



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

April 9, 2010

MEMORANDUM FOR BOARD MEMBERS SAUL, FINK, WHITING,
SANCHEZ, AND DUFFY

FROM: GREGORY T. LONG
EXECUTIVE DIRECTOR

SUBJECT: March 2010 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 March 2010, investment manager performance and tracking error, trading costs, TSP fund performance, and L Fund participation.

TRACKING ERROR – BlackRock Funds (BTC)

March Tracking Error

<u>Fund</u>	<u>% BTC FUND Performance</u>	<u>% Index Performance</u>	<u>Tracking Error</u>
Fixed Income	-0.11	-0.12	0.01
Large Cap	6.04	6.03	0.01
Small Mid Cap	7.38	7.33	0.05
International	6.28	6.24	0.04

2010 Tracking Error

<u>Fund</u>	<u>% BTC FUND Performance</u>	<u>% Index Performance</u>	<u>Tracking Error</u>
Fixed Income	1.82	1.78	0.04
Large Cap	5.41	5.39	0.02
Small-Mid Cap	9.90	9.81	0.09
International	0.84	0.87	-0.03

The **BlackRock** Funds closely tracked their underlying indices for the month of March and the year-to-date.

TRADING COSTS

	<u>DOLLAR AMOUNT TRADED</u>	<u>TRADING COSTS</u>	
		<u>\$</u>	<u>Basis Points</u>
<u>F Fund</u>			
March 2010	266,563,508	133,985	5.0
Year-to-Date	835,855,937	402,190	4.8
<u>C Fund</u>			
March 2010	658,464,877	113,827	1.7
Year-to-Date	2,028,843,527	90,179	0.4
<u>S Fund</u>			
March 2010	940,966,257	405,486	4.3
Year-to-Date	2,078,820,977	558,515	2.7
<u>I Fund</u>			
March 2010	459,423,727	271,501	5.9
Year-to-Date	1,556,874,307	(234,873)	(1.5)

