	4,001	6,593	4,031	2,725	18,318	48,139	103,507	174,922	179,855	211,196	584,468
1/31/2009	936	3,874	6,257	3,817	2,571	17,455	48,283	103,812	175,057	180,440	212,115	585,781
2/28/2009	882	3,606	5,731	3,529	2,365	16,113	48,249	102,518	172,157	179,328	210,798	580,588
3/31/2009	884	3,580	5,959	3,777	2,571	16,771	48,493	102,097	171,406	180,065	211,682	581,045
4/30/2009	913	3,741	6,526	4,207	2,912	18,299	49,177	104,066	174,862	183,280	215,109	588,039

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
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	43 / 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
5/31/2008	118,977	5%	27,189	4%	42,324	5%	36 / 6 / 30 / 7 / 10 / 11	43 / 6 / 29 / 5 / 8 / 9	37 / 4 / 17 / 13 / 14 / 15
6/30/2008	118,990	5%	26,849	4%	42,649	5%	38 / 6 / 29 / 6 / 10 / 11	45 / 6 / 28 / 5 / 7 / 9	39 / 4 / 16 / 12 / 14 / 15
7/31/2008	117,900	5%	26,107	4%	42,727	5%	40 / 6 / 28 / 6 / 9 / 11	46 / 6 / 27 / 5 / 7 / 9	40 / 4 / 16 / 12 / 13 / 15
8/31/2008	118,650	5%	25,952	4%	42,892	5%	40 / 6 / 29 / 6 / 8 / 11	47 / 6 / 27 / 5 / 6 / 9	39 / 4 / 16 / 13 / 13 / 15
9/30/2008	116,373	5%	24,973	4%	42,910	5%	43 / 6 / 27 / 6 / 8 / 10	51 / 6 / 25 / 4 / 5 / 9	42 / 4 / 16 / 12 / 11 / 15
10/31/2008	110,471	4%	22,635	4%	42,455	5%	49 / 6 / 24 / 5 / 6 / 10	57 / 6 / 22 / 3 / 4 / 8	47 / 5 / 14 / 10 / 10 / 14
11/30/2008	109,188	4%	21,955	4%	42,311	5%	52 / 6 / 23 / 4 / 5 / 10	58 / 6 / 21 / 3 / 4 / 8	49 / 5 / 14 / 9 / 9 / 14
12/31/2008	108,130	4%	21,470	4%	42,267	5%	50 / 7 / 22 / 5 / 6 / 10	58 / 6 / 21 / 3 / 4 / 8	48 / 5 / 14 / 9 / 10 / 14

1/31/2009	107,944	4%	21,032	4%	42,344	5%	53 / 7 / 22 / 4 / 5 / 9	60 / 6 / 19 / 3 / 4 / 8	50 / 5 / 13 / 9 / 9 / 14
2/28/2009	105,490	4%	19,855	3%	42,133	4%	56 / 7 / 19 / 4 / 5 / 9	62 / 7 / 18 / 3 / 3 / 7	53 / 5 / 12 / 8 / 9 / 13
3/31/2009	102,689	4%	18,823	3%	41,884	4%	55 / 7 / 20 / 4 / 5 / 9	63 / 6 / 18 / 3 / 3 / 7	50 / 5 / 13 / 9 / 9 / 14
4/30/2009	103,465	4%	18,839	3%	41,888	4%	53 / 6 / 22 / 5 / 5 / 9	60 / 6 / 20 / 3 / 4 / 7	48 / 5 / 13 / 10 / 10 / 14

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		
	FERS		CSRS		Uniformed Services		FERS (%)	CSRS (%)	Uniformed Services (%)
Month end	(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
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
5/31/2008	379	16%	66	11%	149	17%	4 / 19 / 39 / 23 / 15	10 / 43 / 34 / 7 / 6	2 / 6 / 20 / 34 / 38
6/30/2008	380	15%	66	11%	150	17%	5 / 19 / 38 / 23 / 15	11 / 42 / 34 / 7 / 6	2 / 6 / 20 / 34 / 38
7/31/2008	380	15%	64	11%	151	17%	4 / 19 / 38 / 24 / 15	11 / 42 / 34 / 7 / 6	2 / 6 / 20 / 34 / 38
8/31/2008	383	15%	64	11%	153	17%	4 / 18 / 39 / 24 / 15	11 / 43 / 33 / 7 / 6	2 / 6 / 20 / 34 / 38
9/30/2008	377	15%	62	10%	153	17%	5 / 19 / 37 / 24 / 15	11 / 43 / 33 / 7 / 6	2 / 6 / 20 / 34 / 38
10/31/2008	372	15%	58	10%	152	17%	5 / 19 / 37 / 24 / 15	11 / 44 / 33 / 7 / 5	2 / 7 / 20 / 34 / 37
11/30/2008	372	15%	57	10%	153	17%	5 / 19 / 37 / 24 / 15	11 / 45 / 33 / 6 / 5	2 / 7 / 20 / 34 / 37
12/31/2008	373	15%	57	10%	154	17%	5 / 19 / 37 / 24 / 15	11 / 44 / 33 / 7 / 5	2 / 7 / 20 / 34 / 37

1/31/2009	375	15%	56	10%	155	17%	5 / 19 / 37 / 24 / 15	11 / 45 / 33 / 6 / 5	2 / 7 / 20 / 34 / 37
2/28/2009	371	15%	54	9%	155	17%	5 / 19 / 37 / 24 / 15	11 / 45 / 33 / 6 / 5	2 / 7 / 20 / 34 / 37
3/31/2009	372	15%	53	9%	155	16%	4 / 19 / 38 / 24 / 15	11 / 45 / 33 / 6 / 5	2 / 7 / 20 / 34 / 37
4/30/2009	378	15%	54	9%	157	16%	4 / 18 / 37 / 25 / 16	11 / 43 / 33 / 7 / 6	2 / 6 / 19 / 34 / 39