



Highlights

for Thrift Savings Plan Participants

MAY 1992

TSP Open Season:

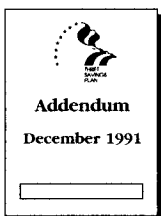
May 15 - July 31

Ask your personnel office for the Election Form (TSP-1) to start or change your contributions.

Happy Fifth!

April 1 marked the fifth birthday of your Thrift Savings Plan, which was established in 1987. With 1.8 million participants, the TSP has become the nation's largest retirement savings plan. There are now over 1.1 million active FERS participants, with .7 million contributing their own money, and over .5 million active CSRS contributors. The Thrift Savings Fund has grown to over \$12 billion.

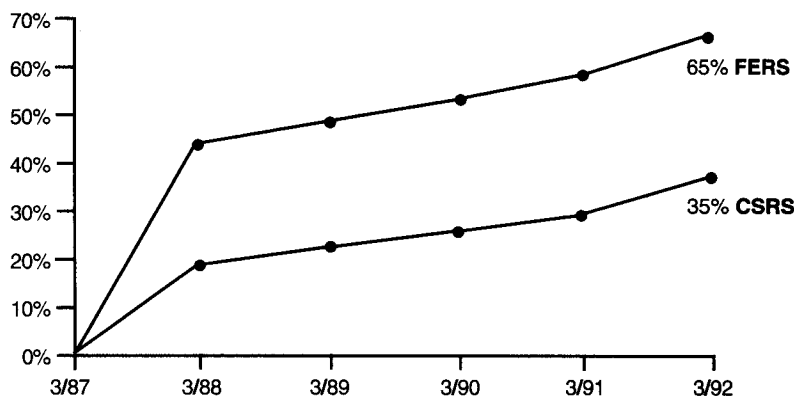
Contributors still increasing. As Federal employees consider the advantages of the TSP, a growing percentage of them are deciding to contribute to the Plan:



New information about withdrawals,

including important tax information, was published in the December 1991 Addendum to the booklet "Withdrawing Your TSP Account Balance" (8/89). If you are a separated participant, contact the TSP Service Office at the address on your Participant Statement to receive a copy of the Addendum. If you are an active employee, ask your personnel office for a copy. The Addendum is an important supplement to the Withdrawal Booklet.

Percentage of Eligible Employees Who Contribute Their Own Money to the TSP



1992 IRS Limit: \$8,728

If you are a FERS employee who makes more than \$87,280 a year, you may reach the IRS limit on your TSP contributions before the end of the year and lose Agency Matching Contributions. Ask your personnel office for the TSP Fact Sheet, "Annual Limit on Elective Deferrals." The Fact Sheet will help you calculate the maximum amount you can contribute each pay period and still receive full Agency Matching Contributions.

As the chart shows, approximately 65% of FERS participants are now contributing their own money and receiving matching contributions from their agencies.

CSRS employees do not receive agency contributions but are attracted to the TSP for its tax advantages and investment choices. Approximately 35% of CSRS employees are contributing to the TSP.

Investments more diversified. The TSP offers participants investment opportunities in Government securities (the G Fund), stocks (the C Fund), and bonds (the F Fund). When the TSP began in April 1987, all contributions were required to be invested in the G Fund.

Beginning in January 1988, FERS participants were given the opportunity to invest a portion of their accounts in the new C and F Funds. In January 1991, all restrictions on C and F Fund investments were lifted, for both FERS and CSRS employees. This means

(Continued on page 2)

? Participants Ask

Q How can I track the performance of the C and F Funds?

A The TSP Highlights is your best source for a semiannual update of historical returns. The 10-year returns of the indexes tracked by the C and F Funds and the securities held by the G Fund are provided on pages 3 and 4 of every issue of the Highlights.

Monthly and 12-month returns are provided in the TSP Fact Sheet "C, F, and G Fund Monthly Returns," which is distributed to agency personnel offices each month. This information is also available on the TSP Inquiry Line at (504) 255-8777.

Many daily newspapers report the performance of the S&P 500 stock index. This can help you follow the performance of the C Fund, which tracks the S&P 500 index. The C Fund returns include dividends, but the daily S&P 500 index values do not. Thus, the percentage change in the closing index value from the end of one month to the end of the next month approximates the return of the C Fund before dividends. The effect of dividends on returns varies from month to month and has added on average approximately .25% to .30% per month to the S&P 500 index return figures in recent years. In March 1992 the percentage change in the value of the S&P 500 index (before dividends) was -2.18%, compared to the actual C Fund return of -1.91%.