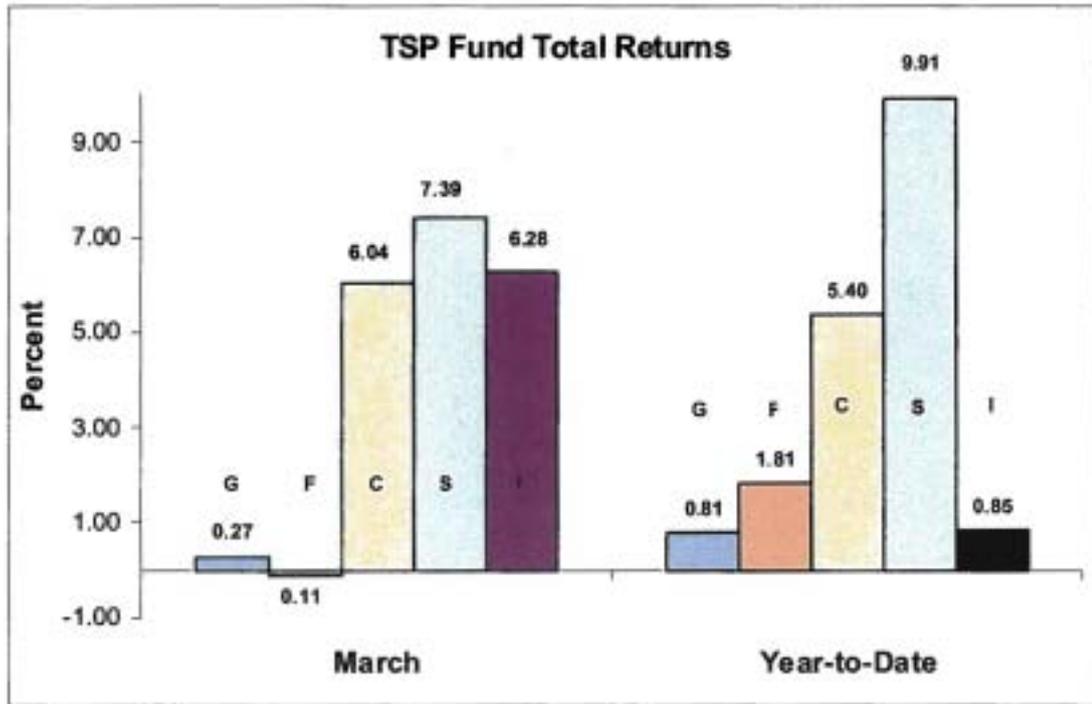
G FUND

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>2010</u>				
April	3.38%	.14%	3.83%	4.71%
March	3.13	.13	3.61	4.56
February	3.13	.08	3.59	4.49
January	3.50	.08	3.84	4.64
<u>2009</u>				
December	2.88	.05	3.20	4.19
November	3.13	.06	3.39	4.23
October	3.00	.08	3.31	4.05
September	3.25	.13	3.40	4.18
August	3.25	.18	3.48	4.30
July	3.25	.19	3.54	4.33
June	3.25	.14	3.46	4.34
May	2.88	.15	3.12	4.03
April	2.50	.20	2.67	3.54
March	2.88	.27	3.02	3.71
February	2.75	.13	2.84	3.60
January	2.13	.02	2.21	2.68

PERFORMANCE OF TSP FUNDS

The chart below shows the G, F, C, S, and I Fund net rates of return for March 2010 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 BlackRock funds.

**March 2010
Total Return %**

<u>Fund</u>	<u>TSP</u>	<u>BTC</u>	<u>Difference</u>	<u>Index</u>
Fixed Income	-0.11	-0.11	0.00	-0.12
Large Cap	6.04	6.04	0.00	6.03
Small Cap	7.39	7.38	0.01	7.33
International	6.28	6.28	0.00	6.24

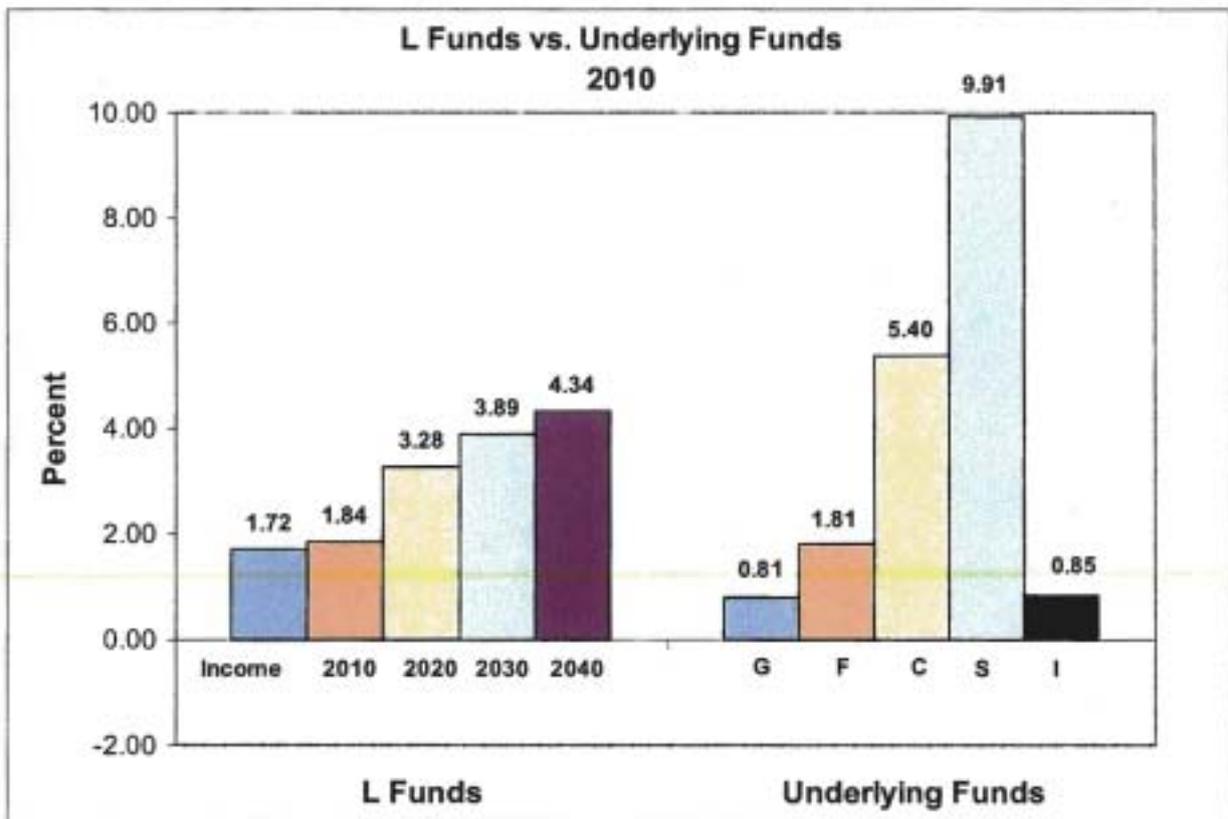
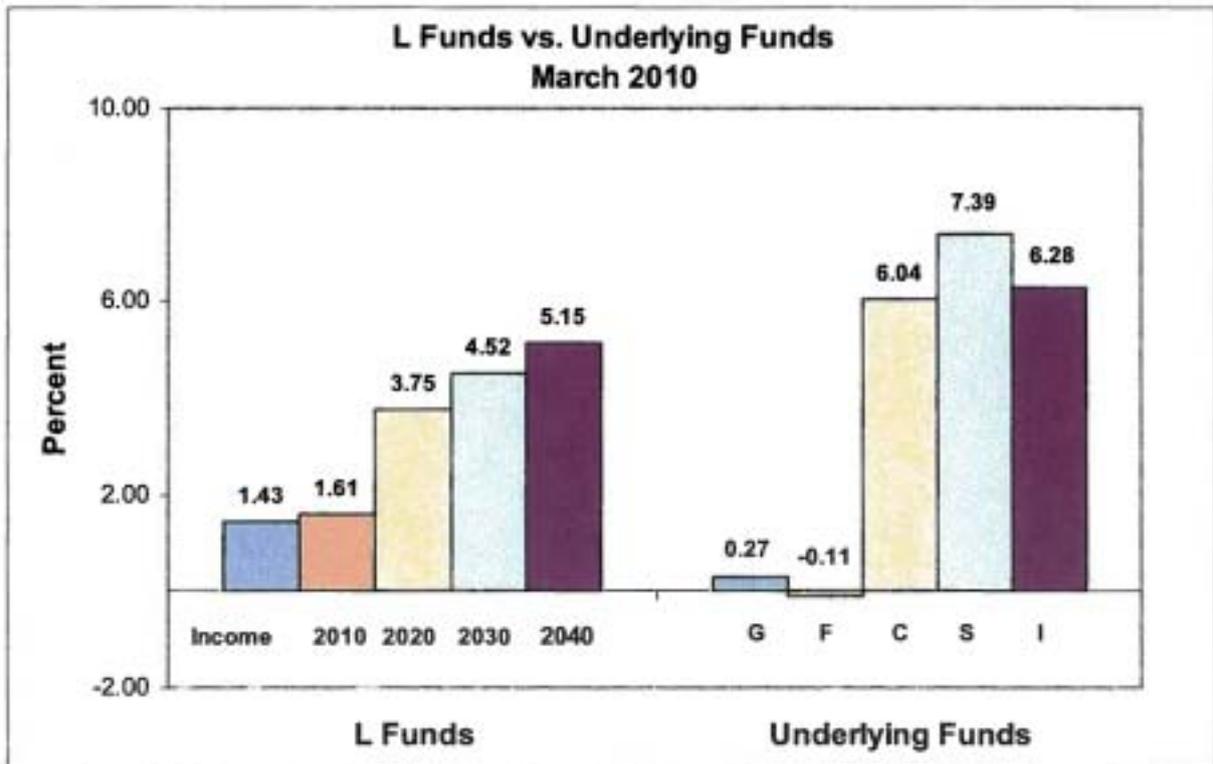
2010 Total Return %