The F Fund tracks the Shearson Lehman Brothers Aggregate

Participants Ask *Continued*

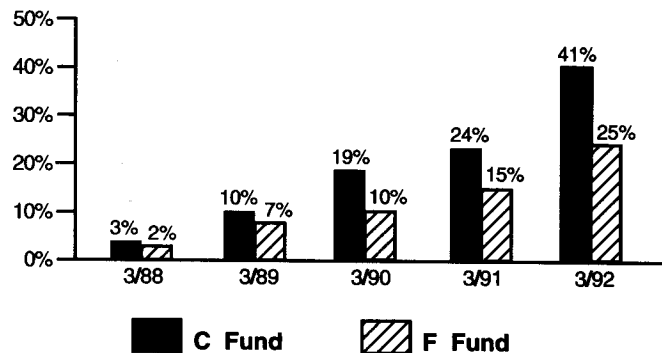
(SLBA) bond index. Newspapers do not currently publish values for the SLBA index; but, as explained on page 4, F Fund returns generally move in the opposite direction of market interest rates.

When making your investment decisions, you should consider the characteristics of the three TSP Funds, including their risks and advantages, as well as their long-term investment performance. We welcome the interest that participants have expressed in tracking the value of their accounts. However, the Board does not recommend that you make investment decisions on the basis of recent monthly TSP returns. A longer term view of investment returns is generally regarded as a more prudent basis for investment decisions. ☛

Happy 5th! *Continued from page 1*

that participants can now invest all or any portion of their TSP accounts in any of the three TSP Funds. The following chart shows the growth in the percentage of contributing participants who invest some of their account balances in the C or F Fund:

Percentage of Contributing Participants Who Invest in the C or F Fund



The TSP Inquiry Line Gives You . . .

(504) 255-8777
(not a toll-free number)

- Most recent rates of return for the G, C, and F Funds
- Balance of your account in each of the three Funds
- Amount you may be eligible to borrow (if employed)
- Current TSP loan interest rate
- Status of your withdrawal request (if separated)
- Interfund Transfer Request Forms (TSP-30)

All you need to use the Inquiry Line is a Touch-Tone telephone, your Social Security number, and your Personal Identification Number (PIN), which is printed on the front of your Participant Statement. (If you're only calling for the rates of return, you won't need these numbers.)

Telecommunications Device for the Deaf (TDD)

(504) 255-5113
(not a toll-free number)

Monday through Friday, 7:45 a.m. - 4:15 p.m. (Central Time).

Thrift Savings Plan Investment Information

The Thrift Investment Board manages the G Fund. The Board has contracts with Wells Fargo Institutional Trust Company (Wells Fargo), a company jointly owned by Wells Fargo Nikko Investment Advisors and Wells Fargo and Co., to manage C and F Fund assets.

Following is a brief description of the three TSP Funds. For more information about the G, C, and F Funds, see the *Summary of the Thrift Savings Plan for Federal Employees*.

Government
Securities
Investment
Fund

The G Fund is invested in short-term nonmarketable U.S. Treasury securities that are specially issued to the TSP. The G Fund interest rate equals the average of market rates of return on U.S. Treasury marketable securities outstanding with four or more years to maturity. There is no credit risk (risk of nonpayment of principal or interest) for the Treasury securities in the G Fund. In addition, market risk (the risk that investments may fluctuate in value as interest rates change) is minimized by the Board's current policy of investing the G Fund in short-term rather than longer-term securities.

The table to the right presents the calendar-year total rates of return for the last ten years for G Fund related securities, based on the monthly rates (compounded) for such securities. The table also shows the actual 1988 - 1991 G Fund rates of return, after deducting administrative expenses of the Plan. Plan expenses reduced the 1991 return by 0.13%, or \$1.30 for every \$1,000 of G Fund account balance. There is no assurance that future rates of return for the G Fund will resemble any of these rates.

The C Fund is invested in the Wells Fargo Equity Index Fund, a commingled fund that tracks the Standard & Poor's (S&P) 500 stock index. The C Fund gives participants the opportunity to diversify their investments and to earn the relatively high investment return that

Common
Stock Index
Investment
Fund

Year	G Fund	Related Securities
1982		13.56%
1983		11.61%
1984		13.13%
1985		11.33%
1986		8.29%
1987		8.73%
1988	8.81%	9.19%
1989	8.81%	9.01%
1990	8.90%	8.97%
1991	8.15%	8.26%
1982 - 1991 average annual rate of return		10.19%

stocks sometimes provide, while lessening the effect that the poor performance of an individual stock or industry will have on overall investment performance. The risk of investing in the C Fund is that the value of stocks can decline sharply. The total return on the C Fund could be negative, resulting in a loss.