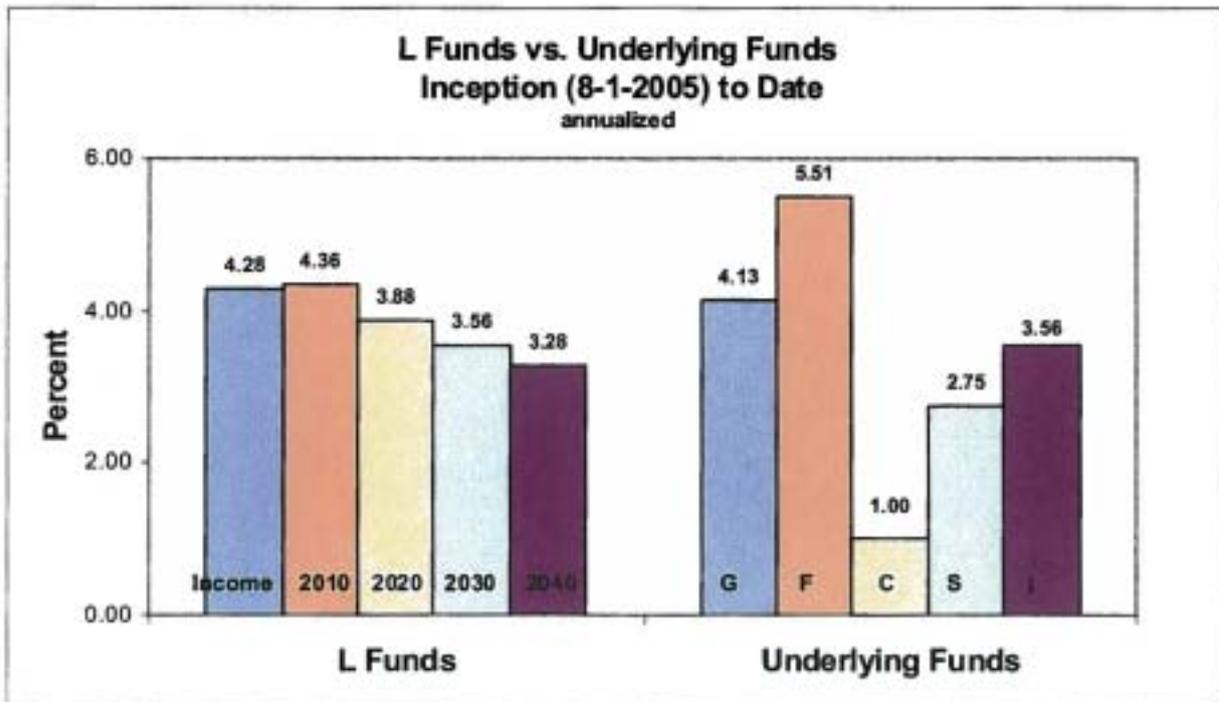
<u>Fund</u>	<u>TSP</u>	<u>BTC</u>	<u>Difference</u>	<u>Index</u>
Fixed Income	1.81	1.82	-0.01	1.78
Large Cap	5.40	5.41	-0.01	5.39
Small Cap	9.91	9.90	0.01	9.81
International	0.85	0.84	0.01	0.87

The TSP Funds closely tracked the BTC 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.





THRIFT SAVINGS PLAN MONTHLY INVESTMENT ACTIVITY

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

- Participants made over 120,000 interfund transfers in March as they moved \$1.3 billion from the G Fund to the C, S, and L Funds. (p. 8)
- A record 12% of FERS account balances and 17% of uniformed services account balances was invested in the L Funds. (p. 10)
- The number of participants with L Fund accounts approached 700,000 in March. (p.11)

PROXY VOTING

An audit of BTC's proxy votes voting conducted by RiskMetrics Group found no exceptions to BTC's established guidelines during the fourth quarter of 2009. A copy of the audit report is provided as Attachment 2. RiskMetrics' audit report for the first quarter of 2010 is not yet available. There were no changes to BTC's proxy voting policy in the fourth quarter.