The table below presents the calendar-year total rates of return for the Wells Fargo Equity Index Fund and the S&P 500 stock index for the last ten years. The table also shows the 1988 - 1991 C Fund rates of return (after deducting expenses). TSP administrative expenses and C Fund investment management fees reduced the 1991 C Fund return by 0.15%, or \$1.50 for every \$1,000 of C Fund account balance. There is no assurance that future rates of return for the C Fund will resemble any of these rates.

(Continued on page 4)

Year	C Fund	Wells Fargo Equity Index Fund	S&P 500 Index*
1982		21.52%	21.09%
1983		22.37%	22.36%
1984		6.55%	6.12%
1985		32.32%	32.02%
1986		18.49%	18.55%
1987		5.23%	5.23%
1988	11.84%**	16.60%	16.83%
1989	31.03%	31.61%	31.53%
1990	-3.15%	-3.19%	-3.18%
1991	30.77%	30.42%	30.57%
1982 - 1991 average annual rate of return		17.61%	17.53%

* Calculated by Wilshire Associates.

** The first C Fund investment in the stock market occurred on January 29, 1988.

Investment Information

Continued from page 3

Fixed Income
Index
Investment
Fund

The F Fund is invested in the Wells Fargo U.S. Debt Index Fund, a commingled fund that tracks the Shearson Lehman Brothers Aggregate (SLBA) bond index. This index consists primarily of high-quality fixed-income securities representing the U.S. Government, corporate, and mortgage-backed securities sectors of the U.S. bond market.

The F Fund offers the opportunity for increased rates of return in periods of generally declining market interest rates. At such times, the values of the longer-term securities held in the F Fund should increase, unlike those of the short-term securities held in the G Fund. The F Fund has the potential for negative returns (when market interest rates are increasing), which could result in a loss.

The table to the right presents the calendar-year total rates of return for the Wells Fargo U.S. Debt Index Fund and the SLBA bond index for the last ten years. The table also shows the 1988-1991 rates of return for the F Fund (after deducting expenses). TSP administrative expenses and F Fund investment management fees reduced the 1991 F Fund return by 0.16%, or \$1.60 for every \$1,000 of F Fund account balance. There is no assurance that future rates of return for the F Fund will resemble any of these rates.

Year	F Fund	Wells Fargo U.S. Debt Index Fund*	SLBA Bond Index**
1982			32.62%
1983			8.35%
1984			15.15%
1985			22.11%
1986			15.26%
1987		2.52%	2.76%
1988	3.63%***	7.93%	7.89%
1989	13.89%	14.45%	14.53%
1990	8.00%	8.89%	8.96%
1991	15.75%	16.03%	16.00%
1987 - 1991 average annual rate of return			9.92%
1982 - 1991 average annual rate of return			14.09%

* Established in July 1986. Prior to January 1990, the Wells Fargo U.S. Debt Index Fund tracked the Salomon Brothers Broad Investment Grade index.

** Calculated by Shearson Lehman Brothers, Inc.

*** The first F Fund investment in the bond market occurred on January 29, 1988. Through December 1990, the F Fund was invested in the Wells Fargo Bond Index Fund, which tracked the Shearson Lehman Brothers Government/Corporate bond index.

Recent performance of the TSP Funds. The monthly rates of return (after expenses) for the 12 months through March 1992 are presented below. These rates of return are used in crediting earnings to your account each month:

Month	G Fund	C Fund	F Fund
1991			
April	0.66%	0.18%	1.05%
May	0.68%	4.30%	0.57%
June	0.66%	-4.49%	-0.01%
July	0.69%	4.63%	1.40%
August	0.69%	2.37%	2.12%
September	0.64%	-1.63%	1.99%
October	0.62%	1.39%	1.09%
November	0.61%	-3.96%	0.89%
December	0.62%	11.41%	2.96%
1992			
January	0.57%	-1.89%	-1.35%
February	0.56%	1.29%	0.66%
March	0.62%	-1.91%	-0.53%
12 months	7.89%	11.19%	11.32%

TSP Accounts

as of 3/31/92

G Fund \$ 10,370 million
 C Fund \$ 1,385 million
 F Fund \$ 414 million

Total accounts \$ 12,169 million



Have we been properly introduced?

If you're an active employee, all the account information that we have about you comes from your agency. Most of what we know about you is printed on your Participant Statement. If you notice an error in your name, address, Social Security number, date of birth, TSP service computation date, retirement classification, contributions, etc., contact your agency employing office immediately.

If you have left Federal service and you see an error in your name, address, Social Security number, or date of birth, notify the TSP Service Office at the address on the front of your statement. However, notify your former agency if there is an error in your TSP service computation date, retirement classification, contributions, or other information.