RECOMMENDATION

The G Fund investments produce long-term yields while incurring no market risk. **I recommend reaffirmation of the current G Fund policy of investing solely in short-term maturities.**

The BlackRock U.S. Debt Index Fund E, Equity Index Fund E, Extended Market Index Fund E, and EAFE Equity Index Fund E have tracked their respective indices and have incurred low trading costs. Based on the performance of these funds, and the F, C, S, and I Funds' performance discussed above, **I recommend reaffirmation of the current F, C, S, and I Fund investment policies.**

WHEREAS the Federal Employees' Retirement System Act of 1986, as amended (5 U.S.C. § 8401 – et seq.) provides that the Board members shall establish policies for the investment and management of the Thrift Savings Fund (5 U.S.C. § 8472(f) (1) and (2)); and

WHEREAS the Board members at this meeting have reviewed the investment performance and investment policies of the Government Securities Investment Fund, the Fixed Income Index Investment Fund, the Common Stock Index Investment Fund, the Small Capitalization Stock Index Investment Fund, and the International Stock Index Investment Fund; and

WHEREAS the Board members are satisfied with the investment performance and investment policies of these Funds;

NOW THEREFORE BE IT RESOLVED that the current investment policies for the Government Securities Investment Fund, the Common Stock Index Investment Fund, the Fixed Income Index Investment Fund, the Small Capitalization Stock Index Investment Fund, and the International Stock Index Investment Fund are affirmed without change.

Attachments

THRIFT SAVINGS PLAN MONTHLY INVESTMENT ACTIVITY
Contributions and Interfund Transfers

Month end	Monthly TSP Contributions							Interfund Transfer Activity						
	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	(637)	(1,550)	(2,387)	1,515	3,059	N/A	1,409,778
12/31/2005	36%	6%	35%	9%	8%	6%	1,560	(1,169)	(1,159)	(7,602)	516	1,975	7,439	1,739,695
12/31/2006	33%	5%	30%	9%	11%	11%	1,569	(700)	(936)	(7,149)	(774)	3,704	5,855	2,112,668
12/31/2007	33%	4%	27%	9%	13%	14%	1,619	3,073	33	(6,652)	(1,505)	1,520	3,531	2,379,207
12/31/2008	43%	4%	23%	7%	9%	13%	1,936	19,691	349	(7,573)	(2,952)	(6,791)	(2,724)	1,637,711
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
5/31/2009	46%	5%	21%	7%	8%	13%	1,837	(1,507)	(80)	320	394	567	306	95,675
6/30/2009	45%	5%	22%	7%	8%	13%	2,097	(948)	(36)	74	143	533	234	90,730
7/31/2009	45%	5%	21%	7%	8%	13%	1,774	(288)	166	(120)	82	27	133	89,172
8/31/2009	45%	5%	21%	7%	9%	14%	1,768	(1,462)	68	218	323	525	328	112,852
9/30/2009	45%	5%	21%	7%	9%	14%	1,907	(894)	142	(61)	174	433	206	101,509
10/31/2009	44%	5%	21%	7%	9%	14%	2,117	(658)	172	(104)	143	221	226	107,237
11/30/2009	43%	5%	21%	7%	9%	14%	1,847	(150)	201	(172)	(119)	104	136	89,240
12/31/2009	43%	5%	21%	7%	9%	15%	2,019	(614)	(99)	106	225	63	319	81,386
1/31/2010	43%	5%	21%	7%	9%	15%	1,818	(439)	(104)	(31)	276	(19)	317	106,109
2/28/2010	42%	5%	21%	7%	9%	15%	1,862	518	200	(379)	(34)	(431)	126	93,229
3/31/2010	42%	5%	21%	8%	9%	15%	1,900	(1,317)	(56)	51	799	(146)	669	120,856

THRIFT SAVINGS PLAN MONTHLY INVESTMENT ACTIVITY
L Fund Investment Balances and Investment Allocations

Month end	L Fund Investment Balances						Allocation of L Fund Balances		
	Income (\$MII)	2010 (\$MII)	2020 (\$MII)	2030 (\$MII)	2040 (\$MII)	Total (\$MII)	FERS (%) Inc/2010/2020/2030/2040	CSRS (%) Inc/2010/2020/2030/2040	Uniformed Services (%) Inc/2010/2020/2030/2040
12/31/2005	542	2,235	3,092	1,362	664	7,895	6 / 24 / 41 / 20 / 9	13 / 50 / 30 / 4 / 3	2 / 8 / 23 / 36 / 31
12/31/2006	917	4,081	6,418	3,335	2,126	16,877	4 / 21 / 40 / 22 / 13	11 / 45 / 32 / 6 / 6	2 / 7 / 22 / 35 / 34
12/31/2007	1,237	5,326	8,801	4,970	3,547	23,881	4 / 19 / 39 / 23 / 15	10 / 42 / 34 / 7 / 7	2 / 6 / 21 / 34 / 37
12/31/2008	968	4,001	6,593	4,031	2,725	18,318	5 / 19 / 37 / 24 / 15	11 / 44 / 33 / 7 / 5	2 / 7 / 20 / 34 / 37
1/31/2009	936	3,874	6,257	3,817	2,571	17,455	5 / 19 / 37 / 24 / 15	11 / 45 / 33 / 6 / 5	2 / 7 / 20 / 34 / 37
2/28/2009	882	3,606	5,731	3,529	2,365	16,113	5 / 19 / 37 / 24 / 15	11 / 45 / 33 / 6 / 5	2 / 7 / 20 / 34 / 37
3/31/2009	884	3,580	5,959	3,777	2,571	16,771	4 / 19 / 38 / 24 / 15	11 / 45 / 33 / 6 / 5	2 / 7 / 20 / 34 / 37
4/30/2009	913	3,741	6,526	4,207	2,912	18,299	4 / 18 / 37 / 25 / 16	11 / 43 / 33 / 7 / 6	2 / 6 / 19 / 34 / 39
5/31/2009	953	3,905	7,022	4,564	3,200	19,644	4 / 17 / 38 / 25 / 16	11 / 42 / 34 / 7 / 6	2 / 6 / 19 / 34 / 39
6/30/2009	976	3,959	7,207	4,691	3,311	20,144	4 / 17 / 38 / 25 / 16	11 / 42 / 34 / 7 / 6	2 / 6 / 19 / 34 / 39
7/31/2009	1,007	4,094	7,714	5,069	3,615	21,499	4 / 17 / 37 / 25 / 17	10 / 42 / 35 / 7 / 6	2 / 6 / 19 / 34 / 39
8/31/2009	1,040	4,199	8,135	5,347	3,852	22,573	4 / 16 / 37 / 26 / 17	10 / 41 / 36 / 7 / 6	2 / 6 / 19 / 34 / 39
9/30/2009	1,081	4,283	8,500	5,635	4,090	23,589	4 / 16 / 37 / 26 / 17	10 / 41 / 36 / 7 / 6	2 / 5 / 19 / 34 / 40
10/31/2009	1,118	4,317	8,545	5,659	4,092	23,731	4 / 16 / 37 / 26 / 17	10 / 41 / 36 / 7 / 6	2 / 5 / 19 / 34 / 40
11/30/2009	1,151	4,410	8,945	5,960	4,337	24,803	4 / 15 / 38 / 26 / 17	10 / 40 / 37 / 7 / 6	2 / 5 / 19 / 34 / 40
12/31/2009	1,205	4,479	9,290	6,219	4,558	25,751	4 / 15 / 37 / 26 / 18	11 / 39 / 36 / 8 / 6	2 / 5 / 19 / 34 / 40
1/31/2010	1,250	4,467	9,310	6,197	4,534	25,758	4 / 15 / 38 / 26 / 17	11 / 38 / 37 / 8 / 6	2 / 5 / 19 / 34 / 40
2/28/2010	1,275	4,511	9,585	6,449	4,705	26,525	4 / 15 / 37 / 26 / 18	11 / 38 / 37 / 8 / 6	2 / 5 / 18 / 34 / 41
3/31/2010	1,374	4,646	10,317	6,964	5,113	28,414	4 / 14 / 38 / 26 / 18	11 / 37 / 38 / 8 / 6	2 / 5 / 18 / 34 / 41

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)	
	#	%	#	%	#	%	(G/F/C/S/I/L)	(G/F/C/S/I/L)	(G/F/C/S/I/L)	(G/F/C/S/I/L)	(G/F/C/S/I/L)	(G/F/C/S/I/L)	(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						
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						
5/31/2009	104,877	4%	18,995	3%	42,056	4%	51/6/22/5/6/10	59/6/20/4/4/7	46/5/13/10/11/15						
6/30/2009	106,146	4%	19,152	3%	42,279	4%	50/6/22/5/7/10	57/6/20/4/5/8	45/5/14/10/11/15						
7/31/2009	107,596	4%	19,281	3%	42,386	4%	48/6/23/6/7/10	56/6/21/4/5/8	45/4/14/10/11/16						
8/31/2009	110,025	4%	19,513	3%	42,730	4%	47/6/24/6/7/10	55/6/22/4/5/8	43/4/14/11/12/16						
9/30/2009	111,413	4%	19,650	3%	42,983	4%	45/6/24/6/8/11	53/6/23/4/6/8	43/4/14/11/12/16						
10/31/2009	113,061	4%	19,823	3%	43,248	4%	45/6/24/6/8/11	54/6/22/4/6/8	44/4/14/10/12/16						
11/30/2009	114,474	4%	19,897	4%	43,502	4%	44/6/25/6/8/11	53/6/23/4/6/8	42/4/15/11/12/16						
12/31/2009	116,137	4%	20,090	4%	43,720	4%	44/6/25/6/8/11	53/6/23/4/6/8	42/4/15/11/12/16						
1/31/2010	118,281	4%	20,351	4%	44,205	4%	45/6/24/6/8/11	52/6/23/5/6/8	43/4/15/11/11/16						
2/28/2010	119,943	4%	20,445	4%	44,599	4%	44/6/25/7/7/11	52/6/23/5/5/9	43/4/15/11/11/16						
3/31/2010	123,912	5%	21,145	4%	45,460	4%	42/6/25/7/8/12	49/6/24/6/6/9	41/4/15/12/11/17						

THRIFT SAVINGS PLAN MONTHLY INVESTMENT ACTIVITY
L Fund Participation

Month end	Participants with Balances in the L Funds						Number of Participant Accounts with L Fund Balances					
	FERS (000s) %		CSRS (000s) %		Uniformed Services (000s) %		Income	2010	2020	2030	2040	Any L Fund
12/31/2005	138	6%	33	5%	44	7%	16,915	46,517	67,777	55,164	50,848	214,779
12/31/2006	273	12%	57	9%	103	14%	34,698	87,845	137,155	124,086	132,325	433,025
12/31/2007	359	15%	68	11%	139	17%	45,093	108,073	175,838	168,215	196,888	566,232
12/31/2008	373	15%	57	10%	154	17%	48,139	103,507	174,922	179,855	211,196	584,468
1/31/2009	375	15%	56	10%	155	17%	48,283	103,812	175,057	180,440	212,115	585,781
2/28/2009	371	15%	54	9%	155	17%	48,249	102,518	172,157	179,328	210,798	580,588
3/31/2009	372	15%	53	9%	155	16%	48,493	102,097	171,406	180,065	211,682	581,045
4/30/2009	378	15%	54	9%	157	16%	49,177	104,066	174,862	183,280	215,109	588,039
5/31/2009	383	15%	54	9%	158	17%	50,011	105,967	177,921	186,083	218,449	595,315
6/30/2009	388	15%	55	9%	159	17%	50,498	107,099	180,519	188,490	221,364	601,850
7/31/2009	392	15%	55	10%	160	17%	50,842	107,948	182,661	190,481	223,997	606,828
8/31/2009	399	15%	56	10%	161	17%	51,363	108,847	185,678	193,500	228,299	615,835
9/30/2009	404	15%	56	10%	162	17%	51,823	109,315	187,915	196,265	232,005	623,066
10/31/2009	412	15%	57	10%	163	17%	52,676	110,046	190,475	199,246	236,077	631,869
11/30/2009	418	15%	57	10%	164	17%	53,156	110,474	192,795	202,022	239,947	639,034
12/31/2009	424	16%	57	10%	165	17%	53,770	110,879	195,500	204,995	244,145	647,040
1/31/2010	431	16%	58	10%	167	17%	54,564	111,110	198,178	207,844	247,913	657,364
2/28/2010	437	16%	58	10%	168	17%	55,141	111,453	200,516	211,250	251,769	663,525
3/31/2010	450	16%	60	11%	171	17%	56,528	112,319	206,175	217,167	259,339	680,887



RiskMetrics Group

2099 Gaither Road
Rockville, MD 20850

January 13, 2010

Mr. Chad Spitzer
Director
PMG – Corporate Governance
BlackRock
400 Howard Street
San Francisco, CA 94105

Dear Chad,

Enclosed are the results of our review of proxy votes by BlackRock for the 4th quarter of 2009. Our review found that there were no exceptions to policy over this period.

Best regards,

Steven E. Friedman
Chief Legal Officer

sef/awk/encl.

cc: Richard Reynics, Ryan Myers, Pearl Wong, Cassie Traeger, Adrian Kosinda



RiskMetrics Group

2099 Gaither Road
Rockville, MD 20850

MEMORANDUM

The results of our review of BLK's 4th quarter proxy voting are as follows:

- Votes at 51 meetings were examined.
- Votes at 19 of the 51 meetings were for directors and/or auditor only.
- At the remaining 32 meetings, there were 53 non-director/auditor proposals. The following table illustrates the votes involved by proposal type:

Proposal	Votes
Executive stock option plan	13
Employee share purchase plan	2
Section 162(m)	2
Stock option exchange program	3
Reverse stock split	2
Increase common stock	6
Increase preferred stock	1
Issue shares for private placement	1
Conversion of securities	1
Issue shares in connection with acquisition	1
Merger and/or reorganization	3
Adjourn meeting	6
Declassify board of directors	2
Reduce supermajority vote requirement	1
Continue fund in current form	1
Amend bylaws	2
Other business	1
Shareholder proposal	5
Total:	53

- There were 13 votes cast on executive stock option plans:
 - a) 10 votes were cast in favor of the plans (76.9 percent)
 - b) 3 votes were cast against the plans (23.1 percent), all of which were opposed as plans permit repricing without shareholder approval.

- There were 6 votes cast on proposals to increase authorized common stock:
 - a) 5 votes were cast in favor of the increases (83.3 percent)
 - b) 1 vote was cast against the increases (16.7 percent), as requested increase was not consistent with capital structure without clearly defined reason for substantial change.

- There were 3 votes cast on proposals to approve stock option exchange programs:
 - a) 1 vote was cast in favor of the programs (33.3 percent)
 - b) 2 votes were cast against the programs (66.7 percent)
 - i) 1 program was opposed as it provided for executive officer participation;
 - ii) 1 program was opposed as it was determined that the decline in company stock price was not the result of macroeconomic factors and was significantly greater than its peers.

- There were 3 votes cast on mergers or major corporate transactions; all votes were cast in favor of the mergers.

- There were 5 votes cast on shareholder proposals which included:
 - a) 1 shareholder proposal to amend bylaws to establish board committee on human rights;
 - b) 1 shareholder proposal to establish mandatory age limit for election or appointment of directors;
 - c) 1 shareholder proposal to report on internet fragmentation;
 - d) 1 shareholder proposal to adopt advisory resolutions on compensation committee reports; and
 - e) 1 shareholder proposal to adopt policy prohibiting medically unnecessary veterinary training surgeries.

There were no exceptions to policy this period.